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THE PRESIDENT'S BRIEFING BOOK

QUESTIONS AND ANSWERS

FOR: THE CALIFORNIA TRIP

MAY 23-25, 1976

(COPY FOR: ~~JERRY JONES~~ *MIKE DAVIS*)

THE WHITE HOUSE

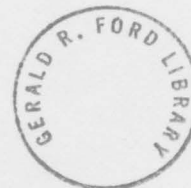
WASHINGTON

May 21, 1976

MEMORANDUM FOR RON NESSEN

FROM: JIM SHUMAN

SUBJECT: PRESIDENTIAL BRIEFING BOOKS



Attached are the Question and Answer Briefing Books for the President's trip this weekend to California, Oregon, and Nevada.

The California book is the major book. In addition to regional questions, it contains sections on general domestic issues and on foreign policy and defense.

The Oregon-Nevada book emphasizes Oregon issues; the President has only a tentative, 15-minute interview scheduled for Nevada, and I thought it would be an unnecessary burden for him to have a full briefing book for such a brief event. There are, however, several regional questions and answers for Nevada.

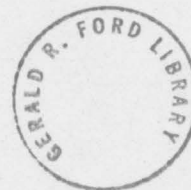
You might call the President's attention to the fact that there are no political questions. Because of the rapid changes in that area, we felt it would be better to get guidance directly from Stu Spencer, Peter Kaye, you, and other advisors travelling with the President as each situation arises, rather than try to lay out answers which might be obsolete by the time the question is asked.

The Briefing Book for the Ohip news conference will be ready Monday afternoon for delivery by courier.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT'S BRIEFING BOOK

QUESTIONS AND ANSWERS



FOR: THE CALIFORNIA TRIP

MAY 22-23, 1976

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CALIFORNIA

California was admitted to the Union in 1850, as the 31st state. In size it ranks third in the Union, Alaska and Texas being larger.

California was nicknamed the "Golden State" because of its early and sustained gold production. It officially adopted the golden poppy, the California valley quail, and the California redwood as its state flower, bird, and tree respectively. The grizzly bear is the official state animal, and the state fish is the South Fork golden trout. The state capital is Sacramento.

Physical Features. California's physiography is simple; its main features are few and bold; a mountain fringe along the ocean, another mountain system along the east border, between them--closed in at both ends by their junction--a splendid valley, and outside all this is a great area of barren, arid lands, belonging partly to the Great Basin and partly to the open basin region.

History. "Gold made California!" The most important feature of modern Californian history is the way in which the territory came to be a part of the United States, with gold as the underlying dramatic element. In the 18th century fear lest England or Russia might obtain California, and thus threaten Mexico, caused Spain at length to occupy it. The Spanish occupation merely kept others out, to the ultimate advantage of the American Union, which would not have been strong enough to take over California much prior to the time when it actually did so. If the Spanish settlers had discovered California's gold, the destiny of the province would have been different from what it proved to be; in the event California might have become a Spanish-American republic, or England might have acquired it. Gold was not discovered there, however, until the Americans were already pouring into the province. Thereafter the rush of American settlers put the stamp of certainty on the connection with the United States.

Exploration and Early Settlement. The name California was taken from Garci Ordonex de Montalvo's story, *Las Sergas de Esplandian* (1510), of black Amazons ruling an island of this name "at the right hand of the Indies . . . very close to that part of the Terrestrial Paradise."



Jesuit missionaries entered Lower California as early as 1697, and maintained themselves there until expelled in 1767 by order of Charles III of Spain; not until Russian explorations in Alaska from 1745 to 1765 did the Spanish government take definite action to occupy Upper California.

The Mission Period. Twenty-one missions were established in California between 1769 and 1823, extending from San Diego in the south to Sonoma in the north. Economically the missions were the blood and life of the province. The missions, however, were only one phase of Spanish institutions in California. The government of the province was in the hands of a military officer stationed at Monterey. There were also several other military establishments and civilian towns in the province, as well as a few private ranches.

The political upheavals in Spain and Mexico following 1808 made little stir in this far-off province, but in 1822 allegiance was given to newly independent Mexico. From this colorful feudalistic era derive place names, land titles, trails which became highways, and the traditions of Mexican law which became the heritage of the later state.

Foreign Influence. Foreign commerce, which was contrary to all Spanish laws, was active by the beginning of the 19th century. Trade with the United States was by far the most important. It supplied almost all the clothing, merchandise, and manufactures used in the province; hides and furs were given in exchange. Americans were hospitably received and very well treated by the government and the people. Many of the later comers wanted to make California an independent republic. An offer made by President Andrew Jackson in 1835 to buy the northern part of California, including San Francisco Bay, was refused. By the treaty of Guadalupe Hidalgo, in 1848, however, Mexico ceded California to the United States. Gold was discovered at Sutter's Mill on the American River in 1848 and the new territory took on great national importance.

The gold rush changed California as much culturally as it had economically and politically. Rapid influx of a cosmopolitan population, combined with sudden increases in wealth, provided consumers and purchasing power for the amenities of civilized life. Virtually overnight new towns and cities were founded and old ones expanded. San Francisco, the new western metropolis, boasted magazines, newspapers, theatres, libraries, and even able historians. Artists, such as C.C. Nahl, depicted the drama of the scene, while Bret Harte, Mark Twain, and others created a gold rush literature.

The economic depression of the 1930's although generally less pronounced than in most other states, created great social unrest, accentuated by the influx of migrant laborers, chiefly from the dust bowl area of the Great Plains, and helped form modern California political character. For one result of the depression was the rise of various radical socioeconomic nostrums (such as the "end poverty in California" (EPIC) plan, a comprehensive social welfare scheme presented by Upton Sinclair, and various old-age pension plans) and the rapid growth of the Democratic Party, long of minor importance in the state.

The state's large population growth after World War II gave it an increasingly influential position in national politics. Congressional reapportionment after the 1950 census raised the number of California's representatives from 23 to 30 and after the 1960 census the number rose to 38, second only to New York (41) and, for the first time, exceeding Pennsylvania (27).



CALIFORNIA

8,1
8,8
1,8

18,9

Demographics

1970 California Population At A Glance

Total	19,953,134	Males	9,816,685
Urban	18,136,045	Females	10,136,449
Urban fringe (Suburban)	8,880,631	Whites	17,761,032
Rural	1,817,089	Blacks	1,400,143
Farm	184,875	Spanish Language	3,101,589

How Many? California's population in the 1970 census totaled 19,953,134, ranking it first among the States. Its population density was 128 persons per square mile. The 1970 population was 91 percent urban and 9 percent rural.

The 1970 total was 27 percent greater than the 1960 population. The increase of 4,236,000 in the 1960-70 decade was divided almost equally between a natural increase (births minus deaths) of 2,123,000 and a net immigration of 2,113,000.

Los Angeles, the State's largest city, had a 1970 population of 2,816,061, an increase of 14 percent over 1960. The Los Angeles-Long Beach Standard Metropolitan Statistical Area, the State's largest, had a 1970 population of 7,032,075, an increase of 16 percent over 1960.

Other major cities and their 1960-70 percentage changes were:

San Francisco	715,674	-	3%
San Diego	696,769	+	22%
San Jose	445,779	+	118%
Oakland	361,561	-	2%

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Long Beach	358,633 + 4%
Sacramento	254,413 + 33%
Anaheim	166,701 + 60%
Fresno	165,972 + 24%



Ethnic Groups. Major nationalities in California's first and second generations from other countries included 1,112,008 from Mexico (411,008 born there); 439,862 from Canada (153,725 born there); 373,495 from the United Kingdom (129,957 born there); 360,656 from Germany (105,675 born there); 340,675 from Italy (80,495 born there). There were 3,101,589 persons of Spanish language or surname.

Racial Makeup. The white population totaled 17,761,032. Other racial groups included 1,400,143 blacks (58 percent more than in 1960); 91,018 American Indians; 213,280 Japanese; 170,131 Chinese; and 138,859 Filipinos.

Age of the Population. The Median age of the California population was 28.1 years, the same as the national median. Of California's 1970 population, 1,800,977 were 65 years or older and 1,642,683 were under 5 years. The total of school age, 5 to 17, was 4,993,289 and the college age group, 18 to 21, numbered 1,415,288. The remainder, 22 to 64, totaled 10,100,897.

Income. The median family income in 1969 (the last reported year) was \$10,729, ranking the State ninth in the nation. The U.S. median was \$9,586. The California median for white families was \$10,966; for black families it was \$7,482.

About 8 percent of the State's families (421,968 families) were below the low-income or poverty line in 1969. The 1969 poverty level was \$3,743 for a nonfarm family of four.

Schooling. There were 5,970,204 Californians 3 to 34 years old enrolled in school or college at the time of the census: 151,910 were in nursery school; 3,489,122 in kindergarten or elementary school; 1,436,143 in high school; and 892,994 in college.

Of the 10,875,983 persons 25 or older in California, 63 percent had completed at least four years of high school and 13 percent at least four years of college. The median number of school years finished by this age group was 12.4 compared with the national median of 12.1 years.

Among Californians in their working years (16 to 64), 35 percent of the men and 27 percent of the women with less than 15 years of schooling had had vocational training of some type.

Workers and Jobs. There were 5,285,220 men workers age 16 or older in 1970; 4,650,034 had civilian jobs and 340,025 were in the Armed Forces. Women workers totaled 3,053,273 of whom 2,834,656 had civilian jobs and 6,300 were in the Armed Forces.

There were 922,274 men working as craftsmen, foremen, and kindred workers (in skilled blue collar jobs); 825,543 in professional, technical, and kindred jobs; 564,718 were nonfarm managers and administrators; and 499,158 were nontransport operatives (chiefly operators of equipment in manufacturing industries).

A total of 1,104,640 women were employed in clerical and kindred jobs; 477,023 in professional, technical or kindred jobs; 434,402 in nonhousehold service work; and 274,943 were nontransport operatives.

There were 355,274 Federal employees, 269,537 State employees, and 709,494 local government employees.

California's Housing. Housing units for year-round use numbered 6,976,744 in 1970, a 30 percent increase over 1960. They had a median of 4.7 rooms per unit and 67 percent were single family homes. Thirty-one percent were built between 1960 and 1970.

A total of 6,572,861 units were occupied with an average of 2.9 persons per unit. Fifty-five percent were occupied by the owners. Median value of owner-occupied homes was \$23,100 and renters paid a median of \$126 per month.

The presence of piped water, toilet, and bath for exclusive use of the household is an indication of housing quality. In 1970, only 2 percent of all year-round housing in California lacked complete plumbing facilities, compared with 7 percent for the U.S.



Ninety-five percent of the households had television; 65 percent clothes washing machines; 42 percent clothes dryers; 27 percent dishwashers; 21 percent home food freezers; 42 percent two or more cars; and 4 percent owned a second home.

Economic Base. Finance, insurance and real estate; agriculture, notably cattle, dairy products, grapes and hay; transportation equipment, especially aircraft and parts; electrical equipment and supplies, especially radio and television equipment; food and kindred products; machinery, especially office and computing machines; tourism; ordnance and accessories.

Farming in California. California's farms, like those of the country as a whole, are becoming fewer and larger. The 1969 Census of Agriculture counted 77,875 farms and ranches in the State, 4 percent fewer than in 1964. The average size of farms and ranches rose slightly from 458 acres to 459 acres during the five years. The 1969 average value per farm was \$217,730; average value per acre, \$475.

The 1970 farm and ranch population totaled 184,875, a 45 percent decrease from 1960.

The market value of all agricultural products sold by California farms and ranches was \$3.9 billion in 1969. Crops accounted for \$2.1 billion; livestock, poultry, and their products for \$1.8 billion; and forest products for \$5.9 million.

3/15/76

CALIFORNIA FARM FACTS

BACKGROUND: California, the Nation's top farm state with \$8.7 billion in cash receipts during 1974 (latest official figures) earns roughly two-thirds of its farm income from crops and one-third from livestock. California grows 200 different crops.

Of the Nation's 25 leading agricultural cash crops, California leads in five (eggs, greenhouse and nursery, hay, tomatoes and grapes) and is second in four others (dairy products, cotton, barley and oranges).

In recent years, out of every \$1 in cash farm income in California, the following earned:

cattle & calves	\$.14	rice	\$.04
wholesale milk	.10	sugar beets	.04
grapes	.06	lettuce	.03
tomatoes	.06	almonds	.02
greenhouse & nursery	.05	oranges	.02
cotton	.04	peaches	.02
eggs	.04		

In Fiscal 1975, California farm products accounted for 5 percent of U.S. farm exports.

Approximately 13¢ out of each dollar of California farm income comes from exports.



CALIFORNIA

The Federal Presence

1974 Share of Federal Tax Burden \$28,924,051,000;
10.80% of U.S. total, 1st largest.

1974 Share of Federal Outlays \$31,378,867,000; 11.62%
of U.S. total, 2d largest. Per capita federal spending
\$1573.

DOD	\$11,940,242,000	1st	(17.48%)
AEC	\$333,655,000	3rd	(10.94%)
NASA	\$1,125,857,000	1st	(37.91%)
HEW	\$9,582,066,000	1st	(7.55%)
VA	\$1,498,604,000	1st	(10.95%)
DOT	\$730,579,000	1st	(8.63%)
DOC	\$203,915,000	3rd	(12.64%)
DOI	\$256,201,000	1st	(10.41%)
USDA	\$840,592,000	3rd	(6.75%)
HEW	\$9,582,066,000	2nd	(10.33%)
HUD	\$73,585,000	1st	(7.55%)
VA	\$1,498,604,000	1st	(10.95%)
EPA	\$244,610,000	2nd	(7.78%)
RevS	\$657,110,000	2nd	(10.81%)
Int.	\$684,293,000	3rd	(3.33%)
Other	\$3,208,558,000		

CAMPAIGN PROFILE

CALIFORNIA

Political Profile

Source: Almanac of American Politics 1976

California, just a few years ago the most noticeably right wing major state, has now become a leftish state politically. The change was symbolized neatly by the change in the Governor's chair in early 1975: 63-year-old conservative Republican Ronald Reagan was out, 36-year-old liberal Democrat Jerry Brown was in. This shifting signalled the culmination of a major change in the most Californians' political attitudes; their feelings about what government can and should do. Ronald Reagan was the personification of a conservatism that believed in less government activity -- but also implicitly promised that political leaders could accomplish things, like changing basic life styles, which were inherently beyond the competence of government. Jerry Brown, in contrast, seems to believe in a liberalism which means more government activity in some areas, but overall has a much more modest view of what government and politics can achieve.

The standard picture of California politics for some Eastern observers is one of zaniness: as if, someone said, the country was tilted westward and all the loose nuts slid to the coast. California, to be sure, is a state of contradictions: one of the nation's most urbanized states, yet the home of vast agribusiness conglomerates; perhaps the most awe-inspiring scenic state, yet the most smoggy and pollution-ridden; the place where the peace movement first made an impact, yet a state still heavily dependent on money from giant defense firms and military bases.

Yet out of these contradictions, California has emerged as a national trend-setter--in suburbanization, in what a few years ago were considered bizarre life styles, and in politics. And perhaps the most noticeable trend in recent years has been this state's preference for candidates of the political "extremes", both the conservative right and the





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antiwar liberal left. Why? First of all, there are no political machines here to modulate such trends; the old bosses were wiped out by a series of reforms enacted by progressives in 1911. As a result, California is a state where the individual candidate's ideology--and personality--is of paramount importance.

Before one can understand the recent ascendancy of the left-leaning politics in California, one must understand the earlier rise of the right. For this, it is necessary to go back to the early 1960's. Democrats were in control of things. Across the land, conventional wisdom had it that for Republicans to win elections they had to support many Democratic programs, to be seen as a moderate or even liberal. A sizable number of California Republicans did not agree. These people believed very deeply that the nation was moving in the wrong direction under the Democrats. They were determined to do something about it, and they did--by electing Ronald Reagan Governor in 1966.

Reagan's victory, coming just two years after the smashing defeat of another right-winger, Barry Goldwater, shocked and surprised Eastern pundits. They would have been less surprised if they had been following California elections more closely over the preceding few years. In that time, the Republican right had scored a series of unexpected victories.

Behind all these victories was the new California homeowner's resentment of rapid and sometimes violent change. The Berkeley student uprising in 1964 and the Watts riot in 1965 evoked a hatred of those who were different, and Reagan, promising crackdowns on rioters and stern budget cuts, played on these hatreds skillfully. Reagan was able to revolutionize California politics successfully putting to the fore those issues where his positions commanded majority support. It was a masterful political achievement, and one which would be echoed nationally in the Nixon campaigns of 1968 and 1972.

But whatever the successes of the Reagan-Nixon politics nationally in the latter year, it reached its high point in California back in 1968. That year, the Republicans finally took control of the California legislature, after painstakingly picking off Democratic seats in each of the preceding



three elections. The legislative victory was particularly dear to Reagan, for it promised that Republicans would redraw the state's congressional and legislative district lines and thus sew up political control of California for another ten years.

It was not to be. The Reagan Republicans were on the downslide of their success curve. George Murphy, the old song-and-dance man, for example, turned out to be getting \$20,000 a year and a Washington apartment from Technicolor, Inc., while serving in the Senate. Today he can sometimes be seen in Washington, a forlorn figure eking out a living as a lobbyist.

But such gaffes do not totally explain the right's problems. Reagan could point to some solid achievements in his years in office: he had pushed through an oft-copied welfare reform (with help from Democratic Speaker Bob Moretti) in 1971, and he had stabilised, if not the state budget, then at least the number of state employees. But Reagan's campaign style promised more than these governmental accomplishments, and his waning popularity was almost the inevitable price of his early success. If he had professed concern for ordinary middle class voters, it also became clear one of his major goals was reducing taxes on the rich. And if he had convinced Californians in 1966 that he would reassert and reestablish the values of the middle class against those who disdained them--hippies, blacks, and university professors--it became painfully apparent by the early seventies that he just couldn't do it. For every long-haired freak thumbing a ride on the Big Sur highway in 1966 there were a dozen by 1972. Reagan could win at the polls, but California was changing anyway.

It would have been unthinkable back in 1966, for example, that a referendum to legalize marijuana would outpoll a referendum to clamp limits on obscene movies. Yet exactly that happened in California on 1972. Some 33% of the California voters favored legalized pot; the proposition carried six of the state's 80 Assembly districts, and even got 187,000 votes in supposedly ultraconservative Orange County

Demographic shifts--not so much in the population as a whole but in the electorate--are responsible for many of these

changes. Much of the support for Reagan and Reaganites came from Midwestern and Southern migrants to California, people of the World War II generation (or earlier) whose kids were passing through the rebellious adolescent years just as Berkely and Watts ignited. The older people wanted a return to the serenity and order they remembered, perhaps inaccurately, from their own younger days; they wanted their kids to honor them by trying to grow up to be like them.

As time went on, the kids grew up and fashioned their own life-styles, which in turn seemed less threatening to their parents. But one thing these new voters did remember was that politicians like Ronald Reagan and Richard Nixon had been winning votes by campaigning against them. Some 18% of California's potential voters in 1970 were under 25--a significantly larger percentage than in the nation as a whole--and nearly 10% of the potential electorate can be found in college or graduate school. The dormitories and communities around California's vast system of higher education produced huge majorities against candidates like Richard Nixon and Ronald Reagan following passage of the 18-year-old vote. And in the post-Vietnam years when the differences between the attitudes college and non-college youth have almost vanished--gas station attendants are as likely as Berkeley students to smoke pot these days, and Berkeley students as likely to drink beer--the huge California youth vote is overwhelming anti-Republican.

The final humiliation for the Reagan people was that they didn't even have a candidate in the general election for Governor. Lieutenant Governor Ed Reinecke, hand-picked by Reagan for the job when Robert Finch became Nixon's HEW Secretary in 1969, turned out to be another bad choice; the obvious heir apparent was indicted for lying before the Watergate grand jury about the ITT affair, and was on trial as the primary was held in June. Despite all that, he received 30% of the vote--testimony of the continuing presence of undeterrable conservative voters in the Republican primary.



There are still those who believe that the successful candidate in the general election, Edmund G. (Jerry) Brown Jr.'s, sole political asset is his father's name and doubtless some people did vote for him thinking he is the Pat Brown who beat Bill Knowland and Richard Nixon, and was Governor from 1959 to 1967. But Jerry Brown is quite a different sort of character. His father is (or was) gregarious; Jerry is quiet, almost sullen. His father was a "centrist" Democrat, ready to get along with anyone in the party; Jerry is a purist, a stickler for campaign finance reform, who pays little attention to the big contributors. As befits a former seminarian, Brown is a devout believer in morality in politics. He built his career as Secretary of State around enforcing hitherto ignored campaign financing laws, and pushing for new ones.

California, the largest state in population, also has the largest congressional delegation: 43 members, tipped heavily (28-15) in favor of the Democrats. Its Democratic members tend to be ideological liberals, its Republicans fierce conservatives, although there are a few exceptions in each case.

A word should be said about the California presidential primary. In the Republican contest, conservatives have an overwhelming advantage, even more than in most states. The body of registered Republicans is a constricted constituency, far smaller than the number of people who regularly vote Republican for state and congressional office, and it has a heavy majority which prefers ideological conservative candidates. California represents as good a chance as conservative Republicans have of upsetting Gerald Ford in the 1976 primaries.

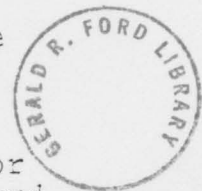


PFC CAMPAIGN OVERVIEW

There are approximately 2.8 million registered Republicans in California, comprising slightly more than 35% of the total electorate. Republican registration closed May 9 for the June 8 primary.

Principal emphasis in PFC California strategy is on voter identification and selective voter turnout. Phone banks are the key tool in identifying the President's support, and the 21 telephone centers were fully operational as of May 10. Other key elements of the campaign include the following:

1. An estimated 80% of the registered Republicans will be covered in the ten priority counties. Precincts in each of the phone locations have been prioritized, and 90,000 calls have been made to date. California PFC anticipates contacting 500,000 GOP households before the June 8 primary.
2. County and community organizations have been formed in 51 out of the 58 counties, (and virtually all main vote areas).
3. Volunteer mailings numbering 52,000 pieces were sent out by PFC county organizations as part of a recruitment drive in early March.
4. County organizations are still being encouraged to utilize "in home" exemptions to hold receptions for recruitment and training purposes. Instruction kits have been mailed to key PFC personnel, and 20 receptions have been set.
5. A California brochure has been printed for distribution as follow-up to canvassed Ford supporters and undecided GOP voters. Radio spots ran for 10 days beginning April 26, emphasizing the President's record in office. Next week, TV and radio advertising begins, however the content is still being discussed along with budgetary considerations.



6. Press tours using advocates and key President Ford volunteers in the state have been scheduled. One area of emphasis is on legislators meeting with the editorial boards of major papers to encourage primary endorsement of the President and to refute Reagan's policies.

Another program focuses on non-press events with PFC committee members speaking on behalf of the President statewide.



CALIFORNIA PFC OFFICIALS

Honorable Evelle Younger	Co-Chairman
Honorable Dennis Carpenter	Co-Chairman
Mrs. Nita Ashcraft	Northern California Chairman
Mayor Peter Wilson	Southern California Chairman
Leon Parma	Steering Committee
Charles Bakaly	Steering Committee
David Liggett	Campaign Manager
Doug Lynn	Administrative Director
Larry Peck	Press Director
Priscilla Hobson	Scheduling Coordinator
Bill Bailey	Youth Director
Margo Terkuile	Speakers Bureau
Mrs. Lawrence Solberg	California Women's Chairman
Jim Medas	Field Director
Vicky Perry	Assistant Field Director
Ken McMullen	Fieldman
Frank Rich	Fieldman
Mike Livingston	Fieldman
C. H. Rehn	Fieldman
Tim Grush	Fieldman
Cherrie Swenson	Fieldman
Erik Lund	Fieldman
John Kroeger	Fieldman



CALIFORNIA ADVOCATES FOR THE PRESIDENT

<u>Speaker</u>	<u>Date</u>	<u>Location</u>
Mitchell Kobelinski	March 25	San Francisco
Earl Butz	March 26	Orange County
	June 3	San Diego
	June 6	Anaheim/Claremont
	June 7	Fresno/Monterey
	June 4	Pomona/Fresno
Rogers Morton	April 3	San Jose
Governor Evans	April 23-24	San Francisco
Senator Tower	May 9-10	San Diego
Elliot Richardson	March 27	San Francisco
	March 29	Sacramento
	June 2	Los Angeles
	June 3	Los Angeles/Santa Barbara
William Baroody	May 17	Los Angeles/ San Francisco
William Simon	May 20	Los Angeles
	May 21	San Diego
Donald Rumsfeld	May 24	Sacramento
Carla Hills	May 24	San Francisco/ Los Angeles
	May 25	Los Angeles/ San Diego
Jack Ford	May 24-28	
	June 1,3,4	
Phil Buchen	May 25	Anaheim
	May 26	Los Angeles
Frank Zarb	May 26	Sacramento
Richard Roudebush	May 27	San Francisco
Virginia Knauer	May 31	San Francisco
	June 1	Redding/Chico/ Sacramento
	June 3	Stockton/Fresno Bakersfield/Los Angeles/Visalia
	June 4	Los Angeles

Jerry Parsky	June 2	Los Angeles
William Coleman	June 2	Sacramento
	June 3	Vacaville
Marjorie Lynch	June 3	Los Angeles
Jerry Thomas	June 7	Fresno
John Knebel	June 8	Stockton

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REAGAN CALIFORNIA CAMPAIGN OFFICIALS

Mike Curb	Chairman
Elsa Sandstrom	Co-Chairman
Lyn Nofziger	State Campaign Director
Holmes Tuttle, Ed Mills	Principal Fund Raisers

REAGAN CAMPAIGN ISSUES

Ronald Reagan is scheduled to begin his personal campaigning in California on May 28 and is expected to remain in the state until the June 8 primary. He has been in California to rest on several occasions during the past six months, but has not utilized these visits for any state political purposes.

The Reagan organization launched a blitz radio campaign to every major California media market during May 5-8 to encourage Democratic and independent voters to cross over and register Republican so that they would be eligible to vote in the GOP primary. It has not yet been determined how effective the effort was in registering new Republican voters.

A second media phase which has run for the past seven days consisted of a series of five 60 second radio spots which were excerpts from Reagan's national television address. The issues included were Social Security, welfare, energy independence, and unemployment. The fifth radio spot was a repetition of the closing words of Reagan's speech when he explained that he would like to go to Washington to restore the "freedom" that he knew when he was growing up in America. As best as can be ascertained, there have not yet been any other media efforts by the Reagan organization, although PFC leadership expects a very heavy schedule to begin when Reagan returns to the state.

Also, there has been very little evidence of a massive coordinated effort to organize the campaign at the grass roots level. Reagan has been running a large part of this effort through the California Federation of Republican Women's Clubs, which solidly supported him during his years as Governor. Campaign leadership has been established in about one third of the state's counties, although it is estimated that most other counties have some kind of contact with the campaign in an unofficial capacity. There has been a limited



telephone campaign to contact and identify voters, but it has been sporadic, and does not appear to be making any significant number of calls.

Most recent reports indicate that there is a shortage of volunteers in the Reagan organization. All direct mailings have been nationally generated, although there have also been some recent mail efforts made by the American Conservative Union and other similar conservative groups. It is expected that these groups will be financing a significant amount of independent advertising on behalf of Reagan in the weeks ahead.



DELEGATE SELECTION

The California primary on June 8 is a "winner take all" race by which delegates to the Republican National Convention are bound through the second ballot, unless released or unless the candidate to whom they are bound receives fewer than 10 percent of the votes needed for the nomination on the first ballot.

There will be a total of 167 delegates in the California delegation. Three delegates are apportioned to each of the forty-three Congressional Districts for a total of 129 persons with the remaining 38 delegates to be selected at-large. The candidate's name will appear on the ballot and ballot position will be rotated.

Write-in votes are permitted under California law, but are counted only if the write-in candidate has filed an endorsement of his candidacy with the Secretary of State by May 18th.

As was the case in Florida, only registered Republicans may vote in the June 8 California GOP primary. A potential voter must register, change party affiliation or designate party affiliation by May 9 in order to qualify to vote.



CALIFORNIA

LOS ANGELES

'68 RN VOTE: 53.4
'72 RN VOTE: 51.0

SAN FRANCISCO

'68 RN VOTE: 21.1
'72 RN VOTE: 21.8

SACRAMENTO/STOCKTON

'68 RN VOTE: 7.1
'72 RN VOTE: 7.8

SAN DIEGO

'68 RN VOTE: 7.6
'72 RN VOTE: 8.1

PHOENIX

INCLUDED WITH LOS ANGELES

FEELER

'68 RN VOTE: 3.2
'72 RN VOTE: 3.3

SALINAS/MONTEREY

'68 RN VOTE: 2.2
'72 RN VOTE: 2.5

RENO

'68 RN VOTE: .3
'72 RN VOTE: .1

CHICO/REDDING

'68 RN VOTE: 1.3
'72 RN VOTE: 1.2

BAKERSFIELD

'68 RN VOTE: 1.5
'72 RN VOTE: 1.6

SANTA BARBARA/SANTA MARIA

'68 RN VOTE: 1.4
'72 RN VOTE: 1.5

12. MEDFORD

'68 RN VOTE: .1
'72 RN VOTE: .2

13. EUREKA

'68 RN VOTE: .5
'72 RN VOTE: .6

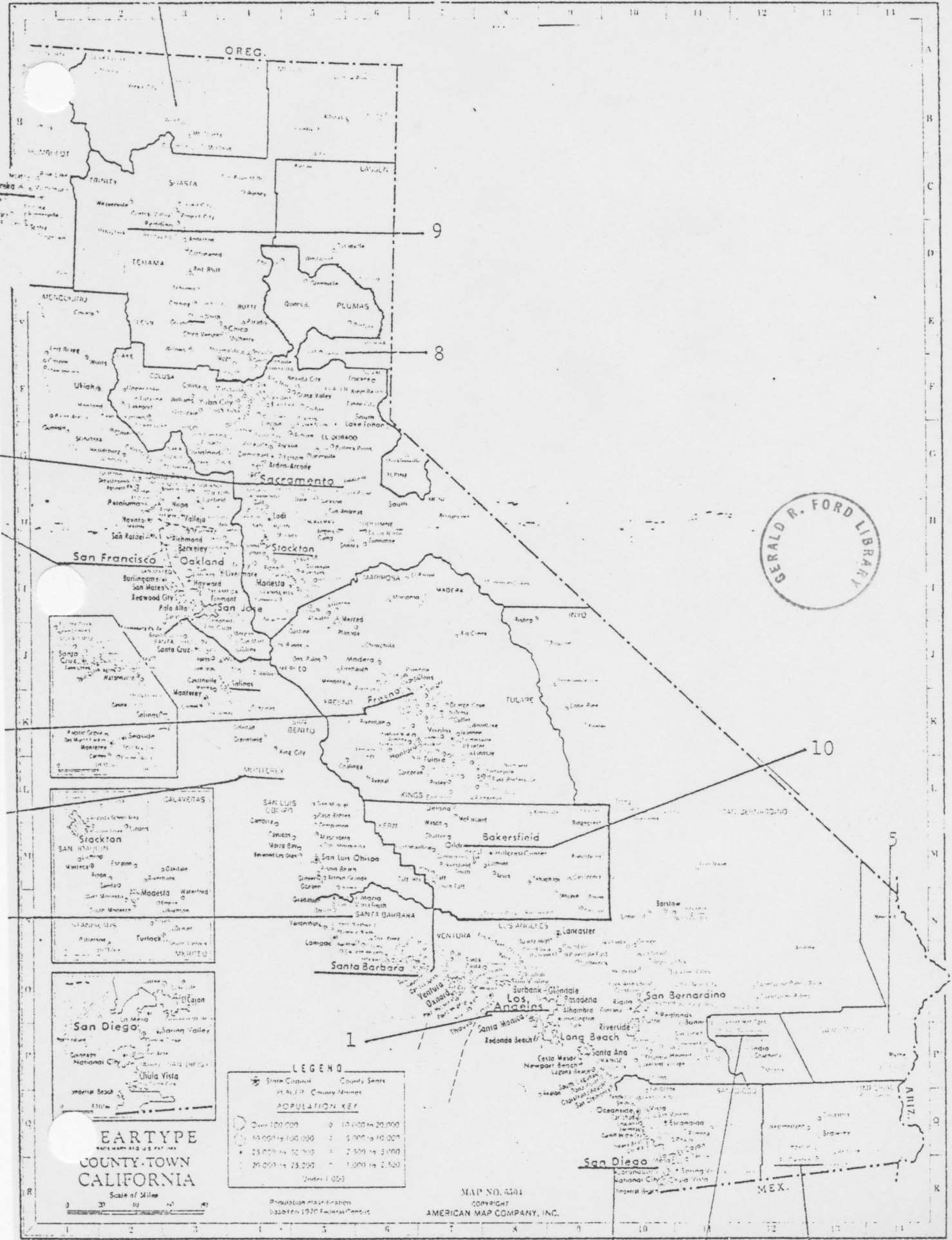
14. EL CENTRO/YUMA

'68 RN VOTE: .3
'72 RN VOTE: .3

15. PALM SPRINGS

INCLUDED WITH LOS ANGELES





LEGEND

State Capitals County Seats
 City Limits County Names

POPULATION KEY

Over 100,000	10,000 to 20,000
50,000 to 100,000	5,000 to 10,000
25,000 to 50,000	2,500 to 5,000
20,000 to 25,000	1,000 to 2,500
	Under 1,000

Population based on 1970 Federal Census

EARTYPE
 COUNTY-TOWN
 CALIFORNIA

Scale of Miles
 0 20 40

MAP NO. 6504
 COPYRIGHT
 AMERICAN MAP COMPANY, INC.

SURVEY RESEARCH

Mervin Field released a "California Poll" in May 12 showing the President losing, 39% to 49% to Reagan as the choice of California Republicans for nomination. The results of the survey, taken by personal interview during May 6-8, 1976, are indicated below. Two questions were used, one for half of the interviews, the other for the remainder of the sample which totaled 447 registered Republican voters. The results were then combined.

"If you were voting today for the U.S. President in the Republican primary election, who do you think you would vote for?"

"The two names on the ballot will be Gerald Ford and Ronald Reagan. If you were voting today for the U.S. President in the Republican primary election, would you vote for Ford or Reagan?"

Gerald Ford	39%
Ronald Reagan	49%
Undecided	12

In his last survey of April 20-31, Field showed the President moving ahead of Reagan. A listing of these trial heats is provided below.

<u>Date</u>	<u>Ford</u>	<u>Reagan</u>	<u>Undecided</u>
May 76	39%	49%	12%
April 76	47	42	12
Feb. 76	37	54	9
Nov. 75	47	48	5
Aug. 75	54	45	1



Mervin Field released on May 13 additional findings from his May 6-8 "California Poll."

As you will note, the President runs ahead of Ronald Reagan in the trial heats against Brown, Carter and Humphrey. The significance is that among all voters, President Ford is the stronger candidate in California for the general election than is Reagan.

These figures were based on telephone interviews from May 6 through 8 with 1,245 Californians of all political parties who said they were registered and intended to vote in the June 8 primary.

The latest results, compared with those obtained in January:

	<u>May</u>	<u>January</u>
Brown	50%	49%
Ford	37	43
Undecided	13	8
Brown	56%	61%
Reagan	34	31
Undecided	10	8
Carter	41%	23%
Ford	40	60
Undecided	19	17
Carter	47%	37%
Reagan	38	42
Undecided	15	21
Humphrey	40%	41%
Ford	45	50
Undecided	15	9
Humphrey	47%	51%
Reagan	41	38
Undecided	12	11



ISSUES

THE WHITE HOUSE
WASHINGTON

May 20, 1976

MEMORANDUM FOR: JIM SHUMAN
FROM: STEVE McCONAHEY *SGM*
SUBJECT: California Issues



State-Wide Issues

1. Proposition 15--Nuclear Power

Proposition 15 (on June 8 ballot) calls for a prohibition of future nuclear power plant development and a systematic dismantling of existing facilities if certain technical problems, eg. waste disposal, cannot be resolved satisfactorily. This is a highly charged issue and one which has pitted private industry, particularly energy and utility organizations, against citizen and environmental groups. The President is likely to face questions about his policies on nuclear development and uranium enrichment.

2. Municipal Employee Unionization and Strikes

The recent strike in San Francisco crystalized reaction against unionization and strikes among municipal employees. The President has stated on several occasions that he believes this issue to be local in nature, however, the President is likely to be asked about his opinion on current legislation before the Congress which would effect the legality and standing of public employee bargaining.

3. Environment

California is extremely environmentally conscience. There are constant debates occuring over such issues as off-shore drilling, coastal zone protection, air and water quality programs, etc. An example of the debate is the "coastal protection plan" that was passed as a proposition on the ballot two years ago. This plan called for specific actions

on the part of the State to protect the coastal regions, however, the issue remains very controversial and has been debated by environmental groups and proponents of economic development. The President should be prepared to talk about the balance that we must have between preserving our environment and allowing the development of our resources.

4. Big Government

The issue of federal imposition on states and localities is frequently discussed among state and local officials of California and the general populace. The "Sunset Bill" proposed by Senator Muskie has received very favorable reaction in California. The President should emphasize his actions, already taken and planned, to streamline government administration, eg. General Revenue Sharing, block grant consolidation, regulatory reform, paper work reduction. The President should also emphasize his belief in the ability of state and local governments to set their own priorities and administer federal programs.

5. General Revenue Sharing

There is state-wide support for this program with many communities highly dependent on it for their local municipal services. The President's support for this bill should be stated often (former Governor Reagan has not been supportive of this measure).

6. Farm Labor Unions

California has been the focal point of efforts to unionize farm workers. Numerous strikes and strong competition among unions have raised havoc with certain elements of the agricultural economy. Governor Brown proposed a special commission to monitor and arbitrate problems that arise. However, the State Legislature did not fund this commission and, therefore, the mechanics are not in place.

7. Transportation

California has been a traditional "highway and automobile" state, but due to the growing problems of pollution and congestion, it has been forced to consider public transit in many communities. However, the urban sprawl in many





areas has made public transit highly expensive and sometimes poorly used. The President should outline his policy for automobile and public transportation and stress his support for and the signing of the Urban Mass Transportation Assistance Act of 1974 and the Federal Highway Assistance Act of 1976.

8. Social Security

Throughout the state there is considerable concern over the viability of the Social Security system. This concern exists both among the elderly and the local and county governments (eg. Los Angeles County) that are considering dropping out of the system. The President should outline his proposals for bolstering the financial security of the system and mention the attractiveness of the benefits derived from social security.

9. Unemployment

Unemployment remains a problem throughout California, particularly in urbanized areas around Los Angeles. The President's programs for General Revenue Sharing and Title II of the CETA program and his economic recovery policies have been generally well received. However, there is some concern that the Administration has not taken positive steps to solve the hard-core unemployment problems of the urban areas. Specific questions will be asked about his support of Title VI of the CETA program, the Public Works Bill, and Counter Cyclical proposals.

10. State Financial Condition

State government is currently in excellent financial condition with a \$624.9 million surplus projected. This surplus is due to higher incomes and more jobs. The President could point to this higher-than-projected surplus as an example of how his economic program has taken effect and improved the overall economy of the state.

11. Crime

Jurisdictions throughout the state continue to experience serious crime problems and growing public concern over the inability of law enforcement to prevent and control various types of crime. There is a feeling in many of the conservative parts of the state that the criminal justice system has become too lenient in its parole and sentencing policies.

12. Business Environment

California has the 3rd highest level of corporate taxes of all the states. As a result, some businesses have begun to leave. Some members of the business community blame Reagan for creating this adverse environment.

SAN DIEGO AREA

1. Defense

San Diego has one of the largest naval installations in the world. Moreover, retired military personnel are a major part of the San Diego population. The President's position on strong defense and his proposals for installation and contract expenditures are very topical in this area. People have a great commitment to the defense establishment and the economy is highly dependent on defense contracts.

2. Relationship to the Federal Government

Despite the strong feeling against big government, San Diego has experienced a very positive rapport with Federal agencies. Mayor Wilson has emphasized the positive steps that the President has taken to improve the relationship between the Federal Government and states and localities. The President should emphasize his belief in local decision making and restate his actions that have worked to rebalance responsibility within our system of federalism.

3. Civic Pride

San Diego has enormous pride in its community as being the "greatest city in America." The President should recognize this spirit and acknowledge San Diego as the great city that it is.

4. Transportation

San Diego has recently moved to establish a regional transit system. However, there is a great deal of debate in the San Diego area about whether to establish a fixed rail system. They have had problems gaining agreement among the various jurisdictions involved in the transit authority. If asked, the President should state his strong support for public transit; however, indicate equally strongly that the kind of problem facing San Diego must be solved locally.

5. Illegal Aliens

Given the proximity of the San Diego area to the border, this community has experienced an increasing problem with illegal aliens. Recently there has been increasing violence along the border and San Diego has had to support additional police protection. The President will be asked about his policy towards the alien question.

6. Drugs

Given the proximity to Mexico, drug traffic has been a problem. The President could get high marks for his positive steps in the drug area.

7. San Diego Airport

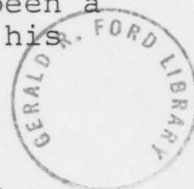
There is a great deal of discussion about the safety and acceptability of the current San Diego Airport which is located fairly close to the downtown area and called by some to be extremely unsafe. The question being debated is not only whether to build a new facility, but also where. The President should avoid getting into discussions regarding this if at all possible.

8. Minority Problems

Despite reasonably sized Black and Chicano segments in the population, San Diego has experienced reasonably good race relations. However, the illegal alien problem I mentioned above is an example of the potential for increased tensions.

9. Tierra Santa Prison

The Federal Government had planned to build a prison in the San Diego area. There was an enormous outcry by local citizens and a reluctance on the part of the Federal Government to alter the site. However, Mayor Wilson talked directly with the President and the project was stopped. The President received considerable praise as a result of his actions in response to the local concerns. While the President may not want to initiate this item, if questioned about it, he could emphasize his belief in avoiding unnecessary Federal imposition on local communities.



10. President Ford Campaign Organization

Many of the key people in the President's organization are those who worked heavily on Mayor Wilson's campaign. Recognition of these people, particularly to Al Anderson and Maggie Mazur would be well received.

LOS ANGELES AREA

1. Unemployment/CETA

The city and county of Los Angeles have stressed their unemployment problems with representatives of the Domestic Council and the Department of Labor several times. The city has expedited hiring of CETA employees and has found itself coming up short of funds and, thereby, threatened with immediate layoffs. The President's action to sign Title II helped alleviate this problem; however, the city is now seeking immediate funding of Title VI of the CETA program. Unemployment remains high in some pocketed areas of the city. The President should anticipate questions about his policy toward resolving lingering unemployment problems.

2. Environment/EPA Regulation

Los Angeles officials have been concerned over the Federal and state environmental regulations. EPA regional personnel have been in discussions with the Los Angeles people about sludge disposal in the ocean and about turbidity of the drinking water. While some progress is being made, certain members of the council (particularly Wilkinson) continue to feel that EPA presents an unwarranted imposition financially and operationally on the city of Los Angeles. The President should expect strong questioning about EPA regulations and what the balance is between environmental concerns and fiscal realities. (The President met with a Los Angeles delegation to discuss these problems earlier this year at the White House).

3. Busing

A Court decision on busing in Los Angeles County is likely before the June 8th primary. The issue is extremely explosive with strong public sentiment against busing. There is a belief that a major busing program would require long distance travel and an enormous expense. The President is likely to be asked to clarify his position on busing and recent news articles about the Justice Department's interest in the Boston school situation.

4. Mass Transit

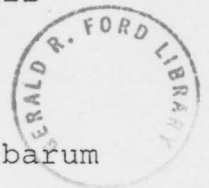
A \$5.8 billion mass transit proposition will be on the June 8th ballot (it is referred to as the Sunset Coast Line Rail Commuter Plan). This is a very controversial issue and impacts on all but two of the municipalities in Los Angeles County. It would entail a 1% sales tax to finance the system. The City Council of Los Angeles is opposed to the measure while the Mayor supports it. Peter Schabarum of the County Board of Supervisors of the Southern California Rapid Transit District is opposed. The President should be careful and avoid choosing sides on this issue, indicating that the mixture of transportation is clearly a local issue. The Urban Mass Transportation Administration is awaiting clarification from Los Angeles on their plans before making a final decision of support for the fixed rail segment as part of the overall transit plan.

5. 13C/Labor Protective Agreements

Los Angeles County Board of Supervisors, Peter Schabarum in particular, have been outspoken critics of the Administration's handling of the 13C/Labor Protection Provision of the UMTA legislation. Schabarum has claimed that the Department of Labor has caved in to union demands and forced an unreasonably high level of protection. He had demanded a White House review of this item indicating that it is contrary to our policy of opposition to excessive regulations. (The Domestic Council is currently studying this issue with DOL and DOT).

6. Social Security

Los Angeles county employees are being urged by the county leaders to leave the social security system. Such action would involve approximately 76% of the public employees in the county (59,660 employees). The major reason for leaving the system is claimed to be cost savings estimated at approximately \$27 million. Los Angeles county is one of many jurisdictions both throughout California and throughout the country expressing a desire to leave the social security system either for purposes of cost savings or anticipated improved benefits.

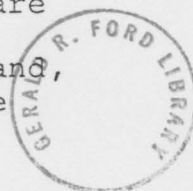


7. Local School Financing

The June 8th ballot will include a proposition for an expanded financing of local education. There is substantial opposition to this proposition and some of it is based on perception that a large part of these funds will be earmarked for busing expenditures. The President should explain his position on Federal aid to various education programs.

8. Water Supply

The Los Angeles area and many parts of California are suffering from a severe drought. Lack of rain has begun to have an impact on the agricultural crops and if continued, will have a severe impact on both the residential and industrial water supplies.



9. Off-Shore Drilling

Areas north and south of Los Angeles do hold potential for oil exploration. Because of the past experiences with pollution, off-shore drilling has been an extremely sensitive issue in the Southern California area. The President will likely be asked about his overall energy policy and the necessity for off-shore drilling. He might also be asked about Federal policy and precautions to prevent major oil-spill disasters.

10. Teacher Desgregation

The HEW Civil Rights office in the San Francisco region has indicated to the Los Angeles School District and that of the San Fernando Valley that approximately \$100 million of funding would be withheld unless a teacher desegregation plan was approved. It appears that an agreement with Los Angeles may be reached shortly, but it will force a shift in location for approximately 1,000 of the current 25,000 teachers. The Teachers Union is adamantly opposed to this action.

In the San Fernando Valley this issue is even more explosive since some of the teachers might be transferred to the center city of Los Angeles. The President may well be asked questions about HEW policy on this type of desgregation.

11. Day Care

There has been considerable concern expressed in Orange County about the President's position on day care programs, and the President should be prepared to explain his recent veto of the day care legislation.

12. Health Care

Health care costs in Los Angeles County (and San Diego) are among the highest in the country. There has been criticism of Federal health policies and efforts to control these costs. The President should anticipate these questions, particularly in the Laguna Hills, where approximately 13% of the population is over the age of 65.

13. Vietnamese Refugees

Roughly 30% of the Vietnamese Refugees have settled in California, particularly in the southern part of the state. In addition, there is some indication of a migration of refugees from other parts of the country back to California. This refugee concentration represents a major burden on local services and HEW has initiated demonstration projects (costing approximately \$2 million) in San Diego, Orange County and Los Angeles for concentrated vocational and language training. The local population is concerned about this concentration of refugees and Governor Brown and State officials have taken a very negative position on this entire refugee program.

SAN FRANCISCO AREA

1. Municipal Employee Strike

San Francisco has experienced a series of municipal employee strikes, the most recent of which occurred over the last two months. The strike has created an explosive situation with strong public sentiment against increased wages and union power. The local Board of Supervisors proposed to place the wage question on the ballot and public vote. However, the unions agreed to go back to work during negotiations if this matter was removed

from the ballot. However, a settlement has not been reached and the current peace is very tenuous.

2. Crime

The crime rate in San Francisco has been extremely high, particularly in "victim crimes." A recent report indicates that suspects are found for only 30% of the crimes and prosecutions occur in only 14% of these cases. The President should be prepared to outline his policy for crime prevention and control.

3. Transportation

BART continues to be of some controversy because of technical problems and lack of reliability. Mayor Reading of Oakland has been seeking completion of an expressway link in downtown Oakland to spur commercial development. FHWA is working with State and local officials to solve this problem part of which is the requirement of state government to meet the local matching requirements.

4. Local Public Service Scandal

Local newspapers have recently released a copy of an HEW audit of the San Francisco Department of Social Services. This audit indicates overpayment of approximately \$1 million to local welfare related firms. Many of these firms are owned by a prominent Democrat who is a friend of Mayor Moscone (D). The President should be prepared to address the problem of controlling welfare costs and preventing these kinds of local scandals.

5. Sewage Disposal

San Francisco Water Quality Board has recently shut down numerous construction sites and halted new construction plans until the locality finds a solution to sewage processing problems. Apparently, local processing capacity has been exceeded and there has been dumping into the San Francisco Bay. The President should be prepared to outline federal support for sewage treatment and water quality projects.

LOS ANGELES AREA (Additional last minute information)

14. Federal Highway Assistance

Councilman Robert Wilkinson (City of Los Angeles) has written to the White House expressing frustration with the Federal Aid Urban Systems Program as established under the past Federal-Aid Highways Act. This program was intended to allow the use of highway trust funds for a variety of the transportation related projects. An interim response has been sent to Councilman Wilkinson indicating that his problem is being reviewed by DOT. The President could indicate that he is sensitive to these kinds of delays and that he has launched several efforts to eliminate unnecessary Federal procedures and delays.

15. HR 10210 (Unemployment Compensation)

Congress is currently considering this piece of legislation to include State and local officials in the unemployment compensation provisions. Los Angeles County has been one of several local jurisdictions opposing this action and indicating that it would be a major financial burden on localities. Most of the large public interest groups representing State and local officials have taken positions in opposition to this legislation.

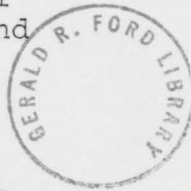
16. LEAA

Los Angeles County has experienced administrative difficulties in the LEAA program. Specific administrative procedures have, in the minds of some, incumbered more than was intended in the legislation.

17. City Financial Condition

Los Angeles Mayor Tom Bradley recently submitted an "unbalanced budget" with recommendations for major cut backs in personnel and city services. Similar to other cities in California, Los Angeles has experienced skyrocketing municipal service costs largely due to rising employee wages. A State law passed in 1972 (SB-90) placed a property tax limit on cities and counties. As a result, many cities are now reaching the legal limitation on property tax revenue. The fact that the State government has been enjoying a "surplus situation" has caused many local governments to demand greater state participation in local services costs.

(There is concern among some observers that Los Angeles may be nearing a financial crisis similar to that of New York City.)



SAN FRANCISCO AREA

(Additional last minute information)

6. Oakland

Oakland is experiencing severe financial strains. Mayor John Reading recently announced that a \$9 million cut-back in municipal salaries in services would be imposed. This plan calls for a lay-off of 265 employees and a reduction of departmental budgets by as much as 25%, including the closing of libraries, fire stations, and other facilities. Oakland's revenue has not kept pace with enormous increases in service costs and with high wages for municipal employees. Late last fall many observers felt that Oakland would be the next "New York City."

SAN DIEGO AREA

11. Tuna Industry

There was considerable opposition in San Diego to the 200-mile limit decision and there is opposition now to efforts in the Congress to force changes in tuna fishing techniques in order to save propoises which are sometimes caught in the nets during fishing operations. This issue has brought about considerable debate between conservationists and the fishing industry in California.

CALIFORNIA ISSUES UPDATE
May 20, 1976

FROM: THE PRESIDENT FORD COMMITTEE

CRIME

A recent effort to put a proposition on the primary ballot to ban private ownership of hand guns failed for lack of signatures on the petition.

Legislation authored by PFC Co-Chairman Denny Carpenter prohibiting a common form of plea-bargaining has been passed by the state Senate and is now being reviewed by the Assembly.

The measure would bar a judge from making an agreement with lawyers that would result in a light sentence for a defendant in exchange for a guilty plea. Also the bill would prohibit the court from considering the sentence or probation before a determination of guilt. While public reaction to this bill is favorable, some strong groups are opposing the legislation, among whom is the American Civil Liberties Union.

There are currently discussions between LEAA and the Los Angeles Police Department over equal opportunity standards. LEAA will withdraw \$10 million in Federal grants if LAPD does not improve its standards for testing, training and promotion of minority and women officers. A compromise agreement has been reached, and the terms of the draft agreement should be publically released this week.

ECONOMY

Official estimates of California's budget surplus for the year ahead nearly doubled as of May 17, 1976, from \$339 million to an unprecedented \$624.9 million. Governor Brown's Finance Director, Roy Bell, has indicated that California will recover this year on a par with the national economy, which was not anticipated previously by state economists. Federal revenue sharing funds could boost the surplus to over \$800 million, Bell said, or the state could lose up to \$200 million a year if Congress eliminates that source of funds. The President's revenue sharing proposals again should be stressed, especially in light of increasing the California surplus.

Bell increased his predicted growth rate in personal income from 10.2% to 10.9%, while reducing the expected CPI increase from 7.6% to 5.9%. He estimates statewide unemployment to drop to 9% in 1976, and to 7.9% in 1977.

ENERGY

Proposition 15, the proposal on the June 8 ballot to ban further nuclear plant construction, remains highly controversial and greatly misunderstood. A California Poll taken in early April revealed public awareness has increased along with public confusion over the proposition. Most positions are tentative, especially those opposing the proposal, who by poll results outnumber proponents 4 to 3. About 63% said they would wait until they heard more about the proposition before voting. The proponents of the nuclear ban are much more definite about their position. Replies to the questions show that a majority of Californians feel that to meet the future power needs, it is important to have more nuclear power plants. However, only a small plurality of the public feels existing nuclear power plants are safe enough so that the operation should not be cut back awaiting more strict safety regulations.

The June ballot measure would gradually phase out nuclear plants in California unless the state legislature certifies the effectiveness of safety systems and waste disposal methods. The initiative also would require Congress to lift liability limits on nuclear accidents before further construction could take place.

Labor groups are strongly opposed to Proposition 15, and are becoming more favorable to the Ford Administration in this regard.

ENVIRONMENT

Los Angeles is facing an increased air pollution problem which local residents perceive as being directly resultant from EPA and FEA's policies making natural gas for power generation less available.

HEALTH

There is some controversy as recently evidenced in California newspapers over the investigations by state auditors into the Department of Health's prepaid health plan program (PHP). The director of PHP, Thomas G. Moore, Jr., was recently fired amid charges of political favoritism in his hiring and in his lobbying for a \$5.3 million grant to California.

HOUSING/CONSTRUCTION

Public and private construction was hurt considerably during the worst of the recession, however private home building is presently improving gradually.

With the exception of labor groups, the President's veto of the common situs picketing legislation was favorably received. PFC state leadership does not recommend emphasizing this veto, however, in view of labor's increasing support for the President in California.

PRIVACY

Late last year, the California state legislature passed a bill which would have opened state government's files on individuals to those citizens upon their request. Governor Brown vetoed the bill, and the President's signing of the Federal privacy legislation should be stressed in contrast.



REVENUE SHARING

Simi Valley and San Fernando residents are most concerned with the December 31, 1976 cutoff of Federal revenue sharing funds. The 1972 plan has become an integral part of these cities' budgets and the funds are necessary to maintain or complete programs already started, such as improved sewage disposal, water supplies, municipal building construction, and police protection. Congress is being blamed for the cutoff, and statewide support for revenue sharing continuation is increasingly vociferous.

TRANSPORTATION

Using state and Federal highway funds for mass transportation is presently being debated and remains controversial.

Santa Clara County has recently imposed a ½ cent sales tax increase for allotment to their transit system fund, and such local initiatives should be praised as exemplary. In contrast, the Bay Area Rapid Transit (BART) system continues to be subsidized by the Federal government.

WATER

The State of California and its Department of Water Resources feel strongly that the Federal government should assume responsibility for water quality in the Sacramento-San Joaquin Delta when it is affected by Federal water projects which divert water from the Delta. The EPA and the Bureau of Reclamation are trying to reach agreement on who should bear the ultimate responsibility for insuring high water quality. The President's support of a resolution whereby State and Federal officials can cooperatively protect the Delta water should be explained.

An issue of controversy is the U.S. District Court ruling late last year that the California Water Resources Control Board cannot interfere with Federal management of the New Melones Dam, now under construction on the Stanislaus River near Modesto. The effect of this decision is that Federal rights are paramount in this area, and the state has no legal standing to challenge the bureau's policies.

However, Secretary Kleppe's authority in directing the Bureau of Reclamation while the ruling is being contested as to the Federal powers under the 1902 Reclamation Act is demanded by environmentalists who object to the Melones Dam case in particular, and by states' rights advocates in general.

YOSEMITE NATIONAL PARK

Californians are concerned over further expansion of Yosemite National Park and want limits on new construction and concessionaires. A joint report



recently issued by the House Government Operations and Small Business Committees urges the Interior Department to halt further development of Yosemite. The Interior Department will be working towards the goals expressed in this report.

REAGAN ON THE ISSUES

Ronald Reagan has not made any specific statements to California voters regarding his bid for the nomination. He has frequently referred to his record in California while campaigning in other states, but the specifics of those years in office have not yet received a great deal of renewed attention in California. Several months ago there were some negative editorial comments regarding Reagan's \$90 billion proposal to reduce Federal spending, as well as some adverse criticism about his claims regarding welfare reform in California during his tenure as Governor. Concern over both these issues has subsided. It should be noted that despite great interest in the press and among voters, there has been no reported evidence of specific Reagan media activity regarding the areas of defense and foreign policy as yet.

PFC leadership does not expect Reagan to change his issue emphasis in California. His increased support here has been generated by his now familiar attacks on defense, foreign policy, Secretary Kissinger, the growth of Federal bureaucracy, the increase in government spending, and the "Washington Establishment". His positions on these issues remains the same as outlined in earlier briefing materials.

For your additional information, listed below are some items regarding Reagan's record as Governor and as the leader of the Republican Party in California.

I. California Record as Governor

A. California Government Growth

ITEM The California state budget under Reagan more than doubled, increasing from \$4.6 billion in 1967 to \$10.2 billion in 1973.

ITEM The state payroll increased from 113,779 people in 1967 to 127,929 in 1973.

B. California State Taxes

ITEM Under Ronald Reagan, there were three separate state tax increases which totalled more than \$2 billion.

ITEM In 1967, one year after taking office with a campaign promise to "cut, squeeze, and trim" the state budget, Reagan signed a \$967 million tax hike, the largest state tax hike in the nation's history.

ITEM State personal income tax revenues under Reagan increased 500%.

C. California Welfare Reform

ITEM The welfare family roles during the Reagan years increased by 89.8% (from 729,357 to 1,384,400).

ITEM The cost of welfare programs in California under Reagan rose by more than 300% (from \$32.3 million to \$104.4 million).

ITEM Reagan's program to put welfare recipients to work succeeded with only 1.6% of those eligible for the program. Only approximately 1,100 of the 59,000 eligible participants were placed by the program.

II. The California GOP Under Reagan (1967-1974)

ITEM When Reagan became Governor in 1967, there were:

- 2 Republican U.S. Senators
- 17 Republican U.S. Congressmen (out of a delegation of 38)
- 38 Republican State Assemblyman (out of 80)
- 19 Republican State Senators (out of 40)

ITEM When Reagan left office in 1975, the Republican Party in California had lost:

- Both U.S. Senate seats
- Two Congressional seats, despite the fact that 5 new Districts were created by reapportionment (the result was a reduction of Republican strength in the delegation from almost half down to 35%)
- 13 State Assembly seats
- 4 State Senate seats

ITEM When Reagan took office in 1967, Republicans held five out of the six constitutional statewide offices.

ITEM When Reagan left office in 1975, Republicans held only one statewide constitutional office.

ITEM When Reagan took office in 1967, Republicans accounted for over 40% of the registered electorate of 8,340,868 voters in California.

ITEM When Reagan left office in 1975, the Republican share of the electorate had decreased by 5 percentage points (to 35%) despite the fact that registered voters had increased by almost 20% to 9,928,264.

ITEM Over 60 former appointees or key political and financial supporters of Reagan have turned against him and endorsed President Ford for the Republican nomination.

GUIDANCE

San Diego Guidance

From: Mayor Pete Wilson

Tuna- The tuna industry in the area is suffering, primarily because of government interference. A new cannery, which will double existing capacity, has just opened. The 200-mile limit will hurt the fishing industry because of their fishing grounds off Ecuador and Peru. As a result local fishermen may have to start registering their boats under foreign flags. Order concerning porpoises and tuna fishing is also seen as a threat. "Nothing much the President can do except express sympathy."

Federal Presence- The President should emphasize his role in preventing a federal prison from being built in Tierra Santa (a new middle-class residential neighborhood in San Diego). The President made this decision after a personal appeal by Mayor Wilson. "He has the undying gratitude of the people of Tierra Santa...A superb example of how his humanity and common sense at the highest level was able to overcome bureaucratic unresponsiveness" (in the Bureau of Prisons).

Shipbuilding- Veto of shipbuilding aid bill was unpopular.

Off-shore Drilling- The President should avoid the offshore drilling issue, and emphasize that need for energy must be combined with stringent environmental protection through Department of Interior.

McClure Case- The Marine recruit depot where Pvt. McClure died is located here.

Illegal Aliens- Concern over illegal aliens because "San Diego is the busiest international crossing in the world." A four-state commission on the subject has been formed.

Tourism- Importance of tourist industry in this area.

Revenue Sharing- San Diego was one of the first cities to receive special revenue sharing funds under the Community Development Block Grant program. If revenue sharing were cut, it would lead to either a drastic cut in public services or a substantial increase in local property taxes.

Airport- The San Diego airport has been the subject of considerable debate---FAA chief has suggested moving it away from the city for noise and safety reasons.

THE WHITE HOUSE

WASHINGTON

May 18, 1976

MEMORANDUM FOR: ROG MORTON
 DICK CHENEY
 JACK MARSH
 BOB HARTMAN

FROM: MAX FRIEDERSDORF

SUBJECT: California

At his request I met today for about an hour with Congressman Burt Talcott (R-Calif.) concerning the June 8th California Primary.

Burt, who as you know, is supporting the President and is a candidate as a Ford delegate had a number of specific suggestions concerning California which are as follows:

1. The President should not be too critical of Reagan because the former Governor is still popular within the Republican party and most Republicans in California believe he did a fair to good job as governor.
2. The entire State is very defense oriented and contains not only many military bases but it is home of a great number of active and retired civilian and military personnel. Burt believes that the President should praise those in the service and those who maintain and operate the numerous defense installations in California. He should not talk about cutting back on such things as commissaries.
3. Education is an area where Reagan has stumbled badly in California. The President should be strong for those who are involved in the educational field in California such as the teachers, administrators, and students and this is an area where the President's support of revenue sharing to get the burden off the private taxpayer can be utilized.



4. Although it has nothing to do with the Federal government, Burt says one of the most common complaints is about the private property taxes and this is another area where the President could emphasize his revenue sharing program designed to reduce the tax load. California is a high income area and people in the middle and upper income brackets are very concerned about their tax burdens.

5. The construction industry is in bad shape in California and has not as yet shared in the recovery. The President should try to say something positive about the construction industry.

6. The President should talk about the young people in terms of the tax burden and government expenditure bankrupting them and taking away their future options. Burt made the point that a lot of young people are working in California and they share in some of the same areas of concern as the older taxpayers.

7. The senior citizens in California run the gamut from those on welfare and those on good income. Burt thinks that they all would respond favorably to the President's strong record on fighting inflation and it would also be well received if he commented about the neglect of our senior citizens and his hope that they could be utilized creatively and not put on a shelf.

8. Talcott said the fishermen in California are about equally divided on the 200 mile limit and if possible to avoid this issue as it cuts both ways.

9. Most Republican women's groups oppose ERA and this is another issue to avoid if possible.

10. The President's theme of preservation and restoration of trust in the Presidency are excellent topics for California, as well as improving the economy.

11. Agriculture is still the No. 1 industry in California and 75% of the industry would favor a national farm labor law and removal of Agriculture from the NLRA exemption.

12. The President could stress that we need stability and uniformity in Agriculture regarding labor laws.



13. Talcott would hope that Mrs. Ford could accompany the President and he indicated that in his district in Central California Mrs. Talcott would like to organize a large meeting involving six Republican women's clubs.

14. Talcott said that all of the Republican Congressmen believe that if another central California event is scheduled and the President would like to make a campus appearance, something could be organized at California Poly, a moderate oriented campus at San Luis Obispo. This is in the southern part of Talcott's district, a few miles from Lagomarsino's district in a rural area, and Talcott thinks a beneficial rally could be organized quickly.

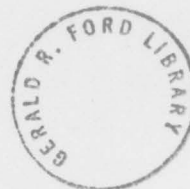
15. Talcott believes the President can capitalize on the anti-Washington feeling by stressing his own concern with those areas where he feels Congress is moving in a wrong direction.

16. Talcott says decentralization is a good word in California and when the President talks about taking government back to the states and localities he is saying what Californians like to hear because of their remoteness to Washington.

16. Talcott advertises against criticizing the bureaucracy per se because of the many Federal, State and local employees in California who represent a very large voting and lobbying block.

cc: Doug Smith
Dave Gergen
Jerry Jones
Bill Nicholson
Jim Shuman

P.S. Burt is available, of course, to enlarge or amplify on any of these themes or other issues not mentioned.



Additional:
BACKGROUND MATERIAL FROM CONGRESSMAN BURT TALCOTT
FOR CONSIDERATION PRIOR TO THE PRESIDENT'S
TRIP TO CALIFORNIA

1. Nuclear Initiative - Proposition 15 on Ballet on June 8 -
Proposes to delay the construction of nuclear power plants.
Should this initiative be approved, it could trigger similar
action by other states to defer nuclear power plant development.

2. Gun Control - (results of questionnaire on gun control offered by
Rep. Talcott.)
 - a) Require federal registration of all hand-guns .
yes 41% no 59%

 - b) Provide separate penalty for crimes committed with guns.
yes 78.75% no 21%

 - c) Restrict possession of hand-guns to those of legitimate need.
yes 26.5% no 73.5%

 - d) Make possession of all hand-guns unlawful.
yes 10.25% no 89.75%

 - e) Make no changes in federal gun laws.
yes 15.5% no 84.5%

3. Farm Labor - The State of California passed a farm labor law
which provided for representation elections. This was a
contest between the Teamsters union and the United Farm Workers
(Caesar Chavez). Governor Brown appointed a board that was biased
against the farmers. A number of state legislators in the California
legislature were able to block funding until modifications in the law
were adopted. This has resulted in a stalemate and presently there
are no funds available to carry out the Act.

4. Abortion - Right to life movement -
Although it has not surfaced as an issue yet, could be a potential
controversy (note* Senator Helms April 27 effort to get Senate
Floor action on question).



BACKGROUND MATERIAL UPDATE FROM REP. ALPHONZO BELL
FOR CONSIDERATION PRIOR TO THE PRESIDENT'S TRIP TO
CALIFORNIA

UNEMPLOYMENT- California is lagging in the economic recovery.

ENERGY- Elk Hills oil reserve is being opened up. Rep. Bell suggests plugging this as a good issue.

WATER- This is a problem in the San Joaquin Valley.

STOCKTON AND CONTRA COSTA COUNTRY- These areas are concerned about loss of water to the aqueducts.

People in his District are hard-lining on foreign policy; examples:

1. Panama Canal
2. Kissinger has oversold Detente
3. People want more U.S. self interest
4. Greater interest in Western Hemisphere affairs
5. Intense distrust of the Soviet Union
6. Generally negative towards federal government and the 94th Congress
7. Anti-regulatory sentiment among business interests



BACKGROUND MATERIAL FROM CONGRESSMAN CLAIR
BURGENER FOR CONSIDERATION PRIOR TO THE
PRESIDENT'S TRIP TO CALIFORNIA

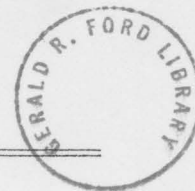
1. Escondido Mutual Water District - they have a case pending before the Federal Power Commission on relicensing a project, project #167, which is a test case and has been pending for almost five years now.
2. Proposition 15 - the President has already made a statement on this - Nuclear power initiative.
3. Relocating or rebuilding the Naval Hospital. Currently located in Balboa Park. There is discussion of abandoning it and building a new one in Murphy Canyon.
4. Location of solar energy research institute, ERDA project. California is one of the bidders.
5. Miramar Naval Air Station
 - Noise problem
 - Purchase of land easements for the Sea Wolf Corridor
 - Joint use as a commercial airport
6. San Diego International Airport
 - Current location versus Brown Field or Miramar
7. Status of offshore drilling in California
8. Mexican Border Issues:
 - Illegal aliens, Federal enforcement and Federal reimbursement for local costs.
 - Drug traffic
 - Tijuana Channel
 - Second border crossing
9. Tuna Industry
 - 200-mile limit
 - Marine Mammal Protection Act court ruling

10. Post Office - with an announced cutback of 400 men in the San Diego region.
11. Marine Mammal Protection Act and the taking of killer whales (their Sea World versus the residence of Puget Sound, Washington)
12. BIA approval of a rock concert on the Campo Indian Grounds.
13. The Coastal Commission and pending state legislation.
14. Flood Control Act and flood plain problems.
15. CETA extension (city expenditures versus the school system)
16. Federal downtown jail and the quality of life for prisoners. Continuing issue.
17. New Federal building for downtown San Diego.
18. General subject of military retirement benefits, with emphasis on commissary issue and reserve cutbacks.
19. Asparagus imports
20. National parachute test range El Centro - whether to close or transfer and whether the Air Force would consider withdrawing the 6511 air test squadron back to Edwards Air Force Base.

CONGRESSMAN

ANDREW HINSHAW'S

Weekly Washington Bulletin



Survey conducted in *JAN-1976*
April 22, 1976
(Share it with your friends, neighbors, co-workers)

FED SPENDING, DEFENSE, ENERGY
RATE TOP PRIORITY IN QUERY OF
RESIDENTS OF 40TH DISTRICT

The last of the responses to the questionnaire which I recently sent to all 40th District residents has come in and has been tabulated. I want to express my thanks to the many thousands who took the time to answer the 54 questions in five major

categories - National, International, Economy, Energy, and Environment. More than 5,000 of those responding offered additional comments, opinions, and suggestions, and I am responding individually to them in direct answer to the points they made.

THOSE AREAS GIVEN THE HIGHEST PRIORITY ratings by respondents, in terms of legislative and budgetary considerations, were energy research and development, defense, welfare reform, balancing and reducing the federal budget, tax reform, crime, and unemployment. I want to reiterate how much I appreciate your cooperation. These responses are of interest and value to me in establishing the priority and necessity of the various types of legislation which the Congress must review daily.

ON THE NATIONAL LEVEL, A SOLID MAJORITY of 63% believe President Ford is doing an acceptable job. They expressed themselves in strong support of his policies in the areas of fiscal matters, tax reform, financial plight of cities, employment, and decontrol of regulated industries. Insofar as the recent Congressional investigation of the CIA is concerned, 50% opposed it, and 45% were in favor. Transfer of the U. S. ownership of the Panama Canal to the Republic of Panama is opposed by 72% of the respondents.

IN THE AREA OF ECONOMIC CONCERNS, 91% support continuation of the current policy of disallowing government employees the right to strike. Inflation was identified by 64% as the major economic problem facing this Nation. And it is the view of 42% that the economy will improve, while 51% felt it would remain the same as 1975. Continued income tax cuts are favored by a strong 76%. An overwhelming 83% urged a balanced federal budget. Over half of the respondents do not receive any direct federal benefits, but they listed social security, defense, and veterans assistance as federal programs of particular importance and value to them. A full 81% said they would support reduced federal spending even if it entailed cuts in programs they, themselves, consider to be of major importance.

ON THE INTERNATIONAL LEVEL, CONGRESS is perceived by 55% as interfering in the Administration's operation of our foreign policy. Communism is considered by 76% to be a continuing threat to the U. S. today. There are 54% opposed and 41% in support of the policy of encouraging detente. Defense spending is declared by 57% to be at a proper level, while 40% consider it excessive. Secretary of State Henry Kissinger's performance in office is approved by 42%. Payoffs by U. S. companies to foreign governments/individuals to gain a contract was regarded by 54% as to be expected as a way of doing business while 44% believed such transactions to be morally wrong. With respect to the United Nations, 62% are of the opinion it is ineffective in world peace efforts. On the other hand, only 32% would support U. S. withdrawal from its membership in that world body.

IT IS THE OPINION OF 81% that development of all offshore oil and gas resources should proceed And 83% favor accelerated development of nuclear power plants. Consistent with that opinion, 76% favor a national commitment to the development of nuclear energy. A firm 70% stated their view that current safeguards are adequate to prevent the threat of a serious nuclear accident. As a member of the Joint House-Senate Committee on Atomic Energy, I found those attitudes of particular interest. So, too, did my fellow members of this major committee.

FOUR QUESTIONS WERE POSED REGARDING THE ENVIRONMENT. In answer to, "Do you think current Federal environmental standards are too stringent, not stringent enough, adequate, or no opinion?", 18% felt they are too stringent, while the rest of the respondents were almost evenly divided between the standards not being stringent enough and adequate. In contrast, 57%, as compared to 39%, felt that environmental controls should be relaxed to accelerate development of nuclear energy. And 55% felt environmental and industrial concerns should be considered equally.

Again, please accept my thanks for responding in such large numbers to the questionnaire. I hope you find these results to be of interest in your perspective on national and international issues. I also trust you will feel free to continue to share with me your views and opinions on any other matters of mutual interest and concern.

In recent weeks, through faulty computer programming, some families have received more than one copy of my Weekly Bulletin - I hope this problem is now corrected.

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THE WHITE HOUSE
WASHINGTON

May 5, 1976

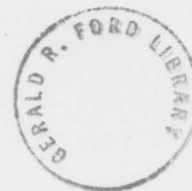
MEMORANDUM FOR: MAX FRIEDERSDORF
FROM: CHARLES LEPPERT, JR. *CLJ*
SUBJECT: Rep. John McFall (D. - Calif.)

Rep. John McFall has asked his friend Del Smith to call me relative to the problem of his client, the City of Long Beach, California.

The Energy Conservation Act which the President signed into law allegedly contains a gravity differential provision which is causing problems in California and specifically in Long Beach where, because of the gravity differential, the price of California crude is ten percent higher.

Del Smith, along with Rep. Mark Hannaford, contends that FEA has done nothing to correct this situation and as a result oil wells are being shut in.

McFall, Hannaford, and Smith all contend that this will be an issue for the President in the California primary June 8 and allege that Reagan is on top of this issue. All of them suggest that this issue could be defused if FEA would do something about it.



BACKGROUND MATERIAL FROM CONGRESSMAN BOB WILSON
FOR CONSIDERATION PRIOR TO THE PRESIDENT'S
TRIP TO CALIFORNIA

1. (Q) What are the possible national effects of the passage of Proposition 15, the California Nuclear Initiative?

(A) A "ripple effect" across the country as other anti-nuclear energy groups flex their muscles. Passage of the initiative will have a profound negative effect on the future of nuclear energy in America at a time we need to increase not reduce our energy options.
2. (Q) Is it true that passage of our own 200 mile limit will virtually destroy the tuna fishing industry as it exists today?

(A) Not necessarily. If the Law of the Sea Conference produces a treaty that establishes a 200 mile limit, or economic zone, for coastal states, negotiations may provide for U.S. fishing rights and considerations.
3. (Q) Why is Henry Kissinger so determined to give away the Panama Canal?
4. (Q) Why does the Administration, through the Defense Department, try to cut back benefits for military personnel, such as commissaries, retirement and medical care?
5. (Q) Why is the Administration so unsympathetic to the elderly, for instance, by trying to substantially increase the average out-of-pocket expenses?
6. (Q) With the current rate of unemployment, why is the Administration continuing to close military bases and cut civilian jobs from the military payrolls?



THE WHITE HOUSE

WASHINGTON

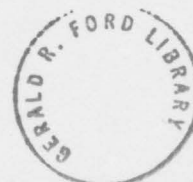
May 20, 1976

MEMORANDUM FOR: MAX FRIEDERSDORF
THROUGH: CHARLES LEPPERT, JR. *CLJ.*
FROM: PATRICK ROWLAND *PR*
SUBJECT: California trip

Pete McCloskey suggests that the speech material, whether it be just topics and outline or the final rough draft for the President's California visits, be reviewed by Bob Wilson, Chuck Wiggins and himself.

Pete feels, and I agree, that they could check it for particularly sensitive items and to make sure he is on target for the audience. As you know, California is a diverse state and there would not be one theme that would be popular in all areas.

Secondly, Rep. Wiggins raises a question about the President's appearance before the California Peace Officers Association. Recently, the House had before it H.R. 365, The Firefighters Benefits Act and H.R. 366, Public Safety Officers Benefits Act. Wiggins and the Administration opposed these bills because of the \$50,000 gratuity for police and fire death benefits. Needless to say, the California Peace Officers Association has not been too pleased with Wiggins position. He does not know whether they are aware of the fact that the Administration opposed the bill, but certainly the President should be aware of this problem.



CITY FACTS

CALIFORNIA

Sunday, May 23
Late Afternoon

Mission Viejo, California.

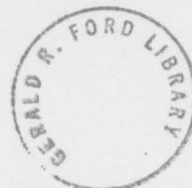
- This will be an outdoor event sponsored by the Community Advisory Council of Mission Viejo.
- Event is a community gathering to celebrate the tenth anniversary of Mission Viejo, a successful planned development in Orange County.
- The community is middle to upper middle income with a heavy orientation to 30-45 year old people in the process of raising their families; there will be many children attending.
- The community is in the heartland of Orange County's conservative belt. The residents, while conservative, tend to be more moderate than the older residents of Orange County.

Sunday, May 23
Evening

Leisure World, Laguna Hills, California.

- Residents are limited to persons 52 years of age and older; there are 19,000 residents in this community.
- 78% of the residents are Republican and 94% of all residents vote.
- Event is sponsored by the Leisure World GOP organization.
- The community is generally pro-Reagan.

cont.



Leisure World, Laguna Hills, California,
cont.

- Its members are made up of solid middle class people who are not at all dependent upon Social Security; many have come to the area from outside of California (mainly the mid-West) for their retirement.
- The head of the GOP organization reports that the following issues are of interest:
 - a. The Panama Canal.
 - b. Henry Kissinger.
 - c. National defense.
 - d. The integrity of the Social Security system.
- Only 1,000 people will attend because of space limitations, but the speech will be covered by closed circuit television and undoubtedly will eventually be seen by all community residents.

Monday, May 24
Late Afternoon

San Diego, California

- You will be addressing a group sponsored jointly by the San Diego Chapter of the Navy League and the San Diego Chamber of Commerce.
- 2000 people are expected and there will be live local TV coverage.
- The newspapers have billed this speech as a major speech on national defense.



CALIFORNIA Q & A'S

CALIFORNIA -- VIETNAMESE REFUGEES

- Q. Mr. President, the Federal government made it possible for Vietnamese refugees to settle in this country and large numbers of them have settled in California creating an unfair burden to the people of California. Why does your Administration refuse to pay for the full costs for the refugees in areas like education?
- A. Let us look at some facts. Although the Federal government made it possible for Vietnamese refugees to come to America the Federal government did not resettle them in specific states. This was handled by private organizations. It is a tribute to the warmth of the people of California that so many refugees were offered help to relocate in this State.

The Federal government has provided considerable assistance to the states. We have paid 100% of all public assistance services (cash, medical, social) provided to the refugees, amounting to \$24 million in California. We have paid the incremental costs of educating the refugees, which totals \$5.58 million in this State. And, recently (3/76) we approved a \$2 million English language development program for the counties of Los Angeles, San Francisco, San Diego and Orange aimed at getting adult refugees with employable skills into the job market. Of the 90 million dollars obligated nationwide this fiscal year for refugee assistance, thirty-five percent (\$31.58 million) of that 90 million dollars will go to the State of California.

In the area of education, specifically, I would like to review the facts. The Federal government has paid the incremental costs of educating Vietnamese students. In school districts where less than 100 Vietnamese students are attending, the Federal government pays \$300 per pupil. In the 13 districts in California with more than 100 students, and ten of these have less than 200, the Federal government pays \$600 per pupil. I think these figures show the Federal government has assisted greatly in helping California adjust to the refugees situation. The successful integration of the Indo-Chinese refugees into our society has been encouraging. At the present time I feel there is no need for further Federal involvement in this area, but this is a situation I will watch carefully.

Background

California officials estimate 50,000 Vietnamese refugees live in that State. This does not correspond to the alien registration cards filed in that State in January 1976, which reflect approximately 25,000 refugees in residence in California, or 21.6% of the total refugee population.

Education officials of California say that the Ford Administration has reneged on its promise to pay 100% of the cost of educating Vietnamese refugees. Their claims are based on two grounds: 1) Ambassador Dean Brown, the first Director of the Refugee Task Force did send out a telegram indicating no State would suffer direct financial cost from educating refugees. Subsequent to that telegram all testimony given by Administration officials clearly indicated the Federal government would only pay the incremental costs of education; 2) during debate of the Indo-China Refugee Aid Act Congressman Fish and Eliberg responded in the affirmative to queries from the California Congressional delegation about fully funding education costs for the Vietnamese refugees.

It should be noted that in September 1977, Federal responsibility to provide public assistance (cash, medical, social) to the refugees will end. There are House (H.R.7897) and Senate bills (S.2145) awaiting conference, which would extend Federal education responsibility for two more years. The House bill authorizes \$23 million to continue to pay incremental costs, while the Senate bill authorizes \$125 million to pay full costs. The Administration has opposed both bills though House version is less of a problem.

The theory for terminating Federal aid for refugees is that as these refugees integrate into the society, gain employment and pay taxes, they are no longer a special burden.

WMD/5/21/76

HEALTH CARE COSTS

- Q. Southern California has a high percentage of senior citizens and retired families. It also has two counties -- Los Angeles and San Diego -- with the highest health care costs in the Nation. Is there anything the Federal government can do to alleviate this problem for our elderly people?
- A. My administration is deeply concerned about rising health care costs, now estimated at a rate of 14 percent annually. It is inflationary and also cuts seriously into the limited income of our senior citizens. National Health Insurance may be an answer, although I have not yet seen a proposal that is not astronomical in costs. As you may know, I did offer Congress a limited plan -- one that would deal effectively with catastrophic illness, particularly for the elderly. But so far, Congress has not seen fit to act on it.

Background

Both Los Angeles and San Diego counties have heavy numbers of elderly. They also have some of the highest health care costs in the Nation. This is especially true in the communities of Laguna Hills and Mission Viejo, where 13 percent of the population is over age 65. HEW takes the position that some of the problem can be solved by assuring proper and effective delivery of health care services through better monitoring of programs, especially Medicare and Medicaid. Such efforts as Health Maintenance Operations (HMOs) and Peer Review by physicians (PSRO's) may help to assure that the monies are spent with maximum effectiveness.

SCM
5/21/76

WELFARE FUNDS

- Q. A recent court decision involving Los Angeles County ruled that the Federal government could not withhold funds from states with errors in their welfare rolls. What happens now?
- A. I am aware of the court decision which labelled our efforts in setting error tolerance as "capricious and arbitrary." The fact remains there are serious problems in most States where the welfare rolls have many ineligibles and many overpayments and underpayments. HEW, following the court ruling, is examining with State and local government some error rate tolerances that will acceptable to the court.

Background

On May 15, the U.S. District Court in Washington ruled that HEW's basis for taking fiscal disallowances against states which exceed acceptable levels of error rates in the Aid to Families with Dependent Children (AFDC) program was not valid. This is the "quality control" program, which found some \$123 million in erroneous payments in the AFDC program nationwide. HEW is still undecided about appealing the ruling. Meanwhile, the Department is working with States and local communities to come up with alternatives that will be acceptable to the court. The Court did not rule that HEW could not make disallowances to States with excessive error rates. But the court wants to know on what basis HEW determines what is an acceptable error rate -- two, three, five or ten percent?

SAN FRANCISCO PUBLIC EMPLOYEE STRIKE

Q. What do you think about the terms of the settlement in the San Francisco strike?

A. As I understand it, a number of items are presently before a fact finding panel and it would, therefore, be inappropriate for me to comment. The important point, however, is that the matter was handled in accordance with local and State laws -- as it should be. It is the people at the local level after all who are the taxpayers and they are the ones who should have control over such matters.

DHL/5/21/76



HOLLYWOOD-BURBANK AIRPORT, BURBANK, CALIFORNIA

Question

What position has the Federal Government taken in regard to the need for the airport and its purchase by the City of Burbank?

Answer

The FAA recognizes its importance and has included the airport in the National Airport System Plan as a publicly owned facility. More than \$200,000 in Federal funds have been committed in the past two years in conducting feasibility studies pertaining to acquisition by the City. A master plan and an environmental assessment have been included in the scope of work accomplished with Federal funds. Although the studies are not complete, preliminary indications favor continued operation of the airport by the City of Burbank.

Question

Will Federal funds be available to the City for acquiring the airport?

Answer

The Airport Development Aid Program expired on June 30, 1975. The Congress is currently considering new legislation which will extend the program and it is expected that they will complete their work shortly. A request for funds by the City of Burbank, which must be supported by an adequate environmental assessment, will be evaluated along with other requests in an attempt to equitably allocate the available funds to meet national aeronautical demands.

BACKGROUND

The Lockheed Aircraft Corporation, owner of the Hollywood-Burbank Airport, has announced their intention to sell this airport. Their intention to sell is based on the conclusion that the airport does not represent the most effective use of corporate assets.

The airport is providing a valuable public service. Nearly one million passengers are enplaned each year. The three air carriers which serve the airport (Continental, Hughes Airwest, and Pacific Southwest Airlines) conduct in excess of 30,000 operations a year. The loss of the airport to non-aviation interests would have an adverse impact on the aeronautical demands now served by the airport.

The City of Burbank, with Federal assistance, has conducted studies



to evaluate the feasibility of acquiring the airport. They have also developed a master plan for the development of the airport if it is acquired. They are currently evaluating environmental impacts that may result from acquiring the airport.

The FAA recognizes the importance of this airport and the National Airport System Plan recommends its acquisition by an eligible sponsor at an estimated cost of \$65 million. Satisfaction of environmental requirements must be completed before any formal commitment of Federal funds for acquisition can be made.

JRH 5/21/76

SANTA MONICA MUNICIPAL AIRPORT, CALIFORNIA

Question

Mr. President, what will be done with the plant area left behind by Douglas Aircraft Company when it has moved out?

Answer

This question should be answered by the airport owner and the local community. There have been some proposals for a recreation area or an industrial park, but nothing firm has developed.

Question

Does the FAA recommend the expansion of Santa Monica Municipal Airport?

Answer

The FAA recommends taxiway and apron construction and replacement of the lighting system, but no runway construction or expansion of the airport property.

Question

How will the new legislation assist communities, such as Santa Monica, which are subjected to aircraft noise?

Answer

The Administration has recommended that any new airport development legislation also make funds available for the acquisition of land for environmental compatibility. This should assist the City of Santa Monica as well as communities across the nation which must deal with unwanted noise.

BACKGROUND

Santa Monica Municipal Airport, owned by the City of Santa Monica, is a large general aviation airport which acts as a reliever to the Los Angeles International Airport. It is one of the busiest single runway airports in the United States. In 1975, there were 240,780 operations at this airport. There are 435 based aircraft at the airport. The airport has had six grant-in-aid agreements during the period 1948 to 1968. The total amount of Federal funds involved was \$232,000. The airport is included in the National Airport System Plan for improvements involving \$302,000.

The City of Santa Monica has a ban on all jet operations at this airport; however, in an emergency, there can be a jet operation. The airport is located in the middle of a largely residential area and is a noise sensitive facility.

JRH 5/21/76

PROPOSED PALMDALE INTERNATIONAL AIRPORT, PALMDALE, CALIF.

Question

Mr. President, does the FAA still support the Palmdale proposal?

Answer

Further Federal action must be contingent on the environmental outcome of the impact assessment process, and following its completion, the FAA and the U.S. District Court must reach a favorable decision in order to lift the injunction before any Federal funds could be released. Therefore, I do not feel that I should make any further statements on it at this time.

BACKGROUND

In 1964 the Palmdale Airport was conceived; and in 1968 it was proposed to be located just east of the 6,000 acre U.S. Air Force Plant 42 on 17,500 acres of undeveloped land in the Antelope Valley. This airport, which is approximately a one hour, fifteen minute drive from downtown Los Angeles, was projected to take the pressure off the Los Angeles International Airport.

In 1971, FAA approved the Antelope Valley site and authorized \$100,000 in Federal funds for land acquisition. In February 1971, a suit was filed in the U.S. District Court, District of Columbia, by the Sierra Club claiming unsatisfactory assessment of environmental issues. Since that time, the environmental impact has been studied and re-studied using updated forecasts of aviation demands.

The FAA anticipates environmental processing of the new assessment to begin early this summer and conclude one year later.

JRH 5/21/76

Los Angeles/Anaheim

DAY CARE VETO

Q: Mr. President, there is a lot of concern in the Los Angeles area about your veto of the day care bill. Would you comment?

A: I vetoed H.R. 9803 the day care bill on April 6 because it would have perpetuated rigid Federal day care standards and make these services more costly to the taxpayer without making them more widely available. At that time I recommended to the Congress that they take action to extend until October 1, 1976 the moratorium imposition of Federal child day care staffing standards that it voted last October. This would give the Congress ample time to act on my proposed Financial Assistance for Community Services Act, introduced as H.R. 12175 and S. 3061, under which States would establish and enforce their own day care staffing standards and administer their social services programs in ways they believe will best meet the needs of their citizens.

My veto was sustained and the Congress is now working on a compromise measure on day care. If that passes the Congress, I will give it full consideration.

Background

Both the Los Angeles Times and the McClatchy newspapers (Sacramento and Fresno Bees) have called editorially for Congress to come up with a compromise measure that will offset the President's veto of the child care legislation. The papers' position is that closing day care centers will force many working parents onto welfare rolls, adding to the inflationary aspects of the Federal budget at a cost to the taxpayers of some \$125 million. Meanwhile, California's Governor Brown has asked the State Legislature for \$10 million to fund a project to find cheaper ways of providing more care for children of low income Californians. The proposal has been criticized as "too vague and filled with unknowns" by the Legislative Analyst's Office.

In nearby Anaheim, the local chapter of the League of Women Voters has been critical of the President's veto. Several courses in day care services are being offered in the local colleges.



LEAA -- LOS ANGELES POLICE DEPARTMENT

- Q. Police Chief Edward M. Davis has recently criticized the Administration for threatening to cut off Federal funding to certain Los Angeles Police Department projects.

According to the Chief, the Law Enforcement Assistance Administration has threatened to cut off Federal funds unless the Police Department hires more minority and women officers. What is your position on this matter?

- A. As it understand it, the situation is as follows:

You, of course, know that the LEAA is required to insure that all LEAA recipients are complying with the civil rights provisions of the Crime Control Act of 1973. As the result of a recent analysis of the Los Angeles Police Department, several questions were raised about the Los Angeles Police Department's compliance with these civil rights provisions.

Representatives of LEAA have negotiated with the Police Department a tentative agreement, however, which should resolve these problems without the necessity of further action.

BACKGROUND

As a result of an analysis of the Los Angeles Police Department's Equal Employment Opportunity Program, required of all LEAA recipients, a number of areas were discovered which indicated possible noncompliance with the civil rights provisions of the Crime Control Act of 1973. These problem areas were outlined in a November 19, 1975, letter to Chief Edward M. Davis of the Los Angeles Police Department.

→ Representatives of LEAA have successfully worked out a tentative agreement with the Police Department which would avoid the necessity for further enforcement proceedings. This agreement is currently being reviewed in Washington by the Administrator and a final decision is expected within the next week.

HOUSING - LOS ANGELES

Q: What does HUD intend to do about the Carmelitos project in Long Beach?

A: The issue involved is whether modernization work is to be done on this project or whether it would be demolished and rebuilt. At one point HUD set aside funding for this project, but when it appeared that preliminary planning work would not be completed during the current fiscal year the funding was used elsewhere with the intention that the program would be refunded when the planning is completed.

At the present time, an environmental impact statement is to be prepared. Decisions on actions to be taken will be made when this has been completed.

BACKGROUND

The Carmelitos project is a public housing project built in 1943, composed of 716 units and owned by the Los Angeles Housing Authority. Recently, it has been the subject of unfavorable newspaper articles about the vandalism and crime taking place there. Its occupancy rate is down to nearly 50%.

The Long Beach City Council, in whose jurisdiction the project is located, has rejected a HUD proposal to demolish it and build a 500 unit project in its place. The Council does not want a new project to replace Carmelitos when it is torn down.



FLM
5/21/76

LOS ANGELES SCHOOL DISTRICT

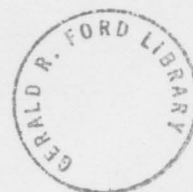
- Q. Can you tell us what the status of the HEW action against the Los Angeles School District is?
- A. As I understand it, HEW recently determined that the Los Angeles School District's faculty assignment plan was in violation of Title VI of the Civil Rights Act of 1964. I am advised that this matter was raised by HEW officials with the School District and that an acceptable agreement has been worked out.

BACKGROUND

The Regional Office for Civil Rights in San Francisco notified the Los Angeles School District on March 5, 1976, that its faculty assignment practices violated Title VI of the Civil Rights Act of 1964.

On March 18, 1976, the Director of the Office for Civil Rights and members of his staff met with school officials and reached an agreement whereby the faculty will be desegregated within two years. For the 1976-77 school year, no school will have a faculty which is less than 15 per cent nor more than 50 per cent minority. For the 1977-78 school year, the faculties at all schools will be within a range of 20-40 per cent minority.

The system has now submitted the detailed faculty assignment plan and the letter formally accepting it is scheduled to be mailed by the San Francisco Regional Office on Monday, May 24, 1976.



SCHOOL DESEGREGATION

- Q. An appeal is pending before the U.S. Appeals Court that may result in busing in the San Jose school district. Are there no other alternatives to busing?
- A. I am opposed to busing. But the courts must be obeyed, and if the decision is that San Jose must have busing then that will be the law. However, I have asked the Attorney General and the Secretary of HEW to suggest alternative approaches. Maybe some other way can be found to assure equality in educational opportunity without the disruptiveness of busing children many miles and many hours away from their homes. I hope so.

Background

In January, 1976, the U.S. District Court ruled that the San Jose Unified School District is not unconstitutionally segregated and that the segregation of Spanish-surnamed pupils is not intentional. On May 13, 1976, that decision was appealed to the U.S. Court of Appeals by three Mexican-American families. If the District Court decision is overturned, according to school district officials, the only method of achieving racial balance will be through busing students outside of their neighborhoods. The school district admitted in 1973 that 35 of 43 schools were racially imbalanced as a result of residential patterns beyond the purview of the school authorities. There is no estimate on when the appeals court will make its ruling.

Meanwhile, other cities in Santa Clara County were advised in a report released this month (May) by the Santa Clara County Human Relations Commission to re-examine the neighborhood school concept. The report urged the communities to price 20 percent of homes in new housing development so they attract low and moderate income families. The commission was created following a hearing to explore housing patterns and zoning laws that contribute to segregated schools. Santa Clara county did not want Boston-type violence.

UNIONIZING FARM WORKERS

- Q. The United Farm Workers Union, under the leadership of Cesar Chavez, continues to urge consumers from coast-to-coast to boycott California-grown grapes and lettuce. Why doesn't the federal government stop these boycotts?
- A. Because secondary boycotts, in the case of agricultural products, are not unlawful. Agricultural products are not covered by the National Labor Relations Act. It is this legislation that outlaws the use of secondary boycotts.

BACKGROUND

Cesar Chavez, with the help of AFL/CIO, has been attempting to organize California's agricultural workers for many years. One of his primary tools has been the secondary boycott. More recently the Teamsters Union stepped in and began organizing these workers, creating a jurisdictional dispute.

The dispute between the two unions, plus the fears of growers about unionization of farm workers, has created widespread bitterness, hostility, and unrest which upon occasions has exploded into open conflict.

California's Governor Brown, in the spring of 1975, exerted vigorous legislative leadership and gained approval of the "California Labor Relations Act." This legislation was patterned after the National Labor Relations Act. Both growers and leaders of the unions under a degree of duress agreed to the provisions of the bill.

Implementation of the legislation, however, is now at a standstill. Three members of the five-man California Agricultural Labor Relations Board have resigned and the state Senate has refused to grant the board emergency funds to carry on its work. ||

Growers claim that Governor Brown promised them an unbiased board but actually "stacked" it with pro-labor, pro-Chavez appointees and that the board promulgated rules that growers could not tolerate. ||

It is not known what the California legislature will do about funding the board during the next Fiscal Year, which begins July 1, 1976.

Farm leaders in California say that California growers would support removal of the agricultural exemptions appearing in the National Labor Relations Act. Growers in several other states, including Florida, Texas and possibly Arizona, plus other areas of the South, are said to oppose such action. |

Farmers, of course, fear work stoppages at harvest time or other key periods. Due to the perishability of many farm products and the seasonality of planting, etc., a work stoppage at any of several vital periods in the production of fruits, vegetables and some other crops could cost the grower all of his income for an entire year. Many growers therefore feel that they would be compelled to cave in to union demands, no matter how exorbitant they might be, in order to stave off bankruptcy. This is because the loss of income from a farm for a full year could bankrupt many growers.

GROVE SHAFTER FREEWAY
OAKLAND, CALIFORNIA

Question

Mr. President, what is your position on the completion of the Grove Shafter Expressway in Oakland, California?

Answer

I think it is a great idea. I was glad to see that the Federal Highway Administration approved this project in January and have added the mileage to the Interstate System. As I see it, it is now in the hands of the State and local officials to complete the final details.

Background

In August of 1975, the State of California requested an additional 1.8 mile be added to the Interstate System in Oakland between Interstate 580 and State Route 17. The cost for this is \$30 million.

On December 19, 1975 the FHWA conditionally approved this project (the condition being that the 1 mile which is already completed construction, not be added, but that they would add the .8 mile to the system).

In January, 1976, FHWA gave final approval of the project after the State agreed to the conditions.

The problem now is funding. By law, the State of California must pay the difference from 91.49 (or 8.51 percent) percent of the cost. FHWA and the State of California are now negotiating the possibility of using money which the State had paid out in housing for displaced residents as part of their highway payment. If all things go as scheduled, construction could begin by 1977.

JRH 5/20/76

GUN CONTROL

Q. Won't your proposed gun control legislation ultimately result in the licensing of all firearms?

A. Absolutely not.

The anti-crime bill which I submitted to Congress is aimed at controlling the illegal use of guns, particularly the "Saturday Night Specials" which are cheap handguns no legitimate gun fancier would own. I have also asked Congress for additional funds to control the illegal use of guns in high crime areas.

But let me emphasize what I am trying to do because I want no one to get the wrong impression:

I am not for the type of prohibitive gun control that some people advocate.

I do not believe we should penalize the legitimate owner of a firearm.

I am opposed to the registration of a gun owner.

And I am opposed to the registration of handguns.

DIAMOND LANE

Question

Mr. President, do you think the "Diamond Lane" is a good idea?

Answer

The "Diamond Lane" for the exclusive use of buses and carpools on the Santa Monica Freeway is a California State Department of Transportation initiative undertaken in consultation with local officials. I am impressed by the degree of local cooperation that has made this project possible.

We, at the Federal level, are interested in any local initiatives that can contribute to the national goals of energy conservation and reduction of air pollution. We are also interested in seeing the existing transportation facilities utilized in the most efficient manner. I know these are your goals, too. If the "Diamond Lane" can demonstrate these benefits without creating unreasonable inconvenience to the motorists, then I am sure the people of Los Angeles will increasingly express their support for it.

Background

About two months ago, two lanes of the Santa Monica Freeway were reserved during rush hours for the exclusive use of buses and carpools carrying three or more persons. The experiment was initiated by the California Department of Transportation (CALTRANS) in cooperation with Southern California Rapid Transit District.

The "Diamond Lane" became the center of a controversy on the first day it opened when a gigantic traffic jam developed. Although many of the technical difficulties have been smoothed out, the "Diamond Lane" continues to be sharply criticized: (1) the accident rate on the freeway is higher than it was before Diamond Lane; (2) motorists continue to experience increased delays at some of the metered ramps (although the delays are growing shorter); (3) the reserved lane is perceived as being underutilized; (4) the experiment is felt to have been introduced without enough advance preparation of public opinion and in a heavy handed manner.



Local political reaction is split. County Supervisor Kenneth Hahn has vociferously opposed the project. Supervisors Don Ward and Pete Schabarum have counseled patience. Los Angeles Councilman Marvin Braude has urged modifying the project. Mayor Bradley has been maintaining a low profile, but is known to favor the project. At the State level, Adriana Gianturco, the newly appointed Director of the State Department of Transportation (CALTRANS), strongly endorses it and has at least tacit support from Governor Brown.

Local press has also been split: the Herald Examiner opposes the Diamond Lane; and the Los Angeles Times increasingly muted in its criticism.

The U.S. Department of Transportation has not taken an official position but has been trying to convey a general feeling of sympathy with the objectives of the experiment. Secretary Coleman on his recent visit to Los Angeles was supportive of the project in his comments at a press conference.

CETA -- SAN JOSE

- Q. Mr. President, is it true there is an investigation being conducted in San Jose concerning the misuse of CETA funds?
- A. Yes, there is. An audit by the San Jose City Attorney's Office raised questions as to the propriety of certain expenditures (\$35,000) made by a CETA subcontractor. The executive director of that subcontractor (Community Center for Career Development) is on administrative leave as the investigation continues.

WMD/5/20/76

GI BILL -- LOS ANGELES (CITRUS COLLEGE)

- Q. Mr. President, why did the VA try to cut off GI Bill benefits to veterans attending Citrus College in Los Angeles?
- A. In routine audits in April and September of 1975 VA representatives found substantial errors in Citrus College's veterans benefits records. A complete audit in October 1975 revealed 400 veterans had received payments to which they were not entitled. Subsequently these veterans were prohibited by the VA from receiving further benefits until past accounts had been settled. This group of 400 veterans obtained a court decision requiring back payment of benefits and which required the VA to give each and every veteran a hearing providing due process before benefits could be suspended.

Background

The court decision was handed down during the week of May 10. The VA believes that if a due process hearing for each veteran whose benefits are suspended becomes a nationwide requirement, it could mean substantial delays in recovering up to one-half billion dollars in education overpayments.

WMD/5/20/76

SOCIAL SECURITY TRUST FUND

Q. Is the Social Security Trust fund in financial trouble, and if so, what do you intend to do about it?

A. The facts are these: There's approximately \$40 billion in the Trust fund at the present time but it's being steadily reduced because benefits have been raised substantially without any corresponding increase in incoming revenues. In this current 12-month period, for example, there will be a \$3 billion deficit between income and outgo. In the next year, unless we do something about it, the deficit will climb to \$3 1/2 billion and to \$4 billion the following year. We can do either of three things about it in my view. We can reduce benefits, something none of us wants. Or we can dip into the general treasury -- in other words, tap every taxpayer. That's the easiest solution. Or, we can -- as I favor it -- increase the payments or contributions made to Social Security by employers and employees. We calculate that increase to be about \$49 per year for each employee, which I think is the fairest and most honest way to solve the problem. Those benefiting from the program should help support it.

Background

The statistics involved are woven into the suggested answer. The President recommended an increase in taxes paid by employer and employee to the Trust Fund to Congress, where the matter currently rests.

SCJ
5/20/76



CALIFORNIA

PRE-PAID HEALTH SCANDAL

- Q. Mr. President, what do you intend to do to clean up the reported scandal in the management of pre-paid health plans which provide medical services to the needy?
- A. HEW has just given a substantial grant of \$5.6 million to California for a model project designed to provide answers to many of the pre-paid health plan problems in California and other states. And I also understand that HEW is currently conducting an investigation into specific allegations of the misuse of funds.

Background

There have recently been several articles published in California newspapers concerning the "firing" of the Alternative Health Systems Division Director of the State Department of Health. Some of these articles have attempted or alleged to tie-in this personnel action with the Federal grant to the State designed to improve rate-setting and quality control in PHPs. Also one of the PHPs in Southern California is being investigated for alleged misuse of Medi-Cal* funds. Some of the press articles have also attempted to tie-in this investigation to the alleged "firing" of the State Department of Health official. The investigation is in process and has not yet been completed.

* The Medicaid (Title XIX Program in California is called *Medi-Cal*.

SCJ
5/20/76

CALIFORNIA

WELFARE PROGRAM

Q. Mr. President, how well is California running its welfare programs, compared to other states?

A. California's performance is acceptable in some areas, not so good in others. For example, in the operation of the Aid to Families with Dependent Children (AFDC), the rate of ineligibles receiving welfare funds is just within federal standards. On the other hand, its overpayments exceed the federal standard, but are lower than the national average.

Background

Payments in the AFDC program to ineligible persons and incorrect payments to persons otherwise eligible (both too much money and too little money) have been excessive in numbers and amounts. This has long been a matter of concern, both to the general public and to the Department of Health, Education, and Welfare. In 1964 the Federal Government mandated that all States operate Quality Control programs. The purpose was both to establish error rates on a continuing basis and to provide State management with a powerful tool for corrective action. In April 1973 Federal regulations made it a matter of Federal policy not to participate in incorrect payments, and provided for withholding the Federal share of dollars misspent, to the extent that error rates exceeded 3 percent of cases ineligible and 5 percent of cases overpaid.

Nationally, ineligibility rates are 6.4 percent and overpayment rates are 14.7 percent for the 6-month period ending December 13, 1975. California's ineligibility and overpayment rates for this same period are 2.9 percent for ineligibles and 12.4 percent for overpayment.

Because California is within tolerance on ineligibles cases any Federal disallowance action will be limited to monies lost because of overpayment.

SCJ
5/20/76

CALIFORNIA

SSI OVERPAYMENTS

Q. Are SSI check overpayments still a problem in California?

A. Regretably, the answer is yes. In California, the overpayment error rate has been reduced from 23 percent to some 17 percent, for a six-month period ending last December. That's still much too high, of course, but we're making steady progress.

Background

Nationally, overpayment rates have declined from 19.4 percent from the 7/74 - 12/74 period to 17.6 percent during the 7/75 - 12/75 period. In California, the corresponding reduction went from 23 percent to 17.4 percent. Administrative and legislative proposals to streamline and simplify the SSI program have been introduced or are under consideration and, if implemented, should further reduce the SSI errors.

SCJ
5/20/76

STRIP MINING IN DEATH VALLEY

Q: Some critics are wondering just how enthusiastic your Administration is in its endorsement of new legislation which would cut off new mining claims in Death Valley, and in four or five other National Park areas. Can you clarify?

A: We are strongly committed to legislation that would end a very archaic practice of allowing anybody to come into Death Valley or any other area managed by the National Park Service, and staking a claim as if he were on any ordinary part of the public domain. Park lands are special, and when Congress allowed these few areas to remain open to mining many years ago, it was before the age of giant strip mining machinery. We don't say, "Stop all existing activity," but we do think environmental regulation is necessary within the parks, and we oppose new mining claims in parks under the 100-year-old mining laws.



STRIP MINING IN DEATH VALLEY
(Follow-up question)

Q: If you're against strip mining in Death Valley, why has the Department of the Interior issued leases to mine uranium in the Grand Canyon region, and why are you about to open up big areas of the West to coal strip mining?

A: Mineral leasing is quite different from claim-staking. It is authorized under more recent laws which give the managers of public lands much more authority to regulate what goes on, because the land remains in Federal ownership. As for the Grand Canyon, the leases are actually in the Lake Mead National Recreation Area, and their legality is still under study at this time. Coal leasing would take place in different type of terrain, outside any National Park area, and would be subject to environmental restoration.

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

Question:

Mr. President, the Southern California Rapid Transit District has been forced by the Department of Labor to enter into a labor agreement it does not like because Department of Transportation funds could not be made available to it without Department of Labor certification. Do you think this is right?

Answer

I am aware of this situation. It relates to the implementation of a provision of the Urban Mass Transportation Act (UMTA-SS13(c)) which says basically that recipients of Federal funds must certify that employees will not be adversely affected by the use of those funds.

Recently, concerns have been expressed about the implementation of this requirement. I do not think it would be appropriate for me to comment on the specifics of any local labor-management agreement which stems from the 13(c) requirement. However, at the national level, I have asked Secretary Coleman and Secretary Usery to examine the way 13(c) is being implemented and I have charged my Domestic Council to make recommendations on improving the 13(c) process.

BACKGROUND

Los Angeles County Supervisor Pete Schabarum serves on the Board of the Southern California Rapid Transit District. He has been the leading figure in challenging DOL handling of Section 13(c) cases. Schabarum has met with a number of people at the White House to argue his case.

The majority of the Board of the Transit District, while approving an agreement with the unions which DOL will find acceptable, indicated their approval was granted "under economic duress:" if they failed to grant approval, the transit district would have run out of operating funds.

The broader 13(c) problem has been discussed with both Bill Coleman and Bill Usery. They will be examining the matter carefully. Given the state of the law and other developments, however, it is not clear that they will agree to recommend any significant changes at this time.

DHL/JRH
5/21/76

SANTA BARBARA CHANNEL

Q: What is the status of oil development in the Santa Barbara Channel?

A: Thirty-five leases on which drilling was suspended in 1974 when the issue of creating a reserve in the Channel was before the Congress have reverted to their previously valid status as the result of court action initiated by the oil firms. The Department of the Interior expects to continue receiving requests for exploration and development programs on existing leases such as the already approved project of Exxon in the Santa Ynez unit.

A demand by the California Coastal Zone Commission that Exxon build a crude pipeline from Santa Barbara to Los Angeles has forced the Company to reconsider a plan to build an off-shore tanker terminal for its Hondo field in the Santa Ynez unit. Interior Under Secretary Frizzell wired the Commission in March that if Exxon rejects the Commission's conditions, the Department will not withdraw its approval of the alternate off-shore facility.

OCS LEASING OFFSHORE SOUTHERN CALIFORNIA

Q: What is the status of OCS leasing offshore Southern California?

A: The Department of the Interior held a sale of oil and gas leases on December 11, 1975, off Southern California. From the sale, the Department accepted high bonus bids totaling about \$417 million for 56 tracts covering 310,000 acres.

Suits by California and environmental interests to delay the sale were rejected by the courts. Before the sale, Secretary Kleppe eliminated a number of proposed tracts for environmental reasons and issued new and tougher environmental restrictions to protect unaltered estuaries, seabirds, sea mammals and coral formations.

The Department's preliminary leasing schedule issued in June 1975 calls for another Southern California OCS sale in 1977. However, the first step in the leasing process, issuance of a call for nominations, has not been taken to date (May 19).

Secretary Kleppe has vigorously supported expeditious development of OCS oil and gas resources with proper environmental safeguards as vital to our economic welfare and national security.

EXPO '81

Q. Mr. President, have or will you recognize Expo '81, which is required (by law), if this highly important project for Southern California and the Nation is to become a success?

A. The Secretary of Commerce, Elliot L. Richardson, approved Expo '81 for the reservation of their date this past April with the Bureau of International Expositions (BIE) in Paris. This international body governs the frequency and conduct of "World's Fairs," and the United States is a treaty member.

We expect the BIE to reserve the Expo '81 date in late August. Afterwards I will receive a report from the Secretary of Commerce which indicates whether guaranteed financial (and other support) has been secured from your local and State governments and from your business and civic leaderships. Also, the Secretary of State will advise me whether the exposition qualifies for international registration.

Once these reports are received, I will move rapidly to give my decision on whether Expo '81 is in the national interest.

INSTALLATION OF EXPENSIVE WATER AND WASTEWATER
TREATMENT MEASURES

Q: Why is EPA requiring installation of expensive water and wastewater treatment measures?

A: The Federal Water Pollution Control Act and the Safe Drinking Water Act each set forth treatment requirements set by the Congress that must be met by municipal departments providing water and wastewater disposal requirements. EPA translates these statutory requirements into regulations, and the State of California has assumed responsibility for implementing the regulations. We are always willing to review the regulations to see that they do not impose excessive requirements, and, understand that the Los Angeles City officials have worked out many of the problems with State and Federal agencies. I should add, at this point, that State and local requirements are frequently more stringent than those mandated by the Congress.

Background

- ° The Federal Water Pollution Control Act requires that municipal wastewater discharges meet secondary treatment requirements by 1977.
- ° There are major sewer systems in both the Los Angeles and San Francisco regions which do not presently meet these requirements. State and Federal grant funds are available to meet 87-1/2 percent of the capital cost of improving these plants. However, besides the 12-1/2 percent local share of construction costs, local communities would face increased costs for operation and maintenance of the facilities. Federal law requires that the operation and maintenance costs be met through a system of user charges. EPA has requested an amendment to the law to permit use of other than user charge funding methods.
- ° The Safe Drinking Water Act requires that drinking water meet Federal drinking water standards established to protect public health.

- ° The State of California has assumed responsibility for ensuring that standards are met.
- ° The State is requiring Los Angeles to treat the Owens Valley water supply in order to meet Federal standards for turbidity (which interferes with disinfection).
- ° There are no provisions for providing Federal financial assistance for either construction or operation of the water treatment facilities.
- ° The House Public Works Committee filed its report on H.R. 9560, amendments to P.L. 92-500, the week of May 10; likely to go before the House Rules Committee next week, and floor action on the bill is expected the week of May 24.

COMPLYING WITH THE CLEAN AIR ACT IN CALIFORNIA

Q: How will California communities possibly meet the standards of the Clean Air Act by 1977?

A: We share local concern about the 1977 date for achievement of the standards in Los Angeles, San Francisco and other areas of California. We have proposed amendments to the Clean Air Act that would provide greater flexibility in accepting reasonable control measures. The Senate Committee has reported and the House Committee is presently considering amendments to the Act. We hope to get a workable bill out of the Congress during this session.

MTA. ~ / BAKER ?

Background

- ° Clean Air Act requires all health standards for air pollution be met by July 1977.
- ° Several areas, including San Diego, Los Angeles, and San Francisco, cannot meet standards by 1977 without severe social and economic impact in those areas.
- ° The National Academy of Sciences' report indicates all air quality standards are supported by evidence on health effects and that benefits related to their achievement outweigh costs.
- ° EPA has recommended amendments to the Clean Air Act which would provide the time and local flexibility needed to achieve the goals of the Clean Air Act.
- ° The Senate has passed legislation amending the Act, and the House Public Works Committee is presently considering amendments. There are numerous differences between the Senate and House versions which will have to be resolved in conference. Both versions, however, provide a degree of flexibility in dealing with the concerns of local government.



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CALIFORNIA DROUGHT

Q: California is suffering the third driest year in recorded history. What impact is this having on Federal water projects, and will there be enough water to meet all demands?

A: With the exception of the Friant Division in the San Joaquin Valley, most Bureau of Reclamation reservoirs in California should have adequate water supplies to meet summer demands for irrigation, hydroelectric power and municipal and industrial uses. In the Friant Division, drought conditions will require the Bureau to cut water deliveries from the Central Valley Project's Friant-Kern and Madera Canals by about two-thirds. However, those users are expected to rely heavily on ground water recharged by deliveries in earlier abundant years to meet most of their needs.

Although the drought is drawing down Federal reservoirs to their lowest levels in history, the Bureau assures me that with cooperation of the water users and State agencies, enough water should be available to meet most demands. Every effort is being made to ensure that no one suffers a serious hardship.

CALIFORNIA SEA OTTER

Q: Many people in California are concerned about the survival of the California sea otter--a very appealing animal which feeds on such highly prized shellfish as abalone, Dungeness Crab and Pismo Clam. Is the sea otter about to be declared an endangered species, and if not, will the State of California be allowed to manage the sea otter as it does other wildlife?

A: We won't have an answer to that for some weeks to come. The sea otter is covered by the Marine Mammal Protection Act and the State has applied to the Interior Department for a limited waiver. The State's plan is a rather ingenious way of keeping the otter within a certain range. That plan has been reviewed, but before a decision on it can be made, Interior must first decide whether to list the sea otter as "threatened" under the Endangered Species Act. Decisions on such listings require a good bit of research and a formal proposal for public comment.

OSHA FARM MACHINERY REGULATIONS

- Q. Is it true that OSHA plans to require owners of farm tractors, machinery and equipment to install roll-bars and cover all pulleys and cog wheels?
- A. I understand that OSHA has developed some safety regulations covering farm equipment which is operated by hired help. The intent of course, is to reduce the number of people killed and injured each year in serious accidents.

Some of the OSHA regulations are to go into effect next October. Others are scheduled to go into effect sooner and I understand this has been a matter of some concern to farmers because OSHA was delayed in publishing and distributing educational material which describes what the regulations require. There is also the problem of making changes in the middle of the busiest time of year for the farmer.

I have been assured that Dr. Corn, the head of OSHA, is very aware of these problems and is looking into the matter carefully. He tells me he fully appreciates the fact that publication in the Federal Register is not the best way to help farmers understand what steps need to be taken.

Background

Many farmers are insisting that tractors be equipped with roll-bars. Something like 600 operators were killed last year by tractors without roll-bars upsetting. In the case of tractors with roll-bars only one or two operators were killed in 1975.

The regulations dealing with roll-bars do not go into effect until October. Others, dealing with rear end drive trains and pulleys and cog wheels are due to go into effect on June 6, but this is what OSHA is now reviewing.

DHL/5/20/76



NUCLEAR MORATORIUM

Question

What is your position on the proposal that will soon be before the voters of this State to restrict the use of nuclear power?

Answer

First of all, I don't believe it would be proper for me to attempt to tell the people of this State how to vote on a State ballot issue. However, I will share with you my thoughts on the general subject of nuclear energy and the role that it must play in supplying our energy needs.

If we are to meet our energy needs in the years ahead in a responsible manner, we must increase the use of both coal and nuclear energy. We will have to continue to rely on those sources until more acceptable alternatives are developed, and we are pushing ahead on all promising alternatives.

Even with strong efforts to conserve energy, the Nation's energy needs will be increasing. We cannot continue to increase our reliance on expensive imported foreign oil without jeopardizing the Nation's strength and welfare.

With respect to nuclear power, several points are important:

- . First, we are now in the 18th year of commercial nuclear power production in the United States. We now have more than 50 plants operating. In total, the Nation's commercial nuclear plants represent nearly two hundred plant years of operating experience -- without a single death from a nuclear accident. That's a good record.
- . Second, even though we have an excellent safety record, we are continuing our efforts to assure it remains so in the years ahead. As one step, I have asked for more funds in 1977 for both the Nuclear Regulatory Commission (NRC) and ERDA for reactor safety R&D. I have also requested funds for a major expansion of programs to provide safe, secure, and environmentally acceptable transportation and storage for nuclear wastes.
- . Third, in January 1975, I activated NRC as an independent regulatory agency for commercial nuclear power. Ensuring the safety and security of nuclear power plants are primary responsibilities of that agency.

- . Fourth, my environmental advisers have told me that from an environmental point-of-view, nuclear energy is preferable to the other principal ways of generating electricity.

Finally, I recognize that there are still a number of responsible people in the country that have legitimate concerns and questions about nuclear power. This is quite understandable. We should expect questions about any relatively new technology. It's important that we respond to these questions in a thorough and candid manner, and I have asked that all Federal agencies do just that.

GRS
5/20/76

CONTROVERSY OVER FEA'S DECISION ON
"GRAVITY PRICE DIFFERENTIAL" FOR CALIFORNIA CRUDE OIL

Question

Are you going to let stand the FEA's decision on California crude oil prices which discriminate against California?

Answer

I understand that FEA had decided earlier that no adjustments were needed. However, I also understand that FEA has decided to reconsider the entire Gravity Price Differential question and that new data will be made available shortly to FEA on the issue.

I am looking forward to the day when all Federal price controls on crude oil are removed so that matters such as this can be decided in the marketplace rather than under Federal price controls.

Background

The Gravity Price Differential provided for in FEA's price regulations has been the subject of controversy for months, particularly with respect to California-produced crude oil.

- Lighter, high gravity crude can be more easily separated into products for which demand and prices are traditionally high, such as gasoline, diesel fuel and jet fuel.
- Heavier, lower gravity crude is used to provide products in less consumer demand, such as residual fuel oil.
- California-produced crude is principally of the heavier, lower gravity variety. For the mostpart, a gravity differential covering California crude oil is included in FEA's price regulations. The practical effect is that the controlled price of the lower gravity California crude (old oil) is about \$4.20 per barrel compared to the national average of \$5.25 per barrel.

This matter has been extremely controversial. FEA reconsidered it several months ago and decided not to make a change. FEA is considering it again as part of the rule-making under the Energy Policy and Conservation Act.

WHY ISN'T THE ADMINISTRATION SUPPORTING THE CALIFORNIA
STATE COASTAL COMMISSION IN ITS DISPUTE WITH EXXON

Question

Why isn't your Administration supporting the California State Coastal Commission by requiring that Exxon transport oil from the Santa Barbara Channel by pipeline rather than by tanker?

Answer

I understand that the Interior Department has informed the California State Coastal Commission that it is withdrawing permission that would have allowed Exxon to build offshore loading facilities in Federal waters and use tankers to transport oil. Permission is being withdrawn until a study can be completed of the benefits and costs of alternatives for transporting oil. State officials are being consulted on the study.

I want it to be clear that the Federal Government is not trying to interfere with the Coastal Commission. The people of California have a very strong interest in this matter and I am confident that the Commission will agree on an approach that permits safe and orderly development of the oil and gas resources involved.

Background

- The oil involved is the "Santa Ynez Unit," a group of Federal leases beyond the three-mile limit in the Santa Barbara Channel.
- Interior Department approved development of leases in September, 1974, using either an onshore tanker terminal or, if necessary onshore State permits were not granted, an offshore tanker loading facility in Federal waters.
- The Coastal Commission recently refused to issue onshore permits -- except under stringent conditions which are unacceptable to Exxon.
- The Coastal Commission continues to favor a pipeline and has asked Interior to withdraw its approval of an offshore facility which could accommodate tankers.

WHY SELL A TRILLION DOLLARS WORTH OF OCS LEASE
OFF CALIFORNIA FOR \$400 MILLION

QUESTION

Why did the Administration, last December, accept bids for only about \$400 million for the oil and gas leases in waters off Los Angeles when the leases were worth over a trillion dollars?

ANSWER

The trillion dollar figure that appeared widely in newspaper accounts was an estimate of the value of leases on all tracts that were put up for competitive bid. That figure should not be confused with the value of leases that were actually sold.

About 30 percent of the tracts offered were actually sold. The high bids on the tracts sold totalled a little over \$400 million. This \$400 million exceeded the U.S. Geological Survey's estimates of the value of the tracts sold. 111

Unfortunately, news accounts of the matter were based on a misunderstanding of the facts. >

RELATED QUESTION

Will there soon be drilling for oil and gas in the Outer Continental Shelf (OCS) area leased last December off Los Angeles?

ANSWER

I understand that Interior has received 5 applications for exploratory drilling. These applications have not yet been approved. Secretary Kleppe indicates that, if the permits are granted, exploratory drilling activities could begin this summer and would probably be near the area already developed in State waters off San Pedro Bay.

It is important to recognize that this is exploratory drilling only and does not mean that full development plans have been approved. Development plans will be submitted later by the lease holders and there will be full opportunity for State participation on the review of those plans.

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ACCEPTABILITY OF HOUSE AND SENATE OCS
LEASING BILLS

QUESTION

What is the Administration's position on the bills now in Congress that would change the offshore oil leasing system, set up an oil-spill liability fund, and provide impact aid to States affected by offshore oil leasing?

ANSWER

Our position is that the OCS leasing program, as it stands, is basically sound. It provides environmental protection, orderly development of needed oil and gas, and a fair return to the taxpayer.

We therefore would oppose passage of any bill which substantially hampers the program. We have opposed the Senate bill, S.521, for this reason. It would be expensive and wasteful, give money to States regardless of need, delay development, put the Federal government in the oil exploration business.

The House bill, H.R.6218, has not yet been passed, but it is also objectionable. Whether the end-product of Congressional action on these bills will be acceptable, of course, remains to be seen.

LIFTING THE SUSPENSIONS ON UNION OIL COMPANY'S
DRILLING OPERATIONS IN THE SANTA BARBARA CHANNEL

QUESTION

Shortly after the Santa Barbara oil spill in 1969, former President Nixon suspended Union Oil Company's permission to install a third platform (known as Platform C) in the lease where the spill occurred. Now Union Oil is asking your Administration to lift that suspension and permit development to resume. Are you going to let them go ahead?

ANSWER

I understand that Interior Department is considering the request but has not yet made a decision. Interior recently completed an Environmental Impact Statement covering development in the whole Santa Barbara channel. Interior Department now has a good basis for considering Union Oil's request.

FOLLOW-ON QUESTION

Why would Interior even consider allowing more drilling in the area where the spill occurred?

ANSWER

That's a matter for the experts to deal with. However, I do understand that some 90 wells have been drilled since 1969 in the same lease that experienced the blow-out. Apparently a great deal has been learned about the geology in that area and about the steps needed to reduce the risk of another spill. Also, Interior Department has issued new Operating Orders for the area which include strict new safety standards.



NAVAL PETROLEUM RESERVES (ELK HILLS)

Question

Now that Congress has approved production of oil from Elk Hills, when do you expect production to start?

Answer

I understand that the Navy has advertised for bids for the Federal share of oil from Elk Hills and expects to receive and evaluate the bids during June. Current plans call for beginning production at the rate of about 45,000 barrels of oil per day around the first of July and increasing the production to 100,000 barrels per day within three or four weeks thereafter.

GRS
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CONGRESSIONAL CUT IN BASIC RESEARCH FUNDS

Question

Many in the scientific community were encouraged by the increases that you proposed in your 1977 Budget for R&D, and particularly for basic research. However, a House Appropriations subcommittee has cut \$56 million from the NSF budget request for basic research. Is there anything we can do to get these funds restored?

Answer

One thing you can do is to let your Congressmen and Senators know of your concern.

I was disappointed to hear of this cut. I gave special attention to the need for increased funding for science and technology when formulating my 1977 Budget. I requested an increase of about 11 percent.

Federal support for basic research has been declining in constant dollar terms since 1967. My request was designed to reverse that decline.

We need to support basic research because it provides the scientific basis for dealing with future problems of the nation and bolstering economic growth.

Background

This budget cut by the Boland Subcommittee of House Appropriations has attracted considerable attention in California university communities.

GRS
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EARTHQUAKE THREAT

Question

What steps is the Federal government taking in response to the recent announcements about the possibility of an earthquake in the Los Angeles area before long?

Answer

As a first step I have directed that \$2.6 million in Federal funds be reprogrammed so that the U.S. Geological Survey can assess carefully the significance of the "Palmdale Uplift" -- the rise in the earth's surface along the San Andreas fault, north of Los Angeles.

I have also directed my science adviser, Guy Stever, to work with the Interior Department in developing an earthquake prediction program. An advisory group, composed of leading national experts in the field, will review the proposed program.

Our experts tell me that our ability to predict the occurrence and extent of an earthquake is improving, but it is still very limited.

The Federal responsibility in connection with earthquakes is principally to support research to improve prediction and mitigation, provide warnings and provide disaster assistance. State and local governments have the primary responsibility, however, for responding to such emergencies.

I have been told that the most serious hazard to life from an earthquake is from the collapse of buildings and other structures so that adoption of appropriate zoning and construction standards at the local level is among the most important preventive measures which can be taken.

GRS
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