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PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD MARCH 14, 1967

Reported by:

Alex C. Kaempfer, CSR

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

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GOVERNOR REAGAN: Well, no profound utterances to send you all rushing to stop the press or anything. Just fire away.

Q Governor, have you agreed to the \$255 million figure for the University of California budget?

A I can't give you an answer to that right now. I know that we're still now trying to wrap up the last details of the budget and the university figure, and I don't honestly know, just having gotten back, where they are even in that.

Q Governor, three weeks ago Senator Collier wrote you regarding the status of the seven parks to be purchased from bond funds and particularly about Salt Point. I wondered whether you had any plans to add Salt Point or any other park purchase to this year's budget?

A You know, I couldn't give you an answer on that one because that's still over in the park department and I don't have any information on that.

Q There's still a chance then?

A I guess so.

Q Governor, can we go back on that higher education for a second? We understood there was an agreement between your administration and the state college staff on the support budget for the state colleges. What figure did you finally decide upon?

A They're tying up the last details of that today

and there will be hopefully, I'm very confident of a statement tomorrow when that's finally tied up. And you'll have all the details at that time.

Now, I hope that isn't going to be like the budget and suddenly I'll be double-crossed and it won't be tomorrow. But this was their target.

Q Governor, did you come to any agreement with these university panels today about the scholarship and graduate fellowship programs for the private colleges and universities?

A Well, there is still discussion going on with regard to the fellowships, the post-graduate; but yes, it's my understanding, as far as the scholarship program is concerned, which I think is a good investment, that's back in the budget.

Q Governor, the last few days you've had a chance to talk with many of the national leaders of the Republican Party --

SQUIRE BEHRENS: Wait a minute, will you finish up on the university first? Anyone got any more questions on education before we go into politics?

Q I had one more on the university. Regent Symons is going to ask at the meeting in San Francisco Thursday that you raise that figure to 264 million. What will be your position?

A Well, my position is this, that the regents made it plain at the last meeting that they did have funds available and which could be used over and above the general fund for whatever they feel might be necessary. This has always been the case in that matter.

We can only go by what is finally decided is the maximum that we can possibly provide and we will provide all that we can from the general fund. Now, if the regents want to go with additional regents funds over and above the 19½ million which they've already pledged, this is up to the regents.

Q Governor --

A Now, are we through with that one?

SQUIRE BEHRENS: One more.

A Are you still on this?

Q Governor, do you have any reaction to the reprieve of Mr. LaVergne?

SQUIRE BEHRENS: Let's finish on education first, if we have any.

A Well, I can answer that one very briefly, and then we'll get back to education, if there's another question.

No, I think that as long as this is now before the courts it would be wrong for me to comment. And it's now a matter before the United States Supreme Court.

Q Governor, Charles Warren says how can you grant clemency when you didn't actually attend the clemency hearing. Do you feel you can grant clemency and not attend the hearing?

A Oh, I don't think it's necessary to attend a clemency hearing in person. I know that some Governors have in the past and some have not here in our State. I'm one that does not. I'm not a lawyer. A great deal of the material at a clemency hearing is what is advanced by lawyers and represented by legal advice there and then a full report is brought to me with regard to all that's been presented, and full consideration is given.

And I don't believe it's necessary. As a matter of fact, I decided not to be there. But now wait a minute here, is there any more on the education thing here?

Q I want to go to another question on LaVergne as long as we're on that, Governor.

A Now, wait a minute. I think the Squire is right. Let's wind up the education thing and then get back to these others then.

Q Back on the U.C. then, apparently the university is proceeding with admissions and recruiting on the basis of that 255 million figure even though you have not approved it. Is that safe or is that somewhat dangerous?

A Well, they did that with the understanding again in the regents' meeting when they decided to go ahead on a 255 basis, they did it with the understanding that whether or not funds were available from the general fund, the regents

would guarantee regents' funds to a budget of that size.

Q Governor, there have been published reports that you endorsed the idea of tuition even for public elementary schools. Do you take exception to that?

A I sure do. That was explained a couple of weeks ago here in this press conference regarding some man's letter and I evidently didn't do a good enough job of construction in my reply to his letter to where evidently he has misinterpreted this to mean that I was endorsing his position in which he favored such tuition.

This is not my position. I have never intended it to be so. Maybe I'm going to have to take the time to have my letters read back to me after I finish dictating them.

I can't help but wonder if the individual who sent me that letter who seems to be so busy circulating it, if he didn't have in mind trying to create some misunderstanding with the letter.

Q Are you accusing the newspapers and publishers of that?

A Well, I'm saying that the most recent publishing was in spite of the fact that it was explained here fully in answer to a question a couple of weeks ago.

Q Governor, does that opposition to public school tuition concept in your mind extend also to the junior colleges? Are you also flatly opposed to tuition at junior colleges?

A Well, I do at the present time, although for one basic reason I don't suppose you could put the same philosophic interpretation on that as you do on the colleges and universities in that they too are voluntary.

You see, up through high schools to the 12th grade you have the situation of compulsory attendance and therefore it's kind of a moral obligation with regard to whether you can compel them to go and put a price of admission on it. But even so I do not at this time and I certainly do not foresee advocating tuition for junior colleges.

Q Governor, isn't it true that you're only compelled to go to school until you're about 16 years of age? That would take your junior and senior years in high school not on a compulsory basis?

A Well, if there's a technicality on that, no. Actually 17 is supposed to be a normal six years from first on, supposed to be your graduation year. I don't know exactly the technical requirements but I still feel that public schools all the way through high school certainly should not have tuition.

Q A spokesman for the American Association of Junior Colleges has said that tuition at the junior college level is inevitable because of your proposal at college and University of California levels. Do you agree with that?

A No, I hadn't given much thought about that. I didn't really mean with all of the problems we're having out here with our budget to affect education on a national scale; but no, I don't think so.

Q He was referring to California and your proposals and what effect they will have on the junior colleges in California.

Q No, I don't think that necessarily follows.

Q Can we change the subject?

A Well, if you're going to change the subject, I'm morally obligated to call on Mike here. He had his hand up for the first question.

Q Governor, you had a chance to confer with leaders of your party in the last few days, major leaders, and I wonder, based on the conversations you had with them, would you give us your assessment of the party's chances to win the presidency in 1968, based on what you learned from them?

Q Well, I don't know whether it's just necessarily from conversations with them. I just believe we have a very good chance. I think that the Republican Party, if it will only read the winds correctly of the last election nationwide November 8th will recognize that a great deal of that vote was a protest vote against what's been going on.

Certainly it was at the minimum a vote for at least

slowing down and taking an evaluation of the trends of the day, and I think if the Republicans can come forward as I'm sure they can with a positive program, they'll find millions of people of both parties who will follow them to the polls once again in '68.

Q If your favorite son candidacy should result in your own nomination, do you think you'd win in 1968?

A My favorite son candidacy is just to preserve the 11th Commandment in California and hope it will spread farther, so I just couldn't -- you ask me to conjecture in a field where my imagination can't even go.

Q Governor, have you had assurance from Dr. Parkinson that his new job -- are you sure that Mr. Nixon won't enter the California primary?

A I have no word that would indicate that he would. As a matter of fact, Doc Parkinson told me about what he was going to do in this regard, and I'm quite sure had there been anything of that kind in mind, he would have told me. I don't expect that if I'm a favorite son that there'll be any race of that kind.

Q Aren't you afraid that a primary next year between Senator Kuchel and Dr. Rafferty might produce the same sort of divisive battle that you're trying to avoid by being a favorite son?

A Well, I'm just confident that whoever the candidates are in that race here in California that they too will have enough party responsibility to abide by the 11th Commandment, and it is possible to have primaries without bitt~~er~~ness and divisiveness.

Q On that subject, Dick Darling, the President of the California Republican Assembly in his latest news letter calls for, it says, it's time for a change and Senator Kuchel should be replaced next year. He charges him with complete disinterest in the welfare of the Republican Party, and he says he voted in support of the Democratic Socialist administration. Do you think that violates the 11th Commandment?

A How do you answer that without violating the 11th Commandment yourself?

Q Well, Governor, are you planning or do you consider the possibility of going to Viet Nam later this year or early next year?

A No, no. I have no plans for any trip of that kind. As a matter of fact, I don't think -- I don't know how anyone gets time to make such a trip. Either that or somebody is fooling me upstairs.

Q Well, Governor, just as a followup to that, it seems whenever you leave the State of California the press seems to be very concerned about your views on Viet Nam, and you seem very free to talk about Viet Nam, in the Washington press conference, for example. Where do you obtain your knowledge, I mean, how would you build your point of view on Viet Nam if you aren't closer to the issue than you are now?

A Well, you know, Mike, there's an old answer about, I can't lay an egg but I know the difference between a good and a bad one. And don't anybody remind me of some eggs in my previous profession that were laid down.

No. And it isn't that I've never volunteered any comment on Viet Nam. It is true when you leave California, your colleagues in the press seem to be more interested in the general subjects than just our problems out here. And that's understandable.

And so there are questions on subjects that we normally don't deal with and I don't see any reason to refuse to answer if they ask an opinion. In Washington this last time the question came by way of asking me to comment on somebody else's position on Viet Nam.

Q State Chairman Halley in a letter to Dr. Rafferty indicates that he believes Dr. Rafferty may have bordered on breaking the 11th Commandment by comparing Senator Kuchel to a skunk at a picnic. Do you believe that he was narrowing the 11th Commandment boundary there?

A Well, I was three thousand miles away when all this happened. And I figure Jim Halley is on the job and he can take care of that. I haven't talked to either one of the two men about it or what was said, and so I'll just leave this

to them.

Q Governor, I think I must have come in around the second act here. Have you said you're going to leave Senator Kuchel off the delegation? You've said it just now. But is that a firm decision on your part?

A No, I expressed an opinion, I think, at the last press conference, wasn't it, that I didn't believe that it would be wise if there was going to be a primary to help unity to put one of the candidates on without opening up the door to all the rest.

Q If he doesn't have a primary contest will you definitely put him on then?

A Well, that's a whole different ballgame; then we'll look at that. But actually if you'll recall last week at the same time when that question was asked, I said that I certainly hadn't gotten around, in deciding to be a favorite son, I hadn't even gotten around to the question of delegates who would or would not be because, except that I felt that it certainly should be a broad cross-section of the whole party.

Q Well, Governor, can I ask the question in another way then? If Senator Kuchel is opposed in the primary next year, have you made a definite decision that he will not be on your delegation, favorite son delegation?

A Well, I haven't seen anything or had anything to change my mind about the belief that this would present great problems.

Q Then the answer is no, you wouldn't have him on your delegation?

A No, unless somebody can convince me that I'm wrong in my assumption about the responsibility to other candidates.

Q Would you do what has been done in the past with the favorite son delegations, let there be some Romney strength on it and some Nixon strength and some Percy strength, or when you say "a cross-section," is that what you mean?

A No. Again, you're getting me into an area where

it's beyond where I've even been thinking. I just felt that our party, in other words, I suppose when I said broad representation that I would be very careful to see that we did not have a delegation here that just simply represented one of the past factions in our party because we don't have factions any more in California.

Q Well, then, how do you get around it if you don't have some people from all those factions on it? How are you going to have a unified group? (Laughter.)

A Well, I don't know. I think you might buy yourself a package of trouble if you went out and chose all the campaign chairmen for all the other candidates and put them there in one delegation, you might not have solved the problem of party unity. So I'll just have to meet this one a little later to see what we can do: one goal. I can only tell you, I'm going to do whatever I think is right to preserve unity and to prevent party hassle.

Q Governor, have either you or any of your associates been informed by Dr. Rafferty that he actually is going to be a candidate against Kuchel?

A No. In fact, I haven't been informed by anyone other than apparently Senator Kuchel, although I can't recall now whether he's actually announced that he is a candidate for re-election or not.

Q Governor, in that proclamation of the C.R.A. president that was referred to earlier, Mr. Darling also said that pressures are being brought to bear to discourage candidates from running against the Senator in the interest of party unity. Do you agree with that and do you support such pressures?

A I certainly haven't seen any of it and certainly there's none come from this administration up here; none at all.

Q Would you plan to include the Lieutenant Governor on any delegation?

A Well, now, that sure ought to be safe.

Q Who are you going to leave to run the store if both of you are out of the State?

A Say, that's right. I was just sort of automatically thinking that they were going to award us the convention. It might be a problem if they're going to have that convention outside of California.

Q Governor, if Dr. Rafferty decides not to run against Senator Kuchel, do you foresee any other major challenger to Senator Kuchel in the primary?

A Well, I don't know. The only other name that I know that has been bandied about if any at all has been William Patrick.

Q Would you consider him a serious challenger to the Senator?

A The 11th Commandment makes me say that any Republican who runs is a potential victor.

Q Are we through with this subject, Governor? I'd like to go on to taxes.

A I'd like to get through with it. (Laughter.)

Q It's apparent that your tax program or at least part of your tax program will not be ready for that April 1st deadline that you mentioned: Two questions: why is that and what effect will that have on your program?

A Well, for one thing, we've been more successful than we thought with regard to economies between now and the end of the fiscal year. We ourselves realize that instead of piecemeal, as we hoped that perhaps some increases of the present taxes we might have been able to put into effect earlier and we realized that this just wasn't going to work, so we then settled for waiting until we could put together a whole tax package, which we're doing.

Also, with the task forces, the businessmen task forces that are going to start doing their surveying, we made a decision: we're not going to wait for one voluminous report and then start a long program and find what we can put into effect. If they come in with findings in any area or department of government, particularly those that could be affected by executive order, we will immediately put those into effect without waiting for some grand opening or final report from these task forces.

So that as I say we believe that by June 30th we can have put into economies that are going to exceed \$20 million, reducing the present anticipated budget by \$20 million. It would have been nice if we could have started getting some of the additional revenue earlier but, as I say, it just wouldn't work.

Q That April 1st deadline then has gone by the boards?

A Oh sure, unless they're going to rush through our whole tax package but I don't see how they're going to do it.

Q Governor, Assemblyman Monagan said this afternoon that no tax program yet proposed including yours can get 41 votes in the Assembly or 21 votes in the Senator for passage, and that in the end there's going to be quite a bit of tinkering and changing particularly in your plans. Does this cause you any concern?

A Well, only to the extent that I hope it will be tinkering aimed at improving and I know author's pride, I thought we presented and still think we presented a very sound program, the minimum required to do the job. If somebody would come along with a better idea, I'd be very happy to embrace it, whether it's in the areas of economies or better way of raising revenue.

Q Governor, has the experience of being in the position of having to decide ~~clerency~~ or not in this case and the previous one, has this experience as Governor done anything that might have changed your attitude toward the death penalty? Do you feel any differently about it now than you did when you took office?

A No. I've always regretted the necessity for it, but I do believe there is a necessity for it. I think it's probably one of the worst facets of this position, the worst parts, but then I think it must be also one of the worse things that a judge or a jury has to contend with or a prosecuting attorney. And I'm not alone in my concern over this deep sense of responsibility because a great many others, as in this present case, have led to this point and they too must have the same discomfort and unhappiness about it. But I am convinced that evidence has not been presented that

indicates we could do without the death penalty without giving away one of the deterrents to crime.

Q How do you feel about the bill that's presently in the Legislature to extend the death penalty to other crimes?

A I haven't seen that in all its details. I know there is some talk of this, possibly if the decision should be based on, if extending the death penalty would serve as a deterrent, I think we have to consider it.

Q If the Legislature passes it, would you be inclined to sign it?

A Well, I'd rather not make a commitment until I see it and privy to the debate and all that's been presented in the hearings and so forth on it.

Q If a bill were to pass abolishing capital punishment, would that go across your desk?

A Well, this again, I wouldn't want to make a commitment until I knew whether it reflected the will of the people. The people of California have at several times made it unmistakably plain that they supported the death penalty. I would assume that if and when such a bill ever did arrive, that it would be because the people had changed their minds about it.

Q Would you support a referendum on the death penalty?

A Oh, we had one, how many times is it that Californians have voted on this? I know it's more than once; several times. I don't see that there's any evidence of a change in the people's thinking now that would warrant taking another score on it, another reading.

Q Governor, when you say "the people," do you mean the Legislature?

A I'm talking about the people of California. I think that there are some issues in which representative government granted you, when you're elected to office you have to make decisions. We don't exist solely on public referendum. But I think there are some things in which public feeling is so established that any process of change

would involve first trying to change the public's mind, and this is one of those instances. As I say, I don't believe that any evidence has been presented that the people of California would change their mind about it.

Q Governor, what was your view from your study of the LaVergne case, of that case and the defendant?

A Well, I hesitate to comment now because it is before the Supreme Court, back in the courts again. I'll make my position known once it gets back to me or if it gets back to me and is no longer a responsibility of the courts.

Q What was your reaction to the court's action in staying the execution? Were you relieved?

A I don't know how I can answer that without again commenting on the court and on the case. I'll just have to pass that by.

Q Governor, the Legislature is about to adopt deadline of April 11th for introduction of new bills. Do you think that you'll have the rest of your program ready to present to them by that time, ~~such~~ things as air pollution control program?

A Well, I haven't talked since then to my legislative task force on this, so I don't know the state of their preparations. I've often wondered why there are so many laws that have to be passed and maybe we should try to see how many we could do away with.

I'll check on the task force and I'll have to find out where we stand. I don't have too many and I've introduced a number already. The budget and the tax bill are in. There are only a few more things in keeping with the promises that I made during the campaign that I feel a necessity to introduce.

Q What are they, Governor?

A Oh, I'm trying to remember now: agriculture, crime, budget and the tax program. I'm going to have to check up on this and find out what still remains.

Well, oh, I do know one particular is with regard to the judges, the appointment of judges, the merit plan.

And I could take some coaching from the sidelines if anyone can recall any legislative program.

MR. BECK: Reorganization, I think.

A (Continuing) Oh, reorganization; that's right. That hasn't gone in yet. Those are two of the main ones.

SQUIRE BEHRENS: Any more, fellows?

A One last question from the young lady.

Q Governor, how do you feel about your tax bill being referred to the Senate Governmental Efficiency Committee rather than to the Revenue and Tax Committee?

A I don't dare say the G.E. Committee, the General Efficiency Committee? (Laughter.)

Well, I have had it explained to me that this was only because we submitted it in a package and not individual measures for each particular change in text.

I will assume that I've been informed correctly but I will be watching very carefully.

SQUIRE BEHRENS: Thank you, Governor.

PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD MARCH 21, 1967

Reported by:

Alex C. Kaempfer, CSR

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GOVERNOR REAGAN: Good morning. The Easter resolution must have applied to some of the personnel here too.

Well, I have two items I'd like to announce today.

(Whereupon the two page statement from the Office of the Governor for immediate release was read to the press by the Governor.)

Q Have the university officials agreed that this would be enough at least in the same manner that the state college officials that they can get by?

A Well, I think the university officials are still going to try through the Legislature to get 264 million that they had previously been reduced to. But it is based on their facts and their figures that this budget is being submitted at this figure.

Q Governor, you say that the university officials have cooperated with the administration in finding areas where expenditures can be cut. It seems to conflict with a report from the department of finance that some \$3 million has been spent for some La Jolla land for the university campus there where this money could have been spent for education purposes. Would you care to comment on that?

A Well, this was a comment that was made -- I made the comment myself with regard to these are regents' funds, and that with regard to the stringent economies which for a time were being protested, that it would seem that there were still funds available for items that we had to question whether they were immediate as to call for the expenditure at this time.

Q Would you like to see the land purchase at LaJolla delayed then?

A Well, it's too late for that. This was put into escrow, as I understand it, before this administration took office.

Q Governor, where does the 23 million come from between 231 and 254 million?

A This is in the figures that have been made available from regents' funds that they agreed for this one year that they would make these funds available.

Q Is this the last meeting that they upped it by 4 million or was it the -- ?

A I don't have the details. I've got the breakdown on my desk.

Q (By Mr. Nofziger) Governor, there are some medicare funds in there too.

A Oh, there are some medicare funds in there for the hospitalization.

Q Governor, if I can go on to the first part of your statement here on the public works cutback?

SQUIRE BEHRENS: Any more on the university first?

Q I was wondering if you have any type of long-range study affecting all departments on reduction of employment?

A Well, yes. This long-range study is involved with the citizens' task forces who are already beginning to move into the areas of government, and they're going to move into every area and report back the findings of just what business practices could be used to increase efficiency and update procedures. And this is proceeding.

The economies so far are just economies that

we've been able to grab at and see in these few months that we've been in office, but we're going to proceed with this whole overall study.

Q This then would be in contrast -- you say departmental task force -- to the overall study that will be made by these businessmen, the businessmen's task force that you have?

A Well, the present economies were effected simply by turning to the departments themselves and asking them what, you know, they could come up with and just the belt tightening and looking at every expenditure.

But we're still going ahead with this other which is aimed more at finding if there are changes in procedures.

Q Governor Reagan, the Ripon Society Publication Forum yesterday stated that you probably would be a favorite son candidate in the western states in addition to California, and that you would enter, that your name would be entered in the primaries in Nebraska, Wisconsin and New Hampshire.

Your press secretary commented that certainly you wouldn't be in the position of slamming the door on interested citizens who wanted to put your name forth. What is your comment on this publication and this statement?

A Well, sometimes I wish the Ripon Society would publish a list of its membership, all twenty or thirty of them.

I read that item also. No. If my permission is asked with regard to any primary outside of California's, I shall say no and I will discourage any attempt.

The only thing I've said is that in those areas where your permission is not required and that it takes a kind of a Sherman statement to keep your name out, that I won't interfere. But I am going to discourage the attempt by anyone to inject my name into any primary. Certainly I would do nothing to encourage such a thing, and the Ripon Society is quite a little off-base.

Q You said you would discourage such?

A Yes; that's right, yes.

Q Governor, Dr. Parkinson this week sent out several thousand letters to governors and public officials asking them for their support for Mr. Nixon. If you received such a letter how would you answer it?

A Well, I haven't received such a letter. And perhaps my position is well enough known to Dr. Parkinson, the fact that I am going to take this favorite son position and made it plain that at this time I have no view on this so that I just doubt -- I think my position is so well known that I won't be hearing from him.

Q Governor, I understand those letters ask for money. (Laughter.)

A That explains why I didn't get one. I think my position on money is well known. (Laughter.)

Q On another subject, Governor, Senator Alan Short of the Business and Professions Committee says he's going to begin investigating that cutback of the employees in the Department of Hygiene. And he's also subpoenaed Mr. Battaglia, Mr. Smith, Mr. Williams and Dr. Lowry. He apparently feels there is some question as to whether the quality of care will be maintained for mental patients. Is there any question in your mind at all?

A Not at all. And I think that any investigating is going to find out the same facts and figures that made us call for the reduction in the first place. And with regard to the subpoenaing of the people that he did subpoena that wasn't necessary. He simply could have asked them and they would have been very happy and are very happy to testify.

Now, the plain truth is that in the last five years here in California we have reduced from patients in our mental hospitals per hundred thousand of population from 214 to 140 as of last year, and we're rapidly on our way to 120 per one hundred thousand of population.

And in this same period we've reduced from 3.46 patients per employee to 2.67. Now, we're number one in relationship to comparable states like New York, Pennsylvania,

Illinois, Michigan, Ohio, even Texas, in the average daily maintenance, the expenditure, and the care per patient; we're number one with regard to doctors per patient, the number of employees per patient, among all these states, and with regard to doctors and most help we are way up beyond the 1952 standards ^{that} were set for the country.

Now, it's true there were two reports out from two different organizations now that are seeking to up the standards, but there's hardly a state in the Union that has done more than achieve the 1952 standards. And we can do what we're doing without lowering the quality of service and still maintain our progress here with regard to all these ratios.

And it would be, I think, dishonest to the people of California to ask them to keep \$20 million of payroll for people who are no longer needed because of the decline in the number of patients in our institutions.

Q Governor, how do you feel about legislative committees subpoenaing your staff members to justify your cutbacks?

A Well, as I say, I don't know where he got the idea it was necessary. All he had to do was ask them and they would have been very happy to do so.

Q Governor, two hospital administrators yesterday, Dr. Klatte of Mendocino and Dr. Spratt of Napa said they feel the cutbacks will then lower the level of care in that particular hospital. Do you have any comment on that?

A Well, yes, the only comment I have is that all the cutbacks that have been made and recommended have been in consultation with those who are running the mental health program.

Q Were they consulted, the superintendents of the hospitals?

A I don't know how much of the personnel but I know we went through the staff and the headquarters staff, those who had upped this mental health program in the State.

Q What reason would there be for them to take exception to the statement?

A Well, perhaps part of it is just simply the thing that can always happen in any area or department when seeing the need and seeing the problem, there are those who just, without looking at the whole balanced picture, automatically always think that if they had more of everything, they could more effectively do the job. But unfortunately you have to have a balanced program.

I'm sure that if you asked people in the Highway Department they'd tell you that if we could give them all the taxes collected they could build the highways much faster and cover the state with a network of highways all at once, but unfortunately we can't do things that way.

Q Governor, last week we asked Dr. Lowry if he approved of these cutbacks and his answer was not that he approved, except that he said these cutbacks must come in view of the budgetary requirements?

A Well, he has been one of those, of course, in these consultations, and we would not have made these cutbacks if we were not assured that this would not lower the quality of treatment that the patient was receiving.

Q Governor, would your statement regarding the strides which had been made during the last five years as you said be an exception to your severe criticism of the previous administration on nearly every front during the campaign?

A No, if you'll recall, I'll tell you what my criticism was during the campaign: I pointed out repeatedly that the budget had consistently gone up in this area while the number of patients had gone down, and my only mention of this entire program -- and I mentioned it several times -- was questioning the justification for multimillion dollar increase year after year in this program while the new techniques, the new treatment at home, the use of the modern drugs, was reducing the population in the hospital.

Q Governor, some of these hospital officials have said that the five dollar per patient per year allocation for personal services in these hospitals such as for soap and towels is going to have to be reduced because of this.

Do you favor reducing that amount for the patient?

A Well, now, I haven't gotten into details of that kind as to how it is to be administered, but I do know we're running roughly \$4800 a year is the cost per patient. Had we not affected these reductions, that cost would have risen to \$5700 per year. And it would seem to me that out of \$4800 per year we ought to be able to afford soap and towels.

Q Governor, in light of the layoffs that you made recently, do you feel that perhaps state workers should be covered by unemployment insurance?

A Well, this is the first area of layoff that we have entered into. The rest has simply been by not replacing people who voluntarily left state service, retired, got other jobs, quit for whatever reason. So I don't think that problem pertains.

Q Well, do you support the idea of unemployment coverage for governmental workers?

A Well, you've opened up something I haven't given much thought before. But I do not see -- I don't think that we like a private employer are in position of laying people off and telling them to wait at home until we tell them to come back to work again, which is what usually is considered with regard to unemployment insurance.

Q Governor, you were speaking of maintaining the level of services at these state hospitals after it has gone up, oh, in the last several years at least in terms of money spent for staff time per patient, does that mean that during your administration you will not be seeking further improvements in the state hospitals in these regards? You just want to maintain the present level indefinitely or--?

A No, we're always going to seek improvement. I would like to point out at the same time that this ratio has been going down another percentage has been going up, and this is the percentage at which we have been achieving the full hundred percent of the standards as prescribed, and this has gone just within the last year in the areas of population ratio and so forth from, say, 90 percent -- and there's a fraction, 90 some point fraction percent --

up to better than 100 percent of achievement of the standards.

Now, as we learn more and as improved standards come on, we, of course, are going to try to meet everything that is justified with regard to this care.

Q Governor, several Republican legislators complained that they had not been informed of the employee cuts but found out at a dinner sponsored by the California State Employees Association. Do you think that this is perhaps a strained relationship between your office and the Republican legislators?

A We had a little flab about this and it was just one of those unavoidable things. We tried -- as a matter of fact, we tried to contact the leadership, and due to a series of circumstances with regard to each individual, we just couldn't get hold of them.

We were in that narrow period of time before the supplemental budget had to go to bed. We would have waited on any release except that as we already discovered there aren't any secrets in Sacramento, and suddenly our own words began to come back at us throughout the corridors of the building. And we just felt that our statement should be the statement given out publicly before rumors began to appear in print. And so we had to go ahead. And we got word to them as quickly as possible. This has all been explained. And I'm sure that there's no strain.

Q Governor, members of your staff have recommended that you veto federal funds for the social action training center in Santa Clara County. Have you decided to veto those funds?

A This is on my desk, and I've got to give this -- I haven't had an opportunity to get into this and study it, consider it, which I'm going to do. I know that recently, this last weekend in Washington our people were talking over in O.E.O. about this one. Washington is dissatisfied and discontented with what's going on with regard to that program. So we're going to give it a good, hard look. But I haven't an answer for you now.

Q Would you lean towards veto?

A Well, I'm not going to lean until I've had a chance to look at it.

Q Governor, this is in relation to the supplemental budget and also the announcement that you made today regarding the University of California budget. On the basis of the talks that you had particularly with student leaders that have come to your office do you think that the budget as it will appear next week will satisfy their objections as far as cuts are concerned?

A Well, I hope it will. We think it is a workable one. We think it meets the problem. There is every evidence that the original budget submitted was based on an expectation of quite an increase in enrollment at the universities and now the indication is that applications for enrollment have declined.

And, as I say, we are confident that this budget will provide for education with no reduction in quality or quantity. And it is very close to the figure that the regents themselves proposed in the meeting before last as the budget that they should proceed on and instructing the chancellors as to how to go ahead with recruiting and admissions.

Q Governor, in the cutback in the Public Works Department, you say that this will all be handled by attrition. Has any determination been made as to how much of the Mental Hygiene cutback will be through attrition?

A There will be some by attrition and also this is going to be phased out over a long period. And we have instructed Dr. Lowry and those in charge in this regard, there'll be no sudden mass dropping off. And at the same time, as I said before, we're turning the full resources of our own employment service and labor department of the State to do everything they can for the individuals involved, to find out if there are other areas in State government where they can be used. In other cases to find out if we can locate them in private industry. We're going to do everything we can to minimize any hardship on the part

of any individual involved.

Q Governor, will your total budget with the supplementary budget to be submitted next week reach or seek five billion?

A Oh now, wait a minute, I've been so busy all I've been looking at is the general fund area. You know that some of the things, such as the trust funds over which we have no control, like the highway program, the gas tax, this can bring it up.

It's my understanding that as of now it does not exceed five billion.

Q Does it approach five billion? Is it pretty close to five billion?

A Well, we're pretty close right now to spending.

Q Well, your last budget was 4.6?

A Well, but the last budget was not quite honest. We've been on a spending ratio of about 4.9. This was the spending that was in effect throughout the first several months of this fiscal year.

So I'll tell you, all of the details of this you'll have a briefing on this as of Monday, and rather than try to think back to some of the figures that have been floating across my desk, I'd rather wait for that briefing.

Q Governor, can you say unequivocally that there will be no more layoffs in State government?

A No, I can't. As I say, we are trying very hard to do this job by the attrition route. But if I made that statement, and as I've said, this is the way we want to do it, prefer to do it, you don't know when something will come up, some complete change of workload, such as the one that just occasioned this other change, and so I wouldn't bind myself to that promise.

Q Governor, with the criticism from Republican legislators, in the case of the Mental Hygiene cutbacks of personnel and previous instances of complaints that they were not informed, do you think these complaints are justified? Do you think that there is sufficient liaison

between your office and Republican lawmakers here in Sacramento?

A Yes, I do. I think there were the normal number of instances in the first few months of a brand new administration when here and there we found failures in communication back and forth, and every time that such a thing was pointed out or complaint was registered, we did what we could to rectify that.

I would like to point out, you can check the books up there, and you'll find that not one legislator of either party has asked for an appointment or has asked to see the Governor and been denied. And I don't know whether any other Governor could make that statement.

Q Do you think the legislators in general have sought to confer with you and maintain the liaison with you sufficiently?

A Oh, I think so. The previous administration only had one liaison representative: we have two, one for each house.

Q Governor, one more on mental hospitals. One of the administrators have said that although the in-patient population is going down, the number of admissions has actually increased, and the reason they're able to discharge more patients is because they have adequate staff to do it. They indicate that if there is a staff of in-patient population it has to go up because they won't be able to discharge these patients with the kind of treatment they're giving them now. Do you have any comment on that?

A Well, this was not in the evidence that was presented to us. As I say, the criteria that was used in providing this in consultation with Dr. Lowry and his staff was that we could maintain the quality, the efficiency, with these reductions.

Now, the main reason for the decline is the improved local care, modern drugs and so forth, which have made the staying at home or the out-patient type of thing at the local level take over some of the load. This is what has mainly reduced this. And, as I say, the reduction

continues. It is going on. We've gone, as I've pointed out, from 214 per hundred thousand population to 140 last year, and we're on our way down to 120.

Q These are actually people who are patients in the hospital, not the admissions? The admission rate is actually higher then?

A No, the admission rate has been dropping with regard to new patients, and you have a higher ratio of returnees who come back in from these hospitals remaining at home, and even that is declining; not declining as fast as the original admissions.

Q Governor, are you going to keep open these out-patient clinics then as part of your program?

A Yes. This is under the Short-Doyle Act. And there has been no reduction in that in the budget.

Q You will continue?

A That's right.

Q Governor, do you have any goal in mind as to how many jobs you think can be eliminated either through attrition and/or layoffs?

A No, I don't have any goal because what you have to do on this is find out at what point you impair service, and this we don't want to do. This is a great advantage even in a private business concern of doing it by this attrition route, is that you've got a pretty good control valve. When we reach a point where a department finds it can not perform the service adequately, you know that the freeze better be lifted.

Q Governor, a question on another subject: Have you invested any money in the two thousand acres of land that your aides have purchased in Nevada County?

A No, I haven't; I haven't got any.

Q On still another topic: this week you appointed a Dinuba hardware man who was your Tulare County campaign chairman to the post of Chief of Division of Housing and Community Development. Does this gentleman have any particular background in that field and in light of your statements that this administration would find the most

qualified persons for the appointive offices?

A Well, if he didn't have the qualifications he wouldn't have been given the position. And it's just a remarkable coincidence that some of the most capable people happened to also support my campaign.

Q Governor, I wonder if you could tell us when Mr. Reed plans to leave your staff and if you intend to appoint Mr. Harley to succeed him?

A No decision has been made. Tom is planning, hoping to leave soon, although he's very kindly consented to stay around even longer than he ever intended to. Tom knew he was here for this transition and getting established period but by way of campaign and ~~this~~ has given far more time than a person should who is not intending to take a permanent assignment.

But I know that he has personal pressures, and we're hoping to resolve this very quickly for him.

Q But you have made no decision on whether Mr. Harley will succeed him?

A No.

Q I think that some of these out-patient clinics are not Short-Doyle but they're actually operated by the Department of Mental Hygiene. Would those be kept open also?

A There has been no change to my knowledge or no reduction in the out-patient situation.

Q Governor, former Governor Brown asked you to appoint his secretary to the California Youth Authority and her name is not listed as one of the appointees. Would you care to comment on this?

A Yes. The comment was frankly she's had long and honorable service here in State government and in public service, and we feel that she could be of service in State government. We're looking at a couple of situations right now. We felt that there were other people that were better suited for that particular position.

Q Had there been any commitment with Governor Brown to appoint her as he said when he left office?

A No.

Q What is the nature of the conversation between you and Governor Brown with respect to this appointment?

A Well, I'll speak for myself. He told me of it, told me of her long record. And I told him that if she'd see that her name and pertinent information would be handed in, she certainly would be given every consideration, because as you recall we took the stand that every person already employed in State government was automatically under consideration for every job, along with those new ones that would be introduced.

Q Governor, with Squire Behrens' permission, I'd like to return to the university for one more question. The regents earlier indicated that with \$255 million they'd have to exclude about three thousand students. You're proposing 254 million. Have they indicated to you how many or if any students would have to be excluded at this level?

A At the time they made that statement the regents were still being informed of an expected nine thousand increase in students in the university. At the last regents' meeting it was revealed that applications were running about 7 percent behind last year for admission to the university, which I think alters the situation somewhat.

Q Have they now indicated to you that at this level they would not have to exclude any students or would not expect to?

A This was our understanding in arriving at this figure and negotiations that neither quality nor quantity would have to suffer because of this size budget.

SQUIRE BEHRENS: Thank you, Governor.

Memorandum

To :

Gordon C. Luce, Administrator
Transportation Agency

Date : March 20, 1967

File No.:

From : Department of General Services - Director

Subject: Cost Reduction Projections

By new methods, tighter management, and squeezing in every division, the Department of General Services plans to cut State expenditures by a minimum of \$12,359,000 over the next 12 months. Plans already in effect in some divisions, and projected results, are as follows:

1. Office of Procurement.

- a. With changes across the board, this office plans to reduce the cost (\$141,000,000) of supplies, materials and equipment by 7%-9% \$ 9,800,000

Examples in effect:

1. Changing procedures in purchasing 138,000 typewriter ribbons - 92¢ to 51¢ - saved \$50,000
2. Rewriting specifications for 4,000 automobile tires - saved \$46,040

2. Facilities Planning Division.

- a. Centralize leasing in General Services. The State will reduce salary outlay, lower rents, and eliminate waste. This unit will save 1¢ per square foot per year, or \$500,000
- b. Consolidation of State-owned space, adoption of space standards, and advance planning will produce 1% reduction of space needs - \$250,000 -
and a reduction of alteration costs - \$250,000
\$500,000

Total projected savings this division 1,000,000

3. Office of Architecture and Construction.

- a. Stabilizing workload, streamlining procedures and attrition have saved \$535,000 for the next 15 months
 - b. Consolidation of the Los Angeles and Sacramento offices will save \$319,000 during the next 90 days.
- Total savings - OAC

\$ 854,000

4. Building Maintenance and Protection Division.

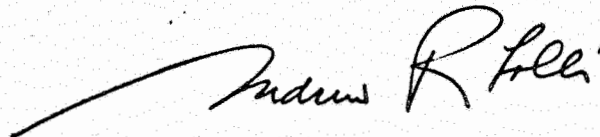
Adopting new maintenance standards in the Professional & Vocational Standards building in Sacramento will save \$38,000; Public Works Building \$50,000; Motor Vehicles Building \$49,500; San Francisco State Building \$59,500, and Junipero Serra Building, Los Angeles \$107,000

Implementing these standards in all State buildings will save a total of

705,000

Total projected savings

\$12,359,000



Andrew R. Lolli
Director of General Services

EBH:jb

*Gordon
This is only the beginning. You can expect
more. Standards of course will not be lowered.
My*

HELD MARCH 28, 1967

Reported by:

Alex C. Kaempfer, CSR

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

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GOVERNOR REAGAN: Ladies and gentlemen, before two announcements, I call your attention to a very welcome visitors we have over here in the corner who are visitors, Governor Smiley and Mrs. Smiley of Idaho.

Now, I do have two brief announcements. And first this is the last day for our stenotypist who takes the transcript of these little gatherings, Alex Kaempfer. Mr. Kaempfer is going to Las Vegas; not for the usual reason. He's going to be a court reporter. I wish him the best of luck, even though he isn't going to do much gambling.

Q Why is he taking all this down?

(Laughter.)

GOVERNOR REAGAN: Now, on the second subject, our economy program is beginning to show some real results, the general services department where General Lally is doing a superb job. He has projected savings of \$12,359,000 during the next 12 months, and has assured us this is only the beginning. We can expect more. And he also assured us that the standards will not be lowered.

And that's all that I have in the way of announcements.

Q Are any of General Lally's savings from State Fair or State Exposition bond money?

A No. As a matter of fact, I have a memorandum here, some of this, the office plans to reduce the cost of supplies which is \$141 million of supplies, materials and

equipment from 7 to 9 percent. This would total 9 million 8. Other examples of that, of procedure in purchasing, for example, typewriter ribbons, from 92 cents down to 51 cents, simply by changing the procedure; rewriting the specifications for 4,000 automobile tires made a considerable savings. These are all itemized and centralized leasing and general services and other things of this kind.

Q Governor, I understand that General Lally has attempted in some instances to take state buildings where state offices do not require the space and attempt to lease that to private businesses. Is that part of the savings in this amount that you mentioned?

A Well, let me see if I have that memorandum here. I don't know; with regard to that he has centralized leasing and general services and the state of reduced salary outlay, lower rents and eliminate waste, and this will save about a cent per square foot per year, a total of about half a million dollars; and consolidation of state-owned space and adoption of space standards and advanced planning, which will provide a one percent reduction in space needs at a cost of about or a savings of \$250 thousand and another 250 thousand saved by reduction of alteration costs. But there's nothing down here about the other.

I haven't specific details as to more than this in this memorandum as to how these economies --

Q Are some of these already reflected in your new budget, or do we subtract this from your new budget figure?

A No. I can't tell you how much of this is or is not. The date of this memorandum to me is just the 20th. So very possibly this might be reflected in additional savings because we are going to attempt as we told you and through these task forces to reduce the expenditures even though they are presently contained in the budget for the coming year.

Q Governor, are you planning any more economies before the end of this coming fiscal year, any more cutbacks such as in the state mental health program?

A Well, only those things as they come in with

findings where we discover that there can be savings.
until
We're not going to wait/any specified time. We're going
to put them into practice as promptly as we can.

Q Do you have any particular areas at this time
that you're looking into?

A No, other than the entire operation of the State
is being surveyed by these task force teams -- you mean,
could I make a prediction now as to where the next one
might turn up? No, I wouldn't be able to do that.

Q Governor, I understand Senator Short has requested
that you put a holdup on the planned cutbacks in the mental
hygiene department. Do you have any plans to hold up on
these cutbacks at his request?

A No, we do not. This I think was thoroughly studied.
Dr. Lowry is in agreement with regard to these reductions.
The workload has been reduced. The reduction of employees
is proportionate to that reduced workload. And I see no
reason to not proceed.

Q Would you comment, Governor, on the report by
the California Commission on Staffing Standards which has
recommended dramatic increases in the mental health forces
in the state?

A Well, this recommendation has not as yet been seen
by the Legislature. It has not been studied or reviewed by
staff. We are operating today with personnel that is
proportionately higher than any other state in the Union,
on the basis of standards previously laid down that have
been the guidelines, and when these standards, new ones
that have just been submitted, are properly reviewed and
we know the answer -- but this may not be for another year
yet -- and at such time, why, then we'll review our position.

Q Well, Senator Short's position was that will be
a little late after you've laid off 1,460 people.

A Well, I can't agree with Senator Short on this.
Those people who are in charge have been participants in
this, and it is absolutely false, the implication that I
have heard, that has been stated in those hearings, that
we set a predetermined goal and then try to arrange facts

to fit that bal. This is just outright false. This was the result of a study with the personnel involved.

Q Governor, is it true that you asked Dr. Lowry's department of mental hygiene for ways in which a 10 percent cutback could be met for options?

A Well, we asked every department for economies that could be met.

Q A 10 percent cutback?

A How they could be met? Well, no. The famous 10 percent was simply a working goal established with the stated knowledge at the beginning that some would perhaps be able to meet it, some be able to excel it and some would not be able to meet it at all. And there was no -- I can only tell you this, that at no time would we ever insist on the economy that was going to reduce the quality of treatment for patients or that we were going to make someone in that position suffer simply to effect an economy. And frankly, I charge anyone with being irresponsible who in these hearings would indicate that such would be the case.

Q Governor, in mental hospitals in preparation for deciding whether these cuts would be good, did you personally visit any mental hospitals to see what was needed?

A No, I did not.

Q Do you think that would be a good idea?

A No. I think I could trust this to the people who did and the people who are involved in running those hospitals right now. I don't think that I'm any kind of an authority on that.

Q Governor, are you prepared to make any adjustments to your budgeting with regard to the state mental hygiene department should you find that this cutback retards the improvement of care to the patients there?

A Certainly. If there would be proof or evidence that everyone had figured wrong, I'd be the first one to advocate that we right the wrong.

Q In what way, sir, are you prepared to make these changes?

A Well, we'd alter our policy. We are assured

that the personnel that we have approved is capable of doing the job. We lead the nation today with regard to our services. We are the lowest in proportion to -- or I should say the highest with regard to the personnel or the employees in proportion -- and the medical men in proportion to patients, and we're not dropping below that with these cuts. We have reduced the workload because we reduced the number of patients substantially.

Q Getting back to Dr. Lowry, he said that he had submitted four options ranging from 10 million in cuts to 20 million. Who then made the final determination to select the higher 20 million dollar figure?

A Well, these were the result of the dealings between the finance department, Dr. Lowry and the personnel that were involved in those negotiations. I certainly didn't make such a finding as presented on this piece of paper.

Q Governor, you say we're leading the nation. I think this was challenged up at the hearing today which stated we were eighth as far as proportion was concerned. What do you base your estimate on?

A Well, you're perhaps right. I should have specified. I'm not going by all fifty states. I actually don't know the situation with all fifty. I was basing it on the leading states that have comparable situations to ours, such as New York, Pennsylvania, Illinois, states of that kind.

Q In the event the Legislature declines to go along with you and refuses to reduce the position of the department of mental hygiene, what do you plan to do?

A Well, unless they presented at the same time some evidence that's convincing that I've made a wrong or we have been wrong in our administration with regard to this, I would go against it.

Q Governor, with respect to the report of the Commission on Staffing Standards, you said that the staff had not seen it. Spencer Williams said at the hearing today that the staff of the mental hygiene department had

participated in preparing it had seen results of it in February. Can you tell us about that?

A Well, that's very possible. But I think a report of this kind is something that requires study. As I say, it has not to my knowledge been the subject of discussion as to how it was to be applied by the Legislature or by any of the people involved.

Q The department though participated in writing it up. Wouldn't that constitute --

A Well, that same department also participated, agreed to the cuts that are being made.

Q Governor, two weeks ago in San Diego you said the Medi-Cal program represents a potential physical disaster to the State. Would you explain what you meant by that or what you think ought to be done to rectify the situation?

A I wish I could tell you what ought to be done, other than a thorough review and study which I hope is going to be forthcoming. The program was hastily implemented, was implemented on the basis of projections and figures, both at the national level and the state level without anyone really knowing just exactly how it was going to work and how much it was going to cost.

Now, last week in Washington this was the subject of discussion at the national level. They too are very much concerned. I can recall to you that their estimate of how many hundreds of millions of dollars of federal funds would be required if this was implemented by 50 states; they found it was so far wrong that one state alone made a proposal that would have taken up as much money from the Federal Government as they had suggested for all fifty states.

And here in our own state we have just -- well, we ourselves have found out in preparing the budget that we were faced with upwards of \$90 million that we hadn't expected because of the underestimating by some \$70 million for next year. And we also found that we had to ask for money for last year and for this year because of underestimating in this program.

Now, I've been told by the budget department that

as nearly as they can project unless corrections are made in this program that the disaster could be coming in the next several years, that it could just mount up to where it would be the octopus that literally destroyed everything or all our revenues.

Q Are you proposing that California get out of the Title 19 program?

A No. I'm proposing that we study it first to find out what can be done to put this on a more practical basis.

Q Governor, in your own budget you have proposed to hire seven more secretaries at the higher bracket pay. You're cutting your staff but mostly in junior clerks and stenographers, and there is authorization for seven more at the 18,500 dollar level than the previous administration had. Could you comment on that, why you need the higher priced talent?

A Well, no, I couldn't comment on it because nobody has talked to me about it for the moment here. I ought to bring Phil Battaglia up here and make him face it.

I know that presently we're operating on about a 25 percent less staff than the previous administration. That's not counting the volunteers that are helping us open the mail.

Q Governor, a week or so ago you told us that you would, that the people had rejected repeal of the death penalty in California, and this week Assemblyman Warren has introduced a bill to allow the people to vote on the repeal of the death penalty. Could you comment on that, whether you favor the bill and whether you would go along with his request to grant a temporary moratorium on the death penalty?

A No, I'm not in favor of a moratorium of this kind. I don't think you can operate on ex-facto laws. These men were sentenced and convicted under the law as it was then, and I think that you would even be getting into an area of truly cruel and inhuman punishment to allow these men under sentence to sit here while a long period went on until finally an election could be held and a referendum taken and

then the referendum went as every indication it would go, the people again voted to sustain this, they would then once again be denied the hope that had been sustaining them.

I think you have to operate under the law the way the law is at the time.

Q would you favor a referendum vote as proposed by Assemblyman Warren?

A I'm not opposed to a referendum vote; certainly I would abide by the will of the people.

Q Assemblyman Warren has also called upon you to disclose the sources of gifts from private industry which the state government is receiving in great amounts these days, the personnel and so forth --

A I wish somebody would tell Assemblyman Warren the campaign is over. He can stop some of these fantasies he's dreaming up now. There's nothing very mysterious about what's been going on any more than there's anything about mysterious/ those private employees he says we have that are up here opening the mail because they read in you gentlemen's papers, and I'm very happy that you put it in the paper, that we had such a problem.

He seems to have found a number of things that are of concern to him including the fact that we're calling upon the people of California to man task forces just as I promised we would during the campaign to look into the state government, that we're going to use the manpower of this state, the full abilities of all the people we can, to solve as many problems as we can without expense to the taxpayers.

Now, I'm very sorry, Mr. Warren has forced me to say something that I would just as soon have left unsaid and would not have brought up at all: there is the thing called the contingency fund in the Governor's office, which pays for such necessary items as bringing people here for interviews, in considering them for appointments, bring people here that you want to talk with and learn something with regard to state government or even witnesses for committees.

and we took Office with a half of the year to go and something like one-eighth of the contingency fund left. And very frankly, we rather than going back and asking in these troublesome financial times for a supplemental appropriation, we have used funds that were left over from the financing of the interim period and from the inaugural in order to do what normally the contingency fund was set up to do. As of June 30th we'll once again be in business with the contingency fund.

Q Governor, regarding capital punishment, if I might, before you get too far, you did say earlier about capital punishment that you were abiding by the will of the people, saying that they had expressed their opinions in not abolishing it. Where did you get that information when there has never been an actual vote on the subject?

A Well, the will of the people could be construed as meaning through their legislators and this has been voted on a number of times in the Legislature, and each time voted down. And since a number of those legislators also came back the next election, I assume they were reflecting the will of the people.

I will confess to you one thing: I was under the impression that some place back through the years there had been a referendum on this, and I have been informed I was wrong on that.

Q Governor, who pays for the Lear jet which you sometimes use in your travels?

A Only once did we use a Lear jet and I felt like I was flying on a firecracker. And then I used the other kind. (Laughter.)

But, you know, there's nothing wrong with airplanes. I'm just an old horse cavalryman. (Laughter.) I only feel good when they're horse-high and no faster.

But no, the jet, the plane, is chartered, the same fund that buys my tickets on commercial airlines; buys it if it is on state business. And the only time we charter is when it has been necessary due to schedule and the out-of-way place we're going that we cannot get adequate public

transportation.

We did a survey before we sold the Grizzly, and we discovered on the basis of the log of the last two years that if I flew the exact number of miles and hours that the plane, the Grizzly, was used for the previous two years and if we chartered every hour of that flight -- no commercial -- we would have still saved \$124 thousand a year by getting rid of the Grizzly.

But as it is we do most of our flying by commercial airlines. Once in a while we have one where the schedule is such and the location is such that we charter it.

Q Governor, if we can talk about taxes for a minute, Assemblyman Monagan suggested last week, in fact, he asked that a committee be set up, a very unusual committee of key legislators of both parties and leaders in the two houses and representatives of your administration, to start work now on what will in the end be a compromise tax bill. How do you feel about the suggestion?

A Well, I think he's got a very good idea there. There's no question with the number of tax bills introduced that partisanship is going to enter in and there are going to be strong feelings over and above that, and people who lean toward one particular way of raising revenue more than another, and with this kind of legislation you get down to the last four days in June and suddenly in a committee they hammer something out quite hastily and try to meet the partisan objections on both sides.

And his idea was, why don't we start now with a few months to go, and sit down in a more quiet atmosphere and find out what are the differences that have caused these several bills to be introduced and how could they be resolved for the good of the people of California, with their welfare in mind, and not some particular partisanship involved.

Q Governor, who would you name from your office to work on that committee?

A Oh, well actually I hadn't gotten around to thinking of that. He had suggested a bipartisan legislative committee first, and I don't know that he opened an

invitation to someone from our office. If he has, why, we'll meet it. We'll find someone. And I may even sit in myself.

Q Governor, could you comment on your statements that you want to keep politics out of judicial appointments and your appointment in Sonoma County of your campaign chairman as Superior Court judge? In spite of the fact that the County Bar recommended another attorney as being better qualified?

A Now, the County Bar was only one of several groups in the system that we're using. We have a committee and the Bar Committee and the State Bar. And actually each judicial appointment that we have made so far has been based on the highest rating of the sum total of all of these groups, not on just one single group. And in every instance we have taken the man that represented the highest number of votes all down the line. And the fact that he was a campaign chairman and became a judge just proves the long arm of coincidence.

Q Governor, when do you plan to introduce your legislation on reorganization? How do you plan to approach that?

A Mike, I don't actually know what the status of that is in our legislative task force. Right now we have priorities on some other things. I'd take some prompting if anyone here knows.

VOICE: We have it scheduled for about three weeks from now.

A Scheduled for about three weeks from now.

Q Governor, on the travel and selling of the Grizzly and this sort of thing, you say it will save one hundred twenty-four thousand a year. Does this account for why you have increased your in-state travel budgets by quite a substantial amount?

A I don't know that we have increased this by quite a substantial amount unless it would reflect the fact that that didn't show in the Grizzly's maintenance in the same place in the budget. The Grizzly came under the National Guard.

Q Governor, what did you discuss with the CSEA representative this morning?

A Well, better communications and also a broad look at the legislation which they favor with regard to -- and which they're advocating with regarding to bringing up what in private enterprise would be called fringe benefits, more in keeping with those in the outside world, and nothing more than a broad discussion of that in principle, and we found ourselves pretty much in agreement on the broad aims.

Q Governor, CSEA people said you promised them to set up a liaison man with their organization. Have you decided yet on what man that will be?

A No, because that meeting just ended the last few hours or so, and I haven't decided on an individual or haven't even talked about it yet, but it was a good suggestion that we have and we're going along with it.

Q Governor, would you care to follow the example of Bobby Kennedy and say today you'll not permit your name to be entered in the Oregon and Nebraska primaries?

A Well, Bobby Kennedy is in a different position than I am. He can do that and I can't afford to. I just call to your attention one thing that will make it a little, put me in a spot if I tried to do that. I have told you repeatedly that I'll discourage anyone: I won't do anything to encourage it. I'll certainly not show up any place and campaign. But at the same time I also admitted to you that I'm going to be a Favorite Son candidate.

Now, the affidavits that one has to swear to in order to get his name off the ballot in those states that have that particular style of primary would also then put me in a position that would be hard to uphold or maintain as a Favorite Son candidate in our own State, because it literally is an affidavit that because as a Favorite Son even though we can stand here and say, "You're not a candidate," you are doing this as we all know as a device to give California a voice and some power in the convention.

Technically, you are in that particular state a candidate, and therefore you couldn't say no one place and come back here and maintain that other position.

Q Governor, are you anywhere close to naming a successor to Judge Holden in Santa Clara County?

A Oh, I don't know the -- I don't know whether we've gotten all the reports in yet from that area. And, as I say, the system that we have set up to get recommendations I don't think we have yet.

Q Governor, a couple of quick questions on the mental health cutback. Has there been any attempt to muzzle the superintendents of mental hospitals to keep them from talking publicly about the effects of these cuts on their institutions?

A No, no.

Q The director of information for the Department of Mental read me a couple of TWX messages that went out signed by the deputy director. And the first one said: "Please refer all press inquiries regarding the budget to Al Calais, the Director of Information in Sacramento"; and the other one two days following the cuts asked specifically to avoid discussing the effects of the budget cuts.

Can you explain --

A Who sent those out?

Q The deputy director of the Department of Mental Hygiene.

A Well, that's within the Department, and it didn't come from my office.

Q Do you approve of it?

A Well, now, you have me at a terrible position. I'm not going to second-guess the Department when I just said I'm going to keep my hands off of it. I don't know what his reasons were. I'm going to find out why.

Q Governor, your new budget has cut the budget for consumer costs down to about \$28 thousand. Do you feel this has not been a very worth while accomplishment?

A Well, it's a department that we certainly want to and have been taking a look at and want to take more of a look at this particular department. I think there's a great probability, what we've learned already, that there was duplication ^{with} already existing programs both at the federal level and here at the state.

Q Governor, what's the rationale behind the

elimination of the program for the alcoholics at the Mendocino State Hospital and also the research program on how to treat alcoholics?

A Now, wait a minute, in the overall treatment of alcoholics we haven't made a cutback. This program is still being maintained. But I think we've changed somewhat the personnel who are administering the program. There was an overlap of more than one agency that was dealing with alcoholism. I think we've centered this down. I think.

MR. NOFZIGER: Don't look at me when you say "alcoholism". (Laughter.)

A I don't know why I looked over to you. (Laughter.)
You know, a fellow does just turn and lean on whoever is near that he figures is an authority.

Q Governor, have you decided whether to turn down the war on poverty grant in Morgan Hill in Santa Clara County?

A No. I told you the last time just before we all took off for Easter, those of you who were present and hadn't already taken off, that it was just on my desk. I hadn't made my decision on it yet.

Q Governor, on the elimination of some of these mental hygiene centers, would you urge the counties to take over the supporting of some of these centers?

A Yes. And we've increased the budget for Short-Doyle program about \$5 million for this, for local treatment. Now, there's no doubt you're going to have economies. There are going to be some reflections in this and there are going to be some changes. There are going to be some reductions as you know in a number of centers. On the one hand it's going to perhaps make it more convenient with the location of those open for some people and a little less convenient meaning a little more travel and farther travel than people previously had to get to those centers that are still maintained, but we're assured that what we are maintaining and what is open is adequate.

Q If that five million is not enough, Governor, would you envision asking for more funds?

A Yes, I would because I think that has been the answer that has brought about the reduction in the hospital load is this ability to treat on the outside and have this local treatment and the former inmates being allowed to stay at home.

Q Then you would urge more participation on the part of the counties?

A Yes.

Q Governor, about the meeting you had this morning with CSEA representatives, could you tell us exactly which benefits you endorsed?

A Well, no. This was a broad, general thing we were talking in the area of need for improvement in retirement, need for some improvement in health insurance, and we discussed just generally the possibilities of some kind of severance pay which they do not have, which is in effect at the federal level and is in effect in one or two other states. And I'm an old union leader myself who sat on the other side of the table and bargained. I couldn't deny that I was in favor of a number of these things up to the extent that we can afford them.

Q Yes. But you still do not favor the unemployment insurance benefits for state workers?

A They brought this up, and this is something I would like to look at as to how it would operate with the State.

Q Did you discuss reducing the number of State holidays?

A No. And I decided to wait until the snow fell in the Sierra before I brought up Lincoln's birthday again.

(Laughter.)

Q Governor, you mentioned cutting the Consumer Counsel's budget. Do you favor a bill introduced by Senator Bradley that would do away with the Consumer Counsel?

A Well, I haven't completed the study enough to say that I would or would not. I'd rather not comment on that until I take another look at it.

SQUIRE BEHRENS: Anything more, fellows? Thank you, Governor.