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PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

JULY 5, 1967

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

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GOVERNOR REAGAN: Just a brief statement here. We are a day late for this conference but I figured you would prefer today rather than being called on a holiday.

As you know we have had a State budget since Friday night. I am still waiting for the revenue bill to finance the budget in spite of the promise that 24 hours after the budget was signed the Senate Finance Committee would pass out a revenue bill. Five days later we still haven't seen one, and there is no indication now that we will at any time soon. This failure to pass a revenue bill has already cost California \$45,000,000 in tax receipts. This means that the budget, even with the forty three and a half million dollars worth of cuts, is already out of balance. That means that either the Legislature will have to find additional revenues to pay for it or we will have further cutting to do when it comes to meeting the budget commitments. One excuse for the delay is the one hundred ninety seven million dollar debt the last administration left the State. This administration intends to pay that debt off this year. There are those who would pay it off over a three year period or not at all. Now, that might solve a problem for those who don't wish to face up to reality, but even for those people there is no legal out. I have with me a letter -- and I think you have it now -- a letter from the Attorney General's office which assures me that we have no choice. This debt must be paid off this year under the State Constitution. And with that question out of the way I am sure the Legislature will get on with the business of providing a revenue bill that will meet the scheduled budget outlets.

Q. There are indications that because of the cuts you made in the budget the Senate Finance Committee is drastically going to revise your tax plan, some sort of retaliation. Is there any reaction you have to such a move?

A. Well, I think it would be rather strange if the Legislature should put itself in the position of being willing to pay a tax bill to meet a larger budget but would find itself unable to pass a tax bill to meet a smaller budget. That would be pretty hard to explain to the people.

Q. The sponsors of harness racing and horse racing industry are now attempting to have a bill amended to become an emergency measure. If it comes to you in that form as an emergency measure, taking affect the minute you sign it, will you still sign it?

A. Well, again, as I have said so often, let me see what the bill is when it gets there. I understand this urgency measure. There is some justification, I suppose, in the sponsor's mind in the fact that it would immediately go into effect and thus would help us revenue wise. But also there is no question but that this is amended with the idea of preventing a referendum. On the other hand they can't prevent the people from making their wishes known on the bill because even with an urgency clause in the bill the people can put it to an initiative. Now, it isn't any more difficult to put it to an initiative than a referendum, and there might even be some advantages. Under referendum the people could not pick out and vote against one part of the bill or the other. They would have to vote on the bill for or against. Under the initiative they can pick out whatever parts they believe they would like to challenge.

Q. Back in the campaign you wrote a letter to the Reverend Harvey Chin, who is against it, and he said you said in your letter in part -- you said "I never looked with pleasure on the idea of night racing. I too believe it attracts the wrong kind of people." My question is, does it still attract the wrong kind of people and will you sign the bill anyway?

A. I remember writing that letter, yes. Let me say I didn't say anything that I have not said all through the campaign, and continue to say since. I personally don't look with favor on night racing. I look with even greater disfavor on the attempts in the past to pass simply one kind of night racing, like night

harness racing. I have repeatedly said that I thought that if they do this it was better to at least not create a monopoly for one branch.

Q. Is there any other kind of night racing?

A. The bill does provide night racing. Anyone who wants to take a crack at it when this bill becomes law can try it. The thoroughbred people expressed themselves as -- not that they wouldn't turn to it. There are other kinds of racing that could do it on smaller tracks. I also said over in the campaign and since the campaign that I believe that the answer lay in increased number of days, an extended number of days, because there has been no change since 1937, and in simultaneous racing north and south. This bill is basically a sound bill. In spite of the controversy that seems to have come up involving the Stanford Research this bill grew out of the findings of the Stanford Research on the potential of racing in California, and how much the State has grown, how much the industry has grown and so forth. I personally am sorry that night racing was attached to this bill. I would rather have it treated as a separate thing. I would hate to see a good piece of legislation destroyed over one facet that doesn't meet with everyone's approval. I frequently stated during the campaign that I question whether my personal distaste was sufficient to override, if the people of California or the Legislature overwhelmingly wanted to go this route, as to whether I could impose my objections in the way of that. And so I had no change of feeling at all. I am still sorry that that is there. Basically I think with the rest of the bill I have no quarrel. I think we are long overdue for an extension of racing in California.

Q. Doesn't the initiative take two hundred thousand more signatures than the referendum?

A. This may be so. I haven't recently looked it up but I was under the impression that they made one just about as practical as the other.

Q. Do you foresee the possibility that if the opponents of this bill go to the initiative instead of referendum they might try to outlaw horse racing altogether?

A. I think when you start going to that there is no way to prevent the people from putting up any proposal. I hate to see

that happen. I think it's a great sport and it has been built up into a fine and healthy industry.

Q. If the size of the revenue bill that eventually comes down from the Legislature is not large enough to pay off the debts, what then are you going to do?

A. They think the budget has been cut now; they should see what happens then. The law leaves me no choice. /The State cannot spend in excess --- or should not spend, under the Constitution, in excess of the revenues that are estimated or provided. The State has been doing that in the past, and that is why we are in the spot we are in.

Q. What areas are you going to specifically cut money from?

A. I have to look at that. When I see what we have and what we have to cut, then we will have to sit down and do some soul searching as to priorities.

Q. It might be the same areas you cut Friday night.

A. I don't know how much more some of those areas could be cut. Certainly we could not reduce further in mental health.

Incidentally, let me on that score correct something. There seems to be an impression, whether deliberately plants or accidental, that the cuts in the budget, the blue penciling in the area of mental health, was further reducing the mental health program beyond our announced plan. This is not true. The Legislature had put back the money that we cut. We are sticking with the plan that we announced several months ago. As a matter of fact, we ^{did} ~~done even~~ a little better than that. We left in almost two million dollars more than the four that we had originally put in, so that it is now roughly six million dollars in augmentation for the local mental health care centers to further make it possible to handle the patients at those local care centers.

Q. If it is shown the cuts are too ^{steep} ~~keep~~ will you restore some of them?

A. As we said before, if at any time this --. This whole thing is predicated on a belief in the declining curve of patient population, and it is designed to keep the employee curve matching that curve. If those figures have been wrong and those estimates and we do not have that decline in patients in the hospital, naturally we will have to level off on the employees, in which case I would have to go to the Legislature and ask for a supplement

supplemental appropriation.

Q. You did leave in all of the local centers for the full year of State operation, did you not, as well as adding another 500 beds at ^{Camarillo} Camarero for the mentally retarded?

A. You know, you got me on all the details. There were too many things for me to know all the details. I think we augmented for mental retardation. That's where there has been an increase in beds.

Q. Did the Department of Mental Hygiene ask you to leave in some of the extra money that the Legislature voted?

A. Not to my knowledge.

Q. Governor, there was a story in the paper today about up at DeWitt State Hospital the director says the only way they can accept your economy program in that specific hospital is to cut from three hot meals a day for the patients to two hot meals. Do you see anything wrong with this cutting down?

A. I think you are under a misapprehension. The program that they are going to experiment with at DeWitt is an experiment they have been considering quite some time and long before any talk of any economy moves. It is a system that has been put into effect in a number of hospitals throughout the country. That is where they got the idea. It is true that they probably decided now in view of this program to conduct this experiment. But it is an experiment that substitutes actually four times a day for the present three meal a day situation. But it makes it possible to have only one shift of cooks and cooks' helpers in the kitchen a day instead of the present two shifts. They do this by an eight o'clock breakfast of rolls and juice and coffee, and so forth -- Continental type breakfast it is called; then, about eleven o'clock they serve a brunch or lunch, a hot meal. They serve the second hot meal at five o'clock. Then about 7:30 or 8:00 o'clock they have another snack of sandwiches and milk and so forth. These two cold meals at the beginning, so-called -- however, I don't think the coffee is cold -- this can reduce them down to one cook's shift. But this was not brought about by the economies. This has been an experiment that has been under consideration for quite some time.

Q. Do you have any plans to meet with Senator Miller and or Senator Deukmejian for the Thursday session of the Finance Committee; and would you try to reach some agreement with

Senator Miller?

A. Well, I have had a number of meetings. Prior to the budget coming down I had some meetings with Senator Miller and have been meeting, of course, with Senator Deukmajian who is carrying our tax bill. This is the thing that is not actually scheduled but depends on what is going on.

Q. In effect in what manner was the promise made that the Finance Committee would send out a revenue bill Saturday?

A. Well, I think you gentlemen carried this in the press, that the chairman of the Finance Committee announced that there would be no tax bill until they knew what budget they were talking about, and that they could have a tax bill out twenty four hours after they knew what the budget was going to be. So twenty four hours has gone by.

Q. Back to mental health for a minute. I understand that you have invited some psychiatrists, private ones, including I think that one you referred to as a head shrinker the other day -- I can't think of his name -- to come and meet with you, and also the heads of some of these parents' groups, mentally retarded and so forth.

A. There is one meeting scheduled for representatives of these various groups.

Q. Some representatives from the University have said that under the budget there will have to be a cut in the enrollment. Now do you feel this is going along in the spirit of the thing, that this is required?

A. The representatives of the University and our Finance Department were in agreement on the roughly 254 million dollar budget for the University, that it could be done without reduction in quality of curtailment of students even though the University then went ahead and continued to lobby the Legislature for more money after this agreement. We heard testimony from the University at a Parents' meeting about two meetings back that there was a reduction actually in the application for enrollments at the University rather than the great increase that had been anticipated. I am not aware that there has been any change or that they are going to have to cut students. I am going to say that there have been those at the University who from the very beginning of these discussions have only been able to suggest

cuts in quality or number of students as the only ways to attempt to meet economies, and I don't believe that is necessary.

Q. If your feet are set in concrete in regard to compulsory withholding, what is your position on a voluntary withholding plan in which people could elect whether or not their taxes would be withheld?

A. That's the first time I have heard about that. Well, I would have to look at that and see what it is they are talking about rather than comment now. I just never heard of anything like that.

Q. In cutting 43 million dollars out of the budget the story is that you cut out practically everything the Legislature added to the budget and that you virtually ignored the Legislature, and there was no spirit of compromise in your blue penciling. Do you have any comment on that?

A. Well, the budget is slightly larger than we originally submitted. We saw as time has gone on with the Legislature a number of places where we thought there should have been augmentations, and those have been put into effect. The evidence indicates our own approval of them in the months that have been going by. Again we were simply bound by the financial position of this State as to what we could afford and what we couldn't afford. And I think we did what had to be done. Again I would like to point out that this entire budget does not represent our philosophy. This budget was created by the Government before we took over. In the time limitations imposed on the new administration all we could do was work with that budget and attempt to find areas where it could be reduced. I believe in the coming year working on this budget we will be able to come up with a budget next year that will more closely touch on our philosophy. There was a very small area in which we could work for economies. I am still committed to belief that government costs too much in California.

Q. Would you say next year's budget would be even tougher than this one?

A. Well, the thing that we are going to try to do, and that we are studying, is some of the areas in which we are bound by statute now, couldn't even consider, as to where we can try and find some better ways of doing. For example, in the Medicare.

This has to be studied because, as I said, this program can well bankrupt this State if it isn't corrected.

Q. Have you reached a decision as to whether Doctor ^{Calbreath} ~~Calbreth~~ or the State Board staff, which of those, at least, are desirable budget items?

A. Well, the Legislature, I don't know exactly what they have in mind up there. But I cannot agree with the idea that the State Board of Education should have staffs separate from the Department of Education. That is what it is set up for. The Department of Education is prepared to furnish me staff necessary to the Board. I think that/ ^{what is} actually being perpetuated by creating two organizations here is perpetuating the idea of the Board that it wants to go in separate directions at times from the Department of Education.

Q. Isn't that the object of the Board, that it would be an independant check on the Department of Education?

A. I don't think to the extent of having a staff furnished, no.

Q. There is a report in a syndicated column that you charged the National Young Republicans \$1500 for your trip back there for your speech. Would you comment on that?

A. Well, it was a surprise to me when I read it in the column too. I don't know the amount. But I would like to point this out. Frankly I am in disagreement, if that was the bill, with the amount. For out of State party functions this is in the hands of the State 'Central Committee. Had I known how they were going to bill it I would have appointed a couple of things out, that a part of that trip involved actual State business, which was the Western Governors Conference. Certainly neither one of the two, the State or the Party, should be charged for the full cost of transportation for the trip. And I am going to take it up with the Central Committee myself right now, if that has been done, and making ~~ing~~ sure that we bear our portion of the cost.

Q. Who determines which share the State will pay? The Central Committee or --.

A. No. I think that it would be very easy to figure out. You take an airplane that went to a certain place and came back. If you hadn't been doing the Party chore you would have only taken the plane so far and come back. Now, on just a straight mileage basis you can pro rate out how much of the plane should be paid

for by one and by the other.

Q. Does that apply to the full amount of staff you took with you?

A. Actually the staff consisted of travel secretary that goes along and a press secretary. And I think this also maybe has to be negotiated with the Central Committee then as to when the Governor is off on his own business affairs what is necessary from the State standpoint to have along.

Q; Do you have any knowledge then, Governor, of the fifteen or sixteen hundred dollars, whatever the charge was?

A. No, because I just -- I only know what I read in the paper also.

Q. Governor, some weeks ago you said that you had no plans to replace the Governor's appointees to the Bay Area Conservation Board . Last week you replaced them. There has been some fear the people who have been named to -- the new people named to the Board are people generally in favor of filling the Bay, to use the tidelands for fill. Is that your --.

A. No, it certainly wasn't my intention, and I doubt that that is true, any more than the fact that we appointed Mr. Livermore, the fact he worked for the lumber company meant he believed a tree is a tree and that if you ^{have} seen one of them you have seen them all.

Q. Have you ever asked them how they feel about filling up the Bay?

A. I know they were generally approved by a number of people who are concerned about that very problem, legislators in the area, people who are interested in that whole condition.

Q. Getting back to politics, Governor, I got a political question from right field. William Penn Patrick, a former opponent of yours --- (question not heard by reporter).

A. I am opposed to third parties. I understand also that their real preference was that they would like to have put him in the number one spot instead of the number two spot. That's up to Mr. Patrick. If he decides to leave the Republican Party and go the third party route that's not important enough to me to comment.

Q. How much of an issue do you think the Vietnam War will be in the coming presidential election campaign?

A. Its going to depend on whether there is a war still going on

in Veitnam when that campaign takes place, and if its still going on what it has develeped into. If, for example, the conditions remain pretty much unchanged I think it is going to be a very sizable issue in the campaign.

Q. It is my understanding when you make a fund-raising speech you receive a portion of the receipts yourself, for your office or for your own purposes. Would you receive any money from the National Party for the speeches you make out of State?

A. Well, this is again why these fund raisers are put in the hands of the Party and not my office. I won't be in a position of bargaining or anything like that. But I understand certain parties in various states reserve themselves the right to kind of bargain for reciprocal arrangements in some instances -- in other words, to have a speaker come from their area out to ours for a fund raiser and so forth. As I say, I think that properly belongs to the party. The fund raising thing within the states which you brought up, that also is customary; and that is simply to have a fund so that I can finance the Party's chores that have to be done. Again I assure you the Party's chores are not going to be financed out of tax funds.

Q. 'Do you regard this letter from the Attorney General's office as the final legal authority on the question of the interpretation of this one hundred ninety seven million dollar debt ^{budget} and whether extending it would be a temporary transfer from special funds, or whether it would be a permament debt contrary to the Constitution?

A. Well, according to the custom of Government and the law the Attorney General is supposed to be the legal advisor of the Governor, and I am certainly not going to pick a press conference here to indicate I am in disagreement with my lawyer.

Q. Do you think the letter is unequivocally on that point?

A. I think it makes the point that you can go to the people and ask for a referendum if the amount is above three hundred thousand dollars.

Q. To keep the record clear, did you answer a letter from a national magazine that asked you what you would have done if you were President?

A. I answered the letter but it wasn't the answer they expected.

Q. You answered the letter?

A. I am a little upset in that my answer appears in that magazine ~~out of~~ context in that it purports to be a statement made by me. As a matter of fact, we have the copy of the letter we sent them, that under no circumstances would I answer the question they had asked. They instead took answers to questions back over the months. I have answered here in press conferences on a number of occasions ~~about my~~ attitude toward the Vietnam War, and they put them all together in such a way so that it reads as if I had answered their question and made a statement, and I did not. This was a compilation of answers made over the last several months, even a longer period for that matter going clear back into the campaign. But we told them that we would not answer in the context in which they asked because, in the first place, we didn't want to be considered a candidate.

Q. Is your objection with the magazine story that you did not want to be considered a candidate, or is it that ^{what} ~~when~~ they published is not representative of your views on Vietnam?

A. Well, it could be a little both ways. First of all, the main thing, I am not a candidate. The second thing is, I think there is a difference in putting together a number of answers over a period of time to various questions and then not presenting the question but making it look like this was a voluntary statement from me summing up my views in Vietnam. If I were to sit down and write such a summary, I doubt if it would come out in the same context as it did there. And there is a difference I think in the readers' minds in reading the answer to a specific question, or if it is presented as if that were a voluntary statement on my part. Actually I have never volunteered anything on that, as you well know. I never thought that particularly it was a part of my responsibility to be commenting on the Vietnam War.

Q. A San Francisco woman, Miss Parr, has come to start the proceedings to get you unelected. What is your feeling about that?

A. Well, now, you know every once in a while interviewers asked me questions about when did I discover or when did I really feel like I had become Governor. Up to now I always been a le to say that I so far hadn't that feeling. Now I have. I understand this goes with the job. So at last I now know that

I have been elected Governor: somebody wants to recall me.

Q. After the Legislature has adjourned and after the Regents have picked a successor to Clark Kerr, after those two conditions have occurred, do you plan to pursue the McKone Commission thing further?

A. That's going to depend on a number of things, including the situation at the University, and including the situation of when there is a President of the University. A president of the University might make such an investigation unnecessary./

Q. Are you in favor of such an investigation at this point? Personally, in light of what you said in the campaign, would you still like to see such an investigation carried out?

A. If you want what I would like to see, I would like to see it become unnecessary to carry out such an investigation. But I have not changed my mind about the fact that this is not the time, with the University engaged in finding a successor -- this is not the time to bring that up. But at the same time I am not going to cancel out the possibility for the future if it should become necessary.

Q. Then it depends on the type of person the Regents choose as President whether you will have an investigation?

A. No. I think it depends on what the President does who comes in.

Q. On this one hundred ninety seven million dollar ^{budget} repayment on which you have the Attorney General's opinion, and you now see business groups and the Legislators feel this doesn't have to be repaid; but Gordon Smith apparently told these people that this was a non-negotiable item. Do you feel that your feet are set in concrete on the repayment of this, it has to be done and there is no chance to negotiate a partial repayment or --.

A. I think the Constitution makes it very clear; it isn't whether my feet are in concrete. The Constitution says the only alternative is to go to the people of California and ask by referendum the people's permission to carry over this debt. I don't think that would be a wise thing to do. I think with this State marketing six hundred million dollars in bonds a year to pay for our great capital projects I think the first and best thing this State should do is get itself on a sound footing

financially. And I think the fact that we have announced our intention to do this has resulted in us marketing our last issues of bonds and paying a lower rate of interest to borrow that money than we would have had to pay for several years; and some of the financial houses who have taken those bonds have told us in person that they were willing to accept the lower rate of interest because they have a renewed confidence in California's fiscal situation.

Q. Well, wouldn't raising taxes enough to meet this one hundred ninety seven million obligation on a one-time basis this year result in a higher tax rate in succeeding years than would otherwise be necessary?

A. That's why we said that once the debt was paid off that that money would then be used for property tax relief; in other words, it would go back to the people in the form of property tax relief.

Q. Can you foresee any circumstances under which you would seek as Governor a similar loan for ~~any~~ purpose in the future years?

A. Get out that hot iron again. No. Come December the State government who made the cash flow is going to have to borrow from other funds. What happened here was the State borrowed one hundred ninety seven million dollars more than there were tax revenues to pay it back. In borrowing for the cash flow from other funds you borrow predicated upon how much tax revenue in the spring is going to be coming in that will not only meet the bills but allow you to repay these loans. And they went ahead and borrowed one hundred ninety seven million too much, and there isn't revenue enough this year. There won't be revenue or has not been even under the accrual system, to pay this back into those funds. Now, it must be paid back. And the only answer to paying it back is to tax and get the money.

Q. Do you see any circumstances now where you would ask for another tax increase next year?

A. Well, if the Legislature sends us down with, say, some kind of a political idea that it is bad politically to have to ask for taxes in an election year, and therefore they are going to try to arrange it so we have to, then it wouldn't leave me any choice. In other words, if they send down less money than it takes to

run the State of California, they leave me no choice but to come back in January and ask for some more, in which case we would do it. I just have more confidence in the people than they do. I believe that the people of California when they know the facts are not just automatically going to go along with that stereotyped idea, that ^{clique} ~~clique~~, that automatically the people execute anyone in government who asks for taxes in an election year.

Q. Can you cut back spending in the budget though to meet --.

A. We will cut back. But again I must point out we are still bound by statutes. There is less than a third of the General Fund budget that we can cut in. And we have done a pretty good job of cutting in that area. There are some things that we are forced by law to do, and until we can get the Legislature to change those laws it doesn't do any good to make a noble resolution.

Q. To whom were you referring when you said it would be bad politically in an election year because you are not running, supposedly, in 1970, or whenever --. The Assembly people will all be running in 1970. 1968. Pardon me.

A. The reflection would be against those bearing our party label that it was the Republican administration that brought this about.

Q. What is your attitude toward the wire tapping bill such as Assemblyman Unruh authored and which is bogged down in the State? Do you support or oppose such legislation?

A. I have only seen some summaries on some of the legislation that is proposed. It is my understanding that there are some weaknesses in some of this legislation and I can't pin point which one or whether it is that bill or not, some weaknesses which could suddenly make very innocent things illegal, like tape recording people at a party or something. In attempting to insure privacy I would hate to see us go so far as to find ourselves again with one of those terrible invasions of personal privilege and right to where it was unenforceable.

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PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD JULY 11, 1967

Reported by

Beverly Toms, CSR

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

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GOVERNOR REAGAN: I didn't get to read the papers this morning.

Q Governor, there is a report that a race track lobbyist got to see you about the racing bill, but a group of clergymen have been trying for weeks and weeks to get an appointment and were unable to see you about it, and now you've signed the bill and there is not much point in their seeing you. Is that correct?

A No -- well, I don't know about a group trying to see me that hasn't. I know that the schedule, as you know, is made up quite sometime in advance and it just gets filled up and it is, as I have told you once before -- they tell me that the ratio is about 40 to one on applications they get for meetings that have to be postponed and as to someone getting in, or a lobbyist seeing me, no, that is absolutely not true. Nor is it true that I in any way have changed my position. I still, very frankly, wish that night racing had not been added or put into that expansion of the racing program. I've always said that, but I always at the same time have said that I didn't feel that I could stand in the way of the Legislature and the people. The large majority seem to want this and it came down to my desk with certainly a two-thirds majority in both houses. I signed it. I do believe in the expansion of racing days and simultaneous racing north and south. I stated that throughout the

campaign.

Q Governor, would you support an initiative to eliminate -- to abolish night racing?

A When you say "support it," you are asking me now how would I as a citizen vote on such an initiative. I certainly recognize the right of the people to have such an initiative, and I don't think this is the time to state where I would vote, but I've also very frankly expressed what I feel about it.

Q Do you approve of the tactic that would use to avert a referendum on this issue by a -- an emergency clause that says it is essential to the peace, safety and welfare of the general public?

A I would have been happier if that urgency clause hadn't been put in. I realize that the charges made that that was the reason are also refuted by other charges that it was put into effect to get the racing dates for '68 named in time, and I'm not going to take sides as to what the motives were.

Q Another subject.

A Is there another subject?

Q No, to clear up one point, the lobbyist whose name I heard was Mr. Garibaldi. Did he not talk to you about the -- the racing bill?

A Not once or ever. Mr. Garibaldi, the only time I can recall, was in a meeting with a number of business representatives with regard to the over-all tax bill. As a matter of fact, in that meeting, if my memory serves me correctly, he said nothing at all. He was just present at the meeting.

Q Now, the Democratic State Leadership said yesterday after seeing a replay of your speech Sunday, your report to the people -- said they planned to ask for equal time. Do you have any comment on that?

A Well, I don't think it was a partisan political speech. I made a report as I have several times to the people in keeping with the promise to let the people know.

That's their privilege, to ask for that if they believe that they were unfairly taken advantage of.

Q Governor, some Democrats have said after listening to your report to the people Sunday that if you didn't like your tax bill very well they don't like it at all, and will help you out by not voting for it. Will you comment on that?

A Let's -- well, let's put that back in context. If in the -- in the trying to get -- cover as much ground in 15 minutes, I wasn't able to make it clear what my reference meant, I think it is easily explained and certainly is in keeping with everything I've ever said. It was my hope, and for almost two years now I've been stating my belief that like so much of government, other states, local communities and the Federal Government, California's tax structure has just grown and had things added to it as emergencies arose, until there has been no way to determine if this is a balanced tax program equitable to every section of our society and one that also is geared to our economy so as not to be regressive or hurtful to the business climate and I've expressed my desire to have a complete study of the tax structure leading to tax reform.

Now, I would, of course, have been happy if we had been able to go on with this study which is preceding and not have to touch the taxes until we could present for the people's consideration such a tax reform program. But we couldn't. We had to take the existing tax structure and augment it, raise taxes in almost every area in an effort to solve our fiscal problem and what I was trying to explain was that this did not represent my final word on taxes, or represent my thinking or philosophy on taxes, that we were still going ahead with this tax study and hopefully will be able in the not too distant future to present the result of such a study. So this, of course, doesn't make me happy with the fact that I had to ask for this. I think that the tax program that we originally came out with was a good tax program within the present

framework. I thought it was fairly distributed. It didn't ask for any unnecessary money. It wasn't as good a program after we had to go back and add to it when we found out that the revenues -- the estimated revenues had dropped another hundred million dollars. We thought we had a pretty good one to begin with.

If you want to know my feeling about the present tax bill in the light of the emergency that we face, I am satisfied with the bill that came out of the Senate Committee. I hope that that bill will be passed pretty much as it is right now and I think that the bill will solve our problems pending the result of such a tax study.

Q On another subject.

Q One more. Isn't it true, regardless of what happens this year that next year you are still going to have to raise that still further?

A Not in the -- not in the light of the bill as it stands now. I think this bill is geared to handle the situation through next year, although as I say, I'm still optimistic enough to believe that we can come in and present a program -- an acceptable program for tax reform. But, no, this tax bill -- unless it is sizably hacked away before it is passed, this one should meet our needs.

Q In other words, there will be no new taxes next year as far as you see, is that correct?

A No, Squire. This is, of course, providing that we also don't run into some economic crisis that completely destroys the projections for tax receipts, and this is not in my hands.

Q Within what you've just said, are you then totally opposed to a school aid bill such as AB 272 by Speaker Unruh?

A No, in fact I look forward to having a meeting with the Speaker now that his bill is moving and our own bill is moving, find out where we can reconcile viewpoints.

Actually, they are not too terribly far apart, particularly since we now have turned to education as a way of property tax relief.

Q Governor, you are at least two hundred million dollars apart, it would seem, in the size of the school bills. You think realistically there is any chance you can accept a bill of \$375,000,000?

A No, and of course this is one of the reasons for having a meeting, because on the bill with him, our Assemblyman Monagan says it is \$175 not \$375, so there seems to be some disagreement with regard to that bill.

Q Governor, enrollments are going to be up, not down at the University of California. Does this change your attitude toward the University budget any?

A No, as a matter of fact, I'm a little confused. I'm surprised that you are not confused by these figures. The first figures of two months ago we were told of the decline in enrollment. The most recent figures, I still read those articles very carefully and I was not quite able to make the figures add up, but even if there is a slight increase, the increase is far below the projected increase upon which they base their original budget. There has been a decline in applications for enrollment and I'd like to recall to you something else I said back in the primary campaign, that decline began almost immediately after the first free speech riot on the Berkeley Campus.

Q Governor, when would you estimate that the Regents will select a new President for the University?

A I couldn't tell you. I hope it is soon. I'm -- I'm not one who holds with the idea that we can go lingering on letting time go by and I don't believe the Regents do. I think the Regents are moving very swiftly and trying to find a President.

Q Governor, there is a report out of Washington that you said that there will be no deal as far as the Redwood Park is concerned unless the Government will

make us swap with Rellim Lumber Company and the question has arisen whether representatives of Rellim contributed to your campaign.

A I don't know whether anyone contributed to my campaign, but I'll tell you if that came out of Washington that's about as comparable to some of the other hot air that comes out of Washington, because I never made any such statements whatsoever. We have presented our program. We presented what we believe should be done. Washington is dickering with it and it is true that the still unresolved issue has to do with the contract purchase unit and the 18,000 acres of Miller Rellim. This company did make an offer of a number of acres, several thousand acres that they were willing to dispose of on a straight sale basis. There is feeling in Washington they want more and as I say, this is still an unresolved issue, but I've never made any such statement of that kind.

Q Talking with Garrill Shoeder (phonetics), the General Manager of Miller Rellim, last summer, I think he told me he was your campaign chairman or financial chairman for that -- for that area. Can you recall?

A I'd have to ask somebody else, I don't know. I wouldn't know now.

Q I wonder if that's what he has reference to.

VOICE: We had about 56 county campaign chairmen and county finance chairmen.

Q Was he one of them?

VOICE: I have no idea. We will have to go back and check the records.

GOVERNOR REAGAN: You have to look that up.

Q Governor, if the Senate fails to reapportion Congressional districts this year, will you be inclined to call a special session of the Legislature or would you be inclined to let the Courts decide reapportionment?

A Oh, you brought up one that hasn't even come to my mind yet. I know that this is upstairs and I hadn't gone beyond that point. I'd have to -- I'd have to sit down and think about this one. I would -- I'm not one

who leans kindly towards the Court's making that decision.

Q Another subject

Q How about one more on this. Have you given any thought or have any idea when you might call that special election in San Mateo County?

A I've asked for a meeting today, as a matter of fact, to talk about this.

Q Meeting with whom?

A Well, a number of the people that are interested, including the State Central Committee.

Q I just want to clarify, you did not write to the Senate and House Committees saying there will be no deal, no park proposal in advance unless there is a swap?

A I said this is the spot that has to be resolved. This is the one thing that has still been left unresolved between the Government and between California, and obviously some resolution must be made of this. We are talking about an entire company and its 18,000 acres in there, but this is the one thing that's still hung up that hasn't been worked out. We have reached an agreement on the Federal lands that will be exchanged and so forth for our own park property, but now we are dealing with a private individual and his personal property.

Q But you favor the company's position in this matter?

A What's that?

Q You do favor the company's position in this matter?

A I favor a position that will still leave them in business there. They account for a log of jobs in the area. They are very important to the economy and also it is a company that has embarked on a thirty million dollar investment for a pulp processing plant that won't cut a single tree, that is going to actually use nothing but waste, waste bark and chips, and it seems to me that you don't suddenly go for something that will shut down that kind of an industry in an area of that kind.

Q Would that proposal shut them down?

A What?

Q Would that proposal shut them down?

A It could well move them out of there. See, they have interest in other states, too, and you can't just leave a sawmill and no -- no property.

Q Well, just for clarification then, what is the state's position on it in relation to the Miller Rellim Lumber Company if -- does the Federal proposal have to be satisfactory to the lumber company in order to be satisfactory to the State?

A No, it has to be satisfactory to all of us, to insure that the economy will not be upset or someone put out of business. Our feeling is that the adjoining contract purchase unit, this is Federally owned land which is open to lumbering on a contract basis by the smaller independent lumber companies. Now, this -- they have now been provided for by the Federal Government's willingness to open up the Six Rivers National Forest, even making available more lumber than is available in this one unit. This unit adjoins the land that the -- we all would like to see included at least in part in the park. That belongs to Miller, and our approach to this has been that a logical exchange with the independents taken care of in the Six Rivers National Forest is to make available on a fair trade basis acreage in that Federally-owned land adjoining in return for his giving to the park his own privately-owned land. It seems a kind of a logical deal and a trade that could very well be established on a fair trade basis as to the value of the land and the lumber or the timber that's involved.

Q Governor, would you approve a park proposal that did not include such an exchange? Do you see any circumstances under which you would make such an approval?

A Well, I'd have to wait -- I'd have to wait and see what they -- what ~~they~~ they come back with.

Q Assemblyman Don Mulford remains unconvinced of

the joint powers agreement for Lake Tahoe is going to be something that that group up there can enforce. He's going to appear tomorrow before the Senate Governmental Efficiencies Committee in regard -- to argue in favor of the committee.

A I haven't --

Q Can you comment on that?

A I haven't had a chance to talk with him about it. I -- as it seems to me, to continue on the Z'berg bill not amended will make a duplicate agency than the one that has been established. I said before, the fact that you have the local people now interested in this and moving ahead, you have a better chance of cooperation where you need it on the scene, on the lake shore, than you do if you impose something on them that they -- that they might not be in favor of.

Q Will you spell out again the enforcement powers that are contained in that joint power?

A It is my understanding that the joint powers agreement that the local communities, the local government bodies have agreed to give up their autonomy to this ruling body. In other words, it isn't like so many agreements in the past where they have simply been a debating society and if the local community or the county didn't like what was approved, it could just walk away and go its own way; that this has not given up -- given forth to that commission to make the decisions in the master plan for the lake.

Q Senator Teale who originally opposed that type of legislation now favors putting in the Z-berg Bill in 18 month postpoment provision. In other words, it would become law in 18 months if all of these other things that we are talking about do not happen. Would you favor such an amendment?

A I would have no quarrel with that. I think that there is no harm in the State having a -- a back-up there that makes sure that they move ahead and make progress or then we take other action.

Q Would you veto the Z'berg Bill if it came to you unamended, unchanged?

A Oh, you know, this is a question -- I'm not -- I'm not going to answer this thing until I've had time to not only to talk to Assemblyman Mulford, but the others and also see what is going to happen.

Q Governor, how do you feel about the battle between the two sides of San Francisco Bay over Rapid Transit financing which might kill legislation completely on that?

A Oh, you've -- you brought up one -- you say how I feel. I've -- I haven't even looked at that yet to have a feeling on it. I recognize that it is a problem, but there is a bit of certain priority in my thinking as to the things I can worry about and I haven't gotten to worrying about that one yet.

Q Governor, there is a survey released by the White House two months ago that shows only one out of every 146 persons on welfare is actually employable, and not more than 50,000 in the whole country are employable that are on welfare at the present time. And this is -- yesterday you painted a very different picture about the possibilities of welfare fraud and I wondered whether you were dicker with this White House survey or whether you already had some facts which show that the White House is misleading the American people.

A Well, let me say maybe they are misleading in all sincerity with their beliefs, but when you start saying who is or who is not employable on that flat a basis, maybe they are also judging on those people as they are at the moment, without any regard to what can be done in the area of rehabilitation. Yes, if you take a survey of the people now on welfare and I can point to a group of adult heads of families who can't read or write who have no education, you can say that they are pretty much unemployable ^{except} for the most menial jobs, but if you also envision using some of the welfare funds in training programs, as they themselves are doing to bring education

and training to these people you change this status. Now, they could make the same ~~claim~~ about handicapped people, but you can go into the Goodwill Industries and you can see handicapped people working there day in and day out doing fine, useful work and they range all the way from rather severe mentally retarded to people with great disabilities, physical disabilities and they have been trained to do specific and useful jobs, and this again, perhaps, is the difference in our approach to rehabilitation and to the idea that welfare was set up to help people help themselves, not to just perpetuate them in idleness for the rest of their lives. And I -- I take issue with anyone who does write these people off and who says that there is no way to salvage them and make them useful.

Q Governor, there is a young lady out in front of the Capitol who is complaining about patients at DeWitt State Hospital getting two meals a day. She said she's going to fast for a week. Are the patients up there getting two meals a day and if they are, why?

A No, the patients up there are getting four meals a day and this we answered last week. This again was a program that has nothing to do with any so-called economy program. This has been under discussion at DeWitt long before I became Governor, and this is a program based on some experiments that have been conducted in similar institutions throughout the country. The idea is have a breakfast that comes under more the head of a so-called Continental breakfast of juice and rolls and coffee. And then a hot lunch at about 11:30 in the morning. A dinner at about five or 5:30, and then before bedtime at around eight o'clock, a cold snack again, of sandwiches and milk. One of the great savings in this is it gives you only one shift in the kitchen. The first meal and the last meal can be provided without actual chef staff in a kitchen. Now, the -- at DeWitt, this young lady who is dieting might be interested to know that

at DeWitt they have seven distinctive menus covering all four meals for the patients who may have various problems from needing a low-calorie to a high-calorie diet, from diabetic diets to low-fat diets to high-calcium, all of this is contained in seven distinctive menus, and they are continuing with those seven menus, so I don't think anyone is embarking on some program to just simply throw some food in.

Q Isn't this what you explained last week? Is there any change in it?

A That's right, only the seven menus is the only additional change.

(Laughter)

Q Governor, going back to taxes for a moment, there seems to be some feeling among the Democrats in the Senate if they can pass this bill and identify it completely with you, that it will be a great political liability to you in the coming months and years. Do you agree with that?

A This is the tax bill?

Q Yes.

A Well, I don't think anyone is happy about passing a tax bill and I'm quite sure there are many people, when it comes time to pay are going to resent it.

I know there are any one of us for years, every time we add the pennies to the sales tax, haven't called it for the Governor. This is done; on the other hand I have a great confidence when you explain to the people, tell them the need for something, they have the ability to see it. And so far there has been evidence that the people have agreed with the need for the tax bill and I think because we have explained the need to them and haven't tried to fool them.

Q Governor, are you counting votes upstairs? Are you confident of at least 27 to get the bill through the Senate?

A Well, I hate to say I'm confident. I'm optimistic and I believe we do have the bills necessary to move

it out of the Senate.

Q Governor, last week's issue of Time Magazine referred to you quoting Richard Nixon as a loser. Have you heard anything from Mr. Nixon on that?

A No, and I'm waiting for Time Magazine to quote me, because Time Magazine received a letter from me immediately that I had never made any such thing, and I'd like to know the unnamed Governor I'm supposed to have said it to, because I just didn't say it.

Q Governor, back on that San Mateo County election for a minute, did you ask Senator Dolwig, your administration, to stay at the Senate and not run for that Congressional seat?

A Absolutely not. We have neither asked anyone to run or told anyone not to run.

Q Are you going to hold conversations with Senator Dolwig about that?

A Oh, it is his district. I think we will have discussions and talk to him, even up to including naming the day.

Q Governor, are you working on a new proposal for University of California tuition?

A We are working on a broad idea, a proposal with regard not only to tuition, but to the administration of tuition, how it would be utilized by the universities, and on a scholarship and loan program and so forth for the students. But it isn't a specific plan in controvention to anything that anyone else is doing. It is a broad kind of philosophy that we believe can be offered, and we hope there will be others offered by other people. Ours is a proposal into which the details and specifics can be fitted when the university comes in with its report.

Q Same for the state colleges?

A Yes.

MR. BEHRENS: Any more questions? Thank you, Governor.

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PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD JULY 18, 1967

Reported by

Beverly Toms, CSR

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

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GOVERNOR REAGAN: We have some visitors from Rio Americana Summer School ⁱⁿ ~~to~~ Sacramento here. Don't worry about competition. They are from a civics class, not a journalism class; you are still safe. I have just a statement here, I think in light of what's going on, maybe should be made and I shall read because there has been great concern on the part of many Californians about racial unrest and.....(See prepared statement.)

Q Governor, there is some concern or some sentiment has been voiced that riots in California might hinge on what happens to the Rumford Act legislation. Do you have any opinions on that?

A Well, no, I don't know whether -- the way some of these riots seem to have taken place in the country, I don't think they are entirely spontaneous and so I'm sure almost anything that could be used as a gimmick or a device to get such a thing going might be used by some who seem to be in the business of agitating.

Q Do you think repeal of the Rumford Act would cause agitation at all?

A Well, I'm sure that this could be construed by some as an excuse for this. I wouldn't think that it justified -- I don't think anything justifies taking to the streets.

Q When will you hold this meeting, Governor?

A The meeting that --

Q -- you spoke of here in your --

A Well, there is -- there ^{are} ~~is~~ two, the latter meeting the big statewide conference. No date has been set on that. Preparation -- I don't think a date has been set as yet. On the other one, I can't tell you the exact time. I think this meeting is on the schedule for sometime tomorrow, but I'm not sure.

Q Governor, can you expand on your suspicions of these riots may not have been entirely spontaneous? Who do you suspect or what information do you have?

A Well, I'm going by -- fellows, I'm going by what your papers have carried. There seems to have been a number of statements by responsible officials in areas where there's been disorder, citing the obvious presence of what seemed to be pretty-well trained and professional agitators and there have been some statements from law enforcement officers about evidence that some of these agitators are the same ones in widely or far spread areas, that they seem to turn up in one town after the other, and I've seen no refutation of that.

Q Governor, you mentioned "responsible Negro leaders" will be invited to this conference. What is a working definition of a "responsible Negro leader" to you?

A Well, so far I've had a meeting with officials of the NAACP. I've had another meeting with the officials of the Urban League and I would say that responsible leaders would be those leaders of the -- the community, the minority groups who are trying legitimately to find answers. I do not think that they would include those who advocate violence or disorder.

Q What about the more militant groups like the Black Panthers or CORE, for example?

A Well, now, I don't -- I don't know who all is included in the group that's meeting with me. I don't know the make-up of the conference, the Statewide conference, but again, as I say, I would think that anyone who is advocating violence and disobedience of the law as an answer to the problem wouldn't have much of a place in that kind of

conference.

Q Governor, in your statement, you mention a number of areas in the State in which your Human Affairs Secretary has visited with Negro leaders. However, in your budget you've cut out anti-poverty -- the anti-poverty one-step centers in several of these areas, and Negro leaders said this only adds to the tension and possible outbreaks. How do you reconcile your desire to help the Negroes with your cutting out from the budget of the seven or six anti-poverty centers?

A Well, I think it is very easy. The anti-poverty centers that were cut out, the single-stop centers in no way curtailed welfare programs in those areas or the service that was available. Those were an experiment that were put into effect prior to our administration and I think that the experiment can bear fruit. I have visited some of those that we still have maintained in operation. They were put in as an experiment in this -- of a new approach to this with the idea that if they worked out they could then reduce the individual offices and centers for the various welfare programs. But we found out that the few that we have kept are handling about 98 per cent of the load, and the others, as an experiment -- as long as it was an experiment, were in areas where they were handling such a small fraction between them of the load, that it didn't make much sense. We could conduct the experiment with those that were handling the bulk and that's why we continued with those.

Q Governor, since there has been no violence in California this year in which anyone was killed, do you think your statement asking for -- promising a tough approach might incite violence? *riots*

A Well, I hope not. It wasn't intended to do that. I thought that the People of California had a right to know ^{with} that, what's going on in some parts of the country, that we here are not just smelling the flowers on the State House lawn and believing that such things can't happen; that we are aware of this possibility and that we are trying to do

all we can to eliminate the inequities and the problems that have caused disturbance, but at the same time we are going to be ready for their protection, for the citizen's protection.

Q About how many people will be involved in this meeting tomorrow and what areas will it come from generally.

A It is my understanding they are coming from pretty much throughout the State. I can't actually tell you the numbers that would be involved. I just haven't had the details of that.

Q Will this be held in your own office tomorrow or where?

A Unless it grows too big for the office. If it should be in greater numbers then I imagine we would adjourn to the Conference Room.

Q Governor, have you received any information there might be a hot spot developing in the State along these lines?

A No, no.

Q The Mayor in Fresno says that the need for a place where the juveniles can go find a job, such as a service center, would run into problems down there over the week-end. Are there any plans to re-open the service center there or is there any other thing the State has in mind of doing to find a centralized place to find jobs?

A No, all of the facilities of the State, and you are involved with Welfare and Labor Department, are still in existence. The fact that they aren't doing business in the same old stand; the fact that they just haven't all consolidated in one place doesn't make it -- or doesn't lessen the possibility of what we can do. Here again I'd like to touch on something I talked about once before. I still believe that this problem of youth and teenagers and summer jobs from the national government on down, I think we should all review our thinking about some of the legislation passed honestly and with sincere motive of trying to improve standards and so forth. Some of the Welfare

legislation, social welfare has made it extremely difficult for the employer to hire a young person these days, and I think that we have done a great deal -- again not assailing the motive back of it -- to eliminate the jobs that -- the summer jobs that school children and teenagers could once get when all the employer had to do was reach in his pocket and pay them at the end of the day out of cash. And I would like to see us start some experimenting with loosening up for part-time jobs.

Q Governor, some of the Negro leaders seem to feel that there is a symbolic importance in anti-poverty centers and of the kind. Do you see any merit to that?

A There might be some merit if we could -- if we had surpluses to talk about. I think when you have to, and are forced to look at cutbacks in every area of government because of the financial crisis facing the State, I think then you have to be a little realistic about how much symbolism you could afford.

Q Governor, on the matter of the youth employment in the summertime, haven't some of your department heads in an effort to meet their economy goals, eliminated quite a few of these part-time jobs in the summer rather than eliminate permanent positions?

A I don't know whether there's actually been any reduction in that or not. I know, as I told you here in the statement, that our Labor Department has been told to do everything we can to implement them. Here and there and in the curtailment of some programs maybe some of those have gone, but once again there is a limit to how far the State can go in carrying the whole burden for the answer.

Q Governor, I wonder if you would describe the difference between the meeting with Negro leaders that you plan for this week and the one that you are planning for later. The two meetings.

A The one that's been in the works for later is -- is a really broad-based kind of seminar type of thing which would be more than just a meeting in an office to discuss

these, but would be more of an all-day or more than one day seminar type of thing to get into depth in all of these problems and to attempt to find solutions.

Q That would be a public meeting, that later one?

A Yes.

Q Tomorrow's will not be?

A No.

Q Governor, the ratio of unemployment for the Negro male, is it judged to be about 20 per cent? You mentioned Chad McClellan here addressed himself to the problem of unemployment on a voluntary basis. Is the State itself making any effort in the field of trying to find jobs for these -- the younger Negro boys?

A Yes, as I told you, we have instructed the Labor Department for this summer to place an emphasis on not just the minority groups, but the underprivileged, the disadvantaged, their limited ability.

Q Governor, do you have any figures on how many have been employed so far for this summer, how many underprivileged youths?

A No, I don't. I don't have a report on that.

Q Governor, have you had any information at all from out of State there might be perhaps a deliberate intent by some groups to instigate violence in the State?

A No, I had no --

Q No contact with the Federal Government or other States?

A Don't read anything into this statement other than just a general atmosphere in the country, I think perhaps we should tell the people about.

Q Governor, do you feel there is a lack of national leadership in solving some of these problems of racial unrest?

A Well, I know there's been a great deal of criticism by some of the responsible Negro leaders in communities about unkept promises in connection with some of the poverty programs and not only cancellation of some, but things

that didn't materialize beyond the organizing or setting up of the administration of such programs. I haven't made any effort to sum it up or make -- take a stand on how far the national government might be responsible for that.

Q Governor, how would you assess the state of race relations in California at the present time, good, bad, explosive, or what?

A Well, I know that from both communities, the major and the minor communities, there are a great many hopeful signs and programs working, programs involving some of our fine athletes on playgrounds in the summer, and I think that this kind of bridging must -- must pay off eventually. I hope there won't be any kind of a setback to it. I think there is a -- there is a reason for us to hope. We have been very fortunate.

Q Are we ready for another subject?

Q No, I have one. Governor, why are you spending now -- it is almost past the middle of July and it was back three and four months ago when there was predictions of possible hot spots in the State of California and the nation. Why are you now meeting with local leaders in hot spot communities? Why not earlier in the Spring before it got too hot?

A Well, we have had such meetings. I told you, I've already met with two groups. I've met just recently with the head of the OIC program in the Watts area of Los Angeles. I have been down on a few trips myself to Los Angeles, and over to one of the service centers in East Los Angeles. I don't think we have been neglecting this. I think we have been trying to do all the things that can be done on all of the programs that have to be done to the limit of our time and the ability to get around.

Q Governor, some Japanese and some Mexican-Americans were poverty stricken and are complaining that they are having trouble getting jobs because the emphasis is so great in favor of the Negroes that when a job is available the preference is given to the Negro rather than to them. Do

you have any check on that kind of thing?

A I don't have any check on that, and I know that this has been a complaint and this is why Chad McClellan's program, where the program originally started in the Watts area right after the riots, Chad McClellan long before he got to doing it on a state level, moved to expand that and over into the -- to the East Los Angeles area, for example where there's also a high level of unemployment, and I know is meeting throughout the State, it is not aimed at this one particular minority group. He is aiming it at the poverty pocket regardless of whether that involved minority or not.

Q Governor, another subject yet?

Q One more. Do you have any evidence yet of how successful McClellan's program is on a statewide basis so far?

A The last memorandum I had was to the effect that the Bay area had finally moved and organized and had better than 1500 businesses and industrialists in that area alone organized. There are better than 2600 in the Los Angeles area and the memo also stated the progress that's been made in a couple of other areas, Monterey and San Diego. There were a couple of problems with regard to they hadn't found Chairmen as yet in those local areas that could give the time that's needed to that, but he had prospects for that and thought that within a few days he would have it and that was a few weeks ago.

Q Have they gotten people in jobs yet?

A I haven't gotten a total on the figures in any of the other areas. I do know the total for the original area in Los Angeles, in the Watts area. Now, you remember that all of this ties in also with some job training, because most of this is to take, first of all, of course, those employables who can move directly into a job, but also to take those who will require some training or upgrading to the modern jobs that they are trying to put them in. And the figure in the Watts area at the end of 16 months was 17--

a little over 17,800 and at that point two-thirds of those were still in the original jobs that they had received, and of the third that didn't hold the jobs, half of them it was only because they had been promoted to better jobs.

Q One more question, Governor, do you have any specific solutions or proposals you are going to make tomorrow to these leaders?

A No, the first thing I'm going to do tomorrow is listen and I'm -- I would like to hear their views and get their assessment of the situation and also their suggestions.

This is still on the same subject?

Q Yes.

A You'll never get on here.

Q Governor, if the responsible Negro leaders tomorrow tell you that the Rumford Act proposed changes could inflame tension in these problem areas, would you be willing to forestall, perhaps for a year, any changes in that area?

A Well, you are talking about something that's upstairs in the Legislature right now, and two or three bills that have been entered up there. It isn't something that I can or can't do, at the moment. I think that you've asked a kind of a hypothetical question and I think you'd - if those bills proceed through the Legislature, you'd certainly have to take into consideration the over-all rights of the greatest number.

Q Governor, in connection with your tax program, there's been a lot of criticism of the tax on repairs and services even by the Republican Chairman of the Revenue Taxation Committee. Is there any chance you might pull back on that phase of the tax program?

A Well, it is in the hands of the Legislature now, and I know there is some dissatisfaction. There was some dissatisfaction on my part. That was one of the measures we had to turn to after we had learned of the hundred million dollar slump in income, and as I think I made it plain, I wasn't too happy about any of the things we had to do. I thought we had a pretty well-balanced tax program until this

other blow fell on us. I'm just going to wait and see what happens upstairs with regard to this and whether they find other sources of revenue. I don't think that's going to be a major difficulty; let me just put it this way, that is not going to be a major difficulty between us. I think they have got some other things upstairs that have me a little more wakeful at night than that one.

Q Now, Mr. Unruh has a Legislative Council opinion now that differs with your letter from the Attorney General saying that you don't have to pay back that \$194,000,000 in one year, so that you could say, cut the bill down by this amount.

A Well, maybe it is just a case of interviewing lawyers till you find one that agrees with you. My lawyer happens to -- has to be the -- the legal advice has to be the Attorney General, but I still repeat what I've said before, that even if this were not at issue, the very fact that it is a question in which there is disagreement in the legal fraternity on the constitutionality of paying back the debt indicates that this is pretty thin ice for our State to be venturing out on, and I still say it would be bad business for this state, marketing six hundred million in bonds a year on an average to try to carry this as a -- a floating kind of debt or loan, and I believe that it should be paid back and we should pay it back right now. The Attorney General has been very explicit in conversations with our people. He has said that he believes the Constitution is so plain in this matter that if there are limited funds to do all the things that have to be done, that the paying back of the debt must be the number one priority over everything else. It must be paid back.

Q Will you get a formal opinion from the Attorney General to that effect? They are quibbling now over the fact it was just a letter, not a formal opinion.

A We have been in contact with the Attorney General about this, to see if we could get a ruling.

Q Would you consider a bill to put an oil severance

tax (phonetics) in your revenue program as suggested by some Assemblyman yesterday?

A I didn't ask for it. You are speaking about that new bill that in the 11th hour has suddenly come over the hill like the Cavalry. I don't think that new bill had any serious intent behind it. I was interested to note that it had a couple of brave sallies in it that I could buy. He wants to put back that other 25 cents on the liquor tax. I originally asked for that; if they could get it I'd be happy to have them as allies. But I don't think the rest of the bill deserves much serious comments, because I don't think it was intended seriously to be a tax bill.

Q Governor, has your administration given any consideration to taking over a bill by Frank Lanterman which would extend sales tax to the gas tax -- gas on gas -- tax on gasoline, and take that 128 million in revenues for the general fund rather than for the rapid transit?

A No, his bill is in the -- is in the Senate now. No, we have --

Q Governor, the Senate yesterday passed a bill to give property tax relief to the elderly. What is your position on that bill?

A I don't know just exactly what the specifics are you are speaking about. We had a -- we had a provision in one point in the Senate -- still there now. The gas bill is getting to look something like a badminton bird, but one of the feathers in there was some 25 million dollars for the elderly tax relief, and I am still hopeful that we can find some ways to at least make a start on property tax relief this year even though we couldn't do a great deal until the following year.

Q Do you have a bill other than the Wedworth bill?

A No, ours was included in the language of the tax bill.

Q But it isn't there any more?

A It isn't there any more. I'm still going to wait to see what comes out of conference.

Q Governor, you said a few moments ago that the sales tax on repairs services was a small part of your worries, there were other ones that were more wakeful to you at night. What ones do you mean?

A Well, I think we have discussed one, the controversy over whether we should pay off that debt. I feel very strongly that we should. I'm in great disagreement with those who are trying to reduce the tax bill on the basis we don't have to pay it back.

Q Does the 96 per cent increase in personal income tax keep you awake?

A Yes, especially with Uncle Sam hanging over us; the whole idea of a tax bill keeps me awake, frankly. I'm sorry it has to be that way. As of June 30 we had to finally stop dealing in projections. We had to deal in facts and the facts were the State spent 386 million dollars more than it took in last year.

Q Another subject.

Q One more.

A One more.

Q Governor, you spoke of the Attorney General saying that paying off the 194 million dollars was the number one priority if something else had to be deferred. Lawyer's arguments aside, is it your view that that must be paid off whether you are required to or not, or is it just your view that legally you are required to pay it off?

A Well, first of all, I believe legally I'm required to pay it off, but second, as I have said, I think it would be poor business not to. This State on the financial market with the bonds has known some periods in the immediate past when it wasn't -- well, it didn't exactly enjoy enthusiasm on the part of the money markets and in recent months our position has stabilized and there is a great deal of confidence in California bonds, and I believe that in part is due to the State facing up to its financial problems and assuming some responsibilities. And I think that we should continue that, just in view of our credit rating.

Now, wait a minute, there was -- over here, now

that we are changing the subject.

Q Governor, in last week's issue -- excuse me, of Newsweek Magazine, they again refer to your traveling this winter and also they refer to your statement on Richard Nixon, that he's a nice fellow, but Pat Brown beat him.

A And again, like a previous one in another magazine, completely out of hole cloth. I never said such a thing. I never thought such a thing and I'd be picking on myself because I beat my brains out to helping him in that campaign.

Q I hear you've got a quick trip scheduled for Albany, Oregon, November 11. What would be the purpose of that?

A I'm going up there -- I've been invited up to Oregon -- we have talked about that very briefly, to ride in the Veteran's Day parade, to speak to Veterans and take in the Oregon State - U.S.C. football game. That's the whole nature of it.

Q Governor, in making your budget cuts, you ignored the four million dollars which the Legislature appropriates to itself above the sum that you recommended, and this is about the only major item you overlooked in the budget as far as cutting back to what you wanted. Why did you do that? Why didn't you cut them back, too?

A Well, I didn't overlook it.
(Laughter)

A I just figured that I've learned that like honor among thieves, that there are certain ground rules here in the State Capitol.

Q Governor, are you looking forward to meeting with Mr. Nixon at Bohemian Grove this week-end?

A I know he's going to be there. Yes, I haven't seen him for quite some time and I'll enjoy hearing about his travels.

Q Governor, who invited you to that meeting specifically?

A Well, Bohemian Grove, it was kind of a combination invitation between Preston Hotchkiss down in Los Angeles

and a former friend of mine -- he's still a friend of mine, a former associate of mine in another industry, George Murphy.

Q Governor, has William Patricks' announcement he's withdrawing in favor of Max Rafferty mean to you there is a better chance of a strong entry against Senator Kuchel and in fact a decisive primary contest?

A I'm still hoping there won't be a decisive contest. Whether this is going to have any influence on anyone entering the race or not. I was glad to see that he returned to the fold from the third party.

Q What do you think about, from the polls specifically indicate Lieutenant Governor Finch would run ahead of any of these other candidates, including Senator Kuchel?

A I think Bob Finch proved in the election he's tremendously popular to the People of California and certainly with our party. You are asking me personally what I'd like to do. I've got him doing so many chores right now, and doing them very well, such as the thing we discussed with Chad McClellan, and that business that if I thought he was trying to get away, I'd lock the doors.

Q Aren't you aware of the fact that he said he will not run against Kuchel?

A That's right, he has said that.

Q Governor, back to Bohemian Grove. When you were invited, were you aware that Mr. Nixon would be there and was there any communication between your office and his office?

A No, no, this has been an invitation that's been pending since way last winter, and it's only been -- they have just left the week-end open to me as to when I could go there, and this was the week-end that had to be picked.

Q Governor, concerning the Senatorial primary again, if Rafferty does enter, do you still plan to be neutral in the primary?

A Neutral in the primary, and I'll support whoever is the nominee.

Q When saying you hope there is no decisive primary, you hope Dr. Rafferty won't in fact run?

A No, I'm talking about if there is a primary, and I have no quarrel with anyone who either wants to run or any group who believes they can find a candidate more suitable to them, I just simply believe if all of them observe the 11th commandment we can have a primary and remain united, whoever should be the winner.

Q Do you have any feeling if Rafferty will observe any kind of commandment?

(laughter)

A Squire, you are trying to get me to break the 11th commandment. I think so.

Q Are you going to do any political talking with Nixon while you are there? Are you going to discuss the Presidential campaign at all?

A I've never been to the Grove before. I don't know how you get around or what schedules or what you do. As I said, I would enjoy very much seeing him, finding out what's been going on abroad and what he's been learning on these trips abroad, but it is purely a social meeting, as far as I'm concerned.

SQUIRE BEHRENS: Thank you, Governor.

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PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

Held July 25, 1967

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

GOVERNOR REAGAN: We have some visitors again. Journalism class? Or just visitors ?

Q. If your tax bill is cut up to perhaps fifty million dollars where will you make your first cuts in the budget to compensate for it?

A. Well, I haven't thought in any specifics of that kind. The only recourse would be to match the economies with the income because we are not going to spend more than we take in. If the Legislature is insistent on cutting some out of the tax bill then I hope they have their eye on August 1st also because they have been doing a pretty good job of cutting simply by not getting the tax bill on time. Every time we pass the first of the month it is another forty five million dollars that we don't have.

Q. Can you give us your version of this understanding or deal, or whatever it was, between you and Mr. Unruh the other day?

A. Yes. And there was no deal. We created a ball park in which we could play. It seemed that we were running at a head on collision with their complete insistence on not paying off the \$194,000,000 debt against our insistence that we must. And it was the intention of the Speaker to get in the rather expensive programming of Assembly Bill 272. We had a meeting and I insisted that the \$194,000,000 must be paid back. They were concerned that this might leave us next year with a surplus of money to pay back the debt, and I pointed out that I had also said we should earmark that money in the second year beginning next year for property tax relief. And I pointed out also that philosophically there was no great difference in our approach to this problem. He approached

property tax relief divided: direct property tax relief in part, and in part by aiding the school districts. And I said this was exactly our own approach. And therefore I didn't see that we were far apart, and that as far as I was concerned any excess in the following year should be earmarked for property tax relief in both direct aid and by aid to the schools. I also made it plain that when I say "property tax relief" I am including such things as inventory tax relief when it can be accomplished. There were no specific figures involved because there is no way to know whether there will indeed be this surplus or excess money they are talking about. So I talked in general terms of excess or surplus that might be left in the second year. And the agreement we left with was simply that we now had created an area where there could be negotiation and exploration of the ways of getting this money for property tax relief.

Q. Is Senator Veneman in left field in this ball park?

A. I don't know what you mean by that.

Q. He seemed to think or there was some indication that this agreement made would bypass some of his plans with the tax bill.

A. No. I think Mr. Veneman thought that when it was portrayed as being an accomplished deal. There was no deal.

Q. Did you agree to eliminate the extension sales tax?

A. No. This was discussed. I expressed myself, as I have here, that this was a second choice with us when we had to get more revenue, that it certainly was not popular with me. But at the same time I said that I felt we must be shown either that we can get along without that money or they must find another means. And I expressed myself again that if they could find any better way to get the money to replace that in the form of taxation I would be happy to hear it. I even proposed they might look at the liquor tax again.

Q. Would a tax program of fifty million dollars, be less than what you proposed, be acceptable to you?

A. Well, if you mean would I veto a bill because it came down fifty million dollars less, I doubt that. But somebody would have to make up their mind that fifty million dollars wasn't going to be spent.

Q. Unruh told us yesterday also that he had assurances from you or your office that you would do all you could to sell the Senate on this idea of the property tax relief and that they thought you were making some headway there. Is that --.

A. No. In the area of property tax relief, indirect relief by aiding the school districts, there is a difference between the Senate and the Speaker on the idea. If you will look back you will see that the Senate's approach in Committee was always by way of specific programs, the State aiding specific school programs in contrast to the Speaker's approach and my own approach which had been more of a general, simply general, relief or funding of school districts. In fact, he himself made the statement that there too that this was a problem that he would have to hammer out perhaps in conference with the Senate representatives on the Committee, and we ourselves said that we would do all we could in this regard with regard to school districts and a fair division between specific programs and general school aid.

Q. If the tax package does not pass this week would you favor Assemblyman Veneman's plan to put the sales tax through as a separate piece of legislation?

A. I would rather think about that one before I answer. Frankly there you want to know my analysis of it. We need the revenue, there is no question about it. I am hopeful the games are all over now and that the Legislature responsibly is going to move this bill and move it swiftly. But, if not, I wonder whether there would be an advantage in taking some of the pressure off and letting them go on playing the game, the pressure being that the State must have the revenue.

Q. Yesterday the Speaker said that the success of this compromise would depend on how well you personally can sell the Senate, apparently place the burden of responsibility upon yourself to come up with the votes. Do you agree with that assessment?

A. It is just wonderful to say "Let's you and him fight". I would think that the Speaker has a certain amount of responsibility in negotiation. I am not a member of the Conference Committee. There wouldn't be much that I could do in that regard. I will do everything I can to bring forth a tax bill, a revenue bill, as quickly as possible. If I have any persuasive powers upstairs

I will use them as I have been using them so far to try and get it done, because to me August 1st means another forty five million dollars of revenue that the State doesn't have for a budget that has already been accepted. And I think it is time for some of the people upstairs, some of them, to recognize that there is quite a dicodamy in assailing me for trimming a budget by forty three and a half million dollars at the same time that they want to add to the budget and at the same time reduce the revenue bill. And some place along the line they better resolve their own differences on that.

Q. Assemblyman John Scull charged that agreements for sale of land to the University of California at San Diego is going to cost the tax payers one and a half million dollars more than the Regents told the public it would cost the first of this year. He has that confirmed today by the Auditor General. As a result would you be willing to change your mind about the statement made in February that it is too late to review this purchase?

A. I will have to -- you have thrown one at me I didn't know about. As you know I looked with a critical eye at that purchase that had been made for additional land. I will just have to look at this in view of this new situation and these new figures.

Q. Do you think if it cost the taxpayers that it is justified, taking a look at it?

A. Well, if there is anything that can be done I would like to take a look at it, yes.

Q. The current situation in Detroit, has it caused any change in your thinking on possibly riot controls in the State?

A. No. We are continuing to work closely with local authorities, and keeping in touch, and at the same time making arrangements so there can be no delays in anything that is needed. I had an opportunity to speak the other day to Chief Cahill of San Francisco on this very subject. He assured me that they are aware of the possibilities that they are planning. So this is about all we can do.

Q. What do you think of this plan that has been started in Sacramento of having members of minority communities form block

controls to more or less keep hold of the line before any violence starts?

A. I think it is a great idea. I think the time has come to recognize -- and it is very apparent in Detroit right now that these are no longer riots connected with civil rights in any way. These are riots of the law breakers and the mad dogs against the people. The first victims, as they are in Detroit, are the good, responsible members of the Negro community, which is about 98% in any majority or minority group. They are the ones who are losing their homes and their jobs, and businesses and places of employment are burned out. I think that if there is any good on this ill wind that we can find it is the understanding on the part of the White and the Negro community that we have a great deal in common with regard to opposing these mad dogs who are creating this kind of violence.

Q. Do you agree with the national Republican leadership that President Johnson has failed to meet his responsibilities in the civil rights crisis?

A. Oh, I don't have access to the information that they have, other than I do know that he has been opposed to ⁻⁻ the administration in Washington has opposed, and in some instances I understand vetoed, legislation that would have aided in curbing of crime. Perhaps this is what they are critical of. But I don't have enough detail.

Q. /Do you think the President was guilty last night in engaging in partisan politics by bringing up the inability of Governor Romney several times to maintain law and order in his own State?

A. I saw the speech myself so I didn't get it second hand. I thought it was -- it sounded about like a kickoff for the '68 campaign.

Q. You met with several whom you called responsible Negro leaders. Later on Senator Dymally and other Negro leaders around the State complained because they were not invited to this meeting, and they say you really did not meet with the men and women who have a following and an influence on the streets of the Negro communities. What is your reaction to this? And do you

plan to meet with the elected Negro representatives?

A. Well, depends on the kind of following he is talking about. If he means am I going to have a meeting with Stokley Carmichael, no. I have meet with Senator Dymally, Assemblyman Green and others here in the Legislature on this problem earlier. I met with the officials of the N.A.A.C.P. in a separate meeting. I meet with the leadership of the Urban League in a separate meeting, and this was a meeting of responsible citizens including educators, clergymen, professional men, business men, and including some of our own people here on the Staff, and including one gentleman who is working with Chad McClelland in the employment program. Now, I see nothing wrong with having these separate meetings, and I think you could get the meeting unmanageable if every time you had one meeting you had to invite all the others who have their own meetings . This would build up to a pretty good house. I think that Senator Dymally's criticism was unwarranted. We had a good meeting and this was a meeting not with any intention this time that we were meeting with representatives of organizations. These were what could be called responsible, leading citizens in their various professions and in their communities. This was to talk to that level and talk with and hear from that level, not with professional leadership of organizations.

Q. 'Do you think you should be in touch with the militant leaders in the Negro communities in this State, these leaders you are talking about?

A. Yes. As I have said before I think that --.

Q. Meet with the Stokley Carmichaels?

A. The what?

Q. The Stokley Carmichaels?

A. No. What I think it is time for this responsible leadership to do is to draw a line between the responsible community and this little minority that is stirring up all of this trouble and this violence and to let them know that they are not going to stand still for it.

Q. Assembly Willie Brown added a little bit to that charge about

the Negroes that you meet with last week. He said all but one of them were Republicans and that they also had some connection with the '66 campaign.

A. How else could I get acquainted with them? He may be true. This is true. It may come as a shock to Willie Brown to discover I am a Republican, but I didn't think there was anything wrong with being with the leadership of my own party. And that's what they were.

Q. Do you think these riots are being set up on some kind of a nationally organized basis?

A. Well, I think it would be pretty naive to think these are just spontaneous. We have read statements in your own papers that authorities have been identified in each riot no matter how widely separated geographically, the presence of the same individuals who seem to be travelling a circuit. And I just don't believe these are spontaneous uprisings. I think there is a plan.

Q. At the meeting with responsible leaders one description of the meeting was a tea party, and that the statement was also made that if you listened only to your advisors and didn't really find out what was going on in the streets you will wouldn't get the true picture. Are you getting the true picture?

A. Well, I think I got a truer picture than whoever gave this out as just being a tea party. There was some blunt talk exchanged, some down to earth delving into what the problems were.

Q. If there is a plan will you elaborate to some extent on whom you believe is doing the planning?

A. What?

Q. Will you elaborate on who you think is doing the planning if, as you say, there is a plan?

A. No. You would have me guessing then and you would have me trying to name names and establish guilt or innocence on the part of individuals, and I am not an investigating agency. I don't have that access to that information.

Q. How do you know there is a plan then?

A. I said there is the appearance, and I think it would be

pretty naive not to believe it. I think it would be pretty naive to assume these spontaneous incidents are just arising all over the country in the manner in which they are arising. And again I would say there has been testimony on the part of people close to the scene and law enforcement authorities to indicate that this is true. And I would cite one of the City commissioners of Newark who was interviewed and who happened just by coincidence to also be a member of the minority group. And there have been others. And its been pretty widely carried by the statements by law enforcement officials. So I just can't believe they are all wrong.

Q. Do you expect violence and more riots in California in Negro communities?

A. I will tell you that if we keep talking about it we will have them. I don't hold very much with this constantly going around and saying its going to happen down the block because pretty soon someone is going to take you at your word and decide it should happen down the block. I can only say that we are doing our best. I think the movement that is started here in Sacramento was publicized last night of steps being taken in the minority community about this. These are the type of things we should be doing. But I don(t think we should be out advertis--ing our expectations.

Q. Do you think the press/^{has} aided a lot of riots around?

A. If I am going to attack the press I won't do it in here.
(laughter)

Q. In view of these latest developments are you still favorably appealing -- would you sign an outright repeal of the Rumford Law?

A. I have to wait to see what ^{will} come from ~~down~~^{up}stairs. I understand the Committee is taking up this particular legislation and so I will wait and see in what manner they move it.

Q. As I understand it, the main criticism of the meeting you had with the Negro leaders last week was that the reason you called the conference was to forstall the possibilities of violence.

Yet the point has been made that you do not talk to the responsible leaders but rather the militants in the street and some how maintain some sort of communication with them because that's where the trouble is going to begin.

A. Well, I think there are some other steps that can be taken. I think that since the majority of -- the vast majority of the Negro community is not involved in these riots and does not want them any more than anyone else, I think you also should sit down to discuss how, together, we can work out preventive measures and control measures. And it was in this spirit and this light that we met. You try to find from them what are the abrasive spots that can make these things or bring these things about, what are the issues that can be used as a gimmick or ~~an~~ excuse to get such a disturbance and what are we both going to do when it happens. I doubt if the militants -- and when we say "militants" I am not just talking about those who might be induced to do something spontaneous, but those who deliberately have a goal of creating this kind of trouble. I doubt you can have a conversation with them and get them to change their approach to their philosophy.

Q. Have you set a date for the Race Relations Seminar?

A. This had not been set at the time of the meeting, and has not been set yet. This is in the hands of Bob Keyes.

Q. Has the administration decided on any plan or is it about to make any proposal to solve this fund shortage in the Medical Program?

A. Yes. We are working right now, Spence Williams' department, to find, administratively, all we can do, to try and bring this program back to a sensible proportion. We are limited by legislation. We are limited also by rules laid down by the Federal Government. As a matter of fact, we must stay with our efforts now. We must stay within the framework of what can be done under these Federal regulations. There is one kind of blanket regulation which hangs over us which I think is characteristic of the Federal Government approach by way of grants in aid, and there is one that says that when in the Secretary's opinion we are not doing everything we can to provide the utmost in medical care for the indigent he has

the authority to pull out all the Federal aid. Now, this leaves him with quite a bit of blanket authority. But over and beyond that we at the same time are launching a study, and perhaps via the task force approach, to find out then what legislation we can propose to make this a workable plan. One doesn't want to see indigents go without medical care, but there is something terribly wrong with the program that has been in effect sixteen months and that every few weeks no matter how hard you dig and you think you have the whole story and a few weeks go by and you find that under another rock there is something you didn't know about before.

Q. Is this blanket rule involving the Secretary's powers, is that posing a problem right now to the State program? Are they threatening to pull out Federal funds?

A. No. I say, when you start interpreting the actual legislation and the law and say, "Now, what can we do administratively simply by our own orders to put this program back to where it won't bankrupt the State?", you have to weigh everything you decide to do, as to whether you may be stepping over that line so that it will prompt the Federal government to take this action. I think that we are going to be able to administratively whittle this thing down into some kind of realistic approach, because this is just a ridiculous situation.

Q. You don't see the possibility that the Legislature might have to make changes before ~~next~~ January?

A. Well, if I thought I did we would call them back. But I think its going to take sometime for us to study what legislation we can propose. We are going to have to actually explore a new approach to this problem. See, we are not being inconsistent with the figures. We are giving out information as fast as it comes. We started sometime ago to do a complete audit of all the fifty eight counties because it is administered at the County level. This was just completed. Strangely enough I got the report on this just a few hours after my famous summit meeting with the Speaker of the Assembly, and it kind of changed the ball game a little bit when we found out. The great problem is, you got a pipe line, a lengthy pipe line, in Medical from a State government down to the doctor's desk and the patient, and the druggist's desk. You suddenly discover -- you think you have the figures and then you discover that there has been

X billions of dollars of service already rendered, treatment given, drugs provided and the doctors and the prescriptionists haven't even made out a bill yet, it has not reached their desk yet let alone ours'; and you suddenly discover that pipe line is filled with an awful lot of money that the State has to come up with, but you have no way to know and estimate that.

Q. You have said through a spokesman that you and Mr. Nixon agreed in the last week end that the Republican party unity ~~was~~ essential for 1968.

A. That's right.

Q. Now, can you put that generality in more concrete terms as far as you and Mr. Nixon are concerned?

A. Well, there was a brief meeting between Dick Nixon and Senator Murphy and myself following a breakfast up there in the Grove, and the gist of our conversation was the importance to us of a Republican victory and the recognition that you could not have such a victory without putting the Party together as we put it together here in California in '66 and as they did in some other states. In other words, we cannot have a factional candidate. We must have a candidate that can appeal to the whole broad spectrum, be acceptable to and hopefully have the enthusiastic acceptance of the Party, all segments of the Party. And this was nothing more than the kind of talk that we cannot afford jumping on each other, that we as Republicans have got to stay united in the face of the public.

Q. Did he change your views in any respect, or did you pin him down? Would you define him as maleable? Was there any kind of talk?

A. Arrangement? No. No, there wasn't, really. This was the gist of the talk. And it wasn't an unusual subject because I don't know of any three Republicans who could have a better record ---and this sounds immodest, but -- a better record at least of trying to support the Party and the candidates of the Party from top to bottom back as long as we have been doing it. Certainly Dick Nixon has a record of service to the Party and for helping candidates in fund raising and so forth that is unequaled. And George Murphy, his whole history in the Republican party has been one of Party service, Party loyalty. And I can point to the fact that since I saw the light I have supported

the Republican Part and its ticket from top to bottom consistently.

Q. Did that unity discussion concern also possible unity between Tom Kuchel and Doctor Rafferty running for the U. S. Senate seat?

A. That subject wasn't even mentioned there. We just talked in generalities.

Q. Last week you said that you were looking forward to meeting with Mr. Nixon. You wanted to talk to him about his travels. Did you talk about travels?

A. Not in this little meeting. There was a little wider group after breakfast and we sat around and -- it was the sort of things he has already said and, I suppose, leading up to things he will speak of, of the interest he had in the problems in Africa and what is happening there with the emerging nations and so forth.

Q. There seems to be a misunderstanding as to whether or not you are committed to the Bill, the Bill which would extend retirement credit for out of State teaching experience. Are you committed to it and, if so, will you sign the bill if it comes down to you?

A. No, I am not committed to it. I was committed and have during the campaign and since spoken of the need to find some answers to this problem. At one time, on the evidence presented to me, I thought the Bill might have been an answer. From the evidence presented to me I found it did not nearly make clear the amount of money that would be involved. Frankly I think that that particular piece of legislation does come up to sums of money that we just can't manage.

Q. Does that mean you will veto it?

A. Wait and see what happens. I don't talk about them until they get there.

Q. Are you talking steps to insure your name won't be on the New Hampshire ballot?

A. I know we did in one effort. I don't know what we have done lately, or whether there has been any concrete evidence that it is going to be. There was a group formed to do just this, and we did our best to turn them off, repudiated them, said we had nothing to do with them.

Q. What will you do if they succeed in putting your name on the ballot? Will you take it off?

A. Now you make me confess to a little ignorance. I had understood that the New Hampshire primary was one in which I could take my name off without that affidavit that a couple other primaries called for. Someone the other day shook my conviction a little bit and said they believed that I had interpreted it wrong, that I better look into it. And I have not done that yet. But it may involve the same kind of affidavit as those other primaries. I don't think that is true. My evidence was to the contrary. But I am going to look it up.

Q. If it does, however, then you would like the other primaries --.

A. Then I am kind of stuck. I hope I am not. I would like to take it off.

Q. On commitments did either you or Mr. Nixon commit yourselves to a presidential race of support on either side?

A. No. There was no talk --. The general talk frankly was of just the necessity that whoever was the candid^{ate} that the Party finally settled on at the convention it should be a candidate who could appeal to the entire --.

Q. Some observers, governor, said you and Senator Kuchel need each other in 1968. And I heard you asked for both Judge Marks in an open State primary election in San Francisco --. Is there a possibility you may change your mind and endorse Senator Kechul?

A. No. You will recall I was asked once before about Judge Marks in San Francisco and I refused to make any statement while there were still some other Republicans entered in the primary. And when the other Republicans dropped out and he was the lone entrant then I came forth for him. But I will not choose a Republican in a primary in any statement of support while there are other Republicans running. But in this instance he was the only Republican candidate so I endorsed him then and, heavens knows, I endorse him now.