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PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD FEBRUARY 16, 1972

Reported by

Beverly Toms, CSR

(This rough transcript of the Governor's press conference is furnished to the members of the Capital 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: Good morning.

Q. Governor, Angela Davis has told the Superior Court in San Jose that she intends to subpoena you to ask you what part you played in an alleged conspiracy against her and Black people in general.

Would you honor that subpoena or would you fight it and what do you think about her conspiracy charge?

A. I'd have to get legal advise on that. I don't know what you do with regard to subpoenas of that kind, but I -- I don't take it very seriously. Certainly there has been no conspiracy for anyone to participate in.

Q. I If you got subpoenaed you would take it seriously, wouldn't you?

A. What?

Q. If you got subpoenaed you would take it seriously.

A. That's right, turn to my legal advisors and say, "What do I do about this?"

Q. Governor, do you favor -- do you favor amnesty for draft resisters who have fled to other countries and there is a proposal in Congress now to grant them amnesty. How do you feel about this?

A. No, I don't, and I think when amnesty is considered it should be considered on an individual base. I'm quite sure there are some people who very sincerely took this action and believed in what they were doing. I think this should be taken into consideration. I think there are others who just plain were devout cowards and ducked out and I don't think a blanket rule of this kind would be proper.

A great many young men who probably disagreed with that war went over and served and some were killed and some were wounded, and I think we'd be setting a very bad precedent if you said to anyone that they could duck out on anything on the ground that they disagreed with it and then everything would be forgiven.

Q. Governor

Q. Same subject. Because it is not really a precedent, it's happened during the Civil War and wars before.

A. Well, I think when you talk about the Civil War you are talking about a case there of -- of a war and of a victorious side, that granted amnesty to men not who refused to serve but men who with their own sincere belief fought on the other side. And I think there is a great difference between that and between allowing the average citizen to simply decide which laws he will obey and which he will avoid. I'm quite sure there are a great many people in this country who could think of a number of government requirements that they would like to ignore.

Q. Governor, do you favor a constitutional amendment to prohibit busing in the schools?

A. Well, I'm heartily in favor of the -- what the President is doing in trying to find an answer to this problem and have so written him, my support in what he's doing. I don't know that he -- that a constitutional amendment is the answer or whether it can be handled within our present law or statutorily, and I just -- I am opposed to mandatory busing myself. I do -- I believe it's been nonproductive. I believe it has created more bitterness rather than healing the divisions that we are trying to heal. And so I support the President's search in the meeting that he's having with his cabinet committee in finding an answer to the problem.

Q. But you have not made up your mind on the amendment, the constitution?

A. No, because I -- I just don't know whether that is required or whether that is the best way or not.

Q. Governor, aside from having some criticism of your catastrophic health plan, some of the Democratic leaders are proposing a broader state health plan. Would there be room for compromise between your plan and their proposals?

A. Oh, we will listen to any idea but I'm quite sure that some of them are thinking of a broader plan. I'm sure some of them are thinking about outright socialized medicine. As a matter of fact, there's been quite a wave of this going on in Washington right now. Senator Kennedy's proposals. I don't believe in socialized medicine, even when you call it nationalized health insurance. We are trying to meet a problem that affects the working men and women, so-called middle class, the people that are paying the freight and supporting government in all its social reforms, yet who can be wiped out economically and

whole family life destroyed by catastrophic illness or serious accident. So, of course, I'm sure that there will be those that would like to broaden it to the kind of medical program that I just mentioned. But I believe we have made a proposal, this is why I announced it to the people, that will not do what a number of other government programs have done, and that is inflate the cost of medical care but will offer a protection at an amount that is so low that you could not achieve that protection on a voluntary basis. I am not one who normally wants to see the government mandating. This is why I -- explained to the people in the announcement that I've already made, this is one of those cases where the government has proposed to the people a service that can be rendered, does require it to be mandatory, and we have told them what the charge would be and the people can make up their minds and thus influence their legislators on the basis of whether they think that it is worth the charge.

Q. Governor, philosophically, what's the difference between taking this step you are proposing and going all the way, so to speak, in having a state administered broad insurance policy to cover all medical expenses?

A. Well, because I just don't think that -- I think that government should do those things that the people cannot otherwise do for themselves. And I think this is one of those instances. It is impossible on a voluntary basis except at a tremendously high premium for private insurance to offer this kind of protection. We are talking about a limited number of people each year who have within their family an illness or an accident that averages -- averages in cost \$25,000 a year. Sometimes it goes as high as \$100,000 a year, but the average is \$25,000. Private insurance could not, as I say, offer this except at a premium so high that only the wealthy could afford it. And the wealthy are not the ones who particularly have this need. Now, the lowest economic level is provided for by Medi-Cal. The most affluent, we believe, can take care of themselves, but the working men and women, the ones that every once in a while there is hardly a month goes by that you don't pick up and read some story about some citizen, some working citizen faced with this who has had to sell his home and cash in his insurance if he had any, and then you say, "What does he do next year," because this goes on through the years. And we have worked long and hard at this, we believe we have come up with a proposal, we are willing to accept any improvements to it.

But we have come up with a proposal that will add it on top of the insurance that people are carrying -- about 85 to 90 per cent of our people are now carrying some form of health insurance, added on will meet that problem.

Q. Governor, the booklet on the -- the brochure that came out yesterday, the first part of it reads like an insurance agent's presentation. What industry input did you have, who helped prepare this?

A. You will have to ask Earl Brian.

Q. We understand that it came from the Governor's office.

A. Well, I know that we have been working with outside help. We had actuarial help in arriving at the figures on this. We have had input from a number of people in arriving at this plan. Now, who actually sat down and drew up that book, I haven't gotten into that.

MR. MEESE: Governor, it was done by the Department itself with consultation, with the cooperation of the Governor's office and the cabinet. There was no industry, per se, input into the preparation of the booklet.

Q. Governor, you said that you feel that your program would not inflate medical costs. But does it have in it any specific provisions that put any kind of ceiling or control on that cost?

A. No. Is one needed? What we are talking about is so often these broad plans like Medi-Cal, for example, without any -- when this program prior to our reforms had no restrictions on use, what you simply did was increase the demand with no provision for increasing the supply. Now, this hasn't been done here. You have a case of "x" number of people in these illnesses, they are cared for now. So we are not doing anything here with a program that is suddenly going to increase the demand. We know approximately how many catastrophic cases there are a year and catastrophic illness itself makes it plain that there isn't someone lying over here endlessly for years without getting the medical attention they need.

Q. Governor, Senator Moscone has claimed that your plan would be what he calls a boondoggle for private insurance companies. What about that?

A. Well, Senator Moscone is very often mistaken at the top of his voice. And he's mistaken once again. This cannot possibly be a boondoggle. The figures actuarially work out that this program provides for a sum of money that meets the situation as we know it



exists now, in catastrophic illness plus a small surplus which wisdom says you should have, plus a reasonable amount of money for administrative costs, but more important this money is in a state fund. It is not turned over to private insurance companies where they would have this money available in the meantime to invest and make money on this pool of money. There is no way in the world that there could be a boondoggle for insurance companies.

Q. Governor, Senator Moscone says that your plan amounts to an \$8,000 deductible and that there is no provision in there for preventive medicine. How would you respond to those cases?

A. Well, again I think that Senator Moscone is dreaming of programs that would be far beyond taking care of a particular problem, catastrophic illness. The so-called \$8,000 threshold, yes, there is for a person that is non-insured. But we are talking about 85 to 90 per cent of our people that would go through their regular health insurance that they now have and coming to the end of that would then be provided, if it was necessary, in those cases this catastrophic illness, whatever the cost might be, with no ceiling on it, whatsoever. There is no such insurance today any place in the world. This would -- this would go on. Now, the person who has no insurance, who perhaps feels ~~doesn't~~ doesn't feel the need for it, has enough income or affluence that without insurance feels he can provide for himself, this person as an earner would be covered and his family. So to implement his it would require that this individual spend up to \$8,000 himself before he then becomes eligible for this ongoing tremendous cost and the -- the difference in that would be that if you don't have that, if you try to cover from the beginning on everyone, again you get into an exorbitant premium, a charge against the people that is unwarranted based on the actuarial statistics, the figure of how many people this is going to happen to.

Q. Governor, how many programs, health programs that people hold now are liable to qualify as basic health plans under your bill and are any people liable to have to switch programs because they don't qualify?

A. Well, I have somebody here who could answer that very -- not only the author of the bill, but I have Dr. Brian here who could answer on that because it is true that a part of this that's been neglected in some of the accounts so far, and he's trying to make plain is yes, we are going to induce people to have a better health

coverage than they have. Now you fill in if I pass on this, there are a great many health insurance plans that have great restrictions and don't go up as far as what we would consider the approved plan, but the approved plans in those insurance companies that will write insurance up to covering, say, that \$8,000 figure, we will offer an inducement in that they will get a \$300 deduction in their state income tax for having that kind of insurance. Is there anything that needs --

MR. BRIAN: Governor, the only other point is it is totally voluntary. Some persons not wishing to switch don't have to. But as we said yesterday, there are 700 insurance companies providing 18,000 different plans. Most of the better known plans with minor modifications, if any, are needed, will qualify as a basic approved plan, but again the choice is left up to the individual purchasing the plan.

GOVERNOR REAGAN: If he wants to gamble on a lesser plan in that he would fill in that balance of \$8,000 himself, if it should happen to him, and then go to this other, that's up to him.

Q. You said you know how many cases there are of this type of catastrophic illness. How many are there and about what is the cost for each year to cover them?

A. They run -- roughly the average is 10,000 catastrophic cases in California a year, at an average cost of \$25,000 a year.

Q. Governor Reagan, philosophically, what's the difference between a state mandated plan and a nationalized plan?

A. Well, when we talk nationalized health insurance we are talking about those people who would like to take something comparable to Medi-Cal and just simply cover everybody regardless of need. Force you into that plan. Eliminate the need for private insurance and literally -- well, what we see in England, they call it nationalized health insurance, in which you have socialized medicine and in England you have very little choice of doctor and you have all the rules and the regulations that are set down and the doctor in effect becomes an employee of the government. And this is the thing that many people in this country believe we should turn to and yet the -- the plain truth is medicine as it is practiced in the United States today has reached the highest level of medical care any place in the world and there isn't any country with socialized medicine that can begin to compare with what we have in this country under our private system.

Q. Governor, is one of the things you are willing to consider changing this \$8,000 figure? I mean would you lower that down?

A. No, if you -- if you lower that figure down, the \$8,000 figure



down, then you -- the \$36 goes out the window, and you have to begin raising this mandatory fee.

Q. Governor --

DR. BRIAN: Governor, there is also no reason to lower the \$8,000 figure because the basic plans build a floor under it and these plans come up to that particular level and this is how this significantly differs from other catastrophic plans. The basic --

GOVERNOR REAGAN: The basic -- the approved insurance plans as Dr. Brian says, they now bring you up to that point so that the average person with that kind of a plan would -- there would be no difference, he would just simply keep on going if the case was catastrophic.

Q. This \$8,000 is any one illness by any one member?

DR. BRIAN: This --

Q. Of a family.

DR. BRIAN: This \$8,000 is an annual expenditure by an individual for any number of illnesses. But again, I'd point out the \$8,000 will relate to a relatively small number of people and the primary interest is the basic health plan.

Q. I wanted to ask, it doesn't cover the deductible in any way -- most of these plans you are talking about have deductibles, some of them very substantial, which you would pay out of your own pocket.

DR. BRIAN: Correct.

Q. You'll still do that?

DR. BRIAN: Correct.

Q. This plan will not cover that in any way except that when the Blue Cross, say, contribution and your contribution totals \$8,000 then you would be picked up under the catastrophic?

DR. BRIAN: No, the chances are if you had Blue Cross plan, regardless of the contribution, the contribution may well exceed \$8,000, the \$8,000 corridor does not apply. That's a service entry mechanism for Blue Cross type plans. If you didn't have insurance and you had a very marginal plan, then you would talk about the \$8,000 corridor. Remember, the \$8,000 corridor only applies to relative small number of people, generally, that aren't insured at all or have a very minimal plan, so there is a big difference in there.

A. Earl, I think what he's meaning is those that do have deductible, I think it is in our plan that it will only be what they receive from their insurance, but what they themselves spent added together would be \$8,000, it would be the total of that spending that

would be the threshc\.

DR. BRIAN: Yes, sir, the point I was trying to make to Jack was that most plans have some sort of deductibles and copayments, these are basic plans. Now, the expenditure by the person reaching the \$8,000 limit for those plans does not apply in this case, to speak of, because they are talking about entering on a service basis rather than a money basis. We are only talking about expenditures in those people who really don't have insurance or have a marginal type of plan. So if you had a Blue Cross plan, for example, that met those service standards of a basic plan, sure, you may have some deductibles in co-insurance, but you'd get in regardless of the deductibles and co-insurance once you exhausted the plan benefits. For example, Blue Cross now pays a hundred per cent of hospitalization so if you exhausted a hundred days of hospitalization, even though you made no deductibles of co-insurance or copayment, you would go right into the catastrophic plan which itself has no deductibles or co-insurance.

Q. Governor --

A. Here and then I'll get back to you.

Q. In effect then you are taxing 8.4 million families to help perhaps 10,000 families a year. Isn't that a rather broad tax for a rather narrow number of people to benefit?

A. No, the odds work out because here we are playing -- people are playing Russian Roulette, and it can happen to any one of us. It is like any -- any insurance is a gamble that it isn't going to happen. You pay your fire insurance on the basis of how many fires rationally do you expect, what's the average a year? And your house may never catch on fire, but you feel comfortable with having the fire insurance. This is -- this low fee guarantees you that if you are one of those that it happens to you are not going to be wiped out. You are going to be provided for without selling your home, or the rest. And the fee can be this low if you have that many people. The reason the insurance company can't sell it on a voluntary basis is because then the fee has to get so high.

Q. Well, Governor --

Q. Governor, isn't it more likely that the person who has below standard health insurance or no health insurance at all is the guy who's just above the Medi-Cal level rather than the wealthy man who ops not to take it because he can afford to pay his own medical bills?

A. Well, I don't think so. We have the medically indigent who are not actually welfare recipients in Medi-Cal, but I think more likely you find the person who -- or there is as much chance that you find the person who feels, well, I've got a good job and I've got some money in the bank, and I can pay my own doctor bills, and doesn't feel the need for this. But whichever way the answer is that -- the answers and choices that are available to any individual, I think, makes him able to meet his situation. If he wants to gamble that he might have to mortgage his home for that \$8,000 and so therefore he won't worry about insurance, and he'll then come in on it, if it should happen to him, well, that's his privilege.

Q. Governor --

Q. I want to change the subject.

Q. Wait a minute, I want to ask, how do you keep the affluent out? You say this, you know, wouldn't apply to the affluent.

A. Well, yes, you don't keep them out. They, too, in their earnings are going to be paying for this. Anyone who is an earner.

Q. A wage earner?

A. Yes.

Q. What if they are just wealthy and not working?

A. Well --

DR. BRIAN: They have taxable income, Governor, over \$500 a year, based on taxable income. They of course are voluntarily in the basic system, so as you say the very affluent may decide to run the risk of spending \$8,000 and then wait for the catastrophic --

Q. So then really no matter how wealthy a person is he's going to contribute to his --

A. He's going to contribute, yes.

Q. Governor, in past years this idea has been adamantly opposed by conservatives in general, and doctors in particular. Why is it now suddenly becoming respectable in the conservative circles?

A. Well, I'm not sure that this has been adamantly opposed. The matter of the catastrophic illness in the past -- I think, was taken care of in a number of ways. It was not only private charity but also prior to things like Medi-Cal and Medicare I think most doctors had a list of patients that they cared for on their own. It was a private charity on the part of the doctor, and this has been largely ignored in recent years by people who want to be critical of health care services, that for many years doctors carried people

on their books or they just didn't even put them on the books at all. Doctors gave of their own time, a proportion of their time to help out in these things. But when government got in more and more into the field of medical care and our own Medi-Cal and Medicaid, this began to disappear for one thing. The government had pre-empted this field. And now you come more and more to this case of the -- of the catastrophic illness.

Q. Is it because of a feeling that if we don't get this we may have socialized medicine? Is that what prompts this?

A. No, I think there is a need for it. Let me add something to what I just said that also answers your question. I think also in the past that a great many of these very expensive treatments did not exist and a lot of the people we are talking about today are alive and -- and very bluntly their case was taken care of in the past because they didn't live. But now with kidney dialysis and things of this kind we have this -- this ability to heal and this ability to keep people alive and in many instances living fairly comfortable lives in spite of these illnesses, but the cost is terrific and there is no -- no way out of it and this is -- I think this has created a new problem in medicine.

Q. Governor --

A. Here and then I'll come to you.

Q. Then a man who makes \$5,000 and a man who makes \$75,000 still pays \$36 a year, is that it?

A. That's right, yes. Yes.

Q. Governor -- Governor, it is the nature of things that insurance companies make profits in activities they take part in. Wouldn't it be cheaper to have the state administer the whole thing?

A. Well, let's take Medi-Cal, prior to the reforms. Medi-Cal patients were averaging double the costs of the medical expenses of the private citizen who paid for his own. No, I don't think you can make a case that government really can do anything cheaper than it can be done at the private sector, because the very need to make a profit holds down overhead and militates against building up a giant bureaucracy and I think -- I think government medical programs prove this. The most expensive now -- and don't get me wrong, I'm not suggesting now that we cancel out our needed Veterans Hospitals, but you might be interested to know that the most expensive medical care in the world today is the Veterans Hospital. So, no, I don't think that there -- that the profit motive at all is going to make --

Q. Governor, we were told yesterday there was no profit built into this for the insurance companies.

A. There isn't. There can't be. This thing -- this is built -- the amount of money that will come in with all the income receivers in the state involved, the amount of money is based on actuarial standards of 10,000 such cases a year, an average cost of \$25,000 a year. It adds a small surplus in case one year you have a few more people or a few more serious ailments which anyone would have to have that kind of a surplus built in, and what prorates out to a reasonable administrative overhead. Whoever is doing it. And the fact that the money is in a state pool of money, it is the state that will have that money invested, and -- and it will be earning money for the public rather than -- than being in the hands of a private insurance company that might be using it for its own investments and thus making a profit off the pool of money.

Q. Governor, if there is such a need for treatment of catastrophic illness, why haven't insurance companies done this on their own and doesn't your plan actually mean government intervention, forcing them to do this?

A. No, as I said earlier, the private insurance companies have found that the premium -- oh, they'd do it except that all of them have some ceiling. You can get insurance policies that will pay up to \$40,000. But again if you are <sup>with</sup> one of those \$25,000 a year ailments, what do you do after 18 months when that's been used up? No, it is a plain case of -- it was uneconomic to -- for an insurance company to try to sell the premium that would be necessary for an unlimited medical treatment as to amount and time. And the only way it can be done is on this basis and this is why we are submitting it to the people. Now, if the people hear about this and the people analyze this and we want them to know all the facts about it, and if the people then say, look, we'd rather have the 36 bucks in our pocket, then I'm sure they will let their legislators know and there won't be any such protection and we will still be left with the problem of the 10,000 of us that it happens to each year, how do we meet that problem.

Q. Governor, you say some policies cover up to \$40,000 for a year.

A. Yes.

Q. Now, if the state's going to take -- be willing to take for \$3 a month everything over \$8,000 and I think this is part of Senator



Moscone's boondoggle. Remark, wouldn't the private carriers be likely to suggest or renegotiate and get it down to where \$8,000 is their maximum and it would be so cheap for anyone to get all the rest of it for just \$3 a month.

A. Well, I think some individuals affluent enough to have that kind of a health insurance policy, he'll make the decision himself as to whether he wants to continue, maintaining insurance above that -- above that level.

Q. I'm talking about group policies, they are negotiating --

A. Well, I doubt if any group policies would go up to that kind --

DR. BRIAN: Again, Governor, the \$8,000 number is not applicable here, they would very likely negotiate down these policies in a vertical sense to the minimum standards, a hundred days of hospitalization, 30 days of extended care. But a hundred days of hospitalization can cost much more than \$8,000. In cases can run in the neighborhood of 30 -- 40 -- 50 thousand dollars in certain cases. They will very likely negotiate these minimum standards. The \$8,000 is still an outlet valve for people that really don't have insurance and don't apply to most insurance policies. There is two different situations.

Q. Governor, if no profit is built in for the insurance companies, why would they go for this? Certainly it is not a charity thing.

A. Well, I think it is something that they can't do. There is no real market for them.

Q. But they are going to make money on it, aren't they, somehow or else they wouldn't go --

A. No, I don't think how they --

DR. BRIAN: Governor, I think in the broadest perspective in this state somewhere between 6 and 8 billion dollars will be spent next year on health care. Assuming 7.5 billion, which will be 10 per cent of the national total, the insurance companies will be re-issuing, 5 billion of that, this 300 million, is a relatively small part of 5 billion dollars in expenses or a relatively small part of 7 and a half billion, and it is something that cannot be done by the insurance companies. The other part of it they can take care of there efficiently, so they see this as possibly being a partnership activity.

Q. Well, when the question is asked, why would the insurance companies go for it, what is it they have to go for? What does an



A. Really, the only thing is we would like to see the insurance companies, as this gets under way, as we have said before, we would like to see them just simply take over the administering of this, and in other words, if you have a policy with one and you have reached that limit of your policy that they themselves would keep right on with -- if it was a catastrophic case, keep right on with the payment of that and bill us for the money.

Q. You would like to see them do it, but what if they don't or if someone is not covered, does the state then reimburse directly out of this fund?

DR. BRIAN: For those persons who have no insurance it is intended to have a fiscal intermediary contract, no profit, no loss type of arrangement would be developed with different geographic portions of the state, and indicate \$8,000 of expenses have occurred, then submit their bills through an insurer in their area for claims payment. And then the insurer will bill the state when an aggregate number of claims or significant amount of money --

Q. The question does come back, what would induce an insurance company to do this if there is no profit or no loss, why would anyone take on this job?

DR. BRIAN: Well, it is a responsibility of the business they have been in and find they are best capable of administering and it is something, for example, that fiscal intermediaries do now for the State of California and the Medi-Cal program and in the Medicare program. It is a no profit, no loss contract now with Blue Shield, for example, and Blue Crosses, but they do administer the program and find they have expert ability to do it.

A. It might be of interest to them also by cooperating in doing that that it would forestall those who might empire build -- want to empire build, might want to see government expand this and get into the insurance business itself.

Q. Governor, change of subject.

SQUIRE: Wait a minute, let's finish on this thing. Any more on this question?

Q. I'm wondering how you could come up with a program dealing with insurance that requires the assistance of management from private insurance companies without having relied on those insurance companies or private insurance sector for advice, input.

A. Well, we employed professional advice here in getting the

actuarial figures as ) what amounts we'd need a ) what the premium would have to be.

Q. You didn't, for example, get assistance from Blue Cross, Blue Shield, for example?

DR. BRIAN: The plan generally was developed without involvement of private insurers, be they profit or nonprofit. A number of the people involved in developing the plan are quite expert on the subject themselves, and gave this type of input. Then the plans were presented to profit and the nonprofit insurance companies and further input was made and there were some minor modifications made from that input. There will be in the future opportunity for more and more input. But again they don't have a monopoly on the knowledge necessarily; and it didn't -- doesn't take a large number of people to devise the plan.

Q. What kind of reaction did you get from the insurance companies?

A. DR. BRIAN: Got a mixed reaction, depending on the type of insurance company you are referring to. I think the minimum standard plan of developing standards that would insure the quality of most plans was pretty well accepted. I think the insurance companies who are not happy about the fact that the money now paid in premiums that they can invest will be run through state fund and not available for investment, so you'd have to say the reaction is mixed.

Q. Who are the companies and the persons who were most helpful?

DR. BRIAN: Well, virtually every company of any magnitude was consulted, including out of state companies that came to California for the presentation. I think that you can say that all of them have been extremely helpful and this also would include Kaiser, who was consulted, too. They aren't usually classified as an insurance company, but they were consulted.

Q. Another question on the same subject, you said there was no profit involved for the insurance company, but if they are able to get a certain amount of reserves developed, can they use that for investment purposes and get interest on it?

DR. BRIAN: The reserves in the catastrophic fund are held by the State of California, not by the insurance company. They can't develop reserves here. They can develop reserves in their basic insurance business just as they do now, but this \$300 million will be removed from that pool of money.

Q. Will they be able to use any of it for investment purposes?

DR. BRIAN: No.

Q. I still want to change the subject.

A. Oh.

SQUIRE: Someone over here wants to change the subject.

A. He says --

Q. Actually, Governor, it is referring back to a previous subject, I think. If the objection on this -- on busing is to try and get rid of or stop court orders mandating busing, I don't quite understand what options you have here in California other than to support a constitutional amendment. Where can you turn to prevent this from happening? If you don't support a constitutional amendment.

A. Well, I didn't say that I didn't support it, I said that if it could be done I was not committed to that as the only way because I'm not familiar and obviously the President isn't either, in that he set up this cabinet committee and has been dealing with legislators as he did the other day to find out the best approach to this. And it may not be necessary to have it in the constitution, you may be able to do it simply with -- by law.

Q. What is a better approach, though, in California, than to have the people vote on it?

A. Well, if it is going to be taken care of at the national level then there wouldn't be any need for them to vote on it, would there?

Q. In other words, just delay in California until the national level is resolved, is that right?

A. Maybe there wouldn't be any delay, maybe this is all going to be resolved prior to the -- to the time of balloting.

Q. Yeah, but on other programs this has not bothered you, you wanted to move ahead in California and have California exercise its own rights and operate independently of the federal government. I wonder why you are willing to wait for the federal government to act in this one.

A. I think you are reading something into this that is not true about my position. There are some areas where I think it is proper for a state to move. There are others where I -- in fact, have delayed beyond a point and finally moved at the state level when Washington didn't. Such as in the area of farm labor legislation. But there are some areas that -- that I think are proper if action is being taken, it just doesn't make sense for us to go ahead if it is going

to be solved at the national level.

Q. Governor, do you feel busing in cities like San Francisco is a waste of public funds?

A. Well, I just think that it's been unproductive. We know that -- that there -- it has created bitterness and created divisiveness. We feel that the minority communities that are supposed to be the beneficiaries are just as angry about it as the -- as the majority community. Most people want their children going to the neighborhood school nearest home.

MR. MEESE: Governor, if I can interject, one reason why the need for federal legislation or constitutional amendment is much of the confusion in this field has been interjected by the federal courts rather than the state courts.

A. I should have said that, that's why I have a lawyer around. It is true, we could be overruled with a state provision here, and have been sometimes by federal --

Q. Governor, do you think that standing committees of the legislature should take a recorded roll call vote on bills instead of a voice vote?

A. Well, it sure would inject a new note into the fraternity, wouldn't it? I don't see any reason why that -- they shouldn't be on record. I think many times it is possible for a legislator to have it both ways, to publicly take one stand and then knowing that he can protect himself in committee without being recorded as such and I don't think the -- I don't think that should be done to the people. The people have a right to know where a person stands and whether he is or is not interested in getting a bill out of committee.

Q. Governor, have you decided or discussed the matter of replacement for Frank <sup>Bonelli</sup> ~~Minelli~~ on the Board of Supervisors in Los Angeles?

A. No, this tragic loss of Mr. <sup>Bonelli</sup> ~~Minelli~~ has just happened. No, we haven't met on that. I realize it's a problem that's going to have to face me.

SQUIRE: Thank you, Governor.

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7/29

HELD FEBRUARY 29, 1972

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: Good morning.

Q. Good morning. Governor, the Senator Richardsnn has suggested that the time might be right to initiate recall proceedings against the six justices who voted to abolish capital punishment. Would you support an effort in that direction?

A. Well, that's his opinion. That isn't the course I would suggest to follow, even though I'm in disagreement with the action they took.

Q. What course would you follow, Governor?

A. What?

Q. What course will you follow, Governor?

A. Well, I think this -- as I have said before, I believe the Court legislated, it did not -- it made a policy decision that properly belongs to the Legislature and the people and my own belief is that the people of the State by way of the -- an amendment to the State constitution should settle this issue once and for all.

Q. Did you read the decision?

A. What? Yes.

Q. All of it?

A. What?

Q. Presumably all of it then?

A. Yes, and I -- I still am of the -- of the opinion and upheld by a number of constitutional lawyers and authorities that they did legislate.

Q. Governor, would you -- the Court says that it is -- it is their responsibility to confront constitutional issues. Capital punishment is a constitutional issue.

A. It is their function to interpret the law, not to change the law. And in this instance they changed the law, they did not interpret the constitution.

Q. Would you give your own personal support to an initiative



to put such a question on the ballot and would you urge a yes vote that capital punishment be allowed?

A. I would certainly express my opinion, I'm sure I'd be asked about this, you usually are about all initiatives, and I never made any secret of the fact that I do believe capital punishment is a deterrent and I don't say that lightly or with any preconceived notion. In fact, I went through a period of my life when I was opposed to capital punishment myself. I've had to -- I've had to give this a great deal of study because it is a responsibility of mine now as the -- as the last court of appeal in a sense, with regard to clemency for those who are sentenced, and I -- I've been strengthened in my belief from that study that this is a -- it is a deterrent.

Q. Governor what was that period of life when you --

A. I was much younger.

Q. Governor, would you in the same line -- would you favor some form of legislation that would prohibit bail for certain types of crimes in this state?

A. Well, you are getting into some legal niceties. We have in our -- in our law and this is what has been changed incidentally by this recent court decision -- we have in our law that for capital crimes there is no bail and it seemed to me that that makes ~~sense~~ <sup>sense</sup>. I don't know that it should, perhaps, be extended. I know that the criminal justice commission has been concerned as everyone should be with what we can do to preserve the rights of the individual to bail in this country and at the same time protect ourselves from what seems to be an increasing number of individuals who go on committing crimes while they are out on bail from a previous charge. And it is -- it is more complicated than I can take up. That's one for someone with legal training to see if there is an answer to it. But I -- I don't believe that there is any necessity for extending the bail beyond or limiting it beyond those of capital crimes.

Q. Governor, I asked you this a couple of months ago, but let's see if you can run through it again, are you pleased with the performance of the Chief Justice ~~Lawry~~ <sup>Wright</sup>?

A. Well, I made a statement that I was disappointed with the action of all six of them and I haven't picked anyone out for particular attention. I was disappointed in this decision and I felt -- and this had nothing to do with whether you are for or

against capital punishment. This had to do with the court legislating. They -- I think violated the separation of powers.

Q. By definition you said the difference then on the part of the Supreme Court's action was the difference between interpreting and changing the law. Isn't it pretty much the case that sometimes in interpreting you do change the law, overturn a law, rule it unconstitutional?

A. Well, no, in this instance they were interpreting the constitution and the constitution makes it explicitly clear in several sections before you come to cruel or in -- or unusual punishment, they make it explicitly clear that the constitution is based on the acceptance of -- of the capital punishment. Such things as you can't take a man's life without due process. Well, this directly infers that with due process you can. Now, if the framers of the constitution had meant the death penalty itself to be covered by the cruel or inhuman then there would not have been all these preceding expressions in there regarding it. I have used an example sometimes and I'm not a lawyer, I'm a layman, but had they been judging the method of execution on the basis of whether it met the requirement of cruel or unusual, not being cruel or unusual punishment, that would have been within their province if they had come back and ruled that the particular method of execution being used does indeed constitute cruel or unusual punishment. That would have been interpreting a law, that would have been outlawing a method of execution without treating with the subject of capital punishment itself. And again I say that the capital punishment is included in our constitution and therefore the only way it can be changed is in the process set down for changing the constitution which is by a vote of the people.

Q. Governor, you said you would express an opinion on such an initiative if one were proposed. Do you intend to actively attempt to get such an initiative proposed and/or would you participate actively in the formal campaign to get it passed as you have in initiatives for bond issues and Proposition 1a and things of that sort?

A. Well, as I say I would express my approval of that. I don't have to take an active part in it, I understand that several measures are going forward at several different levels with regard to getting this on the ballot, including legitimate and legislative

process upstairs of -- of an amendment proposed that would then go on the ballot. And --

Q. Governor, what I'm getting at is this, if money were raised to launch a campaign and advertise and that sort of thing to get it passed, would you participate in that effort?

A. Well, for the most part I have simply expressed myself with regard to some, except there have been one or two instances of campaigns that I thought actually involved the structure of state government and the policy of state government, and I have actively campaigned on those. But I wouldn't think it would be necessary for me to do any more than -- than what I have suggested, that I have expressed myself and will continue to express myself, that I believe in capital punishment, and the people should adopt --

Q. Governor, the State Attorney General has said in his opinion the Courts probably have no alternative but to release on bail people now being held for capital crimes. What do you think the effect of this would be on society?

A. Well, I think the whole thing has lessened the protection and the safety of the people of California. This would just be another -- another instance of it. Because it is true that now under this -- under this ruling the -- you no longer can hold in that law. We had one instance already.

Q. Do you favor delay on initiative until the U. S. Supreme Court has ruled on this question?

A. Well I have -- I have expressed myself that perhaps before you go forward with all the effort that it might be well to make sure because if the U. S. Supreme Court should rule on this issue at the national level obviously it wouldn't do any good to have a constitutional change out here, that would settle the matter. And there is every reason to believe that such a decision is imminent from the U. S. Supreme Court.

Q. So then therefore we should wait for that, until the legislature, let's say, takes action on putting it on the ballot?

A. I would hope -- however, if the -- I think you should be prepared to go forward if they are not going to hand down that ruling, then you just can't wait indefinitely. But I would hate to see us go through the whole process and expense of -- of campaigning for something if the decision is going to be handed down. I think we have to play that a little by ear.

Q. Governor, if there is not to be capital punishment, do you

then favor making these crimes punishable by life imprisonment without possibility of parole?

A. Well, everyone talks about it but this is the answer, life imprisonment without possibility of parole, it doesn't work. And never has worked. People a few years from now are not bound by what someone said at this time. The famous Leopold case in Chicago was a case in point. They were sentenced without possibility of parole and one was paroled. As time went by. At the present time I have to say this, that our own law in California makes -- and this is something to think about with this decision that's been handed down, makes anyone liable for parole after seven years of a life sentence has been served.

Q. Governor, have you ever seen a man die by execution?

A. No.

Q. In the ordinary meaning of the word, do you consider an execution to be cruel?

A. Well, I also consider murder to be cruel?

A. Yes, I don't think there is any way that you can make a prison into a resort hotel. I don't think that there is any way that you can execute this kind of punishment without there being a certain cruelty to it. But, on the other hand, I think -- even included in the Bible itself there is reference to -- and its approval of capital punishment, the crime of murder.

Q. New subject, Governor.

A. Yes.

Q. Governor, did you say that you believe capital punishment is cruel, is that --

A. Well, gentlemen, I think that you are a little nitpicking here looking for something that you can hang into a lead.

(Laughter)

A. How do you -- how do you describe taking someone's life without saying I'm quite sure that there must be in people's mind some cruelty attendant upon it. I think there is cruelty when you execute a chicken to have a Sunday afternoon chicken. But if you are going to hang onto me that I believe in the legal -- legal definition of cruel and unusual punishment of the constitution, no, I believe that society has the right to take human life as a deterrent to protect society.

Q. Governor, there's been a flap in Taiwan and in conservative

circles about the joint communique. It is charged that we sold Chiang Kai Shek down the river. Do you have any comment on that?

A. Well, yes I -- this was a very unusual joint communique and I don't think enough has been said about the fact that unlike most meetings where both sides agree upon a statement, in this instance both sides agreed that each would make a statement and they would turn them out together and clip them together and hand it out. So it was a joint communique only in the sense that it was clipped together. The Chinese said what they wanted to say and the U. S. representatives said what they wanted to say, and the U. S. with regard to Taiwan reaffirmed what has always been our position with regard to Taiwan. And that is that when tensions eased and forces were no longer necessary that we would withdraw them. But we will make the decision as to when that time has come. There is nothing new proposed. As a matter of fact, the Armed Forces -- the military forces on Taiwan, the army forces, the soldiers there are -- are not combat troops and are actually service troops related to the war in Vietnam. And they have been scaled down over a recent period as the war has been scaled down, but there is not going to be any change in the some 9,000 that are left for another year and this will be contingent again, as I say, on the -- on the war in Vietnam, but there's been no change and certainly no reference was made to the position of the 7th Fleet which has been stationed in those waters ever since the Chiang Kai Shek government moved to Taiwan. And I thought the President last night in his homecoming speech made it perfectly plain that nothing has changed in our relationship with Taiwan and our determination to protect Taiwan.

Q. Governor, aside from the technicalities in the treaty, do you think that the -- the President's statement in the joint communique and his trip to China has caused Nationalist China to lose face?

A. No, I don't think so, and I notice that the -- of course this wouldn't be true in America, but I've noticed that the press in Taiwan is much more exercised than the officials of government of Taiwan about this. In fact, their statements have been -- have been quite mild. I think the President went out of his way in the communique to recognize the fact that both Red China and Taiwan insist that there is only one China. Now the question of which



government is the legitimate government and not for the United States to decide. Well, this is exactly the position of Chiang Kai Shek. He says there is only one China, and on each side of the channel they lay claim to being the legitimate government.

Q. Governor, in the past you've toured the Orient on the President's behalf. Would you anticipate a welcoming commission touring China on the President's behalf?

A. Me visiting China?

Q. Yes.

(Laughter)

A. I'd want him to soften them up with a couple more trips like this last one before I went there, because I understand that while Dr. Kissinger was there, while I was on my trip to those six other nations, that Dr. Kissinger said he was greeted every morning with a fistful of clippings that the Chinese had to show them of things that I had said in those six other countries, so I think they have been keeping tabs on me. I don't even plan to visit the Democratic Council.

(Laughter)

Q. Another subject, please.

Q. Two questions, Governor. Would you oppose or support an initiative that would legalize the right of an 18 to 21 year old to drink?

A. Oh, this is a constitutional change to lower the drinking age to 18. Now here -- here I put on a different hat. Now I put on my hat as a parent and a citizen and not as a Governor. Personally I'd be opposed to it.

Q. All right, my second question.

Q. I have a question relating to your first question.

Q. I have a question relating to my first question. There is some talk among Republicans that the party will not sponsor any initiative that's going to bring out the 18 year old vote, and consequently the party won't support the drinking and the death penalty on an initiative. Now, is there any truth to this?

A. I've heard nothing of that kind, no.

Q. Republicans have said this.

A. Well, they must be speaking as individuals then, I know of no party position and no official position and I've just told you that I would support the -- the death penalty issue. I think we have to face the fact that they are voters and they are probably going to vote and I am just hopeful that in the months ahead we can



explain to them how badly fooled they have been if they think that the things they are complaining about would be cured by the party that caused them to happen.

Q. Governor, while we are on the initiative, how do you feel about or think about the initiative to legalize marijuana?

A. To legalize marijuana, I'd be opposed.

Q. To put it on the ballot or opposed to voting for it?

A. Well, I -- I've always found it hard to be opposed to letting the people vote on any issue, but I would -- I'll just say I would be opposed to legalizing marijuana. I don't think anyone has thought that through and I think the increasing body of evidence that seems to be piling up, whether you agree with it or not, has to -- whether it's proven a case for marijuana it certainly has revealed that there is a great uncertainty about the effects of marijuana. And I think it is silly for someone to say, well, until they prove it to me I'm going to keep on using it. We are a society that already puts a notice on just a plain tobacco cigarette, that it is injurious to your health.

Q. Did you say that you opposed having it put on the ballot?

A. No, I said I've always found it difficult to oppose letting the people vote on these matters. So I -- I don't have particular objection to that. But I, as an individual, would oppose the legalizing of marijuana.

Q. Governor, a new subject.

A. Well, now did your --

Q. Yes, her second question was my first question.

A. -- your co-author -- you are all solved.

Q. Has there been a decision made on appointment to the Los Angeles County Board of Supervisors?

A. No, that's a decision I still have to make and I still have people that want to give me more input on it, but as quickly as possibly I am going to make the decision.

Q. Governor, last week you appointed Republican Senator Cologna to the Appellate Court in San Diego. Previously you named two of his law firm's partners to the Superior Court in Riverside County. How does this jibe with your campaign pledges to keep politics out of the appointment of judicial?

A. Because we have followed exactly the same process we have been following for five years. Their names were submitted with all other potential names and they were the ones that came back

rated by the multiple committees that we used as the men who should get the appointment. I have to tell you this, I have not violated that process. I have not violated it in the face of people who have tried to put pressure on on behalf of individuals, some here in government. But we have held to that policy of going by the ratings of the committees, and we are not -- I'm not going to violate it. I still believe that it should be put into law, but until it is I'm voluntarily abiding by the law that I myself sought to have passed.

Q. Your appointment secretary said you had no committees for Appellate appointment, it is more informal.

A. No, we -- We do the same kind of screening process with this. We don't have the same firm of committees set up as we do for the regular judicial appointment, but we do go out, we go to the State Bar and we go to the others and Senator Cologne came back extremely highly rated and qualified for this job.

Q. Governor, ~~and~~ appointments, Kerry Mulligan's resignation became effective Saturday. When do you plan to announce his successor and what are you looking for in that man?

A. We haven't taken up the matter of his successor as yet, so I -- as you know, I've just been away and yesterday was the first day back in the office, so it is in that pileup of things that lie ahead of me for the next two weeks.

Q. Governor, several weeks ago you announced that you are going to send the legislature some resolutions to put itself on record in favor of the President's peace proposal for Vietnam. You haven't done so. It is six weeks --

A. I didn't mean that I would send them, I asked them to take up this matter.

Q. Who did you ask?

A. Well, I thought in publicly announcing this, in asking it, I think -- did we follow up with a letter asking this or did our legislative section just do it verbally, asking about --

ET MEESE: The request was made verbally. There has been no specific letter.

A. I didn't intend I would send one up, and ask them to pass.

Q. You mean you made the request verbally in the speech to the YMCA Legislature?

A. No, our legislative unit relayed my request that the Legislature

take this matter up.

Q. Governor, last week you had two youth advisors as your liaison with the campuses. You no longer have them. Have you given up on youth or don't you need a liaison?

PAUL BECK: That's not true.

Q. Who has them -- they never were announced -- you don't even know the names?

PAUL BECK: No, I don't.

Q. Governor, do you know the names of your advisors?

A. I said Alex Sheriffs -- Alex Sheriffs would be able to answer that. We rotate these quite frequently.

Q. Governor, what's the status of your no-fault insurance studies?

A. Well, we are -- we have been studying this -- this matter and we -- I think will have, very shortly, some guidelines, broad guidelines within the framework of which we think no fault insurance should fall.

Q. There are now five or six no fault insurance bills that have been introduced. Are you prepared to support any of them yet or do any of them look like you will support them?

A. I can't tell you what's -- what is in those bills or whether they are -- but we have been going forward with our own study. We found out that there are -- there are pitfalls in this as there are in any -- any proposals that are made of this kind.

Q. Governor, has the State Bar confirmed you on the bill you talked about here this morning?

A. Not with me personally, I don't know whether they have with anyone -- has the State Bar conferred with any of our people?

MR. MEESE: They advised us of their plans and we have been talking with them generally about the over-all no fault program.

Q. Do you anticipate having your own bill?

A. I can't tell you as yet as to that. It would depend on what's up there.

Q. Senator Moscone introduced a bill studies and written by the Bar Association this morning, are you aware of what's in that bill and what's your reaction to it?

A. No, I'm not even sure that Senator Moscone is aware of what's in it.

(Laughter)

Q. Governor, over the week-end the C.S.E.A. asked you for -- to

engage in formal negotiations to settle their grievance with the hydroelectric workers on the State Water project. Are you prepared to negotiate on that subject?

A. Well, that's another subject that --

ED MEESE: Our people are consulting and have not yet taken a position so far as I know on it. There have been, however, continued discussions with hydroelectric workers and representatives of the State government.

Q. But you wouldn't call them negotiations?

ED MEESE: Well, there have been continued discussions on it.

Q. To return just a moment to the death penalty, you said it would be a good idea to wait for the U. S. Supreme Court to act. If the U. S. Supreme Court decides under our national constitution the death penalty is unconstitutional, would you favor an amendment to that constitution? And would --

A. I would probably be in favor of it, but in view of some other attempts of amending things like the prayer amendment, I doubt - I ~~doubt~~ if anything would happen. There seems to be at the national level a great reluctance to open up the -- that subject. I wouldn't be optimistic, in other words

Q. Governor, did you order Director Procunier to suspend and review the 72 hour pass program?

A. No, this decision was made by the Secretary of that agency and by others in a study of this, and the study has been going forward. There is a -- there is a study of that, we still are confident it's only been two per cent of the people in more than 16,000 who had those passes that have committed crimes while they are out, but even that two per cent we are investigating stricter administrative procedures, because we think our first obligation is to protect the citizenry and even two per cent of those individuals committing crimes as they have recently is too much if we can prevent it.

ED MEESE: Governor, could we clarify the decision was made by Mr. Procunier in consultation with Secretary Holt but it was Procunier's decision.

Q. Governor, on another subject. On your proposal for the new mansion. Who would decide the design of it? This has been a hassle in the past, there have been commissions appointed, and now

would you work . ?

q VOICE: Governor, may I say something on that. I've been working on that while the Governor is out of town and the State law do provide for an architect to be appointed by the Director of General Services. The architect in connection with the State Architect, the Director of General Services and the Director of Finance to come up with a plan.

A. Say, that's very interesting, because I was worried about the answer to that question.

VOICE: That's in Government Code Section 8170, I just happen to have that one in mind.

A. That's been one of the things that's been wrong in the last three years, nobody has been able to get together with anything and now that I know of that I tell you, there is a certain streak of dictator in me that makes that very attractive.

Q. Governor, what type of a design would you favor -- personally favor or Mrs. Reagan?

A. Back when there was a committee, you know, set up and was trying to raise by public subscription funds to go forward with this, it was the consensus of everyone and certainly included Mrs. Reagan and myself, that the best historical link that should be evidenced in that structure would be the Spanish heritage of California. And that it should be of the early Monterey or the Spanish type architecture. I think -- I think to go -- someone suggested modern, for example -- is to go with something that might be sadly outdated just a few years from now, and I think the idea of going with something that is basic and characteristic of California would be best of all. I've also been interested to note that the -- at least one paper that's been doing some polling on this subject finds a great many people that are enthusiastic about why don't we raise the money by public subscription, and the word must not have been carried very far and wide a few years ago that we were trying that very thing.

Q. Governor, do you think that happily married women should be able to establish legal residence separate from their faithful husbands?

A. I believe that happily married women who want to establish a legal resident<sup>e</sup> separate from their husbands are lying about being happily married women.



SQUIRE: Any more questions?

Q. Yes, there is. Sometime ago, in fact it was at the last press conference, I think you in answer to some other question came up with the comment about state employees using public cars etcetera, for non-official business. In any event last week we heard that some of your cabinet officers are using cars destined by legislation to be used for law enforcement work.

A. I suspect that some place upstairs there is a little bureau where they are figuring out the target for each week and so this is the target this time. Yes, we are -- we are reviewing this and we always do and continually review, and sometimes it changes, sometimes there are circumstances that we believe warrant plain license plates instead of the E license plate for individuals. And we recognize that it is a subject of ongoing review at all times. And we are doing that at this time. But I don't think that there have been any great violations -- deliberate violations on our part. As a matter of fact, I think we have been pretty good about it and we will go on with this, we will look again.

Q. The question seems to be, though, not whether you think it warrants it, but whether the law warrants it. Specifically it is for law enforcement work.

EDULBECK: As the Governor said, that statement has -- that policy is being worked on and we will have a statement for you.

Q. I was asking him, Paul.

A. Listen, I tell you, yes, and you know, I was informed this morning as a matter of fact, and it completely slipped my mind, that the review that we have going forward with on this, that before noon you will all have a statement on this. So I don't think there is any need for me answering that, you are going to have a complete statement on the review that's been going forward on this subject.

Q. Governor Reagan, you answered that question about women facetiously, but the law right now says that if a man is transferred out of the state and let's say the woman wants to stay on and continue her education, she loses her residency, you don't -- now that's the law. And Henry Waxman is trying to change it. Do you believe ~~it~~ is a fair and -- or an archaic law?

A. You mean that she would no longer -- even though she was staying here she would be bound to vote by his new residence?

Q. She would lose her right to residency, to serve on a jury, she couldn't get a divorce in California Court, and she might have trouble inheriting money. Now, that's the law as it stands and I know you don't mean to be facetious about something that serious.

A. No, but I like my first answer best.  
(Laughter)

Q. You were given a baited question, Governor Reagan.

A. I'm a male chauvinist. No, let me say -- let me just say



answer one of these questions that involves legalities and then my lawyers over there get me aside afterward and tell me something I overlooked, but my first -- my first instinct would be back to you, I did not know of the existence of such a law, and it would seem to me that certainly some changes could be made because in this society of ours, particularly with regard to such things as education, what you have just suggested is very possible.

SQUIRE: Thank you, Governor, again.

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HELD MARCH 7, 1972

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: This isn't a big long opening statement. Just a note that Dr. Bill Rivers is here with his journalism students from Stanford again. About 20 of them. Welcome, glad to have you here, so everybody here mind your manners. Now, that's my opening statement.

Q. Governor Reagan, if it was your decision to make, would you accept the \$400,000 from I.T.& T.?

(Laughter)

A. I'm going to leave that up to the Senate Judiciary Committee to continue with this.

Q. But if it was your decision, would you accept it?

A. Well, I don't -- that would depend on how all of this develops and turns out. I just don't know enough about it.

Q. Didn't you say the -- the UPI that you would not -- that you suggested turning the money back?

A. No, I said the other day with regard to that and with regard to the Lieutenant Governor's statement, I can understand making it and it is true that as we have said before on several other instances in here, you have to be super careful, particularly when forces are out trying to portray something in one way or the other, you have to be super careful to not even subscribed to an appearance of wrongdoing. And so possibly -- possibly there is some reason for this, but I understand it is a moot question anyway, that the National Committee has already made the decision to reject any such contribution.

Q. Governor, Mr. Carlson says that that report on success or lack of success of the implementation of Welfare Reform Program contains incomplete data and really is no report at all. If there is no complete data on the efficacy of the welfare reform act, on what have you been basing your contention that the plan is an outstanding success?

A. On the fact And the facts as we have them. Now, what he meant by this being an incomplete report, it is -- it has not been looked over by legal counsel in the welfare department. But let's -- let's set the pins up and get them all in a row here. Welfare reform started to be implemented in January, a year ago -- more than a year ago. When a great deal of welfare reform was administrative changes that we could put into effect we started with a whole change of the personnel over there. The change of the cabinet secretary's post, the Director of the department, and we started implementing the administrative reforms. Now, we had a legislative package, a great deal of the legislative package actually was to substantiate or give statutory backing to the administrative changes, because we knew that many things we were trying to do would be legally challenged. Now, starting in January, it took sometime until in April before we were beginning to see the effect of those administrative changes. The legislative package did not go into effect until October. So a report was asked that covered 25 per cent of the counties. Our own department set out to have a report to watch and see what was going to be the effect, which counties were doing a good job of implementing, which counties were dragging their feet, and so forth. This is the incomplete return that has been made. It recorded some gains. It recorded some things in which there was disappointment. It recorded the fact that there were almost immediate court challenge to some of the legislative forms. It comes down to the fact, however, that the -- we have never pretended that we can put our finger on which reforms save which amount of dollars, and as you will recall, this was one of the big issues of dispute with the legislature. They wanted a price tag on every single thing. We tried to give them estimates to the best of our ability as to what might result. But the plain truth of the matter is that starting in January we began to take effect in April -- as we continued to collect the returns on -- basically on our administrative reforms, we found that each month we had changed from an increase of 40 to 50 thousand people to an actual decline. People were leaving the welfare rolls or at least there were less names on the welfare rolls. So that by now we are able to say there are 182,300 fewer people on welfare than there would have been without the reforms. Or than there were last March. There are actually 538,000 people fewer than there would have been without the reforms because there we would have to go by

our projections and our projected increase following the line, and the curve of the increase we had known for a considerable period in the past had indicated there would be that much growth in the welfare rolls. Now, this was purely for us within the department. This was to begin to check and see if the legislative reforms, when they were going to be in operating. We did not expect an immediate change. They started in October. If you will look back to January to April, we expect that pretty soon we will begin to see the effect of these additional changes, but we have no way of judging how -- how much they are going to add to the savings that we have already made.

Q. Governor, Secretary of State Brown has suggested a federal grand jury investigation into the whole I.T.T. matter. Based on his contention that I.T. & T. may have violated two federal campaign laws, one forbidding federal campaign contributions from corporations and another forbidding firms holding defense contracts to make federal campaign contributions. Would you be in favor of such an investigation?

A. Well, I think this is a legal matter for the U. S. Attorney in San Diego to make that decision. Apparently, according to Senator Eastland, yes, there is -- this is not a campaign contribution. I thought he summed it up pretty well, about this was a business firm making a contribution to the city of San Diego in their effort to get the convention to come to San Diego, but that's -- that that decision is up to the U. S. Attorney to make and now -- maybe the Secretary of State feels better qualified to render opinions on that subject. But I don't.

Q. Governor, since Lieutenant Governor Reinecke's version of what happened appears to conflict with the former Attorney General's, do you think it would be appropriate for the Governor Reinecke to come back to Washington to testify before the Judiciary?

A. I don't know, I don't see what there is to testify. There wasn't any real conflict, he was caught on the phone and out of the state. He tried from memory to recall when he had had the meeting with the Attorney General, when he came back and checked his own records he found that he had given the wrong meeting. And I think anyone who goes back and forth as many times as any of us do on trips of this kind -- this is easily understandable. If you ask me what I discussed at the last Governor's Conference, or whether that was



at the one before, I'd have a hard time remembering which is which. They begin to run together pretty soon.

Q. Governor, change of subject? Congressman Ashbrook in his campaign is apparently using a letter that you wrote on August 24, in which you said we -- writing to Republicans, "We have pretty well guaranteed the continuation of Taiwan in the United Nations. At the same time we are pretty sure the Red Chinese will not accept a seat under those terms. I hope ~~you~~ we will be able to give the President your unqualified support." He says this turned out not to be true, therefore why should we believe that deals were not made with the people of the Republic of China.

A. Well, if he's saying that, he's reaching a long way. What someone has evidently turned over a personal letter to him. I have for a long time and ever since the announcement of the Peking visit, I have been getting letters from Republicans I know throughout the country. I've answered them personally with my own views. It is true that everyone apparently in Washington and out believed that there was going to be a U. N. decision that would admit Red China but it would also preserve Taiwan. The great shock was when we -- they moved the vote up by a number of weeks and months and held the early vote that -- and Taiwan was ~~ousted~~, this did come as a great surprise. It was also commonly believed by many that Red China would not accept admittance to the United Nations on the basis of ~~two~~ two China policy there. And I expressed my own personal belief in that. Well, we never got to test out whether they would or not because the U. N. ousted Taiwan.

Q. Governor, getting back to welfare, when you went back before the Senate Finance Committee in Washington, why did you differentiate between the welfare reform and the administrative changes? It seemed to me you left the ~~impre~~ssion with the Senate it is the over-all act that is knocking people off of welfare, you don't think you did?

A. No, I don't. As a matter of fact, we have never claimed that this is all due to the legislation. We couldn't. We didn't pass that legislation until in August, it didn't go into effect until October. We were already announcing that the administrative changes we made alone were resulting in these great savings.

Q. What are some of those changes?

A. Oh, they have to do with eligibility, mainly.

Q. Which ones weren't blocked by the court?

By special need eligibility, the court blocked that out.

A. Well, many of these -- these court actions are with regard to the legislative changes. But all I know is that the administrative tightening on that began, as I say, in January, was already recording like 20,000 a month drops in welfare instead of a 40 to 40, thousand increase long before we had ever persuaded the legislature to even negotiate that part of the package. But if you will check my statement to the committee, you will find that we have repeatedly pointed out that the basis of these changes have been from the very beginning of our administrative changes. As a matter of fact, I have suggested that if they'd wait until we see the rest of the package in operation, too, that we might be very modest in our estimates of success.

Q. Well, how do you know that the 50,000 a month perhaps weren't AFDCU people that were returning to the economy, therefore getting off AFDCU? How can you identify them?

A. Because at the time when these started to go these declines, we were still having an increase in unemployment. And because back over the years, this regular increase upon which we base our estimates our statisticians base the estimates, has been -- has held steady regardless of the state of the economy, even at a time of full employment during the war we were continuing to increase that much in our welfare case load. Now, we have drawn some comparisons with other major states who are also declining in unemployment and we have found that they are still increasing in their case load in welfare, in AFDC.

Q. Governor, in your savings -- administrative savings, particularly that went on before the act went into effect, how much of that do you attribute to the attitudes? In other words, case workers who were no longer quite so careless, perhaps applicants, recipients and so forth who were afraid, who were misusing the food stamps.

A. Bless you, I have used that very argument, I have said that we think that a great deal of this could have been psychological, that once they knew that someone was watching, that more care was being exercised, we think that not only did people who have been drawing welfare and there was question as to whether they should have been drawing it or not, but case workers who have been careless about this -- I think I stated publicly some -- a short time ago,

perhaps even in here, that the change in the number of children on AFDC, we believe, is because they were paper children, that there was miscounting and it was miscounting that was tolerated by many case workers, and that we actually haven't ousted children from the rolls so much as they are now counting accurately. And the case workers are being a little tighter themselves, because they know they are being watched. This is our claim. As of now, to date, we have actually -- savings we can count total 148 million dollars. Our estimate for the -- for that plus the balance of the fiscal year is 338 million in savings. Now, the savings could have been more except that at the same time we increased the grants by 30 per cent to the people who are remaining on welfare and who are truly eligible. Those people went from -- was it 221 to 280 dollars a month. And that was all done out of the savings that we have been able to make.

Q. Governor, are those figures including state and county costs also, such as state funds?

A. State and county and federal. We can't save a dollar without saving everybody else a dollar.

PAUL BECK: I think it is the State.

GOVERNOR REAGAN: No, I don't think so. The 708 million dollar reduction in the -- budget estimate for next year is the total cost.

PAUL BECK: Yes.

GOVERNOR REAGAN: And I think the 338 so far this year is -- that is the total cost of welfare.

*Ed Gray* VERNE ORR: Governor, that figure is 388, not 338.

(Laughter)

GOVERNOR REAGAN: You have to watch the staff every second here. Yes, sir, as I said, it is 388 million dollars.

(Laughter)

GOVERNOR REAGAN: You know, a fellow like that --

Q. New subject, Governor, --

SQUIRE: Why don't you get welfare out of the way first.

GOVERNOR REAGAN: Anyone else on welfare before we go to a new subject? The man in the corner has a new subject.

Q. All right, Assemblywoman March Fong <sup>a</sup> said -- has said a while ago you and she have reached an accord on venereal disease instruction bill. Can you explain how that happened.

(Laughter)

A. I don't know that it is an accord with me. I understand that she and Assemblyman Barnes are discussing co-authoring both the appropriation bill for the money that we have asked, so that we can have a V. D. instruction program, and also co-authoring the terms of the bill itself. Now, basically the bill that Assemblyman Barnes was authoring was one that in addition to the appropriation finally put and clarified and put in clear language actually what the law presently is, to remove the fear from the teachers who were confused by the Schmidt act and who believed that some way they could endanger their teaching credentials if they engaged in this program, and it is my understanding that they are talking about co-authoring both of these bills.

Q. And also it gives parents 15 days notification so that they could withdraw their child from the class if they wanted to.

A. Well, they have always had that right and we agree to that. See, the confusion was whether parents had to be notified and I think there was confusion last year that parents had to give consent and that's not true, to have this class. They only have to be notified, and then if any one of them wants to take a child out of the class, they can do so.

Q. Why did you veto last year's bill and you are now endorsing her bill this year?

A. Well, because her bill this year, if amended into the Barnes bill, will not be the same bill as last year. The only change -- I could have signed her bill last year except for one change. I could have signed it because it did not change the law at all. There has never been any -- anything in the law to prevent V. D. instruction in the schools. Her law did however -- or her bill did contain a clause that the parents didn't have to be notified. And as I have said in repeated occasions in here, I think the state has stuck its nose into the family relationship too much already, and I saw no reason why the parents should not continue to be notified.

Q. Governor, in 1970 did you veto some emergency funds for German measles inoculation that was designed to prevent the outbreak that's occurring in Los Angeles County now? It is a bill by Senator Petris.

VOICE: Governor, it seems to me that we vetoed that because the doctors at that time were in great dispute about massive inoculation for that subject, and I think we asked the public health department to get a final position when the doctors were in more

agreement that there was an -- an acceptable inoculation.

A. That's right, this had to do with a massive inoculation program.

Q. It seems that the outbreak in Los Angeles County is as a result of a lack of inoculation. Are you satisfied that the State has done everything it can to prevent that?

A. I'm satisfied that we did what we had to do with that bill. There's been nothing to prevent people from getting inoculations against this.

Q. Officials in the county say that most of the cases have occurred in the poor neighborhoods where it is not available readily.

A. Well, in the poorer neighborhoods it must be available readily. They are the ones that have got the most complete medical protection that's provided in the land today, right here in California. But I tell you something, don't tempt me into going beyond this with regard to county officials, particularly from Los Angeles County, because they have a method whereby almost on a weekly or monthly basis they can purge themselves of any wrongdoing by laying it all on the state. And I don't think the state is that guilty of the things they would charge us with.

Q. What else have they purged themselves of, Governor?

A. What?

Q. What else have they purged themselves of.

A. Regularly, whatever shortcomings they have down there, whether it is fiscal or otherwise, they claim because it is the state somehow cannot either provide the money. They in advance have been critical of some of the changes we have made in programs before they are even implemented.

Q. Are you saying that they are purging themselves this time, too, with concern to German measles?

A. Well, I do not believe that the State did or did not take any action which caused an outbreak of disease.

Q. Preventive, though, that's the question. It is not causing, it is preventing. Would it have helped if that bill were signed?

A. Apparently --

VOICE: Apparently as the Governor --

A. I can go back and look at the terms of the bill. As you have seen, when you try to remember back over several thousand bills that you have signed, or vetoed -- I would have to tell you I have to go



back and look at the bill and pin down -- I think what Verne said is basically what was involved there, and the medical profession itself was not only divided but the preponderance of opinion in the medical profession was against that bill in urging its veto.

Q. Governor, by your remarks about the officials in Los Angeles County, are you intending to say that by purging the roles and blaming things on the state they are somehow escaping the responsibilities that they ought to be taking or what did you mean by that comment?

A. Well I think what I meant was clearly said, and actually what I said was that if I got irked enough that's what I'd say.

(Laughter)

A. I haven't got irked enough yet.

Q. Could you explain, though, in a little greater detail what you mean. Are they doing something that's irresponsible in your mind, is that what you are charging them with?

A. I didn't say that. I just said that whatever happens and whatever they like to blame on the state -- and sometimes you get a little irritated with this because we run our shop up here to the best of our ability and try to give as much autonomy and authority as we can to local government, and many counties in the state, Los Angeles isn't alone, there are a number of other counties that it is easier to pass the buck. The only trouble is we haven't got anybody to pass it to when it gets up here.

Q. What specifically are they blaming the state for that ought to be their responsibility?

A. Well, I'd have to go back and make out a memorandum and list all of the complaints that they have uttered in the last year or so and provide you with that list.

Q. Well, obviously it is in your mind, you must be able to think of some specific events, what it is they are blaming the state for.

A. Well, in this instance they blamed us for not passing a bill and therefore they have got an outbreak of disease.

Q. Governor, do you intend to endorse any specific coastline legislation this year or intend to introduce -- have your own bill introduced?

A. Well, our environmental goals and objectives <sup>are</sup> that we would have by March 1, with a few days delayed because we are trying to coordinate with them, our own approach on coastline legislation and a number of other things, powerplant sitings, and so forth, before we present it to the legislature. We very definitely want some

coastline legislation this year.

Q. Governor, in some quarters Justice Donald Wright is being called Ronald Reagan's Earl Warren. Do you feel somewhat <sup>betrayed</sup> ~~portrayed~~ by this man whom you appointed?

A. I go no farther than what I said before, I was disappointed in the six justices and the decision they made on the death penalty, and I thought they had gone beyond the province of the court.

Q. Governor, just on the coastline again. Do you expect to have your own -- your own proposal or your own administrative -- administration program or do you expect to endorse one of those bills that's now before the legislature?

A. I don't know what all is before the Assembly now. We always approach from the standpoint of either our own or if there is something suitable that maybe with some amendments could meet our own objectives, that we go that route. But I would -- my own reaction is that we probably have our own.

ED MEESE: It is a distinct possibility.

GGOVERNOR REAGAN: That's a pretty good phrase. Distinct possibility.

Q. Governor, what do you think of proposals by the California State Employees Association for a four-day ten-hour work week for State employees.

A. Well, we have some that have been experimenting in this, and we are interested in the experiments as they go forward. We don't want to see this expanded. We think enough of them are trying it. We really believe experiments of this kind could properly come from the private sector more than government because I'd hate to see government then be accepted or be used as a leverage to force this on private industry, whether they are willing or not. But some departments have been trying it and we are watching it very carefully. But we have asked that no others go into it. We think enough are trying it now to -- for us to learn anything we need to learn.

Q. Governor, Assemblyman Cullen for the second year in a row has accused the administration of continuing jobs, some four to five thousand jobs which should be vacated because they have been unfilled for more than nine months, and despite the fact they have been unfilled for more than nine months they have been continued in the budget. Can you respond?

A. Well, Verne could probably explain this much better, and I ought to let him do it because he probably can put it in a single

sentence or two, are following a policy that has always been followed in the state. You ask departments after a certain length of time with regard to positions whether they want them held open or not. Sometimes there are cases where they haven't been able to fill a position satisfactorily. But they want it held in their budget as a position they feel they need. And so we continue to budget for that. We drop those that -- that on the department's head's say so can be dropped. And there is a certain flexibility that you have to have in there. Have I stated it correctly?

Q. He says the law specifically states, though, that if the job is unfilled for nine months it should be dropped, removed.

A. Yes, but sometimes you have the flexibility or use the flexibility that sometimes if there are -- are circumstances in which it hasn't been filled, but it is necessary for the department, why, you continue to hold it because it is going to be filled.

VERNE ORR: I can answer to the legal question, I believe, Governor. Section 20 of the Budget clearly says that when a job is vacant for nine months it shall be abolished unless the department of finance specifically accepts it to the controller, and we don't feel that we have been illegal. We have sent the controller each year a list of those jobs which we take exception to and are not abolished.

Q. GOVERNOR REAGAN: Lady in the corner.

Q. Governor, the date mentioned for the state of the Workfare Force program has been April 1. Yet the Director of the Alameda County welfare department says that the only -- he only knows about the program what he reads in the paper, and my question is, considering that and considering the possibility of court challenges, is there any way that program is going to be operative by April 1?

A. Well, we have been -- maybe some counties are not up with others, but we have been getting counties to line up what the work would be and to tell us what community projects they would have. We set a starting date on it. I don't think anyone of us expects that actually on April 1 a lot of people are going to go to work. We will start registering the people in the -- in the 35 counties as of that date. Some will get ahead of others, I'm quite sure, in implementing this, and it is possible that he hasn't received an official notice because it was only a few days ago, as you recall, that I called you together because we had been given finally the permission.

Q. Governor, you think Pete Schabarum will make a better Supervisor than any other three incumbents?

A. Pete Schabarum would make one --

Q. Any of the three incumbents or four incumbents, with one retiring.

A. Oh, listen, you don't want me to stick my nose into that. I think that Pete Schabarum will make a fine Supervisor. As a matter of fact, some of the other present incumbents recommended him. It seems as Foreman of the County Grand Jury he greatly impressed county government with his knowledge of government and of the -- of the problems of the county.

Q. Do you think he'll be upset by your comments today about Los Angeles County?

A. Oh, I wasn't pinning those down to Supervisors, I was talking about the bureaucracy.

Q. Are you talking about all county officials then or just the Supervisors or which ones?

A. I was talking about the bureaucracy and you know me, I've got a thing about the bureaucracy.

Q. Governor, Curtis Patrick used your name as a personal reference on that Nevada County land deal for which he has now been indicted. Did you authorize his use of your name as a personal reference?

A. No, but I suppose if he did that -- I didn't even know if -- that he did. If he did that, I'm quite sure that Curtis probably knowing of our association, that he felt confident that I would speak well of him.

Q. Did you in fact do this?

A. No one ever asked me.

Q. Governor, Assemblyman Brown says the two doctor visits per month permitted under Medi-Cal now is too restrictive on the recipients that the -- and that the proposed legislation should be listed, as long as you permitted only 25 per year they could all be in one month.

A. Who wants to do this?

Q. Assemblyman Brown.

A. Well, no, this thing is working very well. It is two visits without prior authorization. The request for prior authorization were passed on by medical men as to whether they require more than two visits. So far around 99 per cent of the requests are being

granted. But even so, this has been very effective because the savings are around 15 per cent. And you wonder how those figures can jibe. It simply means that a great many people just don't even bother to ask because they know themselves that they don't have a valid reason. So again it's been one of those things in which you have -- you have cleaned up the rolls of excess use and weight simply by making someone commit and declare themselves.

Q. Governor, on another subject, Senator Collier is against studying the need for a new state capital building. What are your thoughts on the matter? Do you think it is necessary or not?

A. I would hate to think that somebody is still talking about changing this one. I think this is -- old historic capitol is one of the most beautiful of any state in the union. I would hate to see it supplanted with some glass and aluminum tower, it seems to be the modern concept. If he's talking about some additional office space for the ever-growing staff of the legislature, they might have two investigations, whether they need the office space or whether they need that much staff.

Q. SQUIRE: Any more questions? Thank you.

Q. Yes, one. There was another question.

SQUIRE: Get it in there, will you.

Q. Yes, sure, all throughout the western United States Indians are coming here to the capitol particularly throughout northern California because they among other things said they are being deprived of basic due process, basic citizenship and they are citing the case of an Indian who was killed in northern California and they have asked your office for help. Where is that letter at this point in your office?

A. I don't know.

Q. Nobody knows anything about it?

A. I would -- I'd suggest the Indians have a valid complaint, and a valid complaint not here, the valid complaint is one of a national policy that has done what a great many of our do-gooders would like to do, it has totally taken over the running of the Indian lives by the Bureau of Indian Affairs, and it has proven when the State tries to do something of that kind -- not the State, the government, when the government tries to do something of that kind it usually falls on its face, and it's been falling on its face for many years with regard to Indian affairs.



3/21

PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD MARCH 21, 1972

Reported by

Beverly Toms, CSR

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

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GOVERNOR REAGAN: We have three classes of journalism students with us this morning. One, Richard <sup>Einsbar</sup>~~Einsbar~~ (phonetics) journalism class from the C. K. McClatchy High School here in Sacramento. And Ray Canton's journalism class from the University of California at Santa Barbara and Eddie Chavez and his government class at Tamalpais High School in Mill Valley. You are all very welcome, so everybody mind your manners now.

Q. Have you got an opening statement, Governor, of any kind?

A. No opening statement other than that announcement.

Q. Governor, what prompted you to replace Mr. Dibble as Chairman of the Water Resources Board and yet retain him on the board? Is there some significance there?

A. Yes, as a matter of fact, the Board itself asked that we name someone from the Board who would not be under consideration under any circumstances for permanent Chairman of the Board. They made that request and we acceded to it.

Q. Is Mr. Dibble under consideration for permanent Chairman?

A. I don't know, whether he is or not.

Q. Governor, another subject. Governor, your catastrophic health insurance plan apparently has not been introduced yet. Mr. Campbell now has gone off the campaign for supervisor. What are your plans on that program?

A. No, Bill Campbell is going to handle that legislation.

Q. He will?

A. Yes, he'll still carry that.

Q. Can you tell us when it will be introduced?

ED MEESE: Soon.

A. Soon.

Q. Governor, some people in San Diego were concerned when the

convention talk was going on that it might give the city a bad image. Do you think the GOP convention has already given the city a bad image?

A. No, I don't think so. As a matter of fact, I hear on the other side that their convention bureau has had a great stimulant with regard to interest in conventions in San Diego. This usually happens when a national political convention picks a city and that they have had several times the requests they normally have had.

Q. Governor, Laurence O'Brien said yesterday that the Life article on -- on accusing the Republican administration of interfering in justice in San Diego may become and should become a political issue. Do you think that's the case?

A. Well, I think Laurence O'Brien would make what you order for breakfast a political issue if he had his way. I agree with what the Vice President said about it, that you have to remember Life is the magazine that bought Irving's story on Hughes.

Q. Are you calling the story a hoax?

A. What?

Q. Are you calling the story a hoax?

A. No, I'm just reminding you about Life's editorial policy.

Q. Are those --

Q. Governor, is Mendocino State Hospital going to be closed?

A. There will be an announcement within the next 48 hours or so on the entire program of mental health, where we are going and what's going to be done.

Q. Back to the previous subject.

A. What?

Q. Back to the previous subject, about the GOP in the national convention, in your discussions with President Nixon did he ever express to you his concern about having the Republican convention in California?

A. No, I've never discussed the subject with him at all.

Q. Governor, tomorrow the federal commission will recommend that the laws on the use of marijuana be lessened, and the current penalties for sale only be kept. There is also a possible initiative in California to do the same thing. Do you think voters should have the opportunity to decide on that?

A. Well, I don't think that that's perhaps necessary. I don't know what the Commission is going to recommend. Here in California we have been very progressive in allowing judges flexibility to

reduce a penalty based on the circumstances, or reduce a case from felony status to misdemeanor. We have also given judges flexibility with regard to the other way, to where when a known pusher, when there is evidence that even though he has been caught with only a small amount of marijuana that there is evidence that he is a large dealer and so forth. I believe in that kind of flexibility. Because it is true that sometimes a severe and extra severe penalty with no flexibility can become counter-productive, it can make a court reluctant to find someone guilty knowing the nature of the penalty.

Q. So you would favor that approach to enforcing marijuana laws?

A. Similar -- yes, similar to -- similar to what California has. As I say, that kind of flexibility I can -- I can appreciate. I don't know what the Commission might report.

Q. Governor, a San Francisco Superior Court Judge says the State should have a law providing heroin to certified drug addicts. What would be your reaction to such a proposal?

A. Well, I think -- I've answered that before. This is somewhat on the English pattern that we discussed sometime ago, and I don't think that there is any record that that has proven successful and that that is the answer to this problem. That's a kind of a defeatist policy. You've got some very ill people who need help and it is almost like saying let them keep the disease and we will just put them over here aside, and let them go their way to their eventual doom. I don't think that's the answer.

Q. Governor, Assembly Committee yesterday moved to the floor of that house a constitutional -- a proposed constitutional amendment on a statewide lottery. Would you tell us what your position is on that at this point.

A. Well, as I said before, I -- first of all, in those states where they have lotteries and where they have turned to gambling of one kind or another in an effort to raise revenues for the state they haven't proven all that successful. As a matter of fact, they have made very little impact on the State's financial picture. And I just think that a state like California, the size and wealth and power of California, that we should -- we should appeal to people's strengths rather than their weaknesses, in order to get the funds we need to run state government.

Q. In other words you are against it, is that right?

(Laughter)

A. I just talked myself into being against it, Squire.

Q. Governor, getting back to the ITT thing, do you agree with the Secretary of State's action in filing a lawsuit to require the pledge, whatever it was, to be returned to ITT?

A. It is my understanding it was never accepted, as of about four months ago, but --

Q. Is it still --

A. I think many of these things you just have the -- the political season is on.

Q. Governor, that same context, an old political ally of yours and of President Nixon's, C. Arnold Smith, in San Diego, is now involved in that latest flap down there. What is your reaction to Mr. Smith's involvement in the -- alleged involvement in it, and do you think it further tarnishes the image of the convention and of the party?

A. Well, I've never thought that the convention or the party has been tarnished by anything that has taken place, and I haven't read the Life article so I don't know what all of that fuss is about. And I doubt that I will get around to reading it.

Q. Governor, several Legislators from both parties, some other officials in state government, and just about every court that welfare comes before has been critical of Mr. Carlson's operation of welfare in California. Has everybody had a step at hand, was there a giant conspiracy against him or just what is the problem with getting the message across?

A. You can call it whatever you want. There is a giant conspiracy or whatever it is, but I take little credence in the most recent charges and I have all the confidence in the world in him. The program is exceeding far beyond our greatest expectations. And the committee that has -- the Chairman Beilenson that has been bringing the latest charges, I would only point that Chairman Beilenson was opposed to welfare reform to the extent that he killed in his committee every effort that we have made, he finally authored his own welfare reform bill, so-called, which was to further kill it by passing an innocuous bill that would not create any welfare reform at all. Finally, in the negotiations that led to the compromise and the acceptance of about 70 per cent of what we have he was opposed in those negotiations to everything that was finally agreed upon. I think there is a certain element of hypocrisy



evident there and the truth is you cannot dilute the figures.

Now, in the recent hearings last November and December, so-called hearings that his committee held, and upon which his report is based, we have gone to and Robert Carlson had gone to the Attorney General and had an Attorney General's opinion that what we were doing is legal and is carrying out the program of welfare reform.

Q. Governor, do you have any comment upon the planned parenthood theory that abortions and birth control have had as much to do with cutting welfare rolls as your reforms?

A. I think that is something that Mr. Beilenson would hope had taken place. Actually, no one can put a finger on what particular administrative decision, what part of all of the tightening that has gone into this has caused the great decline in the welfare rolls. I said the other day, and I still insist that a part of this decline has simply been the elimination of non-existent people. That we had paper people. There was no way prior to these reforms that anyone was making any effort to find out ~~how~~ many people were collecting several checks instead of just one. We had instances of families that were claiming more children than they have. And as we tightened up administratively, both the welfare workers who had been lenient in this and the people who had been getting away with it discovered that someone might be watching them and they straightened up. But I have to point out that basically the welfare reform part of the legislative package has actually not been fully -- well, it's been implemented, but we have not seen the results of that as yet. The bulk of our savings has been as a result of the tightening on eligibility and administrative procedures that we began way last January, a year ago.

Q. Why did it take so long to get the thing in -- to take these people off the rolls?

A. Well, because when you -- when you get down to the actual removing of someone, Squire, from the roll, then this person is entitled to a fair hearing and they must be maintained on the rolls until they have it and right now we have a gigantic backlog of cases demanding fair hearings.

Q. Governor, another subject. Governor Reagan, there is some federal and state laws that are now encouraging people to live together because they have more funds, even the over 65's; to maintain their Social Security they live together without marriage. Now, two single people get a better break on income tax than a married couple. And a woman on welfare doesn't marry the man she lives with

she gets more mor . Do you think the law now encouraging this? The law is encouraging it, but what will you do about it?

A. I'd rather have our welfare people answer that, but this has been of concern to us, that for a long time we think this whole approach, the MARS approach, the man assuming role of spouse and so forth -- the ruling that a man living as the father in a household, simply because he is not the father of the children should be exempt from any contribution to their support, even if he is fully employed. We think that a lot of these things are part of the ridiculous hodge-podge of regulations from Washington that should have been corrected a long time ago. It's led to the kind of thing, for example, in which a divorced woman remarrying a man of means with no problems requiring welfare or anything of the kind, he out of deference to her previous husband does not legally adopt the children, her children in this second marriage. Technically, according to Washington, she and the children are eligible for Medi-Cal, because he is not the legal father of these children. Now, this is an extreme case of how far the regulations can go in opening the rolls and making it difficult to employ common sense. I'd like to see a lot of things. I think if a man is living in the house as the head of a household, with or without a marriage license, I think that he should be considered as -- as the husband. And it should be considered as a family unit.

Q. What about the two on Social Security, two elderly people, they only have a little over a hundred a month and they can't marry because one of them will lose their Social Security. This is encouraging sin in the aged or something.

(Laughter)

A. I meet this one with mingled feelings. One of somewhat awe and envy of the people of that age who have that problem.

(Laughter)

A. And secondly commiseration and sympathy for --

Q. Would you change the law?

A. What?

Q. Will you change the law?

A. Well as I say, all of those I would like to see -- I'd like to see us have the right to look at this and put them all in a common sense perspective, yes, something should be done, they should not be penalized for getting married.

Q. Sir, John Philip Sousa of San Diego Union. Do you have a

comment on Mr. Moscone's 7 and a half billion dollar health plan?

A. On Mr. Moscone's 7 and a half billion dollar health plan, which I very much fear if it were implemented would become a ten billion dollar one to start with, not 7 and a half. Yes, I think that there is a great difference between what we have proposed for catastrophic -- the catastrophic coverage and what he has proposed. 90 per cent of the people in California already have some kind of medical or health insurance. We have had to resort to the compulsory feature in our own catastrophic plan simply because here is a coverage that cannot be supplied by the private sector. He in turn is proposing a plan which simply puts government into competition with private insurance and simply eliminates private health insurance, moving in favor of a government plan. I don't think government was set up to go into business in competition with the private sector.

Q. Governor, a bill was introduced today to exempt school bonds for earthquake repair and allow them to be passed at 51 per cent. And notwithstanding the money you have or in the budget for repairs, how do you think voters will react to the seriousness of that problem and the need for money?

A. Well, I hope that the voters will recognize -- we are talking now about a great protective plan. You can call it a health and safety plan in this need to bring our schools up to earthquake standards in California. I myself favor the bond issue. Now where I'm -- I'd have to give some thought and I haven't given any thought, I didn't know about this until you just mentioned it, the idea of now and then because of the particular goal that we set, the precedent of changing the rules with regard to the bonding, I'd have to give that some consideration, but I am -- I just can't believe that the people of California would not pass such a bond issue, with what is at stake.

We have had in recent years, as you know, two or three severe earthquakes in which we were very fortunate that they occurred at an hour in which the schools were empty and when you went around and looked at the buildings and visualized those buildings filled with children you have to know the great tragedy that would have happened.

Q. Do you think the problem is serious enough to exempt that

bond requirement

A. Well as I say, I would want -- I'd want to give serious thought to whether you set that precedent because everyone feels that there -- that a particular bond issue is of some great importance. And I'm one who believes that the two-thirds passage of a bond is a pretty good protective device.

Q. Governor, do you support the decision of the national board in Washington to cut back the wage increases that were granted to the ILWU workers?

A. Well, if you are going to have a board and you are going to try to fight inflation, I think you are going to have to go along with their -- their decisions, whether it is on prices or wages. And the problem they are trying to solve, it isn't an easy one. And certainly no one is going to be happy when the ruling goes against them. But no one would have been happy either if they had to go to work carrying their money in a basket and some of us in the room are old enough that remember in Germany they used to dismiss workers on the hour, every hour, -- pay them every hour so they could rush out and spend their money because they knew that by the time another hour was up the money would only be worth a fraction of what it was when they were given the money. And it is awfully easy to say that could never happen here. I don't think they thought it would happen in Germany either.

Q. However, the consequences would be another West Coast dock strike, is that not worse than granting the increase under the bargaining?

A. Well, some place along the line both labor and management, if there are emergency measures necessary and evidently the government thinks there are, to curb this inflation at the same time cure this economic dislocation of the slump, and get us back into operation -- some place along the line both have got to be willing to take the responsibility of accepting the bad with the good, as far as they themselves are concerned. And I feel that there was a certain lack of responsibility. I assess no blame on either side, but to let that dock strike go on as long as it did, when it victimized as many as it did who had no place at the bargaining table. You had your hand up? No?

Q. Governor, there is now an attempt to repeal the Priolo's bill last year on the workman's right to sue. Why did you insist on a trade-off between that and the Fenton bill on Workmen's

Compensation last year? Or did you in fact:

A. Now, wait a minute here. Now we get into those 5,000 bills or so that were introduced.

ED MEESE: This is a situation, Governor, in which there were some bills -- it was a package of bills which increased the Workman's compensation benefits and other bills in the package which took care of some loopholes and problems that had occurred. And it was jointly negotiated with members of the Legislature and the other interested parties that the package would go through as a whole. That's what the gentleman is talking about.

A. If that's a trade-off, well that's what took place.

Q. There's now reports that you and the A.F. of L - CIO are lined up against Speaker Moretti, the AFL-CIO is still -- is against repealing the Priolo bill. Do you know anything about it.

A. I don't know, but it sure brings back that old line that politics make strange bedfellows, doesn't it? I don't know what they are talking about, I really don't.

Q. Governor, have you cooled off on asking the Legislature to enforce President Nixon's Vietnam peace plan?

A. Have I what?

Q. Have you cooled off on it?

A. Well, I think the time is past in which it could have been of any great value, for them to do it, and they didn't see fit to do it. I just felt that here was a worthwhile peaceplan that could have ended the killing and I believe, and have believed for a long time, and there is evidence to support this, that North Vietnam places -- due to their own governmental structure in Vietnam, they place a great deal of emphasis on what they think grass roots sentiment is. What they think the people of America believe and they still think that the government is out of step with the people and therefore they are going to win politically what they have been trying to win in the battlefield. And I thought with -- with a good and legitimate peace plan offered that there could have been a service done if the people of this country had made it plain that they were united behind this peace plan and that it might have shaken Hanoi into giving it better acceptance.

Q. Did you ever meet with the Republican Legislators on this issue?



A. No, I simply expressed my will and left it in the hands of the Legislature.

Q. Governor, how would you evaluate your establishment of the Ecology Corps and emphasis on conscientious objectors in terms of successfully fulfilling the gap between inmate firefighters and the need for new firefighters?

A. Well, the people who are in charge, contrary to a few dissidents who found that they didn't like the blisters that they were getting on their hands, find it has been successful. It is continuing to grow. And we are continuing the program.

Q. How about the specific emphasis that you gave at first on recruiting conscientious objectors?

A. That's right, we continue that. But we also have -- have now -- we have taken -- we have taken others into the program also. But that is still an emphasis. The conscientious objector provision in the law requires, I think it is two years service in some kind of public service work. And this fits that requirement. It is hard work. I think the few dissidents that have sounded off have not been able to see the big picture. They only see what they are doing and they -- it is hard for them to relate moving a rock to ecology. But it is part of the whole pattern. And I suppose this would be true in war. We know that the man with the gun in his hand is very often -- cannot reconcile his particular position to the over-all strategic plan.

Q. When you announced the program you said there were 10,000 C.O.'s in California. Are you satisfied that enough of those or a large number have volunteered for the Ecology Corps?

A. Well, we wouldn't have been able to take all 10,000 of them if they all wanted to go your way, there are many service jobs that they are doing but I know that we have been expanding and I think we are opening up additional facilities in the very near future and Jim Stearn who is in charge of this is very satisfied.

Q. On the same subject, besides the blisters, some of their complaints are along the lines that they are getting \$40 a month, that for example 2 of the Corps people have died and their families received no benefits, there is no health insurance plan, no death -- life insurance, etcetera. Those are a bit more than blister problems. What sympathies do you have on those?

A. Well, I have the sympathy for the family of anyone who's died. I don't know just -- this is a brand new program. I'm

sure that everything that needs to be worked out will be worked out in connection with this.

ED MEESE: I think the question is, Governor, if anyone has died in the program.

A. Yes, if anyone has died. I had not heard that anyone had died in the program.

Q. Well, the life insurance policy that's one of the things they said, in addition to blisters. If that were not the case, do you know of them getting life insurance? Do you know of them getting medical care assistance?

ED MEESE: They do get medical care. They don't get life insurance.

A. We know they get full medical care.

ED MEESE: If they want life insurance, they can join the Army.

Q. Governor, on another subject.

SQUIRE: Wait a minute, just a minute, before we get away, how do you feel about the proposal of the Democratic organization that amnesty be granted to the draft-dodgers.

A. No, Squire, I can't believe in a blanket amnesty for deserters or draft-dodgers that fled the country. I think after every war, I think every case is an individual case, it should be treated as an individual case. If someone wants to make his plea with regard to why he did what he did, and go through the legal processes regarding this, that's the way it should be done. But to simply give a blanket amnesty with the knowledge that logic would indicate that some of these people just simply -- well, they were not sincere objectors and that they simply ran out, I just don't think you can do this.

Q. Governor, what's the size of your budget proposal now? Do you expect it to increase any more before the Legislature votes on it?

A. Well, there are always augmentations and things that come along in a budget. The size of the budget is about 7.68, I believe. I realize that question is probably prompted by the new mathematics that was practiced by the Chairman of the Ways and Means Committee. I sent him a card yesterday on his 19th birthday.

(Laughter)

Q. Governor, back to the Priolo bill of last year, you said that

you played no part in the negotiations on the Workman's Compensation plan, is that right?

A. Well, as Ed just told you, we negotiated out a package of bills that did all of the things that were needed to be done and everyone was in agreement on it and a single package went through and it was a very progressive bill and it was a great improvement with regard to labor and their gains.

Q. One question on the Priolo bill itself, that bill would preclude the admission of evidence as to the violation of safety workers -- it would be a violation of state law. How can your administration justify the admission of such evidence in cases --

A. I don't know that we have to or that it is necessary. You are -- again, you are asking about something now, and as I say with almost 5,000 bills introduced, the thousands that I had to sign and the hundreds that had to be vetoed, it is impossible for me with no notice and without looking back at the record and the minutes in our discussion, on this, to tell you what was the rationale behind the action that was taken. But I'm sure it was a sound rationale.

Q. Governor, on another subject, have you decided on your building plans for your ranch in Riverside County?

A. No, as a matter of fact I just own it and pay taxes on it because so far the nearest power is eight miles away and the nearest water is a long ways away. And when we bought it we were told that all of that would be in and available within two years and then the people that told us that, they are no longer connected with the company we bought it from. And we should have had it in writing.

Q. Is that why your Real Estate Commissioner is reorganizing this department?

(Laughter)

A. I don't think the reorganization of the department can help me a bit. I've got some beautiful scenery and some beautiful land up there, but if you go take a canteen of water with you.

Q. Governor, does Mr. Beck's new assignment <sup>does</sup> signal for you some new speech making roles nationwide or what/~~is~~ Mr. Beck's assignment mean?

A. No, it just means a reshuffling in the department, it means that there is only a limited time that a fellow can take you fellows and changes have to be made. A certain element of combat fatigue enters.

Q. How does that affect Mr. Jenkins' position?

ED MEESE: He remains the same.

A. Remains the same.

Q. Mr. Beck is not taking over any of his functions?

A. No, no.

Q. The move then was made more out of sympathy for Mr. Beck than out of sympathy for the press?

(Laughter)

A. Yes, try as I might, while I enjoy your companionship even oftener than this, once a week, at the same time I find myself crying for you very seldom.

Q. Governor, would you comment on Speaker Moretti's poll showing a decline in your popularity. There have also been articles in the newspapers, Harper's on the same --

A. So far he hasn't revealed that poll and I haven't had any such poll, so I don't know what he's talking about. Sometimes it just seems to me that he goes on knowing more and more about less and less until one day he may know everything about nothing.

(Laughter)

Q. You don't feel your mandate with the people is slipping?

A. What?

Q. You don't feel your mandate with the people is slipping?

A. Well, all I know is I'm still trying to do the things that I said I would do when I was elected the first time, and when I was re-elected, and we have gotten some of them done, most notable being the welfare reform. And I would appreciate all the help that Bob wants to give me or anyone else in achieving the rest of those objectives. The people seem to approve them when they voted and I see no reason to change in trying to get them.

Q. Governor, back to welfare briefly, you said there was quite a backlog of fair hearings for reducing the welfare rolls. Does this mean you anticipate a continuation of reductions in case loads or another great reduction or what do you mean?

A. Oh, no, we know that it has to level off. As a matter of fact, every indication<sup>is</sup> that it is coming to a leveling off period. That was just logical. We were surprised, I think, as long as it went and with the great reduction, particularly when we had to counter this against the uncontrollable rise we had. But it is under control now and it was out of control before.

SQUIRE: Thank you, Governor.

GOVERNOR REAGAN: Say, while the rest of you don't think I'm cheating on you or anything, I thought if we had about two minutes I'd go back here and see if some of our student journalists had a question or two. I'll go back -- to the back of the room for that.

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