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PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD MARCH 9, 1971

Reported by

Beverly Toms, CSR

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

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GOVERNOR REAGAN: We have a few guests. Ladies from the Broadcasting Association here in town with us today. Glad to have you here.

SQUIRE: Do you have any opening statement?

GOVERNOR REAGAN: No opening statement.

SQUIRE: Fire away.

PAUL BECK: Thank you, gentlemen.

GOVERNOR REAGAN: No questions.

(Laughter)

Q Governor, your current budget, in the area of public health, there is an approximate two million cutback in the area of crippled children. You propose to increase family repayments by about 145 per cent in that area. Do you plan to stay with that -- with that figure? That intent.

A Well, we keep an eye on that one all the time because although there is a screen raised every year and every year for four years, it's been evident there's been no cutback and there's been no lack of treatment for crippled children. And there won't be any this time. I call to your attention that in our reform program a part of this reform involves the making of a few hundred thousand children who are not now eligible for Medi-Cal or any program, takes them into the Medi-Cal program and thus makes available federal funding that has not been available heretofore. So we keep an eye on that and no, we will do whatever has to be done.

Q Governor, this morning President Hitch in speaking with reference to your budget said that the university could be killed in a very few years just as easily through neglect as conscious effort. In your opinion will your budget kill the university?

A Ray, no, it won't. And I know the President served notice at the last Regents meeting that he was going to take his case to the public and try to propagandize the public into insisting on taxing itself higher to maintain the university. I don't believe that we are going to hurt the university. I think there are some postponements as we have said before at this time. There are some cutbacks we would rather not have made, but this is a temporary situation, it is a time of fiscal stringency. It is not a pattern set for the future. At the same time I have to say this, that if the administration of the university would spend half as much time and effort and energy in trimming some of the excesses in university spending that are still there and some of the fat that is still there in their own administrative bureaucracy instead of campaigning just ceaselessly for more money, I think they might be able to solve some of their problems.

Q Governor, how do you differentiate between your going out explaining your welfare reform program, your ----- and Hitch going out and pushing his side of the picture, a program he's in favor of?

A Well, because I think at the same time we have shown that we have made every effort we can in these four years and very successful efforts, to bring the cost of government down to make it more efficient, to eliminate fat and unnecessary overhead and we, as I say, have done this very successfully. This is one standpoint from which we talk. The other is that I think the President and the university administration could be of great help to themselves if they would join us in this campaign for welfare reform, because once again it goes without saying that welfare and the need for reform is the biggest reason why we have had to cut back not only the university but every other department in state government and reduce some of the legitimate services. This is the program whose excessive costs and extravagance is making it difficult for us to meet state requirements.

Q Governor, you spoke of the university should spend more time trimming the fat left in its own operation. Where is this fat? What fat are you referring to?

A Well, we have pointed out a number of areas, and we still say -- I still think that there is a bureaucracy there in the administrative overhead that is -- per head count is excessive compared to what we have in state government. You can contrast their growth of employees compared to the shrinking in number of state employees over the last several years. There are things that can be done with

regard to an increased emphasis on -- on teaching. We found that -- well, I think that I'd rather refer you to Alex Sherriffs for all the details on this than try to go on here with all of the details that we could go to. I think when the university can continue to worry about whether it is going to admit students while it goes ahead with several hundred thousand dollar home for -- for a vice President, things of this kind, it would seem that they have not yet reached the economy pinch where it hurts everybody.

Q Governor, one of the things he mentioned specifically are partially complete facilities which he says money has already been spent on and yet they can't be utilized until they are completed. Wouldn't it be wise to appropriate the money to get these facilities completed?

A We are concerned with these -- this problem also and again it is a case of weighing the interest of all of the people as against that of the university. I've noticed that in the -- in the President's appeals for the university he hasn't at any time expressed any opinion as to what form of increased taxation the people should go to in order to meet his demands, because this is the alternative. It is not a case of a -- of a difference in priorities where we are sitting here on a chest of money unwilling to give it to the university. It is a plain case that there is only one -- one area or one way in which they can get money, and that is from the people in increased taxation. But we also -- we are -- we are concerned about this idea of the waste in finishing the building and their not being able to equip it and open the building, and we think we might have an answer coming up to that, we believe there's been a change and improvement and some of the earnings from the Tideland oil revenues, and we think we are going to be able to solve that problem of the finished buildings and putting them in use.

Q Governor, are you unhappy with Mr. Hitch's administration as President of the university?

A No, no, I just thought he was unduly enthusiastic in pleading his case.

Q A while ago a National Citizens Group in California had the best legislation in the country and New York second best. Do you have any reaction to that?

Q Same subject, Governor.

A Well, let me come back to that one after -- he wants to stay on this same subject of education.

Q You said the university should support your welfare reform plan. Wouldn't that be getting them involved in a political issue and do you think that's appropriate?

A Well, I don't see that it is necessarily a political issue to want to correct something that -- a program that is going on. If someone's making it a partisan political issue, they are reaching pretty far. I never proposed it as such. It is both parties, and the representatives of both parties have expressed a belief that welfare must be reformed. Now, whether they want to endorse the program that we have advanced, they can still endorse the idea of welfare reform.

Q Governor, when are you going to bring in your bills on this subject, ^(welfare) while we are on it?

A What's that?

Q When are you going to present your bills?

A Well, they are being drafted now, in the final stages of being drafted. I had said that they would be by the end of this week -- it might lap over to the first of the week and be Monday before they are introduced or not, I haven't had a final hour on it, but they are in the final stage of drafting. Now, back there.

Q Governor, President H₁tch this morning had said that he was taking his case to the legislature, to the public and to the governor, to correct what he termed the worst ^(Univ.) budget yet. Has he talked with you?

A Well, we have had meetings, yes, ~~every~~ early and he knows our situation, knows the position we are in, and I understand that he's -- he certainly has a right to carry his case to the people.

Q Governor, on welfare reform, under the closed end system of budgeting, grants to welfare families and totally disabled persons would be subject to emergency reduction if case loads exceeded budget estimates. Is this fair to truly needy persons?

A Yes, it is because you have to understand the proposal that has been made. We are proposing a closed end appropriation that would be made in the estimated case load. Quarterly there would be an equitable reapportionment meaning that every quarter if we discovered, on the optimistic side, that we had fewer cases than we had anticipated, the money then -- the additional money available would

simply be redivided among the recipients. In other words, they would get raises. If through some catastrophe or some economic crisis, suddenly we found a great increase in the load, it simply would mean that the legislature then would be able to re -- or would appropriate -- on the other hand if the estimate was so tiny that say it represented an infinitesimal reduction in the pro-rated, I'm quite sure the legislature wouldn't go for any taxes or an additional appropriation but the legislature will have that power then to -- or to make a change in the appropriation.

Q Would you plan to give them a letter then to approve such a supplemental appropriation?

A Well, you are asking a pretty hypothetical question. I want to know the situation, what was being advocated. We actually -- as I say it goes the other way also, and a few people have pointed this out that -- that the money will not return to the general fund if we don't use up the closed end appropriation. That appropriation will be used and it will be used if -- if the load is lighter to increase the grants to the individuals.

Q Would that be averaged out, the load? Would that be averaged out?

A Yes.

Q Would that be fair to everybody who truly needs it?

A Well, I don't know why it wouldn't be. If it is averaged out.

Q If somebody needs more money than somebody else, why would it be fair to average it out?

A I'm talking about it would probably be proportionate to the way their grants are now, it would proportionately go up.

Q Governor, you mentioned the possibility of new money for incompleated buildings. President Hitch spent a lot of time talking about the medical schools. Do you foresee any new money for that aspect of the problem?

A Well, here I think he has dumped into a budgetary problem one that has to do with a bond issue which I supported and this administration supported which didn't pass. The people of California were unwilling to vote that bond issue. I believe that we have to -- we still have to go that route and have a bond issue on the ballot and get that money, there is no question about the need for increased

medical school facilities.

Q Governor --

A Now, listen, we are getting far afield, we are supposed to have a change of subject a moment ago here, your question again?

Q Yes, Citizens Group in a study found California legislature was the best in the country, New York was second. Did you have any reaction to that?

A Well, as I read it the determination was made on the pay and the facilities and the staffing and so forth that were made available to the legislature and it was judged on that basis. I don't believe that this was a judgment based on performance, and on -- I can't quarrel with the basis or the judgment they made on the basis upon which it was made. There is no question about the facilities, the pay and the -- and the staffing help that this legislature has.

Q Governor Reagan, who will carry your welfare and Medi-Cal reform proposals and do you plan to introduce them jointly in both houses?

A Those are all things that right now in this final drafting are being considered. I can't have the answer for you on that today. Decisions as to who will carry it, whether they will be in one house or both, are still being discussed.

Q Have you had any volunteers?

A What?

Q Have you had volunteers?

A We have had legislators express an interest in carrying legislation, yes.

Q Governor, do you have an opinion on the performance of the California legislature then?

(Laughter)

A I'll let you know after I see what happens with welfare reform. They can get an A or an F very easily from me right now.

Q Governor, new subject.

Q Just one more on that line. Governor, how much room is there for negotiation or compromise within your welfare reform package? Could it boil down to a situation like it had in the Senate last year with the property tax reform where neither side would budge and that the whole program went down?

A Well, last time there was no legitimate compromise proposed by the opposition. The opposition held up the budget, as you know,

for several days and they -- and they held it up over the issue of tax reform. But all they wanted and what they called the compromise was they wanted tax reform to be in effect about a three hundred million dollar tax increase, and we had pledged that tax reform in itself would not be used to raise taxes. It would be a reform of the tax structure, I couldn't go back on that. They were certainly free to then present a program for increasing taxes if they wanted to, within that framework or the existing framework. They chose not to do that. They wanted us to present tax reform and simply not give the money back to property tax relief in the amount of about three hundred million dollars. No other compromise was proposed.

Q Maybe that was a bad analogy.

A Now, let me just say on this one, we want -- we want welfare reform. We want to improve the lot of the needy who are totally dependent on welfare. We want to have a better chance to eliminate fraud. We want a better chance to eliminate those whose earnings are such that they -- while legally entitled are certainly not morally justified in getting welfare. And if someone can come up with a proposal that would improve on anything we have suggested we'd be delighted to have it. We are wide open for that. I think it would be difficult because I think the task force that for several months has been working on this and working in conjunction with the county administrative officers and welfare directors has really thought of almost every contingency; In all of our press briefings up and down the state I was gratified, and somewhat surprised to see that not one single question was asked from some pretty sophisticated questions -- not one question that our team could not honestly say, "Yes, we had considered that, and here are the reasons why we made the -- the choice we made as a way of handling it." There was not one incident where they said, "This is something we haven't thought of," or "we are going to have to go back and look at this again." Now, if someone can come up with that kind of an improvement that's just great because the name of the game is getting welfare reform.

Q Governor, this morning a survey was released showing that better than half the voters in the state approved of lowering the age to 18 for voting in state and county elections. What's your position on that issue?

A Well, I've said that I think the people ought to be allowed to decide. They ought -- it ought to go on the ballot and they ought

to be allowed to vote on it. I know that there is still some controversy, as I understand it, in the same poll about whether they want to go ahead with giving full citizenship rights to young people at that age, such as the right to go in and buy a drink or not. I think those are going to be the subject of a lot of deep-thinking and discussion in the days ahead.

Q Governor, change of subject again. Do you still take the position that the Southern Crossing in the Bay should be constructed?

A Well, we have just received a report from the Toll Bridge Authority. It is the subject of study right now by myself and the cabinet and so, as I say, we are under discussion. If there's some new evidence one way or the other to be presented, why, we want to see what it is, and as it stands now, as you know, the -- the issue was approved by the legislature. It is a case now of whether the State of California wants to withdraw an approval that -- ~~as a~~ matter of fact we inherited it before we got here. If we want to go back over this again. But we are certainly going to look at all the additional evidence that anyone wants to present.

Q Well, the Assembly has passed a bill to withdraw approval and it was supported by every member of the Bay area Legislative Delegation but one who abstained. But would you back up the legislators in this case?

A Well, all I can tell you is we are going to study the -- the material that's been presented, the report of the -- of the Toll Bridge Authority, and I'm not going to hazard anything now or a guess on what I'll do until I've seen all the input at present on this subject.

Q Are you talking about the report of Mr. Foley that he made to the Toll Bridge Authority two weeks ago which they accepted on the 3 to nothing vote?

A Yes, that and there is additional evidence that people have wanted to present also that we are going to hear all of it.

Q You are hearing from the other side, in other words, because the input there was pretty much one sided.

A Well, additional -- yes, an additional input has been required of us or an additional consideration on the basis of new federal policies with regard to environmental features.

Q Governor, what happens to your welfare reform if the Family Assistance Plan passes?

A What happens to our welfare reform if the family assistance plan passes? Well, I suppose the federal government would supersede anything we have done at the state level. I think that -- it is a little farther away, it's -- it has not even been returned to Congress yet and with the changes that were suggested and proposed and it is my understanding from meeting with Elliott Richardson that they themselves are wide open for suggestions on this program.

Q Well, could it be implemented if the family assistance plan passed? I mean would your plan work with the family assistance plan?

A Oh, I think there are features of ours that very possibly could work, such as ability to intercept fraud.

Q Governor, on the subject of DeWitt State Hospital, there was a lack of communication between the Department of Mental Hygiene and Department of Finance over how much money would be given to Placer County to operate that hospital once the State is out of the picture. Now the County of Placer has been told they will have 3.5 million dollars less than they were originally told. Does that leave open the way to negotiation with the County or is it a closed matter?

A Well, I understand from the testimony yesterday that the Department of Mental Hygiene -- that they admitted to a mistake and a misunderstanding about what was to be done.

A All I can tell you as we are faced with this problem, the State cannot continue to underwrite and keep open institutions that are no longer needed. And as we have gone more and more into the _____ and Petris-Short Act on the whole treatment we have found that there are hospitals that are going to be closed. DeWitt was one of the priority hospitals. Largely its facilities are wooden World War II type barracks. It was originally a World War II hospital that was turned over to the State. There was evidently a misunderstanding and a mistake made by the Department of Mental Hygiene in negotiating with the County on their takeover of this hospital. All I can tell you is that our first concern of course is the patients, and naturally the patients will be transferred to other hospitals. Second concern certainly are the employees and as we have done in the past with other installations of this kind, we will make every effort to see that there is no personal hardship for them and then I'm -- I can only tell you

that we are going to look very closely and find whatever we can do to mitigate the economic blow to the community we will do. But it just -- it is again one of those cases of in the end result that when you come to a point that a government installation is no longer necessary you just can't ask the taxpayers to continue to subsidize it on a basis of economic impact in an area, but we do want to do everything we can just as we did in Modesto. We transferred the property and the old institution to the local government.

Q There was testimony also there yesterday, although DeWitt is the smallest of -- one of the state hospitals it is more efficient in treating the patients than larger state hospitals, like in Sonoma.

A No question about its fine record, but there is no question about the fine record of mental health treatment in the entire state. I can tell you now we are number one in the nation and I don't care how many people try to argue about that, you only have to ask the rest of the states and they will tell you we are number one in treatment, and DeWitt is a fine hospital and they are doing a fine job. They also, however, have an overhead expense that is far more costly in proportion to the number of patients handled there than any of the other installations.

Q Governor, yesterday members of the Welfare Rights Organization were here doing some lobbying and they had a plaque naming you Honorary Membership Chairman because they say you encouraged people to join their group. Do you accept this honor?

(Laughter)

A I can well understand it because they seem to have made evident by their own conduct that their principal concern is defending any fraudulent recipients of welfare from continuing to fraudulently receive welfare or that they want them to continue. And they also seem to be opposed to reducing welfare grants to those people who have excessive earnings and they evidently must be opposed then to our raising the grant to the truly needy. So if they are suggesting that my actions have increased their membership by way of those who are cheating and those who have excessive earnings, well, then they themselves have tagged what kind of an organization they have. I can only point out that the Governor of Nevada was picketed by the National Welfare Rights Organization in Washington simply because he found cheaters, definitely proven cheaters, and threw them off the

rolls. It would seem to me that they better do a little thinking about what their real purpose is and who they are supposed to represent.

Q Governor, how do you define truly needy?

A Oh, I've been asked this -- I guess I -- by common usage I created this term in a way in connection with this program.

Q What do you mean by it?

A Well, I used it as an expression to point out the two different things we were trying to do. The one -- we were trying to accomplish. When I say truly needy -- when we say it, we are referring to those people who have no other source of livelihood except welfare. They are dependent on the generosity of the rest of us. And the great complaint with the program, it isn't just that the program is victimizing the taxpayers who are supporting an unnecessary load, it is that it is victimizing these people. We can't afford to give them the basic grant they should have because we are spread so thin paying money to the 11,000 a year school teacher, the person with \$1500 that the Judge just complained about in his decision over in the Bay area, the size of the grants that are being given as an incentive to people who get work, and to those who are fraudulently receiving it, this is spread so thin. We intend and believe with all of our figures and estimates in our plan that we can make the savings that we have pointed out at the same time we raise the grants to these, the truly needy. And we don't envision cancelling out an incentive to a welfare recipient who gets a job. As a matter of fact we have proposed setting the ceiling on earnings at one and a half times the basic need before they are denied a welfare grant. So truly needy is that person who has to depend on the rest of us, has no alternative. If we don't take care of him, he and his family go hungry.

Q You asked to be -- have pointed out to you any special case where you thought there may be something amiss and there may be a case -- if I'm wrong, correct me, on page 733 of the _____ on the special needs. This goes to income averaging. The amount -- cost of special needs will be totalled and averaged out, the amount will be divided by the number of recipients _____.

What happens when you've got somebody who -- in the aged categories who gets a grant to eat out in a restaurant and somebody doesn't get a grant, but eats at home. Say there is a difference in those two grants. What happens when you average those out, doesn't somebody lose -- doesn't somebody lose money when he eats out?

A This is possible, that there will be some loss. We believe the overwhelming majority will get an increase in this averaging out of special needs. We also think that there will be in the overhead -- the administrative overhead savings simplifying the procedure for making payment that additional funds will be available that can enable us to increase their grants also.

SQUIRE: Any more questions?

A Now, in every other program -- let me just add, Squire, if I can, there is one thing, remember, that in almost every instance where there is the possibility of the exceptional case, the case that goes beyond anything the rules provide, that we have made in, I think, every instance a provision for individual treatment of that special case.

Q Governor, what happens if you come down to the end of June and your welfare program hasn't passed, what --

A Well --

Q What happens. Are you going to sign a budget?

A If we come down to June and the welfare program hasn't passed?

Q Yes.

A Well, this is a little like talking about what's the next bombing target. I'd prefer to keep my silence on that. Obviously we have thought about it. But we are not just going to sit here and leave that be the final decision.

SQUIRE: Thank you, Governor.

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3/16

PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD MARCH 16, 1971

Reported by

Beverly Toms, CSR

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GOVERNOR REAGAN: I'd like to begin this morning with a brief report on our welfare and Medi-Cal reform proposals. You perhaps have heard of those.

(Whereupon Governor Reagan read Release No. 140.)

Q Mr. Richardson has pledged his support to what? What, the program in its entirety?

A No, no, pledged his support in our efforts to come forth and has pledged that wherever it is possible for him to cooperate with waivers of regulations or anything of the kind, he'll do so.

Q Have there.

Q Senator Richardson resigned yesterday as Office Chairman.

Q Same -- just a minute.

Q Same subject.

A It is the same subject, I think.

SQUIRE: Let's get on the welfare and get rid of it.

Q It is on the welfare, he gave welfare and Medi-Cal dispute as the reason or at least one of the reasons for his resigning. What is the problem between you and Senator Richardson?

A Well, we have always had a cordial relationship and we have had no discussion whatsoever on this. He's never brought it up and I just have to feel that perhaps he was a little disappointed in his original undertaking with the Senate caucus and that when he has time after his disappointment, perhaps has eased a little bit, has time to study our proposal, I am very hopeful that he'll find that it is something he can go along with.

Q Governor, has Secretary Richardson given you any specific commitment insofar as the 30 and a third provision is concerned?

A No, the main thing that he was seeking when we were there, I don't know what the latest contacts have been between him and our

people in detail, but when we were there he was seeking from his people was to insure that he legally had the right and the power to grant some of the waivers that we were proposing and he expressed his personal willingness and desire to do so, but he had to wait until he made sure that he did have that legal authority. We happen to believe from our own interpretation of the Social Security legislation in 1967 that he does have and as I said before, the Chairman of the Senate Finance Committee volunteered to send a letter to the Secretary saying that it was the consensus of the committee that he had this right and urging him to cooperate with us.

Q Is the emphasis on Congress, that you would hope to go to Congress if you did not get what you wanted from the administration in the form of administrative waivers?

A No, it is just simply the interest of everyone. As I said every state, every county and the federal government have repeatedly stated their belief in a -- the absolute necessity for total reform of welfare and we just happen to -- I say, have the only game in town. And everyone has expressed an interest, wants to see it and in our sending it to other governors, this was for the idea of them apparently doing at the local level the same thing we were doing. However, if Washington -- if Congress should start a move to reform welfare at the national level this way that would be just that much easier for everyone concerned.

Q Governor, who will go back to do the briefing?

A What?

Q Who will go back to do the briefing?

PAUL BECK: Carlson.

ED MEESE: The representative of the Welfare, Medi-Cal and HRB.

A This will probably be ^{Jim} John Hall, Earl Brian and Gil Sheffield, same team as did the briefing for all of you.

Q Well, President Nixon has a game in town, too, on reforming welfare. Are you still as opposed to that as you have always been?

A Well, the funny thing is, Bill, having been sent back, has not been re-introduced by the administration, and he himself has expressed an interest in our plan and we have sent our plan back there and promised any additional briefing or anything they want to the administration in Washington.

Q Well, are you still opposed to his --

A What?

Q Are you still opposed to his plan?

A To those -- yes, to those parts of the plan that were a cause that it was being sent by the Senate Finance Committee to HEW for revision.

Q That was my question, too, in a way. I was wondering, you think now with this administration's support, you say that you have, are you optimistic that you and the President can see eye to eye in reaching a compromise between the two plans?

A Well, all I've done is -- as I say here again, there's never been any ^{animosity} ~~animous~~ between us on this. Nothing that's affected our relationship whatsoever and I believe in his complete sincerity in the support of his plan. I just happen to believe that just as we discovered with the Senate Committee, that when you get out here where things are put into operation, we have a viewpoint that I think is impossible to have in Washington. And he has expressed himself as totally open-minded about anything that will bring about a reform of the plan, so we have submitted ours to him.

Q Governor, when did the President express interest in your program and in what manner did he do that?

A In a phone conversation that -- in the matter of the last few weeks.

Q Can you tell us exactly what he said about it?

A Well, we are sending it back by way of people that are doing the budgeting. He knows that. He approved that route and then he said for us in conversations with them to which -- to convey to them his own desire to see it and that he wanted a summary by the budgeting people in Washington of this plan.

Q Did he give you the impression that he'll hold off on re-introducing the Family Assistance Plan?

A No, he didn't even mention that.

Q Governor, are any federal decisions necessary before California's budget deadline?

A No. No, this is the one thing again -- let me reiterate and some of the fellows upstairs jumped the gun on the first day after we had submitted this, or the day we submitted it, and seemed to feel that because we were -- had talked of waivers from the federal government that we were trying to balance the budget on something that

required a federal decision. This is not true. The plan as we have outlined it, the legislation and the administrative changes which we can make, are all of them complete without any federal waivers. We can go farther and do better, have an easier time if we have the federal waivers, but that will just be gravey, frosting on the cake is a better word.

Q Governor, if what we hear out of Washington is accurate the trend there seems to be, and the attitude seems to be that the federal government should ultimately take over the cost of welfare. Now is the administration looking on your plan as a stop gap until that eventually happens or do they see your plan as a total solution to the problem of welfare?

A I have never heard the administration suggest a total takeover of welfare. As a matter of fact, this will be contrary to the President's often expressed views of wanting to return more authority to local and state government. Now Congressman Mills and some others, and particularly I would think from the Democratic side, have suggested the federal takeover. I happen to believe from our observation here in the last few years that a federal takeover of welfare would be total disaster.

Q Governor, you said earlier with few exceptions you have yet to hear from county officials. Some of the larger counties under this bill, contributing 25 per cent to aid to families with dependent children in Los Angeles County, who have expenditures totalling about 150 million dollars annually, have you heard anything from Los Angeles County now that the bill has been introduced?

A I met with some of the Supervisors the other day and they had a briefing while they were here. They seem to be very pleased with the briefing. They had also their own welfare director with them and I think they were satisfied that there was going to be no transfer to the county of added expense. There will be transfer to the county of some spending but there will be a takeback by the state of even more spending. The balance favors the counties. They will get a sizable reduction as this program is implemented.

Q Part of it -- may I just follow up -- is part of that contingent upon some change in law on the federal level?

A No, no.

Q Assemblyman Monagan said yesterday that he would not vote for the budget, that he would not vote for tax reform, that he would

not vote for other legislation until your welfare and Medi-Cal reform bills are passed into law. Do you hope that more Republican legislators would take this attitude?

A Well, I think what -- what Assemblyman Monagan was saying is the fact that you can't settle the budget matter until you've made a decision either on this or then on finding the hundreds of millions of dollars of revenue that ^{would be} necessary to balance the budget. And there is no reason in the world why a decision can't be made on welfare reform prior to budget time.

Q Governor, Senator Purgener said yesterday that it still isn't known how many recipients are going to be removed from the welfare rolls and how many are going to have their grants reduced if the program goes into effect, but he said that there were efforts going on to find those. First of all, how soon do you think it is going to be before you can find out? Second, don't you really have to know that before you can ask the legislature to put the --

A No, the figures that have been given, the estimates of the changes and what will result, I think, are based pretty solidly on facts and with contact in representative counties, where we work with the counties in the creation of this program. At the same time, however, with regard to fraud and legal abuses of the program, we have teams right now in the field working further on this and getting estimates at the county -- at the county level, or not only estimates, looking actually at the records. But all of the figures and the estimates of the change in welfare spending were based on -- ~~were~~ most pessimistic. We did not go overboard and hope, you know, shoot a long shot and hope that it went in for a basket. The fellows drew back and said they would be the most pessimistic and conservative about the savings that could be made.

Q But relative to the number of people affected.

A Number of recipients, there haven't been any figures at all.

A No, if -- what you are talking about here again is kind of frosting on the cake. You are talking about a reduction in the present load of welfare. I call to your attention that the program that we have submitted is one based on curtailing the increase in welfare in the coming year. That, in other words, the figures that we have presented in the savings envisage a reduction from an estimated

600,000 new cases next year to 300,000 new cases without any provision being made of anyone on the program presently being dropped.

Q Well, we were told at the briefing there would be some drop and those would have their grants adjusted, but --

A I am sure, quite sure --

Q But you didn't give a figure on how many were involved.

A That's right. It is obvious that if you are going to set a ceiling on earnings above which a person can't get welfare and that ceiling is below some cases of people we know today are earning more than that, obviously those people are going to be dropped. If you are going to tighten eligibility it is going to result in a few hundred thousand future applicants not being acceptable or declared eligible for welfare. It stands to reason that you are -- in the area of fraud it stands to reason that you are now -- you are also by applying that, is going to uncover some fraud and drop some people who are fraudulently receiving it, but none of the estimates for budgeting have been based on dropping anyone. Those estimates are based on the reduction in the increase of the case load for the coming year. It will still go up, about 300,000 according to the figures.

Q Why don't you estimate, though, all right apart from that, how many people will be dropped and how many people will --

A This is what teams, as I say, are in the field doing right now with the counties. Here's -- let's take the area fraud alone, and I have never believed that fraud is going to be the major area of saving, I think it is the legal abuse through the loopholes, it is probably where the greatest drain is coming -- but even in the area of fraud, if you listen to welfare they admit to about two per cent of fraud. But if you look at the experience of others who have actually been able to run a door-to-door check, Nevada, the District of Columbia, it goes as high as an actual discovery of, in one instance, 22 per cent; in another 58 per cent of fraud. So you've got a guess in there between 2 per cent and 57 per cent. California is the kind -- a size state that you can't exactly go door-to-door as Nevada did and I don't think you can run the same kind of a check that the District of Columbia did, but we are, as I say we have teams now evaluating this, but again this is -- this has not been included in the figures. This again is going to be an additional savings for whatever it may turn out to be.

Q Governor --

Q Governor has the additional input from the counties and the teams you say are out looking into it, substantiated your estimates of the effect on the budget of your program? In other words, will you still -- do you still think you'll be able to have a balanced budget without any tax increase?

A Oh, yes, although without any return from these teams, yes. I'm very much assured of it.

Q Governor a welfare specialist in the Legislature yesterday told us that based on figures that he has seen from the Department of Social Welfare that only about 30 -- 35 to 38 thousand people who would normally be on AFDC, if the rules were not changed, would not be under your plan. He was saying that therefore he concluded that only 7 per cent of the cases could be considered not truly needy. Does this surprise you?

A Well, it doesn't really surprise me in one way. That doesn't mean when I say that, that I agree with his figures, but I think the legislative staff members upstairs who have just now started, with the bills themselves, only introduced yesterday and the report only two weeks ago -- who have just now started to study this and try and make estimates themselves, are -- are making their estimates up against our own which are the result of several months of study and research and task forces that were out with the counties and with figures that were in from representative counties including as many as 40 per cent of the welfare recipients. But supposing he was correct. When you've got a three and a half billion dollar program, if you could make an across-the-board 7 per cent cut you have made a quite sizable cut in welfare spending. So here again it is like the fraud case. You are talking that even the person who I think has got an estimate that is way under reality, but even his estimate represents a savings of hundreds of millions of dollars. I think if there is only ten people that are fraudulently receiving welfare that can be dropped we owe it to the taxpayers to drop them.

Q Governor, you say you expect -- you say there is no reason in the world decisions can't be made on this before the budget deadline. Do you mean that you would expect the bills to be passed by then?

A Well, they have got the rest of March, half of it, they have got April, May and all of June, and there is no reason in the world -- everybody on both sides says there must be welfare reform. Now, I would like to know just exactly what mudhole they expect to fall in on the way to solution of this if they all agree there should

be reform.

Q Governor, even if you did achieve a seven per cent cut clear across the board of this 3.5 million you speak of, you still don't come anywhere near the 6700 million you need to balance the budget.

A Well, no, this was kind of confirmation of a line I used sometime ago. Even if you fell short it is going to be a vast improvement over what we presently have in welfare. Again, let me reiterate what I said here, I don't believe that this ~~hastily~~^{hasty} evaluation that's been made in just this short time by the best of intentioned staff members upstairs can be taken as authoritative and more correct than our own findings over these long months of task force and this operation.

Q Governor, new topic.

Q No, I've got a question. If it took you long months to come up with your plan, how do you expect the legislature to analyze your plan in just two and a half months?

A Well, because once you've made the findings and you present the findings to them I think any reasonable intelligence can see the benefits of the program. Now you gentlemen all had the briefing, there was an awful lot of work that went into that briefing.

Q Governor, aren't you assuming by that that the legislature accepts your findings and figures as fact?

A Well, they are being provided with all the documentation backup that led to those figures. And this was available almost immediately.

Q Governor, --

Q Same subject.

A Same subject, all right.

Q In line with Speaker Moretti's proposal for a one and a half million dollar tax increase and Senator Burgener's statement yesterday that your welfare reform bill is introduced in a spirit of compromise, how much would you be willing to compromise in the Democratic direction?

A I have said from the very first, the Democratic process had -- the legislative process that goes on, anyone that can suggest an improvement over and above what's been proposed, we'd be delighted to hear it. Never shut the door -- I have never shut the door to this. With regard to the tax reform measure, earlier on I had a talk

with Assemblyman G. L. Ives. He and I agreed. I told him that we were perfectly willing instead of sending up partisan measures, to sit down with them and work out a tax reform program. I have another meeting scheduled with him. So far he hasn't got back to me so whatever Mr. Moretti said I don't know whether he's talking for -- for this bi-partisan tax proposal or not. If he -- if he was, I could say that even there is a ray of hope because a billion dollars of that was for property tax relief. That is exactly what we proposed and almost succeeded in getting last year, so we are both in agreement that the property taxpayers ought to get about a billion dollars relief. The only place that we differ is in that other third where he wants to increase spending at the state level by a half a billion dollars. I don't think it is necessary and I don't think the people of California should be asked to pay an additional half a billion dollars in taxes. The shift from one tax to a more equitable, broader based tax of a billion dollars with no net increase in government receipts, this we are agreed upon.

Q Will you agree to a partial state tax increase as a price for getting your welfare reform passed?

A So far I've seen no need or reason for a tax increase.

Q New subject.

A Yes.

Q Governor, the Senate Rules Committee is going to decide this week on the future of the Senate Unamerican Activities Committee. In your opinion should this committee be abolished?

A Well, Ray, when you put the question that way, no, without my getting into it and I will not comment on the performance of the committee in the past or its staff or whether there's been misjudgment or not. I will only say that as far as the need for a committee, I would think that there is nothing changed in the climate today that would mean that we don't still require some means of apprising ourself of the threats, the internal threats to -- to our system.

Q What's your opinion of having at least two dozen members, either present or past members of the legislature, in those files?

A No, as I say now, you get into the area of whether there was misjudgment or not in the conduct of its past activities and that's an internal matter for the legislature to settle.

Q What do you believe ought to be done with the records if they now exist?

A Well, that's up to them to decide also. But I would think they probably will have some form of committee to look over what is there, make their decision.

Q Governor, to assess this whatever -- this -- the threat of -- within our system today, do you think that the legislature is the proper place to conduct this type of investigation or the State Department of Justice or the FBI?

A Well, I think that every level of government we have always recognized the elected representatives of the people, those in the offices closest to the people. The House Committee in Washington, that they certainly should have a hand in this. I think Americans have always been -- have wanted some measure of control by their elected representatives over and above creating a powerful and state police force or national police force that is beholden to no one.

Q Governor, a few weeks ago Mr. Riles, speaking as an ex-officio Trustee in Regents, he said he thought the three units of higher education in California should be combined into one unit, and there is now a bill in -- to accomplish that. Speaking as a Regent and a Trustee do you believe -- do you agree with Mr. Riles that there should be one administration?

A He just doesn't happen to be the direction -- I'm very interested in this, it's been proposed before by others, but it doesn't happen to be the direction that I would see us go. I found that a board that has to deal with 19 campuses in the State college system, another board that has to deal with 9 campuses at the University level, you have a difficult enough time now allowing the flexibility at the campus level for proper administration and when you add in there some 93 community colleges which actually are run by local school districts and are not really the responsibility of the state as to administration, I just think we would be getting something pretty unwieldy.

Q Governor, you have indicated earlier that there will be a report from you to the legislature on some recommendations on education financing and that -- and the whole education picture. Do you still plan to submit such recommendations and if so, what is your schedule on those?

A I don't know what the schedule is, we still plan to do it.

ED MEESE: In the very near future.

A There's a right on the nose answer. In the very near future.

Q Great.

Q Governor, legislation which would at least for a time block construction of the Southern Crossing passed another hurdle yesterday and it remains only for the Senate to pass it on the floor vote. Have you any new position on it?

A No, no comment here until we have had a chance to look at all the input from all sides on this.

Q Well, Governor, does that, on the same subject, mean that the fact that your representative appeared yesterday in favor of that bill which means for the Southern Crossing, that they are not necessarily representing your personal view?

A I couldn't tell you yet. We have -- I have agreed with all factions in this, keep my own mind open, and we will be -- will make a decision on this.

Q When?

A In the near future.

Q When the bill reaches your desk, is that the point?

A Well, I don't know because from the way they are moving upstairs that may be the fastest greased project that's ever occurred in my administration. They -- it may get down here like 15 minutes before I get back to the office.

Q Well, you'll have 12 days.

A Yes, and I'll use most of the 12 days.

Q Governor, Mr. Leonard Carter of the NAACP charged this morning that there are subtle discriminatory practices in state government. ^(employment) He based this on a report he called secret by the state proving his -- his allegation that they had sent a letter to your office some three weeks ago and they received no reply.

A Well, because all of that kind would -- from my office go out to all of the agencies that might be concerned and might be able to have an input on that, comment on it and then come back to me with that input. I have to tell you if there is such a thing going on that it certainly is outside of the policy of government and it would have to be something that would be -- would be carried on far down the bureaucratic level in hiring practices or tests and it would again be totally contrary, because as you know we have asked in these last four years for changes in the Civil Service requirements

for many jobs where we thought they might be able to subtly discriminate. I know of one incident I found just by accident in going out and meeting with members of the minority communities, of an individual out at the local level where he dealt with the people and where obviously he had a prejudice and an incident was brought to my attention. He came back immediately to take action. We have appointed those representatives of my office to be kind of ombudsmen out in the minority communities. So there is a direct contact with the office and certainly my own appointments would not reflect that because there have never been as many as we have made.

Q Do you know of a report supposedly of state employment statistic report that would prove that there are subtle instances of discrimination? This was referred to yesterday.

A No, no, I wouldn't know about that.

Q SQUIRE: Any more questions?

Q Governor, Mr. Carter called for an investigation and a hearing on that subject. Would you be in favor of that?

A Well, I'd like to -- if he -- if he did indeed write -- indeed did write a letter, I would like to see the letter first before I answer your question. I'd like to see it. I'd like to see the input that our own people have, their own comments on it. See whether it warrants it. It is awful easy, you know, to suddenly say we will make a study or we will have an investigation and sometimes an awful lot of time is wasted in something that if there is any merit to what he said then we wouldn't need an investigation. We will go at it and straighten it out, because as I said I will not tolerate it. I won't tolerate it at any level of our government and if we find it going on, believe me, those responsible will either straighten up and fly right or they will be ousted because it will just not be tolerated in the State government of California.

Q SQUIRE: Governor, Long Beach wants to get a question. Governor, can you tell us the factors which prevented your calling the special election in Los Angeles to coincide with the L. A. City runoff?

A Yes. As a matter of fact, while usually in these specials you like to tie it into some kind of an election, at least the primary or the final, tie it in with the idea of a savings to everyone concerned, in this instance we were told that this would be an inconvenience and very possibly an additional cost if we tried to tie this one to the local election in Los Angeles because part of that district is not in Los Angeles. You'd have a case of -- of a ballot in the 27th District that would not be involved in the city election. So we --

SQUIRE: Thank you, Governor.

A We yielded to their request.

Q Who told you that it would be an inconvenience?

A The local election officials in Los Angeles.

Q Well, Governor, the County Registrar said it would cost -- they'd save 30 thousand dollars by tying it in with the local election.

A That isn't what the people told us and they told us they'd be just as happy if it wasn't tied to it because it would represent a great inconvenience to them.

Q What people?

A. The election people that have to do with the new municipal election in Los Angeles

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HELD MARCH 23, 1971

Reported by

Beverly Toms, CSR

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

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Q Governor, can you imagine a Republican Senator opposing your nomination of an All-American Stanford football player to the College Board of Trustees?

A Well, I've heard a rumor to the effect that that might happen. I'm sorry if it has to happen. I think the man that I have nominated for the trustees, Dr. Bill McCall, has a fine record of public service, has indicated that he wants to devote a great deal of his time to public service in addition to his own career. I chose him because I think he has a great deal to offer as a trustee. He's a young man, fine background, professional man, and I for the life of me can't understand any reason why a Senator of either party should object to his being appointed to the trustees.

Q Did you hear the reason that Senator Richardson gave that --

A Oh, that he wants it as a springboard? It is true that -- because of his interest in public life Dr. McCall did run for the Congress, ran against a man who is presently a Congressman who is a close friend of the Senator in question. Now, just to show you the quality of Dr. McCall, he has assured me that if he should at any time in the future decide that he wants to try again for public office that he will not use the trustees for what and that he will resign from the trustees if he should make such a choice.

Q Governor, Senator Richardson says that Congressman Rousselot called you about the appointment. Can you confirm that that happened and if so what the conversation was about?

A That's right, he called me and he was wondering about the political ramifications and I told him he had nothing to worry or fear about -- to be afraid about because of what -- the way Dr. McCall feels.

Q Governor, did the Senator in question ask for a written guarantee from Dr. McCall he would not run against Rousselot, as far as you know?

A I have heard a number of stories and heard from a number of sources of things of that kind that he's expressed his concern that he did contact Dr. McCall. If he did do such a thing I would hope that Dr. McCall said no, because I think --

Q Did ^{he} you do so to you?

A -- I think it would be quite insulting.

Q What I'm trying to get at, did he ask you to get a written guarantee from McCall?

A No, as a matter of fact the Senator hasn't spoken to me directly about this at all.

Q Governor -- Governor, was there any discussion with Dr. McCall about whether he did plan to run next race, and would you assume that he would not so soon after being --

A I had no such conversation with him. Mr. Hutchinson of my office said that he -- since all of this has come up, has discussed this with him and Dr. McCall has told him what I just told you.

Q Governor, another topic.

A Another topic.

Q Several institutions back east are initiating at least a modified version of the learn, earn and reimburse theory in higher education. What is your basic feeling along this line and what would you like to see develop when a Bill is _____ introduced here?

A Well, as I said so many times, I think that it is one of the most practical suggestions that has come forward. In the last several years to meet what we now realize is a real crisis in higher education, particularly for the independent private colleges and universities; it is a crisis not only for the student who because of inflation is finding it harder to go to school, but the even greater danger is to the institutions themselves. Their sources of revenue have shrunk in proportion to the outgo and this began a few years ago when we did try to afford guns and butter at the national level and the inflation rate which had been going along steadily at about one or two per cent along about 1967 began to skyrocket and went up to the seven, seven and a half per cent that we now know. And I think it is a grave problem for the whole nation. Everyone wants to preserve the independence of those schools. We don't want to see a government

takeover of them and yet they are strapped and goes for some of the wealthiest schools with the finest endowment in the country.

Q Do you actively support such a measure this year?

A Well, let me see what's happening to it and what it calls for. I would think that what -- actually there are two parts to this problem. What we are talking about is not so much the problem now of our own state universities and colleges, but we are -- the real concern and what's happening in the east are those independent schools where all they have to do is institute themselves as their program and their method of charging tuition. They have all had to raise tuition considerably. I think that Stanford and USC and other schools in California have raised tuition several times in the last few years, or more than once I should say, not several times, and it is getting to the place that they can't meet their problem and yet it is becoming increasingly difficult for the student.

Q Governor, Assemblyman Robert Crown's bill regarding the Southern Crossing is on your desk now. Will you sign it?

A I told somebody a little while ago they have given me so much -- so much worry with that bill that maybe I'll just worry them for about 12 days now and we might even arrange a decision at one minute before midnight on the 12th day out in the -- in the rotunda. Be on the late, late show. I won't really do that.

(Laughter)

Q Have you determined whether a special gas tax of one cent will be needed for the repairs in the earthquake area?

A We are -- I'm regularly informed on that, I'm over there in the Highway Department, and they have told me so far that they don't see any need. The last estimate I had was of damage that -- that wasn't up to -- to a level that would require that and they said that there have been indications that estimates were continuing to lower that amount rather than increase it, but they promised to keep me informed on about a weekly basis and I have informed ~~that~~ Senator who has such a bill upstairs if it would be necessary that I in turn am keeping him informed.

Q Governor, what do you think of the arguments -- the environment versus the economy arguments that are going on now in Washington over the ^{SST}~~SSP~~?

A Well, I happen to be one who thinks that we should go ahead. The program is experimental, it calls for only two aircraft to make tests. I would think from those we would learn if there is any environmental consideration. It is my understanding that those

motors would be quieter than the present motors that we have, that there would be less pollution from this aircraft. And I think we have to face that number one, we are going to have supersonic planes. As a matter of fact we have them now in the military. And they haven't destroyed the environment and I just think that the risk of this country which provides about 80 to 85 percent of the commercial aircraft in the world is endangering its whole position because if you look at the pattern of buying you find that when ~~airlines~~ start buying they usually buy a family of planes from one manufacturer of whatever size and we could be throwing away our worldwide lead in this field. And I just -- aerospace is so important to our ~~own~~ state, the job impact here. The latest figures on what this would mean to California is about 177 million dollars.

Q Governor, could you explain the context in which you plan to travel east this -- later this week making a number of political speeches in that four years ago at almost the same time you began making similar trips east and it ended up you becoming a Presidential candidate.

A Well, I think in this instance we have that all settled, and I'm not going on any extended tour. Governor LeVander of Minnesota has been after me for the last several years to come speak to the annual fund raising party affair that they have in Minneapolis. They are one of those states where they have one single affair to raise their state party's funds and I told him that if I could at all -- was at all possible I would do it this year. And as long as I was doing that when I received an invitation from Wisconsin also for the same thing, I have tied them into two succeeding fights. I'll be gone simply -- I'll leave on Thursday and be back Friday night. But this is a responsibility that anyone has in a party, is to go out and help in other states and as I have said so often, your box office improves the farther away you get from home. In turn for doing this there are people that come back to California and help us with our fund raising.

Q Governor, I understand there is some disagreement between the federal government and the state over the Davis-Bacon Act and the state law which is almost identical. Would you comment on that, sir?

A On -- just in what -- in what way am I -- am I commenting here?

Q I understand that the Solicitor General last Friday ruled that the government -- the President's waiver of the Davis-Bacon Act requirements applied and superceded all state law and yet the Attorney General this morning ruled that it did not.

PAUL BECK: We have just gotten an opinion and we are looking at it. We haven't gotten to the study of it yet.

A This is why I don't have an answer for it, we haven't had his opinion yet. I thought that we were provided information in our own -- in our own legislation here, but now that the Attorney General has given an opinion, wait till we see what it -- take a look at it.

Q Governor, is your administration doing anything to prepare for the possible radical takeover in Berkeley, especially this police referendum which is going to wipe out the police department as we know it today?

A I just hope that it isn't going to happen. The Mayor of Berkeley was over here the other day and we had a visit and he told me about it and he seemed reasonably optimistic that the people of Berkeley are not going to let this happen in the forthcoming election. It should be a problem of concern to everyone in this state, and I think it is a reflection of what has happened in that community with the influx of so-called street people at all and the great registration among those people in the last election and I think it should serve as a warning to every community that it can happen here.

Q Governor, have you any reply to Chancellor ^{Hegins} Hines who says you are starving the university of California to death by your budget economies?

A Well, I know that Chancellor Hines is leaving the University of California, so perhaps he feels he's got to make some final speeches before he goes and I don't quarrel with anyone in either educational system who wants to urge more spending. This is true of any department head, any section of government. They never get as much as they would like. I could wish, however, that there were those in the university who had been as concerned about the deterioration of quality within the university over the last few years and that had nothing to do with money. It had to do with the willingness of the university to downgrade education such as in the reconstitution of classes at the time of the Cambodia incidents and I know that there are a great many members of the faculty who are greatly concerned about

quality of education, excellence of education in the university and they are concerned not because of any budgetary problems, they are concerned because of an attitude within some elements of the university and that the deterioration, as I said before, begins from within.

Q Governor, back to the Berkeley situation, did the Mayor -- Mayor Johnson ask you to be prepared to have State go into Berkeley in case something goes wrong?

A No, no, he just discussed the campaign, the efforts they are making, the campaigning. He showed me some of the campaign literature from the other side and to anyone with any intelligence at all the campaign literature on the other side should be self-defeating.

Q Governor, are you opposing a change there that would be brought through the Democratic electoral process?

A I can be opposed to the change that they are suggesting which I think would form a community that reasonable, responsible people would not want to be a part of.

Q Can we go back to the Southern Crossing, I'm not sure if you said yes, or not or maybe on that.

(Laughter)

A I didn't, I just said I had 12 days and I was probably going to use all of them.

Q Governor, on that, though, what information do you need that you don't already have that hasn't been made clear over the years for you to make a decision? Why can't you make a decision at this point?

A Well, I could give you one reason. There isn't anyone in the legislature and there isn't anyone in my office who honestly knows what the people in the Bay area really want with regard to that bridge.

Q How are you going to find out between now and the next 12 days?

A I didn't say I was.

Q I'm still not sure that -- I'm not clear on what it is that is bothering you about making a decision on the Southern Crossing. What is it you are lacking?

A Well, there are alternatives that are open to me and there's been a great deal of discussion about this. As I say, I'm -- I'm greatly concerned that everyone seems to be speaking for the people

of the Bay area and they are very presumptuous because there are so many -- we have the two lists of organizations that have all taken their stands and you can make a pretty good case on either side for those organizations and who they represent and so I just want to sit and think.

Q Governor, what about the legislators? What about the legislators for the Bay area, do they not speak for the people in the Bay area, and they have spoken rather clearly.

A Well, I'd like to have it proven to me. There's others that want to come and talk to me so I'm going to spend the 1st -- 10 days -- the author wanted to speak to me, there were others who spoke to me yesterday and I said fine, I'm available and I'd like to hear all the input there is.

Q Governor Reagan, another topic. Assemblyman Bagley yesterday modified or amended his measure on withholding to earmark at least half of the 500 million dollars overlap for capital construction rather than forgiveness. Can you support this concept?

A Well, let me say yes to this extent, I still wish that if there is -- when withholding comes I'm not going to say if, -- when withholding comes I would like to see as we proposed last year, that the windfall go back to the taxpayers. On the other hand, in the stringent times and with -- and with what has happened to us with regard to some capital improvements, there is the problem of our -- of our local schools, for example, who now we have been so tragically reminded must come up to earthquake standards, and they don't meet those, before we have an even greater tragedy. We have discussed in the office and I have been discussing at some length whether we shouldn't explore further the possible one-time use of such a windfall or at least a portion of it. So I have an open mind on this and yes, I could conceivably support a use of that kind. My biggest objection and the one that still remains that I would never give in on, is the objection to the idea that was first broached about withholding a few years ago, and that many still have upstairs, that you should use withholding or that windfall for ongoing governmental costs which is a kind of a one-time gimmick and leaves you stuck the second year to find the revenue for the next year. But when you exchange it for a capital asset there certainly are some considerations there that we should pay some attention to.

Q Governor do you intend to pursue your effort to get that 72,000 out of -- 72 million dollars out of the teacher's retirement fund in view of the objections? (budget)

A Yes, because the objections just aren't well founded. The State is responsible totally for any contingency. So the simply 72 million dollars left there when if there was a contingency we'd have to meet it anyway, it seems to me that this -- and the fact that we ourselves support a program that would replace this money and that is necessary to put that program on a sound actuarial basis, it is not on such a sound basis now, it is one of the most ridiculous programs in the manner in which it has been allowed to drift over the years that anyone could imagine.

Q Governor, in Los Angeles the other day you had some critical remarks of Representative McCloskey. Can you foresee any possibility which you might support another Republican against him in a primary race?

A Well, I don't know, I didn't name him, I'm just amazed that you all guessed that's who I might have been talking about in the remarks I made, but I'm -- I'm very critical of the -- particularly the position he took that the President should be castigated for saying that we would not abandon our young men who are held prisoner by the enemy. I have always had a firm belief that government's responsibility is to even the least individual among us and that if necessary all 200 million of us go to the aid of one individual who is being unjustly presumed upon. And I can't understand the Congressman who would or anyone else in government who would oppose that and believe that the majority for their own security and comfort should be willing to abandon their fellow Americans.

Q Governor, on the 18 year old vote that passed the house today, would you comment and would you have preferred a vote of the people in each state?

A Yes, on the basis that it has nothing to do with whether -- on the issue itself, whether 18 year olds should vote or should not vote. It is just another one of those instances where the federal government has imposed on what I think is a state's right, the right to determine its own voting qualifications.

Q Governor, if the state were to use the one-time windfall from withholding wouldn't that amount to a tax increase?

A No, actually the one argument that some of the opponents

of giving back the windfall have made is valid, that it is a tax obligation that the citizen has to government. The windfall actually is not new or additional money, it is the money that is owed on the previous year's earnings. It is only that in the transition to withholding because the government presumably is going to go on permanently, a government in that transition can actually afford to give that money back because they have already started collecting. And they are going to be collecting on a permanent basis. But it is -- it is tax that is owed. It is a forgiveness of some of the tax owed by the citizens. So it isn't a tax increase at all. I, on the other hand, have said as long as government can give it back I'd like to see government do it.

Q You think now government can, is that what you are saying?

Q Governor, I'd like to go back to the 18 year old vote. What is your own personal feeling? Should 18 year olds have the vote in state and county elections?

A I can't say that my -- I've kept an open mind and I've talked to a great many young people about this. I can't say that I've been sold completely on that. I think that at this age there is a very great difference in the maturity of young people. You can find some that are mature enough and you look at them and you could -- in fact it is hard to believe they are only 18 years old. You find some others that are extremely youthful at 18 and much more subject to influence by parents or teachers or someone else. The other thing that disturbs me greatly is I just don't happen to believe that you can make them citizens at 18 without making them full citizens with everything that goes with it. It just somehow seems odd to me that you are going to say someone is old enough to vote but he isn't old enough to decide whether he can go in and have a drink at a bar and yet I know a great many people are going to be very much opposed to putting these other full citizenship rights and responsibilities on the backs of 18 year olds.

Q How about yourself, are you opposed to that, allowing 18 year olds to drink and sign contracts?

A Yes, I think that 18 is -- having an 18 year old, I'm -- I'm sorry, I just -- I still feel that I should have enough parental control that I don't want her to go in a bar and buying a drink, and I think a great many people feel the same way. You really ask me,

I'm not a prude or bluenose and I enjoy a cocktail myself, but if it were -- you want to get into a philosophical discussion, I guess we'd all be better off if we didn't have a drink.

Q Did you ever have a drink before you were 18, Governor?

A Huh?

(Laughter)

A Well, now, you see in my day it was in the prohibition days, and I'm really -- it is a long way back for me to remember. I don't think so. You know, then you really had to be a -- find a lonely country road some place if you were going to explore the forbidden fruit, as people my age learned to do in the prohibition era. I think it was beyond that age, though.

Q Well, they surely had those roads --

A What?

Q They surely had those kinds of roads in Illinois in those days?

A We had the roads, all right, we used them for other things now and then.

(Laughter)

Q Governor, on another subject. An integral part of your planned welfare recipients-workers is to establish child care facilities so the mother of welfare recipients can work. In the past you've been against child care centers. My question is have you changed your position and if so how will you pay for these centers?

A I don't recall as I ever expressed myself as being against those. I might have been against some proposal that I thought was establishing unnecessarily a new type of program. I'd like to remind you that WPA back in the depression days had child care centers and had them manned by mothers of children who were unemployed. The same thing that we are suggesting, but I can even come up to more recent times, if you will recall in World War II when we were -- when Rosie the Riveter came into being, when men and women were in great demand for the defense industries, we had throughout World War II child care centers for workers' children in our public schools. We used the school facilities and the playgrounds for this. And they were manned in many instances by volunteers because of the -- of the war effort. So this isn't a new thing that we are talking about and it does follow that if you are going to ask a mother with small children to take job training or go to work and her grant is not enough to provide what the

average working mother has and that is enough excess funds to be able to afford paying for a child care center, then you have to make provision for that.

Q Well, then on the same subject, if I understand it correctly, the Social Security Act, Congress has ruled that it is illegal to force welfare recipients to work to get relief. And there have been two trial cases similar to this in the State of California. Does this affect your plan for public assistance?

A Well, as far as we have been able to learn there is no statute and there is no law that prohibits them being employed. And let me just volunteer an additional answer, too, because of some charges made by a few legislators using the term "slave labor" which I think is rather extreme. Even though I know that no one but the Vice President uses extreme language, this did come from some of our own legislators. I don't think that it is slave labor when you analyze the theory upon which we are going to do it. The basis. That we are going to set a rate of pay that is commensurate with the work and what is being paid for similar work and the person's welfare grant is going to be prorated against that rate of pay and they will work the number of hours up to the amount of welfare grant they are getting. In other words, if the rate of pay would be \$4 an hour and someone's grant -- welfare grant would only pay for a half a week's work, then they will only work 20 hours.

Q Governor, back in 1967 after Dr. Kerr was dismissed as President of the University, Richard Nixon's name was mentioned among those as speculated for that position. Did you ever discuss that with him?

A No. As a matter of fact, I -- maybe it is just my memory that's faulty, I don't ever recall his name ever coming up in any of the Regents meetings.

Q Governor, back just a minute to the 18 year old vote, regardless of your own personal feelings about it, hasn't the Supreme Court, though, made it almost impractical not to grant the 18 year old vote in the states? Doesn't it just become a necessity now for bookkeeping and every other --

A Oh, I said that. I still felt, however, that the people ought to make that decision because of the other ramifications of how far you wanted to go in -- in full citizenship beyond the voting. But

I said, yes, having done this for the national election they had imposed quite a burden on any state that would try to maintain its -- its 21 year level.

Q Well, Governor, haven't you -- Would you be in favor of or opposed to the ratification by the California Legislature of this constitutional amendment before next June's election?

A Oh, don't ask me for a comment on that, I hadn't even given that a thought. Let me sit down and think. I don't think -- if they are going to vote, they are going to vote. I don't care which election they start voting in.

Q Governor, you are not opposed to the submission of the question to the people?

A No, I advocated that.

Q There is some confusion.

A My vote, if it is going to be decided, should be decided by the people.

SQUIRE: Any more questions? Thank you.

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3/30

PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD MARCH 30, 1971

Reported by

Beverly Toms, CSR

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

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(Whereupon Governor Reagan read Release No. 173.)

Now, I would like to interject in here. You all have copies of these opening remarks, but let me interject in here something that I haven't even said to this committee, but it needs saying right now also. It is just not alone for support of the program that has been evolved, these people have had briefings but not in the -- in the great detail that I'm sure they want. But also these people have a definite input. Because if there is one thing that I think is necessary in welfare reform it is to get away from the concept that you can put down flat rules that apply to all human beings and meet the individual problems that have caused the individual person to be on welfare in the first place. And therefore there has got to be in any plan of this kind the procedure that will permit us to meet those particular individual problems and to try to solve the individual problems to help in making them more employable and bringing about more quickly the time when they can be productive members of society and self-sustaining. And so this group here and I am -- I know that I am not being overly optimistic, I think this group, the background of these people, the fact that made them interested in this in the first place, is such that they themselves will give us a very great input and practical suggestions and help in meeting these many and myriad problems that involve a diversity of our people.

Yesterday Supervisor McCandless (Statement 173 continuing) ... and I would like to ask now Supervisor McCandless to introduce each member. You have a list of their names and I'd like to thank each one by means of a personal letter of appreciation as they are introduced and then you can have the entire group for whatever questions you may have after the introduction.

MR. McCANDLESS: Ladies and Gentlemen of the press, I'm from Riverside County as the Governor has told you. I'm recently an input from the business world into the field of politics. I represent the area from Palm Springs to Blythe so I feel that I have a pretty diversified clientele as far as the populace is concerned. The people that we are going to introduce here as the Governor has pointed out, I want to reiterate, that we are in the process of the nitty-gritty now of developing the expertise to try to understand fully the total concept, not just the sketchy areas, but the total concept of this program.

We have enough information now that we feel that we can sincerely support the Governor in his package, and I would like to start introduction here with Mr. Neil Papiano from Los Angeles County.

MR. PAPIANO: The Supervisor said I'm from Los Angeles County. I'm an attorney. I'm the Vice-President of the Los Angeles Welfare Planning Council. I like so many other people in Los Angeles County agree that there is a great need for welfare reform and I'm totally convinced that the Governor's welfare proposals are the most imaginative and best yet proposed to meet that. We, nevertheless, there are going to be difficulties and we are going to work very hard in Los Angeles County getting other persons who feel as I do to volunteer to participate in the support of his program.

MR. McCANDLESS: Mrs. Almena Lomax from Alameda County.

MRS. LOMAX: Well, I really like to think I'm from Los Angeles. I stay as the term goes, in Alameda County and Oakland, and I work in San Francisco. I was most impressed by Governor Reagan's courage in attacking this problem and most depressed by some of my colleagues over the state, in their citizens, and also by the legislature's desire to make a political football out of what must be very obvious to the entire nation as a divisive measure -- a divisive activity so far as people who are not on welfare is concerned and a corruptive and negative way of life for those who are. And anything I can do to make people who are -- to help people who are unemployed find employment and to give true welfare and full welfare to people who cannot help themselves in a gracious and glad spirit, I will certainly be happy to do it.

MR. McCANDLESS: Dr. Fred Casmir.

DR. CASMIR: I'm Fred Casmir. I'm a Professor at Pepperdine University, and also teacher at one of the State colleges. I've been a minister for 22 years, actively involved in Los Angeles

County, in many different affairs. I overheard the gentleman from the San Jose-Berkeley ^{Mercury} News as he entered asking the question, "Are these the welfare salesmen. I don't consider myself to be a welfare salesman. I believe we sold that 40 years ago. Much rather I consider myself a salesman of human dignity, and finally restoring help to those people who truly are in need of help who are not currently being helped as much as they should. For that reason I'm supporting the Governor and I'm supporting his program, and I appreciate very much his opening statement indicating that I will be allowed to do a great deal more than that as a representative of the citizens of the State to have input into this program.

MR. McCANDLESS: Mr. Joe DeSilva from Los Angeles County. Mr. DeSilva.

MR. DESILVA: I'm Joe DeSilva, Secretary of the Retail Clerks Union, Local 770 of Los Angeles County. I have been interested in public affairs for over thirty-four years. And I saw the birth of charity and birth of welfare. I believe that now we have reached the point to where bold action is necessary because the welfare program is not what it was intended to be, but it's turned out to be a hand-out for everyone who wishes to extend their hand. I think that taxes are overwhelming, I think that many of the members of my union could apply right now under the welfare rules for charity, or for welfare. I do not propose to advise our members to join the welfare ranks except as to tell them how we can avoid paying monies not due to those who do not deserve it or do not need it. I think the principal question here is that we should change the welfare program from the question of who needs it to the -- or from the question of who should get it to the question of who needs it. We have too many people now selling the idea of welfare rather than selling the idea of self effort and self-improvement and that's the reason why I'm behind Governor Reagan's program and I will back it to a hilt, naturally eliminating any inequities that I feel affect the people in general.

MR. McCANDLESS: Mrs. Judy Proaps from Sacramento County.

MRS. PROAPS: I'm Judy Proaps. I work for the State of California, and I'm a working mother. And I am in support of Governor Reagan's reform bill. I believe very strongly in fact for it because of the -- I'm very nervous, excuse me. I found that as a working mother and also I am divorced, and I receive some support, that I also could take from the welfare program, which I think is a shame, because I don't think this is what the welfare should work for.

And I am very proud to be on this committee. If I can do anything that could help curtail the problems of welfare, I will try anyway. Thank you.

MR. McCANDLESS: Judge J. Steve Williams from San Bernardino County.

MR. WILLIAMS: My name is J. Steve Williams. I was Judge of the -- or am Judge of the Superior Court in San Bernardino County and prior to the appointment to the bench by Governor Reagan I was Chairman of the State Social Welfare Board. I consider that in accepting an appointment on this committee that as a citizen I too have a legitimate concern in what's taking place in our society and the moral fiber of people. I'm concerned that we begin to not only reflect on what we are going to do about problems that relate to our environment and ecology as properly we should, but we have to examine what the welfare programs have done to the moral fiber of people in this society. And when we emphasize the concept of family responsibility we are taking a positive step in really attacking the problem as I think properly we should. There are many people who may question why it is that a Judge of the Superior Court would be appointed or consent to serve on a committee such as this and I'm mindful of the fact that there may be criticism because of the fact that I do this. But I consider that as a citizen I have an obligation because of what I have been exposed to as Chairman of this Social Welfare Board in the State to speak out on other issues. I don't consider that I'm in a pasture, that I've been placed in something that puts me in a position of looking upon this as a matter of being retired. I'm going to work and fight for the development of a family court system in this state which we one day are going to have to meet the needs of people, and in connection with the welfare reform program that's proposed as it addresses itself particularly to the matter of family responsibility, I see that there is a legitimate connection. I think the people from all walks of life from every political party, from every ethnic group, has something to contribute, and if we -- any one of us don't step to the floor and attempt to do something about it, then we have no one to blame but ourselves and I'm pleased and proud to have a part in this program in supporting the reform program that is badly needed.

MR. McCANDLESS: Mrs. Sybil Brand from Los Angeles County.

MRS. BRAND: I'm Sybil Brand from Beverly Hills. I was

Chairman of the Public Welfare Commission for 16 years; I am now on the Vocational Training and Inspection Commission for the jails and all lockups and probation department. I'm also a member of the President's Committee. I've been appointed for three years on the Handicap, and I'm here today because I believe in Governor Reagan's program and I wanted to do all I can to help him.

MR. McCANDLESS: Mr. Robert W. Kerr from Sonoma County.

MR. KERR: I'm Bob Kerr, businessman from Sonoma County. I'm -- my credentials include having been a one-time newspaperman, and also a status as a professional social worker. I've served as a Director of the Urban League in two of our major cities. Presently I'm the President of the United Crusade in Sonoma County, so I like most businessmen recognize we have a responsibility other than just carrying on the type of work that we do. I'm here primarily because I am the Chairman of the Welfare Committee of the California Chamber of Commerce and through that committee I have learned that businessmen generally throughout the state, business, professional men and agricultural leaders, are deeply concerned about this problem and we recognize that the Governor has had the courage to take this program in hand and attempt to do something about something that everybody, even those who are on welfare recognize, is an inequitable and unfair program. We want to see that everybody in need receives the proper care he's entitled to. But we also think that those who are not entitled to it should be removed from the rolls. I'm glad to participate in this and have a chance to work with the committee.

MR. McCANDLESS: Mrs. Joan Sparks, Alameda County.

MRS. SPARKS: Well, I'm glad to be here this morning because I think it is giving me the first opportunity to speak out positively for what we term in the Governor's book, the truly needy. I founded and operate an agency in Alameda County that provides emergency lodging and emergency food and health services to what we define as a truly needy. And we are speaking about a program that has been needed to be in effect for many years. I -- I think what I'm trying to say is I've heard much on the way of saying financial bankruptcy and in the work I'm in I see human bankruptcy. I see people that are not being allowed the opportunity to work, not being allowed the opportunity, the pride and dignity that should be the right of every person. And so I see a beginning and I see a need that there be a welfare reform so that people can be allowed the pride and dignity that we are talking about. And I know that there's going

to be a lot of people that are going to say welfare reform, the poor, the poor, the poor. Well, it is the poor that are being left out of the bag, let me tell you. It is the poor that don't have enough to pay their rent. It is the poor that don't have enough to eat. It is the poor that are just being knocked down continuously and it is that person that gets above that average or has some income that's able to make it and is still on the welfare roll, so I'm here this morning because I'm interested in the truly needy being served.

MR. McCANDLESS: Mr. Raymond Huerta. Sacramento County. That's right, isn't it, Ray?

MR. HUERTA: Yes, fine. I'm a second-year law student at the University of California, Davis, and I think primarily my interest in being on this committee is to as a student, first of all, is to bring that input from student groups or people that criticize any type of welfare. We have a beginning here, I think, in this welfare program, and I think that we have to get away from the rhetoric. If someone wants something to say, they should say it and let's see where we can go. I think we have to build on the program rather than tearing it down and until we have an opportunity to build, to know where we are going, and get that input, I don't think we will be getting anywhere, so I really appreciate the opportunity to see where it can go.

MR. McCANDLESS: Mr. Armando Torres, Los Angeles County.

MR. TORRES: My name is Armando Torres, Mexican birth. Have lived in Los Angeles for approximately 60 years, continuously. Immediate past-President of the Mexican Chamber of Commerce of Los Angeles, and a member of the Public Social Service Department -- a Commissioner there, the Department that guides and advises the Supervisors and the Department of Public Social Services. I think that it is high time that someone took the bull by the horns and tried to straighten out the welfare mess that we have gotten into. I'm very proud to be part of this committee to help the Governor straighten it out. It may be that the program that is presented is not a utopian. It may not be exactly what we should have, but it gives us a start, something to work on that is very definitely needed.

MR. McCANDLESS: Mrs. Echo Goto, from Los Angeles County.

MRS. GOTO: Governor Reagan, Mr. Chairman, and the Press. My name is Echo Goto. I am Vice-President of the Florence-Firestone Chamber of Commerce, and the Japanese Women's Society. I also serve

as a senior Vice-Commander of the Disabled American Veterans, Florence Auxiliary 42. It seems to me the Governor will go down in history as a liberator of men, not women. As I see this program this reform, it will be liberating them for today as the welfare program is. The social service person is replacing the father and the man of the house today.

MR. McCANDLESS: Mrs. Avalon Wright, San Diego County.

MRS. WRIGHT: I work for the San Diego County Welfare Department as an eligibility supervisor. I fully support this program because I feel that it is the first real step to return dignity to the people of California. Perhaps to our nation. I feel that Governor Reggan's program is an honest workable one that will restore welfare to the truly needy people. Each day I'm faced with the inequities of the program in trying to sort out manual materials -- there's just no end to the loopholes that we have to deal with and more often than not people are eligible for welfare when they really should not be. I'm also concerned with the indifferent attitudes of the people from the bottom up in administering the program. This happens with the eligibility worker on up to our capital building. We really need people who feel responsible for those truly in need, to bring about some reform to the people of California. As a responsible citizen I feel that I must support this program. I feel that it is truly a beginning and an answer to the problems that we are facing now.

MR. McCANDLESS: Mayor Al Madden, Monterey County.

MAYOR MADDEN: Well, Mr. Governor, Ladies and Gentlemen, my name is Al Madden. I'm -- I work for the City of Monterey as Mayor. The hours are long and the pay is lousy, zero. I cannot speak officially for the 414 mayors in the State of California or for the League of California Cities, but I think I can safely say unofficially that Governor Reagan's innovative welfare program is of such great interest to the cities of California and to the State and to other states, that I wouldn't be a bit surprised if it were not adopted nationally because it makes more sense than anything the people have ever been exposed to before, and I would like to now at this point, and I don't want anything in return, to commend the Governor for having lots of guts and courage to try to carry out a program that makes so much sense. Thank you.

MR. McCANDLESS: Ladies and Gentlemen, there are some other names that are on your list. These gentlemen, unfortunately,

are very busy people. They have agreed to help me and the rest of the committee in our attempts as we proceed through the coming months. But they were unable to be at this, this morning. I'd like to summarize by saying what you have witnessed here is a nucleus of a committee that we hope to expand out in the regional areas of the counties, and the geographical locations of population intensity in an effort to bring about what we feel is necessary change in the welfare program as we now know it in California. And with that, Governor, I believe we have had our say.

GOVERNOR REAGAN: Here's yours, too. I just hope that all of you have taken note that this isn't the usual kind of committee that is formed on a civic basis -- not that all civic communities -- what I was going to say, either -- but the kind of committee in which he went out to try to find some -- some names to get a very impressive letterhead. Everyone of these people is a refutation of the arguments that there is somehow a lack of compassion in the program that has been proposed because all of these people have devoted, as you have seen, much of their lives to helping the less fortunate. All of them involved in various undertakings of that kind, they have been motivated in their own lives by compassion and I doubt if they could find themselves associated with this program if they thought that it too lacked compassion. I hope they had their first introduction to some of our economies here in Government. You've probably been observant, so know that by handing the letter there were no stamps on the envelope.

(Laughter)

GOVERNOR REAGAN: Those that are here in attendance, and we are equally grateful to them. The others that couldn't be here for this particular purpose, I guess we will have to afford a stamp for each one of those. But now you can all have at any and all with regard to whatever questions you may have.

Q Governor, I'd like to ask what exactly is this committee going to do. What is its purpose, what will its function be, what will it do?

A Well, perhaps they could answer that better. Mr. McCandless, I would just say two things. First of all, to hopefully bring to the people of California the nature of this program, clear up some of the misunderstandings, hopefully to mobilize the kind of public support that will impress on government and on the legislature the -- that it

is proper, that it is needed, but even more so as I said -- interjected in my remarks here, their help to us also because of their experience in these fields, in meeting the problems that we ourselves know we are going to come up to -- for example, when you start putting the non-working mother into a position or into a job or into job training, the many problems that are going to have to be met with regard to the individual situation of her family, for example, add the care that will be afforded to her children. This is just one example of the countless type of things that will have to be met on an every-day basis as you install a program this large. But, Al, if you'd like to add something.

MR. McCANDLESS: No, I think the Governor has pretty well covered it. I think you people in the news media know more than anyone else there is a need to communicate to understand, and we are going to attempt very strongly to communicate with the public on this welfare program.

Q Can I ask a question?

A Well --

Q Who's going to pay the expenses?

MR. McCANDLESS: At the present time we have zero funds. We hope to enlist the help of private industry. As you know, the State is not permitted to subsidize or support a program of this nature, but I feel strongly enough that I went to my Board of Supervisors and you might be interested in this, we ran a very detailed analysis of the program, step by step, and we found that with the present case load in Riverside County, and using that as a criteria, and applying the current reform as it is being proposed, that the County of Riverside would save a million 80 thousand dollars, rounded off, conservatively, comparing existing with that proposed. But this is not the true picture. We are interested also in saving money, but primarily we have the future and the spiraling costs of the welfare program, particularly in Riverside County which I'm acquainted with. It went up 25 per cent last year over the previous year, and if you had a graph on the wall you would see that it would continue to go up. So we have to stop this and we have to look at it from the point of view of the economics, but we also have to take into consideration the social aspect of it. Because you can't turn people out on the street hungry, you have to give them an alternative.

Q Is that a billion dollars a year you saved?

Mr. McCANDLESS: Yes.

Q A moment ago, Governor, you referred to the misunderstanding on the part of the public. The feedback that you've had since the actual legislation was introduced, what are the major misunderstandings that you see of the public?

A Well, I continue to see in some areas of the State the repeated lie, because it is a lie, that this program is designed to dump costs over on the county to relieve the State, and there is no one who can read this particular program and find anything except the intention, and I have gone beyond that, and said that if by any chance there should be anything wrong in our estimates we -- we intend -- then I pledged that we will do something about it because this administration has no intention whatsoever of adding to the local costs or the local burden, city or county, and we want to do everything we can in tax reform and everything else to lift their burden. That is one. Another one is the -- is evident in those people who chose the picket, the people who demonstrated me under the name of the Welfare Rights Organization in -- out of state, even on the basis that in some way that we are aiming in this program at removing needy people from the welfare rolls and I doubt if any of these people would have gone along with this program had that been -- if there had been any evidence of that and we ourselves have said no, the basis of the program is we are going to increase the grants to the truly needy and it is going to take a lot of saying. I still pick up even editorials in some papers of the State that still repeat these falsehoods about the purposes or the dangers of this program.

Q Governor, the State Legislature is supposed to be in contact with the citizens of California and is supposed to do the kind of communicating it seems to me that you've described the committee as being doing. Is the legislature failing to do that, is that why you have to have a committee of this kind?

A No, in reality I think it would be of help to them because I think all of you here in the Capitol press corps know very well that those who have a particular interest and we call them special interest groups, they can make themselves very much heard and there is a great danger in the capitol, no matter how you guard against it, in being influenced and in thinking you are hearing public opinion by those people who are well organized to attend committee hearings, and I speak of such groups as the Welfare Rights group that seems to

have without any understanding of the program. Men to oppose it, Welfare Workers Union, some other groups, and I think that the legislature needs in this instance to have a better balance than they usually get from these more or less organized pressure groups.

Q Unless I'm mistaken, there are no welfare recipients on the committee. Is there any reason they were not included?

A No. Maybe Mr. McCandless could answer this again. The committee is, as I say, you've heard them inject two things, they are experienced people in this field. In fact if it would be helpful I'm sure it would be done.

MR. McCANDLESS: Yes, wherever we could utilize their -- however I must point out to you again we have a finance problem and I don't vision someone on welfare having the resources to be able to take on such a -- an assignment.

Q Mr. McCandless --

MR. McCANDLESS: Yes.

Q Mr. McCandless, do you have -- what advice do you think you'd be able to give the administration, or help in obeying the Supreme Court order that it has to raise cost of living --

PAUL BECK: Could limit this to the welfare reform.

Q This is welfare reform program.

PAUL BECK: No, it isn't.

A I might say the Supreme Court decision that you are talking about actually has no bearing on this program and it was a ruling to the effect that we tried to do something administratively, started before the legislature was in session this year, which has been ruled that this is the province of the legislature and we simply have to get it from the legislature instead of us being able to do it administratively.

Q Governor, with respect to the legislature and this particular group, aren't you in effect organizing your own pressure group and will it be part of their function to -- to communicate with the legislature?

A Well, now, if that's the -- if that's the tact you want to take, yes, I've been perfectly frank about it. I think that there has to be a voice of the people that is heard, and I believe from my own observation that the overwhelming majority of the people, regardless of party lines, are totally convinced that we are on a wrong path and that welfare is, as has been described here, a mess, and it must

must be reformed. Now, I am -- if you look at the hearings that have been held so far, if you look at the demonstrations that have been held so far, a stranger in our midst would get a completely different idea. He would believe that public opinion was on the other side, and I think everyone of you knows that public opinion is not on the other side, and I feel therefore anything they can do to simply reveal where the people stand is of great service.

Q They will be talking with the legislature, that will be part of their job?

A That's up to them.

MR. MCXANDLESS: I think a little response would be in order to that, Governor. We have \$109 million dollar budget last year in the County of Riverside. 55.1 per cent of that budget went to public assistance. Now, when this happens you are reducing something that another department of the county is deserving. And so when I got involved in trying to put together the budget this year and to coin a phrase, to try to be all things to all people, here was this 55.1 per cent every time I went to the Sheriff's Department, to the Probation Department, to the Fire Department, to different county organizations, which do have some needs. I volunteered my services through Mr. Carlson whom I've gotten acquainted with in my trips to the capitol without reference to welfare reform, but on county business, and it was through Mr. Carlson that I'm standing here today and I'm sincere, the counties are on their way to bankruptcy. Not today, not tomorrow, but in the future, if we proceed down this path. And furthermore, the taxpayers of the county of Riverside, particularly the property taxpayers, are against the wall. And it is pure and simple, black and white, there has to be some method of turning this thing around.

DR. CASMIR: Mr. Chairman, could I respond?

MR. CANDLESS: Mr. Casmir.

DR. CASMIR: I would like to make one thing very clear, Ladies and Gentlemen, that's a fact that I was not asked to be any part of any pressure group. May I point out to you that up until now I have not been given any opportunity, either by the press, by the media or by any organization to express a standpoint or a view which I hold. But up until the present time I have not been given an opportunity as an educator, as a minister, or representing any of the other interests in which I work, to make my views known. If you talk

about other pressure groups, if you indeed talk for instance about the Assembly having contacts with the people, I've had no contacts with them. This is the first opportunity I have been given. I do not consider myself to be part of a pressure group, but I have been given for the first time an opportunity thanks to the stature of the Governor, to appear before you. You've never given me that opportunity before. I'm grateful for it and in this effect I thank the Governor for giving me the opportunity to talk to you. Thank you.

Q Have you been denied any opportunity?

DR. CASMIR: Yes, I have. As a matter of fact I have written a number of letters and a number of lengthy statements that have been made available to the press with whom I have extensive contact, and none of these have been used.

Q Is this in regard to the welfare reform?

DR. CASMIR: Yes, uh-huh, and related programs, directly related programs.

Q How many Democrats are up there?

A He wants to know how many Democrats. You are asking a question, they have a right to refuse to answer, of course. One, two, three, four --

VOICE: I'm an Ex-Dmocrat.

A I think I counted one, two, three, four -- three, four, five -- five democrats and one Ex-Democrat.

SQUIRE: Any more questions?

Q Yes, Governor, you said a minute ago you were going to -- the people were going to help you, I take it, apply some specific rules to specific situations. I mean are they going to consult in drafting more of the welfare package or just how is that going to work?

A No, I think what we are talking about now, we have a basic package here for administrative reforms and for legislation that we have asked for. I kind of think on -- although if somebody comes up with something that could be an improvement and requires legislation, we certainly -- we would certainly ask for it. I'm talking about -- we are actually now -- we have rounded up, I think, the total is we have about 10,000 state jobs, a public work force, that we believe we are ready to start moving in, and we are going to start moving people into performing these jobs. And I think we are going to run into many

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instances where you're going to have to say, well, can you have a rule that covers this and I -- this has been my big complaint about welfare, I think you are going to have many instances where you are going to say, no, you can't have a rule that -- for this exceptional case that isn't going to then be detrimental, if you try to make it cover everyone.

Q What are they going to do?

A And I think that people of this kind with a vast experience they have had are going to be invaluable in finding ways in which we can meet, and telling us how and the flexibility that will be required for Gil Shelfield's job agents, for example, in these cases. Now, we have already done something of this kind at the State level. You'd be surprised in just our own communication and our own letters the number of cases that come to our attention that already welfare doesn't meet and very frankly we have turned to the public sector and to individuals and simply told them about it and said we can search about the real necessity and need of this.

Q You mean a case that -- a needy person case that isn't covered by welfare will be referred to this group for health?

A Oh, no, no, we are not talking about referring anything to them, we are talking about -- well, I know that Mrs. Lomax from my own conversations with her, has had great contacts with many of the very people who are going to present probably most of these problems. The mother with dependent children, who still wants employment, who still wants to be a working mother, as the young lady said she was up here today, and yet the transition and the manner of care for her children, and it may vary from one family to another. One family may find their problem is within a family, they have got a grandmother, they have got an aunt who can do this job very well, they may find another one there might be disabilities among the children. They might be required -- a schedule that calls for something. I think that there are people like this that when our team is going at this whole program of reform are going to be able to offer invaluable suggestions as to how we -- and maybe even present to us problems we haven't considered of this kind.

Q Governor, I recognize one person who was identified with your campaign last fall. How many others were identified with your -- in your campaign?

A Well now -- I don't know which one you are talking about.

Three here said they were, but I'll also tell you this, until Mr. McCandless handed me a list I didn't know who this committee was or who was on it or who had volunteered or who had been asked. I do know that I, myself, personally, made a call to Mrs. Lomax and I made it because of things I had heard that she would -- herself was doing, and I told her the day after I talked to her on the phone in just a brief phone conversation she gave me so many ideas I hadn't thought of that my whole day was brightened. I went home and told my wife I accomplished more in the last five minutes of the day than I had since nine o'clock that morning.

SQUIRE: Thank you, Governor.

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