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PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD APRIL 1, 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: I'm sorry to have kept you waiting in here. I understand that you had another engagement previously and certain clearing of the room had to take place. I have a statement here.

(Whereupon the Governor read Press Release No. 180.)

Q Governor, is the \$15 million dollars figure a total of damage or is that total cost to the State -- is the State's share of repairing?

A No, that's total damage. The State's share --

MR. BECK: 17, I think, Bill. You add the other two in there.

Q Yes.

Q Governor, is there anything apropos of consideration on earthquake damage, is there anything the administration can do to expedite the availability of federal money on the loan basis for people to repair their homes and businesses?

A We have been having some meetings on this and talking to some of our Congressmen about it. When I think back on how swiftly we have been able to cut red tape at every level of government, local right on up through state and federal in the actual emergency and the disaster aid and how effectively we worked together literally on moment's notice, I myself am hard put to understand this great delay now in processing the applications for small business administration loans. And while there is some evidence in the last -- probably 48 hours of a stepup in the processing of these applications, I would think that if a pace doesn't quicken and they don't in some way match the other agencies in the speed with which we have been able to handle these things, that maybe there ought to be a congressional investigation into just what is preventing this -- these applications from being processed.

Q. being Governor, do you plan to see the President personally on this matter as requested by City Councilman Knoll (phonetics) from Los Angeles?

A Well, I think that I will be seeing the President shortly now that he's out here in the west, and I certainly will bring this subject up and -- and discuss with him the -- just what I've said here, the matter of how suddenly there has been this lack of speed.

Q Governor, the Southern Crossing bill still rests on your desk. Have you decided what you are going to do with -- about that?

A Well, I would rather not make any answer decision now because there are still some individuals who have requested meetings with me and want to give what they have described as additional input on this whole matter and on both sides, so I just don't think it would be proper for me to make a comment.

Q What about the speculation that you may veto the bill with the understanding that there would be a Bay area vote on the -- on the matter in June of '72?

A Well, again, as I say, I just don't want to give anything that would indicate that I've made a decision and as I properly shouldn't, until I've heard these other individuals that still want to give me additional information.

Q Governor, what was your reaction to the conviction of Lieutenant Calley?

Q Can we stay on this subject?

SQUIRE: Finish on this first.

A Yes.

Q On Your deadline, Governor, on the Southern Crossing bill, technically it is Sunday midnight but you are leaving the State tomorrow afternoon. Will you make a decision and announce it?

A I'm going to have to make the decision before then, yes.

Q Before you leave the state?

A Yes. I'll make it, I won't dump it on someone else.

Q Can you tell us the kind of groups you are waiting to have input from, Governor?

A I haven't seen the schedule here. I met with a couple of supervisors over in the Bay area from -- representing two ^{different} counties ~~yes~~ yesterday. I have, as you have already reported, met with Assemblyman Crown, the author of the bill, and I haven't actually seen the schedule, I just know that there are others that I am told still want

to come in and have some input.

Q Have the San Francisco Supervisors been in yet or given you the information?

A One was here yesterday and gave me a copy of their resolution, we discussed this generally.

Q Who is that?

A Supervisor Feinstein. Now can I get off the bridge.

Q Governor, Mr. ~~Twine~~^{Twine} with HEW last week wrote your administration saying that in view of the Supreme Court Decision that the State could increase the AFDC maximums and requested a timetable for that. Have you decided on the timetable or reply to him?

A No, we are in communication with him and replying actually there is no great and immediate problem on this. And since our own welfare reform proposals, the decision of the court that simply said that administratively we could not make the decrease or the cut in some grants that we wanted to enable us to make us increases in the others, that this was a matter for the legislature, so now it is just a -- it is a plain case of informing HEW that -- the procedure that we intend to follow on this.

Q In that letter they ask for a timetable. What was your reply to setting a timetable for increasing the maximum?

A Well, I don't think that there is any change required in the way we -- we have a quarter yet to go, a full quarter of the year, and --

MR. MEESE: This is still being developed jointly with HEW on how we plan to handle it.

A We are talking to each other.

Q Governor, they didn't give you a deadline of tomorrow to set a timetable? To let them know what your timetable was on this?

MR. MEESE: They just wanted a reply by that time, Governor.

A They just wanted a reply and the knowledge that we are proceeding.

Q Governor, isn't there a deadline, though, with the federal Judge in San Francisco, Judge Zerpoli, who set a cut-off date of April 13 of federal funds if the state doesn't have any plan to bring itself into compliance. Isn't that order still in effect?

MR. MEESE: No, that's stayed because the case is on appeal at the present time.

Q Governor, how much would it cost to provide the cost of

living increase per month? That is if you put it into effect on a monthly basis, how much would it cost to provide?

A I can't give you the answer yet, the people over in welfare are working on those figures and I don't have them.

Q Is there any possibility that you would or could provide it with the unanticipated revenue which is now, I believe, in the Social -- have been budgeted for Social Welfare, but now apparently isn't going to be needed?

A Now, I presume that you are talking about the 25 million dollars so-called that was hailed as a surplus. That casual use of the word "surplus" is a little confusing at times. The 25 million dollars just means that the deficit is 25 million dollars less than had been anticipated.

Q But your budget, though, that is in the legislature now is balanced. You had anticipated paying that deficit, hadn't you?

MR. MEESE: Talking about two fiscal years.

Q Right.

MR. MEESE: And we are talking about the present fiscal year which has a deficit of estimated, in December, of \$150 million. This means that deficit will be 25 million dollars less if these estimates that you are talking about prove accurate.

Q O. K., then what are you going to do with the money next year with which you had anticipated paying the deficit?

MR. MEESE: One of the things we are going to find out if we have it on the 30th of June before we start spending it.

Q Governor, upon whom have you been relying for legal advice ~~and~~ welfare and Medi-Cal matters and from the taxpayer's point of view, isn't it about time you got a new lawyer?

(Laughter)

A No, I don't think so. But I tell you something, I would think that they might review their staffing in Washington.

Q Well, I mean the Courts, though, you haven't really been right yet or the lawyers -- your lawyers haven't, have they? I just thought everything that's been contested has been found against what you've been trying to do.

A This is assuming that the Judges are right. I'm a little --

Q They have the last words.

A Yes, I know, and I'm a little confused about the most recent decision. There was a technical decision by a Judge that we could not raise one or -- or lower one part of the welfare grants administratively, that this had to be done by the legislature, but the same judge ruled that we could raise the grants for the other part of the welfare recipients without going through the legislature. And this alone has me a little confused and seems somewhat inconsistent.

Q Governor, what do you intend to tell the Department of Health, Education and Welfare, is the state's plan or what procedure are you going to take?

A Well, for one thing our reform proposal would put us in conformity. Our reform proposal is that we are asking for the legislature for, is exactly what we have been talking about, ability to reduce what we think are excessively high grants to people who have good solid earnings and outside income in order to have funds to raise the grants to those who are totally destitute and who have no other source of income. And the Judge has -- the Judge's ruling prevented us from doing this administratively, did not rule on the matter of whether it was right or wrong to raise the grants, he simply said that this was a matter of statute, this was a matter that required the legislature to act and that we couldn't do it administratively.

Q Mr. Orr seems to indicate that the Court's ruling would be put into effect rather automatically and this would bypass the 25 million dollars, whatever you are going to call it, that suddenly has shown up and you didn't realize it.

A Well, as I told you, this is a -- we are still, and we have our people working on it, what the figures are that confront us.

Q Governor, I just want to make clear about that 25 million. Are you saying, are you, that out -- that it will be used then this year for any welfare program, and that it will be used instead to meet the deficit at the end of this year?

A Well, let me -- as we said, this isn't a surplus. This is an estimated deficit that is smaller now by that amount. But again in the area of welfare, how this came about or how this deficit was reduced is a kind of hard thing to put your finger on. We -- we have a feeling that it resulted from our own talk of welfare reform. We have a feeling that this program is so big, so complicated that when you start talking about it, as we have publicly, about the

weaknesses and the liberalized approach in welfare, that has lead to this problem, that there is a kind of tightening up that takes place all down the line, and the people's attention in the whole welfare structure is brought to the things that we are pointing out and they kind of are a little more careful with regard to eligibility and this over a period of weeks, and a few months, has been able to actually tighten up welfare that much. Now, by the same token there can be a slackening. We are running a case load increase, of approximately 50,000 a month. As you all hailed last month, 48,000. Well, that didn't surprise any of us as we have been telling you it is running, the increased case load, at an average of about 50,000 now. Now a slight fluctuation in that upward can make that 25 million disappear.

Q Well, you've already budgeted part of it, I believe, for Senator Burgener's bill. 3.2 million, according to the Department of Finance, who is planning to take 3.2 million out of that fund for Senator Burgener's bill. So apparently someone down there believed that part of it, at least, is going to be --

A Well, it appears at times when you have to make some allowances, you know. You assume that you've got some flexibility up to certain amounts. You take some considered risks in -- in those amounts.

Q Well, the question I ask is are you going then to let that hang and apply it against the surplus if the -- I mean against the deficit if it does occur or are you considering using it for anything else beyond the 3.2 million we were talking about?

A I couldn't give you an answer on that. I don't know. We will have to see what our situation is at that time.

Q And what's -- excuse me, at what time?

A What?

Q At what time, at the end of the year?

A When we come down to some recognition as to whether we have it or not.

Q Could we go back to that court decision for a moment?

Q Wait a minute. Doesn't the aspect of the ruling that says you can raise the grants, doesn't that bring you in immediate compliance with federal law if you do it? Isn't that all that's required to bring you to compliance with federal law? I know it costs money, but doesn't it bring you into compliance?

A It would bring us into compliance, there are a number of things that would bring us into compliance. There is a funny thing about trying to get in compliance with HEW. If you ^{told} ~~told~~ up the number of states that are out of conformⁱⁿ with HEW it seems that the only one that's in step in the United States is HEW. All of the states, apparently, are out of step which should give us some indication that there is something very wrong with HEW's regulations.

Q How many states, Governor, do you think are out of --

A Well, I've seen most recently listed Nebraska, Indiana, Arizona, Connecticut, there have been some others now, I can't name them all. But almost every -- every edition of the press brings out some more news notes about states that have been found for one reason or the other to not be in conformity with HEW.

Q You said that HEW has been very cooperative with you in discussing your program and that they are interested in -- in it from a nationwide point of view.

A Yes.

Q What's the problem with -- going on in HEW?

A I don't know. Maybe we got their attention.

A Is it that approach to this, bringing the compliance, on which you believe you have enough time to -- to affect some program, this question of raising grants? Is it this aspect you think you have sufficient time to bring yourself to compliance?

A Well, we have a quarter still ahead of us. There is no threat of immediate cutoff of federal funds because we -- this is already approved for another quarter to go.

PAUL BECK: Governor, I wonder if I could just bring out something that you have got a federal court decision, a state court decision, you've got a re-hearing or hearing on a conformity issue with HEW, you've got the welfare reform bill and you've got the budget. All these things are hinged and tied together, so at this point in time until you really know where you are going you can't really make any solid decisions without anything.

Q Governor, I understand you are going to Japan. Are you also going to Vietnam, and if so, why?

Q Wait a minute, we are still on welfare.

Q I said it was an exception.

Q Here's one on welfare.

A I'll get back to that, there is still some questions on this.

Q I've got one on the welfare question. A San Francisco Court has ruled that wives of Vietnam veterans are -- can receive welfare while their husbands are over there fighting, what do you think of this? Is this a good idea or not?

A Well, we have just heard about that. It has just come to our attention and we don't know exactly what the situation is. I just have to say that if there are families of servicemen that are in need and as I say I don't know the situation or just what it is that they are talking about, but it would seem first then that there must be something wrong with the allotment provisions that have pertained since World War II, as far as I know, in the military, if allotments to families when servicemen who are the heads of the families, providers for the families are absent, out of their jobs. It would seem to me that there is something very wrong with welfare and this again indicates it -- if welfare must be the basis for support of the families of men who are serving their country in uniform. Now, can we answer the question?

Q O. K., I understand you are going to Japan. Are you going on to Vietnam, and if so, why?

A Well, let me say here, I'm afraid that I made that trip discussion that I had with you the other day, I made it sound more positive than it is. This is still an ify thing, and there is such a trip being considered as to -- as to other visits over there. The White House has been interested and the White House has discussed also tentatively, the possibility of other visits in Asia and whether they would include Vietnam or not that has not been finally decided either. The whole thing has not been finally decided, but the White House itself -- the President has discussed the possibility of my making some visits.

Q Who goes with you, do you know?

A Well, making the trip, I'm a family man, I take the family.

Q Well, Governor --

Q Governor, a trip such as this has preceded presidential bids by virtually every presidential candidate in the past. How do you plan to dampen the speculation this is a prelude to such an effort by you?

A I think it ought to be rather significant that the suggestion for the visit has come from the President, which I think would suggest a different interpretation than you are suggesting.

Q Could there be some sort of announcement on his part?

A What?

(Laughter)

A Oh, no. I did, as you recall, once before I did represent him on a trip to the Philippines at his request, and this is not an uncommon thing, it is sometimes ^{done} ~~down~~ by legislators, sometimes done by others. I remember back right after Franklin Delano Roosevelt had run against Wendell Wilkie and had run on a pledge that he would not send any Americans overseas, and right after he was re-elected Wendell Wilkie was the first one he sent.

Q Governor, what would be the purpose of the trip?

A Well, I think that if -- if the Japan portion of the trip should take place, that would have to do, I think, with just our own state relationship and a trade partner with Japan, and a very close relationship that we have always had. On the other visits, then this would be determined by the White House and be determined by where it would be suggested that I go.

Q Governor, the other day you said you had accepted the invitation. What's been changed since then?

A Well, I -- in accepting, and I'm sorry, it was my fault, I didn't make it clear. I used the word "accepted" when I should have said was, I said that, yes, I would be receptive and willing to -- to go if this is all --

Q When would you go?

A This has been discussed for the fall, but there is no set date.

Q Governor, you anticipated running against Congressman McCloskey in the Presidential primary?

A Am I considering what?

Q Do you -- do you anticipate running against Congressman McCloskey in the Presidential primary?

A No.

Q In California.

A No, what I have said to the President -- I would think make automatic this thing. I have told the President that, that I wanted to head a delegation to the convention pledged to his renomination of re-election and under California law then this would mean that that slate of delegates pledged to the President would be on the ballot. And if Mr. McCloskey wanted to inject himself as a candidate

in the California primary, then that would mean there would be another slate of delegates.

Q He said -- he said about running -- talked about running in the primaries, I just wonder whether you heard he was going to run against you in this slate in California.

A He would be running against the President in California, and I would simply be a member of that -- of that slate of delegates. I don't know whether he's picked California for his run for glory or not.

Q Would you welcome his candidacy, Governor, is there kind of a test between the Republican party on Vietnam?

A Very frankly I thought -- I thought that he should review his thinking very seriously because the main issue that seemed to disturb him so much is one that I think shows a great lack of understanding of what this country is all about, when he expressed his anger at the President because the President said he wouldn't abandon our prisoners in Vietnam. And I think that anyone ought to review his thinking about opposing that because I would think when he talks impeachment of a President for making such a statement, I think he'd be surprised how many of us would suggest impeaching any President who would abandon an American prisoner.

Q Governor, will you give us your comments on the outcome of the Calley trial, the verdict and the judgment and sentencing?

A Well, no, I'd rather not comment because knowing the military process, this is not final. A verdict has been handed down by the Courts Martial, but as you know it is not a final verdict and not a final sentence until this is reviewed all the way up through the military and all the way high as the Commandor in Chief in the White House. So I don't think it would be proper to comment.

Q What do you think of Governor Wallace's statement that he will try to see if the State of Alabama can avoid sending anybody to the draft until this issue of Lieutenant Calley is resolved?

A Well, I -- I'm going to let process -- due process take its course.

Q Governor, about four years ago Spiro Agnew encouraged you to seek the Vice-Presidency; has he renewed that encouragement at all?

A No, not at all.

(Laughter)

Q Governor, he wants to get in a Calley question over there. Get in there, Bill.

Q Well, Warren asked it, I was going to ask -- you said you planned to see the President soon. Would that be before you go to Arizona?

MR.MEESE: Nothing definite yet.

A I don't know, we are waiting to hear. It would be just as easy to come back from Phoenix.

Q Can we get back to Calley for another question? Some draft boards have resigned in protest to the Calley decision. Would you sympathize with any California draft board members who resigned in protest?

A Well, this is up to them, if they want to make that decision. I recognize this is a highly emotional issue and I think it is a very complicated issue with regard to a man in the military. What he does. There is a -- I don't think there is any question but that a war of this kind has revealed that the enemy is not always in uniform.

Q Would you, however, be sympathetic to California draft boards who resigned in protest?

A Well, I would have to respect their right to do it.

Q Another subject. Governor, the so-called education establishment introduced in the legislature yesterday its bill to finance education in California. Two questions. One, have you had any chance to talk to Superintendent Riles about this program which he backs, and two, when can we expect to see your promised program on education reform?

A Well, we are still reviewing this situation with regard to whether we can establish, as I said once before, to the people the actual need of education, and part of this is trying to find out exactly what did the more than a half a billion dollars that we have increased for public school education in California in the last four years -- what did it accomplish and why it apparently has not added to the educational quality of our school system. I haven't had a chance to meet with Dr. Riles on this. I would -- I'd like to have time to find out and to learn from him just what it is that's supposed to be accomplished with this money. The part of the proposal that has to do with equalization and a simplification of the

formula, this of course meets with our approval, this too we have been studying.

Q Governor, on that same topic, this program calls for a 400 million dollar off the top from your General Fund, an additional 400 million dollars. Starting next fiscal year. Would you support this?

A Well, I have to say again I have said that if it became necessary to -- for the quality of education to ask for a tax increase in order to -- to improve education, that I would not be unwilling to do that. I've said this for about two years now. I've said also that I felt that after the half a billion dollar increase that has already been given that it is absolutely essential that before we ask the people for more taxes for education we be in a position to guarantee them that we have a reason to know that that money is needed and that it will improve the quality of education. And so far this -- as I say, is what we are discussing and researching right now in our own shop and at this moment I couldn't make such a statement to the people of California.

Q Governor, on another subject. Most medical authorities right now agree that there is an epidemic of venereal disease in California, and I was wondering what your position is on taking some sort of action to combat this, education for the youth or something that would do something to alleviate this problem.

A Well, we have been aware of this problem for sometime and that's why we have our own agencies concentrating on it. It is epidemic. No question about it, but I think at the same time that rather than just a health problem as of the moment, and while that is vital of course to try and curb this, I think that the whole ramifications into the kind of permissiveness, the spreading of the belief that old standards of morality don't apply, the recommending that abortions is an easy answer to those who want to give in to their own desires, and I think that the -- that this has to be -- we have to approach this problem now from what have we been doing with this permissiveness, with the toleration of the commune type of living, the Haight-Ashbury syndrome, the Sunset Strip in Los Angeles, and all because it is out of hand, and it is down at a very tender age in our high school young men and women. But we are deeply concerned with this and we have been working on this to see what we can do.

Q Governor, going back a second to your statements here, you go for a tax increase if the need could be demonstrated for

education, doesn't that change your position a little bit on balancing the budget without new taxes?

A Well, no, because for two years, almost two years, ever since we have had a task force, we have said that nothing that -- each time we have granted the request for a gigantic increase in school support we have done so on the basis of numbers in which we recognize that no one -- no one in the educational community and no one in the legislature, no one in our office, has been able to establish an actual need and a claim that this money was needed for academic quality. There was no question about the need simply because of school districts that were up against the wall financially and evidently had no plans to meet their problem any other way, but to ask for it, and so in a kind of emergency atmosphere each year this money has been granted and I started saying then that I felt that before we did this any more we should be able to assure the people of California that they were getting their money's worth and that this money would be spent for an improved education. And I have said repeatedly that if and when such a moment came, if we could guarantee to the people that there was a necessity for this and that required an increase in taxes, that I would not hesitate to propose such a thing.

Q Governor, when do you expect to get an answer from the task force?

A Well, as I told you, we are having these discussions right now and this -- and this study is going on.

Q Governor, last week -- change of subject. Last week your administration failed to send a representative to Washington during the CRLA. The Administration said that no invitation had been rendered regarding those hearings. What is the status of those hearings presently and will your administration send a representative in the future?

A There was no representative requested. There was no meeting held in Washington, the only meeting that was held in Washington was the newly appointed Judges who are now out here carrying on the hearings that have been decided upon at the time of the sustaining of my veto. They have held, as I understand, the first hearing and what they are doing is investigating CRLA and we understood back in the beginning the purpose of this was to go back to Mr. Carlucci with recommendations as to how legal services to the poor -- rural poor could best be provided in California. I suppose the pattern for other states also. So our people have offered their full cooperation, and are cooperating with these Judges that have been assigned.

SQUIRE: Thank you, Governor.

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HELD APRIL 13, 1971

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GOVERNOR REAGAN: Sorry to have kept you waiting a few minutes, but there was another press conference going on out in the hall there.

Q Is it better than this one?

A Yes, a group of eager students all on one subject, they all stayed on environment.

Q Governor, Assemblyman Gordon Duffy said you have reached an agreement in the restoration of some of the Medi-Cal cuts made last December. Have you indeed reached this agreement with the Legislature and what is it?

A Well, we -- we had agreed with Gordon Duffy earlier before he introduced the bill on certain areas. Now there's been an amendment to the bill with regard to a change in some of the funds. I haven't had time to meet or consult with anyone on this and whether this amendment which was -- is contrary to the agreement, whether this is going to be something that we can handle or not. But up until that amendment, roughly the idea of about \$10 million dollars to be returned to counties, a few of those things were things that we had agreed -- as a matter of fact some of them were things that we had set out to do ourselves.

Q You were opposed to the 2 million dollars going to the nursing homes?

A Well, don't say opposed, I haven't had a chance to meet with our people yet on whether this opens up any doors that we can't handle.

Q Governor, Mr. Uhler says that the State -- the administration does not want to be in an adversary position in the CRLA hearings now being held. Can you tell us, is the office of Economic Opportunity still accumulating information to present to the federal panel and how much money has been spent for this accumulation of evidence?

A I wouldn't have the answer on that. No, I think what Mr. Uhler was saying is that we are -- the State intends to cooperate as a friend of the commission and meaning it is not an adversary position. This investigation isn't as some people have implied, an investigation of our veto. That's a closed chapter. This was the thing that we had discussed with Mr. Carlucci and his people at the time of the veto about a commission to investigate the entire field of legal assistance to the rural poor and how best to handle it.

Q Why is Mr. Uhler opposed to an open hearing?

A Well, I think the -- there is a feeling that what was apt to happen, where some of the hearings with the demonstrators and making a kind of a traveling circus out of it instead of really getting down to an investigation of what the -- what would be a proper way of providing this legal assistance to the poor.

Q Do you feel that three State Supreme Court Justices are not capable of conducting a courtroom type hearing?

A No, I didn't -- I never said that. I just think that the investigation was supposed to -- to find out, as I said before, the best way to provide this legal assistance, and I think there were -- every reason to believe that you could have a type of hearing in which you would have demonstrators more than objective witnesses.

Q Governor, would some of the information you have gleaned tend to justify the charges made last week by the correctional officers that the CRLA or its attorneys have instigated some of the violence in our institutions?

A Well, I -- I read that and heard that, as the other people did in the news here. I haven't had an official report on anything of that kind yet, so I would imagine that this is the kind of thing that these hearings are supposed to bring out and will establish.

Q And your documentation shows nothing that would substantiate that charge?

A Well, there was nothing that I know of in our original report on the veto that dealt with that, was there? Or was there?

PAUL BECK: There was some reference.

A There was. Well, he says there was a reference to it in all the 283 pages. What?

Q Can you give us specific examples?

A I just had to find out it was in there.

PAUL BECK: It is in that report, that thick report.

A You are talking about the ^{big} original veto report.

Q Governor, on another subject. The PUC is under fire, it is not being operated in the best interests of the public interests, and I was just wondering whether you had any advice for the commissioners or not.

A No, I haven't talked to the commissioners, but I -- I happen to believe that they are not doing anything that we haven't done in other departments of state government, and that is try to make it more efficient and better able to operate and I don't believe that this commission in any way is going to operate against the best interests of the consumer. It is awfully easy for someone to only take a look at utilities rates and charge that this is the entire work area of the Public Utilities Commission, but I think the Public Utilities Commission, if it is to properly represent the best interests of the people, has to see that utilities in our state are able to meet the responsibility and provide the utilities that are needed. Now, we have evidence in the rest of the country where there have been breakdowns and failures, we see the brownouts in the east, we see the great power failures that have taken place, and I think that this is very definitely a part of the Public Utility Commission to see that the utilities can expand to meet our growing needs.

Q Governor, in spite of your advice to the citizens of Berkeley, they apparently voted in three of the four radical slate to City Councilman, and the one most liberal member to Mayor. I wonder what your reaction is now and are you concerned that this will spread to other communities in California?

A Well, no, and frankly, in answering a question here in a press conference, I had never thought about my answer being advice to the people of Berkeley. If you are going to take it as advice, I have to say I broke even because we at least retained the single police force in Berkeley. No, I -- these are local elections and perhaps it will serve as a kind of a warning to other communities that if they are concerned, then they should take a greater interest in local elections, stop having 25 and 30 per cent turnouts of voters. They better get up --

Q This wasn't a 25 per cent turnout of voters?

A No, no, but I'm saying stop having that in other communities where this is rather general, 30 -- 35 per cent turnout is considered quite a reasonable turnout in a great many local elections.

Q Same subject. Governor, did you see -- do you see this change in the state's relationship with Berkeley in any way, this -- the new nature of this city government?

A No, they have a city government there and I think the state will fulfill its responsibilities, whatever they may be, to a local community, Berkeley included.

Q Governor, are you pleased that there was such a large turnout for the voting?

A I'm always pleased if there is a large turnout. I -- I think when you think of all that it has cost for us to have the privilege of voting, it is hard for me to ever justify someone that carelessly throws that privilege away, and doesn't exercise his right.

Well, Governor, do you think perhaps the local elections ought to be on a partisan basis rather than non-partisan?

A Oh, I -- I haven't really sat down to give that very much thought. This is -- as I understand it, one of the reforms in California that hails back to the Hiram Johnson days; I really -- I really couldn't comment on that. Many people, of course, express a belief that in partisan elections then you have party responsibility, not for only getting out and vote, but for whatever may go wrong, you have a party that can be held responsible. I don't know.

Q Governor, on another subject.

Q No, I have one more. One on Berkeley. Governor, what kind of government do you see emerging now in Berkeley as a result of the election?

A I'm just going to sit here with unsatisfied curiosity until we see what happens.

Q You said, Governor, that the -- this ought to be a warning to other communities to turn out in larger percentages than they have. Are you suggesting that if they did turn out in larger percentages the results would be different than the results in Berkeley?

A Well, I don't know. Let me -- maybe I'd better add to that then lest you read me incorrectly. Let me just say that if

there are any people that are concerned and are disturbed by what took place in Berkeley, then they should accept this as a warning to make sure they have a turnout in their own communities, to make sure that in any community whoever is elected represents the feeling of that community.

Q Are you concerned about it?

A I don't live in Berkeley, and I have no intention of retiring there.

Q Do you think it represents any kind of threat to other cities in California?

A I thought that that -- I thought that thing on the ballot and this was really more what I was talking about last week, I thought that thing on the ballot to break up the police force into a kind of neighborhood home guard situation was pretty ridiculous and would not meet the modern requirements today in crime fighting. And I'm delighted that it didn't get any place.

Q How about the candidates themselves who supported that measure?

A Well, now, they are no longer candidates, they are office holders. Let's just wait and see how they perform their duties.

Q Governor, during the past two years there's been a development at San Jose State College, plans for graduate school in social work. During this time they have put together the curriculum and hired the faculty, but because of a cut in your budget for the coming fiscal year they will not be able to open as planned in September as a graduate school. The school was to uniquely pursue solving problems, particularly, for the Mexican-Americans. Were you aware of the cut and do you think it is justified?

A No, I don't think that we cut that specifically. I think this is again one of those areas in which when the budget is decided upon the priorities then are established within the educational system itself, and if they made the decision that this was not of that high a priority, then that's up to them.

Q I understand that the Chancellor considers this number two on his priority list for new projects.

A Well, now, I'll check. I don't know that this is something that we specifically cut. It is true that the legislature exercises more control over the State college than it does over the university in this regard. But we have been working very hard for

the last four years to get away from the old fashioned line item budget for the state colleges, and give them more of a program budget similar to the university. Now, I'll be surprised if I find out that we did anything to dictate where the cuts would take place.

Q Governor, on politics, we have some -- some reports that I'd like you to comment on, if you will. A Tom ^{Reed} Reid, who was active in your campaign last year has been active down in the southern states, or at least one southern state on behalf of a congressional candidate and perhaps on your behalf with an eye to the 1972 national elections. Would you comment on that?

A I couldn't. If he's -- if he's helping out some friend some place, that would be up to him and for him to do personally, but he certainly is not doing anything in my behalf. He knows exactly my position. He knew in advance that I was going to meet with the President and I informed him fully of what I was going to say to the President and what I intended to do and he supported my intention which was to -- to lead the delegation pledged to the President's nomination.

Q So he's neither there in your behalf or at your behest?

A No.

Q Governor, another subject. There are reports of your representatives exerting pressure on Republican assemblymen to join in opposing an override of your veto of the Southern Crossing bill. Are you afraid of sustaining your first override in this measure?

A Oh, no, I think sometimes you know, I -- I almost think I ought to pick out one of those motherhood bills and veto it just so we can get this over with, it is like waiting for the other shoe to fall. Everyone building up things about vetoes, the President gets them every day, override. I -- no, but I believe very firmly in my reason for the veto, and I would like to have my veto upheld for the simple reason that I don't believe anyone really knows what is the feeling of the people in that area about the bridge, and I'd like to let the people decide. Let them make that decision.

Q Well, are you -- are you in any way exerting pressure on Republican Assemblymen to uphold you in this or are you letting them go their own way?

A Nothing more than telling the legislative leadership that -- how I felt about the veto and hoping that -- that I would have support not only from Republicans, I hope I'd have some from some

Democrats also.

Q Governor, why aren't you using a little pressure on them?

A What?

Q Why aren't you using a little pressure on them?

A (Laughter)

A Squire, as I said, I expressed my feelings to the legislative leadership. Now --

Q Nothing unusual around here.

A How forcefully I might have expressed that feeling, I haven't gone into, nobody asked me. Let me just say I feel very strongly that the veto and its accompanying -- my accompanying executive order which halted construction on the bridge in order to get a vote of the people, was the proper course to take because I think there were a lot of people upstairs that were talking in behalf of the people in the Bay area, and they didn't know what they were talking about.

Q What makes you think that, Governor? What information do you have that makes you think they haven't got accurate information?

A Well, you take a look at the wide variety of organizations who have come over here pro and con with regard to the bridge. You can point to one group and say, well, here's a group representatives you can point to another organization, that's a representative of a segment of the society and one of the only efforts at a poll that was taken, a questionnaire, 87 per cent of the people didn't bother to return the questionnaire. And I think that this is an indication that if you are going to go by the 13 per cent who did fill out the questionnaire, you've got to admit you are taking an awfully thin slice for your public opinion poll.

Q Governor, in view of your long-stated belief in the republican, lower case r, form of government, don't you think your decision contradicts that and the second part of the question, a lot of people think your decision is a copout. Would you comment?

A No, I don't think it was a copout at all. And I thought a long time about this. When I told you earlier that I hadn't made a decision, I wasn't stalling, I hadn't made a decision. I was still hearing people. I was going back over the reports for 25 years the Southern Crossing has been on the board, the traffic patterns and the figures on traffic are very hard to refute with regard to the need to this. I met with county supervisors from

more than one county. Two sit side by side in my office and one of them is opposed to the bridge only on the basis of a delay because he doesn't like the layout of the freeway that would connect with the bridge. But he wants the bridge in reality. In the long run he just wants to halt it temporarily till they settle the freeway. The other county supervisor from the other county doesn't want the bridge at all and it was just this kind of testimony and this complete lack of any -- your own -- well, the major papers in the Bay area all endorsed my -- my veto, and they upheld the reasoning behind it. I believe in the Republican form of government, but I think like anything, there are exceptions. I think that there are times I believe also in local option and authority and autonomy wherever possible. Here's an incident of some people living around that bay who were called upon to vote with regard to BART, a rapid transit system and I see no reason why with all this controversy we shouldn't find out how would they stand in a vote in having a Southern Crossing.

Q Governor, would you like to see the public vote held in June and do you figure that it should be a flat decision or purely advisory on the part -- to the state? Whether the people's vote will decide whether this bridge is going to be built?

A As far as I'm concerned it will be a flat decision. If the people don't want that bridge, I don't think the state should be in a position of cramming it down their throats.

Q You would like to have it drawn so that would decide it?

A Yes.

Q And would you like to see the vote in June?

A I haven't thought about the time, I'd --

Q Is that when your freeze -- your six month freeze is up?

A No.

Q No.

ED MEESE: Six months freeze is only to give the legislature time to act, then the bill would take -- would specify the time.

A It would go to the legislature and they could specify that and I wouldn't veto that decision.

Q Another subject. Governor, you met with President Nixon about ten days ago down in San Clemente and had a private meeting with him for an hour and did you discuss anything except welfare? And if so, what? Would you give us a report on that meeting?

A On, just other than some general commenting on the news of

the day and so forth, and the main subject was our welfare reform, and their own efforts at their own program. That was -- that was basically the subject as I reported -- as the President reported in the press conferences outside.

Q Well, do you think that the United States Department of Health, Education and Welfare is going along with the President's wishes as far as conformity and so on is concerned, the issue between the federal government and California?

A Well, let's -- let's straighten one thing out, conformity. Our -- the bulk of our -- of that ~~is~~ in fact with the President all of our discussion was on our welfare reform proposals. My concerns about some of the things that have been advocated at the national level including a national takeover of welfare. It didn't deal with conformity at all, conformity is a separate issue. And the conformity issue is one that -- while ~~everyone~~ -- not everyone, some have tried to make this out a great conflict, I can only point out that last year the legislation that we had introduced would have eliminated the conformity problem. And the legislation failed, we tried to do it administratively. And this -- we had a ruling in a court, ~~threw~~ this out. Now we are in a quarter that is already approved as for funding. There isn't a problem of federal funding until June 30 and in this quarter both federal government -- they agree with us that our welfare reform program would again eliminate the conformity issue. So again it is in the hands of the legislature with regard to this. But in the meantime the Director Carlson has written a letter to Mr. Twine, and that we believe by May 1 we will have some proposals that we can do administratively and which will resolve this ~~conformity~~ issue certainly before the June 30 deadline if -- even if we don't have the ~~passage~~ of the legislation.

Q Governor, these proposals you are talking about, they are -- are they, I should say, a part of your over-all welfare reform program? I mean are these certain administrative acts that would be taken in part of the reform or are these separate actions?

A Well, it would be tied in with some of the things that we can do administratively and which we are proceeding to do now and proceeding to implement. And this would simply take a decision to increase the grants in this particular program which again was part of our reform. Now, the --

Q So what you are -- I'm just not quite clear what you are saying is that you are going to speed up perhaps some of the reforms that would have been done anyway to bring this conformity issue to a

head by June 30 or in agreement?

A No, no, we were going to go ahead with the administrative things anyway, and we are going ahead with those, but now as Director Carlson has written to Mr. Twiname, we will have a proposal for them on May 1, specifically with regard to the conformity issue and as I say everything is solved if the legislature would pass the welfare reform. But we have got to have a backup position.

Q Another subject.

Q One more on that. What specifically will the May 1 recommendation include?

A Well, it will involve a means of raising the grants which are now the conformity issue.

Q Have you any idea where the money will come to do that, Governor?

A Yes, this will come from some of the administrative reforms that we now have going forward in the whole welfare package, and in doing this we won't be doing anything contrary to what passage of our reform would bring about. It is something that would simply be absorbed in the rest of the reform if the legislature goes ahead and as we proceed with the other administrative changes.

Q Governor, could you specify a couple of these reforms for us?

A Well --

ED MEESE: They are still being worked on.

A This is a part of the thing. As I say, by May 1 you will have -- we certainly will have this information then for HEW by then.

Q Governor, you said a minute ago you would have a proposal for HEW, but the letter said that they would be actual regulations that go into effect. I take it that is what they will be. They will actually go into effect May 1, it won't be a plan presented to you for their consideration for adoption some later time?

ED MEESE: It will be a plan. It will be a plan and some proposals and if they agree to them or there is negotiations, then that will follow, but the timetable and the deadline is the 30th of June to make sure it is done by that time.

Q His letter said that the emergency regulations would be a --

ED MEESE: Would be ready by that time.

A Would be ready.

Q Governor, why is there a need to propound new regulations when HEW looked favorably on the last batch of regulations that were

proposed in response to _____, they said they would meet the conformity issue, why is there a need for some new ones?

A You mean the things that we had before the legislature last year?

Q No, the regulations that you proposed to bring the state in line with the federal judge's order that you were out of conformity, and HEW said those regulations looked O. K., from the conformity point of view.

A Well, the Judge ruled that we could increase the grants administratively as we wanted.

Q Why change them?

A The Judge's own ruling was that we could not decrease in another administrative change in order to get the money.

Q How, therefore, do you propose to get around that?

A Well, there are other administrative proposals that we think are within the regulations and which have been discussed with HEW that are a part of the over-all welfare reform program.

Q Which will mean you can raise the grants?

A Which will --

Q Raise the grants?

A -- will produce money, yes.

Q Raise the grants, find some in some other area?

A Yes.

Q In other words, you are confident that the changes you are going to propose will not exhaust the state's welfare money by the end of this fiscal year?

A That's right.

Q Another question. Governor, do you agree with Assemblyman Burton when he says you are not likely to share -- support his share of the legislation?

A I thought it was one of Mr. Burton's more perceptive statements,

(Laughter)

Q Governor, the sign on the Controller's door says there's about 79 days to go, to pass the budget. It looks like now there will be near some 4,000 bills before both houses by this Friday. Coupled with reapportionment, are you still confident that the legislature will be able to pass a balanced budget by the June 30 deadline?

A Well when there are so many candidates up there with so much to do it is hard to pin them down as to whether they will get this accomplished or not, but I'm -- I have to count on them getting

the budget. The constitution says we can't operate beyond June 30th without it. Twice now in the last two years we have had a few days, hectic days without it. I think they have got to settle down and pass the budget. I think they have been very slow. I know all these 4,000 bills they are talking about -- maybe that should be the veto that I strive for, maybe I ought to bundle about 3,000 of those and issue one blanket veto, sort of like the fellow with the 2 by 4, getting their attention. I don't know whether I'll do that.

Q Governor, you said you are interested in putting people to work, yet in this country when we near full employment we have runaway inflation. And the only remedy we have ever used for inflation is to put people out of work. Then how -- what do you plan to do about this vicious cycle?

A Well, as I said in a talk the other day, the only thing that we have ever done in this country to cure -- in my -- certainly my adult lifetime to cure unemployment is to get us into a war. There was more unemployment prior to World War II than there was at the height of all of the Roosevelt theories about welfare and WPA and so forth, and then the great war boom gave us full employment. In fact we had a scarcity of job holders. Then we had a big backlog following World War II because of -- we didn't build anything for civilian consumption during the war, but we got right into the Korean War and as we began to run into an unemployment we had an average of 5.7 per cent unemployment during the three Kennedy years. And as I have pointed out in all those years a study of the transcript reveals there was never a single question asked by any member of the press of President Kennedy about unemployment as a problem. And then with the acceleration of the Vietnamese war we went into full employment again, even here in the State of California, in the years of '67, '68, '69, and now even more than the anti-inflation fight is the winding down as we are turning to a -- toward a peacetime economy instead of wartime, we have turned loose about a million military and defense industry personnel in this country onto the labor market, which even without the anti-inflation fight would give us an unemployment problem. I think it is high time that this country with all the ability that it has get down to solving the unemployment problem without a war. And I think the solving of it is going to include education, it is going to include job training and it is going to include job mobility. This is one of the great weaknesses we have never had in all these decades of unemployment, there has never been

any place in any level of government where the man with a skill that he can't sell no job for it could go and find out where, if any place, in the country is there a need for his particular skill. We need the kind of matching of skills to jobs and job openings that could come about through a kind of central registry where we know that people might be in demand. We have always been a mobile society. People pack up and move to go some place for an opportunity. I think -- I think we ought to help those people who are willing to do that by being able to provide this information for them.

Q Governor, is there any place you know of in the country where there is this kind of a situation where people could go from here, for example, could get jobs?

A No, as I say, I think this is a thing -- strangely enough it's never been done. You don't think that under the Department of Labor all these years there would be such a thing. But, for example, right here we have about the highest unemployment here in California because of the wind-down in our own defense and space industries, and yet you pick up -- pick up the Sunday Times and in the help -- there were 11 full pages of help wanted ads in the Sunday Times with all this unemployment, and I ran through and skimmed through some of those pages to see were these kind of Mickey Mouse jobs that didn't really exist. No, sir, they were -- these were legitimate job opportunities ranging all the way from clerical personnel, from secretaries to household help and you -- you find it difficult to match seven per cent unemployment with one paper in one city carrying 11 pages of help wanted ads.

Q Governor, do you share the view of some of President Nixon's advisers that in California the economy is a bigger threat to his re-election than the war itself?

A Well, I'm one who happens to believe that by 1972 the war won't be an issue.

Q But how about economy?

A I think the economy ~~is~~ is an issue. I think the economy was an issue in the last campaign.

Q Was any thought ever given to including Congressman McCloskey on your delegation to the convention?

(Laughter)

A No. According to Mr. McCloskey, he's apt to be running his own delegation. We might meet some place at the polls.

Q Are you including many Republican congressmen?

A No, as a matter of fact I pledged to the President that any delegation that I would take to the convention would continue in the tradition of the last one, that it would span the whole spectrum of the Republican party in California, and be representative of the whole party to keep the unity that we have -- we have managed to create here in the last few years in the party.

Q Does that include McCloskey?

A What?

Q Does that include McCloskey?

A I said you've got to go by his own statements. If he's running and he runs in the California primary, then he will have to under our election laws -- he will have to run a delegation against our delegation.

Q Governor, did the President ask you -- did the President ask you for that pledge?

A What?

Q Did the President ask you for that pledge?

A No.

Q Did you volunteer?

A No, I asked for a meeting with him to tell him that I thought it was time to do that.

Q Governor, is there any definitive word yet whether you might follow Congressman McCloskey to Vietnam during your Japanese trip?

A You mean on a search and destroy mission?
(Laughter)

A No. No details of anything of the kind.

Q Governor, philosophically, do you think the California Legislature should come under the terms of the State's 18 year old Ralph M. Brown open meetings law?

A Do I think that -- do I think that the Legislature --

Q Legislature, it is not now covered by the Brown act.

A You know that I worked very hard to not speak critically of the Legislature as an organization. Individuals, yes. But I had -- I haven't really given that any thought. I don't know just how it would apply or where, what the situation is.

SQUIRE: Any more questions? Thank you, Governor.

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4/27

PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD APRIL 27, 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 Press Release #251) *Calif. Ecology Corps*

Q Where will the 28 centers be in Northern California, Governor?

A I don't think they've made an exact determination yet. They will be in the northern part of the state and probably out toward the -- and into the redwood area. Up in the northwest part of the state, but there's going to be backup material if you don't have it already that will be distributed to you that will answer most of your questions about this and the nature of it.

Q Governor, how many conscientious objectors are there in California and how big a volunteer force do you anticipate?

A Well, now, this may be in the backup material.

PAUL BECK: There are about eight to ten thousand nationwide and normally these centers would have about 80 in each one.

Q Governor, do you have --

Q Do you think \$15 a month will be enough of an inducement to attract many volunteers?

A Well, since in the area of -- of conscientious objectors, they have to perform some kind of work of this kind to maintain their status as conscientious objectors, I think there is a carrot and stick philosophy involved.

Q Governor, would they have to do this five days a week or --

A Yes.

Q Could they go home on week-ends?

A ^{yes} No, this would be on a 40-hour week basis.

Q Governor, do you have to be a California resident for this?

A Well, certainly that's going to be our aim, yes, is to -- to work with our own selective service boards on this.

Q Has the Selective Service people said that this ecology center idea was acceptable to them as alternative work?

A Yes, we have been working with them and they are completely agreed and ready to cooperate.

Q Another subject.

Q No, one more on this. Governor, do you foresee in the future as possibly taking in your plan to put welfare recipients to work? Would you adapt that?

A Oh, yes, we have thought of this kind of work.

Q For that -- this specific program?

A That's right, yes.

Q Governor, would you clarify that? Do you mean these camps will take some of the welfare workers?

A No, we are starting now with this as we said. But in answer to this question here, it was as this expands and as we implement the work force idea to welfare, we have always considered this kind of work also as one of the areas for welfare people.

Q Governor, do you see any parallel between this program and the old CCC program of the 1930's?

A Well, I think there is a parallel in the -- in the type of work and things they are doing and certainly the CCC camps made a great contribution to environment to our parks at that time. But this is -- this is an enhancement and enlargement of the kind of work that has been conducted throughout the state by honor camps and some of which are being closed now simply because our probation system is working and is so successful that we just have reduced numbers.

Q You say these people will wear uniforms. What kind of uniforms would they be? Would they be military type uniforms?

A It will be a uniform that will be more comparable to the type worn for forest personnel and ranger and one suitable for the work they are doing.

Q Has any research been done, Governor, in this manner regarding whether C. O.'s would find this kind of work acceptable to them?

A Well, it meets the requirements for the type of work the conscientious objectors are supposed to be doing and as you can see, there is nothing compulsory about it, they are allowed to volunteer for this and I would think that a great many of them would probably find this very attractive, this kind of work.

Q Govern , yesterday in Washington

Q Governor, I still have another question on that same subject.

A Was yours on the same subject?

Q I want to change the subject.

A We've got one more here.

Q I got one more. Why aren't there any ^(200/000) centers planned for southern California?

A Well, I imagine because the closings that are contemplated right now are in the north so the -- the need is there, the problem is there.

Q Governor, same subject, can you tell us who thought of the idea?

A What?

Q Can you tell us who thought of the idea?

ED MEESE: Jim Stearns.

A Jim Stearns, the man whose department this will come under.

Q Which are the centers that are being closed? Can you recap that for us?

ED MEESE: There are five that were in the budget, I can't remember.

A They are in the budget, I couldn't name them for you now.

Q Governor, I'm still not clear, are you initially going to accept only C. O's or anyone who wants to volunteer?

A Now, I think this is both, yes, that we are not going to deny anyone who comes in and volunteers for this work at all. But we are also -- this is going to be added to the list of things that are acceptable for C. O's to do and we are going to solicit them.

Q The type of facilities you are closing now, you are talking about, are just the honor camp things, the forestry camp?

A Yes, that's why I say this is an expanded type of thing, not just for -- not that they just do firefighting, but because those honor camps --

Q I want to clarify your statement, initially said to manage state's facilities currently scheduled to be closed. You are talking specifically about those type of things?

A This kind of forestry work, firefighting work.

Q Governor, if you are accepting anyone, does that mean you will accept welfare recipients and if so does this change their grants?

A I don't know that we have even considered that now in connection with working for their welfare grant.

VOICE: Governor, that is a separate process.

A I think that's got to be a separate problem and will come along with our welfare reform.

Q Now, Governor --

A Now.

(Laughter)

Q Yesterday Ed Reinecke in Washington came out for this accelerated public works program, the Democrats are pushing through Congress and which the Nixon administration opposes. What is your stand on that or have you made up -- do you have a --

A I'm in the middle. No, I think that what the Lieutenant Governor was talking about and I understand what the President is concerned about, I think there is a very thin line that has to be walked here between trying to stimulate employment and running the risk of undoing the present efforts that are being made to curb inflation. Now there is a comparagel -- or at least a complimentary situation here with the freezing of funds for example in the highway situation, which has caused great problems for many of us certainly for our state, with its great building program. And we -- I think there is a way for both of these, the unfreezing of things like the highway funds, and for some acceleration in particularly hard pressed areas, but my concern about the congressional act is that it might be flailing with an axe and run the risk of going overboard and undoing the work that's been done to curb inflation. I think there is a way that we can meet this problem that we can have this stimulation and I would personally -- I'd like to start with the unfreezing of funds.

Q New subject.

A All right.

Q Governor, could you give us your view of the inquiry that's going on by the commission over in San Francisco into the CRLA and the state's role in that inquiry?

A The state's role, we will do everything we can to -- to cooperate and to help them. The one place where there seems to be a misunderstanding is the idea that this was in some way supposed to be a court with an adversary type of proceedings, and the defense and a

prosecution or perhaps better a plaintiff type of relationship in a civil action or suit. Now, it was never our understanding that this was the purpose of the commission. We were assured that it was to the contrary, that a commission was to be appointed to study the entire situation, study CRLA, study any other ideas and come up with a recommendation as to how to provide better rural legal assistance. And therefore what we have refused to do is enter into this as an adversary. We will be present as a friend of the court in a sense or a friend of the commission, do everything else. As far as witnesses are concerned, wanting to get testimony, they have a list of hundreds and hundreds of names of people who have made statements in our report that accompanied our veto of CRLA, and they are free to call upon those people. But some of them evidently mistakenly -- some of the commission had the idea or were misinformed in Washington that they were to come here and literally sit in judgment while CRLA and the State of California conducted an adversary proceedings before them bringing in their witnesses and cross-examining and so forth. And this was not the purpose and we will not join in distorting what we understood was the purpose of the commission.

Q Well, don't you think, Governor, the Commission knows what it is doing?

A What?

Q Don't you think that the commission knows what it is doing? Are you sure that it misunderstood its mission?

A It certainly is a misunderstanding compared to what we were told by OEO was the purpose of this commission. We^u pledged then and we pledge now our full cooperation in any study they want to make of the CRLA.

Q Governor --

Q Governor, the judge in charge says that the State has refused to accept the responsibilities in presenting its case. Which is pretty strong language. If he continues to take that view of the situation, do you think that the Commission can fulfill the function as you think it is supposed to fulfill?

A We presented our case. We presented it at the time of the veto and the veto was upheld. Now we have neither the time nor the facilities, the manpower to go out and like a trial lawyer bring in before a commission sitting in judgment all the witnesses and to build a case. They are free to inquire of anyone they want to as to their

statements or any others who haven't as yet made statements, and if there is a misunderstanding on their part of what their purpose was, there is certainly no misunderstanding on our part of what CRLA told us this commission was going to do.

ED MEESE: You mean OEO told us.

Q --- also of CRLA charged that your administration put pressure on Ray Procunier to write a letter in which he charged that CRLA was responsible for a lot of trouble in the prison system. What do you know about the source of that letter?

A Maybe I can turn over here to some of the staff. I know of nothing about it and I certainly know of no pressure that I put on anyone and when I first heard that some lawyers were believed or suspected, at least, in prisons of having instigated some of the problems we have had that was the first that I had known about it.

ED MEESE: It came directly from the Department, there was no pressure or even request from our office.

Q Governor, you say your veto was upheld and last week or a week before you said something about it -- there's nothing been discussed about the veto. Isn't it -- it appears to be more accurate to say that Mr. Carlucci reserved a final decision while he weighed the substance of your charges.

A No, Mr. Carlucci, and having been a party to all of the discussions about this, I can tell you that Mr. Carlucci upheld our veto. He then submitted a budget and a plan for a six-months new program to CRLA subject to certain changes and conditions and we -- I agreed to not veto that one, to approve that one. The original grant was vetoed. And he at the same time announced a proposal that in -- during this interim period he was going to appoint a commission that would be mutually satisfactory, that would come and go into the whole situation to determine the best way of providing legal assistance to the poor, the rural poor, and this is the total understanding that we have with them.

Q Governor, aren't you get --

Q Don't you think this three man group -- three judges got their charge from Mr. Carlucci, aren't they doing what he told them to do?

A Well, I said a moment ago, they either misunderstood or they were misinformed in Washington as to what their purpose was because it was not -- when they came here with the idea of an adversary

proceedings in which they simply sat in judgment, this was not our understanding. This was not what we had been told the commission would do.

Q Governor, aren't you -- your administration got the worst of it by not having someone appear in behalf of you at these hearings.

ED MEESE: We have people actually there present ready to assist the commission.

A Yes.

Q Governor, is this commission mutually satisfactory to you now?

A Well, I have to be frank with you and tell you this was one of the first places in which it was possible there was a misunderstanding because we were simply told who the commission was after it had been appointed.

Q Governor, have you corrected this misunderstanding or this apparent impasse now?

A Yeah, we corrected it on our part, we just said we wouldn't do what the commission came here and mistakenly suggested we should do.

Q Governor, are you going to be prepared to accept the findings of the commission now?

A Well, I don't know what you mean in accept. The law states that a Governor has the right to veto programs if he believes they are not fulfilling their purpose. And I have to treat each case as it comes along. Each case as it comes up. Now, we had hoped that the commission would be one that in studying how to provide this legal assistance they would look also at our own proposals for privately funded legal organization, that would take over this task. We still believe it will work, we are going ahead with the idea of some experiments in this line in two or three areas of the state. And I'll just have to -- if they go contrary to that, if they don't -- don't approve such a thing, and they continue with the idea of a government funded program, we will simply have to -- to review it each time that it comes up, whether we -- whether it is doing its job or not. If it commits the same errors and follows the policy of -- that caused us to veto the original program, then I'd have to veto it again.

Q New subject.

Q No, Governor Reagan, the May edition of the Reader's Digest says that you caused CRLA to be investigated to settle some scores of your own, and in deference to the agricultural growers of California.

What's your reaction to that statement, is that accurate?

A Yes, I have a reaction, I'm amazed that I've never seen it before, but it is obviously untrue.

Q Would you ask for a retraction?

A What?

Q Would you ask for a retraction?

A I just heard about it for the first time. Let me have time to sit down and mull this, but the truth of the matter is that we had appeals from county Boards of Supervisors, from school boards, from district attorneys, from Chambers of Commerce, from school boards throughout the State which resulted in the -- some 8,000 pages of documentation and the 283 page report upon which we based our veto.

Q Governor, do you think it is possible now that you might -- that you might approve another grant for CRLA if they -- if they compromised -- if they changed some of their methods of operation?

A Well, there was never any question. Two or three years we have been doing that. We tried to be cooperative. We had complaints about CRLA in the past years, and each time we said to Washington, we pointed these out and each time we were assured that they would correct the things that were wrong and on that basis we went ahead and approved the program. And it just finally reached a point at the present time -- because the situation was never improved, it reached a point where we vetoed. But we have said at any time, as witness the six month extension that we did -- or the new program that we did approve, because they gave us a list of corrections that would be made -- and there is no desire on our part to eliminate legal assistance provided for the rural poor. There is a desire on our part to make sure it is a program that legitimately helps the rural poor and I don't care how hysterical Mr. Reynoso gets in his press conferences, his shop was out there like a bunch of ideological ambulance chasers doing their own thing at the expense of the rural poor who actually needed help.

Q Governor, in view of the fact that the State will not participate under the rules set by the commission, do you think that this commission can arrive at a reasonable and fair conclusion after these hearings? Are they all going to just get one side?

A No, there is no reason for them to just get one side. They were a commission that was set up to do the job of investigating, and

I'm afraid they came here with the idea that they could sit at a bench while everyone else did the work and brought a case before them, and then they would sit back and make a judgment, and this was not what they were supposed to do. They were to go into the field and investigate California Rural Legal Assistance and if they are unwilling to do that they ought to resign.

Q Governor, can you tell us now are those commission members acceptable to you?

A What's that?

Q Are those commission members acceptable to you or aren't they?

A Well, they are there.

Q Are they acceptable to you?

A Huh?

Q Are they acceptable to you?

A Doesn't make much difference, I'm sure, they are quite respectable men, they have distinguished records on the bench and I'm quite sure that if their names had been proposed to us by Mr. Carlucci as had been the agreement, we would undoubtedly have approved them and said fine, send them out here.

Q You told us before that they were to be mutually acceptable to both sides and you represent one of the sides. Are they acceptable to you?

A Well --

ED MEESE: Excuse me, Governor, they were to be mutually acceptable to federal OEO and State of California, the two governmental agencies involved.

Q Well, representing the State of California, are they acceptable to you?

A Well, like I say, yes, the only thing I pointed out was it wouldn't do much good now, they were appointed without any question as to whether they were. And I'm quite sure they would have been. As I say, they have distinguished records.

Q Did you have the opportunity --

Q Governor, you have said that you think that perhaps, as a possibility, that the commission members had been misinformed as to the OEO's intent, as you understand it. In view of the way the investigation or whatever you want to call it, is progressing, do you think that instead perhaps you may have been the one who was misinformed

by OEO as to what their intentions were?

A Well, it is sort of like representative Edith Greene of Oregon said once about the whole OEO program, when she said that Congress is quite used to there being some divergence in -- between congressional intent and what actually comes out in the application of congressional acts. But she said with regard to OEO that it seemed that OEO was overdoing it. And sometimes I -- I feel a little bit this same way. I think that as -- as executive orders or understandings start down through the bureaucracy to the people who are actually entrusted with implementing them, something is lost in the translation.

Q Governor, have you talked to Mr. Carlucci and tried to iron out this misunderstanding as to what the commission should be doing?

A We have had a great many discussions. I personally have not entered into those discussions, but I'm perfectly willing to meet with him personally on this. And I don't think that there would be any real serious problem about ironing out any such difficulty.

Q Governor, new topic?

Q New subject, Governor.

A Well, all right, Ray and then you.

Q Governor, the Chairman of both dinners in New England where you are speaking in June have announced that you have asked for a \$25,000 guarantee for those dinners. Why have you asked for a flat fee and how much of that will go to National Committee?

A Well, I don't have very many answers to your questions. We have released a statement that you will all be having soon on this because some of you ever since the story appeared in the paper while we were in Williamsburg, some of you have directed some questions to the press office about this. So we have released a statement. Let me just say that this is -- first of all, nothing comes to the Governor of California. But it's been a long-standing tradition and custom that when you go some place and this fits both parties, to important fund raisers, your own party backing your area benefits from this and shares in the money you raise just as when someone comes out to our state for fund raisers, and is the principal drawing card at that fund raiser, that money returns with them. Now, I was getting a great many invitations to speak, and with the limited number of times that I feel I can leave the State to do this, I put them in the hands of the National Committee and the White House, and said I will abide by their decisions as to where I can do the most good, where I

should go, and as the statement will explain, when you get this, money then goes into a fund that is administered by the Republican State Central Committee of California, and this is used --

Q You mean -- excuse me, Governor, you mean the part that comes back to California?

A That's right, and this money then is used for those political tasks that people like myself have by virtue of being technically leader of the party in the State, but which wouldn't be proper to assess against the taxpayers. I go to campaign here in the State for candidates or in special elections or even when I leave the state as I did to campaign in the special election for Congress in South Carolina, these are not fund raisers, there is no return and you can't ask the people of California to pick up the bill for that kind of expense.

Q Who decides the fee?

A What?

Q Who decides how much?

A This is negotiated out by the National Committee now since I put it in their hands.

Q Between the National Committee and the State Committee in, say, Massachusetts?

A Yes.

Q Governor, there was a newspaper -- nationally circulated newspaper article that said you were building a war chest of some kind. Are you denying that?

A Well, I don't know what that war chest would be for. Maybe I should have a war chest for all those that say I'm building a war chest to go to war with them. No, it is used exactly as I said, and I certainly have no say as to how that money is used. What's done with it. As I said before, the only war that I'm engaged in is, as far as I can devote my time to this, and that isn't too much time, my time between now and the next election is going to be devoted to furthering the goals of the Republican party and promoting the renomination and re-election of the present President.

Q How do you pay for the staff members who travel with you who are employees of the State of California?

A Well, these are also -- this is part of it, that there expenses certainly cannot be assessed against -- for the state.

Q They are still on State salary, are they not, when they travel on these excursions?

A Well, in the area of security, yes, they have to be.

Q Governor, in light of your administration's declaration that it wants to fight smog, how do you explain --

Q I got another question on this.

A Another question on this.

Q Governor, what's the percentage of fee that comes back to California?

A I don't know. It is always negotiated out, depending on the type of fund raiser and how much they expect to raise.

Q You mean it varies from speech to speech?

A Oh, sure.

Q The percentage?

A Yea.

Q Is this \$25,000 figure correct that you are quoting us?

A I don't honestly know. I don't know that -- that might have been an asking figure, by the National Committee. I don't know that it's been negotiated out yet.

Q Do you know what the percentage is before you go to speak to these places?

A Well, I could if I asked, to try and find out. The truth is I've never really bothered to ask most of the time whether it is one where we are getting anything back or whether it is one that we are just going and doing for the love of the game.

Q Governor, your former press secretary, Lyn Nofziger, said yesterday that negotiations for these fees are conducted between you and the local republicans. Meaning in this case the ones in Massachusetts. Is he misinformed or what's the reason for the conflict?

A Well, I thought since we turned it over to the national committee previously -- before when I was accepting ^(out of state) engagements here on the basis of the invitation and had not gone through the national committee, yes. It was -- well, no, it was negotiated out here by representatives of the party, not by me.

Q Not by you personally?

A No.

Q You have no role in the negotiations?

A I have no role nor do I get anything from these fees.

Q Do we try again?

A Now try again.

Q Governor, in light of your administration's expressed interest in fighting smog, how do you explain the fact that your General Services director refused to review an Assembly funded research project which Assemblyman Hayes could prove that current -- which Assemblyman says could prove the current technology could virtually eliminate pollution from the internal combustion engine?

A This I think was one particular manufacturer, an idea with a smog control device.

Q The researcher's name is George Cornelius, and he's in San Pedro.

A And this particular device we had already tried in our own smog control board, and evidently felt we had gone far enough and it was not dissimilar from things that are already being implemented

Q The Air Resources Board recommended the extension, Governor.

A This wasn't the answer that I had. We have had several meetings, I remember it's been some months ago on this, as to what we could do and we had already put some money into it.

Q Governor, do you remember the gentleman couldn't perform on his contract. He said he was going to provide the device, he'd provide the system, said that the system would solve the problem, but he could not perform on the contract, so the Director of General Services had no alternative.

A That's right, this is as I say, was several months ago. That was right.

SQUIRE: Any more questions?

---oOo---

5/4

HELD MAY 4, 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: I have just a few words for an opening statement here.

(Whereupon the Governor read a press release.) #265

Q Governor, since the amount of revenue to be collected through withholding diminishes with each passing day when withholding is finally adopted, if it is adopted, by the legislature, won't there be more compelling fiscal reasons not to include a forgiveness feature?

A Well, this will be affected of course by the time that it goes in, and I have already made it evident that I am willing to -- where I have always held and would like to see whatever windfall there is given back to the people, I am willing because when I originally held that position we didn't know about the crunch that we are in and some of the things that we would have to do without because of this fiscal crunch, -- I am certainly willing to listen to alternatives in which at least a portion of any windfall could be retained for a number of purposes, one time expenditures. For example, we have had the problem brought to our attention since the earthquake tragedy of the need for school construction we haven't counted on, and there are other capital construction items of that kind. The Tax Association itself has even proposed the idea of creating a contingency fund, but I believe that at least a portion -- say it could be divided half and half of the windfall could still be given back to the taxpayers.

Q Governor, what partisan political advantage do you think the Democrats will derive by delaying passage of withholding?

A The only thing I could say is that as you well know there are no secrets in this building, is that there seems to have been some talk upstairs about the fact that possibly by letting this state get into -- this kind of fiscal trouble, chancing this kind of chaotic condition, just as they have been willing to gamble on that by not

passing budgets over time the last two years, that this might in some way prove embarrassing to me and I think it is a pretty high price for some supposed partisan advantage over me or embarrassment to me, to risk the fiscal stability of the State of 20 million people.

Q Governor, would it prove embarrassing to you?

A What?

Q Would it prove embarrassing?

A No, I don't think so because I think the people are intelligent enough to know who is at fault.

Q Do you think that's what they are doing, Governor?

A What?

Q Do you think that's what they are doing?

A Now, well, you fellows are upstairs more than I am. I'm just only telling you that this seems to be the only thing that I know that has been talk, that has come down here.

Q Do you really feel that that's what they are doing, though?

A What I feel or what I think -- I've discovered long ago that I'd better not answer you fellows on that unless I'm prepared to go into a court of law and prove it.

Q Governor, you've said that you had hoped withholding could be part of tax reform this year. But do you feel now the legislature should go ahead with an independent withholding bill?

A Never been any time when they couldn't have done that. Pending the passage of tax reform, the use of the increased revenue that would come in annually from withholding could be earmarked in advance for what is the prime goal of tax reform, property tax relief.

Q You would sign a withholding bill that is separate from a tax reform package?

A Yes, never had any objection to that.

Q Why is it too late for withholding, couldn't the legislature put the bill through in a week if they wanted to?

A Yes, but the thing is it takes several months to gear up for it.

Q Why?

A You are going to have to ask Mr. Huffman and the tax people on that now. They tell me that roughly they need about six months to gear up for withholding.

Q You mean too late for July 1?

A For July 1. Yes, it isn't too late to pass it. It can be

passed, but I'm talking about the starting date now would possibly be -- probably be January 1.

Q Governor, are you saying your proposed budget is now unbalanced?

A What?

Q Is your proposed budget now out of balance?

A No, the budget has always been submitted on the basis of calling for welfare reform.

Q Well, can it be balanced without new taxes since you won't get withholding in time?

A Well, the situation is -- well, no, withholding was not a part of balancing the budget. Tax reform is a -- is a separate subject and I might add contrary to what some newcomers to your ranks have proposed in their editorial comments, tax reform is still a very top priority item with me.

Q Governor, the other day the Senate Finance Committee put that 72 million dollars of the teachers' retirement money back into teachers retirement fund. Now, doesn't that throw your budget out of balance?

A Yes, but I've got to wait to see what all happens by the time it goes all the way. I still think that this was unnecessary. I think that there's been much ado made about that 72 million dollars. The State is totally responsible for any contingency that happens in the retirement fund. It is ~~ant~~actuarially funded account now and the State is responsible, so whether you leave some money lying in a bank or use it makes absolutely no difference.

Q Governor, do you feel that you have been actively, and doing your utmost, everything you can to get withholding through at this time?

A Well, you wait for a little initiative on the part of the people upstairs. After all I'm not the legislature, I'm the executive, and I don't think there's been any secret about where we stand on this. They're well aware of this, we made it perfectly plain as I said in my statement a year and a half ago, we told the people of California and certainly the legislature that we were putting it into last year's tax reform program, not through necessity for tax reform, but because by this September and October we would have to resort to tax warrants or tax anticipation notes because the borrowing needs would be greater than the amount we have to borrow from.

Q Do you have a bill in, too, on tax anticipation notes, and how has that moved in some --

A No, I don't know, I don't understand -- is there?

Q Do we?

ED NEESE: There is one in the Senate.

A There is one in the Senate, yes.

Q Have you talked to Bagley about this?

A What?

Q Have you talked to Bagley about it, it is his bill.

A I haven't talked to Bagley recently. I know his bill is up there, and I'm sure he must know that he has my support.

Q How much do you think you'll have to raise? Do you have a late word on how much you have to raise through tax anticipation notes and some other means?

A No, I haven't -- I think that probably it would be very easy to find that out shortly, through the Finance Department, but we do know that we go above the line, we won't have borrowing capacity.

Q Governor, on the question of personal income taxes, there was a report last week that you because of personal financial misfortune and high expenses paid no state income tax for the year 1970, is that true?

A You know something, I don't actually know. Whether I did or not. I'd have to check up -- I know I -- I know in the federal in the last couple of years or something I got a rebate back. But I don't -- I don't know what my tax status was.

Q Don't you have to sign your own return?

A What?

Q Don't you have to sign your own return?

A Yes, but I'm trying to remember here, what I did. I don't know, it is possible. I have a fellow making it out for me, a lawyer makes it out.

Q Would you authorize us to ask the Franchise Tax Board?

A What?

Q Would you authorize the Franchise Tax Board to let us know?

A I don't think I should set that kind of a precedent, do you? The next thing I might know you might be asking how the fellows upstairs pay their per diem, that would be terribly embarrassing.

ED NEESE: We can find that information out from other sources.

Q Governor, Mr. Monagan told some of the press corps last week that even if all your tax -- you had, excuse me, your welfare reform proposals are enacted, there is still a possibility that the State will still need more new taxes in view of new information. Have you changed your mind that no new taxes will be needed if reforms are passed?

A Let me say this, and we submitted the budget in the welfare reform, that we had ample leeway in there that welfare reform would mean no new taxes. Now, of course we have reports yet to come in as come in every year with regard to the revenues and regard to the present year's budget that we are in. Now, those estimates could conceivably come in and -- and reveal that we are not -- that we would have a deficit carry-over. My position with regard to welfare reform and the leadership -- of the legislature, the Democratic side, is simply this, that they seem bent on demanding as a price for any legislation the acceptance by me of a tax increase now before they will even discuss the other matters of welfare reform. I say that this is backward and that until we have a resolution of the problem of welfare reform there is no way for us to know, and they don't know whether new taxes are needed; and if any are needed, how much. Now, if they come back to us and are unwilling to give us the total welfare reform but give us a sizeable portion of it, then we have to readjust our figures. And I'm sure this is what Mr. Monagan must have been referring to.

Q Governor, on withholding, in addition to solving the State's cash flow problem it is estimated to raise an extra 180 million dollars a year. \$80 million from those who move out of the state and never pay, and \$180 million in gearing income to the current year's economy.

A Well, no --

Q What will you do with this money?

A Well, as we proposed last year, this would be part of the source of increased revenue that enables you to reduce the home owner's tax, the property tax relief. It is -- the same as turning to the income tax and giving that amount in an increase in rates, but you gain the extra money. Let me just take exception to your one line, I don't think that this state has been losing \$80 million dollars a year from people moving out of the state or not paying their income tax. As a matter of fact, we had a very high collection rate. The smallest amount of it, again, is from people who are not now paying, or who are avoiding tax. You have principally two sources

of the increased revenue. One, you start paying immediately or at the state level the tax immediately on the increased earnings of an expanding economy and almost an equal amount is money that really is only borrowed in a sense from the taxpayer. We know that there is roughly about 70 to 80 million dollars of overpayment by way of withholding and government gets the use of that 70 or 80 million dollars before the end of the year, at which time they have to pay the rebates to those who have overpaid their tax. In the meantime, while they are paying that back continued withholding has continued to get over-collection so the state is always in a position of having 70 or 80 million dollars of the people's money to pay their bills with, even though it is an overcharge and is not legitimate revenue. So in a sense you are getting the use of that much money that is actually given back to the people and is not a tax increase.

Q Governor, why isn't that revenue increase a tax increase?

A Well, it is and this is -- before I had to smash the concrete around my feet I always said that, that you are taking more money from the people. Not the total amount. You are taking roughly about half of that total amount, represents an increase in that the people are starting to pay sooner on their increased earnings.

Q Well, as far as what you are doing with -- whatever the amount is of ongoing increase, isn't that built into your budget already on the assumption that we are going to have withholding starting January 1?

A I think -- I'm just trying to think if we did count on that for January 1st date. Or if we didn't, I don't remember. I don't think the budget is predicated on --

ED MEESE: I don't think specifically. I think this is one of the calculations that was used in the projections but I'm not sure that we are specifically counting on this.

Q Can I change the subject?

A All right.

Q Governor, relative to the hearing of the Assembly Ways and Means Subcommittee last night, would you be willing to sign a letter which would allow an appropriation to be approved and advanced in the budget which would finance your department of OEO in the -- in the amount that you were asking in the budget, but specify that 50 per cent of the people employed by the OEO have to be poor people themselves? That's what the subcommittee decided they would do last

night.

A No, and I -- I have to say this, I think the administration of the State OEO office has fulfilled its purpose. I think it is unwarranted criticism that's been made of it. I think in the testimony you heard Mr. Uhler himself say that he had some plans along these same lines with regard to future employment. But I think the smoke screen that's been thrown up is one that confuses the function of the State OEO office with that of the community action programs that are actually administering poverty funds. There are rules about the involvement of poverty people and people who know at first hand the problems that they are attempting to solve. The State OEO office is an accounting and an auditing and an investigating agency to supervise and make sure that these hundreds of millions of dollars that come into the state for these programs are not abused, not misused, and are honestly accounted for. It is not actually a -- as a community action program is at the firing line, dealing with the problems of poverty, and it shouldn't be judged as such. And what some of the bureaucracy have termed harassment I claim is nothing more than the supervision that is more than needed for a program that nationally has probably had no equal in our nation's history for the misuse of funds, the breaking of promises and the absolute inability to account for tens of millions of dollars that have just simply disappeared. I'm speaking of the poverty program nationally and as a matter of fact within this state, and most of the vetoes that I found it necessary to make or the threat of vetoes have been over mismanagement of funds and a large number of minorities -- community citizens who are in that hearing before the Burton committee yesterday, were citizens from Oakland who were over here on our side because they say they themselves have been saved by our OEO office because the program when vetoed in Oakland was not fulfilling its responsibility to the poor..

Q But if the only way to save the appropriation would be to give that letter to pass the budget, would you do it?

MR. MEESE: We will have to wait to see what the bill says.

A I'm going to have to wait to see what they -- you know I don't comment on vetoes and signatures of bills before they come down. I still think that it is -- I think that it is a kind of harassing tactic that they have suggested and I think that the best description

of it was given 1. The phrase uttered by one member of the committee, Assemblyman Frank Lanterman, when he said "hogwash."

Q Governor, Mr. Uhler was asked whether he thought his prime responsibility as director lay to the poor or to the governor? How do you think that question is fairly answered?

A Well, I think it was an improper question. I think that in fulfilling jobs he is exerting a responsibility to the poor. I could sit here and let that money go by and let the money be misused and say, well, it is not my problem, that's OEO's problem, but I think the citizens have a right to expect that government, when the framework was established, that the states -- that the governors have not only a right but a responsibility to review and veto if necessary these programs. And the state office is set up for that auditing and supervising process, then I don't think that we can stand here and simply say that we are serving the interests of the poor by letting someone steal money that is supposed to be going to help the poor.

Q Governor, what --

A And "steal" is not too harsh a word.

Q What examples of mismanagement do you have in the CAP programs?

A Well, now, let me say -- let me interject something right here before I go out here with blanket indictment. I have indicted the whole program on an overall basis. I say it is. That is, this is not to ignore the fact that here and there based on the ability of people at the local level and their sincerity there have been programs that have performed worthwhile functions. But I can go back to the very first veto that I ever cast on a poverty program here, and that was one that was to put 17 unemployed to work in some rather hard outdoor physical labor, and over half the budget was going to the salaries of 7 administrators to supervise the 17 people at work. And I figured that was too many chiefs and not enough Indians. And the similar problems of that kind. The complaints from the one that we have just vetoed in Oakland, I think you have found the entire city -- yesterday you saw evidence that the poverty community itself, disadvantaged people who were supposed to be helped, all of them were on our side in this because they say that there has been no real evidence of any of this money getting down to help and solve the problems of the poor in Oakland.

Q Governor, yesterday Mr. Uhler said that it would be inappropriate

for the state to on a parody with CRLA int. hearings in San Francisco. In other words, the state is the people, how is the state to be in any exalted position or any position superior to any other entity?

A Well, we are not superior and let me just give what I think the situation is, and what he was trying to suggest. And many of you must be greatly confused about this whole thing because certainly there's been contributions made to the people's confusion about it. Now, the law specifies that a governor can veto a program and after several years of trying to persuade Washington to clean up some of the things that were wrong and the complaints that we have been getting from the rural areas about this program, finally I vetoed the program. This is my right. The law now specifies the obligation rests on Washington within thirty days if they believe that my veto is not justified, that they are to produce the facts that prove that it was not justified and they then are to override the veto. They didn't in the 30 days, they upheld my veto. Subsequent to that time Mr. Carlucci, the Director of OEO, came to me with a program for a funding of a six-month CRLA program subject to conditions, changes over the previous program that filled about two typewritten pages. And on this I agreed not to veto, this second program that he proposed. At the same time he also told us that in this six-month period he was going to appoint legal force, a task force to come out and to look at the whole situation in California and then go back and submit recommendations to what was the best method of getting legal assistance to the poor. Now, this commission came out and as I wrote the members of the commission at the height of all of this confusion, and as I have -- am writing Mr. Carlucci, and have already wired him once, but I'm sending a letter to Mr. Carlucci, someone back there in his shop misinformed this commission that they were sent out here and I think handicapped by the belief that they were supposed to be coming and sitting in judgment on an adversary type of trial over my veto. My veto is a thing of the past. I vetoed; it was upheld under the law. Now, our understanding and our understanding with Mr. Carlucci, was that this team was to come out. We offered them all the help we could give them, we offered them all the lists of the names. We are not the complainants. We only forwarded to Mr. Carlucci in our report the complaints with the names of the people in California who had complained about this program.

Now they are free to go any place in this state to question these people or to bring these people to wherever they are, to ask their story firsthand if they don't want to take our report of it as the final word. And then to question CRLA, to question us. We have never hesitated to question -- all we have said was we were never supposed to be involved in a trial over our veto. If that was to have taken place it should have taken place in that first 30 days before the veto was sustained. And so we are not going to do this and we think that what we are the victim of and what the commission is, is the victim of a bureaucratic trick brought about by some of the people back there in the OEO headquarters.

Q Governor, is -- I have a new subject.

A He has a new subject. Is yours an old subject?

Q One last on the old subject. As you stand here today and from what you know of Mr. Uhler's subsequent investigations, would you be inclined to veto a grant beginning July 1?

A Grant beginning July 1. Oh, I would want to see the terms, I would want to see what it is that Washington -- they have a -- have a program, have a law, and -- for providing rural legal assistance. And so in July 1, they will have to come up with a new recommendation for an OEO program, and on the basis of that program and what it is they propose to do we will make a determination as to whether I uphold it. Now, if that program goes in and I don't veto and it then falls into the same pattern and we find the same sins being committed in the last one, then the next time around I'd have to veto.

Q Same subject.

A Same subject.

Q Governor, do you have any idea who the bureaucrats are in Washington that perpetrated the trick and why do you think they would do such a thing?

A No, they are numerous and it is -- I have found that when you take on the bureaucracy you don't take on a silent foe. They strike back. And we are getting an unusual amount of attention in California these days.

Q Why would they perpetrate such a trick?

A What?

Q Why would they perpetrate such a trick?

A Because they would like nothing better than to go back and

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fight the war over again and get my veto overruled. They did not take kindly to what I did.

Q Aren't these Nixon bureaucrats that you are talking about?

A No, when you talk about the permanent structure of government you are talking about a bureaucracy that has been there for the last few Presidents and as I have spoken out publicly on many occasions they seem to have a shop of their own, a government of their own and -- what?

Q Well, these evaluators, these federal OEO evaluators, are those the kind you are talking about?

A I haven't drawn any line between who does it or who back there informed these three commissioners to what their task was. I only know that their task as they came here and as they understood it was completely contrary to the understanding that we had with Mr. Carlucci.

Q Governor, do you feel you were deceived on the part of three Supreme Court Justices as Commissioners instead of field investigators?

A No, he told us at first he had spoken of lawyers. And judges are lawyers, and so I guess he's still within that framework. The only place there -- and we haven't complained about this -- the only place where there was a beginning disagreement with what they had said was they told us that they would do their best to find people that would be mutually agreeable. Now, at no time did they ever say we had a veto over who they chose for did we ever ask such a thing, but they did say that they would let us know and hope that we could mutually agree upon the team that would come here.

Q Did you expect --

A And they didn't do that, they just simply named these people and sent them out.

Q Did you expect three middle-aged or elderly judges to go out and do field investigation instead of sitting as a court as they are doing?

A No, they could bring the people to themselves. All I know is they knew the agreement and then it is up to them to provide whatever was necessary to help those gentlemen do their task.

Q Governor, are these people -- these judges apparently are starting to go out into the field now.

A Yes.

Q Are you more satisfied ~~now~~ with their approach? *aha*

A Yes, they started going out into the field, I think, the next day after our last press conference.

Q Was this a result of your comments at your press conference?

A I think this is just sheer coincidence.

Q Governor, you are then satisfied with the panel while you may not have been consulted as to the makeup of the panel?

A Oh, yes, I agree, three distinguished gentlemen, I'm not going to criticize them at this point, I have no reason to. I simply interjected that as just the first indicating that somehow what had been agreed upon and what we had been told was not going to be carried out. Now, are you changing the subject?

Q Yes.

A No, he's -- he gets to change the subject first. Wait a minute, he doesn't want to change the subject.

Q I just wanted -- after your news conference last week, Mr. Churchville, I think, a Mr. Carlucci's spokesman in Washington, said Mr. Carlucci had approved the method that the three judges were using here in California and I believe the judges themselves had a message from him approving -- approving their method. Now, what bureaucrats are there other than Mr. Carlucci in that situation?

A Well, that's why I'm writing Mr. Carlucci a letter.

Q Then the face -- then the bureaucracy that you are talking about includes Mr. Carlucci?

A Well, that's what I'm trying to -- writing the letter, to find out if it does.

Q Can we have access to the letter.

PAUL BECK: When it is out.

A Now he wants to change it first.

Q Governor, after consideration of the Supreme Court rulings on the death penalties, will the moratorium be continued in California?

A No, although I don't expect any immediate action because there are a great many of the people presently on death row who have a number of appeals and so I suppose that the process will begin. They have given a decision, also there is no guarantee that there won't be other legal groupsthat might continue on, say, some other basis to demand such a thing. We have to wait and see whether that will cause any further ~~more~~ moratorium of the kind that we just had. But

failing that I imagine that the legal processes will go forward as to appeals for those who have them, through a variety of courts and -- and then of course, as you know, the case has to go back to the original local jurisdiction or local court for -- setting of the penalty and the date.

Q You feel that the court should rule in the cruel and punishment facets of the case?

A No, I happen to support the idea of the death penalty. It didn't make me happy seeing that, and I don't think anybody is happy about the thought of it or the need for such a thing, but I happen to believe that no evidence has ever been produced that refutes the idea that the death penalty is a deterrent. And I've used the example of -- of course, of a roundup I had on my desk of 12 murderers in California who served prison terms and were subsequently released and then went out and killed 22 additional people between them.

SQUIRE: Any more questions?

Q Yeah, I've got one.

A He had one.

Q Governor, do you support Assemblyman Bagley's bill now to repeal the Wakefield Act? Anti-busing?

A Repeal the what?

Q The Wakefield and -- the State's anti- school busing.

A Oh. You've finally caught me with one I have no answer on.

Q You signed the bill last year and now there is a movement --

A I just have to say I haven't even paid any attention to what he's doing -- I've paid so much attention to the fact he's got a withholding bill in. Mr. Bagley moves in fast.

Q One of the issues the legislature grappled with is the soaring costs of car insurance and one of the recommendations is a no fault concept insurance. How do you feel about no fault insurance?

A We are still studying that, have been studying it and having some cabinet meetings on it. We haven't a position as yet because it is a very complex thing. We have been watching very closely areas like Massachusetts where they are trying it.

Q Governor, do you have any reaction to what happened in Washington, D. C. yesterday? (*war protesters*)

A Yes, and I think we should all have some -- should take some

great pride in it. First of all, I have not been in sympathy with the demonstrators or what they were attempting to do, and influence government in that manner, but I think in the face of an outright threat they said they were going to bring the government of this country to a halt and the government of this country approved it wasn't going to be brought to a halt, and I take a great deal of pride in that. You hope it will be ever thus.

Q Do you agree with James Reston's column that the fewer people that are at work would make the efficiency of government that much greater?

A Well, we have proven that here in the state government as the work load has gone up and the size of the state has increased and we have not increased the size of government. So you might say proportionately we have reduced the size of government. And I can point to department after department. I think in our whole correctional institution, the very fact that rehabilitation is working, our probation system is working and the field of mental health, where we have reduced from 31,000 to 11,500 in the hospitals, all of these things in a number of departments prove that Parkinson was right, that you can get government so big and top heavy that it becomes its own excuse for being.

SQUIRE: Thank you, Governor.

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