

memo to Pres

March 23, 1970

MEMORANDUM FOR THE PRESIDENT

Subject: Dent meeting with Governor Reagan on Reagan's relationship with the White House

While in California last week to talk to the textile industry leaders at their annual convention, I stopped by and had a one-and-a-half hour conversation with Governor Reagan regarding his relationship with the White House. We have been receiving a number of reports from mutual friends, primarily big contributors, indicating that we have a problem with the Governor. I feel I convinced the Governor that the President has the highest regard for the Governor as a friend, as one who is helping this Administration, and also as the Governor of the President's home state. Here are the prime points made by the Governor:

- 1) His feelings are strong about Secretary Finch and, at the time, he was virtually convinced that Finch would file for the U.S. Senate seat. He and his people believe the Technicolor fee stories were planted by Finch friends. What he believes to be Finch's handling of this is a very sore point with the Governor. He is convinced Finch has been having the big say on California appointments.

- 2) The Governor is not pleased with Chotiner's activities in California, particularly with the two Congressional races. Also, he had received reports that Chotiner had been working on the Finch-Murphy matter. He is very sensitive on any political activities in California without his full concurrence, because he feels he will be carrying the big load for the state-wide ticket and the state legislative races.

3) The Governor has been concerned about not being able to get the President on the telephone when he calls. Fortunately, he called last week on a "test" call and the President returned the call promptly.

4) The Governor is very concerned about OEO money and personnel being used to stir up law suits against the Los Angeles Police Department. This is a real red flag to the Governor.

5) The Governor wants to make sure that the President and the Attorney General and none of the top aides are still concerned about his Presidential nomination bid in 1968. He went into detail to explain why he did this.

6) Tom Reed said that he has tried to talk the Governor into going for U.S. Senate against Cranston in 1974. The Governor said he would not run again for Governor in 1974 and that he definitely will not be a candidate for President or cause the President any problems in 1972.

7) The Governor wanted to pass on one key suggestion to the President: that a freeze be put on the hiring of government employees. He said he did this in California the first year and that he wound up the year with fewer government employees than he started with. And, in the second year, it almost got away from him again until he rigidly enforced the freeze. I told him it is projected that we will have 55,000 fewer employees from June 30, 1969, to June 30, 1970.

Harry S. Dent

6c: The V.P