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ABSTRACT

Two documents were released to the press on January 18, 1973, by Secretary Richardson, one summarizing his term of office as Secretary of Health, Education, and Welfare, and one reporting on HEW potential for the seventies (SO 005 666, SO 005 699). In an introductory statement prior to the press conference, the question of whether or not we as a society can manage our human resource development is raised. The crisis of performance within our institutions, of resources, of equity, and of control, has become a crisis of confidence. A new approach to HEW and to social problem solving is seen as necessary. Progress made in educational legislation, in social security benefit increase, and in other social reform legislation indicates that the department has benefited from changes in planning and management. Questions raised by the press dealt with revenue sharing, states' responsibility, comparisons between this and other countries' social welfare programs, desegregation, educational funding, mental health, medical research funding, and HEW administrative policies. In his answers, Mr. Richardson placed emphasis on progress made in legislation, further program achievements needed, and in the need for evaluation of programs at all levels to ensure efficiency in planning, in placing priorities and in continuation of efforts. (JMB)

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

PRESS CONFERENCE

WITH

ELLIOT L. RICHARDSON

SECRETARY OF HEW

U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
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Room 5051
North HEW Building
Washington, D. C.

Thursday, 18 January 1973

The conference met pursuant to notice at 11 a.m.

UNEDITED TRANSCRIPT

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P R O C E E D I N G S

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SECRETARY RICHARDSON: Good morning, ladies and gentlemen.

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I was going to introduce this as my last press conference as Secretary of HEW. At the rate the Senate is going, I am not so sure.

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(Laughter).

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SECRETARY RICHARDSON: I can't guarantee, though, that I would generate between now and any even fairly prolonged additional period in HEW a whole lot more to say than everything that you have already received here today. I will read a brief sort of general statement embracing some of the things in both of these two pieces of paper, one of which is a kind of retrospective summation of what I think has been accomplished, progress achieved, in the last two and a half years. The other one, the report on HEW potential for the seventies builds on the papers that we distributed about a year ago which I have been unable to think of otherwise than as my Castro speech; that, as many of you knew, grew out of a series of talks to departmental people in an effort to bring together comprehensively for their benefit, an overview of what it seemed to me important for us to try to do.

This paper is a -- in some senses a restatement and in some an updating of the earlier one and it attempts to look ahead toward the reshaping and redirection of HEW

11 1 efforts.

2 So let me proceed now to a fairly brief prepared
3 statement and from there we can go to your questions.

4 In June, 1970, when the President nominated me as
5 Secretary of Health, Education, and Welfare, one newspaper
6 headlined, "Question: Can Anyone Really Administer HEW?"

7 To my mind such questions are seriously off the
8 mark. Administering HEW -- in the sense in which it is
9 ordinarily understood -- is a relatively soluble problem.
10 The more fundamental question in my mind is focused not on
11 the managerial skills of an individual. The more fundamental
12 question -- the question which is of primary concern to me
13 as I leave HEW -- is whether we as a society can effectively
14 manager our human resource development.

15 There is, in my opinion, a developing crisis --
16 still largely hidden -- facing the human service sector of
17 our society, a crisis which may challenge the fundamental
18 capability of our society to govern itself.

19 It is a crisis of performance -- in spite of our
20 progress, our institutions are failing to live up to our
21 rising expectations.

22 It is a crisis of resources -- and of equity.
23 Budgets have spiraled upward, priorities have been
24 reordered; yet to extend the present range of HEW services
25 equitably to those in need would require seemingly impossible

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allocations of resources -- an additional 20 million trained personnel and an additional \$250 billion, more or less, a sum equal to the entire federal budget.

It is a crisis of control -- in many fundamental respects the human service system is developing beyond the scope of executive control...or of congressional control...or of consumer control...or of public control. The legislative process has become a cruel shell game and the service system has become a bureaucratic maze -- inefficient, incomprehensible and inaccessible.

The crisis is, as a result, a crisis of confidence -- there is an increasingly pervasive sense not only of failure, but of futility. Not only is the capacity of our institutions challenged, so, too, is our regenerative capacity.

I am thoroughly convinced that the conceptual framework which has guided us in the past is no longer tenable. To fulfill our responsibilities, we must reconceive our approach to HEW and social problem-solving.

Today I am releasing my final report as Secretary of HEW, "Responsibility and Responsiveness (LL): A Report on the HEW Potential for the Seventies." The report elaborates upon my perception of the impending crisis. It proposes a radical simplification and clarification of our conception of the functions of HEW: first, providing financial assistance to individuals; second, providing financial assistance to



1 states and localities; and third, building human resources
2 capacity. And it suggests the direction of reform for each.
3 The report is not a progress report; its emphasis is on the
4 job which remains to be done.

5 There has, nonetheless, been much progress to which
6 one might point with pride. The department has, I think,
7 found a cohesive sense of purposes. Its planning and manage-
8 ment systems have been strengthened. Its responsiveness has
9 increased.

10 In the past year alone, we have seen the enactment
11 of profoundly important social reform legislation: the
12 Education Amendments of 1972 which provide the necessary
13 authority to help ensure that all who wish -- regardless
14 of income -- may enjoy the benefits of higher education;
15 the Emergency School Aid Act which provides authority to aid
16 school districts in achieving integration; the 20 percent
17 Social Security benefit increase which, combined with the two
18 previous benefit increases, marks the most rapid rate of
19 increase in the history of the Social Security Program -- a
20 51.8 percent increase in less than four years -- along with
21 the "cost-of-living escalator" provision which ensures that
22 henceforth social security benefits will be inflation-proof;
23 and the Social Security Amendments of 1972 which comprise a
24 wide range of highly desirable reforms, the most significant
25 of which is authorization of the new Supplementary Security

1 Income program -- providing a nationwide uniform minimum
2 income for the blind, the disabled and the aged poor.

3 In concluding, I wish to thank you, ladies and
4 gentlemen of the press, for my association with you and for
5 your efforts -- throughout my tenure as Secretary of HEW --
6 to report to the public in a manner which is accurate,
7 informed, and balanced.

8 QUESTION: Mr. Secretary, your radical simplifica-
9 tion that you call for includes granting more authority and
10 more responsibility to state and local general purpose govern-
11 ment. But also on the horizon is the prospect of fewer
12 dollars for state and local governments. How do you sell
13 this element of the new federalism to states and cities when
14 you have to live with this reality?

15 SECRETARY RICHARDSON: Well, I think there are two
16 things to be said about that. One is that the merits of this
17 simplification itself do not stand or fall on the number of
18 dollars channeled through the reformed structure. The
19 case for simplification has to rest on the need for greater
20 responsiveness and greater accessibility to influence of the
21 process of choice by the people generally and the Congress.

22 As to the dollars, it is in a sense harder to sell
23 if it should turn out that the gross number of dollars avail-
24 able for things that would now be folded into a simplified
25 structure is less than it would be if you could in effect

1 buy reform by saying you can get a larger amount of money
 2 if -- but only if -- the reform is enacted. There is another
 3 side and that is that if, given the constraints of a full
 4 employment budget, available revenues, and all the impeding
 5 claims against these revenues, there has to be a squeeze,
 6 then isn't it better for state and local authorities to be
 7 making choices based on their knowledge of needs at the
 8 state level than for those choices to be made by federal
 9 officials, whether in the Executive Branch or the Congress?

10 QUESTION: Mr. Secretary, my question is directed
 11 to the figures in your statement that go to the cost of all
 12 those potentially theoretically eligible for HEW programs,
 13 were actually to apply for and receive those benefits, what
 14 I would call the retardive device of the extreme case.
 15 In your previous post and in your present post you have had
 16 quite a bit of contact with other countries. How would you
 17 comment on the fact that a number of other advanced industrial
 18 countries apparently expend greater proportions of their public
 19 budgets and greater proportions of their gross national product
 20 on these same social welfare programs and yet their economies
 21 appear to be stronger than ours and their currencies are
 22 stronger than ours?

23 SECRETARY RICHARDSON: Well, they are non-comparable
 24 economies in a great many ways. They are also simpler
 25 societies, facing fewer social problems. They tend to be



1 societies that are largely homogenous racially and that have
2 not undertaken to achieve a good life and equality of
3 opportunity for nearly such a wide range of peoples assembled
4 in such a long series of historic actions bringing within the
5 borders of the U. S., in addition to those who chose to come
6 here, a lot of people who did not.

7 The point, in any event, is not one of -- it seems to
8 me -- of what is a given level of what is done in other
9 countries and what is done here. In, for example, some of
10 the countries with the most elaborately evolved health
11 insurance systems which are good at dealing with critical
12 illness, there are very serious back logs, worse than in the
13 U.S., for elective procedures, mental health services,
14 rehabilitation services, and so that the problem really is
15 one that derives from what the American people have come to
16 feel should be accessible to them.

17 Take, for example, as one of the illustrations
18 underlying these projections, community mental health
19 services. I am -- have long been a strong believer in that
20 program, and yet only about 20 percent of the population of
21 the U.S. now lives within this service area of a community
22 mental health center, so the kind of figure that is involved
23 here is the figure that is the amount of money that it would
24 cost if the entire population lived within such a service
25 area.

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When you look, for example, at mental retardation services, another example, we have a range extending all the way from barely more than custodial care to places that respond to the opportunities for the maximum self-development of the retarded child, humanly and with the best available knowledge about teaching and psychology testing and with enough people to work lovingly with each child.

Now the American people would clearly hope and expect that we ought to be able to do that, but to do it costs vastly more than what we are now spending per retarded child.

Or mental health services. We have had suits in some states insisting upon treatment and that means presumably more than merely token treatment, actually to provide the kinds of levels of psychiatric care that are provided in a few high quality institutions, in all mental health institutions, would involve not only more money, but vastly increased numbers of people; and so what I have given here is a kind of ballpark estimate of what the projection would take you to.

In case not all of you are students of the thoughts of Richardson --

(Laughter)

SECRETARY RICHARDSON: -- I want to stress why I use this figure, these projections. It isn't because I am



1 saying the American people ought to be content with where we
2 are and not struggle to do better, to extend higher quality
3 care to more people. The thing that worries me is that not
4 enough people are aware of the necessity of choice among
5 competing claims and real needs, because even if we were pre-
6 pared to tax ourselves to the limit, you couldn't produce the
7 people quickly required to meet optimal or even good standards
8 for all those theoretically eligible.

9 So one of the things -- and this is the point I
10 made over and over again -- one of the consequences of
11 unrealistic expectations is frustration with the processes of
12 government; erosion of confidence in government; alienation.

13 And what I have argued over and over again is that
14 to deal with the problem of frustration with government and
15 alienation, we need to make clearer to people why we cannot
16 do everything at once, why all their expectations cannot be
17 met today or the day after tomorrow.

18 I think people can and will understand and accept
19 it if they are leveled with on this score; and that essentially
20 is what I am trying to do.

21 The simplification -- I -- you know, I note
22 references to slashing funds and so on. That isn't what it
23 is about. If they have to be squeezed because of the overall
24 budgetary problem and the increases in some directions and
25 the uncontrollable programs of the department, that is a --

1 that is a -- that is a touch decision to have to make and
2 we would hope that revenues as they arise will help to offset
3 that; but the point of all this is that people are
4 effectively shut out of the process of choice when the choices
5 involve 310 different department programs. What well --
6 reasonably well-informed and concerned citizen can be
7 expected to go through that kind of a budget and ask him or
8 herself, you know, are they putting the money in the right
9 pocket? The Congress can't do it, either. The Appropriations
10 Subcommittees, in the first instance, don't even pass on the
11 amounts required by the uncontrollable programs; and yet a
12 legislative action in an authorizing committee, and it may be
13 an overwhelming voice vote, can mortgage billions of dollars
14 for the indefinite future.

15 So the point of this is that in order for the
16 Congress itself and citizens generally to be in a position to
17 see more clearly what choices are necessary and to exercise
18 a stronger and clearer voice in making them, then it becomes
19 necessary for the structure itself to be simplified so
20 people can look at it to -- well, I don't want to repeat the
21 whole bit. That is the -- what I am really talking about.

22 QUESTION: Mr. Secretary, in some areas choices
23 aren't always possible. To get into a specific aspect of
24 your stewardship, how do you account for the fact that a
25 Federal Court has been able to find recently that funds

1 continue to flow to segregated schools and colleges in light
2 of a congressional directive in the 1964 Civil Rights Act
3 to cut off funds to schools that are segregated; and that your
4 department and the Justice Department can argue to the Court
5 that to do this would require too much manpower and a diversion
6 of resources from other resources, from other social programs?
7 Is this a trade-off you are even allowed under the law to
8 make?

9 SECRETARY RICHARDSON: Well, Craig, the problem
10 in a lot of areas is that the rate at which you can move is
11 a function of available manpower. The Office of Civil Rights
12 has been the most rapidly expanding component of the office
13 of the Secretary. We have made substantial increases and the
14 Congress has given us the money for substantial increases
15 each year I have been here for compliance personnel. They
16 are not only involved in the problems of school desegregation,
17 they are involved in the equality of access to hospital beds,
18 they are involved in contract compliance, they are concerned
19 with the equality of rights in the employment of women in
20 universities, and while the -- there have been things that
21 we haven't found in the desegregation process, where our school
22 systems are concerned, nevertheless these are comparatively
23 small residual problems.

24 Some of them derive from the implementation of the
25 court decisions in busing and the question of the eventual

1 congressional action on this front; and so -- no, I would --
2 from my own point of view, while I would like to see us do
3 more, and I am sure more will be done, I think it is neverthe-
4 less noteworthy that for all practical purposes the dual school
5 systems in the U.S. were all but completely dismantled during
6 the last two and a half years.

7 QUESTION: Mr. Secretary, how do you explain your
8 own failure to solve what you call this crisis, especially
9 your failure to get either the welfare reform or the health
10 insurance programs through?

11 SECRETARY RICHARDSON: Well, let's not mix up
12 unrelated things. The crisis I have been talking about so far
13 this morning, and that I referred to in my opening statement
14 is a crisis deriving from the problem of rising expectations,
15 complexity in government, proliferation of programs, and the
16 inability of people to exercise an effective voice in the
17 process of choice among competing claims. That is the
18 crisis; and the proposals that I have made deal with opening
19 up this process through simplification.

20 Now, welfare reform is related to this to the
21 extent that one way of simplifying the process of choice is
22 to take certain choices out of the hands of government
23 entirely and ask individuals to make them for themselves.
24 This is what you do when you cash out a benefit in kind like
25 food stamps or housing subsidies and give people the money;

il 1 and then they decide how they will use it and you no longer
2 have a government administered food stamp program or a govern-
3 ment administered housing subsidy program. You have a
4 government administered income maintenance program.

5 So you have, to that extent, simplified the struc-
6 ture. Now it is under this heading that welfare reform
7 comes; and on welfare reform, I would say that we not only
8 scored our greatest failure of my tenure, but also our
9 greatest success.

10 The Administration proposals for reform of the
11 family category of welfare, of course, did not succeed.
12 The effort was an important one and I trust that in one form
13 or another it will continue.

14 In my proposals for departmental structural
15 simplification, I have suggested an approach to this, but
16 the other half of the welfare reform proposal also represents,
17 I think, the most significant legislative achievement of my
18 tenure in the department. This was the reform of the
19 federal -- of the adult categories, which in an ordinary
20 legislative context would have seemed like a monumental
21 achievement in itself.

22 QUESTION: Mr. Secretary --

23 SECRETARY RICHARDSON: Excuse me.

24 QUESTION: Two questions, Mr. Secretary. In
25 your statement you say that we have made emergency school

11 1 assistance grants to nearly a half billion dollars to pass
2 desegregation. It is my understanding that not -- that that
3 amount of money has not yet been allocated, that a much smaller
4 proportion of that has actually been allocated. Could you
5 explain?

6 And the second part, yesterday Mr. Weinberger
7 told the Senate Labor Public Welfare Committee that HEW did
8 not have -- nor the President have the authority to impound
9 education funds and he said no education funds have been
10 impounded. What is your interpretation of his remark?
11 What does he mean by impoundment? What has HEW's policy
12 been towards impoundment?

13 SECRETARY RICHARDSON: Where is the half a billion
14 reference?

15 QUESTION: The HEW release, page 6.

16 SECRETARY RICHARDSON: No. That isn't accurate.
17 We will have to correct that. The -- it should refer to the
18 processing of applications, but you are right. We haven't
19 made nearly that amount of actual grants.

20 On the matter of impounding money, the
21 Administration has never sought to impound money distributable
22 under any formula grant to states and localities and that
23 money has always gone out; and that, of course, accounts for
24 the great bulk of all the money we have for education. It is
25 possible to hold up money allocated on a project basis.

1 1 There have been sometimes delays in the apportionment of
2 the appropriation, that is action which makes it available
3 to be obligated and spent, but not at any time during my
4 period here or as far as I recall in Bob Finch's, has the
5 Administration actually blocked the obligation for the
6 expenditure of any educational appropriations.

7 QUESTION: And you agree with him you do not have
8 the authority to do so?

9 SECRETARY RICHARDSON: Well, I think we would have
10 the authority to defer project spending and we would have the
11 authority to defer construction grants, for example; but
12 I don't think that -- I don't know. We get into technical
13 uses of language at that point. In any event, we haven't done
14 it except in the case of construction, mostly health
15 construction; and there has been deferment only until a
16 later point.

1 QUESTION: Mr. Secretary, you called the
2 legislative process, that it has become a cruel shell game.
3 Could you give us any specifics of any cruel shell games you
4 have run into on the Hill?

5 SECRETARY RICHARDSON: Yes. I am glad to have
6 the opportunity to comment on that because the -- I don't
7 mean to charge the Congress with deliberately trying to
8 con people, but the process has this result in effect.

9 One of the easiest things in the world is the
10 identification of an "unmet need." Any individual or group
11 can point to the fact that we aren't doing enough about some-
12 thing or other, and an interested Congressman can then, if
13 he is sold on this, introduce a bill to establish a new
14 national institute to deal with the problem in a categorical
15 funding structure to distribute money around.

16 There may be, let's say, \$200 million authorized in
17 the first year and 300 million in the second year, 400, 500
18 the next subsequent years. Now, that committee isn't
19 charged with the question of where the money is going to come
20 from or what it is going to come out of, so the -- and the
21 Congressman or the committee -- this isn't charging bad
22 faith, it is in a perfectly good position if he is taxed
23 with that position to say it will come out of a lower priority

24 What is a lower priority? Something that doesn't
25 affect his district. That is one possible answer.

1 If he comes from an urban area he can say it should
2 come out of a farm program. If it is a farm area it ought to
3 come out of urban renewal or either one can say it ought to
4 come out of defense. But they don't have that responsibility.

5 This is in turn a reason why the gap has been
6 growing constantly between authorization and appropriations.

7 One of the things I have pointed to as contributing
8 to the process of alienation and disillusionment.

9 When President Kennedy was elected the gap between
10 HEW authorizations and appropriations was about \$200 million.
11 Last year it was about 6 billion. In the next fiscal year
12 it will be about 13 billion.

13 And what I mean by the shell game in effect is
14 a process that seems to be responsive to a problem or a
15 need, but when you look to see what is under the proposition
16 there may be not very much there.

17 Another aspect of it is the underfunding of the
18 proposal from the outset. Take, for example, the nutrition
19 program for the elderly. This is not a partisan observation
20 because -- although it was Senator Kennedy's bill, the
21 President promptly signed it and promptly requested \$100
22 million to fund it and both Senator Kennedy and the
23 Administration have taken some credit for this.

24 In that case, as I say, the full authorization
25 was requested but at the end of the year, at which point we

1 would be spending at the rate of \$100 million, we would be
2 reaching only 5 percent of the eligible elderly people;
3 95 percent of them aren't getting free hot meals; and this
4 is the kind of problem I am pointing to here.

5 QUESTION: Mr. Secretary, I wondered whether you
6 discussed that shell game concept with respect to some of
7 the administrations. Your own, you have alluded to already.

8 For example, the emergency school aid. Now, that
9 was an administration emergency school aid. As I recall,
10 that was an administration proposal, not something raised
11 on the Hill.

12 Your figure was a billion and a half. By the
13 end of next year it looks like only about 250 million would
14 be spent. How do you in effect -- haven't you in effect
15 raised expectations which you haven't succeeded in following
16 through on?

17 SECRETARY RICHARDSON: We still intend as far as
18 I am aware to seek the full appropriation under that legisla-
19 tion. Of course, it got underway, it got enacted later than
20 was originally proposed, as you recall, in May of 1970; and
21 it finally went through in August of 1972.

22 It was impossible to receive applications from
23 school systems and examine them and fund them in time for
24 the school year 1972-73. So what we -- we got in an
25 initial supplemental appropriation, and what we will be

1 seeking in the '74 budget is money to move forward
2 principally in the school year '73-'74; but we do intend
3 to, as far as I know, seek the full appropriations and we
4 do believe that the requested ceilings are high enough to
5 do this particular job.

6 QUESTION: Full appropriations would be for the
7 coming year at least 500 million. You intend to seek 500
8 million?

9 SECRETARY RICHARDSON: Actually, how it splits
10 between the initial supplemental appropriation and the
11 coming years I am not quite clear at the moment. We are
12 getting into the budget. The answer is substantially yes.

13 QUESTION: That was labeled an emergency program
14 and you are not discussing it in a sense of urgency about
15 getting money out of them. Isn't this really an example of
16 an executive shell game, of an expectation raised and
17 initiated by the Administration, and vitiated by the
18 Administration itself?

19 SECRETARY RICHARDSON: I think whatever may be
20 the vulnerability of the Administration on this score -- and
21 I don't think -- I could give you more of an argument, but I
22 would rather get to the more central point that it is a
23 different -- it is a distinguishable problem.

24 There we identified what the Administration
25 believed to be a significant need. It is fair to say that

1 the problem was quite a different one when the President
2 originally proposed this legislation. We were moving then
3 into a period of the most intensive desegregation of Southern
4 schools in the school year '70-'71 and '71-'72.

5 The emergency label was attached in the hope
6 that the money would be authorized and appropriated in time
7 to help that process which it never was.

8 In any event, we addressed what we thought was
9 a problem and we sought authorization to deal with it and
10 we have asked for money proportional to the authorization,
11 all as part of a total budget which said that, yes, we think
12 this problem is significant enough to include the money for
13 it together with the money to include for other things,
14 mental retardation, community mental health services, biomedical
15 research, adult education, funds for welfare and so on.

16 The shell game I am talking about is one in which
17 no one on the Hill ever undertakes to weigh all of the
18 competing claims against each other and the proponent of
19 a particular need or concern and a particular categorical
20 piece of legislation is always able to justify whatever may
21 be the dollar authorization in his piece of legislation by
22 saying that some other need over which he has no responsibility
23 can be offset in order to meet his particular concern. That
24 is what I am talking about. That kind of exercising cannot
25 take place in the Executive Branch because the Executive

1 Branch does have to submit a budget.

2 I have argued, as many people have, and I hope the
3 Congress will come to the point when it does have the mechanism
4 of its own to do this -- and, by the way, speaking of
5 misunderstandings, I have tried to deal with the concerns,
6 the charge that this restructuring of the departmental
7 programs is a cover for cutting which it is not.

8 I also don't want to be misunderstood on -- on
9 seeming to assert the superior wisdom of the Executive Branch.
10 I am not. On the contrary, as I hope I have made clear, the
11 whole purpose of this -- the thrust of this effort is to open
12 up the process so that both the Congress and people generally
13 can get into the act.

14 As it is now, a budget which deals with 310 programs
15 has to be largely an exercise carried out by Executive Branch
16 people and by a handful of people in the appropriations
17 subcommittees.

18 QUESTION: Mr. Secretary, much has been -- much
19 has been rumored lately about a so-called MEGA proposal which
20 I understand has subsections for, say, for instance, educa-
21 tion revenue sharing. Does this document discuss that
22 proposal and could you comment on the possibilities for those
23 particular packaging plans?

24 SECRETARY RICHARDSON: Well, first, I should point
25 out that a good deal of what we have been talking about here

1 this morning involves the so-called MEGA proposal.

2 I offered a price, by the way, for a better game,
3 but --

4 (Laughter.)

5 I am afraid we are stuck with it now.

6 (Laughter.)

7 Beginning on page 45 of this report on the
8 potential for the '70s is a discussion of this in broad
9 terms and it does involve three major components, one of
10 which would be special revenue sharing. That is the part that
11 seeks to simplify and reduce the number of decisions that
12 has to be made at the federal level by remitting the more of
13 the choices to state governments and local governments.

14 QUESTION: We understood that at least the
15 education revenue sharing proposal had been fairly well
16 outlined even to the point of coming up with a budgetary
17 total of approximately \$3.8 million. Is there any particular
18 chance that that proposal will see the light of day any time
19 soon?

20 SECRETARY RICHARDSON: The education revenue
21 sharing proposal is -- the education part of the revenue
22 sharing is substantially what the Administration already
23 proposed to the Congress in 1971. It would be very little
24 changed in this package.

25 The new parts involve health and social services.

1 QUESTION: Mr. Richardson, Mr. Weinberger referred
2 both in the Finance Committee and in the Labor and Public
3 Welfare Committee to the fact that 94 percent of HEW's budget
4 is uncontrollable. How realistically can the Administration
5 hold out programs of solving any new problem with only 6 per-
6 cent of the budget under its control?

7 SECRETARY RICHARDSON: Well, again, I will have to
8 try to give you a picture of the overall structure of what I
9 am talking about. It would have three major parts: income
10 maintenance, revenue sharing, capacity.

11 Now, the income maintenance part of it includes
12 all or -- I guess -- I was going to say substantially all,
13 but it really includes all of what would go into income
14 maintenance. The uncontrollable part of the HEW budget are
15 social security benefits, income payment, Medicare, Medicaid
16 and federal matching public welfare payments.

17 Now, the approach that is involved here would not
18 purport to make the whole process of allocation subject to
19 the Executive Branch budget process. The whole point of it
20 is to enable people more generally to see where their money
21 is going.

22 The income maintenance part of it would include
23 social security benefits as they are now, more or less, of
24 no personal recommendations at this point to improve them any
25 more. It would include Medicare, either as it now stands

1 or as absorbed into a more comprehensive health insurance
2 proposal.

3 It would include Medicaid funds but in a -- as
4 part of a new health insurance proposal. And it would include
5 welfare benefits, hopefully in two parts, the adult categories
6 which are now part of the supplementary income program
7 administered by the Social Security Administration and hope-
8 fully a new reformed family program.

9 Most of that would be uncontrollable in the sense
10 that the Executive Branch of the appropriations committees
11 were not able to reduce or affect the amount of money required,
12 but if you looked at the income maintenance programs as a
13 group and then looked at the special revenue sharing programs
14 as a group and then looked at these remaining functions
15 in which the federal government was seeking to exercise
16 leadership in addressing critical problems that wouldn't
17 otherwise get enough attention, which is capacity building,
18 then you have a structure in which hopefully both the
19 Congress and the Executive Branch and concerned citizens
20 could jointly debate about how much ought to go into these
21 different kinds of purposes.

22 QUESTION: Mr. Secretary?

23 SECRETARY RICHARDSON: Yes?

24 QUESTION: I have a couple of questions relating
25 to a new -- you spoke of a new screening and treatment

1 program for hypertension recently and I wondered if you could
2 describe the scope of this program, where it is on the drawing
3 boards, and also I believe the figures say that ten times as
4 many blacks suffer from this as whites.

5 Is there any effort to concentrate on treating
6 hypertension or screening in the black community and where
7 might you compare the effort going behind hypertension with
8 the effort that went behind sickle cell anemia?

9 SECRETARY RICHARDSON: You are right about the
10 problem in the black community; and in terms of death, as I
11 said in a speech to the National Medical Association in
12 St. Louis last summer, the number of deaths among people in
13 the black community that are the result of or associated with
14 hypertension are vastly greater than the number attributable
15 to sickle cell disease. I think it is on the ratio or
16 something like 12,000 or 13,000 deaths a year from hyper-
17 tension, not counting related cardiovascular disease, in the
18 black community as against perhaps 300 or 400 for sickle cell
19 disease.

20 So the -- there is a very urgent need to reach the
21 black community, especially with an awareness of the
22 importance of the blood pressure determined.

23 The great advantage of dealing with this problem
24 is that whereas in the case of sickle cell disease we don't
25 have a cure or even a very good maintenance program; in the

1 case of hypertension there are established forms of medica-
2 tion that cannot only keep it under control, but have been
3 demonstrated to be able to reduce the death rate and the
4 stroke and serious illness rate radically, perhaps to a
5 third or a fifth of its rate among people who are not
6 receiving medication.

7 So what we -- we have looked at the problem of
8 hypertension therefore as a problem of public education in
9 the first instance and education of the medical profession
10 and health professionals generally to encourage people to
11 have their blood pressure taken to know how to -- what to
12 tell them if their blood pressure is elevated so as not to
13 create undue alarm and to inform them as to the availability
14 of tested and effective drugs for dealing with the problem.

15 So we formed a committee in June which was a
16 hypertension education and advisory committee. I met with
17 them at the National Institutes of Health and they have been
18 working since then and have developed a program of public
19 education.

20 There was another conference on this here this
21 week which picked up from where the education advisory
22 committee left off and involved a lot of the other groups
23 and organizations to discuss their part in all this.

24 We have earmarked funds for the federal share
25 of cost and development of educational materials and so on.

1 But the exciting thing about this effort is that
2 it is a matter simply of reaching people for the purpose of
3 encouraging them to find out whether they have hypertension
4 or not; and if they do have it, then assuring that they get
5 needed medication. But it is an effort that could vary
6 practically and foreseeably reduce the deaths from hyper-
7 tension from the current rate of 60,000 a year nationally
8 to the order of maybe -- certainly under 20 and maybe 15.

9 QUESTION: Mr. Secretary, do you expect the
10 Secretary-designate Mr. Weinberger to act favorably on this
11 new approach in the so-called MEGA plan and in particular on
12 national health insurance?

13 SECRETARY RICHARDSON: I think he is -- he supports
14 and is sympathetic with the general thrust of the proposal.
15 I don't know where he is going to come out on health insurance
16 and it isn't really integral to the MEGA proposal itself, what
17 choice you make about the kind of health insurance program you
18 have.

19 We submitted an alternative to our 1971 program
20 that I think in effect more logically carries out the overall
21 thrust than what we proposed before. It wouldn't undercut
22 the merits of the overall structure if the Administration
23 were to decide to go with something a lot closer to what we
24 had last time.

25 QUESTION: Are you referring to the maximum

1 liability plan?

2 SECRETARY RICHARDSON: Maximum liability approach
3 is the one that I said that we had proposed an alternative to.

4 QUESTION: Mr. Secretary --

5 SECRETARY RICHARDSON: This girl here.

6 QUESTION: Senator Mondale's committee has just
7 released a report from extensive test ranges of two and a
8 half years, a study on equal education opportunity in which
9 one of the findings says the debate on busing has been
10 misleading and containing the interest or real thrust of the
11 problems in equal education.

12 Since the Administration has contributed consider-
13 ably to the debate on busing, could you comment?

14 SECRETARY RICHARDSON: One too many questions.

15 (Laughter.)

16 I think the Administration was addressing a
17 matter of very real public concern. Certainly all you have
18 to do is look at public reactions in communities where
19 massive busing for purposes of racial balance is being
20 proposed or required to see that people do feel very strongly
21 about this.

22 The President certainly didn't invent their concern,
23 nor do I think it can fairly be said that he significantly
24 increased it. I think he sought to address constructively
25 a problem that was very real in a way that kept the

1 Administration's eye firmly fixed on the overall objective
2 of equality of educational opportunity.

3 I think what we are seeing and have been seeing
4 is a process involving individual citizens, all levels of
5 government, all branches of government in coping with this
6 and I think that out of it will come characteristically in
7 this country a way of handling it that will have been
8 constructive.

9 QUESTION: Do you disagree it has been a misleading
10 debate?

11 SECRETARY RICHARDSON: Yes, I disagree.

12 QUESTION: Mr. Secretary, Mr. Weinberger is coming
13 over to cut the fat from the department -- if he is -- and
14 I guess we have the word of the President that he is -- it
15 seems to me you either have to admit that you failed to
16 cut the fat from the department or that maybe more radical
17 surgery is being planned than the body can withstand. How
18 say you?

19 SECRETARY RICHARDSON: I don't really think that it
20 is an accurate characterization of Mr. Weinberger's advent
21 here or mission that he has come over to cut the fat. The
22 HEW budget has been wrung pretty hard already as a result of
23 the problems coming between the rock of revenue production and
24 the hard plays of expenditure claims; and Cap Weinberger,
25 after all, was in a job where the problem of how to fit a lot

1 of things into the full employment revenue ceiling, landed on
2 his desk.

3 All the -- you know, I don't know what the excess
4 of all the departmental agency claims for fiscal '74 was, at
5 the point where they came to him, but it was surely in the
6 scores of billions.

7 Now, nobody would accuse this Administration of
8 being unwilling to run deficits.

9 (Laughter.)

10 But our deficits have been -- or we have tried to
11 hold them within what I think is a rational approach to
12 budget making, of what could be justified by the full
13 employment approach; and somebody had to do that.

14 On -- more specifically, on the matter of squeezing
15 fat, I don't honestly believe that there is a lot of fat in
16 the sense that you could just do what the department does now
17 with substantially newer people. In fact, the departmental
18 programs, both in number and in expenditures, have grown
19 over the last five years or more much more rapidly than the
20 numbers of department people have, and this has only been
21 accomplished through substantial increases in productivity
22 per employee, especially at the Social Security Administration.

23 So that what is really involved is the question of
24 what ought the federal government to be doing and what
25 programs are working best and what aren't working so well.

1 This is why I have from the beginning of my own
2 arrival here emphasized the importance of evaluation. First
3 of all, the effort to improve our capacity to reevaluate
4 in order to know what is working and what isn't; and secondly,
5 to apply the process of evaluation more consistently so
6 that more intelligent choices could be made.

7 But, again, some of these choices are avoided if
8 you follow the special revenue sharing rule and the process
9 of evaluation then has to take place at the state level where
10 I think they can better tell whether or not they are getting
11 the results or could that they want to get.

12 So if that route is followed, then the question
13 becomes a question of how much can you afford to put into
14 the special revenue sharing channel; and again it isn't a
15 question of cutting, it is a question of restructuring, it is
16 a question of where choices are made and a question of what
17 the overall budget can afford for HEW's share.

18 Okay? Thank you all very much.

19 (Whereupon, at 12:08 p.m. the press conference
20 was concluded.)
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