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Taft, Calif.
Daily Midway Driller
(Cir. D. 3,913)

MAY 13 1971

Allen's P. C. B. Est. 1888

Assembly gets record 242 state budget: \$7 billion

SACRAMENTO (UPI) — The Assembly Ways and Means Committee early today expanded Gov. Ronald Reagan's proposed state budget by \$318 million and sent the record \$7.1 billion spending program to the Assembly floor.

If enacted the budget would put an increased drain on cash reserves and add substantial weight to tax hike efforts aimed at solving the state's financial problems without cutting programs.

The whopping 1971-72 state budget proposal was approved by the committee on a split voice vote, Assemblyman Willie L. Brown Jr.,

D-San Francisco, Committee Chairman and House manager of the bill, hopes to take the measure to a floor vote next week.

Reagan had asked the legislature to approve a \$6.73 billion spending plan.

Major features of the enlarged budget include added expenditures of \$8 million for education and salary increases for state employees and higher education faculty members.

University of California and State College faculty received no salary increases this year but were given \$39.2 million for 10 per cent wage hikes in the proposed budget.

The spending program also includes \$76.9 million for 5 per cent salary increases for state employees.

The committee approved budgets of \$573 million for welfare and \$589 million for Medi-Cal, just as requested by Reagan. But it inserted provisions to ensure that counties would not be forced to pay the bill if the administration's figures were too low.

Language was included in the budget warning the state Lands Commission it could face a loss of its own funds if it does not curb the use of state tidelands revenue to support the Queen Mary Museum in Long Beach.

The entire \$70,000 in state funds for the Office of Economic Opportunity was eliminated from the budget. The office, which also received substantial funding from the federal government, has been heavily criticized by both a federal report and state legislators for not serving the needs of the poor.

The agency has been carrying out Reagan's fight against California Rural Legal Assistance CRLA.

Also approved was \$65,000 to transfer the California Maritime Academy at Vallejo to the state college system.

To help balance the massive budget, the committee used \$348 million from the state's cash reserve fund. The purpose of the fund is to pay state bills during periods when the "cash flow" into the treasury is slow.

Porterville, Calif.
Recorder
(Cir. D. 7,665)

MAY 13 1971

Allen's P. C. B. Est. 1898

\$7.1 Billion Budget Sent To Assembly

SACRAMENTO --(UPI)

-- The assembly is preparing to consider the lower house version of Governor Reagan's budget bill. As approved early today by the ways and means committee, the spending program amounts to \$7.1 billion.

The figure is \$318-million more than the amount recommended by Governor Reagan.

Major features of the enlarged budget include added expenditures of \$82 million for education, 5 per cent salary increases for state employees, and 10 per cent increases for state university and college professors. The professors got no increases last year.

The ways and means committee approved budgets of \$573 million for welfare, and \$589 million for Medi-Cal, just as requested by the governor. But it inserted provisions to ensure that the counties would not be forced to pay the bill if the administration's figures were too low.

The committee had a warning for the state lands commission. The committee wrote language into the state budget bill, saying the commission could face a loss of its own funds. According to the measure, the commission would lose funds if it does not curb the use of state tidelands revenue to support the Queen Mary project in Long Beach.

The committee also voted to eliminate \$70,000 for the state office of economic opportunity. The agency also receives substantial funding from the federal government. It has been heavily criticized by state legislators, and in a federal report, for supposedly not serving the needs of the poor. The state office has been carrying on Governor Reagan's fight against California rural legal assistance.

Reagan Would

\$318 million gets added.

SACRAMENTO (UPI) — The Assembly Ways and Means Committee early today expanded Gov. Ronald Reagan's proposed state budget by \$318 million and sent the record \$7.1 billion spending program to the Assembly floor.

If enacted the budget would put an increased drain on cash reserves and add substantial weight to tax hike efforts aimed at solving the state's financial problems without cutting programs.

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However, Reagan has said the state will have to use warrants or anticipation notes in September anyway and the committee action — if upheld by the legislature — would further limit the amount of available cash.

The ultimate solution to the cash flow problem is enactment of the withholding form of income tax collection plus either reduced spending or a tax increase.

Brown told newsmen use of the fund would probably prompt a tax increase.

Marysville, Calif.
Appeal-Democrat
(Cir. D 16,807)

MAY 13 1971

Allen's P. C. B. Est. 1888

Bank Foulup Claimed By Couple In Ukiah

SAN FRANCISCO (UPI) —A couple claims a bank cleaned out their checking account, didn't notify them for five days and then charged \$4 each for 15 small checks which bounced.

Mr. and Mrs. Eugene Jojola filed a federal court suit Wednesday against Wells Fargo Bank and its Mastercharge credit card, asking that California's "bankers' lien" law be declared unconstitutional.

The law allows a bank to seize, without notice, the assets of a depositor which it claims owes the bank money.

The Jojolas said they were issued an unsolicited credit card in 1967 and used it to

make \$400 in purchases at Ukiah, couple claims a bank Christmas 1968. Although they made installment payments, they still owed \$200 last November when the bank seized \$163 from their checking account, leaving only 67 cents.

The plaintiffs, represented by California Rural Legal Assistance, said they weren't notified of the seizure for five days and wrote 15 small checks in the interim. The bank bounced all of them and charged the couple \$4 for each check.

The suit argued the seizure was an arbitrary and unreasonable violation of the 14th Amendment and asked that the "bankers' lien" be declared unconstitutional.

Covina, Calif.
San Gabriel Valley
Tribune
(Cir. D 80,977, Sun. 82,010)

MAY 13 1971

Allen's P. C. B. Est. 1888

Reagan Left Out By CRLA

WASHINGTON (AP) — Gov. Reagan "did not participate" in drafting a Nixon administration measure to overhaul the program of legal services for the poor, the director of the federal Office of Economic Opportunity says.

Frank Carlucci gave the testimony at a Senate poverty subcommittee Wednesday after the issue of Reagan's influence was raised by Sen. Alan Cranston, D-Calif.

Cranston said Reagan had raised many objections to the California Rural Legal Assistance Inc. program operating in his state in vetoing funds for it and that Carlucci had said the objections were under study.

When asked by Cranston if the bill was drafted to meet those objections, Carlucci replied the administration decision to seek independent sources to run legal services was made before Reagan's veto.

The text of the legislation, said Carlucci, grew out of OEO experience with the legal services program and out of recommendations of an advisory panel named by President Nixon.

MAY 13 1977

Allen's P.C.B. Est. 1938

Record \$7 Billion Budget Sent To Assembly Floor

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More About

State Budget

(Continued from page A-1)

Mary Museum in Long Beach.

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Brown told newsmen use of the fund would probably prompt a tax increase.

Reagan opposes a tax increase.

The Senate Finance Committee chairman, Sen. Randolph Collier, D-Yreka, also hopes to have the upper house version of the budget before the full Senate next week.

Like the Assembly's, the Senate budget proposal is expected to exceed Reagan's request. The committee already has added \$100 million as an "inflation factor" for schools.

The state budget for next fiscal year is supposed to be enacted by July 1, but for the past two years the legislature has run past the deadline.

Each house still must agree on the same version of the budget before it can go to Reagan's desk. The two-house agreement is worked out in a closed-door conference-committee meeting.

Imperial Beach, Calif.
Star News
(Cir. 2xW 1,646 - S 1,662)

MAY 13 1971

Allen's P.C.B. Est. 1889

Reagan non-payment of state tax defended

Much of your denunciation of Governor Reagan's position on the California Rural Legal Assistance program cannot be adequately discussed in the short space allotted to letters.

However, your statement that the governor pays no income tax, and the inferences the reader is apparently expected to draw from it, do deserve brief comment.

Certainly the fact that the governor pays no income tax cannot properly be inferred from what has been made public.

This consists of the facts that (a) the governor paid no state income taxes and (b) he got a refund on his federal income taxes. To rush to the conclusion (c) therefore the governor pays no income taxes is a non-sequitor, for (d) merely means that the feds took more from him via withholding than they had coming, a rather common happenstance.

Secondly, even if it were true that he pays no income taxes, it is hardly very good evidence that he is either, as you say, engaged in a "relentless battle against the poor," or is somehow less worthy of public confidence.

Tell us truthfully, do you know of anyone who tried to think up ways he could pay more taxes? And if you do, by chance, find one, do you suppose that this qualifies him for high public office?

Yes, there is a relentless battle of sorts going on — that of the editor against the governor.

BURKE LONGSTREET
1046 1st St.
Imperial Beach

MAY 13 1971

Allen & P. C. B. Est. 1883

By lawmakers

Reagan budget increased

Page 1

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Back page of section, col. 3

Reagan budget hiked by Assembly unit

Continued from page 1

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Assembly Group Boosts Reagan's Budget Figures

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Major features of the enlarged budget include added expenditures of \$82 million for education and salary increases for state employees and higher education

(See BUDGET, Page 2)

Costa Mesa, Calif.
Costa Mesa Daily Pilot
Street Edition
(Cir. D 39,128)

MAY 13 1971

Allen's P. C. B. Est. 1888

From Page 1

BUDGET

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1971-1972

\$7 Billion State Budget Revealed

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(Continued on Page A-2, Col. 5)

BUDGET

(Continued from Page A-1)

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Like the Assembly's, the Senate budget proposal is expected to exceed Reagan's request. The committee already has added \$100 million as an "inflation factor" for schools.

The state budget for next fiscal year is supposed to be enacted by July 1, but for the past two years the legislature has run past the deadline.

Each house still must agree on the same version of the budget before it can go to Reagan's desk. The two-house agreement is worked out in a closed-door conference committee.

Vol. 3 P. C. B. Ess. 1988

Assembly Expands Governor's Budget

Page 1

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See BUDGET, page 4

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Thousand Oaks, Calif.
News-Chronicle
(Cir. D 8,323 - S 8,325)

MAY 13 1971

Allen's P.C.B. Est. 1888

Record budget sent to Assembly

Page 1

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San Clemente, Calif.
Sun-Post
(Cir. 5 X W. 5,316) -

MAY 13 1971

Allen's P. C. B. Est. 1883

State Budget Soaring

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Banning and Beaumont,
Calif.
Record-Gazette
(Cir. 5XW 4,450)

MAY 13 1971

Allen's P. C. B. Est. 1888

Committee Expands Huge State Spending Program

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Redlands, California
Daily Facts
(Cir. 6xW 7,381)

MAY 13 1971

Allen's P.C.B. Est. 1938

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Speed limit

MAY 13 1972

Allen's P. C. B. Est. 1888

Assembly Gets Record State Spending Program

SACRAMENTO (UPI)—The Assembly Ways and Means Committee early today expanded Gov. Ronald Reagan's proposed state budget by \$318 million and sent the record \$7.1 billion spending program to the Assembly floor.

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However, Reagan has said the state will have to use warrants or anticipation notes in September anyway and the committee action—if upheld by the legislature—would further limit the amount of available cash.

The ultimate solution to the cash flow problem is enactment of the withholding form of income tax collection plus either reduced spending or a tax increase.

Brown told newsmen use of the fund would probably prompt a tax increase.

Reagan opposes a tax increase.

Inglewood, Calif.
Daily News
(Cir. 6/2/77 7,340)

MAY 13 1971

Allen's P. C. B. Est. 1888

Proposal expanded \$318 million

Record \$7.1 billion state budget goes to Assembly

SACRAMENTO

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—UPI

Santa Rosa, Calif.
Press Democrat
(Cir. D 47,223 - S 42,133)

MAY 13 1971

Allen's P. C. B. Est. 1888

Ukiahns Sue Wells Fargo In Lien Law Case

SAN FRANCISCO (UPI) —A Ukiah, couple claims a bank cleaned out their checking account, didn't notify them for five days and then charged \$4 each for 15 small checks which bounced.

Mr. and Mrs. Eugene Jojola filed a federal court suit Wednesday against Wells Fargo Bank and its Mastercharge credit card, asking that California's "bankers' lien" law be declared unconstitutional.

The law allows a bank to seize, without notice, the assets of a depositor which it claims owes the bank money.

The Jojolas said they were issued an unsolicited credit card in 1967 and used it to make \$400 in purchases at Christmas 1968. Although they made installment payments, they still owed \$200 last November when the bank seized \$163 from their checking account, leaving only 67 cents.

The plaintiffs, represented by California Rural Legal Assistance, said they weren't notified of the seizure for five days and wrote 15 small checks in the interim. The bank bounced all of them and charged the couple \$4 for each check.

The suit argued the seizure was an arbitrary and unreasonable violation of the 14th Amendment and asked that the "bankers' lien" be declared unconstitutional.

Hayward, Calif.
Daily Review
(Cir. D 35,510, Sun. 36,010)

MAY 13 1971

Allen's P. C. B. Est. 1888

Suit hits credit card operation

SAN FRANCISCO (AP) — A Federal Court suit filed by California Rural Legal Assistance claims the practice of bank credit card combines to attach without notice the property of defaulting clients is illegal.

The class suit Wednesday, in behalf of Ukiah residents Eugene and Sandy Jojola,

said the couple received an unsolicited Master Charge credit card during the 1968 Christmas season.

The action said they ran up a \$400 bill, which had been cut to \$200 by last November when Wells Fargo Bank seized \$163 from the Jojola's checking account, without notice, to cover the debt.

National City, Calif.
Star-News
(Cir. 2xW 2,650 - S 2,652)

MAY 13 1971

Allen's P. C. B. Est. 1888

Reagan non-payment of state tax defended

Much of your denunciation of Governor Reagan's position on the California Rural Legal Assistance program cannot be adequately discussed in the short space allotted to letters.

However, your statement that the governor pays no income tax, and the inferences the reader is apparently expected to draw from it, do deserve brief comment.

Certainly the fact that the governor pays no income tax cannot properly be inferred from what has been made public.

This consists of the facts that (a) the governor paid no state income taxes and (b) he got a refund on his federal income taxes. To rush to the conclusion (c) therefore the governor pays no income taxes is a non-sequitor, for (d) merely means that the feds took more from him via withholding than they had coming, a rather common happenstance.

Secondly, even if it were true that he pays no income taxes, it is hardly very good evidence that he is either, as you say, engaged in a "relentless battle against the poor," or is somehow less worthy of public confidence.

Tell us truthfully, do you know of anyone who tried to think up ways he could pay more taxes? And if you do, by chance, find one, do you suppose that this qualifies him for high public office?

Yes, there is a relentless battle of sorts going on — that of the editor against the governor.

BURKE LONGSTREET
1045 1st St.
Imperial Beach

MAY 13 1971

Allen's P. C. E. Est. 1888

\$7.1 million budget eyed

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The state budget for next fiscal year is supposed to be enacted by July 1, but for the past two years the legislature has run past the deadline.

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MAY 13 1971

Allen's P.C.E. Est. 1868

\$7.1 Billion Budget Sent to Assembly

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San Jose, Calif.
Mercury
(Cir. D. 126,382)

MAY 13 1971

Allen's P.C.B. Est. 1888

Reagan's Hand Denied In Legal Aid Proposal

WASHINGTON (AP) —

Frank Carlucci, director of the Office of Economic Opportunity, told senators Wednesday Gov. Ronald Reagan "did not participate in the drafting" of the administration's bill to overhaul the program of legal services for the poor.

The issue of Reagan's influence was raised by Sen. Alan Cranston (D-Calif.) at a hearing of the Senate poverty subcommittee at which Carlucci testified in support of the bill.

Cranston noted Reagan had raised various objections to the California Rural Legal Assistance program in vetoing it last year, and that the OEO head had said these objections were being studied.

The senator wanted to know if the bill was drafted to meet those objections.

Carlucci answered that the administration decision to seek an independent corporation to run legal services was taken before Reagan's veto.

He said that some of the concerns expressed by the governor had been voiced by others and that provisions were included in the legislation to meet some of these.

But the text of the legislation, he said, grew out of OEO experience with the legal services program and out of recommendations of an advisory panel named by President Nixon.

The subcommittee has heard sharp criticism of the administration measure from young lawyers who at one time participated in the program and from some of its own Democratic members.

In addition, a panel of five former national directors of legal services attacked the bill at Wednesday's session.

Carlucci made a vigorous defense of the proposal, saying the administration had

expanded legal services and is strongly committed to it.

Carlucci insisted there is need to get balance into the program and that the administration bill would do this.

For example, he said, there has been justified criticism that, in a few instances, legal service lawyers have taken on ineligible clients and have handled cases not within the scope of the program.

Sen. Walter F. Mondale (D-Minn.) presiding at the hearing, said this apparently was a reference to cases in which "middle class militants" had been represented. But he said these were only a tiny percentage of the million cases a year handled.

Carlucci agreed it was less than 1 per cent but said they had served to discredit the program.

Mondale had introduced an alternative bill which like the Nixon proposal would turn le-

gal services over to an independent corporation. But his proposal would seek to insulate the program more thoroughly from political interference than the administration measure.

The Minnesotan said he felt Carlucci's testimony had opened possibilities of some accommodations between contrasting provisions in the two bills.

He asked Carlucci to consider carefully whether some compromise could be worked out to soften the provision in the Nixon measure which would bar legal services at attorneys from handling any criminal cases.

The director replied that he would work on this but added that, with legal services now meeting only an estimated 28 per cent of the needs of the poor in civil disputes, it seemed unwarranted to involve the program in the criminal area also.

MAY 13 1971

444-1 P.C.E. F-4 1960

All-Time Record

Page 1

\$7.1 Billion Cal Budget

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—Turn to Page 16, Col. 4

Committee OKs Record State Budget

—From Page 1

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WELFARE

ADVOCATE

BY
RAY SCHWARTZ

The hearings concerning CRLA vs. Reagan are just getting under way and already there are problems. Reagan's teammates don't like them public. Cruz Reynoso (CRLA head) is angered at Reagan's buff. I am angry because nothing is happening!

As I had warned previously, don't spend that welfare AFDC raise yet. Sacramento Superior Court Judge Gallagher dissolved a temporary order directing the state to increase AFDC grants right away, pending another appeal by Reagan. At the same time, Sacramento noted a rise in welfare cases of nearly 53,150 since last month! The total in California is now 2.29 million people, representing 11.5% of this state's population. Recession, say you? Depression, say I! SDSW figures report 1.63 million on AFDC (of which 1.13 are children), 323,612 are on OAS, 14,037 on AB and 190,189 on ATD. Counties have 101,553 GR cases to handle. And California's unemployment rate overall is now 7.1%.

The Reagan Administration is countering this rapid depression by telling the taxpayers that at present 1 of every 6 children is on welfare, and in 5 years, 1 of every 3 will be. This is to scare the taxpayer into approving more stringent welfare laws. At the same time, millionaires bilk this country of money they don't pay because of fantastic tax loopholes. Does Reagan ever cry about tax reform?

Assemblyman Leo McCarthy of San

Francisco has charged the Reagan Administration with deliberately underfunding the Medi-Cal program so that it would become prematurely bankrupt, causing a stink to taxpayers. This is Reagan's favorite gambit — appeal to the little schmuck who foots the bills, while the big fish get off the hook time and time again. Medi-Cal officials, and Administration heads, deny the charge (of course).

The Office of Economic Opportunity has cut Oakland's poverty program. It will die July 1, 1971. Oakland was doing too much. At a recent press conference, a well-known San Diego black leader told me that "nobody is ever fired for doing too little, only for doing too much!" George, you got a point there.

The Social Work Action for Welfare Rights (SWAWR) is a leftist group demanding an end to capitalism at the same time it demands welfare reform. It has come out with some excellent position papers on welfare, and now health care. Whether you are leftist, center, or apolitical, I strongly urge you to obtain a copy of their position papers. Address your requests to Marilyn Becker, SWAWR, 242 East 14th St., New York City, N.Y.

Not content with cutting health and welfare costs, Reagan is also trying for education. The Educational Opportunities Programs, geared to minorities, are also in jeopardy of being cut in half at almost every

school that now has one, while Stanislaus, Bakersfield, Humboldt and San Bernardino may lose theirs altogether. Touche, Gov. Ronnie, for endearing yourself to our poor, our sick, and now our blacks, Chicanos, Asians, Indians, the indigent, the frightened

But there is some ray of hope. AB 902 (McAlister — Dem., San Jose) would raise about 4 1/4 million dollars for state EOP funds. SB 698 (many authors in the State Senate) would raise that amount for just the state colleges, and another \$4 1/2 million for junior colleges. Assemblyman Leon Ralph has requested a budget amendment to add about \$2.5 million to the state college EOP program.

Sen. Claire Burgener (Rep., San Diego) has authored three bills in the senate, SB 544, SB 545, SB 546, which would do what Reagan has been attempting to do all along — set a limit on AFDC spending annually no matter how many children need help, and then, allow the total amount to be strewn about among those on the rolls. That would mean a decrease in the grant as more people got on the welfare rolls. AB 361 (Miller, Dem., Berkeley) would demand a retroactive AFDC cost of living raise to January, 1971, and demand periodic AFDC raises when needed. Now that is more like it.

AB 34 (Brathwaite, Dem., LA) would authorize child care centers at state and junior colleges.

Latest FCL figures on welfare: 8.3 million people on AFDC nationally in 1970 (higher now because of higher unemployment since then).

QUESTION: What is the cost of a complete set of SDSW regulations?

ANSWER: As of last year, a complete set cost \$25, plus \$3 annual fee to receive periodic changes. The cost might have risen since then, but not too much more. Unless you are opening an advocate bureau, it seems foolish to spend that money on the regs. They are public knowledge, so you can request to look at SDSW regs at any welfare office any time the office is open.

A *Welfare Advocate Handbook* was printed on May 1, 1971. I have been taking orders already, and have received a number of inquiries. It is a booklet containing as much information as you will need, for only 50 cents in the coin of the realm. You should be able to open your own advocate center, and help welfare people after reading it. If not, ask for a refund. Order copies from Ray, Welfare Advocate, P.O. Box 95 San

MAY 15 1971

Allen's P.C.B. - Est. 1888

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Fresno, Calif.
Box
(Cl. D 113,377 - S 144,577)
MAY 13 1971

Allen's P.C.B. Est. 1883

21- CRLA Case Makes It Clear Legal Aid For Poor Should Be Free Of Politics

Legal services for the poor, such as the exemplary California Rural Legal Assistance, could operate much more effectively if established nationally as an independent, nonprofit corporation divorced from political pressures of the kind brought against CRLA by Gov. Ronald Reagan.

On that point there is growing agreement in Washington. A split arises, however, between a Nixon administration plan and the one proposed by a group of 23 senators led by US Sen. Walter F. Mondale, D-Minn.

President Nixon proposes to establish a Legal Services Corp. but would fund it with only \$63.9 million the first year and in addition would limit the scope of legal services lawyers. They would not be permitted to handle any kind of criminal case. They would be circumscribed in their work when it tends to conflict with local and state governments.

Mondale's plan, to set up a National Legal Services Corp., would provide more realistic funding of \$140 million the first year and \$170 million the next.

This seems the better program because in addition to providing enough money to make it effective, it would not impose upon the antipoverty

lawyers the restrictions sought by Nixon.

In both cases, the nonprofit corporation would be funded by the federal government without provision for veto by governors, as now exists for these legal services. It was Reagan's veto of CRLA funds which brought the issue to focus and made it clear legal services should be independent of politics.

Mondale's proposal is superior to the administration's in another respect. The senator wants the corporation to be directed by a 19-member board, many of whom would serve ex-officio or be appointed by bar associations.

Nixon proposes an 11-member board, all appointed by him. This obviously risks injecting political pressures on the highest level. It would jeopardize the needed independence of legal services for the poor.

Both sides should be able to reach agreement. They are one as to the need for continuing the antipoverty legal services. Nixon has called it "securing justice within the system and not on the streets." Mondale says it has enabled the poor "to use the system for redress of legitimate grievances at a time when many were advocating violence and disruption."

Santa Barbara, Calif.
News Press
(Cir. D 57,612 - \$ 39,636)

MAY 15 1977

Allen's P. C. B. Est. 1888

ACCOUNT CLOSED OUT

Couple Bounce Bank With Suit

SAN FRANCISCO (UPI) — A Ukiah couple claims a bank cleaned out their checking account, didn't notify them for five days and then charged \$4 each for 15 small checks which bounced.

Mr. and Mrs. Eugene Jojola filed a federal court suit yesterday against Wells Fargo Bank and its Mastercharge credit card, asking that California's "bankers' lien" law be declared unconstitutional.

The law allows a bank to seize, without notice, the assets of a depositor which it claims owes the bank money.

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The suit argued the seizure was an arbitrary and unreasonable violation of the 14th amendment and asked that the "bankers' lien" be declared unconstitutional.

Sacramento, Calif.
The Bee
(Cir. D. 172,411 Sep. 200,546)

MAY 13 1971

Allen's P. C. B. Est. 1886

Ukians File Suit Over Credit Card

SAN FRANCISCO (AP) — The practice of bank credit card firms to attach — without notice — property of clients who default on debts has been attacked in a suit filed in federal court by California Rural Legal Assistance.

The class-action suit was filed on behalf of Ukiah residents Eugene and Sandy Jojola.

The suit said the Jojolas received an unsolicited Master Charge credit card during the 1968 Christmas season and ran up a \$400 bill. The debt had been cut to \$200 by last November, the suit contends, when Wells Fargo Bank seized \$163 from the Jojolas' checking account — without notice — to cover the debt.

Palm Springs, Calif.
Desert Sun
(Cir. 6 X W. 9,332)

MAY 13 1977

Allen's P. C. B. Est. 1888

Assembly Boosts Pay Of Teachers

SACRAMENTO (UPI) —The Assembly Ways and Means Committee early today expanded Gov. Ronald Reagan's proposed state budget by \$318 million and sent the record \$7.1 billion spending program to the Assembly floor.

If enacted the budget would put an increased drain on cash reserves and add substantial weight to tax hike efforts aimed at solving the state's financial problems without cutting programs.

The whopping 1971-72 state budget proposal was approved by the committee on a split voice vote. Assemblyman Willie L. Brown Jr., D-San Francisco, Committee Chairman and House manager of the bill, hopes to take the measure to a floor vote next week.

Reagan had asked the legislature to approve a \$6.73 billion spending plan.

Major features of the enlarged budget include added expenditures of \$82 million for education and salary increases for state employees and higher education faculty members.

University of California and State College faculty received no salary increases this year but were given \$39.2 million for 10 per cent wage hikes in the proposed budget.

The spending program also includes \$76.9 million for 5 per cent salary increases for state employees.

The committee approved budgets of \$573 million for welfare and \$589 million for Medi-Cal, just as requested by Reagan. But it inserted provi-

sions to ensure that counties would not be forced to pay the bill if the administration's figures were too low.

Language was included in the budget warning the state Lands Commission it could face a loss of its own funds if it does not curb the use of state tidelands revenue to support the Queen Mary Museum in Long Beach.

The entire \$70,000 in state funds for the Office of Economic Opportunity was eliminated from the budget. The office, which also receives substantial funding from the federal government, has been heavily criticized by both a federal report and state legislators for not serving the needs of the poor.

The agency has been carrying out Reagan's fight against California Rural Legal Assistance (CRLA).

Also approved was \$65,000 to transfer the California Maritime Academy at Vallejo to the state college system.

To help balance the massive budget, the committee used \$348 million from the state's cash reserve fund. The purpose of the fund is to pay state bills during periods when the "cash flow" into the treasury is slow.

However, Reagan has said the state will have to use warrants or anticipation notes in September anyway and the committee action—if upheld by the legislature—would further limit the amount of available cash.

Escandido, Calif.
Daily Times-Advocate
(Cir. D 18,571, Sun. 18,537)

MAY 13 1971

Allen P. C. B. Est. 1888

Spending program advanced

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MAY 13 1971

Allen's P.C.B. Est. 1838

Suit Attacks Seizure of Bank Deposit

By Tom Hall

California Rural Legal Assistance Foundation today zeroed in on the practice of banks' seizing customers' accounts to meet credit card debts without a prior hearing or notice.

CRLA attorneys filed a class action in federal court here for a Ukiah couple, Eugene and Sandy Jojola, yesterday.

They specifically sued Wells Fargo Bank and the Western Bank Card Association, headquartered here.

The Jojolas used their "unsolicited" Master Charge card during the 1968 Christmas season, accumulating debts of \$400 which they had reduced to \$200 by November, 1970, through small payments.

Delinquent

But then Mrs. Jojola became the sole support of the family, which had two preschool age children, as a short order cook. She also became delinquent in payments.

So on Nov. 23, the bank seized \$163 from her checking account, leaving a balance of 67 cents. She received notice of the bank's action by letter on Nov. 23.

Banker's Lien

In the interim she had written 15 checks for necessities of life which bounced and for which the bank assessed her \$4 for each check dishonored. She filed for bankruptcy.

The suit acknowledged that the bank was acting under the California Civil Code which creates a "banker's lien" upon all of a customers

property in the bank's possession.

But this practice, the suit alleged, deprives the customer of their constitutional rights of due process and equal protection.

The primary right violated, they alleged, is the seizure of property without a judicial process which allows for a notice and a hearing.

Security Initiative

Another right allegedly violated is that of the right to be secure in person, house, papers and effects from unreasonable seizure under the Fourth Amendment.

The suit also claimed defendants failed to disclose conditions under which they might acquire any "security interest" in any property owned by a card holder, as required under the Truth in

Lending regulations in the Consumer Credit Protection Act.

A CRLA attorney said the failure to disclose resulted from the "unsolicited" card being sent on the defendants' initiative.

In addition to asking for a court order that the practice of seizing without a hearing is unconstitutional, the suit also asked for \$15,000 damages for the Jojolas and a minimum of \$100 for each other person proved to be in the class.

Santa Paula, Calif.
Daily Chronicle
(Cir. 6xW 5,041)

MAY 13 1971

Allen's P. C. B. Est. 1838

Budget Fattened By \$318 Million

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Major features of the enlarged budget include added expenditures of \$82 million for education and salary increases for state employees and higher education faculty members.

University of California and State College faculty received no salary increases this year but were given \$3.92 million for 10 per cent wage hikes in the proposed budget.

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Language was included in the budget warning the state Lands Commission it could face a loss of its own funds if it does not curb the use of state tidelands revenue to support the Queen Mary Museum in Long Beach.

The agency has been carrying out Reagan's fight against California Rural Legal Assistance.

Culver City, Calif.
Star News
(Ch. D. 5,437)

MAY 13 1971

Allen's P.C.B. Est. 1858

Proposal expanded \$318 million

Record \$7.1 billion state budget goes to Assembly

SACRAMENTO

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To help balance the massive budget, the committee used \$348 million from the state's cash reserve fund. The purpose of the fund is to pay state bills during periods when the "cash flow" into the treasury is slow.

-UPI

San Joaquin, Calif.
Times
(Cir. 6XW 15,694)

MAY 13 1971

Allen's P. C. B. Est. 1888

Assembly Group Tacks \$318 Million To Budget

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However, Reagan has said the state will have to use warrants or anticipation notes in September anyway and the committee action—if upheld by the legislature—would further limit the available cash.

The ultimate solution to the cash flow problem is enactment of the withholding form of income tax collection plus either reduced spending or a tax increase.

Brown told newsmen use of the fund would probably prompt a tax increase.

Reagan opposes a tax increase.

San Clemente, Calif.
Sun-Post
(Cir. 5 X W. 5,316)

MAY 13 1971

Allen's P. C. B. Est. 1888

Bank Cleans Out Account

SAN FRANCISCO (UPI) —A Ukiah, couple claims a bank cleaned out their checking account, didn't notify them for five days and then charged \$4 each for 15 small checks which bounced.

Mr. and Mrs. Eugene Jojola filed a federal court suit Wednesday against Wells Fargo Bank and its Mastercharge credit card, asking that California's "bankers' lien" law be declared unconstitutional.

The law allows a bank to seize, without notice, the assets of a depositor which it claims owes the bank money.

The Jojolas said they were issued an unsolicited credit card in 1967 and used it to make \$400 in purchases at Christmas 1968. Although they made installment payments, they still owed \$200 last November when the bank seized \$163 from their checking account, leaving only 67 cents.

The plaintiffs, represented by California Rural Legal Assistance, said they weren't notified of the seizure for five days and wrote 15 small checks in the interim. The bank bounced all of them and charged the couple \$4 for each check.

MAY 12 1971

Allen's P. C. B. Est. 1898

OEO chief sees probe "dangerous precedent"

By NANCY PAVLACKA
Staff Writer

Although state Office of Economic Opportunity Director Lewis K. Uhler is pleased the three-judge commission studying California Rural Legal Assistance funding is traveling "to the field" for testimony, he feels the commission itself is a "dangerous precedent in the terms of sovereignty of each state."

At a news conference Tuesday morning in El Centro, Uhler said the federal OEO act allowing governors of each state to veto federal funding within a 30-day time limit does not require hearings or investigations of the veto.

"It (the commission hearing) distorts the fundamental structure of the act," he claimed.

However, the state OEO director said he was pleased the three-judge panel selected by the administration to hear testimony on the CRLA contro-

versy has decided to travel to areas having a CRLA office "finally, after our urging."

Not Enough Time

"Unfortunately, I think they're permitting themselves too little time," Uhler added. The judges plan to spend two days next week in Salinas, one day at Soledad Prison and two days in El Centro. The local hearings are scheduled for May 20 and 21 in a yet-undetermined place.

Main reason for the governor's veto of the CRLA \$1.8 million 1971 budget came from a 283-page report prepared by Uhler and his staff which pointed out three main violations in the areas of farm labor, youth and prisons, the director said.

Uhler said the report showed a "heavy emphasis in 1970" on prison activities especially at Soledad Prison by the CRLA Salinas office.

Regarding youth, Uhler claimed there were "a pattern of lawsuits questioning the disciplinary and authoritarian structure of schools."

In addition, the OEO director claimed the CRLA "grand strategy on farms" was an "announced desire to shut down the state Department of Human Resources Development farm labor employment offices" in an effort "to get rid of competition to farm labor unionization activity."

CRLA Acts Startle

Uhler said so far hearing testimony not only has supported these allegations, but also has

uncovered "new and startling activity supporting our concern against CRLA."

The El Centro CRLA office, the director said, has had "at least a prorata share of complaints and probably a few more than the eight other legal offices in California. However, there have been complaints against each office from 'persons of all walks of life,'" Uhler added.

Stating he realized the burden administering a legal service the size of CRLA — especially one staffed by "relatively young and inexperienced lawyers," Uhler said his alternative is a "judicare" program which would subsidize persons with limited incomes when consulting a private lawyer.

Under the judicare theory, the program would subsidize low-income persons on a "sliding income scale" with funding, at least partially, coming from private donations.

In addition to insuring against lawsuit solicitations which was "one of our biggest concerns against CRLA," Uhler said the program also would support minority group attorneys in private practice.

Pointing out CRLA has not one black lawyer in its system and only a few Mexican-Americans, he added the judicare program "could be a tremendous opportunity and encouragement to a number of minority-group law students who now have restricted opportunities."

Waldie Urges Probe Of Reagan's Reputed

THE SACRAMENTO BEE

Wednesday, May 12, 1971

Page A3

Spying On Poverty Units

By Mike Green
McClatchy Newspapers Staff Writer

WASHINGTON — Rep. Jerome R. Waldie, D-Calif., called today for a special high-level federal panel to investigate charges by Office of Economic Opportunity investigators that the Reagan administration has used federal funds to spy on and harass local antipoverty groups throughout California.

The probe should be similar to the one now being conducted by a blue-ribbon, three-judge panel into charges leveled by Gov. Ronald Reagan and his state Office of Economic Opportunity director, Lewis K. Uhler, against California Rural Legal Assistance, Waldie said.

In a letter to federal OEO Director Frank C. Carlucci 3rd, the congressman also asked that federal funds to Reagan's state OEO be cut off and funneled instead to a new advisory commission to

take over the responsibility of overseeing local antipoverty agencies in California.

Waldie said in a separate statement that Uhler, who is boycotting the special hearings by the federal panel into the charges he made against CRLA because of disagreement over ground rules, should be invited to testify under oath at a new hearing into his own conduct as state OEO director in handling federal funds.

If Uhler is unwilling to appear at that probe and testify under oath, he should resign, Waldie declared.

In a scathing attack on what he called Reagan's and Uhler's efforts to "put the poor in their place" by using federal money to harass instead of help local antipoverty groups, Waldie made direct reference to Uhler's background as an organizer for the John Birch Society.

"It would be hopeless to



Jerome Waldie
... calls for probe



Lewis Uhler
... should resign?



Frank Carlucci
... cut off funds

believe that Gov. Reagan would do that which he should in light of these disclosures — send Mr. Uhler

back to the John Birch Society from when he came. No, the governor is too indebted to the right wing of his party

to do that which is correct in this instance.

"Therefore, I hope Mr. Carlucci will do two things ;



Ronald Reagan
... right wing debt

and do them forcefully and promptly:

"One, restore the CRLA grant forthwith.

"Two, withhold federal funds from the California State OEO pending an investigation utilizing judicial procedures (into charges by federal OEO investigators that the state OEO was harassing antipoverty groups)."

Waldie's blast was triggered by disclosures more than a week ago that OEO investigators filed a highly critical report with the federal OEO in Washington urging the grant to the state OEO not be renewed.

"It suggests they have diverted federal funds allocated to assist and support local OEO programs to a counter-effort of investigating and destroying these programs," Waldie said.

"It is an incredible indictment of a proud state that programs to assist the poor should be turned into programs to put the poor in their place."

Waldie noted at the same time that Uhler and Reagan "incredibly" walked out of the federal probe of their charges into CRLA when they learned "that this commission of jurist intended to call witnesses and to permit cross-examination of Mr. Uhler by CRLA attorneys in a formal proceeding."

He asserted that Reagan and Uhler "feared" such scrutiny.

Normally, Waldie said, Uhler's background as an organizer for the John Birch Society would not be an issue.

"But when you compare his vindictiveness as indicated in these two instances that background takes on more meaning," he declared. "That he would be defended is consistent with the governor's attitude toward the poor."

If You Have a job opening
get your choice of the avail-

n Loan

ly, he said.

ng He questioned what impact a change might have on the business confidence of contractors and subcontractors and of bankers, stockholders, and the British government, which has agreed to go ahead and build the Rolls Royce engine needed by Lockheed despite the British firm's bankruptcy.



MAY 12 1971

Allen's P. C. B. Est. 1888

Waldie Urges Probe Of Reagan's Reputed Spying On Poverty Units

By Mike Green
McClatchy Newspapers Staff Writer

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Vallejo, Calif.
Times-Herald
(Cir. D 28,534 - 5 28,714)

MAY 12 1971

Allen's P. C. B. Est. 1888

242 Private Attorneys Sought For Poor

LOS ANGELES (AP) — The director of the State Office of Economic Opportunity, Lewis K. Uhler, has told a House subcommittee he believes a new antipoverty legal services program should be instituted using private attorneys, including blacks.

Current OEO practices "bring into our community large staffs of white, middle class lawyers who know nothing about the problems of the people they are there to serve," said Tom Berkeley, a black attorney supporting Uhler's position.

HOUSE HEARING

Uhler, who leads Gov. Reagan's fight against California Rural Legal Assistance, presented his views Tuesday to the special subcommittee of the House Education and Labor Committee, concluding two days of hearings here on legal programs and the Head Start program.

Uhler also suggested current OEO programs focus too much on class action suits and urged making antipoverty funds available so that poor people could hire private attorneys themselves.

SOLONS CRITICAL

Reaction by congressmen was unenthusiastic.

"It's incredible that some people are advocating that the poverty program is to supplement the income level of private minority attorneys," said Rep. William D. Fard, D-Mich.

"Legal services have been the only protection welfare recipients and others have had from certain rulings by the state,"

said Rep. Augustus F. Hawkins, D-Calif., a black congressman from Los Angeles. "This is the first time these people have been represented. They couldn't care less about the color of their lawyer's skin."

Ventura, Calif.
Star Free Press
(Cir. D 32,091, Sun. 31,840)

MAY 1 2 1971

Allen's P. C. B. Est. 1888

Court Upholds Class Action Fraud Suits

SAN FRANCISCO (UPI)—
The State Supreme Court has ruled that consumers can bring a class action against a seller and a finance company in cases of fraudulent misrepresentation.

The decision was hailed as a "major breakthrough" for the consumer by attorney John Kelley of the California Rural Legal Assistance who handled the case from the start.

The high court held this week that an identified group of purchasers may sue to recover not only for themselves but for all similar but unnamed purchasers.

Kelley said California's is the first Supreme Court in the nation to uphold the consumer in such a class action.

The suit was brought by Mr. and Mrs. Leonard Vasquez and 35 other named persons in San Joaquin and Stanislaus counties.

The plaintiffs had purchased frozen foods and freezers from the Bay Area Meat Co.

Also named as defendants were three finance companies because the sales contracts had been assigned to them by the meat firm. The finance companies are Avco, Thrift, Sterling Finance Corp. and Beneficial Finance.

The suit charged the meat company salesmen made various misrepresentations regarding the food and freezers and the buyers entered into the installment contracts because of this.

The suit was brought to rescind the sales, get back the money already paid and for additional damages.

When the trial court ruled the consumers could not bring the class action, the plaintiffs petitioned the high court.

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MAY 12 1971

Allen's P. C. B. Est. 1888

California High Court Upholds Consumers' Class Action Lawsuits

* * *

Unanimous Decision Provides
Suits Can Also Be Filed
Against Financing Firms

By a WALL STREET JOURNAL Staff Reporter
SAN FRANCISCO—The California Supreme Court issued a unanimous decision that consumers may join together in a class action lawsuit against a company that has defrauded them.

The decision could have widespread ramifications because the court ruled that the class actions can be taken against both the seller and the finance company to whom the contracts are assigned.

The case arose when 37 purchasers of food orders and freezers brought suit to void food freezer contracts signed by them and other residents of two California counties. The consumers claimed that they bought the articles because the salesmen of the door-to-door retailer, Bay Area Meat Co., fraudulently told them they would save money by buying food orders and freezers. The lawsuit was brought to rescind the sales, to get back the money already paid and for additional damages. As the sales contracts had been assigned by the meat company to three finance companies, Avco Thrift, Sterling Finance Corp., and Beneficial Finance of Turlock, they also were named as defendants.

The suit was brought by California Rural Legal Assistance, or CRLA, a federally funded antipoverty agency that has been a center of controversy in California politics for many months. In January, Gov. Ronald Reagan blocked a \$1.7 million federal appropriation that was to finance the group's 1971 operations. The organization appealed the decision to federal authorities, was provisionally refunded for six months, and is currently the subject of an

investigation by the Office of Economic Opportunity.

Gov. Reagan has alleged that CRLA is acting beyond the scope of its authority by bringing class action lawsuits, such as this one, rather than merely representing individuals. The group has consistently angered the state's business interests by its legal actions.

The court, in this case, stated that "protection of unwary consumers from being duped by unscrupulous sellers is an exigency of the utmost priority in contemporary society. Many persons who reside in low-income neighborhoods" are exploited "by vendors using such devices as high pressure salesmanship, bait advertising, misrepresentation of prices, exorbitant prices and credit charges, and sale of shoddy merchandise," the court added. Moreover, Justice Stanley Mosk noted, "State laws governing relations between consumers and merchants are generally utilized only by informed sophisticated parties and give little practical protection to low-income families."

Regarding the efficacy of the class action technique, Justice Mosk remarked: "Frequently numerous consumers are exposed to the same dubious practice by the same seller so that proof of the prevalence of the practice as to one consumer would provide proof of all. Individual actions by each of the defrauded customers is often impractical because the amount of individual recovery would be insufficient to justify bringing a separate action; thus an unscrupulous seller retains the benefits of its wrongful conduct."

Justice Mosk also said that class action suits produce "several salutary by-products, including a therapeutic effect upon those sellers who indulge in fraudulent practices," and "aid to legitimate business enterprises by curtailing illegitimate competition."

The court also stressed that buyers could void the contracts even though the contracts had been assigned to various finance companies. Unless this was permitted, said the court, "a judgment against the seller alone would represent a Pyrrhic victory because the defrauding seller is insolvent and the victorious consumers remain liable to the finance companies, which as the assignees of the installment contracts claim that they are entitled to payment even if the seller acted fraudulently."

San Francisco, Calif.
Progress
Richmond Edition
(Cir. W 10,445)

MAY 2 1971

Allen's P. C. B. Est. 1888

Nurses hold mini-convention

The semi-annual mini-convention of the San Francisco Nurses' Association will be held Sunday at the Hotel Mark Hopkins from 8 a.m. to 5 p.m. President Betty J. Dietrich will preside at the annual business meeting from 9 a.m. to 11:30 a.m.

The topic for the luncheon speech will be "Ideology — Program and Practice," which will be presented by Philip C. Lang, M.S.W., director of social services, California Rural Legal Assistance.

Five group sessions will be held from 2 to 4 p.m. entitled "Groups for Action."

For more information, call the Nurses' Association, 474-9476.

Stockton, Calif.
Record
(Cir. D. 66,769)

MAY 12 1971

Allen's P. C. B. Est. 1888

Ruling Hailed as Consumer Victory

By JIM SIMPSON
Of the Record Staff

A group of San Joaquin and Stanislaus county residents suing a meat retailer and several finance companies for alleged fraud has won a State Supreme Court decision that one attorney says is of sweeping import to California consumers.

In a unanimous decision, the high court ruled the group and other consumers may maintain a class action against companies that defraud them.

The ruling will give defrauded consumers "their day in court" by permitting them to band together in a court action, an attorney representing the local group told the Record.

The attorney, John Kelley of the California Rural Legal Assistance, says defrauded con-

sumers have not filed individual court actions because of prohibitive legal costs.

Kelley, who filed the original suit on behalf of 37 area clients, was associated with CRLA in Modesto until three months ago when he was assigned to the CRLA's San Francisco office. He has been assisted by Al Clark, a private attorney in Modesto.

In its decision, the supreme court also ruled that finance companies that buy the contracts of fraudulent merchants can be held liable if it can be shown they knew about the fraud or were involved in the sales operation.

Supreme Court Justice Stanley Mosk in the decision said "zeal is originally employed by the seller in investigating the credit of the buyer; only a modicum of additional zeal by the lender should be necessary

to investigate the good faith of the seller."

Regarding the right of consumers to file a class action against a fraudulent firm, Mosk said:

"Frequently numerous consumers are exposed to the same dubious practice by the same seller, so that proof of the prevalence of the practice as to one consumer would provide proof of all."

The suit filed in San Joaquin County Superior Court in May, 1969, alleges that the Bay Area Meat Co. defrauded approxi-

mately 200 area residents of a most \$200,000 in the sale of freezers and frozen foods. Al named as defendants were Beneficial Finance Co. and Avco Thrift.

The suit went up to the Supreme Court when Superior Court Judge Bill Dozier, although indicating he was sympathetic to the plaintiffs, refused to permit the class action. He had stated a ruling the class action should be made by the high court.

The case now will return Stockton for trial.

Free Legal Aid For Poor From Politics

Bee
12 May 1971
P. A. S.

Legal services for the poor, such as the exemplary California Rural Legal Assistance, could operate much more effectively if established nationally as an independent, nonprofit corporation divorced from political pressures of the kind brought against CRLA by Gov. Ronald Reagan.

On that point there is growing agreement in Washington. A split arises, however, between a Nixon administration plan and the one proposed by a group of 23 senators led by US Sen. Walter F. Mondale, D-Minn.

President Nixon proposes to establish a Legal Services Corp. but would fund it with only \$68.9 million the first year and in addition would limit the scope of legal services lawyers. They would not be permitted to handle any kind of criminal case. They would be circumscribed in their work when it tends to conflict with local and state governments.

Mondale's plan, to set up a National Legal Services Corp., would provide more realistic funding of \$140 million the first year and \$170 million the next.

This seems the better program because in addition to providing enough money to make it effective, it would not impose upon the anti-poverty

lawyers the restrictions sought by Nixon.

In both cases, the nonprofit corporation would be funded by the federal government without provision for veto by governors, as now exists for these legal services. It was Reagan's veto of CRLA funds which brought the issue to focus and made it clear legal services should be independent of politics.

Mondale's proposal is superior to the administration's in another respect. The senator wants the corporation to be directed by a 19-member board, many of whom would serve ex-officio or be appointed by bar associations.

Nixon proposes an 11-member board, all appointed by him. This obviously risks injecting political pressures on the highest level. It would jeopardize the needed independence of legal services for the poor.

Both sides should be able to reach agreement. They are one as to the need for continuing the anti-poverty legal services. Nixon has called it "securing justice within the system and not on the streets." Mondale says it has enabled the poor "to use the system for redress of legitimate grievances at a time when many were advocating violence and disruption."

San Diego, Calif.
Union
(Cir. D 143,337 - S 259,650)

MAY 12 1971

Allen's P. C. S. Est. 1838

Consumer Group Given OK To Sue

SAN FRANCISCO (UPI). — The state Supreme Court has ruled that consumers can bring a class-action suit against a seller and a finance company in cases of fraudulent misrepresentation.

The decision was hailed as a "major breakthrough" for the consumer by attorney John Kelley of the California Rural Legal Assistance, who handled the case.

The high court held Monday that an identified group of purchasers may sue to recover not

only for themselves but for all similar but unnamed purchasers. Kelly said California's is the first Supreme Court in the nation to uphold the consumer in such a class action.

37 BRING SUIT

The suit was brought by Mr. and Mrs. Leonard Vasquez and 35 other named persons in San Joaquin and Stanislaus counties. The plaintiffs had purchased frozen foods and freezers from the Bay Area Meat Co.

Three finance companies were also named as defendants because the sales contracts had been assigned to them by the meat firm. The finance companies are Avco Thrift, Sterling Finance Corp. and Beneficial Finance.

SUIT CHARGES

The suit charged the meat company salesmen made various misrepresentations regarding the food and freezers and the buyers entered into the installment contracts because of this.

The suit was brought to rescind the sales and recover the money already paid, plus additional damages.

When the trial court ruled the consumers could not bring the class action, the plaintiffs petitioned the high court.

MAY 12 1971

Allen's P.C.B. Est. 1882

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MAY 12 1971

Allen's P. C. B. Est. 1888

Aid For The Poor

Legal Groups Back Cranston Bill

By Mike Green

McClatchy newspapers staff writer

WASHINGTON — Strong backing for an independent quasipublic corporation to administer federal legal services for the poor has been voiced in Senate testimony by representatives of national bar groups and other organizations.

A number of witnesses expressed support for a bipartisan measure sponsored by Sen. Walter F. Mondale, D-Minn., and cosponsored by Sen. Alan Cranston, D-Calif., over a similar proposal advanced by President Nixon.

The administration version would sharply curtail activities in which lawyers may engage on behalf of poor clients and would place a panel of presidential appointees in charge of the program.

Under the Mondale-Cranston bill, which has drawn the support of 100 lawmakers in the House and Senate on both sides of the aisle, the President would appoint a minority of the board of directors to run the corporation and Chief Justice Warren Burger would appoint one, with the remaining members — a majority — coming from bar groups, legal defenders

groups and representatives of the poor.

The Mondale version would leave it to the board to decide on guidelines covering activities by lawyers in controversial cases, while the administration bill would specifically prohibit some of the actions criticized by California Gov. Ronald Reagan in vetoing the \$1.9 million federal grant for this year to California Rural Legal Assistance.

This includes legal service lawyers representing clients in criminal cases on their own time. They are prohibited from doing so on the job as part of the federal legal services program. The Nixon bill would limit them to civil cases entirely.

Representatives of the American Bar Association and other groups appeared yesterday before the Senate subcommittee on employment, manpower and poverty, which is holding hearings on the two bills.

Edward L. Wright, ABA president, said his group has taken no stand on the different bills to set up an independent corporation but endorses the principle in general.

He urged "all effective steps be taken to insulate the corporation and its lawyers from political influences that might in any way jeopardize the independent professional judgement required of all lawyers."

Other witnesses expressed reservations over the administration version.

Jacob Fuchsberg of the American Trial Lawyers Association; John C. Douglas, National Legal Aid and Defenders Association, and James W. Cobb, president-elect of the National Bar Association, all endorsed the Mondale bill.

Douglas noted the administration bill would create local review panels to decide whether a legal service lawyer would be allowed to appeal a case and termed it an interference in the lawyer-client relationship.

Cobb warned that a corporation made up entirely of presidential appointees "may create a Frankenstein" of political interferences in the program.

The strongest criticism of the Nixon proposal came from David H. Dugan 3rd, chairman of PLEA, Poverty Lawyers for Effective Advocacy.

He charged the Nixon bill "would perpetuate. White House control and severely restrict the activities of program attorneys, substantially uncutting the program's effectiveness."

It would create "an inscrutable, irresponsible monster, open and accountable to no one," he said, with a "weak" nonvoting executive director and lack of a ban against political tests for officers and employees.

The Nixon bill, he continued, also contains "a long list of limitations on the services to the poor."

Dugan warned the administration version may be a back-door attempt to set up a system of "judicare" through a provision allowing legal service grants to private law firms to represent the poor as well as to groups like CRLA.

Under Judicare, poor clients would go to regular law firms and the government would reimburse the lawyer.

More Costly

"Judicare is unwise for many reasons," Dugan said. "It is more costly (and) private attorneys frequently face conflicts-of-interest when representing the poor."

They are also "much less inclined than full-time legal services lawyers to handle class actions, law reform suits, group projects and other controversial or time-consuming matters," he said.

Reagan has proposed a

similar system called Judicare for California, with funding to come from private sources rather than government.

El Cerrito, Calif.
Journal
(Cir. W 1,000 - Free 14,500)

MAY 18 1971

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32nd District PTA To Meet Monday

The Richmond Elementary Council PTA will host the 32nd District PTA (Contra Costa County) meeting Monday from 10 a.m. to 2 p.m. at Madera School.

"Human Relations" will be the topic for the day with guest speakers Mrs. Lennart Swenson and Fred Straite, of the California PTA State Board of Managers.

All members of PTA may attend the session.

The Richmond Council, whose 1970-71 theme has been "A Council Is to Counsel" met this morning to discuss areas where the council has succeeded and failed in implementing the theme.

Reports were given by Mrs. Tony Wendell, new Council president and Mrs. Roy Peck, 32nd District President, on the State PTA convention held in Anaheim last week.

Officers for the 71-72 year were also installed. In addition to Mrs. Wendell, the new officers are Mrs. Walter Stuhr, vice-president; Mrs. Arthur Hazzard, recording secretary; Mrs. Sherman Biefelt, treasurer; Mrs. Lonnie Bluit, historian; and Mrs. Norman Layne, auditor.

During the current school year the Elementary Council has had a study-action committee concerned with nutrition and the school lunch program in the Richmond Unified School District.

The committee found that malnutrition in children causes many school dropouts, discipline problems and low performances in school. Federal law 91-243, enacted in 1970, financially helps school districts deal with the hunger problem on the local level.

On Monday, May 24, a conference-workshop will be held on the School Lunch Program. Meeting place will be the Memorial Youth Center in Richmond.

Sharing in the organization of the conference will be representatives from the 32nd District PTA, the 16th District PTA (Alameda County) and the 28th District PTA (Cities

of Oakland, San Leandro and Emeryville).

Speakers will include State Senator George Moscone of San Francisco, who is Senate Democratic Floor Leader for 1971; James Hemphill, chief of the Food Service Bureau, State Department of Instruction; Robert Gnaizda, deputy director of California Rural Legal Assistance; and Mrs. Barbara Henry, president of the Welfare Rights Organization of Richmond.

Invitations will go to school administrators and food service directors. PTA members and representatives from other organizations as well.