

PROCEEDINGS OF THE

NATIONAL GOVERNORS' CONFERENCE

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1965

FIFTY-SEVENTH ANNUAL MEETING
RADISSON HOTEL
MINNEAPOLIS, MINNESOTA

July 25-29, 1965

THE NATIONAL GOVERNORS' CONFERENCE
1313 EAST SIXTIETH STREET
CHICAGO, ILLINOIS 60637

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EXECUTIVE COMMITTEE

1964-65

Honorable Grant Sawyer
Governor of Nevada, Chairman

Honorable John Anderson, Jr., Governor of Kansas*
Honorable Tim Babcock, Governor of Montana
Honorable Henry Bellmon, Governor of Oklahoma
Honorable Edward T. Breathitt, Governor of Kentucky
Honorable John H. Chafee, Governor of Rhode Island
Honorable Richard J. Hughes, Governor of New Jersey
Honorable George Romney, Governor of Michigan
Honorable Carl E. Sanders, Governor of Georgia
Honorable William W. Scranton, Governor of Pennsylvania†

EXECUTIVE COMMITTEE

1965-66

Honorable John H. Reed
Governor of Maine, Chairman

Honorable John A. Burns, Governor of Hawaii
Honorable John B. Connally, Governor of Texas
Honorable Clifford P. Hansen, Governor of Wyoming
Honorable Philip H. Hoff, Governor of Vermont
Honorable Harold E. Hughes, Governor of Iowa
Honorable Paul B. Johnson, Governor of Mississippi
Honorable William W. Scranton, Governor of Pennsylvania
Honorable John A. Volpe, Governor of Massachusetts

* Served June, 1964 - January, 1965

† Served January, 1965 - July, 1965

OTHER COMMITTEES OF THE NATIONAL
GOVERNORS' CONFERENCE, 1965*

Advisory Committee to Executive Committee
on the National Guard

Governor Otto Kerner, Illinois—Chairman
Governor John H. Reed, Maine—Vice Chairman
Governor Roger D. Branigin, Indiana
Governor Paul B. Johnson, Mississippi
Governor Calvin L. Rampton, Utah
Governor William W. Scranton, Pennsylvania
Governor George C. Wallace, Alabama

Committee on Civil Defense and
Post-Attack Recovery

Governor Nelson A. Rockefeller, New York—Chairman
Governor Jack M. Campbell, New Mexico—Vice Chairman
Governor Edmund G. Brown, California
Governor John H. Chafee, Rhode Island
Governor John B. Connally, Texas
Governor Manuel F. L. Guerrero, Guam
Governor John W. King, New Hampshire
Governor Dan K. Moore, North Carolina
Governor James A. Rhodes, Ohio
Governor Hulett C. Smith, West Virginia

Committee on Federal-State Relations

Governor Robert E. Smylie, Idaho—Chairman
Governor John Dempsey, Connecticut—Vice Chairman
Governor William H. Avery, Kansas
Governor Tim Babcock, Montana
Governor John A. Burns, Hawaii
Governor William A. Egan, Alaska
Governor Harold E. Hughes, Iowa
Governor H. Rex Lee, American Samoa
Governor John A. Love, Colorado
Governor George Romney, Michigan
Governor Carl E. Sanders, Georgia
Governor John A. Volpe, Massachusetts

Committee on Human Resources

Governor Richard J. Hughes, New Jersey—Chairman
Governor Mark O. Hatfield, Oregon—Vice Chairman
Governor Nils A. Boe, South Dakota
Governor John H. Chafee, Rhode Island
Governor Frank G. Clement, Tennessee
Governor Daniel J. Evans, Washington
Governor Frank B. Morrison, Nebraska
Governor Ralph M. Paiewonsky, Virgin Islands
Governor J. Millard Tawes, Maryland

Subcommittee on Juvenile Delinquency

Governor Edmund G. Brown, California—Chairman
Governor William L. Guy, North Dakota
Governor Clifford P. Hansen, Wyoming
Governor Albertis S. Harrison, Jr., Virginia
Governor Warren E. Hearnes, Missouri
Governor Warren P. Knowles, Wisconsin
Governor Roberto Sanchez-Vilella, Puerto Rico

Committee on Roads and Highway Safety

Governor Clifford P. Hansen, Wyoming—Chairman
Governor Henry Bellmon, Oklahoma
Governor Edward T. Breathitt, Kentucky
Governor Orval E. Faubus, Arkansas
Governor Samuel P. Goddard, Jr., Arizona
Governor Philip H. Hoff, Vermont
Governor John J. McKeithen, Louisiana
Governor Karl F. Rolvaag, Minnesota
Governor Charles L. Terry, Jr., Delaware

Committee on Executive Communication
and Coordination

Governor John B. Connally, Texas—Chairman
Governor Philip H. Hoff, Vermont
Governor John A. Love, Colorado
Governor John H. Reed, Maine
Governor Nelson A. Rockefeller, New York
Governor Carl E. Sanders, Georgia

* As of July 25, 1965—opening date of conference.

Committee on Election Laws and
Communications Media Operations*

Governor Richard J. Hughes, New Jersey—Chairman
Governor Edmund G. Brown, California—Vice Chairman
Governor Haydon Burns, Florida
Governor John A. Burns, Hawaii
Governor John Dempsey, Connecticut
Governor Clifford P. Hansen, Wyoming
Governor Mark O. Hatfield, Oregon
Governor George Romney, Michigan
Governor William W. Scranton, Pennsylvania

* * *

Governor Grant Sawyer, Nevada—Chairman of the National
Governors' Conference—is an ex-officio member of all
Committees.

* Committee appointed July, 1964, for one year, making re-
port to 1965 Annual Meeting.

ATTENDANCE

George C. Wallace, Governor of Alabama
William A. Egan, Governor of Alaska
H. Rex Lee, Governor of American Samoa
Samuel P. Goddard, Jr., Governor of Arizona
Orval E. Faubus, Governor of Arkansas
Edmund G. Brown, Governor of California
John A. Love, Governor of Colorado
Charles L. Terry, Jr., Governor of Delaware
Haydon Burns, Governor of Florida
Carl E. Sanders, Governor of Georgia
John A. Burns, Governor of Hawaii
Robert E. Smylie, Governor of Idaho
Otto Kerner, Governor of Illinois
Roger D. Branigin, Governor of Indiana
Harold E. Hughes, Governor of Iowa
William H. Avery, Governor of Kansas
Edward T. Breathitt, Governor of Kentucky
John J. McKeithen, Governor of Louisiana
John H. Reed, Governor of Maine
J. Millard Tawes, Governor of Maryland
John A. Volpe, Governor of Massachusetts
George Romney, Governor of Michigan
Karl F. Rolvaag, Governor of Minnesota
Paul B. Johnson, Governor of Mississippi
Warren E. Hearnes, Governor of Missouri
Tim Babcock, Governor of Montana
Frank B. Morrison, Governor of Nebraska
Grant Sawyer, Governor of Nevada
John W. King, Governor of New Hampshire
Richard J. Hughes, Governor of New Jersey
Jack M. Campbell, Governor of New Mexico
Nelson A. Rockefeller, Governor of New York
Dan K. Moore, Governor of North Carolina
William L. Guy, Governor of North Dakota
James A. Rhodes, Governor of Ohio
Henry Bellmon, Governor of Oklahoma
Mark O. Hatfield, Governor of Oregon
William W. Scranton, Governor of Pennsylvania
John H. Chafee, Governor of Rhode Island
Robert E. McNair, Governor of South Carolina
Nils A. Boe, Governor of South Dakota
Frank G. Clement, Governor of Tennessee
John B. Connally, Governor of Texas
Calvin L. Rampton, Governor of Utah

Philip H. Hoff, Governor of Vermont
 Albertis S. Harrison, Jr., Governor of Virginia
 Ralph M. Paiewonsky, Governor of the Virgin Islands
 Daniel J. Evans, Governor of Washington
 Hulett C. Smith, Governor of West Virginia
 Warren P. Knowles, Governor of Wisconsin
 Clifford P. Hansen, Governor of Wyoming

GUESTS

The Honorable Hubert H. Humphrey, Vice President of the United States
 His Excellency, Hugo B. Margain, Ambassador from Mexico
 The Honorable Birch Bayh, United States Senator from Indiana
 The Honorable Frederick C. Belen, Deputy Postmaster General
 The Honorable Raymond T. Bowman, United States Bureau of the Budget
 The Honorable Beverly Briley, Mayor of Nashville, Tennessee
 The Honorable James B. Conant, President Emeritus, Harvard University
 The Honorable Buford Ellington, Director, Office of Emergency Planning
 The Honorable Walter W. Heller, University of Minnesota
 The Honorable T. N. Hurd, New York State Budget Director
 The Honorable Paul A. Miller, President, West Virginia University
 The Honorable Joseph A. Pechman, The Brookings Institution
 The Honorable Terry Sanford, Former Governor of North Carolina
 The Honorable Robert E. Short, National Chairman, Discover America, Inc.
 The Honorable R. Sargent Shriver, Jr., Director, Office of Economic Opportunity
 The Honorable Eugene L. Swearingen, Vice President, Oklahoma State University
 The Honorable James W. Symington, Executive Director, President's Committee on Juvenile Delinquency
 The Honorable James E. Webb, Administrator, National Aeronautics and Space Administration

PROGRAM

Saturday, July 24

7:00 p.m. Get Acquainted Reception, Star of the North Hall

Sunday, July 25

10:45 a.m. Governors and their Wives depart hotel for Informal Luncheon at home of Vice President and Mrs. Humphrey in Waverly
 2:30 p.m. Briefing Session for Governors' Aides, Viking Room
 6:00 p.m. Geneva Association Reception and Dinner for Governors and their Wives, Star of the North Hall
 6:00 p.m. Dinner for all other Conference Guests, Leamington Hotel
 8:30 p.m. "Aqua Holiday," Theodore Wirth Pool

Monday, July 26

10:00 a.m. Briefing Session for the Ladies, Flame Room
 12:00 noon State Luncheon, Star of the North Hall
 Address of Welcome: Governor Karl F. Rolvaag
 Address of Chairman: Governor Grant Sawyer
 Address: His Excellency, Hugo B. Margain, Ambassador from Mexico
 5:00 p.m. Reception and Dinner, Star of the North Hall
 8:30 p.m. Guthrie Theater Performance

Tuesday, July 27

9:00 a.m. General Session, Star of the North Hall
 Remarks of Welcome: Max M. Winter, Host Committee General Chairman

Presiding: Governor Grant Sawyer

Adoption of Rules of Procedure

Consideration of Proposed Amendments to Articles of Organization

9:30 a.m. "Education"

Presiding: Governor John A. Love

Guest Speakers:

James B. Conant, President Emeritus, Harvard University

Paul A. Miller, President, West Virginia University

Terry Sanford, Former Governor of North Carolina

Discussion by all Governors

10:30 a.m. For Governors' Wives. Brunch at Town and Country Club

11:30 a.m. "The Economic Outlook for State-Local Finance"

Presiding: Governor Carl E. Sanders

Guest Speaker: Walter W. Heller, University of Minnesota

12:30 p.m. Recess for Lunch

2:00 p.m. Report of Committee on Roads and Highway Safety and Unveiling of Commemorative Traffic Safety Stamp

Presiding: Governor Clifford P. Hansen

Remarks: Frederick C. Belen, Deputy Postmaster General

2:30 p.m. Executive Session

"Common Problems of the Governors"

Presiding: Governor Grant Sawyer

Guest Participant: Joseph A. Pechman, The Brookings Institution

Discussion by all Governors

7:30 p.m. State Dinner and Ball, Star of the North Hall

Presiding: Governor Grant Sawyer

Remarks: Governor Karl F. Rolvaag

Address: The Vice President of the United States

Wednesday, July 28

9:00 a.m. General Session, Star of the North Hall

Remarks of Welcome: Arthur Naftalin, Mayor of Minneapolis

Remarks by James W. Symington, Executive Director, President's Committee on Juvenile Delinquency

Remarks by Buford Ellington, Director, Office of Emergency Planning

9:45 a.m. "Economic Opportunity Act"

Presiding: Governor Frank B. Morrison

Guest Speaker: R. Sargent Shriver, Jr., Director, Office of Economic Opportunity

"A State's Program": Governor Richard J. Hughes
Discussion by all Governors

10:45 a.m. "Standardization of Statistical Data"

Presiding: Governor Henry Bellmon

Guest Speaker: James E. Webb, Administrator, National Aeronautics and Space Administration

Panelists:

Raymond T. Bowman, U. S. Bureau of the Budget

Governor Edward T. Breathitt

T. N. Hurd, New York State Budget Director

Eugene L. Swearingen, Vice President, Oklahoma State University

12:30 p.m. Recess

12:45 p.m. Governors and their wives depart hotel for Private Luncheon and Informal Events during remainder of day and evening at Lafayette Country Club, Lake Minnetonka

1:30 p.m. Outing for other Conference Guests, Gales Island, Lake Minnetonka

6:30 p.m. Reception, Dinner and Entertainment for Conference Guests, Star of the North Hall

Thursday, July 29

9:00 a.m. General Session, Star of the North Hall

"Modernization of State and Local Government"

Presiding: Governor Philip H. Hoff

Panelists:

Beverly Briley, Mayor of Nashville, Tennessee

Governor George Romney

Discussion by all Governors

10:15 a.m. Remarks on Promotion of Travel in America by Robert E. Short, National Chairman, Discover America, Inc.

Remarks by Senator Birch Bayh

10:45 a.m. Business Session

Presiding: Governor Grant Sawyer

Summarization of Committee Reports

Advisory Committee on the National Guard:
Governor Otto Kerner, Chairman

Committee on Civil Defense and Post-Attack
Recovery: Governor Nelson A. Rockefeller,
Chairman

Committee on Federal-State Relations: Gov-
ernor Robert E. Smylie, Chairman

Committee on Human Resources and Committee
on Election Laws and Communications Media
Operations: Governor Richard J. Hughes,
Chairman

Subcommittee on Juvenile Delinquency: Gov-
ernor Edmund G. Brown, Chairman

Committee on Executive Communication and
Coordination: Governor John B. Connally,
Chairman

Invitations for Site of 1966 Annual Meeting

Consideration of Other Business

Election of Officers

Adjournment

NOON SESSION—Monday, July 26

The State Luncheon, opening official function of the 1965 Annual Meeting of the National Governors' Conference in Minneapolis, Minnesota, was held at noon on Monday, July 26, in the Star of the North Hall, Radisson Hotel. The invocation was pronounced by Reverend Floyd Massey of the Pilgrim Baptist Church, St. Paul.

Following the luncheon, Governor Karl F. Rolvaag warmly welcomed the Governors and their ladies to the State of Minnesota and then introduced Stuart F. Silloway, President of Investors Diversified Services, for additional remarks of welcome.

There were two luncheon speakers. Governor Grant Sawyer of Nevada, Chairman of the National Governors' Conference, presented the Annual Address of the Chairman. He then introduced His Excellency, Hugo B. Margain, Ambassador of Mexico to the United States of America, for the second address. In it Ambassador Margain issued a formal invitation to the Governors and their wives to be the official guests of the Republic of Mexico on a visit to his country in November of 1965.

Following are the texts of the remarks of Governor Sawyer and Ambassador Margain.

ADDRESS BY GOVERNOR SAWYER

This year has gone all too soon. However, we need look no further than our own membership for evidence of the changes it witnessed. It is my pleasure to introduce to you thirteen new Governors.

Governor Samuel P. Goddard, Jr., of Arizona
Governor Charles L. Terry, Jr., of Delaware
Governor Haydon Burns of Florida
Governor Roger D. Branigin of Indiana
Governor William H. Avery of Kansas
Governor Warren E. Hearnes of Missouri
Governor Dan K. Moore of North Carolina
Governor Robert E. McNair of South Carolina
Governor Nils A. Boe of South Dakota
Governor Calvin L. Rampton of Utah
Governor Daniel J. Evans of Washington
Governor Hulett C. Smith of West Virginia
Governor Warren P. Knowles of Wisconsin

May we also welcome back, after a brief absence, Governor John A. Volpe of Massachusetts.

I regret to note that this will be the last Annual Meeting for Governor Albertis S. Harrison, Jr., of Virginia, who is prevented by the state constitution from running for reelection. The Governors' Conference will miss your valuable contributions, Governor Harrison, just as the State of Virginia will miss your outstanding leadership.

Traditionally it is the duty of the Chairman at this time to review the activities of the past year, thank those who made them possible and point out matters of interest on the program.

You will note that the agenda carries its usual list of issues to be resolved, but that these are limited to state interests. This year we are concentrating on problems common to state governments, and we will not attempt to debate national or international matters that are more properly the concern of the federal government.

The Executive Committee strongly feels that Governors should not intrude in areas reserved to the federal government. We feel just as strongly that there are state prerogatives that must be respected by the federal government, and we hope our activities at this Fifty-seventh Annual Meeting will help protect the sovereignty of our individual states and stem the encroachment of unwarranted federal activity if such there be.

Increased federal presence in areas previously reserved to and jealously guarded by the states has resulted from inaction and, in too many cases, invitation. Too often our states have been content to stand aside while Washington found solutions to local problems and financed their implementation.

While there is nothing improper or illegal about this increased federal activity in our lives, most of us share the view that it is not in the best interests of a society founded on separation of governmental powers.

We do not consider Washington an enemy. Rather, we recognize that the federal government has been forced to expand its programs because of timidity on the part of the states in some areas, outright neglect in others, and of course the virtual impossibility of the separate states squarely meeting many needs.

And this is why we are talking of states' responsibilities, instead of states' rights. Our inaction, fear and resistance to responsibility have, to some extent, made the spread of the federal complex possible, and our aggressive action, innovation and courage alone will stem its growth and return the states to their proper role as a full partner in governing the affairs of the American people.

As an example, the Governors initiated and carried through to successful completion a provision by which they retained the

power of veto in certain segments of the nationwide poverty program.

There is an attempt at this very moment in the Congress to delete this protective provision by way of an amendment. Therefore, I would hope that the Governors would reaffirm their position on this important matter by action at this Conference and by personal contact with their respective congressional delegations.

It is toward the goal of making the states dynamic leaders in this free society that many of the matters on the agenda are directed.

Two years ago in Miami Beach, the Governors' Conference made an unprecedented decision to abolish the Resolutions Committee. When I introduced the motion that precipitated that decision, as I recall, there was some disagreement and our action was not unanimous.

However, the majority of us at that time were concerned that the sheer volume of resolutions—close to one hundred—and the partisan maneuvering in connection with some of them were bogging down the proper work of the Conference and perhaps threatened its very existence.

Our primary concern was with the procedural entanglements of the resolutions process and not with the content of the resolutions.

Resolutions were not eliminated from our proceedings; our rules still have provided for the introduction of any resolution deemed important by three-fourths of the membership. And last year, the Conference expressed itself by resolution on various matters.

In addition, Governors found methods of expressing their views, singly or in groups, on vital social questions. This was accomplished through position papers and other documents that were recorded in the official record of the Conference meeting.

While the Resolutions Committee was abolished, thereby eliminating much of the procedural disagreement that threatened to hamstring us in Miami Beach, no Governor has been handicapped in making an official expression of thought and having many or all of the Governors join him.

However, although the Governors' Conference broke precedent in 1963 by removing the Resolutions Committee, the Executive Committee this year broke precedent by considering and adopting three resolutions.

The first of these concerns the Manpower Development and Training Act, and its recommendations already have been adopted by the Congress. No action is pertinent here.

The second concerns the common squeeze on our state treasuries. In a time of national plenty, state treasuries are bare. Our operational costs are climbing, and the states rapidly are finding

their sources of tax money at an end. Within five years, our expenditures on the state and local level will actually surpass the total budget of the federal government. Yet, of each tax dollar collected, 70 cents goes to Washington and only 30 cents to states, counties and cities to cover costs of education, law enforcement, health, welfare, highways and other services.

The Executive Committee has endorsed as one solution an unfettered proportionate return of federal tax revenues, as has been proposed by certain economic advisors to the President. The amount mentioned has been some \$2.3 billion annually. This transfer of tax money to the states, without accompanying controls, would make possible an increased acceptance of responsibility.

This matter will be more fully discussed during our programs on state-local finance and modernization of state and local governments. We will also hear the thoughts of Former Governor Terry Sanford of North Carolina, who is undertaking a study to strengthen the future role of the states in our system of government.

Our third resolution was concerned with further steps toward insuring equality for all Americans. Because of the interest that has surrounded this matter, I ask your indulgence to read the full text of the resolution.

"Despite progress within the last few years, many Americans in many communities are still denied the fundamental right to vote, solely because of the color of their skins. This presents a challenge, a serious challenge, to the conscience of our country.

"The Executive Committee of the National Governors' Conference recognizes that all Governors have the responsibility to see that our states do not set apart, upon grounds of race or color, a single class of citizens to be excluded from the simplest and most basic part of our freedom.

"Our Constitution forbids it and our sense of morality forbids it. Discrimination against individual citizens, or their exclusion from places of voting, is a denial of basic American liberty. This is a liberty for which Americans of every race and color have died in battle to protect.

"The Executive Committee of the National Governors' Conference reaffirms its position that freedom to vote is not just a pronouncement but must become a complete reality in every state, every county, every precinct. We must prove now to a watching world that those who are equal before God are also equal in the polling booths."

Among other highlights on the agenda will be a discussion of the Economic Opportunity Act by Sargent Shriver, an explanation of the proposed constitutional amendment on Presidential succession by Senator Birch Bayh of Indiana, and a report on President Johnson's Domestic Travel Program by Robert Short, National Chairman of "Discover America, Inc."

We also will be paying a lot of attention to a working document on standardization of statistical data in reporting, analyzing and evaluating governmental services. This project has been guided by Governor Henry Bellmon of Oklahoma, who has done an excellent job in an area where no quick and easy solutions are at hand. Our keynote speaker on this panel will be James E. Webb, Administrator of the National Aeronautics and Space Administration.

Two separate goodwill visits to other countries this year have been arranged for Governors under the authorization of the Executive Committee. Ambassador Margain today will discuss his country's invitation to all Governors and their wives to visit Mexico in November, under the sponsorship of the Mexican National Tourist Council and the Cordell Hull Foundation.

In cooperation with the State Department and the National Governors' Association of Japan, ten American Governors will travel to Japan in October. From this year's Executive Committee, I have designated as participants Governors Babcock of Montana, Bellmon of Oklahoma, Hughes of Iowa, Romney of Michigan and Sanders of Georgia. Five additional members are to be appointed by the new Chairman of the Conference.

You will note some changes in our committee structure. The work of the old Committee on Public Health and Welfare was broadened and its designation was changed to Committee on Human Resources. The old Committee on Juvenile Delinquency is now a Subcommittee under Human Resources.

Proposed for your consideration are amendments to the Articles of Organization changing the name of the Governors' Conference and increasing dues.

The points I have covered do not fully show the impressive workload carried by the Executive Committee this year. My appreciation and congratulations to the members: Governors Babcock, Bellmon, Breathitt, Chafee, Hughes of New Jersey, Romney, Sanders and Scranton.

Also deserving of our praise are the Chairmen of the other Conference committees, from whom we will be hearing later this week. On behalf of the Conference, I wish to thank:

Governor Otto Kerner of Illinois, Advisory Committee on the National Guard;

Governor Nelson A. Rockefeller of New York, Committee on Civil Defense and Post-Attack Recovery;

Governor Robert E. Smylie of Idaho, Committee on Federal-State Relations;

Governor Richard J. Hughes of New Jersey, Committee on Human Resources and Committee on Election Laws and Communications Media Operations;

Governor Edmund G. Brown of California, Subcommittee on Juvenile Delinquency;

Governor Clifford P. Hansen of Wyoming, Committee on Roads and Highway Safety;

Governor John B. Connally of Texas, Committee on Executive Communication and Coordination.

I wish to thank Vice President Hubert Humphrey for his hospitality and for accepting our invitation to address the State Dinner. His participation has added greatly to the significance of the program.

Taking note of the excellent turnout of leading newsmen from all media, I am glad to welcome many old friends and those who are with us for the first time. We can't promise the drama that surrounded the Cleveland meeting, but perhaps something of interest will develop beyond the scheduled program. I realize it is a departure from custom for the Chairman to welcome newsmen. I do so in tribute to your contributions to the success of this Conference by reporting and explaining the activities of its members. Also, as you outnumber us eight to one, I did not feel it would hurt to get things off to a friendly start.

Finally, I wish to recognize Governor Rolvaag, the members of his staff, the Host Committee and the people of Minneapolis for the fine arrangements that have been made for our visit. Their hard work and vision, coupled with the traditional Minneapolis hospitality, guarantee an outstanding meeting.

ADDRESS BY AMBASSADOR MARGAIN

It is a high distinction for me to attend the State Luncheon of this important Conference, at its Fifty-seventh Annual Meeting. I shall speak to you about the Mexican Revolution, which is the basis of modern Mexico, and explains why we enjoy political stability, economic progress, and social development, under absolute respect for human liberty. This singular situation prevailing in my country is fully realized when studying events of the past fifty years.

Mexico started its social revolution in 1910, the first in our century. The fundamental political decisions with social contents incorporated in our Constitution of 1917, were inspired by the aspirations of our working classes, and by the rebellious standard-bearers of our traditionally oppressed peasants; "Land and Liberty," "Bread for All," "The Land Belongs to the One Who Works It," "Exploit the Land and Not the Man," these were the slogans of our Agrarian Revolution.

As against land monopoly, this historical movement struggled to destroy the latifundia, and to defend ourselves from economic imperialism, it aspired to a nationalistic economic integration. The Mexican Revolution was the natural consequence of a thirty-year dictatorship, and for this reason it endeavored to create an authentic representative democracy and established the principle

of "no reelection." To counteract the appearance of monopolies, it established the bases of government intervention in the economic field. To face private exploitation of the subsoil, nationalization of the subsoil was secured. As against limited education for the privileged, it established nation-wide, free education. In the face of egotism, leaving the worker abandoned when ill, unemployed, old, and his family to shift for itself when death came, it established social security for everyone working in Mexico.

To fight systems of taxation reminiscent of privileges under which the disinherited and poor were taxed proportionately more and lighter taxation was for those enjoying wealth, tax systems were adopted that permit a better redistribution of income by granting a vital minimum tax exemption for the lower income, and progressive schedules as individual income increases.

The Mexican Constitution of 1917 was the product of the sources of real power in our country, and the thinking of our popular leaders was predominant among the Constituents. It was not the work of a group of intellectuals, even though very distinguished ones were there, knowledgeable in the prevailing social doctrines. It was the spontaneous, authentic product of rough leaders without university background, who heard the clamour of the hour and had the certainty of the path to follow, backed up by common sense.

The Constituents of 1917, facing the imperative of the hour, succeeded in resolving the fundamental problems of Mexico and gave us our Charter, the Constitution under which it is now possible to progress without the deviations of individualistic capitalism and to recognize social rights without losing individual liberty, so essential to a democratic nation, in harmony with a solution all our own, born from the very hearts of our people. Such solution, adequate for our country, is confirmed by Mexico and with its affirmation Mexico defends it. Any doctrine, whatever it may be, attempting the negation of the basic principles of the Mexican Revolution, will have to be fought and rejected.

This is the hour when we must avoid the ailment of our century. As a result of so many crises, we have a proliferation at the present time of negative doctrines. In fact, all peoples must first affirm and then, by defending their affirmations, reject. It is most important to abandon mere negative doctrines, and to maintain affirmative doctrines. It is quite dangerous to adopt attitudes of combat without having beforehand made affirmations. At the present time, several peoples are giving that negative sensation of rejecting without affirming anything whatsoever or, worse yet, for the sole purpose of defending a status quo of oppression and social injustice. There, I believe, we find the greatest latent danger of our time.

In Mexico we respect liberty. We cannot, however, understand it in a suicidal sense. It cannot be used by those attempting

its destruction, or denying the basic principles of our 1917 Constitution, and of our revolutionary institutions. It would be tantamount to betraying the historical movement that has permitted our survival and growth in the midst of the storm. President Díaz Ordaz has expressed it with all clarity when he said: "All liberties exist in Mexico, except one: Freedom to end all liberties."

Ideologists, such as Locke, considered private property as the basis of individual liberty. In practice, individual property, at the time of individualistic liberalism, brought about the enslavement of many people. Social revolutions endeavor to secure freedom for men who are subjugated. The 1917 Constitution has followed the path of applying individual property in such a manner as to protect human liberty and enslave no one.

We need mechanisms for redistribution. Social development is not a doctrine devoid of contents, nor is it a merely verbal political attitude. Social development is achieved with effective mechanisms for the redistribution of national income. The nations that have no such legal instruments for redistribution turn their backs on present-day problems and only aggravate injustices the world faced due to last century's individualism.

The various groups of diverse opinion in Mexico accept the general framework and cooperate with our specific constitutional institutions. What is legitimate and open to discussion is the question of how much out of national income is to be devoted to reinvestment and new investment, and how much must be destined to works of social benefit.

A nation with a mixed economy, Mexico must have capitalization to progress and, at the same time, carry out works of social benefit according to the Constitution, which result in consolidating economic progress by enhancing the domestic market.

We live under a system of law and consecrated individual liberties. This social progress under no circumstances is to be lost. A régime under law with effective liberties for only a select group and mere formalities for the majority, nowadays is doomed. It is of the utmost urgency to recognize individual liberty with an economic content, based on equality and combating all aspects of misery.

Commercial development in our hemisphere, not to speak of other countries belonging to other economic areas, requires constant revision of our commercial relationship. It already is rather old-fashioned to make remarks about the dangerous fundamental deterioration of interchange. We must avoid, consequently, the drop in prices of raw materials, constantly downgrade, while having a tendency to higher prices for capital goods. This handicap impoverishes our people and is one of the most important obstacles to their socio-political development.

The enhancement of domestic markets in our countries is

achieved by securing purchasing power for the majority of our population. The enhancement of foreign markets must be attained by using all possible means. For this purpose, the people of Latin America must sell ever larger quantities of intermediate and finished products, at more stable prices, in order to purchase with that foreign exchange capital goods for their more rapid development. This is bound to result in opening United States markets with more largesse, and not levying excessive tariff duties on merchandise and products from our area.

Another aspect is that of credits for Latin American economic development, which should be extended preferably for the purchase of machinery and equipment within our own countries, rather than to continue making them conditional to the purchase of those tools for progress in developed countries.

It is harmful to our development to subject to import quotas the entry of our products into this huge United States market. Drops in international prices ruin our economies; and as soon as there is a tendency to higher prices, the establishment of import quotas limits our income. It has been recommended that preference in the United States market be given to hemispheric production, particularly now that the world has been divided in areas for the obvious purpose of favouring area production. The European Common Market has hurt Latin American exports, and its preference for consumption of African products has shrunk Latin American exports. To compensate this actual loss, it is advisable to give preference to hemispheric production in what the United States consumes.

May I reiterate that the creation of mechanisms for domestic redistribution to raise living standards of the majority of the people, and a revision of international trade with a view to legitimately protecting developing countries, are measures demanded by the urgency of our times, which permit no delay lest greater social upheavals, political instability and economic stagnation are to take place.

At the present hour of universal anguish and of legitimate aspirations of impoverished peoples, it is important to radically and effectively combat oppression, ignorance, sickness, and all manifestations of the misery of the people. Those who attempt to forget these urgent pending duties, by attacking or pretending to attack doctrines that are incompatible with our democratic systems, are only provoking an indispensable social revolution among their own peoples. The peace all of us are striving for is not secured at the price of oppression.

We want democracy, and yet, we forget that democracy is based upon liberty and equality. As President Díaz Ordaz clearly stated: "Liberty and equality cannot exist side by side with poverty; if there is poverty, there is neither equality nor liberty," and, con-

sequently, we may conclude that there is no democracy wherever there is poverty. The social problem of subjected peoples must be resolved within the framework of their own and fundamentally democratic ideas. Then, and only then, shall peace be secured.

MORNING SESSION—Tuesday, July 27

Governor Grant Sawyer: Gentlemen, we will call the meeting to order. Will everybody rise, please, for the invocation, which will be delivered by Bishop Leonard J. Cowley, Basilica of St. Mary, Minneapolis.

Bishop Leonard J. Cowley: We invoke Almighty God, Governors, in your behalf this morning. We ask that your deliberations be characterized by the fruits of the Holy Spirit—knowledge, understanding, wisdom, fortitude, fear of the Lord and a deep piety for these days' actions that the public expects from its leaders. May your deliberations be very important and very earnest and their results be a flower in the constituency that you represent. And may God, Son and Holy Spirit descend upon you and remain always.

Governor Sawyer: Governor Rolvaag has some introductions and announcements.

Governor Karl F. Rolvaag: Mr. Chairman, first I have a couple of announcements for the Governors, if you please. As you know, the State Dinner this evening will be held in this room, Star of the North Hall. Unfortunately, because of space limitation, it simply will not be possible to accommodate all the members of the visiting parties, especially the larger ones. In order to be fair and equitable, we have sorted out the available tickets and have provided enough to take care of up to eight members in each party, in addition to the Governor and his wife, for a total of ten from each state. I sincerely hope that you will understand our problem and that members of your party who cannot attend the State Dinner will not be too disappointed. Please keep in mind the Grand Ball following the State Dinner. It will be open to everyone. The official badge will be sufficient identification to attend the ball.

Secondly, we will distribute this morning a listing of the members of your party in attendance at the Conference. We would appreciate it if you would designate the six persons, including yourself, for whom the State of Minnesota has the responsibility to take care of hotel and meal expenses. We urgently need this information for accounting purposes. If you will please accommodate us in this respect, we would appreciate it very much.

Any conference such as this requires a great mass of detailed planning and the execution of plans. I have been most fortunate to have, as the Chairman of the Citizens' Committee, Mr. Max Winter, one of the leading entrepreneurs of the City of Minneapolis. In more recent years, he has become best known as the

Mr. Max Winter for a very brief word of welcome.

Mr. Max M. Winter: Your Excellencies, the Governors of these United States and our Territories: Put this name on your pad—Bill Butler. He is a fugitive from the Green Bay football team, 190 pounds, 5 feet 10—rather small for a boy to run into eleven great trains in the opposite direction all on the same track. How did Bill do it? We had him analyzed, or whatever they do to choose astronauts. We found him to be 50 per cent of intense desire and the other 50 per cent is an over-sized heart. Now, we thought this was great. How do we make him better? And Governor Rolvaag came up with this brilliant idea. Let's endow him with another 50 per cent. So we put a Governor's head on. That is the picture you found in your room. We have a 150 per cent man, and that is the way we feel about our Governors here today. You have been most patient. You have been most gracious. You have been our guests and we have enjoyed every minute of it. We are so happy to have you here.

This kind of conference cannot be put together by one man or two men. It takes an entire team. We have this team. I cannot name every man individually but I can tell you that every man has spent twenty-four hours a day here for the past two weeks. And we started working on this last year. We are most happy to have you here and thanks for being here.

Governor Sawyer: Gentlemen, I would like now to announce the Nominating Committee. Sometimes in the past it has been the procedure not to announce this committee until later. But it seems to me that early information along this line might be in order. So I am going to ask Governor Smylie of Idaho to serve as Chairman of this committee, and Governor Brown of California, Governor Hughes of Iowa, Governor King of New Hampshire and Governor Volpe of Massachusetts to serve on the Nominating Committee.

Governor Smylie, if you would contact the members of your committee and arrange whatever meetings are necessary, I would appreciate it.

We must adopt rules of procedures for this Conference, which is done at each Conference, as you know. Copies of last year's rules have been distributed to each Governor. Unless someone desires it, I will not go through the process of reading the rules. So a motion to re-adopt last year's rules will be in order.

Governor John H. Chafee: I so move.

Governor Sawyer: Governor Chafee of Rhode Island has moved for adoption of the rules of procedure which have been distributed.

Is there a second to that motion?

Governor Jack M. Campbell: I second it.

Governor Sawyer: Motion has been made and seconded. All those in favor indicate by saying "Aye." Opposed? The rules of procedure are re-adopted.

The next matter on the agenda is consideration of proposed amendments to the Articles of Organization. Two proposed amendments have been distributed to all Governors. I will ask Mr. Carihfield to read these amendments to you. Proper notices, under the rules, have been given in these two instances.

Secretary Brevard Carihfield: The Executive Committee proposes that Article I be amended to read as follows:

"Article I - Name and Membership

"The name of this organization shall be the 'National Governors' Conference,' hereinafter referred to as the 'Conference.'

"Membership in the Conference shall be restricted to the Governors of the several states of the United States, the Virgin Islands, Guam, American Samoa, and the Commonwealth of Puerto Rico."

Conforming amendments should be inserted in Articles II through IX by deleting the phrase "Governors' Conference" wherever it occurs and substituting the word "Conference."

Governor Sawyer: The first matter to be considered is the change of the name to National Governors' Conference. I think it is obvious why we prefer to do this. There are regional conferences all over the country. This is merely a means of identification of this particular Conference.

Do I hear a motion to adopt the first amendment?

Governor Philip H. Hoff: I so move.

Governor Rolvaag: I second it.

Governor Sawyer: Motion has been made and seconded that the organization shall hereafter be called the National Governors' Conference and that the Articles shall be amended in conformance with that.

Is there any discussion? All in favor indicate by saying "Aye." Opposed? The motion is carried.

The second amendment to the Articles provides for a doubling of the dues from \$100 to \$200. A motion would be in order to adopt this amendment.

Governor John H. Reed: I move the adoption, Mr. Chairman, of this amendment.

Governor Richard J. Hughes [New Jersey]: I second it.

Governor Sawyer: Motion has been made and seconded to adopt the proposed amendment.

Is there any discussion? If not, all in favor indicate by saying "Aye." Opposed? The second proposed amendment is adopted.

Governor Tim Babcock: I rise to offer an amendment to the Articles of Organization. I do not know whether it has been distributed to you or not. If not, I would like to have it distributed at this time. I would like to make a few remarks before I offer the amendment. I realize that I am rising this morning against possibly heavy odds. I hope, though, that the logic of my amendment will

meet your approval. In offering this amendment to reestablish a Resolutions Committee, I am seeking to add purposeful meaning to our meetings. I think that we have been somewhat negligent in meeting the responsibilities of this Conference. I feel that, since the elimination of the Resolutions Committee, our deliberations have been less meaningful. I am sure that we, as responsible leaders, want to meet our responsibilities and want our ideas known to all who are watching us. For that reason I wish to offer an amendment to reestablish procedures for a Resolutions Committee. I certainly do not want to take up time this morning, although I think it is important enough that this should be offered for our consideration. Certainly, I have not thought of bringing about disunity. Certainly, I feel that this is not a partisan issue. I do not intend it to be.

So, Mr. Chairman, I would like to offer this amendment. Insert a new Article VII to read as follows:

"Article VII - Resolutions

"The Executive Committee, by a three-fourths vote of its members, may recommend resolutions for consideration by the Conference. A resolution shall be deemed adopted upon obtaining a three-fourths favorable vote of the Conference. Consideration of any resolution not offered in the above manner shall require unanimous consent."

At our Western Governors' Conference, which just concluded last month, most all of the Governors had meaningful resolutions to offer, and nearly all of them were adopted.

I now move adoption of the amendment to the Articles of Organization.

Governor Sawyer: Thank you, Governor Babcock.

Governor Babcock has moved for a new Article VII. You will notice that your present Article VII has to do with dues. If this motion were to carry, then the new Article VII would be followed by re-numbered existing Articles. Under the Articles, as they presently stand, notice shall be given of such a motion. If it is not given at least thirty days prior to submitting an amendment to a vote, a three-fourths majority vote would be required for adoption of the amendment. I understand that Governor Babcock makes his motion under that provision—under the three-fourths vote.

You have heard the motion. Is there a second?

Governor William W. Scranton: I second it.

Governor Sawyer: Is there any discussion?

Governor John B. Connally: As you well know, two years ago we abolished the Resolutions Committee. I think it was wise to do so at that time. The Resolutions Committee has been used as a means of propaganda, primarily opposed to carrying on effective work of this Conference. We have an agenda prepared for each of these Conferences. We have ample opportunity to speak on partic-

ular issues that might arise. Every Governor here has an opportunity to make himself available to the press to express himself on any issue that might arise. If I understand it, Governor Babcock, you are not attempting here to reestablish the Resolutions Committee as such, but you are merely providing that the Executive Committee, by a three-fourths vote of its membership, may recommend resolutions for the Conference. I think there are sufficient safeguards so the work of this Conference can continue without disruption and not solely for the purpose of being divisive and creating discord. Therefore, I have no objection to it and recommend that it be adopted.

Governor Sawyer: Thank you, Governor Connally.

Is there any further discussion?

Governor Edmund G. Brown: I have one question. What would be the effect of this amendment upon the Executive Committee adopting resolutions of various kinds, as was done last year?

Governor Sawyer: Governor Brown, I should probably not presume to answer it but I will try. Last year the Executive Committee did adopt, as an Executive Committee, three resolutions. This was unprecedented. It had not been done before, as I understand it. It would appear to me that the Executive Committee last year was doing about what this amendment would suggest the Executive Committee would do. The only difference being, the resolutions that we passed last time would be carried right on to the Conference, of course. There would be some little difference in technique because we went right ahead and passed them last time. As I understand it, Governor Babcock suggests that the Executive Committee would in effect act as a Resolutions Committee.

Governor Robert E. Smylie: Would it not be the effect of this amendment to deprive the Executive Committee of the power to act finally on a resolution until it had been submitted to the full body? I think that is the interpretation.

Governor Sawyer: I would imagine so.

Is there any further discussion?

Governor Smylie: Mr. Chairman, I will ask for a roll-call vote.

Governor Sawyer: Governor Smylie has requested a roll-call vote. The rules provide for a roll-call vote if we have a show of hands by ten Governors to support such a request. All of you who concur in Governor Smylie's request, please raise your hands. All right. It will be a roll-call vote.

Secretary Cribfield: The roll call is on the adoption of the Babcock amendment to reestablish a regular procedure for resolutions.

[The roll was called and the Governors of the following states and territories voted in the affirmative:

ALABAMA
ALASKA
ARIZONA
COLORADO
DELAWARE
IDAHO
INDIANA
IOWA
KANSAS
LOUISIANA
MAINE

MASSACHUSETTS
MICHIGAN
MINNESOTA
MISSOURI
MONTANA
NEVADA
NEW JERSEY
NEW MEXICO
OHIO
OKLAHOMA
OREGON

PENNSYLVANIA
RHODE ISLAND
SOUTH DAKOTA
TEXAS
UTAH
VERMONT
WASHINGTON
WEST VIRGINIA
WYOMING
AMERICAN SAMOA
VIRGIN ISLANDS
NORTH CAROLINA
NORTH DAKOTA
SOUTH CAROLINA
VIRGINIA]

The Governors of the following states voted in the negative:
ARKANSAS
CALIFORNIA
FLORIDA
GEORGIA

HAWAII

KENTUCKY

MARYLAND

MISSISSIPPI

NEBRASKA

Governor Sawyer: According to the mathematical geniuses sitting at this end of the table, for a three-fourths majority vote, thirty-five votes would have been required of those present. Thirty-three votes were cast in favor of the amendment. Thirteen were cast in opposition. The motion, therefore, is not carried.

For those of you who are on the Executive Committee, I might say that the effect of this would have been to make the Executive Committee a Resolutions Committee for this Conference.

Governor George Romney: Mr. Chairman, I want to point out something that is a little belated. I thought this thing would go through. Under the present procedure, it takes a three-quarters vote to suspend the Articles and then you can pass any resolution by a majority vote. Governor Babcock's proposal would actually tighten up the procedure and also put it on a positive basis. I do not think this was clearly understood.

Governor Connally: Mr. Chairman, this may also be belated. I would like to inform the Governor of Michigan that his estimate of the power of the Chairman of the Democratic Governors' caucus is grossly exaggerated.

Governor Sawyer: The next matter on the agenda is the session on education, one that we consider mighty important. It is my great pleasure to call on John Love of Colorado to preside over this session.

Governor John A. Love: Mr. Chairman and my Fellow Governors: I deem it a great privilege and honor to be allowed to chair this session on education. I think, perhaps, every Governor here would agree with me that, as far as the states are concerned, education—its organization, its finances—represents our greatest problem, our greatest challenge, our greatest opportunity. The solutions to the many problems not only are going to have a tremendous effect

on the federal system, as we know it, but also on the future shape and progress of our states and the nation and the entire world.

We are privileged today to have three very distinguished gentlemen to participate with us in a panel on education. I am going to change the batting order from that indicated in the program. I am first going to call on Dr. Paul A. Miller.

Dr. Miller is presently the president of West Virginia University. He has had an outstanding career, primarily with the land-grant colleges, the great institutions with which we are all familiar. He is a distinguished educator and an author. We are pleased to have him with us today.

Dr. Paul A. Miller: Governor Love, distinguished chief executives of the land, ladies and gentlemen: I noted, in passing, the way Governor Love introduced me; that Miller was presently the president of West Virginia University. I am sure those remarks have meaning in this kind of conclave. I am delighted to come to join with Governor Love, Governor Sanford and Dr. Conant on this subject on education. My remarks refer to the relationship between the state university and the state government.

That Governors and university presidents should discuss public higher education together is both good and natural. All of us here know the claims which state universities make upon resources. All of us remember also that an initial act of each new state was the founding of a university. It is safe to say that the relations between state governments and state universities are among the most illustrious in American public life.

On a day in August of 1964, President Johnson invited some seventy state university presidents to the White House to discuss with him the role of their institutions in state and municipal activity. The Governors' Conference was represented there as were several offices of the federal government. Since that time, the National Association of State Universities and Land-Grant Colleges has given priority to the question of the relationship of the public university to public policy. A task force of university leaders was appointed, of which I was asked to serve as chairman. Although these remarks must be credited to me alone, such auspices have brought me here.

Few thoughtful people would disclaim the state university as a significant invention of American civilization and culture. Allan Nevins, in his sprightly essay on The State Universities and Democracy, states: "Ever since the founding of the University of Georgia in 1785 as the first state university, our public institutions have been imbued by a spirit of liberalism and democracy. . . . As they spread westward, grew in number, and thrived in vigor, they lent support to the abiding doctrines of democracy."

Ninety-seven institutions, in each of the fifty states and Puerto Rico, compose the membership of the National Association of State Universities and Land-Grant Colleges. A few pertinent comments

may suggest why this establishment may represent the greatest center of higher learning in the world.

1. The state universities hold true to the most radical of American ideals: that all human effort is dignified and amenable to education and that the talent for civic wisdom is as widespread among the common people as within the elite.

2. The state universities have learned how to sense the aims of other groups and how to cope with economic and political complexity. A long way has been traveled since President Van Hise of the University of Wisconsin exclaimed in 1915: "I shall never be content until the beneficent influence of the university reaches every home in the State."

3. While accounting for only 5 per cent of the some 2,000 institutions of higher education in the United States, the state universities enroll 27 per cent of all college students, grant half of all Ph.D. degrees, 68 per cent of the highest degrees in the biological sciences, 58 per cent of the highest degrees in the physical sciences, and 73 per cent of such degrees in business and commerce.

4. It is likely that they sponsor the most extensive research effort for national purposes to be found anywhere. Moving dramatically on every front of science and scholarship, they have provided more than half of all American Nobel Prize winners and about the same proportion of members of the National Academy of Sciences.

5. State universities conduct more than half of the international projects for technical assistance now under contract with the university world. They move also at home to understand and better serve the urban community—by improved programs in governmental research, urban studies, metropolitan planning, adult education, and community development.

To enlarge the discussion about how the state universities may serve the public sector is my reason for being here. Several basic reasons may be given to suggest that no part of this dialogue exceeds the value of discussions among the chief executives of both state governments and state universities. Indeed, such reasons make the states and the state universities cooperative managers of knowledge. I just want to hit the high points of what I think are these reasons which bring us together.

First, the relation of human ability to economic growth is expressed in every modern theory of social and economic development. Adam Smith forewarned the principle when he spoke of the workman's dexterity as equal to the machine or instrument of trade. We speak now of investment in human resources as social capital and conclude that half of the economic growth of the United States which lies outside the direct inputs of capital, land, and labor is due to more people with better education.

Second, the way in which knowledge is used has changed profoundly. Modern problems become general and interdependent; the

available solutions grow specific and discrete. Decision-makers in private and public enterprise alike toil with the enigma of how to fit them together. And, we still apply technology better than we help social institutions to adapt to the consequences.

Third, the complex aggregations of people and capital resources rest upon local patterns of economic and political life which were formed in our pastoral period. Accordingly, unable to move swiftly in a maze of competing local units, we are learning to tolerate critical losses to natural beauty as well as painful increases in air and water pollution, noise, belligerence, odor, and the not infrequent barbarity of congestion. Solutions are more available than a widespread awareness of how to modernize public affairs.

Fourth, another profound shift is occurring in the states as agents of public action. Thirty years ago state and local governments collected 70 per cent of all taxes; today they collect no more than 40 per cent. In the same period, state governments, specifically, shifted from a collection percentage of one-third to one-fifth. In half the time—fifteen years—the federal debt rose by some 20 per cent while state and local debts rose by more than 200 per cent. In short, the major collector of taxes and the pile-up of pressing demands for services have ended up in different places.

Fifth, there is an inexorable migration of the nation's talent to urban centers of research and artistic reputé as well as to the key centers of federal activity. Thus, the states hope to renew their leadership at a time when they are minority collectors of taxes, when their intellect is being exported to national centers, and when they are scarcely the original designers of projects for which federal revenues are to be spent.

This bare outline, it seems to me, of the shifting strategies in public affairs emerges at a time when agrarianism still lingers in our midst and the urban present is not fully understood. Since many Americans are caught between nostalgia and reality, civic anguish abounds in the land today. It is a heavy burden for the executive leaders of the states. It is also a clarion call for a review of direction by the state universities of America. My remarks now turn to the need of this review. First, a few words about where matters now stand.

The genius of the state university takes root in its unusual scope. It joins the classic aim of preparing free men through open inquiry to the practice of putting knowledge to use. Citizens have come from every social class to enter its portals while out from the same portals have gone streams of faculty to influence the far corners of every type of community. This historic penchant for involvement has resulted in multiple commitments to state, local, and federal governments, to centers of political power, and to national and international purpose.

But now new demands have appeared to test this commitment. They have come all at once: wave after wave of new students, massive research programs for the national interest, multiplying manpower requests, the pull of knowledge to vexing public problems, gratifying swells of interest in the creative arts, and legions of adult learners pursuing the new necessity of lifelong education. The state university has tried to serve them all! It has been so busy doing so that it has accepted a piecemeal if not ramshackle pattern of support of its total program. The gulf between historic intent and the manner of support alone demands a vital and new review of direction. Of course, my comments are implicit in saying that it cannot be achieved successfully unless the Governors serve as collaborators.

Three issues among others should direct this review. The first would engage the aims of the modern state university. The second would explore the manner of support. The third would attempt to yield new devices of cooperation with state and local government. I turn now to a few comments about each.

The state universities have no choice in these days but to resolve their several obligations in favor of first-rate teaching and rigorous scholarship without losing, we hope, their genius for putting knowledge to work on the problems of today.

A university is never free of the past nor is it able to fully accommodate the future. Since it faces both ways at once, it serves as a bridge between the meaning of human achievement and the nature of new explorations into matters of value. The leaders of the next generation are university students today. Accordingly, the university is at once a generation ahead and a generation behind. It is this that gives the university, when it is at its best, an interest in the long-range view. It is a stance that requires unusual forbearance by society.

The university leans also to the whole view as a principal objective. It is one of the few organizations in modern society of which this may be said. But, since the university is tempted also to specialism, maintaining total perspective is more difficult. Perhaps this is why it sometimes resembles an agency of state or federal government. If it succumbs too far to the current ease of marketing its technical services for the solution of short-term problems which other groups may do better, every level of American society will inherit a tattered center for sharing perspective through the long pull ahead.

The second issue concerns the drift in recent years to the agent-client method of providing financial support. It is a method which exchanges public resources for the performance of specified services. To be sure, the technique has vastly improved the research experience of the American university and enlarged enormously the intellectual versatility of the country. The national wel-

fare is much the better for it. Moreover, the project system, based on this technique, is acknowledged gratefully by academic men. However, its growth and current extensiveness forewarns us about its chief defect: asking for the return of services almost equal to what it gave in resources initially. Some unrewarding consequences are now identifiable, including the splintering of total effort in ways not always attuned to the aims of the university as a whole, the engendering of a national system of faculty rewards which precludes the historic idea of a community of scholars, and the gradual hardening of research practice in a manner that it is not always at home with spirited teaching.

An equally troublesome drift is the traditional reluctance of the states to underwrite research at their state universities. Since legislative bodies have made appropriations largely by measures of student size and composition, subtle techniques of budgeting to achieve a university balance become necessary, and a certain amount of subterfuge at that! Accordingly, with minimum appropriations made directly by the states for research and development, portions have been indirectly allocated to research and scholarship by reducing the teaching loads of faculty members. Paradoxically, the state university, once federal support for research moved into the void which resulted in part from this indirection, has remained a state institution by identity and for teaching, while becoming a national institution for its research and much of its service functions.

The ice grows thin! State officials, observing the volume of federal grants to the state universities, may assume that the research and service capability of the universities is already assured. Unfortunately, this is not the case. Since the agent-client method yields little leftover residues of uncommitted competence, the research capability of many of the state universities is only as great as tomorrow's grants will provide. The states, pathetically staggered by their own crises, remain cool to state investment in university research and service. Therefore, with much of the research activity closely specified to projects of national need, state appropriations for instruction have been thinned out—by burgeoning undergraduate enrollments, unexpected growth of interest in graduate studies, brutal competition for qualified staff, and the often invisible commitment of state funds which every federal grant entails.

However, such defects in the project grant system should in no way reflect upon the sound ethical practice which has characterized the agent-client relationships. One wonders if such ethical experience may now encourage the exploration of some old and new inventions. An old invention of unexcelled performance which both the states and the federal government should restudy is the century of experience of the land-grant universities in agricultu-

ral research and extension. Rather than the agent-client technique of developing specialized project agreements with individual staff members, a partnership in law has existed between the U. S. Department of Agriculture and the universities. It has stressed broad institutional objectives for both in agriculture and rural life. The results produced by this partnership show as well as any other example how knowledge may be generated and then shared with the common culture when governments and universities cooperatively perform their distinctive duties. Importantly, the institutional grant technique employed in the agricultural experience, contrasted with direct exchanges of resources for services rendered, built lasting residues of strength in the universities. Such is the hope of academic men for the future.

The third issue pleads for an imperative review of how state universities may respond effectively to the action programs of state and federal agencies. On every side new opportunities bloom to assist this response: i.e., the Economic Opportunity Act, the Appalachian Regional Act, the Higher Education Bill, new efforts in vocational education and housing, and promised legislation for industrial extension activity. In order that sound and lasting programs may call upon the experience of public agencies and universities in responsible ways, urgent planning must be carried on in every state. There is no better point of a new collaboration between the Governors and representatives of the state universities. Three concerns are suggested for consideration.

One is that university people, with substantial new funds available for still unclear programs, may unwittingly invade the precinct of the government agency. If so, they will mistakenly forfeit the university mission, which is more largely one of preparing people to perform the agency tasks, advising state leaders on alternative modes of action, helping them weigh the consequences, responsibilities, and resources which the alternatives require, and providing sound knowledge of trends and development procedures. Again, this is the longer-term view which the university is in the best position to share.

Another concern is that the experience of the state university with successful agricultural development, especially the land-grant institutions, may have instilled a premature confidence that the problems of the urban industrial community will lend themselves to similar facility. But revitalizing community attitudes for change differs substantially from the upgrading of management skill, especially when the object—the family farm—is at once an intimate social group and a unit of labor and management organization. The issues which emerge today from the metropolitan community will demand aggressive experiments in institutional reform which go far beyond the direct application of technology. Proceeding with such experiments lies ahead for both the agencies of government and the universities.

The third concern refers to the need of careful university statements about what long-term assistance the academic institution may contribute to state planning and development. The ideas of public officials must be pooled as this statement is worked out. Already one may see a scheme emerging in the minds of academic representatives which must be extended by state leaders. It includes such points as:

- the preparation of able personnel to staff the public and private aspects of statewide development.
- the conduct of sound research which is relevant to the needs of the states.
- the sponsoring of creative ventures in adult education for elected and appointed officials in public life.
- the study of alternative patterns of institutional reform for local government, regional and metropolitan centers, the states themselves, and, particularly, of the public school establishment.
- the stimulation of basic research in functional areas of state development, such as transportation, manpower utilization, environmental science, tourism and recreation, housing, capital structure, diversification, public health, and human development and learning.

Finally, as this review of the direction of state universities unfolds, it is well to point out that tempting panaceas will be suggested. The states will likely search for economies—slashing the number of nonresident students, increasing tuition costs, hurried substitution of educational television and other teaching aids, fixing ceilings on faculty salaries, discouraging the adoption of new programs, and considering presumably cheaper forms of accommodating more students—such as the community college. For their part, the state universities will likely consider a retreat from far-reaching commitments to public affairs. At such moments both the states and the universities might study the remarks of former President L. D. Coffman of the University of Minnesota. They were delivered in this very city. He said in those days:

"The state universities have held in common with the private universities a high sense of obligation with regard to the necessity of advancing human knowledge, of promoting research, and of training those of superior gifts for special leadership. They also maintain that every time they teach any group or class the importance of relying on tested information as the basis for action, they advance the cause of science. They maintain that every time they teach any class or group in society how to live better, to read more and to read more discriminatingly, they thereby enlarge the group's outlook on life, make its members more cosmopolitan in their points of view, and improve their standard of living. Such services as these the state universities would not shrink from performing—indeed would seek to perform."

Whether as Governors or university presidents, let us together hope that flimsy panaceas will not dominate the interdependence of state governments and state universities. Rather let us hope that as the proper place of the public university is public policy becomes clearer, and with your help and patience, President Coffman's challenge will ring out in our day as in his own.

You have been a kind audience. Thank you very much.

Governor Love: Thank you, Dr. Miller, for a fine presentation. Your remark that my introduction, which indicated that you are presently the president of West Virginia University, might imply something, I deny! I could not help but think that we in Colorado are constantly on the search for mental quality in our own educational system, quality such as yours. I am sure that there will be discussion and questions later on.

We are now privileged to have with us Dr. James B. Conant. Dr. Conant's name is almost synonymous with concern for proposed solutions to the many problems of education. Dr. Conant, as you know, was a professor of chemistry at Harvard. Later he became president of that university. He later became High Commissioner to Germany. He is the author of a great many books on education. We are indeed pleased to welcome to the Governors' Conference Dr. Conant.

Dr. James B. Conant: Governor Love, Your Excellencies, the assembled Governors of the states, ladies and gentlemen:

There has been a good deal written in recent years about the need for a national educational policy. As I have studied public education in this country at all levels, I have become more and more convinced that the phrase "a national educational policy" is misleading. To be sure, a nation which has a centralized government does have a national educational policy. France is an example. So too is Sweden. Laws passed by the national Swedish parliament have recently transformed the whole structure of the educational system. But a nation in which the basic governmental structure is in part federal,—as in the United States or Switzerland or the Federal Republic of Germany,—one can hardly speak with meaning about a national educational policy. Each of the separate states in the United States has a more or less definite policy. And one could say that the summation of these policies plus certain federal enactments and decisions constituted something approaching a vague nation-wide policy.

Some people are quick to point out that in the last few years the federal government and the federal judiciary have come to play an increasingly greater role. This is true. But the structure of our educational system is such that the federal government by itself cannot formulate and implement a national policy. Why? Because the power to establish and regulate elementary and secondary schools has so long rested with each state. So too has the

power to charter and establish colleges, universities and teacher-training institutions.

The U. S. Commissioner of Education, Francis Keppel, in an address delivered in Detroit on October 15, 1964, said, and I quote:

"In the long run nothing that we in education can do, whether in Washington or anywhere else, can be more important than strengthening the capacity of our states to respond to the educational needs of our time . . . In education we look to the states not merely as a matter of law or precedent, but as a matter of practical soundness and necessity. In this nation of fifty states with vast and independent enterprises for education, the federal government can help as a partner, but only as a partner . . . and a somewhat junior partner at that."

I can do no better, this morning, than to take as my theme the Commissioner's words "the Federal Government as a junior partner" and add my own words,—a partner in shaping a new and better nation-wide educational policy.

Now we must all recognize the fact that in the last few years the resources and power of this junior partner have increased rapidly and enormously. There can be no doubt about it. The Congress of the U. S. and the electorate from which it derives its power have decided to make education throughout the nation a matter of top priority. I see no signs that this trend will change. Quite the contrary. Right now the wise expenditure of federal funds in the various states presents a set of complex administrative problems.

In any enterprise, public or private, spending money to implement a policy is difficult. But if the policy is not clear the wise expenditure of money becomes so confused as to be almost hopeless. And it is my contention that we have not as yet developed a clear nation-wide educational policy adequate to meet the demands of the American public in the 1960's. Furthermore, we have no political machinery to enable the states to work together with each other and with the authorities in Washington to develop a 1960 model of a nation-wide policy.

To be sure, the Council of Chief State School Offices has performed and continues to perform a most useful function. But in each state, with a few exceptions, the Chief State School Officer is concerned primarily with public elementary and secondary schools. And it is in regard to education beyond the high school that we find the greatest diversity among the states and the greatest uncertainty in many states as to what to do in the next few years.

In more than one state the question is being asked, how shall we expand public educational facilities for grades 13 and 14. Should we follow the California pattern with many two-year community colleges, closely linked with both four-year multi-purpose state colleges and a state university? Or shall we follow the lead of Indiana by establishing two-year branches of the state university

throughout the state? There is no study in depth of the experience of the different states in this vital matter. There is no way in which a state now considering the subject can obtain reliable and complete information from other states which have had many years of experience. Not that I yearn for the day when the pattern of post-high school education would be the same in all the states. Not at all. Diversity we shall have and ought to have. But we ought to have, I believe, a mechanism by which each state knows exactly what the other states have done in each educational area and the arguments pro and con for any changes which are being considered. We ought to have a way by which the states could rapidly exchange information and plans in all educational matters from the kindergarten to the graduate schools of a university.

Interstate cooperation in the area of higher education in recent years has become possible through interstate regional compacts or agreements. I am sure you are all well aware of the existence of the Southern Regional Education Board, the Western Interstate Commission for Higher Education, and the New England Board of Higher Education. These arrangements have proved their worth. But they are by themselves not sufficient to develop a nationwide coherent policy for higher education and, as far as I am aware, there has been no attempt to extend the area of competence to include education up to and through the twelfth grade. Yet, today the line between high school and college is very fuzzy. The continued expansion of two-year colleges and the introduction of college work into the twelfth grade in many schools (the advanced placement program) underlines this point. Why not extend the idea of regional pacts both in terms of the area of education to be covered and also in terms of number of states to be included? In short, why not establish by interstate compact or agreement an "Interstate Commission for Planning a Nation-wide Educational Policy?"

In a book published last fall entitled "Shaping Educational Policy," I answered this question in the affirmative. I suggested that the states enter into a compact or agreement to establish a commission which would be a planning commission with no administrative authority (and thus differ from some of the regional boards). The prime purpose would be to study problems at all levels of education in such a way as to help the states plan together and with the federal authorities.

This suggestion has been discussed by many groups and many individuals in the last eight months. I am now convinced that the key person in each state to get the idea moving and keep it moving is the Governor. Your next speaker, the former Governor of North Carolina, Terry Sanford, will outline to you what appears to be the best method of developing a detailed scheme. Here I only want to say that in any scheme in which the Governors take the lead, the Governor in each state is certain to call on the person or persons

in his state who are responsible for higher education on the one hand and for the public elementary and secondary schools on the other. But I leave further discussion on this and related matters to Governor Sanford.

Let me take a few moments of your time to spell out in detail how I think such an Interstate Planning Commission might work. A vital part of my proposal is the creation of "working parties" appointed by the Interstate Commission and reporting to it. While the members of the Interstate Commission would be primarily laymen, the working parties would certainly include many educators and, in some cases, perhaps be composed exclusively of professors, researchers, teachers, and school and college administrators.

First of all, the Interstate Commission would have to agree on certain basic principles to guide the activities of all the working parties. These principles would include a statement of the ends of education in preparing youth to function as responsible members of a free society, a statement that each state was committed to free schooling through twelve grades for all children, the right of parents to send children to private schools, the responsibility of the state for providing public educational opportunities beyond the high school, the support of a state university for advanced scholarly work and research and the guarantee of academic freedom for the teachers in the university.

The declaration of some such set of premises by an interstate commission would be the first step in shaping an educational nationwide policy. If each state legislature would pass a resolution accepting such a declaration, we would for the first time as a nation be officially committed to certain basic principles of educational policy. We now assume these principles to be valid, but in fact they have never been promulgated by representative assemblies and could not be promulgated by the Congress.

The working parties would be so chosen by the commission as to represent a variety of views. Unanimous reports would not be expected. The right of dissent would be guaranteed to each member. The reports would be reviewed by the commission and perhaps returned to the working parties for fuller comment. In this way the diversity of state traditions and the differences state-by-state as to the nature of the problems would be reflected in the final report.

To each of these parties would be assigned a particular task. Let me give just a few examples of the kind of task which might thus be carried out by a working party. First, there is a question of obtaining a thorough study of the needs of the nation on a state-by-state basis for people trained for the various vocations. I think it is generally agreed that we do not have yet anything like adequate information. The Assistant Commissioner of Education emphasized this fact at a meeting I attended in Pittsburgh last winter. A second matter

which might well be considered by a working party would be the "drop-out" problem, again on a state by state basis, and here by the drop-out problem I mean something far more than the drop-out from high school. I mean to include the loss of talent between the high school and graduation from a college or university. A document published by the National Science Foundation some years ago brought out some alarming statistics which have not yet been fully appreciated by the American public. I have referred to these in my book, The Education of American Teachers, and would merely like to repeat here what I have written in that book. According to estimates in a study by the National Science Foundation, it would appear that of the 30 per cent most able students in the high schools of the country only 38 per cent graduated from college (45 per cent of men, and 31 per cent of women), and even of the top 10 per cent in terms of ability only about half complete college work. These data were obtained for the nation as a whole by a sampling procedure. What we need are much more accurate data on a state by state basis, for the differences state by state must be considerable. Such data could be obtained by a working party established by the Interstate Commission.

To name another example—with the vast sums of money being spent on research and training research people I think it is time we had a look on a nation-wide basis at the standards for the Ph.D. degree. There are only 219 institutions awarding this degree. One suspects the standards in some of these are low. We need a study of the whole problem of the doctorate. I think only at this high level would it be practical to consider the matter of degree standards. For the lower degrees the task is too great and the institutional standards too diverse. Before it is too late, however, we should see if we cannot develop a nation-wide policy for the Ph.D. degrees awarded by our universities. I do not propose that the Interstate Planning Commission would attempt to enforce any standards. It would have no such power. What I envisage is a report finally agreed to by the commission and transmitted to each of the states. It would then be up to the states to take appropriate action by state authorities to accept or reject these standards and, if accepted, to enforce them.

Still another subject that requires attention by an interstate commission is one I have already referred to, I mean the provision of public education for the first two post-high school years. Indeed, there is a special urgency in the demand for a thorough study of this problem. For many states are right now making far-reaching decisions. And I do not see how new funds—state or federal—can be spent effectively in this area without much more careful planning and planning based on information as to what is contemplated in all the states.

Consider for a moment high school education. The widely com-

prehensive high school which enrolls all youth in a given area is an American invention. To my mind it is an essential element in our democratic society. I am certain it will continue in spite of some critics. But I am equally certain many comprehensive high schools need improvement,—improvement in what is offered to those going on to a four-year college and improvement in what is offered to the others. There has been a revolution in the high school curricula in the last ten years. But no one can say how widespread has been the acceptance of the new physics, the new chemistry, the new biologies and the new approach to the study of foreign languages. We need to know what has happened in each state and the difficulties, if any, which have been met in introducing the new ideas.

More than one well-informed person believes the time has come for a national survey of the present status and future prospects of educational television and the use of other audio-visual aids to learning. This is a complex and thorny subject. What group could tackle it better than a working party appointed by an Interstate Planning Commission?

A considerable fraction of our youth in some states is deprived of an adequate preparation for university work leading to a career in medicine or science or engineering. The deprivation arises from the fact that the only accessible high schools are very small. Such schools cannot afford to provide adequate instruction for able students in mathematics, science and foreign languages. The cure is district consolidation and the establishment of good-sized schools with the students brought by bus. Here each state has full responsibility for the satisfactory or unsatisfactory situation which exists. The shape and size of school districts is a legal responsibility of the legislature. Progress has been made in the last ten years in a number of states. But no document exists which shows the present situation in each state and reports on what measures have succeeded in promoting district consolidation and which have failed. Here is a task for a working party to which I would assign high priority.

There are many topics that I could have added to the list of possible subjects for study by the working parties of an Interstate Planning Commission. You may well ask why the tasks which I have mentioned could not be as well performed by some committee appointed in Washington. My answer would be that I do not believe a report of a working party whose authority comes from the federal government either on the executive or congressional level would have the acceptance by Governors and state legislators as would the report of a working committee appointed by an interstate commission which would be, in the last analysis, composed of representatives of the states. Furthermore, a committee reporting to Washington, unlike an interstate commission, would not open the way to interstate communication and planning.

I am sure I do not have to tell you that I am not making an old-fashioned plea on the basis of states' rights. This is a nation operating under a Constitution created by all the people; we are not merely a federation of fifty states. This question was settled one hundred years ago on the battlefields of the Civil War. But unless we were to amend the Constitution the separate states have and will continue to have the responsibility of developing state systems of education. They will differ one from another in important points. It is important that there be a mechanism for the interchange of information and for informing the general public, the Congress and executive officers of the federal government of what the facts are in many a crucial situation.

The whole free world is passing through a period of educational change, one could almost say educational revolution. I have already referred to what has happened in Sweden. Reform is in the air in France, Great Britain, Italy and free Germany. Statesmen are coming to realize the truth of what some economists have been saying, namely that there is a close parallel between national prosperity and the extent and level of education. The conclusion seems clear. No modern highly industrialized nation can afford not to improve its schools and widen the base of educational opportunity. Do not the same considerations apply to each of our fifty states?

I have referred more than once to the increased role of the junior partner,—the federal government. This increased role in itself would demand interstate cooperation and better intrastate planning. Let no one think this issue can be bypassed. Either the states individually and collectively must plan or Washington will be forced to endeavor to determine detailed policy in many areas where the partnership of which Commissioner Keppel spoke should prevail. I hold no brief for what the federal government should do on the basis of any ideology about government. My case for an interstate commission is based on what Commissioner Keppel called "Practical soundness and necessity." I am convinced Washington alone cannot do the job that must be done. The consequence of failure of the states to act together and together with the federal authorities will be confusion doubly compounded. The vast increase in federal funds for education, which I heartily welcome, is all too likely to result in a tangled mess that no one can straighten out unless the states take new and energetic action. And they can only plan together if they can obtain and share information. In short, without some such device as an Interstate Planning Commission, I do not see how a nation-wide educational policy can be shaped and made effective. The times challenge educators and statesmen alike. What will be the response from the states? The answer depends largely on what you gentlemen decide.

Governor Love: Thank you, Dr. Conant. We appreciate very much your taking the time to come here and meet with us and

share with us some of your thoughts as to how education may be improved. Certainly, we will be devoting much more attention to the imaginative and thought-provoking plan you suggest.

We will next hear from Governor Terry Sanford. Governor Sanford, as you know, was a distinguished Governor of North Carolina. During his administration, he devoted much time to the improvement of education within that state. He is presently engaged in "A Study of American States," a Ford Foundation and Carnegie Corporation project. He also asked me to say to you that he is practicing law. That should be some indication to you of how difficult things can be for a former Governor. Governor Terry Sanford.

Former Governor Terry Sanford: Thank you very much. Back home a couple of nights ago we were watching a nation-wide television program in which several of you Governors put on a very fine performance. I was impressed with the whole thing, but especially when they asked the Chairman of the Governors' Conference what he hoped would come out of this Conference. Governor Sawyer said in words to this effect: "The affirmation of the integrity of state government as a viable part of our federal system." I think, Governors, that is what our program this morning is about. What President Miller has been talking about and what Dr. Conant has been saying so clearly, that education is now the chief domestic business of government, and that it has been the chief business of the states for all of this century at least. And now the federal government is participating on what is surely a permanent basis and, obviously, an increasing basis. This is no longer a debatable matter. Whether we like it, whether we deplore it or whether we fear it, the federal government is participating on a permanent and increasing basis in the shaping of the course of education in America.

The important question, it seems to me, is how is education in America going to grow and how is it going to be directed and designed to serve fully the needs of every individual and the needs of society? Traditionally, this has been the role of the states. Now it is too big and complex to be left to the haphazard chance of unconnected state and local efforts. The states, in this time of increased needs, cannot let the nation down. If they do, the states will forfeit the chance to shape the course of the development of America and all educational opportunities will be the less because of this forfeiture.

When I was going to high school back in Laurinburg, North Carolina, there were always those boys who had graduated or dropped out, and didn't have much to do and kept coming around the playground during the recess to get in the way. I always thought they had the best of it . . . no homework, no gettin' up early, nobody hittin' them with rulers or askin' 'em questions or making' 'em think. It was only later that I understood that they came back because they missed the school, were a little jealous of us, and it

made them feel good to act as if they knew everything and could tell us all about it.

Well, I'm glad to be back in the school-yard with you to tell you all about it, and I'm grateful as I can be that you invited me back. It's sort of like the little girl who asked her father at bedtime one night, "Daddy, tell me what it was like during the war, when you were really alive."

No man ever forgets his time in the Governor's chair. In spite of the heartaches, in spite of the worry, the paperwork, the politics, and the budget, it was a time when you were really alive . . . when what you did had real meaning . . . and seemed to matter to a people and a state you cared about. And it seemed to me that education is both the end product and the best hope of state government.

Since last April, I have been meeting and talking with leaders in American education and in state government about the possibility of establishing some interstate mechanism for the nation-wide improvement of education. A number of us felt this was important for a number of reasons:

First, the awakening of national interest in education in the last half-decade has put tremendous demands on the states to improve every level of their systems of education.

Second, there is a strong determination among the Governors to meet the challenge and do whatever is necessary to give to the people of their states and the people of this nation the very best that is possible in our schoolrooms.

Third, this increased national interest in education has stimulated a federal response, and therefore created an urgent need to assess this developing partnership for American education and try to shape it for the greatest advantage of the nation.

Fourth, from my experience, I have come to feel that education in the states will not be materially improved without the leadership of each Governor, and cannot fail to be improved if it has the active support and interest of each Governor. If the states are to retain the primary responsibility as the senior partners in education, the Governor of every state must involve himself in education . . . must pick up the standard and move his state forward.

For that reason, I think many of us were impressed with Dr. Conant's suggestion that the professional and political leadership of the states need to combine themselves into a working partnership for the advancement of education. Dr. Conant has talked about that need to you today. I would like to outline a suggested plan.

Whether we accomplish our purpose by means of a compact, an association, an agreement, or an informal alliance really isn't an important question . . . what is important is that the states get together and mold themselves into a form of interstate cooperation that will give us the voice for a unified expression of purpose; the

device to learn from each other; and the mechanism to plan for the improvement of education. The idea of an interstate compact has certain advantages. Since a compact is statutory law in each state adopting it, an organization so created would have the standing of an official agency of each state government. Since a compact is also a contract among the party states, its enactment and support would be at once the promise and commitment to the continuity of effort that would assure its stature as a national body and its acceptance as an instrument of the states.

We have called it, purely for the purpose of discussion, the Compact for Education. As I wrote to you earlier this month, such a compact would not have authority, nor be expected, to set policy. It would merely be the means of developing alternatives for policy decisions, which ultimately are to be made, in any event, by local and state policy-making bodies. It would furnish the states with the best available information. It would suggest appropriate goals. It would serve to exchange information, and to advise. It would provide the states with a forum for sharing experiences, improving standards, and debating goals.

In terms of organization, it has been suggested, again subject to your revision, that we would anticipate some seven representatives from each state. One of these seven would be the Governor who would, in any event, be a member of the commission representing the state within the compact. It would also authorize the legislature to name a member and the Governor to appoint the other five, representing higher education, representing the state system of education, local education and lay and professional educational leadership. This entire body would run, if we have fifteen states, which originally we considered the minimum for success, something over one hundred to something over three hundred fifty. From this entire body, this commission, this nation-wide group, made up of people broadly representative of education in each one of the states, there would be selected a smaller group. Perhaps we should call it a steering committee with perhaps thirty people, ten of whom would be Governors. And then directed by this steering committee would be the working parties which would come and go as needed, as outlined so well by Dr. Conant. I think it is well to reemphasize that these working parties would not be expected to come up with any one policy, but simply to examine and bring together and present the alternatives on which the states could base a wiser decision.

The agreement that you now have before you is not in final form. It is not ready for your acceptance. We certainly would not come here today and suggest that you sign up to be a part of this compact. We think that it ought to be put in final form by the kind of broad leadership that the compact itself is talking about. We would like to suggest a meeting, set in late September, that we would call the "final planning meeting." To this meeting we invite the kind of people

that you would ultimately appoint to represent your state on a commission, so that we might have a dry run; that we might see how it works; that we might see what kind of representative groups we could get. We would ask you then to appoint your member from the legislature, if it is not possible now to have the legislature itself select him; that you then appoint the six broadly representative people from your state to come and help us put it in final form. At this meeting I would hope that we would organize and select a steering committee; that we would at least set up the machinery for selecting a small staff and a staff director. I am satisfied that the initial amount of money that would be required for this would not be a problem and that it could be obtained from private funds. Then we could start off by moving in the direction of a legally established compact. The terms of the compact, as you now have it, provide for an executive agreement for a period up to two years, allowing time for states to gain legislative enactments for the compact itself. Since public education is primarily a state function, we have avoided any suggestion that we get the initial funds or any funds from any federal sources. The ultimate support of this would come from the states. Maybe you would want to divide this half on the basis of equal shares and half on the basis of population. This is only one formula and one approach and something that could be worked out at the September meeting.

I have said that I thought at least fifteen states would be necessary to set up such a working compact for education. I am most pleased that more than half of you Governors have already indicated in writing that you like this idea and that you will participate in this final planning session. So it seems to me that we are on the road to getting properly organized. I would hope that every Governor here and his representatives would join in the September meeting. Because, as Dr. Conant said, the success of this proposal now rests with you. If the center of creativity is to remain on the local level, the local level must become more creative. I feel strongly that the channel of that creativity lies with the states. The only way to assure creativity in education is to make certain that every Governor is involved in the problems of education; that every state legislature is informed and alert to new potentials; and that there is a constant flow of ideas between the political forces which must support education and the educators who must transform new funds into real achievements.

Governor Hughes will give a report of his committee, whose members have worked with our temporary, informal group. I would like anyone else to express an opinion and to ask any questions. We will keep you informed of dates and places and plans as we attempt to put this in a position for you to pick up and carry. Such a strong partnership between education and all of the states has been a long time coming. It is now apparent that education is and must be

the child of politics, not the politics of deals and maneuver, but the politics of compassion, of social justice, of principle, and of progress. I think the time has come for the states to grasp this opportunity, to act in concert, and to join in an exciting new innovation for the advancement of education and the sustenance of the nation. Thank you very much.

Governor Love: Thank you, Terry. It is nice to have you back at the Conference.

As Terry said, we are going to call on Governor Hughes of New Jersey to present his report.

Governor Richard J. Hughes: Mr. Chairman and Governors: The Committee on Human Resources has deemed this of sufficient importance to present a special report. The report is on your desk before you.

I would like to express my thanks to each of the members of the Committee on Human Resources and particularly to the distinguished Governor of Oregon, Mark Hatfield, who is Vice Chairman and whose office has been more than kind and generous and cooperative in working up this report with us.

The committee believes, with Governor Sanford and Dr. Conant, that there is no area in which the states, either directly or through their local instrumentalities, are more directly involved than in public education.

[Governor Hughes thereupon read the Special Report of the Committee on Human Resources. For text, see Appendix IX.]

During this discussion among the Governors, I would like at this time to move for adoption of this Special Report as the consensus of the Conference. Thank you.

Governor Love: Thank you, Governor Hughes.

There has been a motion. Is there a second?

Governor Mark O. Hatfield: I second the motion.

Governor Love: Is there any discussion on the motion?

Governor Brown: I would like to say a word. As I understand this proposal—I think it has been as clearly enunciated as anything I have ever heard at one of these Governors' Conferences—it suggests that the states get together to form a nation-wide commission. This commission, with delegates from each state, would appoint experts who would study specific problem areas. These specialists would then recommend solutions.

The commission would adopt or reject the recommendations, but the vote would not be binding on any individual state. The recommendations would serve as policy guidelines since they would be a declaration by the commission that this is the best way for a majority of the states to go about solving this specific educational problem.

Such a commission would also be helpful in searching out facts and figures we all need to plan educational programs. For example, the commission would determine the number of doctors or lawyers

or teachers the nation will need at some future date, giving the states something tangible on which to plan for meeting those needs.

We all still have another reason for pushing for such a commission. That reason is mobility. This mobility is increasing everywhere in the nation.

Last year, we had more than a million people move to California and more than a third of them stayed. Many of these people are youngsters and they came from schools in other states. Some had to be put back a grade because of the difference in educational policy and goals between California and other states. A few were moved up a grade.

With this high mobility rate throughout the nation today, a more standard set of goals and policies for education is imperative.

Because this commission is to be a cooperative venture among the various states, the leadership to evolve such a commission should and must come from the individual states.

I sincerely hope that each of you Governors here today will individually pledge your cooperation in the program that Terry Sanford has outlined here today.

We stand everything to gain. And nothing to lose. California will do everything within its power to make this compact a success.

Governor Love: Thank you, Governor.

Is there any further discussion on the motion?

The question has been called for. All those in favor say "Aye." Opposed? The Ayes have it and the motion is carried.

Is there any further discussion on the plan? Do you have any comments?

Governor Chafee: Could we have a chance to ask some questions?

Governor Love: You certainly can.

Governor Chafee: I would just like to ask Governor Sanford one question. My Commissioner of Education always seems to be off on a conference somewhere. I am just wondering if we have any duplication here. I am sure that this question is going to be asked me when I get home. I am for your idea and I think it can accomplish a lot. But I do want to make sure that we are not just covering old ground here. Could you answer that, Terry?

Former Governor Sanford: I certainly think that is always a danger. If this thing were not properly organized and if it did not get at the real problems of education, it could be useless. I do not think it will work out that way.

Governor Chafee: I think my specific question is this. Do we not always have in these educators' conferences something quite similar to what you are proposing?

Former Governor Sanford: John, I asked that question to associations and executive directors and to the officers themselves. We had all of these people at a meeting on May 12th in Washington

to say to them: Would this kind of thing be encroaching on your territory? Do you think you are doing enough? I believe it was almost unanimous. There were one or two people that raised a word of caution, but only one or two. It was unanimous that there is no association that can look, from the point of view of the states, to the over-all improvement of education.

I asked if there needed to be one great effort of the principal political leadership in drawing them all together. That was really the main question of the first meeting. They answered that they thought it was needed.

Governor Chafee: Thank you very much.

Governor Scranton: We might get rid of ten national meetings by putting this one in.

Governor Hoff: This question is directed to Governor Sanford. I think this is one of the really good ideas to come out of these Governors' Conferences. But I do raise a question with you because we had a parallel situation in New England. Some time ago I suggested to the New England Governors that it would be wise to have a compact between the six New England states to cover a wide variety of areas, again with the hope of strengthening ourselves as a unit and, thereby, again thwarting further federal involvement in the affairs of the New England states. During the course of the consideration of this proposed compact before the legislators, Senator Aiken came up with the idea that this had to be approved by Congress. All our research would indicate that, since this compact, too, was strictly advisory, this was not necessary. But he insisted that it was. The net result would be that the federal government would have to become a partner to this and, therefore, we would have accomplished nothing. My question to you would be: Have you considered this possibility and what is your answer?

Former Governor Sanford: The Southern Regional Education Board, when it was organized, took the position, supported, apparently, by all legal opinions that now have been put forward, that a compact for education did not have to be approved, according to the Constitution, as a compact between states because it did not infringe on the constitutional rights of the federal government. The Council of State Governments takes that position. I suppose the greatest authority in the country on the compact is Mitchell Wendell. He is very firm that the federal government does not have to be involved. Now, whether or not you want to ultimately involve the federal government in this compact is a decision that you can make. The very structure of it would not give a very great voice to the federal government. We have suggested in the compact that, of the 350, about ten people from the federal establishment, maybe the Commissioner, maybe somebody from Congress, the education committees, sit without a vote on the larger group. Whether or not you want to take that approach, I am not sure. Perhaps we do. And maybe there is a

good reason for not doing it. In any event, we have attempted to keep it primarily an organization of states.

Governor Warren E. Hearn: Governor Sanford, on the statement that is placed on each of the desks of the Governors to sign or not to sign, there are several different categories. Of course, the general statement is that the Governor appoint six members. Do you want to confine representation from each state to six? Is that correct?

Former Governor Sanford: Yes. In our compact we also suggest that the Governor might want to set up a state commission or a state council on the compact for education, so that it would give you a broader base at home to concern itself with the problems and with the solutions and with the alternatives presented by the national compact group. But we simply arrived more or less arbitrarily at this figure of giving us a pretty good mix of educational leadership. That is why the figure was just set at six.

Governor Hearn: Now, within this particular group, of course, there are more than six, as far as categories are concerned. I would assume that selections would be within the discretion of the Governor?

Former Governor Sanford: Well, as a matter of fact, I intended to say, and I think I neglected to say, that we are not saying that you must select these people from these categories. This is simply a suggested list where broad representation could be found. I would not think that everybody would appoint the president of the state university. Not everyone would appoint the chief state school officer. But out of a nation-wide effort of appointing people, I think we would get a pretty good mix in the total commission. So it is up to the Governor to do it as he sees fit.

Governor William H. Avery: My question would be to Doctor Conant, if there are no further questions to Governor Sanford. If there are any further questions to Governor Sanford, I would defer for a moment. But I do have a question for Dr. Conant.

Governor Albert S. Harrison, Jr.: I would like to ask a question of Governor Sanford. Governor Sanford, do I understand that this organization is to be financed solely by the states?

Former Governor Sanford: Well, that certainly would be my strong recommendation. We felt the states would prefer to pay for it and make it an "all-state effort."

Governor Love: Are there any further questions for Governor Sanford? If not, Governor Avery.

Governor Avery: Dr. Conant, I was rather intrigued with your employment of the term drop-out as it applies to persons not following through to a college degree. I do not know that I have ever heard it applied to this particular level before. I think you used the figure 38 per cent of high school graduates throughout the nation that enroll but perhaps do not graduate from some four-year college. I

thought educators were pretty well agreed that perhaps every high school graduate was not prepared for college work. This is what accelerated the interest in vocational education and a number of other related efforts. As one of the outstanding educators of the world, what do you think should be a reasonable and a feasible target for us as Governors to work for in the way of providing college facilities for our high school graduates?

Dr. Conant: I am afraid that I did not make myself plain. The document to which I referred pointed at 38 per cent of the 30 per cent more able students, not of the whole group—these are the high school students that they sampled. They took the 30 per cent most able and would have expected a higher percentage than 38 per cent to have finished college, not the total. I think this is surprising and discouraging. In other words, I was tying the percentage not to the entire population of the high school but to those that seemed to be the most able. To answer your specific question, speaking for myself, of course, I would think that, for those who finish four years of college, probably of the total age group something like 30 or 40 per cent would be about right. Those who finished two years of college might be much higher—50 or 60 per cent.

Governor Avery: Thank you, Doctor.

Governor Love: Governor Rolvaag has a question of Governor Sanford.

Governor Rolvaag: Governor Sanford, in your statement there was no specific mention of the role of the private colleges. There is a very definite interrelationship with the private sector in the coordination and planning and development of the whole concept of further goals in education. I would like to get your comments on that.

Former Governor Sanford: In the first category, as we listed it, we simply said, "university and college," leaving that to the discretion of the Governor. Duke University has been extremely helpful in shaping the educational policy of North Carolina. We count very heavily on the private college. I think some states would like to and some states would not find it necessary. But this is a wide open matter for the Governors to do as they see fit.

Governor John A. Volpe: Mr. Chairman, I want first of all to commend Dr. Conant, a distinguished son of Massachusetts, a former President of Harvard University, for the great presentation that he made here today, along with the wonderful recommendations of our former colleague, Terry Sanford. I thought it might be of some help to outline very briefly a survey which we made in Massachusetts, just completed within the last few weeks. In my first term as Governor—and I am sorry for the interruption, my colleagues; it was involuntary—we recommended to our legislature the establishment of a commission for the purpose of reviewing education as a whole in Massachusetts, and appointed to that commission

legislators as well as outstanding educational leaders and laymen—twenty-one citizens. And they came up with a report which completely, I might say, revolutionizes education in Massachusetts. This commission, because it included legislators, was able to get more favorable action from our legislature than would otherwise have been possible. Just about a month ago I was able to sign legislation which followed through on the recommendations made by this commission; namely, the establishment of three new boards for education in Massachusetts: One, a higher education board which would oversee the expansion and development of our state colleges and universities; two, a board of public school education which would define and implement the secondary and elementary school; third, an advisory council on education which would advise the Governor and the two boards I have just mentioned—lawmakers and other public officials. It is a very ambitious plan. We are just now getting ready to appoint the advisory council. We are very hopeful of the results of this undertaking.

Governor Love: Thank you, Governor Volpe.

Are there any further comments or questions? If not, I am sure that I speak for all of us here in once again thanking the distinguished panelists for the contributions they have made. I am certain that the comments and questions are an indication of how much we have appreciated your thoughts, plans and suggestions regarding this most vital problem facing the states and nation today—the problem of organization and planning for education. Thank you.

Governor Sawyer: Thank you very much, Governor Love.

Tied to education is the question of money. Therefore, your Executive Committee decided that it would be logical if we discussed these two items together. The next matter on the agenda is "The Economic Outlook for State-Local Finance." It will be presided over by Governor Sanders.

Governor Carl E. Sanders: Mr. Chairman, distinguished Governors and ladies and gentlemen: We certainly have enjoyed the very fine dissertations in the area of education. Now we are coming to a particular part on our Governors' Conference program that is of equally great interest. It is my happy privilege today to preside over this part of our program, which will include two outstanding panelists as we consider the question of "The Economic Outlook for State-Local Finance."

As a matter of information and just a little preface to our discussion, I might point out that the federal government today actually collects in excess of 70 per cent of the total taxes that are collected in our country. Our local governments account for only about 15 per cent of the total. And, of course, we Governors realize that our fiscal problems are getting more and more complicated.

Another bit of information that I think would be helpful, as we go into this program, is that obligations of local governments back in

1950 amounted to only \$19 billion. Today, the obligations of our local governments have increased over 300 per cent and we now have obligations in excess of \$63 billion as of last year. There are eighty-five grant-in-aid activities today. The grant-in-aid program in our country has increased more than four times during the past decade. So I say again that we have considerable interest in this economic outlook for state-local finance. This should prove to be a most interesting and informative discussion.

We have with us two of the country's leading authorities in the area of modern government finances. We have Dr. Walter Heller, who, I think, is probably the most popular citizen in this country today with the taxpayers because he fathered the \$11 billion tax-cut program of last year. We have with us Dr. Joseph Pechman, who is director of economic studies at The Brookings Institution.

I might mention that both of our panelists were graduate students together at the University of Wisconsin. Dr. Heller wrote his thesis on state-local financing. Dr. Pechman wrote a thesis on income distribution, and he is now considered an expert on federal finance. So, naturally, he was asked by the Administration to preside over a task force on how to provide for state financing. Dr. Pechman is now administering a Ford Foundation grant on the question of taxes and expenditures, the system of taxes at the state and local levels. Dr. Heller, who formerly was the Chairman of the Council of Economic Advisors, is now teaching economics at the University of Minnesota.

I think Governors and governmental officials realize that the first basic and undisputed premise is that we are not talking today about government as an abstract topic divided into segments, but as an agreed upon social act of the people. During any academic session on this matter, I think it is too easy for us to forget that the purpose of government is the people. Of course, the ideal level of government is the one that is closest to the people. We all know, too, that America has developed with local government as its structural foundation. All of us have our ties to the old home town. We are wedded to the belief that our democratic system works best in a local government which is exposed to the direct veto of the voters. Naturally, this strong devotion to local government has been imbedded in our legal and our constitutional system. Unfortunately, there are no clearly defined legal limitations applying to all cases that delineate the activities of the three main levels of government. So it is our purpose to try to achieve a proper balance. But no matter in whose favor the balance may be tipped at any particular time, the local people continue to live their own lives and continue to demand certain obligations of their government. And if any one level of government seems reluctant or unable to exercise its proper role, then we know that one or both of the other levels usually fills

the void. This is a matter of basic political structure and not of politics. Therefore, it should not be a topic that lends itself to divisiveness among Americans. The late Adlai Stevenson observed, when he was Governor of Illinois: "Political parties and party principles are essential to our system of government. But economic and social principles over which a healthy national electorate divides, diminish in importance as government descends from the national to the local level. Basic divisions between Democrats and Republicans on national issues have little bearing upon state and municipal problems."

So I think today we have an opportunity to discuss these governmental relations. I think it is only through constant consideration and evaluation of these matters that we can maintain the most enlightened and satisfying form of governmental structure that the world has ever known.

Dr. Heller is going to speak to us first. Following that, we will hear from Dr. Pechman. It may be that Dr. Pechman will not appear until after lunch. But following Dr. Pechman's remarks, there will be questions and answers in an executive session of the Governors this afternoon. I am now pleased to present to you at this time Dr. Heller, who will be our first speaker.

Dr. Walter W. Heller: Governor Sanders, Governor Sawyer, Governor Rolvaag, other Governors of the American States, Commonwealth and Territories, and guests:

As an economist, I find it a particular pleasure and privilege to speak to an assemblage of Governors. For, whether they like it or not, state Governors are the steadiest friends economic expansion has ever had. No matter what else in the economy may go down, or move this way and that, state-local spending moves right on up at a steady 8 to 9 per cent a year. It gives economic forecasters something to hang on to. And it gives Governors something they wish, at times, they could let go of. No matter how many high marks the economists may give you as fifty pillars of prosperity, you surely get more than your share of low marks from the voters as fifty Tartars of taxation (with only a few conspicuous exceptions).

Taking the strong and steady advance of state-local expenditures as an inescapable fact of life, one's appraisal of the economic outlook for state-local finance rests mainly on the answers to these three questions:

- What are the short-run prospects for continued economic expansion?
- How strong and reassuring is the new national commitment to policies for sustained growth?
- What will be the size and form of the fiscal dividends declared by the federal government in the course of carrying out that national commitment?

Economic expansion and federal fiscal policies cannot in themselves solve all state and local fiscal problems. But the speed of expansion and the character of federal policy will in large measure set the framework for state-local efforts to solve them. They will determine whether the pressures for new state and local taxes become manageable or unmanageable—whether being a state Governor is, if not political paradise, at least not political suicide.

Economic Prospects for 1965-66

You are meeting at a time when I find it more difficult than usual to read the economic roadsigns, to know just where the balance will be struck between sustaining forces of expansion like rising state-local expenditures and business investment, and possible forces of contraction, like a slow-down in steel and automobiles. But my assignment for today gives me no place to hide, so I shall start with a quick look at where the economy stands today, where it seems to be heading, and what federal policy-makers are likely to do about it.

Where we stand

Recent tremors in the stock market suggest some feeling that the present expansion is too good to be true, too good to last—that, somehow, we have to pay the piper for all this prosperity. Indeed, the record is a glowing one. Although the advance is now 4-1/2 years old—a new record over twice as long as the average peacetime expansion—it picked up speed in the past year under the spur of the Great Tax Cut of 1964:

1. In the 1961-65 expansion, Gross National Product (GNP) has risen \$157 billion. It is up nearly \$50 billion in just the five quarters since the tax cut.
2. The advance in output to date has created jobs for 5.7 million more people. Employment is up 2.3 million since the tax cut.
3. Through the first quarter of this year, corporate profits are up 70 per cent from their recession levels. After-tax profits, benefiting from corporate tax rate reduction as well as the surge in business activity, have more than doubled in four years. They have climbed nearly 20 per cent just since the tax cut.
4. Industrial production is up 37 per cent since early 1961 and 10 per cent since the tax cut.
5. And while these gains were being achieved, we maintained the best record of over-all price and cost stability of any industrial country in the world and made major progress in bringing our international balance of payments under control.

where we are headed

So much for the past. For the rest of 1965, some slowdown from the recent pace of advance is in the cards. But such a pattern is in line with our expectations. It was implicit in the official January forecast of the Council of Economic Advisers calling for a \$660 billion GNP for the year as a whole. Now, at mid-year, the \$660 billion figure looks close to another bull's-eye for the government forecasters; if anything, it may still need to be shaded upward a bit.

Slower gains are expected for the rest of the year and early 1966, primarily because of

- a leveling-off in automobile sales;
- the probable run-off of large steel inventories built up by steel users as a strike hedge;
- the presently scheduled rise of \$5 billion in payroll taxes on January 1, only partly offset by further excise tax cuts.

These developments alone may interrupt the steady gains in the Industrial Production Index and bring more modest increases in total output and consumer demand than those we have recently been accustomed to. It is possible that this dash of cold water could dampen economic spirits and lead to a high-level stall—not a recession, but a marked slowdown, with rising unemployment, falling profit margins, and a cutback in plans for capital expansion.

But the strength of the underlying forces for expansion offers considerable insurance against such an economic stall:

1. Not only are business plant and equipment plans bullish, but high and rising corporate cash flows provide continuing support for high and rising business investment. This year, retained cash flows—reflecting the 1962 and 1964 tax measures as well as the growth in sales—should exceed their 1961 levels by \$17 billion, a larger increase than the rise in total plant and equipment spending.
2. Average rates of return on equity capital in manufacturing, which had only occasionally reached the 10 per cent level since the mid-1950's, have averaged 12 per cent in the quarters since the tax cut. This high profitability—reflecting high volume, steady unit costs, and lower taxes—offers a further stimulus to business investment.
3. Despite a sharp rise in automobile credit outstanding, increases in consumer debt have not been excessive relative to the growth in incomes and liquid assets of consumers. The proportion of consumer income devoted to debt repayment has continued its long upward trend. But a recent Federal Reserve study estimated that "heavily burdened" borrowers were only 10 per cent of the total in 1964, the same as in 1961 and 1962 and comfortably below

the 12 per cent estimated for 1960 and 1963. Meanwhile consumers' liquid assets continue to grow at a rate many times faster than the growth in installment credit.

4. Finally, well timed fiscal actions will be raising consumer purchasing power during the second half of this year. Excise tax reductions will reduce prices on a wide range of goods at the same time that liberalized Social Security benefits, retroactive to the first of the year, will be augmenting consumer incomes among many of our lower income families.

In sum, these factors suggest a second-half rise in real GNP of only 3 to 3-1/2 per cent (annual rate) over the first-half level, distinctly slower than:

- the 5 per cent rate of gain for the first half;
- the 4 per cent rate of growth in our economic potential.

The corresponding GNP gains in current dollars—i.e., without price correction—would be about 7 per cent for the first half, dropping to 4-1/2 or 5 per cent for the second.

If 1965 finishes on the schedule I have indicated, it would close a fifth year of uninterrupted advance, yet leave the economy well short of its potential, with little prospect of catching up in the first half of 1966:

- We are now entering the period when the echo of the post-war baby boom makes itself heard in record rates of growth of our labor force.
- Even the great job gains of 1964-65 do not remove the prospect of an unemployment rate near 5 per cent at the end of this year.
- Output at year's end will be around \$25 billion below our GNP potential, and that potential will be growing by more than \$40 billion during the coming year.
- Private demand will be growing, but not fast enough to absorb the rising supplies of manpower and industrial capacity.

Thus the need for more rapid expansion of job opportunities and consumer markets calls for clearly expansionary economic policies in 1966—policies designed to expand incomes and create demand sufficient to close in on the growing potential of the economy.

Prices and international developments

At present, I see no barriers to such expansionary moves looming up either from overheated price developments or from backsliding in our balance-of-payments situation:

1. Some food prices have risen recently, but these lie outside the reach of general economic conditions or remedies—through their possible impact on wage demands should not be ignored.

2. Without falling into the 1955-57 trap of overexpanding their plant capacity, businessmen have generally kept their capital expansion a step ahead of output requirements. After 4-1/2 years of expansion, with a 40 per cent rise in manufacturing output, the average operating rate, at 89 or 90 per cent, remains a bit below the 92 per cent rate preferred by businessmen. Occasional supply shortages have moved isolated prices up during the past year, notably in non-ferrous metals; but these conditions appear to have been corrected, and no general problem of tight supplies threatens our price stability.
3. Moderation in wage increases—a hallmark of this expansion—has continued in most industries, keeping unit costs stable as employment expands.
4. This excellent record of wage and price moderation has helped American industry meet foreign competition both at home and abroad. As an important example, price movements in steel products last year moved sharply in a direction favorable to domestic relative to foreign suppliers, thereby reversing the trend of the late 1950's and early 1960's. Together with the highly effective voluntary restraint program on capital outflows and measures to curb government expenditures abroad, these developments have contributed to the recent dramatic improvement in our balance of payments.

Interest rates

Heavy borrowers have a right to ask whether economic developments seem to call for higher interest rates in the months ahead. There are two circumstances that might lead our Federal Reserve authorities to a monetary policy of significantly higher interest rates: the expectation of widespread and rapid price increases, especially in investment goods; or a serious deterioration in the balance of payments. As my remarks suggest, neither seems in prospect.

I must add that conceivable, though unlikely, developments abroad could complicate this whole picture. If the moves to damp down inflationary pressures in the advanced countries were to bring on a worldwide recession, or even a sharp slowdown, our exports would suffer. But in spite of troublesome situations in Britain, Japan, and India—and somewhat slower economic growth in the Common Market—I do not foresee major pressures from this source. Governments no longer sit idly by as helpless victims of economic circumstance—most, if not all, have learned that they cannot solve their international payments problems by strangling expansion at home. The international monetary system must be the servant of policy, not the master. With confidence in the dollar stronger than

in many years the United States has taken the initiative in moving toward a broader base of international liquidity to assure this in the future.

Fiscal policy for 1966

Within this setting, what can we now say about policies for 1966? We start with the scheduled \$5 billion in added payroll taxes only partly offset by further excise tax cuts (and a final spur from the 1964 tax reductions as tax refunds return to previous levels). In the second half of 1966, the advent of Medicare (and expanded unemployment benefits) will add \$2-1/2 billion to consumer incomes (annual rate).

To these tax and benefit changes must be added the force of rising federal expenditures scheduled for 1966—in the form both of higher federal purchases and growing grants to state and local governments. Yet on balance, these fiscal changes will not offset the automatic increase in federal revenues arising from economic growth. Until recently, room for further tax cuts or larger transfers to state and local governments seemed clearly in sight for 1966.

War in Vietnam

Looming constantly larger in the Nation's fiscal and economic planning is the war in Vietnam. The period when the growing commitments of manpower and material in Vietnam could be absorbed within the bounds of a \$50 billion defense budget—even with determined economizers like President Johnson and Secretary McNamara at the helm—has now passed.

Statements to Congress last week by Budget Director Charles Schultze and Chairman Gardner Ackley of the President's Council of Economic Advisers seemed to reflect a hold-all-bets posture until the Vietnam commitment is decided, measured, and translated into new budget requests and economic impact. Only when this process is completed will we know whether we continue to need—and continue to have room for—further fiscal stimulus through additional tax cuts and other measures in 1966.

In July 1961, the Berlin crisis led to a budgetary request of some \$3 billion. What would an increase of this magnitude, over and above recent projections, signify in economic terms?

1. It would add at least double this amount, or \$6 billion, to 1966 GNP—perhaps more, if it led to a general quickening of the economic pulse.
2. My appraisal suggests that enough manpower and industrial capacity will be readily available in 1965-66 to accommodate this added demand without overheating the economy.

But as I say, whether added stimulus will still be needed in

1966 to keep the powerful U.S. economy on the track to full employment can only be decided after the full scale and timing of the Vietnam draft on our 1966 economic resources is known.

Policies for Expansion in the Longer Run

This year and next year, of course, are most immediate and vital in fixing your fiscal course in the fifty states. But most of your fiscal plans for the next twelve months—or even twenty-four—are already locked up, and your sights are set more and more on the period beyond mid-1966. And there, your fiscal prospects depend most heavily on the nation's policies for economic expansion and the federal tax and budgetary measures taken to carry out those policies.

You have every reason for confidence that economic expansion will be the rule, and recession the rare exception. I do not claim that we have, in one great leap forward, moved from the recession-prone 1950's into a new era of recession-proof 1960's and '70's. But I am convinced that major advances in government policy and business practice are making our economy more and more recession-repellent.

Your state revenue forecasters can count on a more steadily expanding economy than we have ever had before in peacetime. They no longer have to assume that there is some inescapable rhythm or cycle in the economic affairs of man that periodically turns expansion into recession. As Business Week put it earlier this month, "There is nothing inevitable about this or any other business expansion coming to an end at any given time. . . . The life span of a business advance is determined by businessmen, consumers, and government policy makers."

Part of the innovation that promises a brighter economic future has come in the private sector. Modern management and computers are writing a whole new history of inventory control and plant and equipment programming. We are gradually growing out of the boom-and-bust psychology that used to generate huge swings in inventories, capital investment, cost-consciousness, and speculation. In the 1961-65 prosperity inventory restraint, investment prudence, and tight cost controls have not melted away under the warm sun of sustained prosperity.

Even more striking are the innovations in public policy, both in the signal for action and in the readiness to use our fiscal and monetary weapons to achieve the economy's full potential.

Both President Kennedy and President Johnson became convinced that it is easier to keep an expansion going than to reverse a downswing. The signal for swinging into action, as I have already implied, is no longer an expected or actual recession. Instead, it is the existence of an economic gap between what we are producing

and what we could produce. To carry out the spirit as well as the letter of the mandate of the Employment Act of 1946 to achieve "maximum employment, maximum production, and maximum purchasing power" calls for positive fiscal and monetary action when economic performance lags behind economic potential.

With this shift in signals, most dramatically symbolized by the 1964 tax cut, we have moved from an economic policy emphasizing shock-absorption—taking the sting out of recession—to a policy of economic propulsion—taking measures needed to sustain expansion.

In the past four years, the tremendous fiscal power of the federal government has been harnessed in a consistent and constructive effort to generate the large, steadily growing, and non-inflationary markets required to absorb the great and growing output of our economy.

The full extent of federal fiscal action in carrying out this new commitment in the past few years may not be fully realized. The Council of Economic Advisers analyzed it for the Joint Economic Committee of Congress last week. From the end of 1960 to mid-1965, the federal government took expansionary budget actions totaling nearly \$40 billion (as calculated in the national income accounts):

- Expenditures, even while declining as a percentage of GNP, grew \$27 billion—nearly half for defense, \$7 billion in social insurance payments, and \$5 billion in federal aids.
- Tax cuts, after subtracting payroll tax increases, came to \$13 billion.

As the Council said:

"There is nothing necessary, natural, or constant about the two-thirds, one-third division of fiscal moves between expenditure increase and tax reduction. Nor can the amount or composition of the expenditure rise be extrapolated into the future. But the record of the past 4-1/2 years does show how a democratic society can meet urgent social needs, provide for tax reduction, and conduct a fiscal policy that helps to promote over-all prosperity."

The Council, the Budget Bureau, and the Treasury all stressed the need for (a) swift emergency tax cuts in case of recession and (b) repeated tax cuts and/or spending increased to keep the federal fiscal drag from slowing down the U.S. economy.

In a somewhat curious way, the Vietnam crisis may well give us the most striking single example of the advance in economic thinking and the strength of the policy commitment which constitutes such a strong force in your fiscal future. In 1961, with over 6 per cent unemployment and a gap of over \$40 billion between actual and potential output, the White House came within an eyelash of asking a tax increase to finance \$3 billion of defense build-up

for Berlin. In 1965, I am sure that if a similar build-up were to occur for Vietnam, its economic impact would be coolly appraised in the light of the economy's production gap and future prospects. Even with far higher levels of output and employment than four years earlier, the question today would be, not whether it calls for a tax increase, but how much of the economic gap it might close and whether, or how long, it should postpone a tax decrease.

Federal Drag and Fiscal Dividends

Our federal tax system is so powerful and so responsive to economic growth that it will generate an average annual rise of about \$7 billion in net federal revenue flow between now and 1970. This is the central, towering fact around which the rest of my comments today will resolve.

With our normal economic growth of 4 per cent a year in real terms (5-1/2 per cent a year in current prices) the net "take" from existing federal taxes will grow by about \$35 billion between now and 1970. (Last week, Gardner Ackley used a gross figure of \$50 billion; \$10 billion of this would be absorbed by increased social insurance payments, and \$5 billion represents extra revenues associated with a full-employment economy. My \$35 billion a year is, characteristically, conservative.)

Depending on our wisdom and courage, this \$35 billion growth in federal revenues will either rear its ugly head as a renewed fiscal drag or rear its lovely head in the form of recurring fiscal dividends. Given recent advances in public understanding and government policy, I have no doubt that fiscal dividends rather than fiscal drag will carry the day. Apart from the debt retirement that will be called for if excess demand threatens to overheat the economy, the \$7 billion annual revenue rise will open the way to generous dividends in the form of:

- higher federal outlays on new or expanded programs;
- lower federal taxes;
- new support for the Social Security system;
- larger transfers of funds to hard-pressed state and local governments.

Taxpayers, program beneficiaries, Governors, Mayors, and others are already hungrily eyeing this rich fiscal harvest. What are some of the alternative possibilities?

Federal spending

Leaving aside the budget consequences of Vietnam, I foresee about half of the automatic revenue rise being absorbed by increases in federal civilian expenditures. Such increases have averaged about \$2 billion a year in the administrative budget, measuring either from the Korean War on, or just from 1960. To this

annual increase, I add an allowance for the pickup in tempo implied in the Great Society programs. (With a \$3 or \$3-1/2 billion yearly rise, federal expenditures would continue to decline as a per cent of GNP having already dropped from 17.2 per cent in FY 1959 to 15.2 per cent in FY 1965 on a budget basis, and from 20.3 per cent to 19.0 per cent on a cash basis.)

Behind these projections lie urgent national needs. The polluted air I breathe in many large cities, the now polluted Lake Michigan, Milwaukee River, and Puget Sound waters I used to swim in as a boy, our vanishing wilderness, our growing urban blight, the persistence of human poverty amidst plenty, the uneven struggle between beauty and ugliness in our surroundings, the excessive incidence of illiteracy, crime and delinquency—all these reach out for a large share of that \$7 billion annual dividend, either in the form of direct programs or through more generous transfers to state and local governments.

For how else are we to gain control of our public environment, rather than letting it control us in a "half-finished society," in the graphic phrase of Faltermayer's recent Fortune article? How else can we make real progress toward a society that will not only be large and productive but great and good?

Tax cuts

As a result of the 1962 and 1964 Revenue Acts, which cut both corporate and individual income taxes by nearly 20 per cent, we are paying \$17 billion less in federal income taxes on this year's income. No such massive cuts are in the cards for the next five years. But even after the 1965 excise tax cuts, and making generous provision for other "dividend claims," the \$35 billion potential revenue growth by 1970 leaves room for further tax reductions. Talk of reducing lower-bracket income taxes, perhaps by raising personal exemptions, is already heard in Washington. Whether Vietnam will temporarily still such talk remains to be seen.

One need not dwell on the claims of the tax cutters of the future. They will point out—and rightly so—that tax cuts boost private demand, vitalize free markets and private incentives, supply added funds for private capital formation, and lubricate further tax reform. Perhaps you will permit me to remark, "Yes, I know, but I can only hope that the tax cut lesson has been learned wisely and not too well."

Social Security support

In passing, let me raise this question: How much further should we go in cutting income taxes at the same time that we keep raising payroll taxes—taxes which bear most heavily on lower income groups and consumption and which increase employers' costs of providing jobs?

Where this is no alternative, payroll levies to buy protection against the economic inroads of old age, unemployment, and ill health are good bargains for our society. But as the opportunity develops, we should seriously consider financing additional benefits in part out of income tax revenues rather than increasing payroll taxes. In particular, a program to strengthen unemployment compensation by tapping the income tax as a revenue source—at the same time, tightening unemployment standards to end abuses—has much to recommend it as a means of strengthening the economy and easing the burdens on small incomes while reducing business costs.

Transfers to state-local governments

Finally, I want to examine with you the claims of the state and local governments. Let me briefly plead their general case—your case, as chief executives of the fifty states—and, in the process, pose a basic question about the future of our national fiscal system.

The essence of the case is a fiscal mismatch:

- The supply of readily available federal revenues in the years ahead will rise faster than the demands on the federal purse.
- The state-local situation is reversed—expenditure demands will rise faster than the readily available revenue supply.

Past history on this score is compelling: while federal outlays have been rising more slowly than GNP, from 1953 to 1963, state-local expenditures rose nearly 9 per cent per year, or almost double the GNP rise. From \$28 billion in 1953, they rose to \$65 billion in 1963. State spending alone rose from \$12 billion to \$28 billion. And no letup is in sight:

- Demography burdens state-local budgets, not just by the 19 per cent over-all population growth from 1953 to 1963, but by the 40 per cent rise in the 5-to-19 age group and the 29 per cent increase in the over-65 group.
- Mobility and urbanization call for ever more new schools, sewers, roads, parks and the like.
- Prosperity generates demands for better schools, roads, mental hospitals and so on, faster than it generates added state-local revenues.
- Price trends in construction and the services of teachers, for example, continue to work against state-local budgets.

Looking ahead, Joseph A. Pechman—using a modest 7 per cent rate of increase—has projected state-local expenditures of \$103 billion in 1970. Side-by-side with this, he foresees receipts (including "normal" growth in federal grants) rising to only \$88 billion.

This would leave a \$15 billion gap to be closed by new state-local tax boosts.

In trying to finance this gap, state and local bodies should, can, and will do more to tax themselves—the doubling of state tax collections between 1953 and 1963 provides evidence on this point. But even leaving aside the political hazards of raising taxes, the states have to cope with some serious economic and institutional handicaps:

- interstate competition and fear of keeping out or driving out industry and wealth;
- limited jurisdiction and less-than-ideal administrative size;
- great disparities in economic, and hence taxable, capacity;
- heavy reliance on tax sources that are not very responsive to economic growth.

Yet, in the face of these barriers, the simple fact remains that many of the functions essential to a great, good, and growing society are carried out by state-local government; education, community development, mental and physical health, recreation, welfare—the list is not short.

So, as we declare future fiscal dividends, it will be important to choose ways and means that will help redress the federal-state-local fiscal balance and strengthen our federalism. What we seek is clear, a fiscal federalism that not only serves essential national interests but preserves the strength, vitality, and responsibility of state-local government.

The prospect of further fiscal dividends also raises a basic question about the kind of over-all tax system we want to design. Do we want one in which—to put it in extremes—we dismantle the progressive and comparatively equitable federal income taxes while leaning ever more heavily on regressive and comparatively inequitable state-local property, sales, and excise taxes? Or do we seek a tax system in which the powerful federal income tax is used to support expenditures which otherwise would not be made, or would have to be financed from regressive tax sources? One cannot consider the federal-state fiscal problem without keeping this question constantly in view.

Federal Support and State Fiscal Efforts

In reviewing the fiscal difficulties of the states and their need for more generous federal support, I don't for a moment overlook the strong helping hand the federal government is already holding out, nor the fiscal efforts that are being made—and those that still have to be made—by state and local governments.

Federal tax and budget policy has already given state-local treasuries a powerful assist in various ways:

- The most spectacular is the rise in federal grants from \$3.1 billion ten years ago to the \$13.6 billion programmed in this year's budget.

Less direct is the state-local bounty derived from 1964's huge income tax cuts. Some \$3 billion extra a year will flow into state-local coffers from the 1964 cuts alone, a 7 per cent boost for both state and local tax revenues. Most of this comes from economic expansion generated by tax reduction, but for sixteen of the income tax states, reduced deductions for federal income taxes are boosting revenues more directly.

- Also significant is the \$4.7 billion excise tax cut enacted last month. This offers not only the indirect benefits of an expanded state-local sales, excise, and income tax base, but provides interesting opportunities for states to rush in where the federal government will no longer tread (or will tread only lightly), e.g., excise on telephone service (intra-state), automobiles, admissions, and deeds of conveyance. Yet, the list of effective opportunities for state and local governments to move in is surprisingly short.

Even with these impressive fiscal assists, state Governors and legislatures did a brisk business in new and used taxes this year. In the first six months of 1965, I was surprised to find this record of major tax actions:

Sales tax: 2 new entries (Idaho and New York) and 9 increased rates.

Personal income tax: 1 new entry (Nebraska) and 8 increased rates.

Corporate income tax: 7 increased rates.

Cigarette tax: 1 new entry (Oregon) and 20 increased rates.

Liquor tax: 6 increases.

Gasoline taxes: 8 increases.

This spate of tax increases bears witness to the great fiscal pressures on state governments and also suggests that their fiscal courage and capacity are not exhausted. The adoption of personal sales tax exemptions (in the form of income tax credits and refunds) in Indiana and Colorado attests to the ingenious attempts being made to couple revenue with equity considerations.

Courage, effort, and ingenuity in drawing more revenue more equitably from state and local sources are surely required. And states seeking broad federal grants derived from the income tax should ask whether their case may not suffer from having no income taxes in one-third of the states, anemic ones in another third, and tough ones only in the remaining third.

Yet when all is said and done in an era when painful fiscal pressures at the state-local level co-exist with pleasant fiscal dividends at the federal level, state and local governments have a commanding case for stronger federal financial support.

What forms that support might usefully take will be discussed with you by Mr. Pechman. But let no one assume that a command-

ing case is synonymous with a convincing one—or that the fiscal battle can be won by endorsing one plan or another.

Battles are won in our society by developing a consensus. And that consensus will emerge only out of fiscal performance and fiscal persuasion of a high order. There are no short cuts. I wish you well.

Governor Sanders: I know that all of us who have had the privilege this morning of listening to Dr. Heller are most grateful to him for this very wonderful dissertation. I think, if I interpret his remarks correctly, that we Governors can all go back home and run a "no new tax platform," if we just get our rich uncle to share the wealth with us between now and 1970.

Gentlemen, we will recess now. This does not yet complete the economic outlook panel. Dr. Pechman will be with us in executive session this afternoon and at that time the floor will be open for any questions you might like to ask him.

[Secretary Carihfield made several announcements and the meeting was recessed at 12:30 p.m.]

AFTERNOON SESSION—Tuesday, July 27

Governor Sawyer: I think in the interest of time, ladies and gentlemen, I will call the meeting to order. We will first complete the formal aspect of this morning's program, which is "The Economic Outlook for State-Local Finance." So I will call on Governor Sanders to complete that part of his program.

Governor Sanders: Mr. Chairman and fellow Governors, I think it would be proper and in order at this time that we take some action, as Governors, on the premise of federal-state financing and on the principle of having the federal government actually help the states in regard to the financial problems with which we are now confronted. All of you know that there was a task force set up by the President a couple of years ago, and Dr. Pechman, who will speak this afternoon at the executive session, was the chairman of that task force. A few months ago, when the Governors of all of the states met at the White House, some of us discussed with the President the possibility of either reactivating or establishing a study group composed of some of the Governors and some of the federal officials as well as some local representation for the purpose of arriving at suggestions and recommendations on how we could solve some of these financial problems. I realize that we do not have a resolutions committee. I am also aware of the fact that the only way this Conference can take any action would be either to do it through unanimous consent or by suspension of the rules. I would like to read a statement and then I would like to ask for unanimous consent to consider adoption of a resolution in regard to the problem of federal-state finances.

Governor Burns [Florida]: May I say that, in view of the apparent delay of many of the Governors in arriving, I would suggest this would not be an appropriate time to take the pulse of the Governors on any question. May I respectfully request that you delay any such proposal for a matter of fifteen to twenty minutes until more of the Governors arrive.

Governor Sanders: We will be delighted to do that. The only reason that I am speaking to it now is that the Chairman thought this was the proper time to present it. But if that is the consensus, Mr. Chairman, I will be happy to relinquish the floor to you and to ask you to permit me to bring up this matter when more of the Governors are in the room.

Governor Sawyer: Thank you very much, Governor Sanders. Governor Burns, this matter will be taken up just before we

go into executive session. It should be a matter that is on the record. I recognize that a good many of the Governors are not here, and I apologize to the distinguished gentleman who will be called upon now to participate in the program. But I am sure that the Governors are all on their way up.

It gives me a great deal of pleasure to introduce to you now Governor Hansen of Wyoming, who is Chairman of the Committee on Roads and Highway Safety, to make a report for that committee and also preside over the unveiling of the Commemorative Traffic Safety Stamp.

Governor Clifford P. Hansen: Thank you, Governor Sawyer. [Governor Hansen thereupon read the Report of the Committee on Roads and Highway Safety. For text, see Appendix X.]

Governor Hansen: Here in the United States we have 53 per cent of all the world's vehicles. We drive 66 per cent of the total world's mileage. But, fortunately, we have only one-third of the world's fatal accidents. In other words, our drivers are six times better than those of the rest of the world. Obviously, this has not been accomplished without planning and effort. Perhaps we should emphasize the actions that have been productive of such good results. Such actions have reduced the death rate from 16.1 in one hundred million miles of travel in 1937 to 5.7 in 1964. What each jurisdiction needs to do to implement these successful programs is outlined in the master plan, the action program of the President's Committee for Highway Safety. As Governors, we recognize the need for greater effort at all levels of government to make highway transportation more efficient and more safe. We welcome an increased federal interest and more federal assistance. However, we see no justification for downgrading the effective work of the past under the jurisdiction of the states. Furthermore, we recognize no justification for a federal take-over of this responsibility.

This afternoon we are privileged to play host, along with the great citizens of the State of Minnesota, to a very distinguished federal official. It is my very pleasant duty to introduce Frederick C. Belen. Born in Michigan, Mr. Belen earned his A.B. degree at Michigan State University and his law degree at George Washington University. He is a member of the bars of Michigan and the District of Columbia and also the Supreme Court bar. After staff service with two members of Congress, Mr. Belen was appointed counsel and then chief counsel and staff director of the Post Office and Civil Service Committee of the House of Representatives. In these capacities he served some fifteen years. In 1961 Mr. Belen was appointed Assistant Postmaster General in Charge of the Bureau of Operations. In February, 1964, Mr. Belen was named Deputy Postmaster General. It is my pleasure and privilege to present now the Deputy Postmaster General of the United States, the Honorable Frederick C. Belen.

Deputy Postmaster General Frederick C. Belen: Thank you, Chairman Hansen, Host Governor Rolvaag and your colleagues and guests:

It is an honor for me to appear before the Governors' Conference and to introduce you to the design of the Traffic Safety postage stamp that the Post Office Department will issue in September.

Some experts on Traffic Safety believe that one way to solve the problem is to place governors on automobiles. It is not quite clear to me how fifty governors can be divided among eighty million motor vehicles. But I am sure you gentlemen will cooperate.

Most of these eighty million cars and trucks and buses, by the way, seem to be on the highway, just ahead of me, when I battle to get to work in the morning from my home in Arlington, Virginia, just across the Potomac River.

I am a native of the State of Michigan and of course am justly proud of our automotive industry. Now I have every confidence that Detroit has the industrial capacity to build new automobiles faster than we Americans can crack them up. So an impending shortage of automobiles does not loom. There are other reasons for our interest in traffic safety.

In the past fifty years the automobile has drastically changed the American way of life . . . and the American way of death!

I can bear this out with a gruesome statistic. In 1963, the latest report available to me, the motor industry's sales figure reached a new high for ambulances and funeral vehicles. These may be insufficient, unless we can learn to cope with what I regard as one of the most serious internal problems facing America today.

The death and destruction on our streets and highways are truly appalling. In the last 64 years, 1,500,000 Americans have been killed in traffic accidents. Nearly 53 million persons have been injured. One and a half million men, women, and children slaughtered on our highways! That is nearly three times the total number of Americans killed in World War I, World War II, Korea and Viet Nam.

Last year traffic deaths and damage reached new highs. Forty-seven thousand, eight hundred dead; more than \$8 billion in economic loss.

President Johnson spoke for the nation when he said: "We cannot accept the intolerable drain on our human and economic resources that these accidents are causing."

Traffic accidents can be prevented. We know this. The traffic safety record of the Post Office Department is evidence. We operate one of the largest fleets of motor vehicles in the country. Our interest in traffic safety, consequently, extends far beyond the Traffic Safety commemorative stamp we are issuing. Our fleet consists of approximately 88,000 government and privately-owned

vehicles driven by 133,000 postal employees. They pile up more than one billion miles each year.

In addition, when we add to this the miles driven by contract motor vehicles, the figure moves well above a billion and a half miles per year.

So our interest in traffic safety is far from academic.

The Post Office Department has a motor vehicle accident prevention program. This program is administered by a staff of professional safety engineers. And the program is paying off handsomely in lives and dollars saved. I am proud of the program.

Last year, the national rate of deaths on the highway was 5.7 per hundred million miles. Our postal death rate was 3.1. The national rate increased 5.5 per cent over the preceding year. Ours decreased 8 per cent.

In 1957, our Post Office fleet had an accident frequency rate of 22.4 per million miles. Last year, this was reduced to 15.1.

One of our most heartening and dramatic traffic safety accomplishments involves children. Everyone realizes the hazard to little boys and girls who play in the street. Well, we did something to protect children who might be playing near a mail truck that was temporarily parked. A specially designed mirror that improves front view vision at the bumper level permits the driver to ascertain that his path is clear of children before he puts the truck into gear.

Of course, no single factor totally affects traffic statistics. But we like to believe that these new mirrors were heavily responsible for a 64 per cent reduction in child fatalities by mail trucks last year. This new mirror, by the way, was suggested not by a safety engineer, but by a postal employee.

We encourage these safety suggestions and have set up joint labor-management safety and health committees in 550 of our larger post offices.

As early as the Fall of 1962 we began installation of seat belts. This required some research, for not too much was known about the efficiency of seat belts in trucks, particularly those equipped with the special seats that we use.

We have also adopted stringent qualifications for our drivers that include physical examinations. And we examine the previous driving record of all applicants for positions that involve operation of our motor vehicles.

For our postal employee families, we provide information on safe driving through off-the-job safety programs and we encourage our people to participate in community safety programs.

None of our safety programs, I daresay, differs radically from any other comprehensive safety program. I have no magic formula to offer you for traffic safety. Our program has paid off because in it we have combined the three elements that just about cover the

field of traffic safety: enforcement of regulations, driver education, engineering.

"Enforcement, education, engineering." Those are the words that appear on the traffic safety stamp we shall issue September 3 in Baltimore.

This attractive 5-cent postage stamp was designed by Richard F. Hurd, a New York City artist. It will be printed in black, red and green. One hundred fifteen million of these stamps will urge Americans to "stop traffic accidents."

It is my hope that the Traffic Safety postage stamp serves its purpose well. And that we Americans, working together—at the federal, state and municipal level—will finally bring under control this mounting problem that costs us so heavily in deaths and dollars.

It is a pleasure for me to participate in this Conference of such prominent officials. I hope that, by all working together, Governor Hansen's committee will show a real dramatic change in traffic accidents in his report next year. Thank you.

Governor Hansen: Thank you very much, Mr. Belen. May I say that we have every confidence that the work your Department has done in making available the use of this traffic stamp this year will go far in reaching the objectives of this committee. Thank you very much, sir.

Mr. Chairman, I move the adoption of the Report of the Committee on Roads and Highway Safety.

Governor Sawyer: You have heard the motion on the adoption of the report. Is there a second?

Governor Hoff: I second it.

Governor Sawyer: Is there any discussion? If not, all those in favor please indicate by saying "Aye." Opposed? The report is adopted.

I certainly do not want to limit discussion. I might suggest to you that we are running rather short. Governor Sanders has one final item with respect to his part of the program this morning. If no one objects, I will ask Governor Sanders to complete his presentation.

Governor Sanders: Mr. Chairman, as I stated earlier, following Dr. Heller's remarks, and in line with the afternoon session which will feature Dr. Pechman, the question of sharing federal revenues was discussed and considered by the Executive Committee of this Conference. At that time there was a statement or a resolution, or whatever you want to call it, that was adopted and it is felt by many Governors that this particular matter is a matter of substance and a matter in which there is unanimity among all of the Governors of this land. Therefore, this being a matter of great importance to the states and to the Governors, in line with what your Executive Committee has already done, I would

like to ask unanimous consent to present to the Governor's Conference the following resolution and ask its adoption.

[Governor Sanders thereupon read a resolution entitled "Sharing of Federal Tax Revenues." For text, see Appendix XVII.]

Governor Sanders: This is the resolution. It is one that we feel, having discussed it with the Executive Committee and in line with the program this morning, should be acted upon and a position should be stated by this Conference.

Governor Sawyer: Governor Sanders has asked for unanimous consent. If there is no objection, I assume that there is unanimous consent to move adoption of this resolution. Governor Sanders, I believe, so moves the adoption of the resolution.

Governor Smylie: Mr. Chairman, I am very happy to second the adoption of this resolution. I should like to say on behalf of my colleagues in the minority in this Conference that we view this as the most dramatic step forward in the development of a creative federal system in the history of this Conference.

Governor Sawyer: Motion has been made and seconded for the adoption of the resolution by Governor Sanders on sharing of federal tax revenues. Is there any discussion?

Governor Harold E. Hughes [Iowa]: I have one question only. The resolution calls for a study. Is that right, Mr. Chairman?

Governor Sawyer: The resolution is as you have it there, Governor, and was read by Governor Sanders. The motion and second is to adopt this resolution.

Governor Burns [Florida]: Mr. Chairman, I did not register a negative vote as to unanimous consent for the Conference to consider this resolution. But at the appropriate time it shall be my intention to vote against the resolution in that this is exactly contrary to the efforts of maintaining state rights and state independence and exactly in the direction of looking to the federal government for the financing of those programs and services that properly should be financed by the people within the respective states. I feel that this is a drastic move and one that would deserve considerable question and debate before acting upon it at this Conference. While I did not oppose the subject coming before the Governors, I certainly shall vote negatively on the question.

Governor Sawyer: Thank you, Governor Burns.

Is there any further discussion?

If not, you have heard the motion and the second. All in favor please indicate by saying "Aye." Opposed? The resolution is adopted by the Conference.

Now, gentlemen, the press asked me just before lunch if they could observe and hear Dr. Pechman. I have inquired since then and have been advised that Dr. Pechman did not actually prepare his remarks for the record. He is going to be with us in Executive Session. So, therefore, he was not to be on the agenda.

Governor Burns [Florida]: Would I be out of line, since there were negative votes, to ask for a roll call on this last vote?

Governor Sawyer: It is all right, if you would like that. There was a clear majority and a simple majority is all we needed in this case.

Governor Burns [Florida]: If you insist.

Governor Sawyer: Do you request a roll-call vote?

Governor Burns [Florida]: If there are other requests.

Governor Sawyer: You could challenge the ruling of the chair if you have ten hands.

Governor John J. McKeithen: If we are going into a roll-call vote, I think we need some discussion. As I understand the resolution—

Governor Sawyer [Interposing]: I am not sure that we are going to get into a roll-call vote.

Governor McKeithen: I would like to have some discussion before a vote, if we are going to have a roll-call vote.

Governor Smylie: Point of order. I think the rules of the Conference are very plain. If there are ten people who want a roll-call vote, then we can have it and the issue is not debatable.

Governor McKeithen: I am out of order. We will have some discussion later on, perhaps.

Governor Sawyer: Possibly we will.

The chair should rule this, that the matter has been determined. A vote has been taken. The chair has ruled. If Governor Burns wants to protest the ruling of the chair, he may do so. We can take a vote that way. I am trying to be kind to Governor Burns. So I did not rule that way.

Governor McKeithen: May I just sit down with good grace then?

Governor Sawyer: I have not seen ten hands in support of Governor Burns. So we will move on.

Now we go into Executive Session. It is not in this room. We will leave here, Governors, and, as you know, each of you is entitled to have two aides along with you at the Executive Session. Before you go, take everything that you want because this room will be set up for the State Dinner.

[At 2:50 P.M., the Conference went into Executive Session.]

EVENING SESSION—Tuesday, July 27

THE STATE DINNER

The Annual State Dinner was held on Tuesday evening, Governor Sawyer presiding as Chairman of the National Governors' Conference. The Governors and their wives were introduced individually upon their entry into the Star of the North Hall to the strains of each state song. Reverend Thomas Basich of Advent Lutheran Church, St. Paul, Minnesota, delivered the invocation.

During the course of the evening, Governor Rolvaag spoke briefly and introduced Mr. William L. McKnight and Mr. Bert Cross of the Minnesota Mining and Manufacturing Company, hosts to the State Dinner. Mr. Cross then introduced John Scott Trotter and the "Three M Chorus" for a performance of "Ballad of America."

The State Dinner Speaker was the Honorable Hubert H. Humphrey, Vice President of the United States. Following his remarks, the guests of the Conference joined in dancing at the Grand Ball. Below is the text of the Vice President's address.

ADDRESS

Vice President Hubert H. Humphrey

Our government, over these past few days, has been reaching important decisions.

These decisions touch the lives of thousands of American families.

Such decisions challenge and test the quality of our leaders and our people.

We are facing Communist aggressors who are tenacious, arrogant and ruthless.

They are practicing a new and sophisticated kind of aggression—an assault that is organized in detail, with forces trained in terrorism and skilled in a kind of sadistic warfare that we Americans have only begun to understand.

South Viet Nam is the testing ground for the so-called "war of national liberation"—a contest in which totalitarians believe they can baffle and defeat not only the forces of the Republic of South Viet Nam but also the forces of the most advanced of all nations. In South Viet Nam our adversaries seek to demonstrate

decisively that arrogant militancy—and not peaceful coexistence—is the path to eventual Communist triumph.

We learned long ago that we cannot live safely in our continental refuge. There was no place to hide from nuclear attack. We could only deter it by building our own nuclear striking forces to unimaginable power. And in this task of defense we succeeded.

Now we are discovering that in a world filled with the explosive ferment of poverty, the misleading catchwords and slogans of Communism can set our world aflame. We have found that it is not sufficient to have achieved a strong nuclear deterrent.

While our nation enjoys the greatest prosperity in history, and possesses unequalled power, we also live in a world filled with disorder, violent change, yes, revolution.

Two-thirds of the world is poor, hungry, and sick. And the gap between the rich nations and the poor nations widens each year. These restless, poor and yet proud people demand, by whatever means, something better.

At the same time we are engulfed in great waves of scientific and technological change that could give to man the means literally to destroy poverty, disease and ignorance throughout the world.

Such a task is surely not beyond the ability of this great nation and the other advanced countries of the world.

But it cannot be accomplished unless at the same time we learn to cope with the day-to-day gangster tactics that make any kind of orderly progress almost impossible.

Thus we have not one great task in the world, but two—to provide the helping hand of friendship, and to shield those who wish to help themselves build a better life.

And we must realize that this gigantic task, both of helping others to help themselves, and of resisting aggression and protecting freedom, can only be sustained if America, the leader of free nations, is powerful and united.

Today in Southeast Asia, and elsewhere, we carry burdens that require great allocation of our resources to national security and defense.

Nevertheless—even should these burdens grow heavier—we must still devote ourselves to building a better society here at home.

For our wealthy nation has resources for both defense and social justice . . . for national security and domestic well-being.

Today we face no choice between guns and schools, ammunition and medical care.

We face instead long-term, continuing necessities—necessities which are within our power to meet.

For the only way we Americans will be able to carry our world burdens in the years ahead will be by continuing to create a strong, healthy and cohesive society.

We know there are great tasks ahead in our own country.

In five years, 211 million people will live here. Half of them will be under age 25. Within ten years we will need, each year, over two million new homes . . . welfare and health facilities for five million more people over age 65 . . . transportation systems to move goods and people . . . fresh air and light and open space.

The statistics themselves stagger the imagination. The very size and scope of our society creates a challenge that can only be met by concerted and unified action, by teamwork among all levels of government, by cooperation among all segments of our society.

It can be done.

In fact we have demonstrated it.

I have seen the great American space launchings at Cape Kennedy. I have seen Americans working together there—scientists and technicians . . . military officers . . . men from our universities . . . the giant prime contractors . . . the smaller subcontractors . . . officials of government . . . business . . . labor . . . medicine.

I have seen these people—not defending their separate sovereignties but contributing to a partnership, a common cause for the benefit of this nation and all people. I have seen them there—dedicated to excellence and success.

To see Cape Kennedy is to know what men can do.

It is a great lesson for our time.

That same dedication and unity of effort that have vaulted us into the far reaches of space must be applied throughout all our society.

We can no longer afford the debility of disunity.

We can no longer tolerate the cancers of hate and discrimination.

We must no longer divide ourselves by emotional appeals and labels—"Northerner," "Southerner," "labor boss," "economic royalist."

If interdependence is the new dimension of international security, it is even more so a fact and requirement of domestic strength.

Today there are those who take for granted our role as leader of the free world—just as some take for granted our democratic American heritage.

But I ask you to consider that role.

The mantle of leadership is not a cloak of comfort, but rather the role of responsibility.

Leadership does not permit a person or a nation license or luxury.

Leadership imposes responsibility.

Today, to deserve and insure that leadership, we must build a nation of men and women able to fulfill the hopes of those who

came before us and to lay the groundwork for the yet-unborn generation to follow us.

Today the world asks: What is the nature of today's American?—this American being tested as never before.

I see today's American as the same restless, adventurous, citizen as his forebears.

I see this fellow American as the son or daughter of a rich nation and a person of conscience, with a deep concern for the fate of his fellow men.

I see him as one who has defeated the enemies of freedom, yet extends the hand of friendship and cooperation to build a new and better world community.

I see today's American surrounded by materialism, yet questioning its value . . . impatient with things as they are, but not impetuous in remedy or judgment.

Generous but not patronizing.

Motivated by ideals, but satisfied only with accomplishment.

Strong, but not belligerent nor arrogant.

Willing to debate, but able to decide.

And the American of this generation believes that the world need not destroy itself by war.

He knows that the pursuit of peace is an act of courage and that resisting aggression is the duty of free men.

The qualities I see in today's American are the very qualities we must have to strengthen our people in a time of trouble and danger.

Together, as Americans, we are forging a society of strength and justice and opportunity. And, despite those who would turn us in other directions, we must move ahead in our determination.

That all Americans will have an education that can give them opportunity to lift themselves.

That all Americans will have an equal right to vote.

That older Americans will have adequate medical care.

That we can make our cities better places in which to live and work in safety and health.

That we should preserve this nation's beauty, history and natural resources.

That we must give the aging, poor and bypassed hope for life and work.

That we should open our doors again to immigrants who can enrich and lend new vitality to our national life.

That we should help others too in less-fortunate places to find a better life.

That we defend our nation, and those who seek freedom, against attack.

That we shall not drop the torch of international leadership.

We will need patience, perseverance and inner strength to

meet the forces moving against freedom, to preserve the peace—above all, in the words of our President, "to press forward, not for our gain and our greatness alone, but rather for the gain and the good of all mankind."

This will not be easy. We are an impatient people. Yet we must learn patience. In Southeast Asia we must be prepared to endure. The plain truth is that we must face the prospect of months, and even years of a long and difficult ordeal.

We must be prepared to stick to that great task of restoring the peace. We must remain until we have proved to the aggressors that the cost of aggression is too high, and that they must leave their neighbors alone.

If we falter, if we weaken, we will face the prospect of more Communist aggressors moving against other free nations in Southeast Asia. And their aggressive doctrine of subversion and terror can be exported to other parts of the world—yes, even to the Western Hemisphere.

But we are not going to falter.

We will uphold freedom's cause wherever that cause is threatened—in another corner of the world or even in a darkened corner of our own country.

I believe that Americans will not only embrace, but lead, the real revolution of our times—the revolution that took flame from our own America—the revolution toward opportunity, human dignity, self-determination and self-respect for each child entering life.

We are the progenitors of this world revolution of emancipation and liberty. It is our obligation, in our strength and wealth, to give it continued life.

We are the defenders and the advocates of that immortal and continuing commitment to all mankind: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness."

We cannot stand aside and let totalitarians seize and distort to their own diabolical purpose the hopes and aspirations of the needy, the poor, the weak.

We can and we will make the promise of America come true: "One nation, under God, indivisible with liberty and justice for all."

We must move forward with strong and active faith. We must make sure that history will say that this was a time when man's free spirit came under mortal threat, and man prevailed.

MORNING SESSION—Wednesday, July 28

Governor Sawyer: We will call the meeting to order, if everyone will get settled. Gentlemen, it is a great pleasure to introduce to you Mayor Arthur Naftalin of Minneapolis, who has a few opening remarks. Mayor, we are delighted to have you with us this morning.

Mayor Arthur Naftalin: Governor Sawyer, your Excellencies and guests: By this time I am sure that you all have been fully welcomed to the City of Minneapolis. I hope you have been properly received. I am just appearing here briefly this morning to make your welcome to our city official. I have had the privilege these last few days not only of participating in some of your events but also participating in the gathering of the National League of Cities in Detroit. I am pleased to bring you the greetings of the Mayors of the country and to tell you that we have not fully liquidated state government at our annual convention in Detroit. As you can imagine, in our meetings we had many discussions and adopted many resolutions which had to do with further appeals to the states for assistance and further appeals to the federal government for aid. Of course, it is no surprise to you that the cities over the country are in great trouble. They are looking to both the states and the federal government for assistance and cooperation in working their way out of their dilemma.

I cannot resist the temptation to say a word or two about the relationship between the cities and the states. I have done, as I think some of the Governors here know, a good deal of work with the Council of State Governments during the earlier period when I served as Commissioner of Administration for the State of Minnesota. During that time, I was very active with the Council of State Governments. Since serving as Mayor, I have become a member of the Advisory Commission on Intergovernmental Relations. I had the privilege of continuing to work with Frank Bane, who, of course, is known to so many of you because of the long-time association with the Governors' Conference and the Council of State Governments. I would like to say a word on behalf of the Advisory Commission, because so much of what we have done on that commission is designed to strengthen the role of the state in its relations with the cities. We have now pending in Congress the Intergovernmental Act of 1965. I should like to urge upon the Governors that they pay very close attention to the contents of this legislation, because it is aimed at developing much greater consist-

ency among the rapidly increasing grant-in-aid programs and improving coordination of individual federal programs and making them consistent with local objectives. It seems to me that it is this kind of cooperation between the municipalities and the states and the federal government which is truly going to make our federal system continue to have viability. So I am hoping that the work of the commission will receive greater interest and greater support among the Governors. I am pleased to serve as a member of this commission along with Governor Sanders, Governor Smylie and Governor Dempsey. These gentlemen bring to our commission the viewpoints of the states, as the Mayors, of course, bring the viewpoints of municipalities. From the federal government we have Former Governor Buford Ellington from the Office of Emergency Planning. This kind of cooperation, we feel, does augur well for the future in improving relations among the different levels of state government, national government and local government.

Let me say one quick word about the City of Minneapolis in our use of the federal programs. I hope that, during the time you have been here, you had an opportunity to note the growth and development of the very extensive urban renewal program that we have had in our city. We are proud of the progress we have made here. We have cleared away some seventeen square blocks of downtown deterioration. We replaced this with something approaching a \$200 million redevelopment center, providing homes for thousands of families and elderly couples. We believe that when you have an aroused and an interested citizenry, when people are prepared to cooperate, when there is cooperation between government and private industry, that these programs can be put to creative and productive use. So we invite you to not only enjoy the cultural and educational advantages of our community, as I am sure you already have, but also to take careful note of the progress we have made here. In this spirit of intergovernmental cooperation, I greet you. I hope in the remaining hours that you will continue to enjoy our city and continue to have a successful Conference. We have been greatly honored to have the Governors' Conference in the City of Minneapolis, and hope in not too many years that the Governors will be back again.

Governor Sawyer: Thank you very much, Mayor.

Governor Brown will introduce the next distinguished guest.

Governor Brown: Mr. Chairman and my fellow Governors: Tomorrow morning I will make a very brief report for the Subcommittee on Juvenile Delinquency of the Governors' Conference. You observed yesterday that the President appointed a National Crime Council composed of distinguished citizens from throughout the entire United States. We have had a President's Committee on Juvenile Delinquency and Youth Crime. The executive director of that committee is with us today. He was to speak tomorrow very briefly

but he finds that he has to leave. I would like to present him to you for a few words so that you will understand what is being done at the national level with respect to juvenile delinquency and so that you can better coordinate your efforts at the state level with what is being done in Washington. I take great pleasure in presenting the Executive Director of the President's Committee on Juvenile Delinquency, the son of a distinguished American, United States Senator Stewart Symington, a fine man in his own right—Mr. James Symington.

Mr. James Symington: Thank you very much, Governor Brown. Mr. Chairman, distinguished Governors, ladies and gentlemen: I am grateful for this opportunity to tell you about the federal anti-delinquency program. First, an ancient stanza:

"Our sires begot the present race
With manners impious, bold and base
And yet our sons, with crimes unknown,
Will mark the coming age their own."

This mournful comment was offered by Horace in his "Reflections on Rome," and indicate the problem isn't new. Of course, Rome, for all its laws, was not the beneficiary of a statute comparable to the Juvenile Delinquency and Control Act of 1961 or an Executive Order such as that which established the President's Committee on Juvenile Delinquency in that same year. And Rome fell.

So it is my privilege this morning—and in this summer of teenage discontent—to describe the federal program under that act and the aegis of that committee, as well as to offer its assistance to you within the limits of our capability—\$6,500,000 this year and \$10,000,000 next—modest funds, but immodest ambitions.

The problem is not academic. FBI figures released this week indicate that American youth is responsible for nearly one-half of American crime; that nearly half of our criminals are juveniles. Some take comfort in the fact that nearly half our people are juveniles, as if to justify the ratio as merely reflecting the "equal opportunity" philosophy of our nation in this enlightened period.

But the President, I assure you, does not hold with this "fair share" view of crime. And the rarefied dialogue between statisticians as to the relative rise of youth crime is no consolation to a country properly concerned with its absolute growth, and the ominous change in its course from the inner city to the suburb; vandalism and violence stemming not only from the ghettos that are the front lines of the war on poverty, but the depraved among the not so deprived in affluent neighborhoods which that war is not designed to reach, and which in fact should be our allies in it, but which produce the party-smashing, fast-driving, beer-drinking, beach-busting, glue-sniffing, cop-cussing middle-class delinquent—in addition to some very fine youngsters.

It is a vexing challenge for a hands-off democratic society to have to produce institutional substitutes for parents.

It involves a search for techniques that must be developed, and which the 1961 act empowers us to assist in developing, which will make more effective and more sensitive every such institutional point of contact, from the teacher and welfare worker to the police, juvenile judge, probation officer, and sadly and finally, the prison guard and correctional officer.

The 1961 act provides for federal consultation and money grants to support experimental action, demonstration, and training programs, both public and private, which have specific targets and are intended to throw a light on them which can be shared with other communities. It is the function of the President's Committee on Juvenile Delinquency and Youth Crime, which consists of the Attorney General, chairman, and the Secretaries of Labor and HEW, to coordinate and evaluate the federal effort, mounted primarily through the Office of Juvenile Delinquency in HEW, and to share with the states the information and techniques developed.

A proper liaison with a state requires identifying who or what office in it speaks for the Governor and the administration generally. It would be helpful not to have to play the shell game in this regard. A state youth authority or program coordinator, such as California enjoys, is not a bad idea. Your own conference subcommittee on juvenile delinquency under the chairmanship of Governor Brown is preparing a report which must be read for full effect. A fall eastern regional conference of Governors' representatives is planned and we will work with it.

In the meantime we would be happy to share ideas with any resort community in your states that feels the threat of a Labor Day weekend eruption. There are measures, besides police measures, that can be taken. But they involve a community-wide commitment.

In "The Cherry Orchard" two nights ago, we heard the remark, "When there are so many cures, the disease is incurable." That isn't true of delinquency. For every youngster carries in himself the antibody if we can but help him release it. It's called goodness.

Governor Sawyer: Thank you very much, Mr. Symington.

Governor Clement will introduce to us an old friend and a distinguished guest.

Governor Frank G. Clement: Thank you very much, Governor Sawyer. My fellow Governors, distinguished guests, ladies and gentlemen in attendance at this Conference: This is a very pleasant assignment that I am privileged to have this morning. I am not the speaker and I am not here to make a speech. But I want to present to this gathering a man whom I am proud to say I have been associated with for a good many years. I might say that once upon a time a man who had been a small country storekeeper went to

Washington. This gentleman knew what it was to live in rural areas and in larger cities. He was a man and is a man of great personal honor and integrity. He is a man who believes in government by the people, for the people and of the people. In fact, when everybody else was giving our next speaker--this man I am speaking of--advice about what to do when he went to Washington to become head of the Office of Emergency Planning, I confined my advice to one sentence and suggested that he stay out of theaters.

Seriously, there are many things about my distinguished Tennessean which identify him as a great American. I am proud, as I prize few things in official life, that this is the man I chose to head two of my campaigns for Governor, and they were winning campaigns. I am proud that he served as a member of my official family, as the distinguished and highly successful Commissioner of Agriculture of the Volunteer State. I am proud that together we have shared in leading Tennessee to thirteen straight years of unbroken progress. Later in this same meeting, another outstanding Tennessean will come before this body, the dynamic Mayor of a town that has become a whole county, and he will have some exciting things to tell you about that.

But I am particularly proud now, both officially as the Governor of Tennessee and personally as an old friend to present to you the man most of you already know very, very well. For he is the top liaison man between the fifty state capitals represented at this Conference and the White House. I know you share my admiration for the sure, efficient way he has handled the difficult task the President called him to fill. It is a hard job, a vital job and one that grows harder with every black headline that comes from Viet Nam. I present to you proudly the Director of the Office of Emergency Planning, The Honorable Buford Ellington.

The Honorable Buford Ellington: Thank you so much, Governor Clement, Governor Sawyer, distinguished Governors, and ladies and gentlemen: In speaking to you today at this annual Governors' Conference, I feel like I've returned to my family--a family of assorted personalities representing many points of view but all seeking through a cooperative exchange of opinion to find the best ways of asserting leadership in the statehouses of our nation.

I think it is very significant that this conference is being held in the town which gave us our distinguished Vice President, Hubert Humphrey of Minneapolis. I don't know whether it can be said that Vice President Humphrey put Minneapolis on the map for certainly this great midwestern metropolis had a splendid reputation before Hubert Humphrey arrived. But what Hubert Humphrey did in Minneapolis in the forties certainly put him on the map. It was Vice President Humphrey's record as Mayor of Minneapolis that brought him to the United States Senate and to the attention of the nation. I am told that as Mayor he was tireless and dynamic and bristling

with ideas. Today he brings these same qualities to the Vice Presidency and serving with him in a number of capacities has been most rewarding.

The past few months have been rich in constructive experience for me. I came to Washington a relative neophyte in the ways of the Capital, steeped in the skills of state government, dedicated to the Jeffersonian concept that government closest to the people is government most responsive to the people, and convinced that good government is the best politics.

In those respects, my convictions are unshaken. Any time I hear an assault on state government as primitive and unable to cope with modern requirements, I resent it. I have seen the success of state government not only in Tennessee but elsewhere, and I am ever more persuaded that the quality of our leadership at the state level remains a vital ingredient of any national enterprise no matter how heavily the federal government participates.

At the outset of my remarks, this premise should be clearly understood. Unquestionably there is a deeper federal commitment to state progress than ever before as each of you, in your capacity as Governor, grapples with the assorted and crushing domestic problems of our time--crowded schools, suburban sprawl, municipal blight, law enforcement, transportation, the preservation of a farm economy unprecedented in the world, the construction of hospitals and new homes, and roads, and recreational areas. I know what these problems can be. I've lived through your experience and I can appreciate what it means to govern a state in modern times. There is, I recognize, a rising demand for services of infinite variety at a time when your revenue systems have been strained almost to the point of toleration. In just one decade spending by state and local governments has risen more than 130 per cent and state and local indebtedness is more than five times what it was at the end of World War II. These statistics make for staggering problems.

How to find new revenues is a problem which continues to nag virtually every Governor sitting here today.

But the situation is far from hopeless. For one thing, the federal government is taking less of the tax dollar than at any time since the end of World War II. For another thing, federal aid to state and local governments, territories and individuals is climbing sharply. In fiscal year 1964, total grants in aid increased 17 per cent compared with a 6 per cent rise in two previous years. And federal grants will be given sharp impetus as a result of legislation enacted by Congress in this most productive of any session in recent years. Such bills as the \$1.1 billion Appalachian Regional Development Act and the expanded poverty program will substantially increase the amount of federal funds flowing directly to the states in the form of grants. In fact, federal funds going to state

and local governments in the form of grants-in-aid, shared revenues and loans have risen from \$5.5 billion in 1963 to a projected \$9.3 billion in 1966 and these figures do not include the benefits of trust funds, the largest of which is for highway construction—\$3.8 billion in 1966.

Nevertheless the problems facing most Governors today will be with us for a long time. But I do believe we are witnessing a gradual process in which a better balance of the federal-state partnership is being achieved, in which the vision of a Great Society—a vision partly realized already in an incredibly short period of time—will come to pass.

It will not be an easy road, nor one void of pitfalls, but it is a road promising a journey's end in which the great and growing blessings of our free society will be truly available to all.

In a sense you are really struggling with the symptoms of success and wealth today. Whether these problems are subdued and solved will determine, as President Johnson has told us, "whether we build a society where progress is the servant of our needs, or a society where old values and new visions are buried under unbridled growth."

We must, in effect, make certain that the quality of our national life—our schools, our streets, our scenic wonders—is lifted along with our national income.

It is no task for the timid or for those terrified of the new idea or the fresh approach. And the President has reminded me time and again that he places the highest premium on your efforts. On the day I was sworn in to the position I now occupy, President Johnson said, "Over the years of our nation's history the Governors of the states have produced much of the leadership that America has followed. At this period of history the Governorships are being revitalized by a new breed of men, men that are close to the people, men that are close to their problems, men that are deeply and responsibly involved in finding answers to the nation's needs."

Plainly the federal concept of government is equal to the tasks ahead, is capable of not adequate but superior performance in this difficult and often baffling era.

I find this to be true with each passing day as new problems arise in the three major areas which occupy my time.

The first of these is my general assignment from the President to serve as his liaison with Governors on all federal-state matters.

If variety is the spice of life, I now lead a sharply seasoned existence. Each day I find myself immersed in new and challenging problems. One day I am running down a delay in the beginning of a new federal-state educational enterprise; the next day funds for the construction of a new hospital engage my attention; and the next day I may be meeting with one of you to find out how legislation on

the books may be made to work for you. Always the solution lies in a reasonable and flexible approach on the part of both parties; always it is found when federal officials and their state counterparts begin their renewed discussions with the assumption that a mutually acceptable approach can be worked out, that rules and regulations are not designed to forestall action but to facilitate it. That is the posture I have assumed in my relationships with all Governors. The results, I believe, have been excellent and I would welcome any suggestions you might have to improve this system. As you know, Governor Smylie's Committee on Federal-State Relations met with me at the time the Governors were at the White House to discuss various tax revision proposals, especially as they affect grants-in-aid.

In this regard I know that many of you support the Muskie Bill, S. 561, drafted by the Advisory Commission on Intergovernmental Relations, headed by my old friend Frank Bane who for twenty years was secretary of the Governors' Conference and executive director of the Council of State Governments. The bill is designed to improve the administration of grants-in-aid and to provide for periodic Congressional review of federal grants and other improvements in the operation of our federal system. This bill, which has thirty-eight Senators' names on it and is supported by the President, awaits Congressional action. I hope this legislation can be moved shortly. It is badly needed.

But just as important as any new legislative basis which draws closer together the states and our federal government in a spirit of understanding, are the continuing exchanges that grew out of your first meeting last spring with President Johnson. These meetings were of immense value and I intend, with the cooperation of the Governors' Conference, to schedule regular meetings with the President and your Executive Committee next year.

Similarly, we are determined that the social and educational legislation enacted by a Congress which might become known as the "do everything" Congress be fully understood by Governors and key state and local officials, as well as federal personnel charged with its administration. These measures are only as effective as the men and women who will carry out their intent. So we intend this autumn to hold a series of meetings in Washington for Governors and other state and local officials. These seminars will cover all new federal programs having an impact on the states and their political subdivisions. Each facet of these programs will be carefully explained and interpreted. The working procedures will be fully discussed and examined.

In short, we fully support any and all techniques we can devise to strengthen Federalism in this most complex of all ages of history. This we intend to do.

Clearly, the interlocking responsibilities of our federal and

... governments are more sharply drawn today than ever before and we must recognize this fact as an unavoidable reality.

In this regard I want to remind you of new revenues waiting for you in the domestic tourist campaign being launched by the Vice President's See the USA Task Force.

In most states the potential of tourist revenue has not been fully tapped. We can get money appropriated to promote new industry in the states, but our people do not understand how important tourist trade can be. Only one state in ten has begun to realize its tourist potential.

Thus, we invite your participation in a workshop conference to be held in Dallas in November to study your state's tourist promotion organization, its legislation, budget, staffing, accounting systems, and market research.

I am sure you all share our concern for the balance of payments problem which is the strong national motivation behind this program. But whether it is looked upon as a source of new revenue for the states or as additional strength for the dollar, it cries out for some imaginative thinking.

In fact, we must seek creative efforts in every area, we cannot allow ourselves to become slaves to the status quo or to fall back on worn solutions and even cherished concepts. There is a tendency, for example, to equate federal assistance with federal control when, in fact, federal assistance historically and today means just what it says—help not handcuffs, deeds not domination, cooperation not coercion.

I say these things as a southerner with roots in the region which gave us our most able and articulate spokesman for the doctrine of states' rights. I revere that tradition of restraint which our forefathers built into our system of government. But they also provided for responsibility and for instruments and institutions capable of meeting the challenge of change. To be sure, we do a disservice to the concept of states' rights when it is applied wholesale not as a means of securing the greater good for all the people, but for narrowing the opportunity to achieve for some of the people.

We must recognize something else about the federal government. Today, it operates with an efficient edge honed almost daily by sustained efforts to eliminate waste and duplication. And those efforts are having their impact in more ways than a reduced White House electric bill. The growth of the federal work force has been virtually arrested even as our population grows and new legislation continues to bring new burdens to federal personnel.

To be sure I am impressed by the calibre and competence of the federal civil servants with whom I have dealt. They are a dedicated and diligent group of men and women. Proudful in their work, their energy belies the myth of an "army of clerks." That is another popular misconception. The plain fact is the federal govern-

ment employs more physical scientists than general clerks, and more engineers than typists.

I have often suggested to Governors who have talked to me about these matters that they would do well to seek out the "know-how" found in the federal structure. An interchange of federal and state expertise and management techniques as well as personnel could be mutually beneficial. Certainly federal personnel must look to state officials for the experience born of management closer to the people; conversely, as the federal-state partnership solidifies, federal agencies would be more than willing to furnish management advice to state governments which can be usefully adapted at the state level and by political subdivisions.

The second area of my work of direct concern to you is our natural disaster programs. As you know I administer the Federal Disaster Act and guide the efforts of the entire federal family of agencies when a major disaster occurs. Beginning in March 1964, when an earthquake made a shambles out of southwestern Alaska, this nation of ours has suffered a seeming epidemic of hurricanes, earthquakes, floods, tornadoes and other catastrophes. Since that time the federal government has expended more than \$650 million in assistance of all kinds to the stricken states. This included loans, grants from the President's Disaster Fund and a wide range of aid. Behind the headlines that tell grim stories of individuals and communities caught in the path of nature's fury lies a remarkably efficient capability to cope with disaster. It involves not only OEP, but also at least sixteen federal departments and agencies with statutory authorities of their own for grants and loans of many kinds.

Obviously we would prefer that disasters didn't happen. But they do. One out of every seven Americans lives in a county which has suffered some kind of natural disaster in the past year. The constructive product of these discussions and deliberations is the best advertisement I know for expanding into other fields.

Finally, I come to my explicit responsibility as Director of the Office of Emergency Planning, an area vital to our national security. Emergency Planning hinges on state and local participation. The Civil Defense and Post-Attack Recovery Committee of this Governors' Conference, headed by Governor Rockefeller, has given real impetus to these programs as have the Chairman of the Governors' Conference, Grant Sawyer, your able Executive Secretary, Brevard Cihfield, and Governors Hughes, Kerner, and Avery, all of whom serve on the President's National Civil Defense Advisory Council.

Constitutional amendments dealing with Continuity of Government and Succession to Office have been ratified in thirty-seven states, and forty-nine states have enacted legislation on Continuity of Government. I hope also that your legislatures will, when in ses-

sion, ratify the proposed constitutional amendment for succession to the Presidency and Vice Presidency recently approved by the Congress.

All states now have appointed Emergency Planning Directors and forty-eight have Emergency Resources Planning Committees. The federal-state contract program for emergency resource management is now operating in forty-four states. The federal government has also accomplished much.

The new National Plan for Emergency Preparedness was completed and issued to federal, state and local officials last December.

The concept for a wartime Office of Defense Resources to assist the President if needed, in developing a system for the effective use of resources, has been approved. To support this concept, the Office of Emergency Planning has recruited the latest computer techniques.

Our national stockpiles of strategic materials, a vital asset in time of emergency, remain a national insurance policy that our productive power will be preserved no matter what happens. Management of more than \$8 billion worth of seventy-seven commodities is no easy matter. In the past year we have disposed of material valued at some \$450 million. The returns from these sales to the U. S. Treasury, and I should emphasize we have managed these disposal programs without disrupting the markets of the industries concerned.

These are some of the things that have occupied me and the insights I've gained since coming to Washington. I like to believe my office is more than a transmission belt between the individual Governors and the White House. It should be, and with your help we can make it, a creative conduit of Federalism.

And the concept of consensus is essential to our federal system in which different segments of our population understandably demand different services from their government. The task of the true leader is to arbitrate these demands fairly and forthrightly, and above all to keep in mind as Jefferson said: "We can be of different opinion and identical principle."

And I would close where I began, on a philosophical note and with another quotation from one of the authentic political architects of all time—Tom Jefferson. As he neared the end of his unbelievably prolific career, he reflected, "I am certainly not an advocate for frequent and untried changes in laws and institutions, but I know also that laws and institutions must go hand in hand with the progress of the human mind."

My friends, you serve as Governors when the "progress of the human mind" has been faster than ever before in history. Space and air travel, medical advances, computer science, and of course the ultimate boon or bane to mankind—nuclear energy—are all dividends of man's genius in this twentieth century.

In our midst is the raw material for the conquest of pestilence, poverty and ignorance. Shall we conquer the ageless blights with which mankind has been afflicted, or shall we be conquered by them? Shall we become the late society strangled by its own indifference, or the "Great Society" inspired by the past harvests of freedom to win its struggle with the elements and with itself?

The choice is ours and I believe we've made the right choice. Our system—our free political system and the society it has wrought, our dedication to the worth and work of the individual citizen, and our faith in free enterprise—need not be abandoned nor even abridged. What we must do is shorten the lead time between circumstances closing upon us and our positive and purposeful reaction to them. Our laws and institutions must keep pace with the present and be readied for the future.

That is the process we must encourage—not for its own sake, but in wholesome response to the realities of our time—this time, when you are the leaders of the great states of our nation. Thank you so much.

Governor Sawyer: Thank you very much, Governor Ellington. It is wonderful to have you back with us.

Governor Hoff: May I be recognized for making a statement and motion?

Governor Sawyer: Yes.

Governor Hoff: Mr. Chairman and my fellow Governors: In the light of Mr. Ellington's remarks, I would like to make this statement and then follow it with a motion. You have it before you. It was placed on your desk this morning.

In the report of the Committee on Federal-State Relations of the National Governors' Conference are listed recent federal enactments or proposals likely to be enacted under such headings as Corrections, Elementary and Secondary Education, Higher Education, Health, Highways, Housing and Urban Development, Law Enforcement, Manpower Development and Training, Public Works and Economic Development, Social Security amendments, Unemployment Insurance, Vocational Rehabilitation, Water Pollution and Water Resources Planning. This is not a complete listing of all the subjects reported on, nor should one assume that other subjects not reported on do not have a major impact on state governments.

Regardless of how complete the listing above may be, it is apparent that these pieces of legislation will have a profound effect on the states.

The question that troubles me is: How effective has been the influence of relevant state officials and legislators in determining the policy decisions, not to mention details of administration, of these programs in which states are expected to share administrative and financial responsibility?

If I had to answer that question based solely on my own know-

ledge, I should say that the state influence had been relatively slight. As you know, on the water resources planning item, the states have been a major factor in reshaping the measure. In at least one small part of the bill amending the Social Security Act, state influence was significant. The Governors' proposal that the bill include a provision for judicial review of administrative decisions of the Secretary of Health, Education and Welfare under the Public Assistance Titles is in both House and Senate versions of the bill. The water pollution control bill is stymied between House and Senate, at least in part because of the effectively marshaled strength of state opposition to the standards-setting provision of the Senate version of the bill.

On the other hand, at least so far, state efforts to influence the bill relating to training of law enforcement and corrections personnel have been unavailing. I am not aware, and I cannot believe, that there was consultation with state officials on the provision in the federal-aid highway authorization bill that requires that a state, as a condition of receiving such aid, have a highway safety program approved by the Secretary of Commerce.

Assuming that the answer to the question I posed is what I have implied, a more significant question is suggested. By what means or combination of means would it be possible to assure state policy making officials and legislators a greater measure of influence with respect to federal legislative proposals that have major implications for federal-state relations?

As things stand now, at least as I see the situation, to paraphrase Franklin, we are being hung separately because we are not hanging together. The usual Congressional hearing process, as useful as it is, is not the best mechanism for consultation on matters of policy. Furthermore, a witness represents himself or his individual state and does not present the views of the states. Determination of policy within the Executive Branch does not afford the states a forum of any kind. It is true that there is, and should be, so-called vertical consultation, i.e. between educators at both levels, welfare administrators, highway officials, etc., but how significant the influence of legislators and Governors may be on the decisions reached is problematical. It is also true that there are various advisory groups. All of these mechanisms are useful. My point is that, even together, they are not enough.

It might be argued that this is an unusual Congress, or that this point in history is extraordinary, in the number and scope of proposals that have an impact on federal-state relations. This is perhaps true, but it cannot be argued that, as time goes on after this Congress shall have adjourned, the components of the "marble cake" that give it its distinctive appearance will sort themselves out into nice neat layers. We are going to continue to need a mechanism or mechanisms to facilitate the dialogue between the policy makers at the two levels of government.

Mr. Chairman, I am not so bold as to suggest that I have the answer to this enormously significant problem. I do believe, however, that we, the Governors, need to find the answer or answers. To that end, I should like to make the following motion:

I move that the National Governors' Conference direct its Executive Committee to study this problem; to suggest the means whereby the influence of the states as a whole on matters of federal-state concern may be strengthened; and to report its findings and recommendations, including those with respect to personnel and financing, to the next annual meeting.

Governor Sawyer: Governor Hoff has moved that the Conference direct its Executive Committee to study the problem which he suggested in his remarks. Do I hear a second?

Governor Otto Kerner: I second it.

Governor Sawyer: Is there any discussion? If not, all those in favor please indicate by saying "Aye." Opposed? It is unanimous. Thank you, Governor Hoff.

I would like to announce, gentlemen, that at 11:30, wherever we are, we will stop. This room is being set up for television and at that time we will listen to the President's message.

It gives me great pleasure now to introduce to you Governor Frank Morrison who will preside over the session on "Economic Opportunity Act."

Governor Frank B. Morrison: Governor Sawyer and my colleagues: First of all, I would like to ask unanimous consent to dispense with an hour-long paper that I had prepared for presentation at this time. We are now fifty minutes behind time, and we are heading into what I gather is a very momentous discussion. We have a most distinguished American here to present his remarks on this very important program for the development of our resources. The subject that we are to discuss today is "Economic Opportunity Act." I know that all of my colleagues share with me the belief that this has the potential of becoming the most important single piece of domestic legislation in our time. Our failure to completely develop our human and our material resources is probably the greatest waste of our time. Federal government, state government and local government are all tools in the hands of our citizenry in effecting a more complete development of all of our resources. This is essential to the strength of our nation. It is essential to meeting our obligation to history.

The man I am about to introduce is a distinguished American. He is a great son of the Middle West, of the State of Illinois. I had somebody ask me one time how an in-law of the Kennedys' can rise no higher in the service than to be a sergeant. This man, however, not only is a Sargent but he has served with distinction as a Lieutenant Commander in the submarine service of the United States. He received three degrees from his alma mater—Yale. He has

been a successful business man. He has always been willing to accept responsibility and public service. To that end he has given unsparingly of his time, his leadership and his effort. It is my pleasure at this time to introduce Mr. Sargent Shriver, Director of the Peace Corps and Director of the Office of Economic Opportunity.

Mr. R. Sargent Shriver, Jr.: Governor Morrison and gentlemen: It is always a great pleasure to have the opportunity of meeting with such a distinguished group as this, and to exchange a few pleasantries with some of my old friends before we get down to the business of the occasion. I just had the opportunity a minute ago of saying hello to a warm and good friend of mine of many years' standing, the distinguished Governor of Pennsylvania, Bill Scranton. I observed to him that, in view of the fact that there was a recent announcement by the Governor of New York about his political intention or lack thereof, perhaps the mantle of leadership was falling on Governor Scranton's capable shoulders. He said, "No. Don't worry about that. I have no ambition along those lines." I said, "Well, I understand, Governor, but this may be one of those things that is sort of thrust upon one." He said, "No." It reminds me of the girl who had eleven children and she said, "You know, in fact, I am not really very much interested in children. It is just that I seem to do it very well." I think the Governor and his elective offices perhaps fall in that category.

I am extremely pleased to meet with all of you and to have the honor to speak and hopefully to answer some of the questions of the most powerful and important group of chief executives in this country. We all know that the public business has become the most important business in our nation. And no federal enterprise can be fully successful without your help and sympathetic understanding. I hope that this meeting will become a milestone in our joint dedication to the cause of good government.

Not long ago I read a column by two well-known Washington correspondents in which it was stated that the war against poverty was wrong in its reliance on local control. They said that local control would not work. They said that local control was an invitation to chaos. Maximum federal control, they said, must follow the federal dollar. Congress did not accept that proposition when the Office of Economic Opportunity was established, and neither do I—then or now.

The community action part of the poverty program is a monument to our conviction that local government can address itself to and conquer the problems of poverty. That is what community action programs are all about, not a takeover by the federal government but a real vote of confidence in local government—the kind that backs belief with action and action with dollars. That is the purpose, too, of the technical assistance grants to states. Anti-poverty headquarters in the various states, under the exclusive

jurisdiction of the Governors, have already received approximately \$5 million in technical assistance grants from our office in Washington. These grants constitute a source of new power for the states and specifically for the Governors thereof. Next year these grants could well double in size and they could have been initiated and continuously supported only by a national administration which believes in state and local government. We have already seen that these dollars and technical assistance grants can pay off in programs. In Georgia, for example, as a result of aggressive state leadership, multicounty units have been formed on a biracial basis and through them almost every county in Georgia has been covered. In Kentucky a state-wide child care and preschool program has been set up under the Kentucky Child Welfare Association, a subsidiary operating under the state agency. Significantly, it is designed so that each separate program will be fashioned into a more comprehensive action program. In addition, the Kentucky Department of Corrections has taken the lead in designing and submitting special rehabilitation and education training programs. While I was seated over here, the director of the war against poverty in West Virginia handed me a report, outlining what happened in that state under the leadership of the Governor. One of the pages details rather interestingly Project Head Start, a program for young children. This summer each of the fifty-five counties in the State of West Virginia is participating, through the good offices of the Governor of that state and his appointee, Paul Crabtree. It was estimated when the Head Start program got under way in West Virginia, that there were approximately 19,000 poor children in that state who would be eligible to participate. This report indicates that 18,500 of those children are actually in programs created by the State of West Virginia in cooperation with our office. In Missouri, the State Health Department has received money to establish mobile dental clinics which will cooperate with community action programs all across Missouri. In New Jersey and in California, aggressive actions by outstanding state coordinators have stimulated rural communities to come in for program development grants at a faster rate than in other states. New Jersey has secured two neighborhood youth programs, one of them being run directly by the State Office of Economic Opportunity. That state has taken advantage of a whole range of new programs. In California, the State Coordinator's Office, not the federal government, has created and initiated an unprecedented program to help migrants in that state, including day care centers for migrants, educational programs for them, overnight camps and sanitary facilities, and the innovation of a demountable type of housing for migrants which can be constructed to take care of migrants at the peak of their appearance in California, and then demounted after

they disappear. These are only a few instances but they point the way to other possibilities, such as the use of metropolitan community action programs as a base for expanding a network of volunteers and professionals to reach out into isolated rural communities. These programs and ideas did not originate in Washington. They came to us first from the states, from the Governors and from state coordinators who were on the job, going out and looking for new programs and new ideas. And I believe that with examples like these the question is not whether these grants can yield dividends but whether all of the Governors, not just some of the Governors, choose to make sure that they do so.

Last night at Camp Kilmer, New Jersey, where we run a Job Corps Center and Urban Job Corps Center, there was an interesting experiment attempted there by the staff. Each of the boys at this place was given \$50 in script—play money. The staff of the center hastily set up a sort of gambling operation so the youngsters could play dice and roulette and blackjack and poker. With the kind of fellows we sometimes get in the Job Corps, one might have thought they already knew quite a bit about that. In any event, they set up this makeshift casino and they opened for business at 7:30. Two hours later, when the tables closed down, the house had won \$3,430 and the players had been cleaned out. After the game was over, the boys were given an explanation of why the house had cleaned up and what the odds were against winning and why in the long run you cannot win at gambling. Right now Congress and the American people have, in a sense, staked the Governors with \$5 million as their participation in the national effort to eliminate poverty. But this is not play money, and next year the amount, as I have said earlier, may be twice that. This kind of grant of unrestricted dollars, so far as I know, has never been made to the Governors. All that the federal government asks in return, all that the taxpayers ask in return, is quality performance. This money can be gambled away in hiring less than the best men for the job, in using the money simply to cover overhead or administrative costs, in paying higher salaries to existing officials to do just what they have been doing all along, in staffing up state agencies to control rather than to cooperate with local antipoverty effort. If this happens, state government will have received a real setback. The amount that Congress has invested on a new type of federal system will have gone down the drain. And if that happens, then the house will sooner or later rake in the chips. But this time the house means the House of Representatives. They hold the purse strings and they may not advance any more money. Fortunately, there is an alternative. To invest that money in democracy, to hire men with confidence, perseverance and vision, to develop new programs, to stimulate local communities, to increase local and state responsiveness to specific local needs, if we can do this,

state governments can become once more those laboratories for social experimentation that Mr. Justice Brandeis praised forty years ago.

Confronted with such unique opportunities for creating a new chance for millions of Americans, it seems paradoxical that there has been worry, even dismay or disgust in some quarters, over the amendment passed by the House of Representatives last week, the amendment which provided for overriding the Governor's veto under certain circumstances. That amendment in my judgment is not a vote of no confidence in the federal system. It does not reflect on the Governors' offices as such. It certainly is not based on any abusive overuse of the veto by Governors. In fact, the Governor's veto has been used only four times and there have been more than 3,400 different opportunities for Governors, Republicans and Democrats, to use the veto. That is less than a tenth of 1 per cent. Perhaps it would be well to remember that the Congress inserted the Governor's veto last year into this legislation on its own initiative, and the new amendment may indicate that whatever feelings Congress entertained back then may not have materialized. In addition, it may indicate that Congress is aware of some of the difficulties faced by many state governments and the shortcomings—administrative, statutory and even constitutional—of the states. In my judgment, the issue is not one of use or abuse of the veto, from Congress' point of view, and this was made extremely clear in the hearings on the legislation and appropriations. The question is what kind of leadership are the states going to exercise at the really critical junctures in the poverty program: involvement of the poor, monopolization by tradition-bound agencies, determination on doing everything exactly the way they have been doing it, and domination by special interest groups, whether these groups are professional groups or political groups. If the Congressional hearings provide any guide, it is quite clear that Congress wants the states to become the champions of the poor, to use all of the power and resources at their disposal, to see that the poor are generally involved and directly assisted. The veto is a symbolic question, but it may also be a misleading one. None of you, from the statistics, appear to have been particularly anxious to exercise the veto. The real issue for us and for the states is simply this: Are we getting anybody out of poverty? And are the states exercising initiative and leadership in doing so?

There already is some evidence that this is taking place. I have tried to cite some specific examples of state initiative and creativity. There are others. One constructive new step was taken in Illinois, my home state, and in Massachusetts where their state technical assistance funds were used to pull together and analyze all of the scattered statistics collected by different state agencies which in the aggregate have a bearing on poverty. Detroit is doing

the same thing at the municipal level, as was reported in last night's *Chicago Daily News*. As I came through the city there, changing airplanes, I picked up a copy. The paper reported, and I am quoting: "To make the new idea work, Detroit has profiled its people and neighborhoods, using a data bank. This consists of a wealth of information on practically every building and neighborhood in the city—age, conditions, blighting influences, income, educational levels, age groups, race, crime, delinquency, welfare load, health problems, truants, dropouts and so on. This information is stored in computers and can be taped within seconds. The hope is that it will flash danger signals before it is too late to do something and will show in what direction the city should move in each instance." How many of our states are doing the same or already have done so on a state-wide basis? How many have begun to pull together the same kind of data to make the same kind of projections so that not just the big cities but the pockets of poverty scattered throughout the rural and semi-rural areas can be given the attention and the resources that they need.

I can tell you that on the 15th of July our office received a report from a consultant firm that we hired to do a survey of local resources and programs, not federal ones. And in this report one fact stood out above all others. Again I quote: "The most severe constraint has been the complete absence of much of the data necessary." One of the major by-product values of this study could well be to mobilize both public and private agencies into an improved data collection and analysis program to answer the question of what nonfederal antipoverty programs are producing. Our office wants to encourage research and analysis like this, and we are ready to pay for it. In fact, we have paid for it in a number of instances and we want action at the state level, especially in rural areas where it should certainly be unnecessary to employ hundreds of federal workers to go and explore and find out what should be done. Rural America is an immediate target, not just farms but all of the small towns and isolated communities. Too often it is the big cities that have been able to get federal money first because they attract the experts, because they know how to put together a staff to report to the mayor. They know the art of grantsmanship, as it is called sometimes. We need state government to stimulate multicounty, regional and metropolitan units, like the ones in Georgia or North Carolina, not as a form of social welfare gerrymandering but in response to surveys of the topography of poverty. We need your leadership in giving sufficient prestige, status and salary to the man who is in charge of anti-poverty work in your state. We need your resistance to the wishes of other heads of your agencies who do not want the anti-poverty chief to be too powerful, and who do not want to jeopardize the sovereignty they exercise over their own particular domain.

In New Jersey, Governor Hughes, seated here on my right, picked a man of superior ability and gave him a salary and a status commensurate with his responsibilities, higher even than the members of Governor Hughes' own cabinet and he received substantial criticism. Plenty of it! But he weathered the criticism and the results have begun to show. New Jersey has obtained a greater variety of grants covering more of its people than any state in the union.

Let us pretend for a moment that all of the structural, the organizational, the bureaucratic problems were wiped out; archaic constitutions were rewritten; provisions barring Governors from succeeding themselves, for example, eliminated; two-year terms of office, where you practically have time hardly to turn around, were abolished; and key state administrative bodies ceased to be entrenched and impervious to your programs and to your desires; add to that list all of the other grievances and frustrations you would like to clear out of your way, you would have the power exactly the way you want it. The question is: Power for what? Power to impose state solutions on local communities? Power to compel the federal government to deal only with and through state officials? Or is there underlying all of our complaints and all of our justified impatience with archaic state mechanisms a larger vision, not just buildings and institutions and procedures but of a new relationship between those who govern and those who are governed, a new relationship of human beings to human beings? We have seen that vision many times in the Peace Corps. The reality of it was described eloquently in a report I was reading coming out here on the plane, a report to me on our Peace Corps program in Ecuador. Listen to this, please. "The characteristics of the majority of Ecuadorans who live in isolation from the means to realize their potential are readily recognizable anywhere in the world as the heart of the syndrome of poverty, dependency, suspicion, hostility, and personal inadequacy. The victim of the poverty syndrome often sees his very survival as beyond his real control. He is suspicious of the people he has grown up and lived with, unwilling to extend them confidence enough to cooperate in any mutually beneficial endeavors like community action, often even too suspicious to have confidence in members of his own family, the last refuge of the isolated man. He meets the outside world with hostility and frequently the familiar world as well. In dealing with the problem of making a living, providing shelter and food, of learning the skills to perform a productive job and of being responsible enough to keep that job, he displays a personal inadequacy which he often articulates in defense of his dependency."

A concrete example comes from Chile. An impoverished Indian suddenly finds that a United States financed housing project is going to construct for him a nice little house made of cement block with a

sheet roof on the top of it. Suddenly, amid the muck and the clutter of the farmyard, a nice little house actually springs up, built by a Chilean contractor from plans by a North American architect and paid for by people, us Americans, who want to help and who firmly believe that nice little houses make for nice little attitudes. After the new residence is finished and the old straw thatched hut is removed and torn down, the builders move on, leaving behind them that nice little house. As soon as the strangers have gone, the Indian starts to build another home of straws and poles. When that is completed, he moves his family into the straw home and his animals into the cement block. Meanwhile, the Indian stolidly resists vaccination for his tubercular cattle. He cherishes his scrawny sheep which only produce a pound and a half of wool a year instead of the ten pounds it could be producing from an improved herd. He has no water sanitation. His neighbors of the local tribal subdivision languish under a traditional chieftain who sells his votes twice, once to the Christian Democrats for a couple of dollars (plus the prestige of having concrete barns around the landscape) and a second time to the Communists, just for good measure.

Latin America is dotted with these small examples of what goes wrong with development assistance at the grass roots. There are health posts which have never seen a doctor or never have seen a patient because there was no provision for medicine. There are schools which are poorly attended because the population does not know that it needs them, or because they were located unwisely, or because they are falling down as a result of fraudulent construction, or because the people have no interest in maintaining something which they do not consider their own. Does any of this have a familiar ring? Have any of us experienced a similar frustration in dealing with poverty here at home? Could not the following words written about four million Ecuadorans just as easily have been written about thirty million Americans mired in poverty? And I quote again: "Often the very strangeness to us of this personality structure causes us to characterize these people as shiftless, irresponsible, dishonest, ungrateful and one hundred other adjectives denoting inferiority." And if these stereotypes sound familiar, then we might do well to try out the solution proposed for Ecuador. The need is to teach people both to ask for and to use effectively the assistance that the government is able to supply and to resist the government's attempts at paternalism or, worse, outright despotism. The need is to teach them how to acquire effectiveness, socially, economically and politically. If we can be successful in doing this here at home in overcoming our natural desire for power and domination, if we can give to the poor people a genuine share in their government and a genuine control of their destiny, then we will have overcome the ultimate threat to demo-

cratic government which Alexis de Tocqueville foresaw more than a century ago.

Maybe this, then, is the real purpose of technical assistance grants to states, not to support discussion on procedures, on organizational charts, and bureaucratic arrangements. Our job is more than that. It is to live up to the vision of America where opportunity for all is a birthright, for the poor as well as for the rich and powerful. The plight of the poor and the plight of state government may be, at the bottom, somewhat the same. For both flow from our failure to believe enough in people, believe in them enough to vest in them effective control over their lives and over their government. With thirty million Americans still mired in poverty, we have no time for theoretical debates on state-federal relations, for fruitless power contests or jurisdictional squabbles. There is plenty of work for all of us to do. As has been said, "The time is short; the hour is late; the matter is urgent. It is not incumbent upon us to complete this task but neither are we free to resist and desist from doing all that we possibly can now and in the future." Thank you.

Governor Morrison: Thank you very much, Mr. Shriver, for a very fine presentation.

At this time I would like to call on a man who is a leader in this field, a very aggressive developer of human resources; a man who for years was a distinguished jurist and then consented to lead his state as the head of its executive department of government, Governor Hughes of New Jersey.

Governor Hughes [New Jersey]: Thank you very much, Governor Morrison. First of all, I want to express my thanks and I feel that my almost seven million fellow citizens in New Jersey want to express theirs to Mr. Shriver for his wonderful talk. I thank him for the many, many instances of cooperation in our poverty effort in New Jersey.

On the day that President Johnson signed the first appropriations bill for funds under the Economic Opportunity Act, I issued an Executive Order establishing the New Jersey Office of Economic Opportunity, whose director was to serve at cabinet level. We were determined that New Jersey's poor citizens should benefit fully and immediately from the new legislation. My Executive Order therefore charged the state OEO with three basic tasks: to coordinate the anti-poverty activities of all state agencies; to provide technical assistance to all communities seeking help in mounting an anti-poverty campaign; and to implement, as state programs, certain critical rural and migrant anti-poverty programs where other groups could not come forward.

In the following ten months, the New Jersey anti-poverty program has taken deep root. Already it has utilized more than \$32 million in federal funds to offer dramatic new opportunities for

self-help to more than 58,000 poor persons and thousands of their dependents in projects that the poor themselves designed. More than 11,000 pre-school children are involved in Project Head Start this summer. At the same time, more than 7,300 disadvantaged youths are receiving training in fifty Neighborhood Youth Corps projects—the largest number of projects set up by any state.

These encouraging efforts have been complemented by several State-operated programs coordinated by our OEO. The Rural Youth Development Program brings remedial education, medical services, work experience, and on-the-job training to 600 young men in the nation's first attempt to prepare deprived rural youth for employment through the combined resources of the Economic Opportunity Act and the Manpower Development and Training Act. And the broad-gauged, interdepartmental Migrant Opportunity Program is right now coming to grips with some of the critical educational, medical, housing, and sanitary needs of some 22,000 seasonal workers in New Jersey this summer.

By September 1 a number of special educational plans will be developed: a follow-up for Project Head Start; pre-school programs for the 1965-66 academic year; programs to train pre-school teachers; remedial education for all ages, tutorial programs related to school systems; and a Statewide Community Action Training Institute. In addition, a Governor's Committee on Poverty and the Law is working towards pilot programs to improve legal services for the disadvantaged. And, I am convinced that we must go even further if we are to reach the real roots of the problem.

The director of the New Jersey war on poverty, a very distinguished and dedicated young man, a former Assistant Treasurer of the United States and a former executive director of the World Bank, is here and has distributed some written material in case you have need to refer back to it for technical reasons. I am delighted to have Mr. John C. Bullick here. He can answer publicly or privately any questions that you might have.

The states must begin a massive attack on one of the greatest sources of poverty and deprivation: the severe educational deficiencies of millions of citizens. Today in New Jersey there are over 500,000 adults whose schooling ended with grade school, and 90,000 who never attended any school. For these citizens the lack of basic communication and computation skills makes full participation in our society nearly impossible. In terms of educational or economic opportunity, most of these unfortunate illiterates are stranded on the back road to nowhere.

This condition can and must be rectified. I have given highest priority to a plan to launch, in cooperation with the federal government, a full-scale attack on adult illiteracy. This attack will require an identification and evaluation of the educational

needs of all adult illiterates, the opening of programs at our state university and state colleges to prepare teachers to work with these citizens, and the development of instructional materials.

The cost of this program will be considerable. But, as with all efforts in the anti-poverty campaign, the social and economic returns will be far greater.

We in New Jersey are under no illusion that we have responded fully to the needs of our 180,000 poor families and many thousands more who live in poverty outside family units. But we believe that we have made a meaningful start.

To sustain our momentum, we must overcome several serious problems. We have to realize, first of all, that community action programs, in their attempt to mobilize all available public and private resources to attack poverty, are at the heart of the anti-poverty program. They function effectively only with full and consistent federal and state support.

State support is particularly important. I am fully convinced that state government at its best can minister productively to the diverse needs of its constituents. But this requires that the states seize their responsibilities. For responsibilities that the states abrogate will gradually, but inevitably, be transferred to the federal government. Meaningful federal-state partnership can survive only if the states maintain a dynamic posture with respect to their responsibilities—and such a posture requires action by each Governor as the focus of political power and administrative coordination.

This is the experience of one state. And I know that across the country Governors are providing the vital spark of leadership in the war on poverty. It is this leadership—it is this alliance of state and local and national government—that will give us the victory we must have and we shall have over poverty and deprivation in America.

Governor Sawyer: Thank you very much, Governor Hughes and Mr. Shriver.

As you notice, television sets are being set up. We will listen to the President in just a moment. As some of you Governors know, there has been some conversation with the White House this morning and a number of Governors have expressed the concern, which is felt by all the American public, about the situation in Viet Nam. The President has suggested that he would be delighted to have the Governors come to the White House tomorrow on their way home. Practically all Governors would like to do that. Therefore, we will leave here tomorrow afternoon at two o'clock. We will go to the White House about five o'clock tomorrow afternoon, Washington time. We should be through there with our meeting with the President at about eight o'clock tomorrow night, Washington time.

We will just be in recess now until the President comes on, which will be in about five or six minutes. After the President has finished, Governor Morrison will then take over again for discussion and questions for Mr. Shriver.

[At 11:25 a.m. a recess was taken while President Johnson spoke on television. The meeting reconvened at 12:20 p.m.]*

Governor Sawyer: If we will assume our previous positions, we will proceed with the meeting. Would you take your seats just as quickly as you can, please.

Gentlemen, we have just heard a very moving and articulate statement by the President of the United States regarding the position of this country, not only in Viet Nam but generally throughout the world in conflicts of this kind. It seems to me that the position as stated by the President is supported by the vast majority of the public in this country and by many, if not all, of the Governors here. Certainly, this posture needs all of the support in the places that count that it can get. Any alternative to the position taken by the President of the United States taken this morning, it seems to me, is unthinkable. We worry about our responsibilities as Governors. Meeting here at this time and place, we have a responsibility to indicate an expression of attitude regarding this matter. I am not going to presume to speak for the Governors. But I do feel that there should be some formal expression by the Governors of these United States on the position as enunciated by the President this morning. I would be happy to entertain any motion.

Governor Sanders: Mr. Chairman, I ask unanimous consent that the Governors be allowed to go on record at this Conference in support of the position of the President of the United States as enunciated this morning.

Governor Sawyer: Unanimous consent has been requested by Governor Sanders for the purpose of a motion that this Conference go on record as supporting the position of this country as enunciated by the President.

Governor Romney: I have no way of knowing whether or not the course of action that the President has decided to take is right or wrong on the basis of the discussion which we just heard. I hope it is right. The lack of information, indicating whether the course is right or wrong, was a difficult aspect of the situation, as far as I was concerned. It is my hope that one reason we are being invited to the White House tomorrow afternoon is because under those circumstances we can be given factual information that we do not now have. I would like to suggest that we defer any action on this matter until after we visit the White House tomorrow

*Text of President Johnson's Press Conference will be found in Appendix VII.

afternoon. Certainly, if we are not going down there for the purpose of receiving some additional factual information, I do not know why we are going. It is my hope that the President is right. I certainly want to support the President of the United States when it comes to matters of this character. But I do submit that there was not new, basic, factual information made available. Ostensibly, that is the reason for our visit tomorrow. My hope is that we defer action on this until that time.

Governor Sawyer: Thank you, Governor Romney.

I might say that this motion does, of course, present a policy position. Unless there is unanimous consent, we cannot properly entertain the motion at this time, and would have to do it then through notice and suspension of the rules.

Governor Romney: I would like to offer an amendment to the motion—that we consider this motion following the visit to the White House tomorrow afternoon.

Governor Sawyer: It would not be in order yet, Governor Romney. If there is no objection to the motion, then your suggestion would be in order.

Governor Burns [Florida]: I rise to a point of personal privilege to ask the distinguished Governor from Michigan to reconsider his position. I think at this time that all partisanship must be laid aside and that a word of patriotism must be substituted. We have elected through the democratic processes a leader for this nation. I think that it behooves the people of this nation, certainly the Governors of this nation, to stand as one, united, in support of the action that has been announced on behalf of this nation. We as Governors are not informed in the field of diplomacy nor are we informed of the give and take at the negotiation table. We, like every other citizen of these United States, have our allegiance to the nation and to its leadership. We are to be invited to the White House tomorrow as a matter of courtesy and a matter of employing and engaging our understanding and the support that our respective states will be called on to give. I do hope that the distinguished Governor from Michigan will withdraw his objection so that we might have unanimous action today.

Governor Sawyer: Governor Burns, there has been no objection yet. Just to clear the record, Governor Romney made a statement but did not interpose an objection.

Governor Romney: Matter of personal privilege. What I had to say, I certainly did not say on any partisanship basis. If anyone will check my record, I think you will find that I have been willing to put country above party as much as almost any citizen of this nation. Indeed, my partisanship position in this country is misunderstood by many people because the State of Michigan confronted such difficult circumstances a few years ago that it was necessary to have clearly nonpartisan and bipartisan leadership and put citi-

zenship above partisanship in order to straighten out the threatened breakdown in democratic processes in the State of Michigan. I provided such leadership during that period and was not identified with either party during that period. Now, I make this proposal for this basic reason. For some time now the information that we have been receiving with respect to the situation in Viet Nam has obviously not been accurate. We have had repeated reports of an early successful conclusion to the action being taken there. We have had optimistic predictions about the situation. I am simply suggesting that we defer action until such time as we have the opportunity of knowing whatever we will know tomorrow night or tomorrow afternoon that we do not know today. I think our action will be much more significant if it is taken then than if it is taken now, particularly in light of the fact that there was again no significant new, factual information submitted in connection with this action.

Governor Sawyer: Thank you, Governor Romney.

If there is no objection to the motion as proposed, the motion will be entertained.

Now, Governor Romney, if you would like to offer your amendment to the motion which is before us, we will be happy to hear it.

Governor Romney: I would move that we postpone action on the resolution until we can meet at the White House tomorrow afternoon and that we postpone action until that time in the hope that our action will then be more meaningful and more helpful to the nation and the President.

Governor Sawyer: Is there a second?

Governor Sanders: Parliamentary inquiry. Mr. Chairman, if action is postponed until tomorrow afternoon on this very important matter, wouldn't it be impossible to have this made a part of the official record of the Governors' Conference?

Governor Sawyer: The Conference will be over by then. That is true.

Is there a second to the proposed amendment?

Governor Hatfield: I second it.

Governor Sawyer: The question now is on the amendment. Is there any discussion? You are all familiar with the proposed amendment, seconded by Governor Hatfield. If there is no discussion, all those in favor please indicate by saying "Aye." If you are voting for the amendment, of course, please indicate by saying "Aye." Those opposed indicate to the contrary. The amendment is not carried, Governor Romney.

We are now on the motion. The motion was made and seconded. Is there any further discussion on the motion?

Governor Hatfield: Will you restate the motion, please?

Governor Sawyer: The motion is that this Conference go on record as endorsing the President's position and giving the Admin-

istration's position its full support. Is that a paraphrase of it, Governor Sanders?

Governor Sanders: The motion was to the effect that this National Governors' Conference officially go on record as endorsing the position of the President as he stated it this morning and supporting the principles that he stated for this country.

Governor Sawyer: Is there any further discussion?

Governor Hatfield: Mr. Chairman, I am not quite clear as to what we are now asking the Governors to do. If we are talking about the principles of having a strong America, maintaining a strong America, we are talking about the principles that he enunciated, standing up to the communists and the communist aggression, then I can be in full support. But if we are now talking about the technique and the manner in which the war is being waged in Viet Nam, I cannot go along with the motion because I have reservations. I have expressed them. Other Americans have expressed them. I do not think we are any less patriotic for having expressed these reservations. I would then like to feel that in voting for this motion or against the motion that it be strictly on the basis that America is as one nation as we stand against the common foe. But we still are not adopting the idea that there is only one way or one technique. I do not feel that the President has outlined clearly what our methods and our techniques are going to be. I feel that there are other avenues that have not been fully explored and I would, therefore, like to ask this basic question. Are we merely supporting the principles of Americanism or are we endorsing the President's conduct of the war in Viet Nam?

Governor Sawyer: We are endorsing what the President said this morning.

Governor Hatfield: You haven't answered my question, Mr. Chairman.

Governor Sawyer: Well, as I understand the motion, we are endorsing the principles as enunciated by the President on television this morning. Is that correct, Governor Sanders?

Governor Sanders: Mr. Chairman, I don't think, for the benefit of the Governor from Oregon, that we are concerned about techniques. What we are concerned about is one nation in support of one President against communistic aggression, and in support of what the President announced this morning about what he was doing in order to protect the interests of the American nation and the free world in Viet Nam. I am not concerned about techniques. I think, insofar as techniques are concerned, we are in a war at this time to protect the free world. What I intended in the motion is that we support the President as Americans and as Governors, that we be unanimous in our support of this nation. I have no quarrel about techniques. I am not trying to say that we should go on record supporting escalation or dropping of nuclear weapons or something of

that nature. We are supporting, by this motion, the fact that this country is united behind our President and what he is now doing to protect our people and the other people of the free world.

Governor Hatfield: I only point out one matter this morning to my fellow Governors. When we are asked to support the President of the United States, we are concerned with methods and techniques by which he seeks to implement these principles. I would also say that until a state of emergency is declared or a state of war is declared under Article I, Section 8 of our Federal Constitution, as Americans I think we not only have the right but the responsibility to differ as long as we differ on a constructive basis, seeking the common goal of peace. And I do not feel, as one, that we have pursued such goals through all channels that are opened to us at this time or up until this time. I am encouraged that the President indicated this morning that he is making a move toward the work of the United Nations' peace-making machinery. But until that is done, I cannot for one give a carte blanche, complete support to the President on the methods and the techniques of achieving this goal, although I share the goal with him.

Governor Sawyer: Thank you, Governor Hatfield.

Governor Reed: Mr. Chairman and fellow Governors: I feel that the President has very clearly enunciated the position of this country. I for one would like to say that I support him without equivocation and without reservation. I feel that it would be most appropriate for this National Governors' Conference without hesitation to move to support our President according to the motion that Governor Sanders has made. I think this should be done as soon as possible. I move the previous question.

Governor Sawyer: The previous question has been moved.

Governor Romney: do you have a comment?

Governor Romney: I wanted to note for the record that I support this motion on the basis as explained by the Governor of Georgia.

Governor Sawyer: Thank you very much.

The question has been called for.

Governor Rampton: As I understand it, at this time we are merely voting on whether or not we will consider the motion of Governor Sanders?

Governor Sawyer: No. We have unanimous consent to pose the motion. The motion has now been made and we are now voting on the motion.

Governor Rampton: Very well.

Governor Sawyer: The question has been called for. All in favor of the motion please indicate by saying "Aye." Opposed? The motion is carried.

I will now turn the balance of the Economic Opportunity Program back to Governor Morrison.

Governor Morrison: Thank you very much, Governor Sawyer. Mr. Shriver has consented to stay with us this afternoon, even though his plans called for his return to Washington at noon today. This involves considerable sacrifice on the part of a very important public official. I am hoping that the aisles will be cleared so we can proceed with the business of this Conference. Press conferences will be held outside of the hall, please, gentlemen.

All of us are conscious of the fact that we are living in a momentous period in world history. I think we are also thankful that we have as head of this great democracy of ours a man who approaches these responsibilities in an appeal to reason and restraint and not to passion. He made the statement that we were going to convince the communist world that this nation cannot be defeated by resort to arms. We as Governors are also dedicated to the proposition that we want to prove to all America and to all the world that the free enterprise system of this democracy has the strength and the vitality to meet the challenges of our time, and this nation can and will measure up to the responsibilities of a full and complete development of the resources of this country. With that in mind, I would like to open up at this time discussion and questions to Mr. Shriver and Governor Hughes in connection with the problems and the programs raised here today.

Are there any questions, first of all, to be addressed to Sargent Shriver?

Governor Hansen: First may I say how much I appreciate Sargent Shriver being here today and clearing up a number of points that I think are of vital interest and of vital significance to everyone in this country. I would like to say that we have now operating within the State of Wyoming a Job Corps camp. It was established with my approval there. I am very much interested in the objectives that Sargent Shriver has so clearly defined for us here this morning. I want to raise a question and make a point, if I may, about the veto, of which much discussion has been entered into here this morning. Not only does Wyoming have a Job Corps camp but we are moving forward with Project Head Start and we are moving forward with Neighborhood Corps camps. I would like also to say that I think it takes more than money. It takes more than high priced executives. It takes more than plans and the enunciation of noble purposes to accomplish the objectives of the poverty program. It is my firm belief that the people in the communities in which these camps are located not only must give lip service but they must be willing as well to take the second step, to participate as individuals, if we are to bring about this whole restructuring of the attitudes of people that we are trying to reach. If we are to reach the objectives of this program, we must have the involvement, I believe, of people at the community level. Let me read, if I may, a little about the Act. It says: "The Act calls for community action, a broad based citizen effort

requiring participation of representatives of government, education, clergy, business, labor, private agencies and the poor who are to be provided with opportunities to help themselves."

Now, one of the functions that I think is provided by the authority presently given the Governors to veto these camps is to make those determinations that will very well lead to conclusions that are sound and factual as regards the attitude of the people in the communities wherein camps are proposed to be located. I think it would be a sad mistake to deprive the Governors of this opportunity which they presently have to make these determinations. I know of one town in Wyoming where a camp was proposed that happens to be without any sort of corporate management at all. We have no police. We have none of the ordinary elements that are found in any town or city. It would be a bad mistake in my mind to establish a Job Corps camp there. As a consequence, I would like to say that I think the veto power should be maintained. It should not be taken away from the Governors. And by keeping it with the Governors, we can be assured of the sort of community participation on an individual basis that is so necessary and so vital to the success of this program.

Governor Morrison: Governor Hansen, I might say that you will be given an opportunity to vote on a resolution to this effect before we adjourn. Do you have some specific question at this time you would like to address to Sargent Shriver?

Governor Hansen: The point I make is that it is vital that the Governors continue to have the authority to review the attitudes in a community, and I am not yet persuaded that we could do away with this right without damage to the program.

Governor Morrison: Thank you very much, Governor Hansen. Sargent Shriver would like to address himself to this.

Mr. Shriver: Governor, I just wanted to say that the amendment passed by the House of Representatives does not impinge upon the right of Governors to veto the location of Job Corps sites. That is part of Title I of this legislation. And just as you have eloquently expressed the need for community support, we agree with that. And the amendment which was passed by the House does not curtail that right on the part of the Governors. I would like to add one footnote, if I may. I think it is unlikely that we can always expect to have unanimous community support for, let's say, a Job Corps center. There have been cases where a rather vocal minority began by protesting against a location and subsequently it was determined by the Governor and other local officials that it was merely a minority that was involved. We have gone ahead with sites when we had the Governor's approval along with the local community leaders.

A recent instance was the location of a Women's Job Corps center in St. Petersburg, Florida, located there with the approval

of the community. The contract between us and the community was executed by the local board of public education in that county, and of course the site was subsequently approved by the Governor of Florida. Afterwards there arose some community discontent and a reversal of the local position. After that reversal, two or three months later, the local board of education again reversed itself and has most recently decided that they want to go ahead with the Women's Job Corps center under their contractual management. So it is true that community attitudes do fluctuate. What appears at one time to be perhaps a rather large proportion of the community against a location subsequently does not turn out to be in fact a large group.

Again let me repeat that the House amendment, which was passed last week, does not curtail the right of Governors to veto, if they wish, Job Corps locations, such as the ones you have been talking about in Wyoming.

Governor Sawyer: What does the amendment do?

Mr. Shriver: Governor Sawyer and Governor Morrison have asked me to explain briefly what the amendment does.

Governor Brown: Would you also explain the reason for this amendment in the Congress? I think you know that I supported it in a press conference here yesterday, in view of the fact that the Governors do have the veto in the first instance.

Mr. Shriver: Let me express first what the law actually says. It merely says that if a veto is exercised with respect to a Title II application, the so-called Community Action Program, the veto can subsequently be overridden by the Director of the Office of Economic Opportunity if a finding is made that the program as proposed by the local community is, in fact, in keeping with the intent of the legislation and does fulfill the intent of the Congress. I hesitate to characterize completely what was in the mind of the Congress, certainly not of each individual member, when that amendment was passed. But I do believe that a starting point is to remember the phrase "community action." This legislation proposes action by communities, not just action by states or action by the federal government. A Community is defined in the basic law in a very broad way. It can be a part of a city, a part of a county. It can be the whole city or a whole county. It can be a combination of counties or, in fact, the legislation goes so far as to say that it can be a whole state. I am not sure but I think that Alaska has taken the approach of the whole state being the community, because the population there is so scattered. But when you remember that what Congress was attempting to accomplish in Title II of this Act was community action, rather than exclusively state action or federal action, I think you can get at the reason why they wanted to reduce the power of the Governor to veto community action. They wanted that power to be reviewed so as to make sure that community ac-

tion could not be nullified or prevented by state action. Now, this is an extremely difficult line, you might say, to travel. Because the Congress is attempting to legislate fairly between the justified interests and rights of the state government, the justified interests and rights which they concede that local government should retain, and the justified rights of the national government. So it is not just a clean-cut, black and white situation, so to speak. Therefore, I think that the amendment, Governor Brown, was intended to preserve the idea of community action against an absolute veto of community action by a state executive.

Governor Scranton: Could I ask a question right there?

Mr. Shriver: Yes.

Governor Scranton: First of all, you have hit the very point I wanted to ask about. Forgetting the veto, whether we should or should not have it, the difficulty that we have run into in Pennsylvania does not arise with Title I or with Operation Head Start or with Job Corps. In fact, they have all gone very well indeed. Our problem revolves around what participation the state government should or should not take in initiating or responding to community action programs. It seems to be quite vague in the minds of a lot of persons. We would like to know what you think, Mr. Shriver, the state ought to do or ought not to do about initiating or not initiating community action programs under Title II?

Mr. Shriver: I would say in a sentence that we would look forward to the maximum initiative by states in getting community action programs inaugurated. That was part of the purpose of my talk, namely, to try to give illustrations where states, using the technical assistance money from the federal government, establishing their own offices, their own personnel at the state level, having the facts, can inaugurate local community action programs. Large parts of most states are not capable of effecting these programs and sending them down to Washington. What we have hoped is that Governors, utilizing money they get from us, appointing their own people to carry this out, will go out and get that job done. It is being done already in a large number of states at the initiative of the state government and specifically the Governor. So I repeat, we would hope that there would be maximum initiative of this type, that there would be new ideas coming to Washington and new programs at the state level in cooperation with local communities. I tried to cite some examples, I think, of enterprising new efforts that the states are taking. Now, the law is vague, if you will. It certainly is not precise. It does not say, for example, that all community action programs which originate in a state have to go through the Governor. I personally think it would be a mistake if there were such a requirement, namely, that, let's say, Philadelphia or Pittsburgh or Wilkes Barre or Scranton—

Governor Scranton [Interposing]: Thank you very much!

Mr. Shriver: —had to go through the state office in order to get approval from Washington because that would, I think, negate the idea of community action. On the other hand, there is no reason in the world why the states cannot exercise maximum initiative, as I said a minute ago, both in stimulating community action programs in various parts of the state and in keeping in touch with programs that are already under way in some of the larger cities.

Governor Scranton: This creates the most confusion. Thank you.

Mr. Shriver: I gather it does, as you say, create the most confusion. On the other hand, I think it might be unwise to try at this early stage to rigidify exactly how this is to be done. There is one thing that I might call to your attention. The war against poverty has actually been under way for nine months and twenty days. We have not yet had one full year of operating experience. In the time that we have had to work, I honestly believe that a tremendous amount of good has been done by the states. I see Governor Faubus. His state has done an extremely good job in energizing localities all over Arkansas to do things. Oklahoma has done the same thing. Other states have, too. So there really has not been a great lack of state initiative. Many of these programs come to us in Washington. The first time that we know about them is when they come directly to us from the states. Others come to us for the first time from communities, from cities and from counties. I can say that in the nine months of operating experience that we have had, there has been a tremendous amount accomplished.

Governor Hearnest: A parliamentary inquiry from Chairman Sawyer, if I may. I believe it is in order, a parliamentary inquiry, at this time. Mr. Chairman, in order that I be acquainted with subsequent possibilities in this Conference, I would like to have the chair's ruling, and I am not trying to reopen the debate on the previous motion of the Governor from Georgia. But the motion for the previous question was made by the Governor from Maine. It is my understanding, unless the Governors' rules are different, that the vote at the time was on the motion for the previous question, whether or not debate should be ended, and not on the subsequent motion itself.

Governor Sawyer: It may properly have been on the motion for the previous question. That isn't what I announced it was on. Did you think you were voting on the motion of the previous question?

Governor Hearnest: The Governor from Maine moved the previous question, no doubt about that. Many of us voted and I personally voted no because I did not believe it was fair to end the debate.

Governor Sawyer: Would you like to have the record show—
Governor Hearnest [Interposing]: I want to be sure that you and I have the same understanding of the motion.

Governor Sawyer: The record will show that your position is positive on Governor Sanders' motion. Is that correct?

Governor Hearnese: I think we both understand each other. As far as the motion for the previous question, it is only terminating debate.

Governor Sawyer: We were under Sawyer's Rules of Procedure then.

Governor Hearnese: If I may address myself to Sargent Shriver?

Governor Sawyer: Fine.

Governor Hearnese: Mr. Shriver, I know that you are not responsible for the comments of a Congressman on a debate of this particular bill any more than the Governor of Maine is responsible for any comments on anything here. But I want to point out to you that in a late issue of one of the magazines, a Pennsylvania Congressman liked the program's aims but charged both Republican and Democratic Governors with using the program for political purposes, both in the same poker game and both with the same marked deck. Now, I think the point we are making out of this meeting with you is to the effect that there is no less compassion by the Governors with the poverty program than there is in Washington. What many of us are trying to do in this particular thing—and, believe me, especially we of the same political faith of the President—is to make this program work with the least amount of criticism on Washington. This is not a poker game with us. We want to straighten that out so that the people themselves will believe that the program is not a boondoggle as we hear so many comments from here and there. We realize that this thing is in its beginning stages. But we want your office to understand that we are not in a poker game; that we have only a desire to help this program, and the comments that the Governors make from time to time are for that purpose and that purpose alone.

Mr. Shriver: I appreciate your saying that, Governor.

I would like to say just for the record that our office has not had any indications that would substantiate the charge you read in a magazine indicating that Governors are using this for political purposes. It is true, obviously, that if there is a Democratic Governor and he has the authority to appoint people to work for him, most of the time he is going to appoint Democrats, maybe all of the time. That is true about the Republican Governors. But we have had extremely good cooperation from Republican Governors. Governor Romney's state has a fine record, I think, from where we sit—a fine record of cooperation with our office. And that goes for Democratic Governors. So frankly, I do not see any evidence to substantiate that charge which you have read.

Governor Romney: I would like to ask Mr. Shriver a question. I appreciate his commenting on the fact that we have undertaken to implement the program in Michigan on a broad basis. As a matter

of fact, if it had not been for the state director and the state office, we would not have anything but Detroit in the program in Michigan. We have undertaken to create programs throughout the state and have them throughout the state. I would like to ask this basic question, Mr. Shriver, and this becomes more important as we face the future and as we consider past problems. The basic question is this. You have indicated that the language of the law is rather broad and probably has to be. You have placed great emphasis on initiating and developing new programs and new approaches. Now, the only two instances where I ever had any questions about projects coming to my attention did not involve new programs at all. They really involved using poverty funds to support the types of programs that every community and every state has carried on for years. One specific instance was the use of funds for conducting dancing and dramatic programs for people through the city recreation department. This sort of thing has been carried on for a long time, and is a well established part of recreation. Now, is your program of such a character that it can be used to support almost anything that you can relate to poverty? If it is, then we are going around the State of Michigan and we are going to notify every community that they can get into programs of the type that I am talking about. We in Michigan pay more than we get back and, consequently, we have to go after at least what we are entitled to. If this is going to be the approach, and this is a fundamental problem, then I want everybody in Michigan to benefit from it and not just a few who seem to have the inside track in getting such things handed to them.

Mr. Shriver: Well, the question you raised, Governor, is the old one—whether it is only desirable to inaugurate brand new programs or whether we should expand upon existing programs which prove to be useful.

Governor Romney: That is not quite the question. The question is whether projects that can be related even remotely to poverty should be included under the program. To be more specific, is teaching dancing and dramatics a part of the poverty program?

Mr. Shriver: As a matter of policy, the answer is no. We are not interested in underwriting programs no matter how remotely, as you phrased it, they might have some impact on poverty. What we are trying to do is to select from those projects which are submitted to us such programs as will have more immediate and direct impact on poverty. Now, you may have chosen a good example of a mistake we may have made. Perhaps we should not have underwritten that particular one you are talking about. What I am addressing myself to is the general policy, the policy to underwrite the expansion of existing programs and the inauguration of new programs which can be shown will have, we hope, a direct impact on the reduction of poverty. Now, when I say that, I hope it is obvious—I am sure it is to all of the men here—that this is not a hard and fast line when

these matters come before us. They are frequently a matter of judgment. We have inaugurated an office in Washington comparable to the one I hope will be inaugurated at the state level to analyze what we are doing, both in new programs and in old programs, to find out which approaches are the most effective. In fact, today there is very little concrete, scientific, if you will, evidence to prove that one way or another way is the best way or the only way to take people out of poverty. So, therefore, we are trying a variety of ways. But we do not initiate these ways for the most part ourselves. We try to respond to what the community thinks would be desirable. Evidently, this community in Michigan thought that that was a worthwhile effort. We agreed with them. Maybe we made a mistake. The basic policy, however, is not to restrict our program merely to new adventures or new effort but to supplement and expand good ones that are already in process.

Governor Reed: I have a question for Mr. Shriver. I would like to preface my question to him first by saying that the State of Maine has had excellent relations with the Economic Opportunity Office; we appreciate these cordial connections and everything is working along nicely. However, under Title IV, the Small Business Development Centers, we have currently organized six, the oldest one about two months ago. I am wondering if you could tell me, Mr. Shriver, how long we can anticipate it might be before we receive approval of these small business projects in Washington? This is an important program and will do a lot of good in my state. I am most anxious to find out if we can get this expedited.

Mr. Shriver: I wish I could tell you specifically ten days, two weeks, one month. I cannot. But what I can say is that the small business program has taken a little longer to get started than the others for a variety of reasons. One is money. The extent to which those six, for example, in Maine can be acted upon and others like them around the United States, depends upon what Congress gives us in this session. The Small Business Administration has already approved about a dozen of those small business development corporations. For the most part, Governor, they have been focusing them in larger areas, larger metropolitan areas, where they feel that there is a greater chance of getting more for their money and more success perhaps in getting people into the private enterprise system. Now, how soon you can expect to hear about those six specifically, I am sorry I cannot tell you. But before I leave, I will get on the phone and give you an answer.

Governor Reed: I might say that I appreciate the answer to it. However, we in the smaller states feel it is just as important to us as the bigger states.

Mr. Shriver: I agree with that completely.

Governor Nils A. Boe: I would like to direct one question to Mr. Shriver, particularly about the policy of his office with respect

to the Youth Corps camps. I might say that in South Dakota we likewise have approved every project that has thus far been requested for our state. At the present time we have two Youth Corps camps in the process of being established. It has been my understanding with regard to the enrollees brought into these camps that there will be only a limited number of residents from the individual states in which they may be located. My question is this. In the event that rehabilitation of the enrollees, upon being discharged from the camp, is not complete or in the event that the employment facilities in the particular area of the camp in our state are not sufficient to amalgamate these individuals, what will be the responsibility of the communities, of the state, when these enrollees leave the camp? Does your office, in other words, have a plan as to how these enrollees will be treated? Will they be taken back to the particular areas and states from where they came? The welfare rolls which I envision, created in the communities of our state in which these camps are presently being located, can be enormous. And if they are to be continued in that manner, I think they deserve to be scrutinized by the Governors of those states before they are established.

Mr. Shriver: I agree with your statement, Governor. And if we are going to run it that way, I would be just as concerned as you obviously are. We do not intend to import two hundred or five hundred people into South Dakota and then discharge them from a Job Corps center and leave them there. First of all, it is our hope, obviously, that they not be discharged until they are successful graduates. Second, we do have a national placement system seeking out jobs for graduates of the Job Corps. In the case of a rural camp, such as you are talking about, that placement or job finding program is conducted by the Department of Interior and the Department of Agriculture and the Department of Labor and by our own office. In the case of these larger centers, such installations receive money from us. The contractee receives money from us to manage and operate a job placement program as an integral part of the local effort. So that when young men or women are ready to leave those camps, the objective is to have them in a job to which they are definitely going. Now, that does not mean that the job is where the camp is. The job could be in a totally different state. It could be where they came from or in another state. But there will be no business of dumping people on the local community and thereby adding to your relief rolls or educational obligations and otherwise. This is a national program. There will be youngsters coming to those camps from states other than South Dakota but they will not be dumped on South Dakota.

Governor Boe: I don't care to use the word "dump," but if an enrollee desires to stay in that particular state, is there any prohibition of his staying there, whether he has a job or not? Does the

federal government recognize aiding him financially to go back to his original home?

Mr. Shriver: We would not let him stay if there was no job. But if there was a job and he wanted to stay—I assume you would not be suggesting that the individual state erect some sort of barrier against people coming into that state?

Governor Boe: Not at all.

Governor Morrison: Time is getting away from us. Are there any other questions?

Governor Faubus: Mr. Chairman, I would like to speak to a point raised by Governor Romney and suggest that we are approaching a possible solution. Now, there are not going to be enough funds, even with the increased appropriations, to take care of all of the programs that will be submitted. That is quite evident. We have three thousand applicants for the Neighborhood Youth Corps program that we cannot place because we do not have approval for these additional applications that we have on hand. So with the insufficient funds and the great number of projects that are going to be submitted, I think that close cooperation between the state offices set up by the Governors and your office in Washington will help get the best programs selected and some of these less worthy ones eliminated.

Mr. Shriver: We want to have that kind of cooperation, Governor Faubus. But I do want to make one point and that is that the money from Congress is allocated title by title. The Director does not have great flexibility, and in some cases no flexibility, in taking money out of one title and putting it in another even though the programs in the other title may be better in the opinion of the Governor and the Director than the programs in another title.

I might just make this one observation. I believe that this office has had some national usefulness merely in exposing the tremendous need and the tremendous desire for the kinds of programs that we have inaugurated. Just remember, last year on this day there was no legislation. There were none of these programs—no Job Corps, no Community Action, no Neighborhood Youth Corps, no Head Start—none of it! In Washington, at any rate, there was a great deal of doubt there ever would be. There was extreme skepticism that such legislation would ever pass, and there was a great deal of comment that it was not needed. Now, I do believe that the one year or less of operation has disclosed to the American people as a whole that there is a tremendous need for this type of effort, a greater need than we now have the money to fulfill, as Governor Faubus has just pointed out.

Governor Romney: I want to add one comment here so you get a little feel of what is happening out in the field. It is perfectly true that this has disclosed a great need. But after all, there have been private volunteer efforts and Head Start programs in Flint and

other communities that pioneered in that field. One of the things I am running into increasingly—and I give you this for whatever it is worth—is that some of the private agencies that have been pioneering and doing good things are finding it more and more difficult to hold professional staff to make their efforts effective because these programs of government are taking their personnel away. Now, I happen to be more concerned personally about maintaining responsibility and volunteer action on the part of private agencies than just building up the government's role. If we concentrate on the government's side and undercut everything that has been done privately through the years, we are going to destroy the mainspring of our progress.

Mr. Shriver: I agree with that and this program has underwritten private efforts across the country. There is not a state in this union where private philanthropic agencies have not received money directly from us or through community action programs to improve and expand what they are doing. Now, Governor, you know that one of the most important things in American life is competition. And when it becomes clear to the American people that more work has to be done in this field—and there are very few people qualified to do it—the price for those people is going up. When Ford has a very good designer of automobiles and Chrysler wants him, they go out and pay what some people call an inflated price for that man because that man produces some results that that company needs. Now, our country needs a lot more people in social welfare, a lot more people in education, a lot more people in probation work, a lot more people in recreation. One of the ways to get them in is to make it possible for them to earn a decent living in that field. I had one man complain to me about a terrible thing happening in his particular state. A teacher he had working very effectively at \$3,500 a year in a high school was leaving that job because he could get \$5,000 a year in the war against poverty. We are not going to solve the problem of America, in my judgment, if we continue to keep the service side of our economy—social workers that you are talking about, working with those private agencies—at such a level that we cannot bring many additional people into those skills and professions. We are actually already funding through many of your state universities the training of so-called subprofessionals to augment the people who are now overworked in all those fields where private agencies are involved.

Governor Romney: I am interested in the program. But after all, the ability of private and public agencies to do a job is contingent upon their ability to do two things: number one, to get personnel and, number two, to keep personnel. To the extent that you weaken the processes of raising money by private organizations to carry forth their work and to the extent that you hire away their staff, you weaken private philanthropy and volunteer action—which in my

opinion are vital to our progress. It is not yet widespread, but it can become widespread.

Mr. Shriver: I had a visit with the head of the Community Councils of the United States on this very point. The Community Chest had taken the position that, because the federal government was now making money available to expand their programs and to expand public programs, as a result local citizens were no longer feeling an obligation to give. I went on record then and they have a letter from me. It has actually been put out in the form of a press release, I think, to every Chest Council in America stating that that is the opposite thing from our objective. In fact, our law requires that there be a maintenance of effort by any group which receives money from us. So that when we give money to the settlement houses of Chicago or Detroit, it is to extend what they are already doing, and the Community Chest has to keep up its end of the bargain in order for that grant to go through. I agree with you, Governor, that there are many people who have worried about this. I believe it is a worry at this stage without substance.

Governor Romney: Well, let me add this so you will begin to get a little more feel of the reality. On some of these committees that are set up, they have private agency people that are now held out as community leaders who approve these projects. This thing works in many ways. All I am saying is that, unless there are more safeguards here of a significant character, it can get off the track. I don't say it will. But it looks bad and it looks threatening in certain areas.

Mr. Shriver: You are suggesting that it is bad that these people from the community agencies, these private people, are having something to say on what is going on?

Governor Romney: I am saying that people who depend upon the support of local government officials and other public officials in order to carry out their voluntary programs sit on these committees. They have told us that they have no alternative but to go along with the approval of some of these projects, because if they don't approve them they won't get the support they need for the things they are interested in. I just report it to you because it is a hard reality.

Governor Morrison: Governor Faubus, do you want to address yourself to Governor Romney?

Governor Faubus: I want to point out that, with a state office on top of this, some of these problems can be eliminated. We also had the difficulty of losing people in government and other agencies to these programs. But we were glad to have their services there because we were accomplishing something. We do not have enough trained people in this field. We have asked for a training program so we can train a sufficient number of directors to implement and guide the programs and attain maximum benefits.

That is what I suggested a moment ago, that close cooperation between the states and Mr. Shriver's office can help to solve a lot of these problems. I believe it is the only feasible approach.

Governor Morrison: Thank you very much, Governor Faubus. This is interesting. I would like to see it go on all afternoon but time has gotten away from us. We are going to have to stop at this point, but I do want to thank all of you for your participation. I think it is obvious to all of us now that a Governor has plenty of elbow room to accept leadership in the entire area under the Economic Opportunity Act. I want to thank Governor Hughes for his comments today and Sargent Shriver for taking his time to come out here and be with us in a very, very helpful way. I want to point out that this distinguished American who is devoting his time to talking to us is not entirely a theorist. He is continually demonstrating his practical approach to things and he practices what he preaches in the development of our human resources. I would like to call your attention to the fact that it was only last year that he was selected as America's Father of the Year.

I would like at this time to give all of us an opportunity to express ourselves on the veto legislation which passed the House of Representatives. I know that you are all interested in that. I would like to turn the Conference back to our Conference Chairman. But before I relinquish the microphone, I would like, pursuant to notice served yesterday, to submit to you this resolution and move its adoption.

[Governor Morrison thereupon read a resolution entitled "Economic Opportunity Act." For text, see Appendix XVII.]

Governor Morrison: Mr. Chairman, I move the adoption of the resolution.

Governor Sawyer: The motion, under our Articles, will have to be for suspension of the Articles of Organization in order to consider the resolution. This motion requires a three-fourths majority. If there is no discussion, all in favor—

Governor Romney [Interposing]: Do I understand that Mr. Shriver is in favor of this resolution?

Governor Sawyer: I don't believe Governor Morrison indicated Mr. Shriver's position.

Governor Romney: I wondered if Mr. Shriver had indicated that he feels that the present veto power should be retained. I didn't hear it. I don't know whether I was right or wrong.

Governor Sawyer: I don't know about that. Mr. Shriver, did you discuss that point?

Mr. Shriver: I did not discuss it. It started in Congress and is in the hands of Congress.

Governor Sawyer: Mr. Shriver explained that this provision was inserted by Congress when it was presented with the first proposal; that Congress is now considering amending it to some de-

gree. There is a motion. Is there a second to Governor Morrison's motion?

Governor Rolvaag: I second the motion.

Governor Sawyer: All in favor indicate by saying "Aye." Opposed? The motion is carried.

The motion is now on the resolution. Governor Morrison has moved his resolution. Is there a second?

Governor Rolvaag: I second it.

Governor Sawyer: The motion has been seconded by Governor Rolvaag. Is there any discussion? If there is no discussion, all those in favor indicate by saying "Aye." Opposed? The motion is carried and the resolution is adopted.

Governor Edward T. Breathitt: I would like to express on behalf of all the Governors and the Executive Committee, which extended the invitation to Mr. Shriver, our deep appreciation for his attending and facing the Governors in a free and open discussion of these issues. I think it is in the finest tradition of the relations of federal and state government. It is to your credit, Mr. Shriver, that you would come and frankly and forthrightly answer the questions and engage in the discussion which this Conference has directed this morning. And I assure you in the offerings that have been made by the Governors present that they were made in a constructive effort to improve the program which we all feel you are so ably administering for the good of the entire nation. Thank you.

Governor Sawyer: That expresses the attitude of the Governors, Mr. Shriver. Gentlemen, it is a great pleasure to present to you Governor Henry Bellmon who is going to preside over "Standardization of Statistical Data." I might tell you that he has streamlined this presentation. It is going to be extremely interesting and will not take too long.

Governor Henry Bellmon: Thank you, Governor Sawyer. Compared to poverty, I imagine statistical standardization is going to prove to be a far less interesting subject. I do want to point out to you that we have with us today Mr. James E. Webb, but we are going to eliminate the panel which our program calls for in the interest of time. I would urge you all to hear Mr. Webb because he will have a great deal to say of interest to all of us.

You will recall at our Conference in Cleveland, that we adopted a proposal which relates to problems of statistical standardization. A lot has been done since that time. There has been a meeting with the federal authorities in Washington. Many Governors have expressed personal concern about this important problem. And we hope today to take action that will give this Conference an opportunity to move ahead until we do set up machinery for resolving difficulties that we face. I am not at this time going to say a great deal more except to introduce to you a man whom we all know and respect greatly. In my opinion he is the ideal person to discuss

this matter with you for the reason that he has had broad experience in both government and private industry. He has been Vice President of the Sperry Gyroscope Company, Chairman of the Board of Directors of the Republic Supply Company, and a director of other companies. He has served as Director of the Bureau of the Budget in Washington at which time he was in a position to see the need for better comparative statistics among states. He also served as Under Secretary of State and presently is in the position of Administrator of the National Aeronautics and Space Administration, where he has done a great deal to stimulate and encourage a variety of research projects aimed at solving the problem of providing better data for decision making. I want to say on a personal note that Mr. Webb has been ill for several days. We particularly appreciate the fact that he felt so deeply about the importance of this subject that he was willing literally to get out of bed last night and fly to Minneapolis to speak to us. At this time I am proud and pleased to present one of the nation's most knowledgeable and versatile administrators, our good friend, Mr. James E. Webb, Administrator of the National Aeronautics and Space Administration.

Mr. James E. Webb: Governor Bellmon, Your Excellencies, friends, distinguished members of the panel that you will not hear unless you have some questions for them: I know it is difficult to discuss statistical standards—the problem of how to get adequate facts on which government action can be taken—in between the stirring events of this morning, what the President has said to you and the country and what you are going to say to him tomorrow. But I do believe it is worth a few moments. I have been asked to spend about twenty minutes to put into perspective what we expected to do in about an hour and three quarters this morning, and then to suggest certain things that I believe Governor Bellmon feels you may wish to act on in the form of a resolution.

Most of the important decision-makers of today—senior officials in government, industry and the university world—were relatively young men during World War II, and hence they have witnessed the rapid transformation of the American way of life within their adulthood. Between 1940 and 1964 the population in the United States increased about 45 per cent from about 132 million to about 190 million, while national income increased about 535 per cent from about \$80 billion to about \$510 billion. This remarkable economic growth has raised living standards sharply throughout the country. It has required a change in approach to national economic policy which places far more emphasis on fact-gathering and careful analysis.

Many forces have been behind the nation's progress throughout these postwar years, but one underlying factor has been a dramatic upsurge in the aspirations of citizens.

Higher aspirations have been a driving force in the past, but

they will be even more of a driving force for the future. The American people are demanding more job opportunities, better education, better health care, better recreation opportunities, and many other improvements. I need not remind this distinguished audience of the tremendous pressures for achievement and improvement at every level of government, or of the difficulties in understanding even the basic facts of the existing situation or planning for progress. Nor need I remind any Governor of the economic advantages to his state of having a healthier and better educated labor force.

In the mid-1960's, America continues to face powerful and relentless challenges from without. As President Johnson has indicated, these must and will be met. In agencies like NASA, the momentum of scientific and technological advance provides a new element of national power that vitally affects the balance between nations—emphasizing a technological balance while we still struggle with the dollar, or trade or military balance.

Thus the dominant facts facing state and local government officials as well as federal officials today are the existence of new opportunities and new conditions as well as new problems for all citizens, and a determination by the people to make further progress.

Opportunities for new levels of economic and social achievement are made possible by five conditions which are more favorable today than at any time in the past:

1. American science and technology have the competence and versatility to attack almost any problem, from the "better mousetrap" to the global weather satellite system to the "manned lunar landing" as a fully engineered system.
2. Satisfactory cooperative relationships have been worked out between governmental entities and the industrial and university sectors for financing, managing and carrying out research and development.
3. The nation has sufficient resources to provide better education for all, better health care, better recreational opportunities and better environmental services and facilities which can cause industry and commerce to flourish.
4. Equality of opportunity and individual advancement on merit have reached a stage in this country beyond that achieved in all recorded history, and this has provided incentives toward excellence that are needed for future national achievement.
5. Modern information technology—computers and other automatic data processing (ADP) equipment—permits vastly more sophisticated use of factual data in analysis, planning and management functions. The collection, display, evaluation, storage, retrieval and managerial and research use of information now incorporate new concepts of statistical sampling, simulation, operations research and sensitivity analysis. In permitting governmental units and private organizations to characterize problems or segments of

problems in quantitative terms and to make valid comparisons, this new information technology provides a much firmer factual basis on which to meet unexpected developments and plan for the future.

NASA's data tracking network provides a good example of the use of this new information technology. Computers linked with radar installations tell NASA project managers where space capsules are and where they will be, and hence permit them to make real-time "go or no go" decisions which would not otherwise be possible. Simulation models and computer applications help scientists and engineers to meet emergencies and to develop improved configurations for new aircraft or space vehicles. Large engineering projects and construction projects are monitored by sophisticated PERT networks which may well have application to large projects at the state level. NASA's financial and procurement records have been put on computers which facilitate timely reporting and research on the character and impact of these activities.

Governor Bellmon has asked me to relate some of NASA's experience to his interest in statistical standardization at the state level.

Let me begin by saying that the formula for attaining advancing levels of economic and social achievement is not new. For a long time we have known that we must set our sights high, that we must analyze the facts which characterize the present and projected situations, and that we must have hard-driving leadership and initiative. These factors apply at the state and local government levels and at the federal level. Leaders at all levels must provide well thought out, factually based analyses of needs. Legislators must pass judgment on these and authorize and appropriate funds. Carefully selected administrators must push forward to execute the projects which make up the programs, and devise adequate feedback for continuous improvements of both substance and administration. Also, in today's mixed or cooperative system, private industry must be brought in to give its best efforts.

President Johnson in a speech in 1964, at the University of Michigan, summarized our challenge in these words: "... in your time we have the opportunity to move not only toward the rich society and the powerful society, but upward to the Great Society. The Great Society rests on abundance and liberty for all. It demands an end to poverty and racial injustice."

His messages to Congress have spelled out a number of recommended new programs. In this context, U. S. Budget Director Charles L. Schultze recently remarked: "New programs initiated to carry out the objectives of the Great Society must be solidly grounded in factual information. The national effort to raise educational levels, to increase employment, to wage war against poverty and crime, to improve transportation and housing facilities—

naming only some of our objectives—requires data not now available. It also requires to a much greater extent than ever before, data on a state or local area basis. The federal government and the states must work together to ensure the accuracy and comparability of the statistics underlying their mutual efforts."

The greatest single weakness in this regard is the absence of a common body of agreed statistical categories and concepts utilized to provide data applicable to needs at the national, state, local and regional levels. Decisions with regard to subnational economies have been generally poor, inadequate, or ineffectual, and past efforts have not produced a framework and system of data collection for the field of regional and local economies comparable to that which has proved valuable at the national level. The absence of agreed statistical concepts and their use to acquire adequate, comparable statistics at the state and local levels has often made it difficult to apply the full force of university researchers and public and private administrators to the solution of state and local problems.

Staff officers to the Governors and regional researchers frequently find that there are incompatibilities in available data on counties or cities within a state. Moreover, data at the state and substate level available for one state are often not available for others. Further, even when state and substate data are available for two or more states, the categories are often defined differently and are not comparable.

This situation arises in part from the dubious parenthood of some of these statistics and from wide differences in the administrative machinery for handling statistical data among the various states. The difficulties are compounded by the big differences in the interest shown in statistical data and analysis among agencies within a particular state and among the states.

These statistical and use problems and their implications for decision-making were brought forcefully to my attention while I was Director of the U. S. Bureau of the Budget in the immediate post-World War II period. It was there that I became deeply interested in the Office of Statistical Standards and its work. Aggregative statistics available in Washington at that time were generally useful as national totals, but they often concealed rather than revealed the postwar problems in the states and regions. The fact that certain regions were adversely affected by decisions not intended to have that result, and others were not realizing their economic growth potential was due not only to the lack of an adequate statistical base and a rational means for identifying needs and feasible approaches, but also to a failure for university researchers, business leaders and state officials to work together toward common understandings of public problems and innovative solutions at the state and local levels. There was a tendency for these inade-

quacies to feed on each other and to adversely affect Congressional efforts to establish the needed policies and programs.

The appearance of the subject of statistical standardization on your annual Conference agenda means, I very much hope, that the Governors of the fifty states are mapping a concerted attack on it.

From the standpoint of a person outside state government, it is very difficult to separate the need for standardizing certain basic statistics within states, i.e., among subdivision of the state, from the problems of standardization among the states and between the state and federal government. It would appear that these are but different aspects of the same problem and must be approached concurrently if the full value is to be realized.

To thoughtful students of government, it is clear that statistical standardization is not to be sought as an end in itself, but rather as a means of improved decision-making by governmental officials in the public sector and by private organizations as they help form and react to public policies. But it is far more than this. It is the means by which the creativity and research capabilities of university researchers, those who connect theory with practice, can be brought to bear on public problems at the state levels. Our Chairman today, Oklahoma's Governor Bellmon, has demonstrated this very effectively.

In practical terms, there has been a steady growth in demands for government to provide facilities and services at the state and local level throughout the post-World War II era. There is every prospect that these demands will not decrease.

The rapid growth of population, changes in its composition, the rapid advancement of science and technology, and the increased complexity of social organization will all bring increased pressure on state governments for action programs.

In this situation, there is little doubt that every state Governor must, in addition to working for improvement in ongoing programs, plan for his state's future.

—There is little doubt that progressive state governments can gain great benefits from efforts to anticipate their future needs five to ten years ahead by developing and utilizing effective statistical systems and by carrying out special studies.

—Further, progressive state governments can gain great benefits from efforts to project their anticipated revenues from existing tax systems and from possible adjustments in the tax system.

How otherwise can state governments develop practical goals for the state five to ten years into the future which blend need and revenue considerations with feasible economic development goals for the state?

Effective, efficient, fulfillment of these responsibilities will place very heavy demands upon the coverage, accuracy and compatibility of statistical resources in the various geographic subdivisions of the state.

Among the priority problems which will be of critical interest to state decision-makers and which will shape data requirements are these:

1. What are the current figures on state population, employment and income, and what will these be in the future?
2. What will be the magnitude, composition and cost of future state programs?
3. What will be the sources of tax and other revenue available to the state under current systems?
4. What additional new sources of revenue will be available to the state, and what are their potential yields?
5. How can the state most advantageously participate in the broad range of federal equalization and other grant and assistance programs?
6. How can the state design and administer appropriate programs of equalization and other assistance to its counties, metropolitan areas, and to its lagging regions?
7. What are the state's most feasible routes to maximum economic development?
8. How can the state most effectively manage its water and other resources internally and in cooperation with other states and regional units?
9. How can the state encourage and support the development of education and research?

In planning to deal with these state responsibilities, no state government can escape from two basic concepts which underlie our federal system—a national market and the free flow of interstate commerce. Economists have long recognized that the most important influence on any state is the state of our national economy.

While it is necessary to have facts on the needs and aspirations within states, it is also desirable to have yardsticks and measures which facilitate comparisons between expenditures, levels of effort and accomplishments within a state with those of other states. The search for useful yardstick measures by which to judge the "reasonableness of expenditures" versus need is at least as important as the adoption of formally consistent or compatible definitions for statistical categories.

Two recently completed research efforts deserve the attention of these persons interested in decision-making and management information systems at the state and local level. One is a pioneering study by the RAND Corporation, entitled, "A Data Processing System for State and Local Governments." This is an effective and penetrating introduction to the problems of modern data processing and approaches available to progressive state governments.

The other is a study by Dr. Nelson Peach, of the University

of Oklahoma and Drs. Richard Poole and James Tarver of Oklahoma State University in association with the Midwest Research Institute. This study moves toward a common methodology for establishing comparable statistics on an interstate basis. It is based on the idea of using counties as building blocks for certain regional analyses. With the use of the county as the basic building block, many regional interests and problems can be analyzed for a complete state, several states or a region within a state.

Important actions have been taken in recent months to give a new momentum to the drive for statistical standardization among the states. For example, in August 1964, the move was endorsed by the National Association of State Budget Officers (NASBO), at their meeting in Atlantic City. In February 1965, representatives of the State Budget Officer group, the Council of State Governments, and the Oklahoma Ad Hoc Committee met with officials from federal agencies with primary interests in standardization. There was a broad consensus on the desirability of moving ahead, but there was also agreement that much work and high-level support would be necessary.

Two activities now underway or about to begin deserve the special attention of each state Governor and of their top professional assistants in the areas of planning, statistical standardization and management information systems.

1. One is the study initiated by Governor Brown of California through a contract with the Lockheed Aircraft Corporation to study state and local governmental requirements for information and how modern information technology can be applied to meet these requirements.

This study will consider, for inclusion in California's future basic information system, the areas of: health and safety; public welfare and services; education; employment; economic conditions; social and residential conditions; law enforcement; administration of justice; and licensing and regulation.

The California-Lockheed study is of particular interest because it demonstrates the versatility of aerospace companies to attack large-scale technical problems and it demonstrates the applicability of the "system engineering" concepts which we have found so useful at NASA.

2. The second effort worthy of special attention by the Governors and their top professional associates is a new study of "Advanced Fiscal Budgeting and Economic Development in States and Local Communities" at the George Washington University. The receipt of a substantial grant from the Ford Foundation for a major study to be carried out by economist Dr. Selma Mushkin who has long been active with the Council of State Governments and the Advisory Commission on Intergovernmental Relations has just been announced.

This new study will extend Dr. Mushkin's current study which deals with methods for developing state-by-state projections of revenues by sources, and expenditures by functional category for the year 1970.

The new study is designed to examine both technical and policy aspects of advanced fiscal planning—in the context of the economic programs of state and local communities—and to generate reports and materials that will encourage and improve such planning by states and localities.

Another new activity which merits special attention is the creation by the Council of State Governments of an Ad Hoc Committee on Automation, Technology and Data Processing to study the impact of technological and scientific developments on government. Among its functions are to develop ways and means to facilitate interstate exchange of information on automatic data processing (ADP) equipment, to represent the Council on the Committee of the American Standards Association's ADP Committee, to determine what role it should play in seeking support from the federal government or foundations for research projects on ADP, and to consider what should be done with respect to federal-state-local relationships in ADP.

In short, many important changes are occurring which will help state and local governments in the areas of sophisticated use of advanced new information technology and administrative management.

Those states which do not take steps to keep up in this field will soon be left behind as the more progressive states forge ahead.

Plan of Action

It is clear that the goals of complete uniformity, perfect comparability and total integration of statistical and management information systems will not soon be accomplished. But it is equally clear that urgent efforts toward these goals are being made and are necessary if state and local governments are to keep pace with the needs of modern society.

While there are no quick and easy solutions, there are important next steps which deserve your personal attention.

1. Establish a state statistical standards unit. This step is necessary to create an appropriate administrative framework both for consolidation and standardization within the state and for comparability among the states. The placement of this unit will vary from state to state, but it must report to a high officer to be effective. New York State took this step with the establishment in September 1964 of a Director of Statistical Coordination reporting to an Assistant Director of the Division of the Budget. Other states are moving rapidly to take this type of action.

2. Sponsor a National Conference on the Comparability of Sta-

tistics Among the States. This step is desirable to provide a means by which the state statistical standards units recommended above can find the commonality of interest among states before they take final positions on the approach within their respective states. It has been suggested that the Advisory Commission on Intergovernmental Relations or the Council of State Governments take the initiative in convening such a conference and in fostering cooperation by appropriate bodies at the federal, state and local levels.

It seems probable that rather than take on the entire problem directly and in its total complexity, functional specialties such as personal income statistics by county, education statistics, highway statistics, etc., could be set up and these integrated as quickly as possible. It is possible also that groups of states can convene regional conferences to discuss special regional problems.

3. Examine the applicability of modern information technology at the state and local levels. Many have found that the introduction of computers should generally not be considered simply as a means of carrying out existing procedures within existing organizations. Some institutional changes are almost always required to realize the full power of the new data systems. As state studies proceed as rapidly as possible, concurrent effort should also be made to utilize the experience and research results of other states and the federal government. In this connection, the coordination activities of the Council of State Governments' Ad Hoc Committee on Automation, Technology and Data Processing and the U. S. Budget Bureau's ADP group can prove most helpful.

In closing, let me emphasize again that the timely availability of accurate, comprehensive data—based on valid and accepted concepts and definitions—will become increasingly important to the effective conduct of state government. The need for compatibility between federal and state data systems is recognized at the top levels of government, including such officials as Governor Bellmon and the Director of the Bureau of the Budget. I believe it must be recognized and acted upon by every state which hopes to meet the needs and aspirations of its citizens.

Governor Henry Bellmon and your panel deserve high praise for highlighting this problem and bringing a positive action program before you.

Thank you for your attention.

Governor Bellmon: Thank you, Mr. Webb.

I would like to ask permission that the full text of Mr. Webb's talk be included as a part of the record of this meeting as well as the intended remarks of the various members of our panel who are also present. There is no objection to such a procedure?

Governor Sawyer: No. It will be done.

[The full text of Mr. Webb's prepared remarks are shown

above in the regular order of procedure. The texts of remarks by Raymond T. Bowman, Assistant Director for Statistical Standards, U. S. Bureau of the Budget, T. N. Hurd, Director, New York State Division of the Budget, and Dr. Eugene L. Swearingen, Vice President of Oklahoma State University, will be found in Appendix VIII.]

Governor Bellmon: I believe a lot of the paraphernalia will be available to individual Governors and also to the Conference in this field in case the next motion I am about to make is adopted.

The Report of the Governors' Conference Executive Committee has been furnished to all of you. This was mailed out several weeks ago. There is a copy at each place here at the meeting today. I would move that the Conference accept and approve the Report of the Executive Committee on Standardization of Statistical Data and the recommendations contained therein. I want to point out that these recommendations very closely parallel the recommendations which Mr. Webb has made. If there is any discussion or if you have any questions, I am sure that the panel members will be glad to answer them.

I move the adoption of the report.*

Governor Sawyer: A motion to adopt and approve the report has been made. Do I hear a second?

Governor Hansen: I second the motion.

Governor Sawyer: Thank you very much. Is there any discussion? If not, all in favor please indicate by saying "Aye." Opposed? Unanimous. Along with it goes the unanimous thanks of the Governors to Governor Bellmon.

I might tell you that this has been a one-man situation here with Henry Bellmon. He has almost single-handedly done the work in this extremely important area. He has been on the Executive Committee. He has given us invaluable time and talent with respect to this matter and we are all most appreciative. I am not trying to abbreviate your session. You are all through?

Governor Bellmon: We got the job done!

Governor Sawyer: We appreciate Mr. Webb being here. We apologize for the time situation but this occasionally happens. We are very grateful to you, however, for making such a significant contribution to our Conference. We will recess this meeting now.

May I say to you that tomorrow is going to be a full day. We will start immediately on the button tomorrow morning.

[The meeting recessed at 2:10 p.m.]

* For text, see Appendix VIII.

MORNING SESSION—Thursday, July 29

Governor Sawyer: Good morning. We will call the meeting to order. We are going to switch around the order of business here a little bit and call for some of the committee reports. May I suggest to you that we must be ready to leave for Washington, packed with our bags, at twelve-thirty. That means we are going to have to move very, very fast this morning. I would be most appreciative on the committee reports, unless the Governors feel that it is absolutely essential to read them, that the Chairmen digest them in about two or three minutes and offer them for filing or adoption, as may be the case. The written reports will be presented to all of the Governors anyway.

Governor Kerner has kindly consented to give his report now for the Advisory Committee on the National Guard.

Governor Kerner: Governor Sawyer, Governor Rolvaag and distinguished colleagues: this will be a little bit longer than three minutes but I want you to know that I will cut it to about a third and will file a complete report.

[Governor Kerner thereupon read portions of the Report of the Advisory Committee on the National Guard. Full text will be found in Appendix XI.]

Governor Kerner: Mr. Chairman, I move that the Report of this Advisory Committee, which I have given only partially, be filed and received by this convention.

Governor Sawyer: Thank you, Governor Kerner, for abbreviating your remarks in such a remarkable fashion. There is a motion to file the report. Is there a second?

Governor Hughes [New Jersey]: I second the motion.

Governor Sawyer: If there is no discussion, all in favor say "Aye." Opposed? Unanimous.

I want to repeat again for the Governors who were not here a moment ago that our instructions are to be in the lobby of this hotel at twelve-thirty with our baggage. So I again ask the Governors who have been chairmen of committees this last year to abbreviate their remarks as much as possible. If it is not essential that you give a report, simply file it because each Governor will receive a copy of it anyway.

Governor Hughes will report on the Human Resources Committee and then on the Committee on Election Laws and Communications Media Operations, a committee which expires with this Conference.

Governor Hughes [New Jersey]: Thank you very much, Governor. Gentlemen, in accordance with this admonition for brevity, I would just like to point out that the Report of the Committee on Human Resources is on the desk before you and it is rather extensive. That report deals with education. This is sort of a secondary report to the report which was given during the special presentation of Former Governor Terry Sanford.

Of crucial importance in the reassertion and restatement of the state's role in education is the Governor—for the Governor is the center of both political power and administrative coordination. His leadership, coupled with that of educational leadership, is essential if the states are to serve as the vital link between the federal government and the local school districts. We urge again that each Governor take a personal and leading role in the fulfillment of the suggestion that the states band together in the effort to develop a national consensus on educational policy. This is a call both to leadership and to innovation. Most of us are convinced that if the states are to play their necessary and proper role in implementing the new federal legislation and in shaping educational policy, there is a great need for assuring that the emphasis within the state departments of education is on program development—their role is that of constructive educational leadership. The states, in other words, must accelerate their planning and action now in the area of education, even before all of the newest federal programs have become law or have become fully implemented. It is of particular importance that the states recognize and anticipate the impact of this legislation far enough ahead to be prepared to respond actively and constructively to it—and that the federal grants be administered in such a way as to neither impose nor perpetuate local forms of organization. There can be no doubt that state executives and chief school officers are at a most significant point in the development of educational policies in this country. Today the state governments and the Governors must reassert their primary responsibility and their willingness to meet their responsibility in the area of education.

In the section of the report devoted to aging, we have some statistics, some descriptions of the "older Americans" act and the various other items of federal legislation. In summation, the committee recognizes that the states are now entering a new era of governmental responsibilities for the aged. In addition to substantial past efforts by the states, there now is the added impetus of three major federal programs. The committee, through the member Governors, through the continued good work of the secretariat of the Governors' Conference, proposes to examine carefully the experience of states with their new programs and to report on developments in these areas through the forthcoming year.

The third section of the Report of the Human Resources Com-

mittee has to do with hospital-medical insurance. We were concerned about the constantly spiraling rates of Blue Cross. There has been a great increase in my state and I dare say in many other states this same problem exists. We have not gotten very far with it because of the tremendous variety in Blue Cross experience. Some states have excessive labor problems as far as hospitals are concerned. There are various factors that make it difficult to equate this as a common problem to all of the states. The Committee on Human Resources thinks the Conference should accept our recommendation that this review of medical insurance be continued and to observe, among other things, the impact on this problem of Medicare and its implementation. We have requested the staff of the Governors' Conference to seek the assistance of the National Association of Insurance Commissioners and other related groups to help develop information as to state experiences in this area beginning at the earliest possible date. We have received, and there is distributed with this report before you, an explanatory report from the Department of Health, Education, and Welfare on the Medicare part of the "Social Security Act Amendments of 1965." This publication gives special emphasis to the role of state agencies in the proposed federal program, and it contains information of general interest to all Governors.

Our report is unanimously recommended by the members of the Committee on Human Resources. Mr. Chairman, I move its adoption.

Governor Sawyer: You have heard the motion for the adoption of the Report on the Committee on Human Resources.* Is there a second?

Governor Love: I second it.

Governor Sawyer: All those in favor indicate by saying "Aye." Opposed? Unanimous.

Governor Hughes [New Jersey]: We have one other report. It is the Report of the Committee on Election Laws and Communications Media Operations. As you recall, we were very much concerned because of the new techniques of taking the final returns, say, in an Eastern state like Connecticut and analyzing them and projecting who was going to win the election and flash it to the West Coast. Many thought that this might discourage people from voting, or taking part, or in some other way improperly affect the outcome of the election. We were concerned about this and met with the top people in the various communications media. Our report is certainly not definitive, and we are unable to recommend specific legislation or specific solutions at this time.

The report mentions that Governor Sawyer, expressing the views of both the Governors and the broadcasting representatives

* For text, see Appendix IX.

at the final meeting held of this Committee, indicated that prior studies are inconclusive on the point of whether or not the reporting of election results affects a citizen's decision to vote. The Governors, therefore, felt that legislation at this time would be premature, primarily because of the cooperative attitude of the communications media and the fact that an arbitrary holding back of the returns would certainly amount to censorship, which would have other bad results. Some of the men that we talked to told us about their constant warning of the fact that the projections were not conclusive. The long and short of this report is, we feel, that at the present time there is nothing to be done about this disparity of information. And further, we are more or less convinced that the problem is not as wide or as great as was thought a year ago at this time.

I respectfully move the adoption of this report, Mr. Chairman.

Governor Sawyer: You have heard Governor Hughes' motion to adopt the Report of the Committee on Election Laws and Communications Media Operations.* Is there a second?

Governor Hoff: I second it.

Governor Sawyer: If there is no discussion, all in favor indicate by saying "Aye." Opposed? The motion is carried.

Governor Campbell is reporting for Governor Rockefeller on Civil Defense and Post-Attack Recovery.

Governor Campbell: Mr. Chairman and my fellow Governors: I would like just briefly to summarize this report because it contains some deviation from the usual report of this committee. First, of course, is that it expresses a continuing sense of urgency. The second is that it points out the fact that the national government has finally arrived at the position where the greatest possible civil defense measures that we can take relate to the development of national fallout shelters. The third is that national fallout shelters, under modern thinking, can be developed in public buildings and private dwellings for a relatively low cost in comparison to the total construction cost of the buildings. All of these things are somewhat new and I urge that you read the report carefully.

Mr. Chairman, I move the adoption of the Report of the Committee on Civil Defense and Post-Attack Recovery.†

Governor Sawyer: The adoption of the Report on Civil Defense and Post-Attack Recovery has been moved. Is there a second.

Governor Hoff: I second it.

* For text of report, see Appendix XII.

† For text, see Appendix XIII.

Governor Sawyer: Is there any discussion? If not, all in favor indicate by saying "Aye." Opposed? The motion is carried.

Thank you very much, Governor Campbell, and I understand you have a resolution to offer.

Governor Campbell: Mr. Chairman, Governor Rockefeller is pretty hard to convince. So we have a resolution. I would like unanimous consent that the rules be suspended for the purpose of considering a resolution, which was placed on your desk yesterday, relating to the Committee Report on Civil Defense and Post-Attack Recovery.

Governor Sawyer: Is there any objection to the request for unanimous consent? Hearing none, your motion is in order.

Governor Campbell: Mr. Chairman, I now move the adoption of the resolution for the Committee on Civil Defense and Post-Attack Recovery.*

Governor Sawyer: Gentlemen, the resolution is before you. Adoption has been moved. Is there a second?

Governor Hulett C. Smith: I second the motion.

Governor Sawyer: Is there any discussion? If not, all in favor please indicate by saying "Aye." Opposed? The resolution is adopted. Governor Campbell, thank you.

Governor Connally, do I understand that you desire to file the Report of the Committee on Executive Communications and Coordination?

Governor Connally: That is correct, Mr. Chairman. We will merely file it. I do call the attention of all of the Governors to the fact that we are asking the Council of State Governments to send a questionnaire to each Governor concerning a number of questions as relating to the federal programs and projects. This questionnaire will be coming to them. I do ask that the report be filed.

Governor Sawyer: Thank you, Governor. The report of that committee will be filed.† I want to announce once again that we are going to be in the lobby with our baggage at twelve thirty this afternoon. We will have some more details on the whole matter a little bit later. I am just telling you the time schedule that we are facing.

Governor Smylie and Governor Brown, I am going to save both of your reports for a moment and go back to the regular order of procedure and turn the rostrum over to Governor Hoff who will preside over the session on "Modernization of State and Local Government."

Governor Hoff: Thank you, Mr. Chairman. My fellow Governors: In a recent conversation with Secretary McNamara, I told

* For text of resolution, see Appendix XVII.

† For text of report, see Appendix XIV.

him that I admired his courage in closing obsolete defense installations that no longer served any real purpose in the defense of our country. Now, lest anyone here think that this statement on my part was courageous in itself, let me hasten to add that all defense installations of any consequence in Vermont were closed several years ago and, therefore, I was in a peculiar position to make this statement.

Secretary McNamara's reply, however, is, I believe, of value in this morning's discussion. He said: "It is a lesson of history that any society which in order to meet new problems simply builds new structures and never reforms existing structures which no longer serve any real purpose becomes in time top heavy and falls."

I think Secretary McNamara's statement is accurate and in many ways this is how I feel about the structures of state and local government today.

As I look at my own state of Vermont, I know that the structures of state and local government have not been truly modernized and reformed to effectively meet the problems of our time. I am similarly convinced that the same is true in a general sense of most state and local governmental structures throughout the length and breadth of this nation.

We are trying in Vermont but I am frank to tell you that the sledding is rough and the road is long. We are trying among other things to approach a variety of problems in Vermont on a regional basis rather than simply a community basis. The reasons for this approach are clear to most of us. With the population movements, the transportation changes, etc., existing communities are not always viable and effective units of local government. The result is dependency, inefficiency and lack of responsibility.

You may ask why local government should concern me. I think the answer is obvious. A state is nothing but the sum of its parts. If local government is weak and wasteful, it affects the whole state. Moreover, these local units of government then call upon state government for more and more assistance, primarily financial. In so doing they become more and more dependent and ultimately less and less responsible.

The same is true, in a sense, of state government. Practices, procedures and organization no longer in keeping with our times impede the effective solution of problems and promote inefficiency and inaction. A number of states are trying. In New England, for example, the Governors have adopted a broad planning compact to plan and study a wide variety of areas where we suspect that a New England mutual approach will be more effective than the traditional individual state approach.

The point is, however, that an enormous amount remains to be done.

A great deal has been said during the course of this conference about state responsibility. To me it is axiomatic that if this responsibility is to be achieved, a review and reform of state and local government is mandatory. Failure to achieve these reforms can only result in a continuing diminution of state and local strength, independence and control. If this occurs and if state and local government become merely shells—I think, frankly, we are fast approaching this point—then we can only blame ourselves.

This morning we have two speakers. The first speaker is Mayor Briley, of Metropolitan Nashville and Davidson County, and who, I think, has played a leading role in developing local government designed to meet the needs of urban America. He is recognized across the nation as a leader in rehabilitating local government to make it serve well all the citizens it is supposed to serve. His active participation in this field was responsible for his election to the presidency of the National Association of Counties in July 1962. I have read Mayor Briley's talk here this morning and I think it is of real significance. I know of no one, at least in my personal experience, that is better versed in this particular area. I urge you to listen carefully because I think he has a great deal to say. I now turn this over to Mayor Briley.

Mayor Beverly Briley: I am indeed honored and flattered to be invited to appear on the program of the Governors' Conference. Mayors, on occasion, get to discuss problems and needs with their individual state governors; but to get to speak to all fifty Governors is a rare honor and opportunity.

I have been asked to discuss one of the nation's most important and pressing problems—The Modernizing of Local Government. This is a joint problem of local and state governments in this country. It cannot be solved by either the state or by the locality. It will require the cooperation and understanding and close working harmony of people in many areas of varied interest.

The need for modernizing local government is obvious and overdue. Problems of urbanization which have produced the most intense pressures can be expected to continue as our metropolitan centers continue to grow and sprawl into and over surrounding farms, villages and towns. Population increases in the four large counties in Tennessee exceeded the total population increase in the State of Tennessee between 1950 and 1960. This trend of concentrating population within urban centers is continuing and accelerating in many localities throughout the nation. In most instances, local government structure in America was designed to serve rural low density and horse-transportation economy. Modernization of local government is absolutely essential if we are to catch up and solve the problems created by the revolution that has taken place in transportation, communication and in the industrial technocracy and technology of our economy.

In modernizing local government we face the problems of the area of jurisdiction of the government, the actual authority of the government to render services. We face problems relative to the establishment of a single executive authority to be held responsible for policies and programs. We face the problems of internal administrative structure and this leads us into problems of pay plans, in-service training and other related areas. We face problems in finance and fixing the responsibilities for putting the charges for service upon the person who actually benefits and uses the service. Most metropolitan centers render a supermarket type of service in many different areas. Unlike the familiar supermarket, however, some customers pay while some customers come in and use the service but do not have to pay. The authority to tax—who to tax and tax administration require greater attention.

Extending the area of jurisdiction of local government is a very acute problem in numerous metropolitan centers throughout the United States. Services that are vitally needed within an urban area such as health, hospital, welfare, police and fire protection, and water and sewer services need to be rendered on an area-wide basis if they are to be performed efficiently and meet future growth needs. These services and facilities cut across and conflict with the area of jurisdiction of several governmental entities in most urban centers.

Local government needs to be in a position of being able to adopt some of the modern techniques for reducing unit costs which are being used in rendering services and providing facilities to modern industrial developments. With the present fragmentation of government in urban centers, the lack of area jurisdiction often makes it difficult or impossible to accomplish the economies of scale made possible through large units of government able to employ automated techniques for rendering certain routine policies and practices.

Fixing of the executive authority of local government in order to coordinate related programs and to give the citizen voter someone to hold accountable for the overall program is vital to any proposal for modernizing local government. The failure to fix responsibility tends to perpetuate policies of buck passing and general inefficiency that would not otherwise occur.

Modernization of local government requires a number of different things:

1. It requires the state constitutional authority that will permit modernization and restructuring of local government;
2. It requires general enabling legislation—again a state participation in order to grant the authority to local individual communities to enter into this effort;
3. It requires planning, research and community involvement and interest;

4. It requires a knowledge of what the existing structure of the local government is, and the shortcomings of that structure. Citizens will not reform their local government unless they can see a clear relationship between the obsolete structure and the frustrations and problems impossible to solve;
5. It requires citizen cooperation and grass roots understanding of the need to restructure. In this particular area I would like to point out that participation of women is extremely important. Local government is the most difficult area of government to modernize because it is generally not well understood and traditionally has resisted all opportunities to change. If women, traditionally the housekeeper of the home, are made to understand the housekeeping problems of local government, they will work toward stimulating this citizen interest at the grass roots level.
6. The reforms and modernization of local government require political pioneering. It requires a sense of timing in order to bring the issues before the people at a time when the relationships between the problems of the community and the need for change are apparent.
7. Modernizing of local government also requires political involvement by many people who—normally—do not get into the political arena.

Governors, as well as local officials, have had to face up to the issues growing out of the rapid urbanization of our population. However, until the historic *Baker v. Carr* decision in Tennessee, legislatures in this country have seldom had to face up to, or be fully aware of the rapid change in needs for service at the local level within most states.

Many of you have recognized frustrations experienced by local officials in dealing with state governments. Most of our frustrations stem from our relations with legislatures rather than with the executive branch. In fact, officials of the National Association of Counties, of which I am a Board member, are grateful for the help of all of you to local governments over America. In Tennessee, our most important improvements in behalf of reforming our local governments have come about when the Governor got behind our programs.

The problems of local government structure, the problems of financing community services, the problems of organizing community-wide service needs within metropolitan centers have been difficult in the face of legislative representation that did not reflect proportionate voting strength of urban areas where the problems are most acute.

Permit me to say here and now there are no simple solutions to the complex problems facing urban areas. All of us at one time

or another long for a return to the simple life of the small community, yet we want to take with us all the complex of modern conveniences we know in the mid-twentieth century. We might as well forget this dream. We must work and plan for solving the problems growing out of a continuing urbanization of our society.

The problems experienced in Nashville and Davidson County did not differ greatly from those of other metropolitan areas of comparable size. The city government did not have the financial means or the area of jurisdiction necessary to extend needed services into the urban areas. The structure and authority of the county government would not allow it to offer urban services. Neither of our local governments was able to cope with the continually mounting service needs and demands of the people. We found the problems frequently cross-cutting boundary lines.

I think it would be appropriate to point out to you some of the things which were necessary in order to effectuate a consolidation of our city and county governments into one entity, responsible for performing all service functions, and placing executive authority—as well as legislative authority—at one level of government.

Some consolidation of the City and County Planning Commissions had been augmented in 1949 to deal with area-wide community problems. In an effort to get an exact idea of necessary steps which "could" be taken to solve our city and county problems, a fifteen member Community Services Commission was established by a private act of the state legislature in 1951. This commission recommended functional consolidation within our city and county.

In 1953, the state constitution was amended to permit the consolidation of any and all functions of cities and counties in Tennessee.

In 1955, a comprehensive annexation law was adopted by the state legislature permitting the extension of city limits without requiring a vote of the electorate involved in the annexation.

In 1957, a General Enabling Act was passed by the state legislature which permitted cities and counties having a population of 200,000 or more to create Metropolitan Charter Commissions and propose to the voters in the city and in the county area outside the city a planned charter for consolidation of the two governments.

In 1958, a charter was presented, voted upon, and defeated.

In 1961, the legislature amended the General Enabling Act permitting Charter Commissions to be created by referendum. During this same year, the voters in Nashville and Davidson County approved this proposal for a new Charter Commission.

In 1962, the second Charter for Metropolitan Government of Nashville and Davidson County was presented to the electorate. This time we won by a favorable majority both within the city limits, and within the county outside the city. The vote was the largest

ever recorded on an issue, in either the city or the county, and larger than that usually recorded in any election.

On November 6, 1962, an election was held to elect the Mayor and legislative body, as established by the charter. All of the races were hotly contested, especially the Mayor's race. I am happy to say I won, and stand before you today as the Mayor of the most modernized local government in the United States.

Also in 1962, the State Supreme Court approved and upheld the authority and jurisdiction delegated to the Charter Commission, and upheld the charter adopted by the people.

In 1963, the state authorized a local option sales tax to be levied, expanding the local revenue base available to governments in Tennessee. On May 13, of this year, our voters approved, and voted on themselves, a one-cent sales tax to enable us to meet the needs of our metropolitan school system. This action by the people points up the measure of success we have had in our venture into metropolitan government. It has been my policy to keep my administration responsive and responsible to the people, and to stand firmly behind those programs designed to serve the needs of the largest number of our people. This has not always been easy, politically. In the long run, however, it is the people who make the decisions at the polls, and I intend to live up to the obligations we owe them for making metropolitan government possible.

Throughout the past twelve years in Tennessee we have had a series of state actions authorizing or actually modernizing the status of local government. I wish it were possible to suggest a single solution to the problem of modernizing all local governments. Unfortunately, the solution which is working well in Nashville and Davidson County may not work well in other states. Constitutions and general laws vary greatly from state to state. Practical political considerations sometimes make the ideal solutions unworkable and unattainable.

However, our two taxing districts, (1) the General Service District for financing county-wide services, and (2) the Urban Service District of 72 square miles within which garbage collection, sanitary sewers, street lights, Class III fire protection and extra police protection are rendered, should be explored by any metropolitan area considering modernizing their local structure.

During recent years various devices have been suggested for modernization of local government. All of them may be necessary in the years ahead. These devices include:

1. Interjurisdictional agreements. This is an agreement between two or more local governments to work cooperatively to solve a mutual problem. It has the advantage of maintaining the corporate identity of the local governments, and permits elected officials to retain control over the functions which are provided cooperatively.

Such agreements have the disadvantage of usually being formed to solve only one or two of the dozens of problems which confront local governments. They tend to be only a stop-gap arrangement to meet a single current problem.

2. Annexation. Annexation of new territory to an established unit of government has sometimes been used effectively, but it has little promise for the future. The main difficulty lies in the fact that in most states, areas can be annexed only after a favorable vote of the people in both the unincorporated area as well as by the annexing city. Neither is this action popular with the citizens in the area involved. Most state laws prohibit one city from annexing another, or annexations across county lines, or across state lines.

3. Special districts. This device is being widely used, and sometimes abused, throughout the country. The Bureau of Census shows they increased from about 12,000 in 1952 to about 18,000 in 1962.

They have these important advantages: (1) they do not disturb existing units of local government; (2) they can cross county and state lines; (3) they avoid debt and tax limitations of existing units.

They have a serious disadvantage in that they are usually created to solve a single problem, such as sewage disposal, and if many districts are created for each problem, there is no central authority to coordinate their efforts. They compete with each other for administrative and technical talent, for the same local tax or service charge dollar, and confuse the citizens by creating more units of government than taxpayers are willing to take an interest in.

4. Functional transfers. This involves an agreement under which local governments transfer functions from one to another, with a single local government taking on the responsibility for a particular service in a large area. For example, a county may assume all health, welfare or education functions for itself and all cities within its borders.

5. Transfer of functions to higher levels of government. Federal aid programs tend to strengthen the county government, such as grants for urban renewal, highways, etc. Some states have assumed functions of local government, particularly in the field of welfare, highways, health and hospitals.

6. City-county consolidation. This is the solution which is being tried in the Nashville-Davidson County area. I will briefly describe the structure of this consolidation. First, let me generalize by saying that we have virtually a complete consolidation of the city and county governments. It is more accurate to say that Nashville and Davidson County were abolished, and a new government created to take their places.

As Mayor, I am the chief executive officer of the area for-

merly occupied by the city and county. There is a single legislative body. There is a metropolitan police department with jurisdiction over both the former city and county. City streets and county roads are under a single public works department. There is now a single metropolitan school system with about 90,000 students. We have an area-wide parks and recreation program for the first time in history. We are building a single water and sewer system to cover all of the urbanized area. Fire protection is being extended to areas outside of the former City of Nashville. Throughout the metropolitan area of 533 square miles, where six inch water mains are available, the same high quality fire protection will be provided as is now available in the Urban Service District, or old city. Fire trucks with 1,500 gallon water tanks will answer fire calls throughout the metropolitan area where six inch mains are not available.

Six small satellite cities remain, but they are very small in size, provide comparatively few services, such as maintaining stiff zoning restrictions, hire a few policemen to give added protection, etc. They pose no threat to overall metropolitan planning, management, taxation.

Admittedly, I am a highly prejudiced observer, but I believe Metropolitan Government in Nashville and Davidson County has already proven itself to be a big success.

7. Metropolitan County Plan. Reorganized county government can solve many problems. A well structured county government with a strong chief executive is needed in order to make it effective.

Several counties have been strengthened in recent years, such as Erie County (Buffalo) New York, Dade County, Florida, and many counties in California.

8. Federation. In a federated metropolitan government, local officials of existing units of government serve on the governing body of the metropolitan board. The best examples of this type of government are in Toronto and Winnipeg, Canada.

I would like to take this opportunity, while so many Governors are present, to make some suggestions concerning the role which state governments can play in modernizing local government.

First of all, nearly all of the powers of local governments stem from state legislatures and state constitutions. We are your babies, and like a good parent, you owe us strong parental guidance and help. Many of you have acted to make possible metropolitan forms of government, special districts and authorities. Some of you have laws to enable local government to participate in urban renewal and various kinds of planning functions.

I think it is desirable for you to create a state agency or committee which will deal directly with local officials. In Tennessee, our Governor created an intergovernmental committee of state and

local officials which meets frequently to discuss problems of mutual interest to state and local governments. This committee does not merely discuss problems. It develops concrete answers in the form of legislation which can be submitted to the General Assembly. Many of the most important improvements which have been brought about in Tennessee have resulted from action taken by this inter-governmental committee.

If you as Governors do not take this kind of action, I foresee a dangerous development in American politics which should be avoided. Some large cities have found that they are unable to get a sympathetic hearing at the state legislature. As a result, many of them have turned to direct negotiation with the federal government. This tendency, if unchecked, might develop a political alliance between the national government and the big cities against state governments and suburban rural communities. Such hostility would be most unfortunate. It can and should be avoided.

I have listed some activities which state government can undertake to help local governments.

1. Coordinate your programs which have an impact on local areas. For example, the location of highways should always be discussed with local officials before decisions are made. Another example is the location of new state institutions, such as a junior college, technical school, etc.

2. Give us some technical assistance. Most local governments are not large enough to attract or hold technicians in planning, property tax assessment, police and fire training, pay plans, etc. State agencies are needed which can provide the technical knowledge we want occasionally, but are not justified in maintaining continuously. We now pay out a lot of money to private consulting firms, some of which do a good job, but you could help us for less money, and probably on a more effective basis.

3. Authorize alternate forms of local government. We need more enabling legislation which would give us the chance to experiment with improvements in the structure of local government. Give us the chance to create strong mayor charters to replace weak mayor forms. Let us try the city-manager forms. Let us consolidate school districts and create metropolitan forms of government.

4. Encourage state universities and colleges to provide assistance to local government. In some states, short courses for local officials are offered by colleges and universities. For example, a training school for local property tax assessors can be developed. Local tax assessors could come to school for a period of two or three weeks once a year, and over a period of time such action would develop professional tax assessors. Such schools are most useful for law enforcement officials and fire departments.

5. States could and should also join with cities and metropolitan centers in establishing Urban Observatories to promote public

and private university research and reporting of efforts to modernize and reform local government structure and service standards.

Most of what I have said today would seem to indicate the existence of a real crisis in local government. We do have many problems. Some of them will probably get a lot worse before they get better, and I do not want to minimize our difficulties, for they are many and they are real.

However, I do have an optimistic feeling, and I would like to close on such a note. There is much popular interest in local government in our growing urban areas. There is evidence of an eagerness to do something about restructuring local government. Labor leaders want better schools for their children and are willing to accept the kinds of taxes which will make this possible. Businessmen, who are opposed to most federal programs, are very willing, even enthusiastic, about urban renewal projects. Minority groups have found that they can accomplish much for their people by working with local government.

Now is the time for Mayors and Governors to capitalize on this popular concern. I hope that we can join together in developing an awareness among citizens that modern local governments are necessary for a successful urban community in order to promote economic growth, cultural development and social enrichment.

Governor Hoff: Thank you, Mayor.

The next speaker is no stranger to any of us. I simply would like to say this. The State of Michigan has perhaps the newest constitution in the United States and a constitution that has done, I think, a very good job in dealing with problems of local government and with the problems of education. I think it is a great credit to our next speaker. Without further ado, I introduce to you the Honorable George Romney, Governor of the great State of Michigan.

Governor Romney: First, I would like to say that, so far as I am concerned, this has been the best Conference we have had of the three I have attended. I say that on the basis of its having devoted most of its time to the consideration of problems that are of mutual concern to us as Governors of the states of this country. And we have limited the extent, certainly, to which we have permitted things to divert us from our consideration of mutual responsibilities.

I think one of the lessons I have learned in public life is that when needed reform is delayed too long it will come in an excessive form. I do not believe when you delay needed reform that such reform is indefinitely postponed. As a rule, whatever need was involved, it will be met sooner or later. If the reform is delayed too long, it will be met in excessive form. I think an example, in the field of the modernization of state and local government at the present time, is the problem we face in apportionment. I think in this

instance the failure of states to modernize their districting of state legislatures has resulted in the effort to do so on the basis of just one principle. As a result, it is having an excessive effect in some instances, even though I agree basically with the districting of legislatures on a population basis.

Now, the modernization of state and local government is one of the reforms that has been needed for a long time and delayed too long. In my opinion, we are in the early stages of action of an excessive character as a result of this long delay. You know, back in 1952, the late and greatly mourned Adlai Stevenson had this to say: "The familiar observation that we talk a lot about the weather but don't do anything about it expresses itself alarmingly well in the case of centralization in government. We spend a lot of time discussing the evils but no one seems to do much about it." I was interested to read this statement made back in 1906 by Elihu Root, in talking about governmental powers and state versus national control. He said: "It may be that such control would better be exercised in particular instances by the governments of the states, but the people will have the control they need either from the states or from the national government. And if the states fail to furnish it in due measure, sooner or later constructions of the constitution will be found to vest the power where it will be exercised in the national government." It seems to me that we have seen enough evidence of this to realize that if we do not get needed reforms of state and local government soon, it is going to be too late.

If there is any one viewpoint that I sense at this Conference that tends to dominate all others, it is the desire to do something now about this question of the modernization of state and local government. I think this is very timely. I think the need is urgent and evident. It also is clear that new programs of a vast character are being built on the basis of the federal-local relationship and that these programs bypass the states.

We are having in Detroit a meeting of the National League of Cities and Mayor Briley, whom you have just heard, was elected an officer of that League. The basic theme of that conference has been: "We cannot expect the assistance we need from the states in the performance of local responsibilities. Therefore, we must turn to the national government." In no instance is this more sharply expressed than in connection with the financial requirements of local government. We have just had a Department of Urban Affairs established. Certainly, this Department is going to be ready to undertake such assistance as local units need if we do not recognize our responsibility to step up and take care of our babies. That is what Mr. Briley called them. The local governments are the babies of the state.

One of the things that has struck me, as I thought about this

problem, is that in the three Conferences I have attended of our organization we have spent a lot of time talking about federal-state relations but I do not recall our having spent a great deal of time talking about state-local relations. My understanding is that we are in the process of creating a Federal-State Committee of this Conference that will report to the Executive Committee. I would suggest that either the committee ought to be the Federal-State-Local Committee or we ought to create a State-Local Committee. I think it is vital that we undertake to do what we need to do to keep local units of government from absolutely abandoning all hope of ever functioning as instruments of state government. Because they are our instruments in undertaking to perform the responsibilities of local government. I would hope, too, that at our next Conference we can focus a good deal of attention to this question of state-local relationships.

The speakers at this Conference have dramatically established the fact that the people's needs in the period ahead, needs that state and local governments are responsible for under the constitution, are going to rise much faster than our revenue sources. And the greatest need that we are going to face from a financial standpoint is in the field of education. Consider, if you will, where the states will find themselves in terms of their function in the federal structure, if in the years immediately ahead we relinquish, as a result of indifference, our basic responsibility for local governments and education. How much is there left to the function of state governments if they permit local government responsibility and educational responsibility to shift to Washington?

In this area of modernization, on the basis of such experience as I have had with it, I believe that there are three basic requirements for modernizing state and local government. I think number one is the determination on the part of state leadership to perform their state and local functions responsibly. I think number two is the need to recognize the absolute essentiality of more modern governmental structures at the state level and at the local level. I think number three is that we must establish a more adequate basis of financing state and local programs. Unless we can do this, the other two will be futile.

In Michigan we have modernized our constitution. The obstacles that Mayor Briley talked about from a constitutional standpoint do not exist in Michigan's new constitution. Two of the model articles of this new constitution are articles dealing with local government and education. In the field of local government, the picture is basically this. Back in 1908 we provided for city home rule so that cities could devise the type of governmental structure they need and want. In this new constitution we have provided for county home rule. It needs some implementation by the legislature in terms of standards, but the authorization is there. We have also

provided that any unit of government in Michigan can enter into contracts with other units of government in Michigan to the full extent of their governmental responsibility. Cities can contract with other cities for police, fire, education and anything else. The cities can contract with counties. They can contract even with a foreign nation under our new constitution. We have also removed any obstacle to the creation of whatever form of metropolitan government we may need in the future. We felt this particular area of governmental structure was being explored so recently that we ought to keep ourselves in a completely flexible position. We have also permitted county consolidation. If two counties, three counties or four counties want to vote to consolidate, they can consolidate under this new constitution.

In the field of education, which is certainly one of our areas of greatest urgency, we have provided for what we lack, and what most states lack, and that is a means by which we can do an overall job of planning and coordinating the total education program in the State of Michigan. We have done this without sacrificing the autonomy of our institutions of higher education, the autonomy they need to shape their educational program to best realize the purpose of their existence. For instance, the University of Michigan has a different educational function in our state, basically, than Michigan State University, which is a land-grant college. We have retained the autonomy in the expenditure of funds they receive. But we have created a board of education that has overall planning and coordinating responsibility, subject to the support of the people and the legislature. This is a different approach than has been undertaken in California and New York where the basic approach has been to centralize responsibility for higher education in a board of control. We are hopeful that this will work and will point in a new direction in terms of dealing more effectively with education.

As I have indicated, these things are meaningless until we can get the money to support them adequately. It seems to me that accomplishing that objective is one that we all have in common. Therefore, our consideration here should be solely the question of how it can be most effectively done. Let me tell you what our two-party platform said in 1964 on this subject. The Democratic platform asked that consideration be given to the development of fiscal policies which would provide revenue sources to hard pressed state and local governments to assist them with their responsibilities. And the Republican platform called for tax allocations and the transfer of tax and other revenue sources to reinforce the fiscal strength of state and local governments.

We Governors passed on Tuesday a resolution on this subject. After we passed the resolution on Tuesday morning, I believe it became apparent in our discussions Tuesday afternoon that we had not given adequate consideration to the matter and perhaps had not

provided adequately for the action we can take to accomplish the objectives that I have just reviewed. I do not believe there is any subject that we are dealing with at this Conference that is more important than taking what steps we can to make sure that state government and local government will be adequately financed so they can perform their appropriate functions in a cooperative federal system.

Because of concern in this area, Governor Hearnnes and I have introduced a joint resolution, which was distributed yesterday and which you have in front of you. I would appreciate it if you would turn to the resolution that contains a covering notice signed by Warren E. Hearnnes and me. I would like to read this resolution with you because of the importance that I think it has in connection with this whole Conference—our responsibilities and the strengthening of state and local government. This resolution is not in conflict with the resolution that we adopted Tuesday. This resolution supplements the resolution we adopted Tuesday morning and puts us in a position to carry out our responsibility in connection with that resolution. It is not a replacement. It is not a substitute. Governor Hearnnes and I have conferred with Governor Sanders of Georgia, who presented the earlier resolution on behalf of the Executive Committee. And Governor Sanders of Georgia indicated to me that he had no objection to this resolution. The new resolution picks up where the other one leaves off. I shall read it.

[Governor Romney thereupon read a resolution entitled "Preserving the People's Rights." For text, see Appendix XVII.]

Governor Romney: The resolution would permit us to deal directly with this most vital problem that we face as Governors. The reason this resolution is needed, Mr. Chairman, is that in the resolution we adopted on Tuesday morning the key part of it was: "Be It Further Resolved that the President of the United States be requested to create or reactivate at the earliest possible time a task force on this subject which will include representation of state and local governments." Well, if we are going to be represented on such a task force, which I heartily favor and support, it seems to me that we need to take the steps necessary to determine what position ought to be taken on behalf of the states on this task force. It is because of this need that we submit this resolution to supplement and complete the action taken on Tuesday morning. It is my understanding, from having gone over this with the Governor of Georgia, that he favors this and does not oppose it and feels that it does more fully carry out what we discussed in the Executive Committee, of which we were both members.

So it is my hope that we will, Mr. Chairman, be willing to suspend the rules and adopt this resolution offered by the Governor of Missouri and myself to take more meaningful action that will enable

us to deal with this urgent problem of modernizing state and local government. Thank you very much.

Governor Sawyer: If I may take the liberty to change slightly the Governor's suggestion procedurally, I will ask unanimous consent for the moving of the adoption of this resolution rather than suspending the rules. It will take us a little less time. If there is no objection, the motion to adopt the resolution, as proposed by Governor Romney, is in order. It has been made by the Governor. Is there a second?

Governor Hearnese: I second the motion.

Governor Sawyer: Is there any discussion? If not, all those in favor please indicate by saying "Aye." Opposed? The resolution is adopted.

Governor Hoff: Do you want any discussion on this session we have just completed?

Governor Sawyer: Is there any discussion on this, gentlemen? If there isn't any discussion, thank you so much, Governor Hoff. It was excellent. I am sorry that it came here at the last because I believe the Governors would have liked to discuss it more thoroughly.

I would like to call on Governor Brown at this time to make his report on Juvenile Delinquency.

Governor Brown: Governor Sawyer and my fellow Governors. The Chairman has asked me to make this very brief and I intend to do so. Number one, I ask you to read the Report of the Juvenile Delinquency Committee. Number two, I think you should all know that in California we have awarded four contracts to systems engineers in the great aerospace industry of our state. One of those contracts that we have awarded, under criteria that we set forth, was on delinquency, both adult and juvenile. I anticipate having the report rendered within the next week or two. I want to send a copy of this report to each one of you Governors. From preliminary data that we have, this report is not made by sociologists or state men or correctional officers or juvenile delinquency experts or anyone else, but people that have been dealing with the placing of a missile on the moon or Mars. They are now dealing with a problem that is close to every one of us. In some of the findings that we made, I think the information will be very, very helpful to you in dealing with the problem of adult and juvenile delinquency. And after you have received that report, I would ask you to give me your reactions. Now, I know, as Governors, we get a tremendous amount of correspondence, but I assure you that this is something out of the usual. It will give you some idea of the cost to government—local, state and national—in dealing with this problem of crime.

Number three, you will be requested by this Subcommittee on Juvenile Delinquency to name some individual with whom we can

communicate to pass along some of the good things that we found in our discussions together as members of this Committee, and some of the things that should be avoided. You will be requested to do that and I hope that you will name some individual in whom you have confidence and with whom we can work.

Number four, there probably will be a nation-wide television program by the Governors of this Conference dealing with the problem of the rule of law that some of the young people of our country seem not to feel as strongly as we did or as strongly as we think we did when we were young people. We will try to have that nation-wide television program composed of Governors from all sections of the United States.

With that and the final recommendation that this Subcommittee on Juvenile Delinquency be continued for another year, I ask that this report be submitted. I do not know whether a motion is necessary to accept this report because it is all contained within it. Various people named by the members of the Committee have really been working hard in two or three seminars held in various parts of the United States in dealing with this tough but intangible problem of delinquency. Thank you very much.

Governor Sawyer: Thank you very much, Governor Brown.

If there is no objection, the Report of the Subcommittee on Juvenile Delinquency will be filed.* An area that is becoming increasingly important to a great many states is the promotion of tourism. The Western Governors' Conference felt that this should be emphasized to the point where they have created a task force on the subject. This task force will be meeting in a few days. I understand that some of you in other regional meetings have done the same thing.

We are very fortunate to have with us today Mr. Robert E. Short, National Chairman of the President's Discover America Program. Mr. Short has discovered quite a bit of America himself because he owns an interstate trucking line, a Minneapolis hotel, a Los Angeles radio station and the Los Angeles Lakers Basketball Team. However, at the same time he also found time to build a successful law practice. He served in the government as Assistant to the U. S. Attorney for the District of Columbia and to the U. S. Attorney for the State of Minnesota, and he at one time served as Regional Advisor to the Federal Small Business Administration. He has headed the Discover America Program for less than two months. Yet already he has developed a number of novel ideas designed to assist the states in their own areas of tourist promotion. It gives me a great deal of pleasure, gentlemen, to present Mr. Robert E. Short.

*For text, see Appendix XV.

Mr. Robert E. Short: Distinguished Governors, honored guests, ladies and gentlemen: It was my honor to greet each of you Governors of the states as you arrived at the Twin City Metropolitan Airport as Governor Rolvaag's representative and as the representative of the people of the State of Minnesota. It is my pleasure this morning to appear on behalf of the newly formed "Discover America" nonprofit corporation, organized, if you please, at the request and suggestion of the Congress of the United States, and upon my appointment by the President of the United States, to promote successful tourism in all of the states and territories of America. I find myself somewhat betwixt and between this morning. At the request of the Vice President and the President, it was suggested that I write and issue for release some twenty minutes of remarks. As I approached the rostrum this morning, my Governor advised that I might have five minutes of your time. As he passed the place where I was sitting, waiting to appear at this rostrum, he suggested that I cut it to two. I cannot quite cut it to two, Governor Rolvaag, but I will do my best. I simply want you to be aware of the tremendous need that there is today for rediscovering America, and tell you that this program is greater today than it was when America was discovered. If you are a Minnesotan and believe Leif Ericson found his way to our shores or if you hold to the theory that Columbus was the first man to really discover America, certainly, no matter who discovered it, or when it was discovered, that event is perhaps the most single significant event in the history of the world as we know it. It was an event that was long overdue no matter on what date it took place. But equally as important as that event was to the history of man and to the history of the world, it is today perhaps much more important that America be rediscovered as of this moment, not only by its own citizens but by the countless millions of others who do not share the fortune of citizenship of this land. It has been said that the real reason for all of the emphasis on tourism in the United States is the balance of payments problem. I might point out that this is but one of many reasons why almost all responsible officials in Washington and in the states and local units are pointing their minds toward additional discovery of America. For I think that people in public life recognize that to know America, to discover America, is necessary for the citizens of this land. And, certainly, to know America and to discover America is necessary for intelligent world understanding of America and what it represents in the community and family of nations of the world.

We need only point to the figures. Some eighty million Americans in these United States took no vacation at all last year. We need only recognize that only about 20 per cent of our whole population has ever been on a commercial airliner. For those of us who are engaged in this humble occupation of innkeeping and wor-

rying about occupancy records, when we find that fewer than 50 per cent have never spent overnight in a hotel, then we have real reason for concern. I think that the figures on the subject would support the view that, at the time of Christopher Columbus, America was more generally known than it is currently today by percentage of population of the world. Now, it is not that the people of the world are not moving. They are moving no matter where they live. But it is equally true that they are not moving, if you please, to these shores.

What can we do about it? I think almost every Governor in each of the states has promoted tourism within his own state. I know that the federal government and the President and the Vice President are devoting themselves to the whole task of seeing to it that our people move about our country. There is something that industry can do. For the first time, in answer to a resolution that passed the Congress of the United States, we have a recognized organization that we call Discover America. What is Discover America? First of all, it is something that costs the taxpayers nothing. We are not federally subsidized. We have no state or local funds. All of the money that we are going to spend in this field comes from people who are engaged in the field. And these executives of air, auto, oil, hotel and other allied industries have recognized, as you have in days past, that the horizon in travel and transportation in this country is only just beginning. All of us recognize and realize that we have in America the product but, unfortunately, the product is not being made available to those who would like to consume it in an easy way. Recently my wife, who recognizes it from time to time—I do get away on official business—asked me if I believe in what I preach. And then on a trip that I was taking to Washington, she suggested that I take her and my seven children with me. I can tell you that, after touring the New York World's Fair and the City of New York and the City of Washington and the City of Williamsburg, there is no question about the fact that the product is there. But I can tell you also that, if you try to get on an airliner and ask for nine seats or if you are going into a hotel and ask for nine rooms, you have a real task on your hands in the United States of America. Those of us who are in the travel and transportation business recognize that the product is here. We are dedicated, if you please, to the proposition that we will try to make it available to all of our people in an easier way. Then we propose, in our first five hundred thousand dollars' annual, privately raised budget, to finance the kind of hard-sell program that will take the man from his back yard fireplace and move him beyond the confines of two hundred miles from his home. Over 50 per cent of our people have not been further away from their home door than two hundred miles. We recognize that we have only come to the threshold of the opportunity that exists. We recognize that we have a responsibility to

bring into focus the law of supply and demand in relationship to discovering America. It is our belief that we can in a private way, through the cooperation of the federal and state governments and through the cooperation with the private sector of our economy and with your tourism departments, move more Americans about America and move world citizens to these shores. To know America and her people is to understand America and her people. To the extent that we can increase the attractiveness of travel within the United States, it is our belief that we will have served in a civic, in a business and in a real American way. Thank you very much.

Governor Sawyer: Mr. Short, we are most appreciative of your taking your time to come to talk with us about what I am sure will be an extremely important program for all of us in our respective states.

At this point in the proceedings, we are honored to welcome a distinguished guest who, I am sure you will agree, has achieved nation-wide stature since he was elected to the United States Senate from the State of Indiana in 1962. Senator Birch Bayh has consented to address briefly a few remarks to the Conference on the proposed 25th Amendment to the Constitution which relates to presidential succession. Senator Bayh has devoted all of his adult life to public service. Before he came to the Senate at the age of 35, he was elected to four terms in the Indiana House of Representatives, serving as speaker of the House for one term and as minority leader for two others. He graduated from Purdue and the Indiana University School of Law. Gentlemen, it gives me a great deal of pleasure to present to you at this time Senator Birch Bayh of Indiana.

Senator Birch Bayh: Thank you very much, Governor Sawyer. Governors, ladies and gentlemen: This is a very great privilege. I would like to visit with you for just a brief moment this morning about a type of crisis that is a bit different than the normal ones that confront those of us who are elected to public office. This is a type of quiet crisis because it is not in the headlines threatening us daily. The crisis to which I refer is a double-barreled problem that we propose to solve by the proposed 25th Amendment, which is presently before you and the legislatures in your states. The double barrels are these: First, we have no sure way of filling presidential vacancies when they occur. Sixteen times in the history of our country we have had no Vice President. One is immediately aware of the eight Presidents that we lost, but we forget for a moment about the seven Vice Presidents who died in office and also one Vice President who resigned and went back home to run for the United States Senate, of all things! There may have been a time when the Vice President could be legitimately the subject of satirists and jokesters. As John Adams said, "This is the

most insignificant office that man invented." Teddy Roosevelt said, as he was going to Washington, that he was going to Washington "not to be praised but to be buried." But indeed, this is the case no longer. Gentlemen, I think, following World War II, particularly with Barkley, Nixon, Johnson and now with Humphrey, we have seen a real development of the Office of Vice President. They are in a position to be second in command, to help carry the burdens of the most powerful and awesome office in the entire world, namely, that of the presidency, in addition, as we all know, to being just one heartbeat away from the Office of the President itself.

The second barrel, of course, is that we have no constitutional way to provide means to deal with the Office of the President when the President himself is unable to perform the powers and duties of his office. Three times in our history we have been in a situation when the President could not perform his duties. Garfield for eighty days after he had been struck by an assassin's bullet did nothing. Wilson for sixteen months was unable to perform the powers and duties of his office. All of us can remember the experiences that President Eisenhower had in his three very serious illnesses. Most of us are aware that your state constitution provides the means to carry on the chief executive power of your state if something happens temporarily to you. But we do not have anything that has been written in the law or in the Constitution of the United States to deal with the same problem on the national level.

Gentlemen, you are aware of the basic specifics and time precludes a detailed discussion. But let me summarize. The 25th Amendment of the Constitution, if it is ratified, will do the following. First, it will provide the means in which the President may nominate and by which both Houses of Congress by majority vote may elect a new Vice President. This does three basic things. First of all, it provides that we will have a Vice President who can work with the President. I think in a time of crisis, similar to the time that we all experienced through the tragic events in Dallas, it is important that we have a man who can work in harmony with the chief executive. Second, it prohibits the President from electing the Vice President himself. The Congress in a time like this is going to consider the choice of the Vice President as a very serious task and will give it serious consideration. They, as representatives of the people, will indeed perform the election process. Third, we will have a Vice President at all times.

In the area of disability, we provide that the Vice President will act as the Acting President. During the tenure of the disability, he will not assume the Office of the President but only the powers and duties of the office. The President may declare his own disability, if he is able to do so. The Vice President may act and the Cabinet may act in time of crisis when the President is unconscious, let us say. In the event that there is a disagreement

between these two, then the Congress, by a two-thirds vote, is the only body that can take the President out of office and keep him out for purposes of disability. It seems to me that we have arrived as nearly as we possibly can in this disability section to a way that we can protect the President from usurpation of office and at the same time, and most important of all, protect the country from being leaderless at a time of great national peril.

I am not here to tell you gentlemen that this is a perfect legislative solution. Those of you who deal with legislators and lawyers know that it is impossible to get some bill or constitutional amendment that is absolutely flawless. There are some arguments. For example, the one that I have heard is: why do we need a constitutional amendment dealing with these problems? We have gotten along for better than 180 years now. Why mess with it? Gentlemen, this is the same thing that can be said about any program that you present in your state legislature or any program that we deal with in Congress today. We live in a dangerous era in which we can ill afford to continue to have these weaknesses in our constitutional structure.

Another argument is that it is hastily drawn. Gentlemen, let me say that if you care to read the record in detail you will find that a proposal very similar to this has been considered by the Congress since 1948. We have considered it carefully for the past eighteen months in the Congress of the United States. It had the greatest constitutional lawyers in the country working on it. We have looked at this from every angle. I think we have gotten as close to a deliberate consideration of this matter as is humanly possible.

Lastly, there was some concern expressed during the dying hours of debate on this that it was ambiguous. Here again, anyone is free to interpret any legislation as they desire. But in my estimation, this is the best possible wording that we could get. It has been endorsed unanimously by the House of Delegates of the American Bar Association. And, indeed, it was the Bar Association that played a prime role in getting a consensus developed. President Eisenhower has endorsed it. Mr. Nixon has endorsed it. Mr. Herbert Brownell, the Attorney General during the time President Eisenhower had his illness, has endorsed it. Mr. Nicholas Katzenbach has endorsed it. President Johnson himself has endorsed this proposal as the best solution we can possibly get to meet this problem.

I appreciate your taking the time to listen to my appeal. Let me say that, as I look at this, you have the opportunity to join in this great partnership, which is important to us, in which the federal and state governments, working together, can solve a very critical problem. In closing, may I say that there may have been a time when it was not too important that we have a Vice President,

that it was not too important that we have a steady hand on the tiller. But, gentlemen, when you study the age in which we live together today, when you know you can move whole armies around the world in a matter of hours and you can destroy civilization, as we know it, in a matter of minutes, it is time that we take action to make certain that we will always have a leader in this country. I hope you will help join us in taking action. Thank you for attention.

Governor Sawyer: Thank you, Senator Bayh. It was nice of you to come over here and be with us.

I would now like to call on Governor Smylie, who is the long-standing Chairman of the Federal-State Relations Committee, for his committee report.

Governor Smylie: Mr. Chairman, in the interest of brevity, let me say that this report is twenty-one pages long and deals with about forty-seven different subjects which have had the attention of the committee and its staff through the last year. I am not going to attempt to read it or even summarize or capsule it. The report is before you. It has been prepared by the staff. I desire to take this opportunity once again before this body to publicly express my thanks to Charles Schwan and the Washington office of the Council of State Governments. They cooperated so fully with us in the work of this committee.

With those remarks, Mr. Chairman, I should ask leave to file a copy of the report for the record and would now move its acceptance by the Conference.*

Governor Sawyer: Thank you very much, Governor Smylie.

Governor Rolvaag: I second the motion.

Governor Sawyer: If there is no objection, the report will be filed. We have had some notices of motion for suspension of the Articles of Organizations to consider resolutions. We might finish the resolutions at this point.

I believe Governor Kerner has one that he is interested in presenting.

Governor Kerner, did you have a resolution that you wanted to propose at this time?

Governor Kerner: Governor Sawyer, distinguished Governors and friends: I move suspension of the Articles of Organization to permit the consideration of a resolution honoring the memory of Adlai Ewing Stevenson.

Governor Sawyer: If there is no objection, the resolution will be in proper order, rather than voting on the motion to suspend the Articles. Hearing no objection, the resolution is in order.

Governor Kerner: The resolution reads as follows and I move its adoption.

* For text, see Appendix XVI.

[Governor Kerner thereupon read a resolution entitled "Adlai Ewing Stevenson." For text, see Appendix XVII.]

Governor Rolvaag: I second the motion.

Governor Sawyer: Thank you very much, Governor.

The resolution has been proposed and moved. It has been seconded by Governor Rolvaag. If there is no discussion, all in favor please indicate by saying "Aye." Opposed? Unanimous.

Governor Kerner: I move again for the suspension of the Articles to present a resolution concerning mental health, and I move its adoption.

[Governor Kerner thereupon read a resolution entitled "Community Mental Health Programs." For text as amended and adopted, see Appendix XVII.]

Governor Sawyer: Is there unanimous consent to consider this resolution? If there is no objection, the resolution will be in order. The motion has been made. Is there a second?

Governor Clement: I second it.

Governor Sawyer: Is there any discussion?

Governor Rolvaag: At the request of our Minnesota citizen groups involved in the mental health drive in Minnesota, I am moving to amend the resolution. It is a very simple amendment, and copies of it have been distributed to you. My purpose is to add a clause which will assure consideration of the critical need for diagnostic and evaluative services for the mentally retarded in community mental health programs.

Governor Smith: I second the amendment.

Governor Sawyer: You have heard it and it has been seconded. Is there any discussion on the amendment? If not, all in favor please indicate by saying "Aye." Opposed? The amendment is adopted.

The question now is on the resolution. Is there any discussion on the resolution? The question has been called for. If there is no discussion, all in favor indicate by saying "Aye." Opposed? The resolution is adopted.

Are there further resolutions to be presented at this time?

Governor George C. Wallace: Mr. Chairman, I did not think this resolution was controversial. Since I am introducing it, I think it is now! This would provide considerable savings for the states. I think this resolution has been recommended at various regional conferences and I hope that you will pass it.

[Governor Wallace thereupon read a resolution entitled "Third-Class Mailing Privileges." For text, see Appendix XVII.]

Governor Sawyer: May we have unanimous consent to consider the resolution? If so, the motion will be in order. Is there a second?

Governor Burns [Florida]: I second it.

Governor Sawyer: The question has been called for. If there

is no discussion, all in favor of the resolution indicate by saying "Aye." Opposed? The resolution is adopted.

Governor Bellmon: Governor Sawyer, yesterday notice was circulated to the Conference to ask for suspension of the rules in order to consider a resolution relating to a study of the water pollution problems of the various states. Copies, I am sure, are at each place, and I move adoption.

[Governor Bellmon thereupon read a resolution entitled "Water Pollution Problems." For text, see Appendix XVII.]

Governor Sawyer: Thank you, Governor Bellmon.

Do we have unanimous consent to consider the motion to adopt this resolution? If there is no objection, the motion will be in order. Is there a second to the motion?

Governor Kerner: I second it.

Governor Sawyer: The motion has been seconded by Governor Kerner. Is there any discussion? The question has been called for. All in favor please indicate by saying "Aye." Opposed? The resolution is adopted.

Governor Hansen: Yesterday I asked unanimous consent to introduce a resolution proposed by the Committee on Roads and Highway Safety. I would like at this time to ask, if I may, unanimous consent for that, and I so move.

[Governor Hansen thereupon read a resolution entitled "Highway Safety." For text, see Appendix XVII.]

Governor Sawyer: Unanimous consent has been requested for consideration of this resolution. Is there any objection? If not, the motion to adopt the resolution is in order. Is there a second?

Governor Rolvaag: I second it.

Governor Sawyer: Is there any discussion?

Governor Burns [Florida]: One question. I would just like to have a brief explanation as to the reference to "the pending amendment to the highway construction grants legislation be set aside." Will you clarify that for me?

Governor Hansen: Governor Burns, the reference there applies to the Baldwin amendment, which would provide that no federal funds would be available for highway construction in any state without the prior approval by the Secretary of Commerce of a safety program submitted by that particular state.

Governor Burns [Florida]: Thank you.

Governor Sawyer: Is there any further discussion?

All in favor indicate by saying "Aye." Opposed? The resolution is adopted.

Are there any further resolutions to be presented?

If not, Governor Rolvaag has a statement of principle that I think he would like to file.

Governor Rolvaag: Mr. Chairman and distinguished Governors: This meeting has adopted rules of procedure under which

we have been privileged to participate in one of the finest meetings of the fifty-seven years of our conference organization. Consistent with these procedures, as you well know, I have refrained from formal action on a question which is a matter of great concern to all Americans, and I know, to all Governors. I speak of the pressing problems facing our nation, North and South, East and West on matters of jobs, housing and education as they particularly affect minority groups in our nation.

It has not been my purpose or my desire to inject these problems into this conference on a formal basis because I, with all Governors I am sure, feel that this issue no longer divides our nation or our states. Yet, I have felt with many of you that at a time when great travail on these matters still exists in many of our communities we should not disperse without joining in a statement of principle. Such a statement, which I will now read, should acknowledge our responsibility to continue to move forcefully to eliminate inequities until such time as the American dream and the constitutional pledge of equal opportunity is in fact a reality for all of our citizens:

"We acknowledge the serious problems confronting our nation in matters of schooling, joblessness, and low income housing affecting the disadvantaged citizens of our country and falling most heavily on our fellow Americans of minority groups.

"We see these problems as problems of our nation as a whole, affecting citizens of all parts of the country. We see them as problems which must be faced now and solved as quickly as possible.

"We recognize that with the doctrine of states' rights, to which we all subscribe, come the unavoidable realities of state responsibility.

"Acknowledging this fact, we call on all states of our Union and upon our incorporated territories and free state to face the responsibilities that are theirs and to move actively and constructively to the solution of these problems which should no longer impede our advance as a forward-looking, progressive society."

This statement has been signed by thirty-nine of my fellow Governors. I would hasten to point out that there may be some who have not been able to be reached. If there are others who would like to sign this statement, I will file it with the Secretary for inclusion in the proceedings of the Conference, and I am sure they would include any other Governor who has not yet signed it.* Thank you very much.

* As filed, the statement of principle was signed by Governors of the following states and territories:

ALASKA	ARKANSAS	DELAWARE
AMERICAN SAMOA	CALIFORNIA	FLORIDA
ARIZONA	COLORADO	HAWAII

(Footnote continued at bottom of page 151.)

Governor Sawyer: Thank you very much, Governor Rolvaag. The statement of principle will be filed.

Are there any other statements or resolutions which we should consider at this time?

Formal invitations have been extended by several states for the Conference next year. I might tell you that the new Executive Committee will make this determination. The new Executive Committee will meet on the plane between here and Washington, D.C. At that time any Governor who wishes to elaborate at some length on the charms of his state will have an opportunity to do so. It will probably be necessary for the Executive Committee to make a determination as to the site of next year's Conference today or very soon. This Conference has been in the planning and working stage for thirteen months. It takes that long to get one organized and under way, as Governor Rhodes will testify and certainly Governor Rolvaag. So the Executive Committee cannot wait until its fall meeting to make this determination. I would not want, however, to deprive these chief spokesmen of their states of a very limited and brief opportunity to extend an invitation to the Conference in person. If you will confine your remarks to one minute, we will be happy to hear from each of the Governors who are inviting us for next year.

Governor Hansen: I am not going to extend one for the obvious reason that no one could possibly describe the great virtues of the State of Wyoming in one minute!

Governor Brown: I do hope that you will all come to California next year. I assure you that we will try to give you a good Conference. We will confer with the Executive Committee while it is in session this afternoon on the plane. We will plan for a good business session and a good fun session. So I invite you all to come to California. One minute!

Governor Sawyer: Yes, sir. I commend you.

Are there any other invitations?

Governor James A. Rhodes: Mr. Chairman, first of all, I would like to express my gratitude to Governor and Mrs. Rolvaag for the excellent convention that they have presented to us. They have been very kind and very gracious. On behalf of the Ohio Gen-

(Continued from page 150.)

IDAHO	MISSOURI	RHODE ISLAND
ILLINOIS	MONTANA	SOUTH DAKOTA
IOWA	NEBRASKA	TENNESSEE
KANSAS	NEVADA	TEXAS
KENTUCKY	NEW HAMPSHIRE	UTAH
MAINE	NEW JERSEY	VERMONT
MARYLAND	NEW MEXICO	VIRGIN ISLANDS
MASSACHUSETTS	OKLAHOMA	WEST VIRGINIA
MICHIGAN	NORTH DAKOTA	WISCONSIN
MINNESOTA	PENNSYLVANIA	WYOMING

eral Assembly, the City Council and the Mayor of the City of Cincinnati, we welcome you to the Queen City in the year of 1966.

Governor Sawyer: Thank you, Governor Rhodes.

Governor Burns [Florida]: Very briefly, Florida would love the opportunity to host this most distinguished group of Governors representing all of the states for 1966.

Governor Sawyer: Thank you very much, Governor.

Governor Faubus: Mr. Chairman, just in case they run out of water in Los Angeles between now and next time and have such an influx of tourists into Los Angeles and Florida and Cincinnati that they cannot handle us, we will be happy to welcome you to Arkansas.

Governor Sawyer: Thank you, Governor.

Governor McKeithen: Mr. Chairman, Louisiana has not had a National Governors' Conference since 1928, and that was when, I guess you would call, my patron saint was Governor of the great State of Louisiana—the late Huey P. Long. He has as his tombstone our great state capitol. There is not enough money in our state to rebuild that capitol. So you can understand that it is quite a stone. He had the Conference there in 1928. And, gentlemen, he showed the Governors such a good time and he spent so much money on the Governors of the other states that he almost got impeached! As a matter of fact, they went so far in their impeachment proceedings as to charge him with spending state money on bootleg whiskey. I would not suggest that the Governors would do anything like that. However, I am not going that far. I am not going to risk impeachment. I love this job. I am not going as far as the late Huey P. Long went but I will go almost that far. If you will come to New Orleans, I promise you here and now that not only will we attend, of course, to the affairs of our states but we will show you and your wives and your families one of the greatest times you will ever have in your life. Thank you very much.

Governor Sawyer: Are there any other late starters in the business?

Governor Ralph M. Paiewonsky: It might be a little premature but I would like to put in a pitch for the Virgin Islands for 1967. By that time we will be prepared. We have built some additional hotels in the Virgin Islands and we extend a cordial invitation to hold this Conference in the Virgin Islands in 1967. We guarantee a wonderful time. It is a beautiful piece of real estate under the American flag. Thank you.

Governor Sawyer: Are there any other invitations?

Governor Smylie: I rise for the purpose of giving you an invitation of a considerable different character. At noon today the Boy Scouts of America will announce from New Brunswick, New Jersey that Farragut State Park in northern Idaho has been selected for the World Scout Jamboree. It would be my hope that I might have the very great pleasure of entertaining you at Farragut State Park

on the occasion of that great international gathering.

Governor Sawyer: Thank you, Governor.

Are there any others?

Governor Wallace: Since most of you Governors have been trying to get down to Alabama, and you have been invited by various and sundry other groups, I want to extend to you an invitation to have the Conference in Alabama—let you come and see for yourself. In fact, we will give you any sort of demonstration you want to see. But, anyway, we hope that you might come to Alabama. Then I am afraid that you might accept, too!

Governor Sawyer: Thank you very much, Governor Wallace. Gentlemen, are there any other invitations?

If not, I would like to announce that a jet plane will be made available to the Governors who wish to return here tonight. I think you all have been canvassed. It will cut your time considerably. You will be back a little earlier than you considered. Governor Clement has graciously offered his plane immediately after the White House conference to fly you from Washington to Nashville, if any of you would like to take advantage of that. With respect to baggage, there will be plenty of room for baggage, of course, from here to Washington. After we arrive there, if you are planning to stay in Washington for the night, arrangements have been made to take care of your baggage there, because we will be going by helicopter to the White House. I have heard that there will be an Executive Committee meeting on the plane.

Governor Clement: I will not only take you to the great City of Nashville but I will keep you overnight in the Governor's Mansion.

Governor Sawyer: Fine. You are invited to the Governor's Mansion.

We have an announcement by Governor Rolvaag.

Governor Rolvaag: Since all of the Governors that are going to host the Conference next year and the years ahead have been so generous and kind today, I want to let you know that I just made arrangements that you may take back home with you that cartridge-type record player that you found in your hotel suite. If you have any problems with the packing, just notify the housekeeper and she will arrange to have the record player packed up for you.

Mr. Chairman, the Mayor of Minneapolis is here and he has expressed a desire to say a word on behalf of the City of Minneapolis.

Governor Sawyer: We are going to hear very briefly from the Mayor of Minneapolis.

Mayor Naftalin: Distinguished Governors, I just want to say on behalf of the City of Minneapolis how deeply pleased we have been to have been your official host. We regard you as among the best behaved of all of the conference attendees that have ever honored our city. On behalf of the city, I wish to thank you and to express the wish that before too many years pass we will once again have the opportu-

nity of hosting the Governors' Conference. Thank you so much.

Governor Sawyer: Thank you very much, Mayor.

Is there any other business to come before the Conference before we consider a resolution on the host state and before we call for the report of the Nominating Committee?

If not, gentlemen, would you join me in approving by acclamation the following resolution?

[Governor Sawyer thereupon read a resolution of appreciation to the Host State of Minnesota. For text, see Appendix XVII.]

Governor Sawyer: Gentlemen, would you join me in approving this resolution by a standing ovation.

If there is no other business to come before the Conference, I will call at this time upon the Chairman of the Nominating Committee, Governor Robert Smylie.

Governor Smylie: Mr. Chairman, I rise this morning with some reluctance, as the senior member of this Conference, to perform what to me is a unique and distasteful duty. I have been happy, at your request, to serve as the Chairman of your Nominating Committee in this, the eleventh consecutive Governors' Conference which I have been privileged to attend. In presenting the reports of the Nominating Committee this morning, I desire to address myself very briefly, because I know the hour is late, to the story of an open covenant, openly arrived at and now openly broken. This was an agreement that we reached in Miami in 1963, which was honored in that year when it was the minority's turn to have the chairmanship of this Conference; which was honored again in 1964 when it was the majority's turn to have the chairmanship of this Conference, and which, in the deliberations of your Nominating Committee this morning, was not abided by. For that reason we have what, I think, is a unique situation in this Conference. There will be presented to the Conference a majority report of the Committee, signed by Governors Brown, Hughes and King; and a minority report, signed by Governor Volpe and myself as Chairman. I think this unique situation is one which is fraught with danger for the future of this Conference; fraught, indeed, with danger for the well-being of our two-party system. Pursuant to that agreement, which suggested that we should send two names from our Republican organization to the Conference, two names were selected by the Republicans by secret ballot and were submitted. Those suggestions were ignored by the Nominating Committee by a vote of three to two. And now, pursuant to instructions from my Republican associates in this Conference, we will submit a minority report. I think, if this procedure is to be followed, it might be well in the future to adopt the same course of action with respect to our Nominating Committee that we adopted in Miami with respect to the Resolutions Committee, namely abolish it. We might just as well do it today.

The minority report, as I said, is signed by Governor Volpe and

myself. The majority report is signed by Governors Brown, King and Hughes of Iowa.

I will read the majority report first. The Nominating Committee offers as its nominee for the office of Secretary-Treasurer the name of Brevard Carihfield. The Nominating Committee offers as its nominees for the eight members on the Executive Committee the names of Governor John A. Burns of Hawaii, Governor John B. Connally of Texas, Governor Clifford P. Hansen of Wyoming, Governor Philip H. Hoff of Vermont, Governor Harold E. Hughes of Iowa, Governor Paul B. Johnson of Mississippi, Governor William W. Scranton of Pennsylvania and Governor John W. Volpe of Massachusetts. The Nominating Committee offers as its nominee for the Chairmanship of the National Governors' Conference the name of Governor John H. Reed of Maine. The adoption of this report is moved by Governors Edmond G. Brown, Harold E. Hughes and John W. King.

This is the minority report. The minority of the Nominating Committee offers as its nominee for the office of Secretary-Treasurer the name of Brevard Carihfield. The minority of the Nominating Committee offers as its nominees for the eight members on the Executive Committee the names of Governor John A. Burns of Hawaii, Governor John B. Connally of Texas, Governor Clifford P. Hansen of Wyoming, Governor Philip H. Hoff of Vermont, Governor Harold E. Hughes of Iowa, Governor Paul B. Johnson of Mississippi, Governor William W. Scranton of Pennsylvania and Governor John A. Volpe of Massachusetts. The minority of the Nominating Committee offers as its nominee for the chairmanship of the National Governors' Conference the name of John A. Love of Colorado. We move the adoption of this report, submitted by Robert E. Smylie and John A. Volpe of Massachusetts.

Governor Sawyer: The minority report is in order first. It in effect is an amendment proposed to the majority report. So the motion now is on the adoption of the minority report.

Governor Smylie, am I correct in saying that the difference between the two reports is only with respect to the office of the Chairman of the National Governors' Conference, the minority report nominating John A. Love and the majority report nominating John H. Reed?

Governor Smylie: Yes. And I call for a roll-call vote.

Governor Sawyer: Governor Smylie calls for a roll-call vote. First, is there any discussion?

Governor Brown: May I just say a word? Mr. Chairman and members of this Conference: I think it is unfortunate—

Governor Sawyer [Interposing]: Governor Brown, could I interrupt? Before we get into any discussion, we have not had a second to the motion to adopt the report of the committee. Is there a second?

Governor Volpe: I second the minority report.

Governor Sawyer: Governor Volpe seconded the minority report.

Is there a second on the main question or the majority report?

Governor John W. King: I second it.

Governor Sawyer: Governor Brown, go ahead.

Governor Brown: I think it is unfortunate that we have this dispute, too. And I resent very deeply the suggestion that there was some agreement reached at Miami that the other members of this Nominating Committee may have breached. I was never a party to any agreement in Miami. And acting as a member of the Nominating Committee, the Articles of Organization provide: "The chairmanship shall alternate annually between the two major political parties, and a majority of the members of the Executive Committee shall always be of a political party other than that of the Chairman." There never, to my knowledge, has ever been any move to amend these Articles of Organization by providing that the Republican Governors shall caucus and the Democratic Governors shall caucus and then the Nominating Committee shall just be a tool of the respective political caucuses of the political parties. It seems to me that the thing that is really fraught with danger is the use of this great Conference for the purpose of some political advantage to either one party or the other. I feel that there were other considerations than the recommendations of the caucus of the Republican Governors. I think that Governor John King might say a word as to the reason that we selected Governor Reed. I think every single solitary Governor of this Conference, selected by the people of his respective state, is worthy to be Chairman of this Conference. And there is no man for whom I have greater respect than John A. Love of Colorado. During the two and a half years that he has been Governor, I have grown to respect and admire him very much and his ability and capacity had nothing to do with the majority of the Nominating Committee. I think John King of New Hampshire might explain the reasons for the debate that we had in the Nominating Committee this morning.

Governor Sawyer: Thank you, Governor Brown.

Governor King: Governor Sawyer, it seems that I do much better with Republican voters than with Republican statesmen. We felt strongly that the recommendations that we had were of a persuasive nature; but that they were not of a controlling nature. I do not know of anybody who sought appointment on the committee. We felt that the major consideration was not that of personality but more of section. We felt that the eastern part of the United States should be recognized and this was the most controlling basis for our decision. It was not a matter of personality, and it was not a matter of recognizing the qualifications of either one of those names recommended to us. All of them, we felt, were highly qualified. But the basic reason for my thinking was that the eastern part of the United States should be recognized, as should the southern part of the country and the western states at another meeting.

Governor Sawyer: Thank you, Governor King.

Governor Avery: I am attending my first Governors' Conference. I would like to ask this question of either the gentleman from California or the gentleman from New Hampshire. Is the majority disclaiming any such agreement as was described by Governor Smylie that I understood was developed at Miami in 1963?

Governor Sawyer: We have a statement from Governor Brown on that.

Governor Brown: I cannot speak for the majority. I can only speak for myself. I was not present when any such agreement was made. It is true that at the last Governors' Conference two names were submitted by the Democratic caucus but it was never understood that this was a continuing precedent and one that would override the Articles of Organization of the Governors' Conference.

Governor Avery: I think it is rather important that this matter be cleared up this morning. Either we have an agreement or we don't have one. And we shall, I assume, proceed on that basis henceforth. Now, would the gentleman from New Hampshire like to address himself on that this morning?

Governor King: I am unacquainted with such an agreement. It was brought to my attention only when we were deliberating. But I assume it was in the nature of a recommendation and not controlling. Otherwise, we should not have the committee. We should take the recommendation of a caucus and eliminate the committee. Being a member of the committee, I felt that we had a wider range of jurisdiction than just considering the two names presented to us.

Governor Avery: Mr. Chairman, in the event that no other senior member of this organization, of the majority particularly, wishes to direct himself to this point, we are to assume then that henceforth we will proceed without precedent except as is clearly stipulated in the Articles of Organization? I am asking this question of the chair.

Governor Sawyer: Well, Governor Avery, I think that is a very difficult question to answer for this reason. As we know, we have a tremendous turnover of Governors here. As we said the other day, the mortality rate is very high. What those of us here now might decide, I do not think we could feel would be binding upon any other Governors who will come into this Conference. It would be a temporary arrangement, whatever it was.

Governor Avery: Of course. This Conference could not bind the subsequent one. I would be the first to agree.

Governor Brown: Isn't that what you are trying to do?

Governor Avery: No. I am just merely trying to clear the record without any equivocation that there is no precedent that prevails today and, therefore, a subsequent Conference will not be bound by any previous existing agreement.

Governor Sawyer: Governor Avery, I think the point has been well made by the action of the Nominating Committee and by the

statements of Governors. Certainly, those of us who might meet next year will not forget what was done this year.

Governor Avery: I thank the chair.

Governor Babcock: In regard to an agreement, certainly it was very well established that two names would be forthcoming. I think that this clearly was the understanding. I was there and it was the understanding that I had. Now, in regard to the geographical location of the Chairman of this coming Conference, I did a little research on this. And the farthest west that any Republican Chairman has been in the last seven years was Kansas. If we are going to use that as a criterion, I do not believe it to be too valid. It is true that we in the West are demanding a little more attention because of our growth. But at the same time I don't believe, if we are going to use that, that it is a valid one. Because, as I have said, in looking over the past seven years, certainly, it has been split very well.

Governor Sawyer: Thank you, Governor Babcock.

Is there any further discussion?

A roll-call vote has been requested. The Secretary will call the roll. We need ten hands. Fine. We have ten hands. A roll-call vote is in order and the Secretary will call the roll. This is a vote on the minority report. An aye vote is for adoption of the minority report, which would settle the matter, if it were adopted.

[The roll was called and the Governors of the following states voted in the affirmative:

ALABAMA	MICHIGAN	SOUTH DAKOTA
ARKANSAS	MONTANA	UTAH
COLORADO	NEW MEXICO	WASHINGTON
FLORIDA	OHIO	WEST VIRGINIA
IDAHO	OKLAHOMA	WISCONSIN
KANSAS	OREGON	WYOMING
MASSACHUSETTS	RHODE ISLAND	

The Governors of the following states and one territory voted in the negative:

ALASKA	KENTUCKY	NORTH CAROLINA
ARIZONA	LOUISIANA	NORTH DAKOTA
CALIFORNIA	MINNESOTA	SOUTH CAROLINA
GEORGIA	MISSOURI	TENNESSEE
HAWAII	NEBRASKA	TEXAS
ILLINOIS	NEVADA	VERMONT
IOWA	NEW HAMPSHIRE	VIRGIN ISLANDS]
	NEW JERSEY	

Governor Chafee: I ask for the opportunity to explain my vote. I want to make it very clear in casting my vote that this, of course, in no way reflects upon the nominee of the majority, but instead it is standing by an agreement which certainly was clear to me in Miami and I think was clear to those gentlemen who are part of our

caucus. And that was an agreement that we reached. It has been followed now for two years. It is not giving the Nominating Committee just one choice but two choices. So they have a function to perform. Therefore, I vote aye.

Governor Sawyer: The vote is 20 ayes and 22 noes. The motion fails.

The matter before the house now is on the majority report. Is there any discussion? The question is called for. All in favor of the motion please indicate by saying "Aye." Opposed? The motion is carried unanimously.

Gentlemen, I would like to have your new Executive Committee stand and be acknowledged by you. Will all of the members of the Executive Committee please stand?

I would like now to call on the new Chairman of the Governors' Conference for some remarks, Governor Reed.

Governor Reed: Mr. Chairman and fellow Governors: First, may I explain my position in reference to the election that has just been held. Prior to our coming to Minneapolis, I was approached by members of both of our parties as to whether I would be a candidate and actively seek the nomination for Chairman. I indicated to these individuals that I was not in any way going to pursue the chairmanship of this Conference. I was further asked if I would accept it if it were offered to me, once again by members of both of our political parties, and I said, "I do not feel any Governor, Democrat or Republican, if he were chosen to head this Conference, should decline or default on his obligation." And throughout the various deliberations that have been held in reference to the matter of nomination of a chairman, this has been my posture. I would not in any way stray from this. But I do want to explain that I do not slight the support of any of my fellow Governors. Indeed, I feel it should be one in which the majority of the Governors do select an individual to head this Conference. I, in our caucus yesterday, did not even vote for myself. I do not feel that the action and this democratic procedure of our representative form of government that has just taken place will in any way be divisive or deter the important work of this Conference in the future. Indeed, I am convinced that this will remain and improve as a viable and important instrument of government, the one vehicle in which we, the Governors of the respective states, can express our views on important matters facing our individual states in this nation of ours.

So I am indeed honored to accept the nomination that you have just conferred on me. We are aware, of course, that we have an extremely important meeting this afternoon to hear the President of these United States. So with that in mind and in the interest of time, I am not going to stay here and deliver any extended remarks. But I do want to say that I look forward with eagerness to the year

ahead, a year that I feel will provide once again increased results for this Conference of ours. I value the friendship and acquaintance of every individual Governor around this table. I ask for your support and for your cooperation. I can assure you that I will preside as impartially and as fairly as I can, and without bias, to each and every member who is privileged to belong to this extremely select organization.

I have just two things before I call the meeting to a close. I would like to add my appreciation to those who have already extended them to our wonderful hosts, Governor Karl and Florence Rolvaag, for the tremendous Conference that they have just presented to us here. I do not think that any of us, unless we have been through this, realize the extent of the preparations and the demands upon physical and mental endurance. Surely, this will go down in history as one of the most memorable and one of the most pleasant of our meetings during the existence of this Conference. It has been a wonderful Conference, Karl, and I certainly want to extend my appreciation to you.

One other final thing and that is that this is the sixth Conference that I have had the opportunity to attend. Every one of these has a top rating for me in my book of memories, since I have been privileged to serve as Governor of our great State of Maine. But surely this Conference has been presided over by an individual who has demonstrated qualities of leadership, a man all of us can be extremely proud to have as the head of our Conference during this past year, a superlative leader with great voice and presence and knowledge of what needs to be done to guide the destiny of this Conference. I will do my best to follow in the high traditions that have been established and maintained by our own Governor Grant Sawyer of Nevada, the Chairman of this Conference. I would ask now that we express our appreciation to Grant by a rising vote of applause.

Governor Sawyer: Thank you very much. I certainly want to express my appreciation for the opportunity that you have given me during the last year. It has been extremely interesting and fruitful. I have enjoyed it immensely. I am sure that the conduct of affairs of the Governors' Conference is in good hands for next year.

[Several announcements were made by Governor Sawyer.]

Governor Sawyer: If there is no other business to come before the body, I would now like to call upon Rabbi Max Shapiro of the Temple Israel for the benediction.

Rabbi Max Shapiro: It is written, unless the Lord builds the house, they who build it labor in vain. We ask Thy blessing, O Lord, upon these Governors as they go forth from this Conference. Guide them, we pray, in all they undertake to do. Fervently we invoke Thy blessings upon this country, upon our President, his coun-

selors and advisers, and be with these Governors and all who are entrusted with our dream of the future. Help them to face the trials, the decisions and the difficulties of these days with confidence, conviction and foresight. Help them build a society that is just, a world that can be at peace so all mankind may rejoice and that Thy Will will thereby be done. Amen.

[The Conference adjourned at 11:55 a.m., sine die.]

Appendices

Appendix I

THE GOVERNORS, JULY, 1965

State or other Jurisdiction	Governor and Political Party	Length of Regular Term in Years	Present Term Began January	Number of Previous Terms	Max. Consecu- tive Terms Allowed by Constitution
Alabama	George C. Wallace (D)	4	1963	-	(a)
Alaska	William A. Egan (D)	4	1962(b)	1	2(c)
Arizona	Samuel P. Goddard, Jr. (D)	2	1965	-	-
Arkansas	Orval E. Faubus (D)	2	1965	5	-
California	Edmund G. Brown (D)	4	1963	1	-
Colorado	John A. Love (R)	4	1963	-	-
Connecticut	John Dempsey (D)	4	1963	(d)	-
Delaware	Charles L. Terry, Jr. (D)	4	1965	-	2(e)
Florida	Haydon Burns (D)	2(f)	1965	-	(f)
Georgia	Carl E. Sanders (D)	4	1963	-	(a)
Hawaii	John A. Burns (D)	4	1962(g)	-	-
Idaho	Robert E. Smylie (R)	4	1963	2	-
Illinois	Otto Kerner (D)	4	1965	1	-
Indiana	Roger D. Branigin (D)	4	1965	-	(a)
Iowa	Harold E. Hughes (D)	2	1965	1	-
Kansas	William H. Avery (R)	2	1965	-	-
Kentucky	Edward T. Breathitt (D)	4	1963(h)	-	(a)
Louisiana	John J. McKeithen (D)	4	1964(i)	-	(a)
Maine	John H. Reed (R)	4	1963	(j)	2
Maryland	J. Millard Tawes (D)	4	1963	1	2
Massachusetts	John A. Volpe (R)	2(k)	1965	1(l)	-
Michigan	George Romney (R)	2(m)	1965	1	-
Minnesota	Karl F. Rolvaag (D)	4	1963	-	-
Mississippi	Paul B. Johnson (D)	4	1964	-	(a)
Missouri	Warren E. Hearnes (D)	4	1965	-	(a)
Montana	Tim Babcock (R)	4	1965	(n)	-
Nebraska	Frank B. Morrison (D)	2(k)	1965	2	-
Nevada	Grant Sawyer (D)	4	1963	1	-
New Hampshire	John W. King (D)	2	1965	1	-
New Jersey	Richard J. Hughes (D)	4	1962	-	2
New Mexico	Jack M. Campbell (D)	2	1965	1	2
New York	Nelson A. Rockefeller (R)	4	1963	1	-
North Carolina	Dan K. Moore (D)	4	1965	-	(a)
North Dakota	William L. Guy (D)	4(o)	1965	2	-
Ohio	James A. Rhodes (R)	4	1963	-	2
Oklahoma	Henry Bellmon (R)	4	1963	-	(a)
Oregon	Mark O. Hatfield (R)	4	1963	1	2
Pennsylvania	William W. Scranton (R)	4	1963	-	(a)
Rhode Island	John H. Chafee (R)	2	1965	1	-
South Carolina	Robert E. McNair (D)	4	1963(p)	-	(q)
South Dakota	Nils A. Boe (R)	2	1965	-	2(r)
Tennessee	Frank G. Clement (D)	4	1963	2(s)	(a)
Texas	John B. Connally (D)	2	1965	1	-
Utah	Calvin L. Rampton (D)	4	1965	-	-
Vermont	Philip H. Hoff (D)	2	1965	1	-
Virginia	Albertis S. Harrison, Jr. (D)	4	1962	-	(a)
Washington	Daniel J. Evans (R)	4	1965	-	-
West Virginia	Hulett C. Smith (D)	4	1965	-	(a)
Wisconsin	Warren P. Knowles (R)	2	1965	-	-
Wyoming	Clifford P. Hansen (R)	4	1963	-	-
American Samoa	H. Rex Lee (D)	(t)	1961(u)	-	-
Guam	Manuel Flores Leon Guerrero(D)	4	1963(v)	-	-
Puerto Rico	Roberto Sanchez-Vilella (w)	4	1965	-	-
Virgin Islands	Ralph M. Paiewonsky (D)	(t)	1961(x)	-	-

FOOTNOTES

- (a) Governor cannot succeed himself.
- (b) Alaska Constitution specifies first Monday in December as Inauguration Day.
- (c) Since the first Governor was precluded from serving a full four-year term, the two-term constitutional limitation did not apply to his first term.
- (d) Governor Dempsey, formerly Lieutenant Governor, succeeded to office in January, 1961, to fill unexpired four-year term of former Governor Abraham A. Ribicoff (resigned), which began in January, 1959. Elected to full four-year term in November, 1962.
- (e) No person may be elected Governor for more than two terms, consecutive or non-consecutive.
- (f) Recent constitutional amendment specifies that the Governor shall be elected at mid-point between Presidential elections. Hence, Governor Burns was elected in November, 1964, for a two-year term. Another election will be held in November, 1966, for the regular four-year term. At this one election the incumbent Governor may succeed himself.
- (g) Hawaii Constitution specifies first Monday in December as Inauguration Day.
- (h) December 10, 1963.
- (i) May 12, 1964.
- (j) Governor Reed, formerly Senate President, succeeded to office in December, 1959, upon the death of former Governor Clinton A. Clauson and was elected in November, 1960, to fill unexpired four-year term which began January, 1959. Re-elected November, 1962.
- (k) Beginning with the election of 1966, term of office of Governor will be four years.
- (l) Previous term 1961-1963.
- (m) New Michigan Constitution provides that term of office for Governor will be four years beginning with January, 1967, term.
- (n) Governor Babcock, formerly Lieutenant Governor, succeeded to office in January, 1962, upon the death of former Governor Donald G. Nutter, and filled unexpired four-year term which began January, 1961. Elected to full four-year term in November, 1964.

- (o) Previous term was two years, now four years.
- (p) Governor McNair, formerly Lieutenant Governor, succeeded to office in April, 1965, to fill unexpired four-year term of former Governor Donald S. Russell (resigned), which began in January, 1963.
- (q) Governor not eligible for "re-election."
- (r) Nomination for third successive term prohibited by state law.
- (s) Two previous terms; 1953-55; four year term 1955-59.
- (t) Indefinite term.
- (u) May, 1961.
- (v) Became Acting Governor on January 20, 1963, upon resignation of Governor Bill Daniel. Inaugurated on March 9, 1963.
- (w) Popular Democratic Party.
- (x) April, 1961.

Appendix II

ARTICLES OF ORGANIZATION*

Article I

NAME AND MEMBERSHIP

The name of this organization shall be the "National Governors' Conference," hereinafter referred to as the "Conference."

Membership in the Conference shall be restricted to the Governors of the several states of the United States, the Virgin Islands, Guam, American Samoa, and the Commonwealth of Puerto Rico.

Article II

FUNCTIONS

The functions of the Conference shall be to provide a medium for the exchange of views and experiences on subjects of general importance to the people of the several states; to foster interstate cooperation; to promote greater uniformity of state laws; to attain greater efficiency in state administration; and to facilitate and improve state-local and state-federal relationships.

Article III

MEETINGS

The Conference shall meet annually at a time and place selected by the Executive Committee. The agenda as announced and printed in the official program for the Annual Meeting shall be the official agenda. The Proceedings of the Annual Meetings shall be fully reported and published.

Special meetings of the Conference may be held at the call of the Executive Committee.

Twenty-five members present at the Annual Meeting or a special meeting shall constitute a quorum.

* General revision adopted at Fifty-first Annual Meeting, San Juan, Puerto Rico, August 3, 1959; as further amended at Fifty-third Annual Meeting, Honolulu, Hawaii, June 28, 1961; at Fifty-fourth Annual Meeting, Hershey, Pennsylvania, July 3, 1962; at Fifty-fifth Annual Meeting, Miami Beach, Florida, July 22, 1963; at Fifty-sixth Annual Meeting, Cleveland, Ohio, June 10, 1964; and at Fifty-seventh Annual Meeting, Minneapolis, Minnesota, July 27, 1965.

Article IV

EXECUTIVE COMMITTEE

The Executive Committee of the Conference shall consist of the Chairman of the Conference and eight other members elected at the final business session of the Annual Meeting.

Not more than five members of the Executive Committee shall be representative of a single political party. To the extent practicable, the members of the Executive Committee shall be widely representative of the various areas and regions of the United States.

Members of the Executive Committee shall hold office until the adjournment of the succeeding Annual Meeting and until their successors are chosen. Vacancies in the Executive Committee may be filled by the Chairman subject to ratification by the remaining members of the Committee by mail ballot or by vote at the next subsequent meeting of the Committee.

The Executive Committee shall meet not less than three times each year. It shall have authority to act for the Conference in the interim between Annual Meetings.

The Executive Committee is empowered to authorize the creation of standing, special project or study committees of the Conference, and to assign and reassign to such committees the studies authorized by the Conference.

Article V

CHAIRMAN

The Chairman of the Conference shall be elected by the Conference at the final business session of the Annual Meeting.

The chairmanship shall alternate annually between the two major political parties, and a majority of the members of the Executive Committee shall always be of a political party other than that of the Chairman.

He shall hold office until the adjournment of the succeeding Annual Meeting and until his successor is chosen. A vacancy in the chairmanship shall be filled by vote of the remaining members of the Executive Committee at the next subsequent meeting of the Committee.

The Chairman shall preside and vote at meetings of the Executive Committee and of the Conference.

He shall appoint a Nominating Committee to serve at the Annual Meeting, and he shall appoint the members of standing, special project or study committees created by the Conference or by the Executive Committee.

The Chairman shall arrange the program of the Annual Meeting with the advice and counsel of the Executive Committee.

Article VI

SECRETARY-TREASURER

A Secretary-Treasurer shall be elected by the Conference at the final business session of the Annual Meeting. He shall attend and keep a correct record of all meetings of the Conference; safely keep all documents and other property of the Conference which shall come into his hands; and he shall perform all other duties usually appertaining to his office or which may be required by the Executive Committee.

He shall make all necessary arrangements for the Annual Meeting and special meetings with the advice and counsel of the Executive Committee and shall edit the stenographic record of the proceedings of all meetings.

Subject to the authority of the Executive Committee, he shall have custody of the funds of the Conference. He shall deposit funds of the Conference in its name; shall annually report all receipts, disbursements, and balances on hand; and shall furnish a bond with sufficient sureties conditioned for the faithful performance of his duties.

Article VII

DUES

Each member shall contribute the sum of \$200 per year to defray necessary expenses of the Conference.

Article VIII

AMENDMENTS

The Conference at any meeting may amend these Articles of Organization by a majority vote of all Governors present and voting. Notice of specific amendments together with an explanatory statement shall be mailed to all members of the Conference at least thirty days prior to submitting an amendment to vote at a meeting. In the absence of such notice, a three-fourths majority vote shall be required for the adoption of any proposed amendment.

Article IX

SUSPENSION

Any Article of procedure for conducting the business of the Conference may be suspended by a three-fourths vote.

Appendix III

RULES OF PROCEDURE OF THE NATIONAL GOVERNORS' CONFERENCE*

Preamble

1. These rules of procedure shall be in specific conformity with the Articles of Organization of the National Governors' Conference and, to the extent practicable, shall be consonant with precedents and traditions of the Conference.

2. On any issue not covered by these rules of procedure or by the Articles of Organization, Mason's Manual of Legislative Procedure shall be the standard authority, when applicable.

Rule I — Resolutions

1. By action of the Conference at its 1963 Annual Meeting, the Articles of Organization were amended to abolish resolutions and the Resolutions Committee. Hence, the Articles of Organization must be suspended by a three-fourths vote in order to consider a resolution. Under such suspension, the resolution itself may be adopted by a simple majority vote.

2. Any member intending to offer a motion for suspension of the Articles of Organization in order to consider a resolution shall give notice of such intention and shall distribute to all other members present a copy of such proposed resolution, at least one session before such motion is put to a vote.

3. Any proposition of a policy nature that purports to express the view of the Conference shall be considered and voted upon as though it were a resolution, including any proposition for the creation of a standing committee of the Conference.

Rule II — Committee Reports

1. A committee chairman or other committee member may offer a motion with respect to a committee report in either of the following forms: (a) that the report be approved; (b) that the report be received and filed. A substitute motion may be offered from the floor to refer the report back to committee for further study. A committee report may include minority or dissenting views. A motion to table is not in order.

* Adopted at Fifty-sixth Annual Meeting, Cleveland, Ohio, June 8, 1964; readopted at Fifty-seventh Annual Meeting, Minneapolis, Minnesota, July 27, 1965.

2. If there be separate majority and minority reports from a committee, the following motions shall be in order: (a) a motion to approve the majority report (by a majority member of the committee); (b) a motion to approve the minority report in lieu of the majority report (by a minority member of the committee); (c) a motion to receive and file both reports (by any member from the floor); and (d) a motion to refer both reports back to committee for further study (by any member from the floor). Voting on any of these motions shall be in reverse order of the above. A motion to table is not in order.

3. No individual amendments to a committee report, a separate majority report, or a separate minority report may be offered from the floor.

4. Action on the motions described above shall be by a simple majority vote.

5. Any resolution or excerpted policy statement with respect to the substance of a committee report shall be voted upon as though it were a resolution (see Rule I — Resolutions).

Rule III — Ordinary Business

1. Any proposition of a non-policy nature, but necessary to carry on the business of the Conference, may be approved by a simple majority vote.

Rule IV — Motions to Amend

1. Motions to amend most propositions are in order. An amendment may be amended, but an amendment to an amendment may not be amended because this would lead to undue confusion. Amendments may be adopted by a simple majority vote.

2. Every amendment proposed must be germane to the subject of the proposition to be amended. To be germane, the amendment is required only to relate to the same subject, and it may entirely change the effect of the proposition. An amendment to an amendment must be germane to the subject of the amendment as well as to the main proposition.

3. Any amendment must be in writing if the chairman so requests.

Rule V — Motions to Table

1. The purpose of a motion to table is to eliminate further consideration of any pending matter. Such motion is in order on either the entire question or on a pending amendment, and the member offering the motion should identify the breadth of his motion. A motion to table is not debatable. Adoption requires a simple majority vote. Motion may be renewed after progress in debate.

Rule VI — Previous Question

1. The purpose of a motion for the previous question is to close debate and vote immediately on either the pending amendment alone, or on all amendments and the main question seriatim. Member offering the motion should identify the breadth of his motion. A motion for the previous question is not debatable. Adoption requires a two-thirds vote. Motion may be renewed after progress in debate.

Rule VII — Postpone Indefinitely

1. The purpose of a motion to postpone indefinitely is to reject a main proposition without the risk of a direct vote on final passage. It may not be applied to an amendment and may not be renewed. The motion is debatable. Adoption requires a simple majority vote.

Rule VIII — Roll Call Votes

1. A roll call vote may be requested by any member on any pending question. The roll shall be called upon a show of hands by ten members.

2. Whenever the roll is called, all members present shall be entitled to vote. No proxies shall be permitted.

3. The proportion of votes required for passage of any proposition or motion, as set forth in these rules of procedure, refers to the number of members present and voting.

Rule IX — Adoption, Amendment and Suspension of Rules

1. These rules of procedure may be adopted or amended at the first business session of any annual or special meeting of the Conference by a simple majority vote. Thereafter, for the duration of any such annual or special meeting, amendment or suspension of the rules shall require a three-fourths vote.

Appendix IV

TREASURER'S REPORT

Summary of Cash Receipts and Disbursements for the Period
June 1, 1964 - June 30, 1965

BALANCE

Balance on hand as of May 31, 1964 \$ 3,671.44

RESERVE

Reserve for 1964 Booklet, Governors of the American States,
Commonwealths and Territories 1,500.00

RECEIPTS

Dues received from states 5,300.00
Sale of Proceedings 1,195.25

TOTAL \$11,666.69

DISBURSEMENTS

Crewdson Printing Company, 1,000 copies of the 1964 Book-
let, Governors of the American States, Commonwealths
and Territories \$ 1,650.00
Sheraton-Cleveland Hotel, Expenses 1964 Annual Meeting . . . 93.83
Burrows Reporting Service, Transcript of Proceedings, 1964
Annual Meeting 349.19
Acorn Badge Company, Supplies 1964 Annual Meeting 364.00
Marshall Field and Company, Gifts for Conference Host and
Chairman 163.62
Western Union 358.31
Waldorf Astoria, Governors' Conference Committee on Elec-
tion Laws and Communications Media Operations 494.01
Arthur Young and Company, 1964 Annual Audit 130.00
Carte Blanche, Governors' Conference Committee on Elec-
tion Laws and Communications Media Operations 140.52
University of Chicago Press, 300 copies 1964 Governors'
Conference Proceedings 1,755.11
Western Union 72.73
R. R. Donnelly and Sons Company, Engravings for Governors'
Booklet 216.69
Council of State Governments, Express charges 85.51
Reserve for 1965 Booklet, Governors of the American States,
Commonwealths and Territories 2,000.00
Reserve for Miscellaneous Printing 500.00

TOTAL DISBURSEMENTS \$ 8,373.52

Net Balance, June 30, 1965 \$ 3,293.17

Appendix V

ANNUAL MEETINGS OF THE NATIONAL GOVERNORS' CONFERENCE

1st	Washington, D. C.	May 13-15	1908
2nd	Washington, D. C.	January 18-20	1910
3rd	Frankfort and Louisville, Kentucky	Nov. 29-Dec. 1	1910
4th	Spring Lake, New Jersey	September 12-16	1911
5th	Richmond, Virginia	December 3-7	1912
6th	Colorado Springs, Colorado	August 26-29	1913
7th	Madison, Wisconsin	November 10-13	1914
8th	Boston, Massachusetts	August 24-27	1915
9th	Washington, D. C.	December 14-16	1916
		No Meeting	1917
10th	Annapolis, Maryland	December 16-18	1918
11th	Salt Lake City, Utah	August 18-21	1919
12th	Harrisburg, Pennsylvania	December 1-3	1920
13th	Charleston, South Carolina	December 5-7	1921
14th	White Sulphur Springs, West Virginia	December 14-16	1922
15th	West Baden, Indiana	October 17-19	1923
16th	Jacksonville, Florida	November 17-18	1924
17th	Poland Springs, Maine	June 29-July 1	1925
18th	Cheyenne, Wyoming	July 26-29	1926
19th	Mackinac Island, Michigan	July 25-27	1927
20th	New Orleans, Louisiana	November 20-22	1928
21st	New London, Connecticut	July 16-18	1929
22nd	Salt Lake City, Utah	June 30-July 2	1930
23rd	French Lick, Indiana	June 1-2	1931
24th	Richmond, Virginia	April 25-27	1932
25th	Sacramento and San Francisco, Calif.	July 24-26	1933
26th	Mackinac Island, Michigan	July 26-27	1934
27th	Biloxi, Mississippi	June 13-15	1935
28th	St. Louis, Missouri	November 16-18	1936
29th	Atlantic City, New Jersey	September 14-16	1937
30th	Oklahoma City, Oklahoma	September 26-28	1938
31st	Albany and New York, New York	June 26-29	1939
32nd	Duluth, Minnesota	June 2-5	1940
33rd	Boston and Cambridge, Massachusetts	June 29-July 2	1941
34th	Asheville, North Carolina	June 21-24	1942
35th	Columbus, Ohio	June 20-23	1943
36th	Hershey, Pennsylvania	May 28-31	1944
37th	Mackinac Island, Michigan	July 1-4	1945
38th	Oklahoma City, Oklahoma	May 26-29	1946
39th	Salt Lake City, Utah	July 13-16	1947
40th	Portsmouth, New Hampshire	June 13-16	1948
41st	Colorado Springs, Colorado	June 19-22	1949
42nd	White Sulphur Springs, West Virginia	June 18-21	1950
43rd	Gatlinburg, Tennessee	Sept. 30-Oct. 3	1951
44th	Houston, Texas	June 29-July 2	1952
45th	Seattle, Washington	August 2-6	1953
46th	Lake George, New York	July 11-14	1954
47th	Chicago, Illinois	August 9-12	1955
48th	Atlantic City, New Jersey	June 24-27	1956
49th	Williamsburg, Virginia	June 23-26	1957
50th	Bal Harbour, Florida	May 18-21	1958
51st	San Juan, Puerto Rico	August 2-5	1959
52nd	Glacier National Park, Montana	June 26-29	1960
53rd	Honolulu, Hawaii	June 25-28	1961
54th	Hershey, Pennsylvania	July 1-4	1962
55th	Miami Beach, Florida	July 21-24	1963
56th	Cleveland, Ohio	June 6-10	1964
57th	Minneapolis, Minnesota	July 25-29	1965

Appendix VI

CHAIRMEN OF THE NATIONAL GOVERNORS' CONFERENCE, 1908-1966*

Governor Augustus E. Willson, Kentucky	1910
Governor Francis E. McGovern, Wisconsin	1911-14
Governor David I. Walsh, Massachusetts	1914-15
Governor William Spry, Utah	1915-16
Governor Arthur Capper, Kansas	1916-17
Governor Emerson C. Harrington, Maryland	1918
Governor Henry J. Allen, Kansas	1919
Governor William C. Sproul, Pennsylvania	1919-1922
Governor Channing H. Cox, Massachusetts	1922-24
Governor E. Lee Trinkle, Virginia	1924-25
Governor Ralph O. Brewster, Maine	1925-27
Governor Adam McMullen, Nebraska	1927-28
Governor George H. Dern, Utah	1928-30
Governor Norman S. Case, Rhode Island	1930-32
Governor John G. Pollard, Virginia	1932-33
Governor James Rolph, Jr., California	1933-34
Governor Paul V. McNutt, Indiana	1934-36
Governor George C. Peery, Virginia	1936-37
Governor Robert L. Cochran, Nebraska	1937-39
Governor Lloyd C. Stark, Missouri	1939-40
Governor William H. Vanderbilt, Rhode Island	1940-41
Governor Harold E. Stassen, Minnesota	1941-42
Governor Herbert R. O'Connor, Maryland	1942-43
Governor Leverett Saltonstall, Massachusetts	1943-44
Governor Herbert B. Maw, Utah	1944-45
Governor Edward Martin, Pennsylvania	1945-46
Governor Millard F. Caldwell, Florida	1946-47
Governor Horace A. Hildreth, Maine	1947-48
Governor Lester C. Hunt, Wyoming	1948
Governor William P. Lane, Jr., Maryland	1949
Governor Frank Carlson, Kansas	1949-50
Governor Frank J. Lausche, Ohio	1950-51
Governor Val Peterson, Nebraska	1951-52
Governor Allan Shivers, Texas	1952-53
Governor Dan Thornton, Colorado	1953-54
Governor Robert F. Kennon, Louisiana	1954-55
Governor Arthur B. Langlie, Washington	1955-56
Governor Thomas B. Stanley, Virginia	1956-57
Governor William G. Stratton, Illinois	1957-58
Governor LeRoy Collins, Florida	1958-59
Governor J. Caleb Boggs, Delaware	1959-60
Governor Stephen L. R. McNichols, Colorado	1960-61
Governor Wesley Powell, New Hampshire	1961-62
Governor Albert D. Rosellini, Washington	1962-63
Governor John Anderson, Jr., Kansas	1963-64
Governor Grant Sawyer, Nevada	1964-65
Governor John H. Reed, Maine	1965-66

* At the initial meeting in 1908, President Theodore Roosevelt presided.

Appendix VII

OPENING STATEMENT AT PRESS CONFERENCE OF
THE PRESIDENT OF THE UNITED STATES

Wednesday, July 28, 1965

The President: My fellow Americans: Not long ago I received a letter from a woman in the Midwest. She wrote, "Dear Mr. President: In my humble way I am writing to you about the crisis in Viet-Nam. I have a son who is now in Viet-Nam. My husband served in World War II. Our country was at war, but now, this time, it is just something that I don't understand. Why?"

Well, I have tried to answer that question dozens of times and more in practically every State in this Union. I have discussed it fully in Baltimore in April, in Washington in May, in San Francisco in June. Let me again, now, discuss it here in the East Room of the White House.

Why must young Americans, born into a land exultant with hope and with golden promise, toil and suffer and sometimes die in such a remote and distant place?

The answer, like the war itself, is not an easy one, but it echoes clearly from the painful lessons of half a century. Three times in my lifetime in two world wars and in Korea Americans have gone to far lands to fight for freedom. We have learned at a terrible and brutal cost that retreat does not bring safety and weakness does not bring peace.

It is this lesson that has brought us to Viet-Nam. This is a different kind of war. There are no marching armies or solemn declarations. Some citizens of South Viet-Nam at times with understandable grievances have joined in the attack on their own government. But we must not let this mask the central fact that this is really war.

It is guided by North Viet-Nam and it is spurred by Communist China. Its goal is to conquer the South, to defeat American power, and to extend the Asiatic dominion of communism.

There are great stakes in the balance.

Most of the non-Communist nations of Asia cannot, by themselves and alone, resist growing might and the grasping ambition of Asian communism.

Our power, therefore, is a very vital shield. If we are driven from the field in Viet-Nam, then no nation can ever again have the same confidence in American promise, or in American protection.

In each land the forces of independence would be considerably weakened and an Asia so threatened by communist domination would certainly imperil the security of the United States itself.

We did not choose to be the guardians at the gate, but there is no one else.

Nor would surrender in Viet-Nam bring peace, because we learned from Hitler at Munich that success only feeds the appetite of aggression. The battle would be renewed in one country and then another country, bringing with it perhaps even larger and crueler conflict, as we have learned from the lessons of history.

Moreover, we are in Viet-Nam to fulfill one of the most solemn pledges of the American Nation. Three Presidents — President Eisenhower, President Kennedy and your present President — over 11 years, have committed themselves and have promised to help defend this small and valiant nation.

Strengthened by that promise, the people of South Viet-Nam have fought for many long years. Thousands of them have died. Thousands more have been crippled and scarred by war. We just cannot now dishonor our word or abandon our commitment or leave those who believed us and who trusted us too, to the terror and repression and murder that would follow.

This, then, my fellow Americans, is why we are in Viet-Nam. What are our goals in that war-stained land?

First: We intend to convince the Communists that we cannot be defeated by force of arms or by superior power. They are not easily convinced. In recent months they have greatly increased their fighting forces and their attacks and the number of incidents. I have asked the Commanding General, General Westmoreland, what more he needs to meet this mounting aggression. He has told me. We will meet his needs.

I have today ordered to Viet-Nam the Air Mobile Division and certain other forces which will raise our fighting strength from 75,000 to 125,000 men almost immediately. Additional forces will be needed later, and they will be sent as requested. This will make it necessary to increase our active fighting forces by raising the monthly draft call from 17,000 over a period of time, to 35,000 per month, and for us to step up our campaign for voluntary enlistments.

After this past week of deliberations, I have concluded that it is not essential to order Reserve units into service now. If that necessity should later be indicated, I will give the matter most careful consideration and I will give the country an adequate notice before taking such action, but only after full preparations.

We have also discussed with the Government of South Viet-Nam lately, the steps that we will take to substantially increase their own effort, both on the battlefield and toward reform and progress in the villages. Ambassador Lodge is now formulating a new program to be tested upon his return to that area.

I have directed Secretary Rusk and Secretary McNamara to be available immediately to the Congress to review with these committees, the appropriate Congressional committees, what we plan to do

in these areas. I have asked them to be able to answer the questions of any Member of Congress.

Secretary McNamara, in addition, will ask the Senate Appropriations Committee to add a limited amount to present legislation to help meet part of this new cost until a supplemental measure is ready, and hearings can be held when the Congress assembles in January.

In the meantime, we will use the authority contained in the present Defense Appropriations bill under consideration, to transfer funds in addition to the additional money that we will ask.

These steps, like our actions in the past, are carefully measured to do what must be done to bring an end to aggression and a peaceful settlement.

We do not want an expanding struggle with consequences that no one can perceive, nor will we bluster or bully or flaunt our power, but we will not surrender and we will not retreat, for behind our American pledge lies the determination and resources, I believe, of all of the American Nation.

Second, once the Communists know, as we know, that a violent solution is impossible, then a peaceful solution is inevitable.

We are ready now, as we have always been, to move from the battlefield to the conference table. I have stated publicly, and many times, again and again, America's willingness to begin unconditional discussions with any government at any place at any time. Fifteen efforts have been made to start these discussions with the help of 40 nations throughout the world, but there has been no answer.

But we are going to continue to persist, if persist we must, until death and desolation have led to the same conference table where others could now join us at a much smaller cost.

I have spoken many times of our objectives in Viet-Nam. So has the government of South Viet-Nam. Hanoi has set forth its own proposal. We are ready to discuss their proposals and our proposals and any proposals of any government whose people may be affected, for we fear the meeting room no more than we fear the battlefield.

In this pursuit, we welcome and we ask for the concern and the assistance of any nation and all nations. If the United Nations and its officials or any one of its 114 members can by deed or word, private initiative or public action, bring us nearer an honorable peace, then they will have the support and the gratitude of the United States of America.

I have directed Ambassador Goldberg to go to New York today and to present immediately to Secretary General U Thant a letter from me requesting that all of the resources, energy, and immense prestige of the United Nations be employed to find ways to halt aggression and to bring peace in Viet-Nam.

I made a similar request at San Francisco a few weeks ago, because we do not seek the destruction of any government, nor do we

covet a foot of any territory, but we insist and we will always insist that the people of South Viet-Nam shall have the right of choice, the right to shape their own destiny in free elections in the South, or throughout all Viet-Nam under international supervision, and they shall not have any government imposed upon them by force and terror so long as we can prevent it.

This was the purpose of the 1954 agreements which the Communists have now cruelly shattered. If the machinery of those agreements was tragically weak, its purposes still guide our action. As battle rages, we will continue as best we can to help the good people of South Viet-Nam enrich the condition of their life, to feed the hungry and to tend the sick, and teach the young, and shelter the homeless, and help the farmer to increase crops, and the worker to find a job.

It is an ancient, but still terrible irony, that while many leaders of men create division in pursuit of grand ambitions, the children of man are really united in the simple elusive desire for a life of fruitful and rewarding toil.

As I said at Johns Hopkins in Baltimore, I hope that one day we can help all the people of Asia toward that desire. Eugene Black has made great progress since my appearance in Baltimore in that direction—not as the price of peace, for we are ready always to bear a more painful cost, but rather as a part of our obligations of justice toward our fellow man.

Let me also add now a personal note. I do not find it easy to send the flower of our youth, our finest young men, into battle. I have spoken to you today of the divisions and the forces and the battalions and the units. But I know them all, every one. I have seen them in a thousand streets, of a hundred towns, in every State in this Union—working and laughing and building, and filled with hope and life. I think that I know too, how their mothers weep and how their families sorrow. This is the most agonizing and the most painful duty of your President.

There is something else, too. When I was young, poverty was so common that we didn't know it had a name. And education was something that you had to fight for. Water was really life itself. I have now been in public life for 35 years, more than three decades, and in each of those 35 years I have seen good men, and wise leaders, struggle to bring the blessings of this land to all of our people. Now, I am the President.

It is now my opportunity to help every child get an education, to help every Negro and every American citizen have an equal opportunity, to have every family get a decent home and to help bring healing to the sick and dignity to the old.

As I have said before, that is what I have lived for. That is what I have wanted all my life since I was a little boy, and I do not want to see all those hopes and all those dreams of so many people for so

many years now drowned in the wasteful ravages of cruel wars. I am going to do all I can to see that that never happens.

But I also know, as a realistic public servant, that as long as there are men who hate and destroy, we must have the courage to resist, or we will see it all, all that we have built, all that we hope to build, all of our dreams for freedom—all—all—will be swept away on the flood of conquest.

So, too, this shall not happen. We will stand in Viet-Nam.

(Later in the press conference, in answer to a question, the President made the following statement.)

I would hope that the Governors, when they understand what we are doing and when I have a chance to submit to their questioning and to counsel with them, would share my view. I know they have the same concern for the American people and the people of the world as I do. And I don't believe our objectives will be very different. As a matter of fact, I asked the Governors, if they could, to come here at the conclusion of their deliberations and I will ask them—I will have my plane go to Minneapolis tomorrow—and I believe most of them have indicated a desire to come here. I will give them all the information I can—confidential, secret and otherwise—because I have great respect for them and their judgment, their opinions and their leadership. And it's going to be necessary in this effort. I will also have the Secretary of State and Secretary of Defense review with them all their plans and answer any of their inquiries, and we hope resolve any doubts they might have.

Appendix VIII

STANDARDIZATION OF STATISTICAL DATA

SPECIAL REPORT OF THE EXECUTIVE COMMITTEE AND REMARKS OF PANEL SPEAKERS

Report of the Executive Committee on Standardization of Statistical Data

Introduction

At the 1964 Annual Meeting of the National Governors' Conference in Cleveland, Ohio, the Articles of Organization were suspended and a policy proposal was adopted in the following form:

"That the Conference, through its Executive Committee, make appropriate investigation and recommendations to the states for the standardization of statistical data in reporting, analyzing and evaluating governmental services."

The sponsor of the proposal, Governor Henry Bellmon of Oklahoma, noted that services offered by state governments grow steadily more comprehensive and more complex and thus it becomes increasingly important for states to be able to record, define and evaluate the various types of governmental functions. The availability of information is valuable not only for current operations of these programs, but is of even greater significance in future planning to meet the needs of our citizens.

The accumulation of certain statistical data and other basic information is essential to the development of long-range programs. It is vital, moreover, in better equipping the states to fulfill their primary obligation to provide these services without complete dependence on assistance from the federal government.

Generally speaking, each of our individual states acquires such information as may be necessary for the determination of expenditures of public funds for these services and for the drafting of related legislation. However, there is frequently a need for an individual state to apply a yardstick to its programs to see if they measure up to programs being offered to citizens as a whole, to ascertain how a state compares to other states and to national norms.

It is difficult, and virtually impossible in some instances, to obtain comparative data with any degree of accuracy for the reason that states follow widely varying procedures in recording and publishing such data. Many studies which are conducted on a state level are seriously limited in perspective because of the inability of researchers to obtain comparable information about conditions in other states.

Research is currently under way at the University of Michigan

with a principal objective of developing national standards for analysis of financial and other data reflecting the operations of colleges and universities. Each of our states should give active support and cooperation to this study, both in its preparation and in implementing its results, because it will provide a better method of relating efforts by individual states in this important field to the achievements of other states.

But we should not overlook the many other fields in which statistical standards vary widely. Uniform standards and definitions in such programs as welfare, mental health, highway construction, state personnel and other areas would be equally as important and valuable, and every effort should be made for their development.

We are at a point in this area comparable to the situation which the railroads faced in their early years when each state and even each locality had its own system of keeping time. It became almost impossible for the railroads, as they expanded beyond local enterprises, to publish a time schedule which was meaningful. Consequently, they called a time conference in 1883 and established standard time zones.

The states are in somewhat the same position now that existed for our national economy before we defined such terms as gross national product, personal income, disposable income, etc. It was not necessary for the federal government to define these terms and collect reliable information until these concepts became important in decision making at the federal level. Today we find a situation in which we have reliable estimates of many economic concepts at the national level, but have no comparable data at the state or county level. In fact, in most states the Governor finds that very little reliable information exists which enables him to compare the economic development of one section of his state with that of another part of the state or with the economic development of a nearby state.

Action by State Budget Officers

The National Association of State Budget Officers immediately took cognizance of the importance of the proposal adopted by the Governors, and on August 13 in Atlantic City, New Jersey, approved the following statement:

"The National Governors' Conference, by motion of its 1964 meeting, called attention to the need for greater standardization in statistical reporting on state governmental operations to improve the validity of interstate comparisons. The motion noted the logical concern of state budget officers in this matter and suggested that NASBO's Committee on State Budget Research investigate means to achieve greater comparability of state data. The National Association of State Budget Officers,

recognizing the desirability of this objective, offers its assistance to the Executive Committee of the National Governors' Conference and asks the NASBO Committee on State Budget Research to study and report on current efforts, and to foster and promote other action, wherever feasible, directed toward improved standardization."

Subsequently, the Committee on State Budget Research of the National Association of State Budget Officers has worked in close cooperation with the Executive Committee of the Governors' Conference, Governor Bellmon's technical advisors and the Council of State Governments in the investigation called for by the Governors.

Further Efforts by Governor Bellmon

As sponsor of the original proposal to the National Governors' Conference, Governor Bellmon (who is also a member of the Executive Committee) moved forward in his own state to investigate the need for standardization of statistical information, and he appointed an ad hoc committee for this purpose under the general chairmanship of Dr. Eugene L. Swearingen, Vice President of Oklahoma State University. Two subcommittees were created:

1. A "General Advisory Subcommittee" composed of directors or top administrators from the Budget Office, the Department of Education, the Employment Security Commission, the Office of Higher Education, the Highway Department, the Department of Mental Health, the Tax Commission, the Welfare Department, the University of Oklahoma and Oklahoma State University.

2. A "Technical Subcommittee" composed of specialists in the fields of planning, accounting and statistical research from the same departments, agencies and universities represented on the General Advisory Subcommittee.

Dr. Swearingen and Dr. Richard Poole, Professor of Economics, Oklahoma State University, have worked closely with the staff of the Council of State Governments, serving in an advisory capacity to the Executive Committee of the Governors' Conference on this project.

November Meeting of the Executive Committee

The Executive Committee of the National Governors' Conference met at Chicago on November 30, 1964, and received from Governor Bellmon specific proposals for implementation of the project. At that meeting it was agreed that the subject "Standardization of Statistical Data" should be made a major topic of discussion at the 1965 Annual Meeting in Minneapolis—all Governors being urged to bring aides with them who are familiar with the problem.

The Executive Committee was of the opinion that it would be

essential to develop uniform, agreed-upon definitions among the several states as well as by federal agencies that handle statistical reporting data. For this reason the Council of State Governments, as staff agency of the National Governors' Conference, was directed to arrange a meeting in Washington with interested federal officials and to prepare further materials for review by the Executive Committee.

Finally, it was agreed that Governor Sawyer, Chairman of the National Governors' Conference, would communicate with all Governors in January, 1965, to apprise them of developments to date, to describe actions taken thus far by the Executive Committee, and to indicate prospective plans. This letter was sent to all Governors on January 29, 1965.

Meeting with Federal Officials

On February 4, 1965, representatives of the Council of State Governments, the National Association of State Budget Officers, and the Oklahoma Ad Hoc Committee met in Washington, D. C., with officials from federal agencies which have an interest in standardization of statistical data. Included in the federal group were representatives of the Bureau of the Budget; the Bureau of the Census; the Department of Commerce; the Department of Health, Education and Welfare; and the Advisory Commission on Intergovernmental Relations.

The action of the National Governors' Conference to investigate means for standardization of statistical data was applauded by the federal representatives, and they uniformly evidenced interest in the project. Moreover, the cooperation of federal agencies in seeking mutually desired goals was pledged. A full and frank discussion ensued between the state and federal representatives, there being a clear consensus that in this area no quick and easy solutions are at hand. It is a long-term problem that eventually will require major changes in technical systems and administrative operations. In many states it may even be necessary to undertake revisions of the constitution to accommodate necessary state and local implementation. In the meantime, however, interim complementary measures can be utilized to seek appropriate cooperation and the improvement of comparable data and statistical measurement. Viewed practically, statistical standards can never be expected to reach a goal of sheer uniformity and perfect comparability—but continuing efforts toward the goal are essential to keep pace with the needs of a modern society.

The following enumeration indicates some of the additional comments, questions and suggestions that arose during the course of the joint discussions:

1. There is definite need for a continuing vehicle or mechanism through which state, federal and local governments

can pool their efforts toward standardization of statistical measures—perhaps an annual "Conference on Comparative Data."

2. The comparability of statistical data at the present time tends to be best in those areas where cooperative federal-state programs are in existence and where federal grants have forced standardization in reporting.
3. It would be exceedingly difficult for the fifty states to achieve uniformity among themselves unless some vehicle is established to promote coordination. A program involving federal-state cooperation seems most feasible.
4. There are tremendous amounts of data in the hands of state agencies today that no one can retrieve under present procedures and which cover areas not reported on by federal agencies. Comparability of data in many fields would be enhanced if federal agencies could utilize state-level data of this nature.
5. There is a possibility that the Advisory Commission on Intergovernmental Relations, a federal agency with direct representation on it of Governors, State Legislators, Mayors and County Officials, could be helpful in a cooperative approach to the problem.
6. New developments in automated data processing hold great promise for improved methods of processing and reporting data. However, the fullest exploitation of these improved data processing machines depends upon agreement on definitions.
7. "Concepts" are fully as important as the technical means employed to seek statistical standards. Careful exploration of "what is needed" is just as essential as "how to do it."

Recommendations of the Executive Committee

The members of the Executive Committee unanimously agree that there is need for the standardization of statistical information gathered by all units of government in the United States—federal, state and local—and for the exchange of pertinent information among these governments.

As was noted previously, the Executive Committee has scheduled a major discussion of this subject on the program of the 1965 Annual Meeting of the Conference at Minneapolis and has urged all Governors to bring aides to that meeting who are familiar with technical aspects of data gathering and the need for statistical standardization.

Our major recommendations fall in two areas, the first dealing with the need for establishment of a statistical standards unit in each state, the second relating to creation of a "National Con-

ference on Comparative Statistics." Additional comments on these two topics follow.

State Units for Statistical Standardization

Action within the individual states will be necessary if there is to be a cooperative effort toward improvement of statistical standards. One of the basic problems is the lack of uniformity on statistical reporting within states as well as among states. Moreover, unless there is a state agency with responsibility to seek improvement in this area and to serve as a focal point for cooperative efforts, interstate and federal-state coordination will be most difficult to achieve. For these reasons the Executive Committee recommends:

That each Governor be urged to assist in the establishment of a statistical standardization unit in his state.

We do not take the position that such a statistical standardization unit must be a new and separate body. In some states the Governor may wish to attach the unit directly to his executive office. In other states the budget director's office might be the appropriate spot for location of the unit. Departments of finance and/or administration are also prime possibilities, depending on the organizational structures of the individual states. In some instances it may be suitable to utilize the independent office approach.

We do, however, have suggestions as to the functions to be performed by such a statistical standardization agency. Some of these are set forth below:

1. Serve as a central clearing house for statistical data within the state.
2. Encourage state agencies to improve their statistics.
3. Assist in the development of recommended standards of statistical classification.
4. Compile a state statistical handbook.
5. Represent the state in national statistical deliberations.
6. Bring together representatives of state statistical agencies periodically to discuss their current problems and projects.
7. Cooperate with federal agencies interested in statistical standardization, such as the Bureau of the Budget and the Census Bureau.
8. Cooperate with local governments within the state in the development of statewide standards.
9. Identify opportunities for proper utilization of automated data processing in this field.

In our opinion a state unit with authority and responsibility to carry out the functions outlined above could do much to foster improved statistical reporting and could serve as a state's coordinating unit in cooperating with other states and the federal government.

National Conference on Comparative Statistics

Continuing intergovernmental attention to this problem will be essential if any meaningful solution is to be achieved. Our preliminary discussions with such key federal agencies as the Bureau of the Budget and the Census Bureau indicate a willingness on their parts to cooperate with the states in the development of a forum which would give specific and concerted attention to the development of improved and more comparable reporting procedures. In our opinion leadership might properly come from the Governors and from the states for the initial development of an appropriate mechanism of cooperation. For this reason the Executive Committee recommends:

That the National Governors' Conference sponsor an initial "National Conference on Comparative Statistics" to be convened by not later than January 1, 1966.

Members of a steering committee should be very carefully selected and charged with the responsibility of planning and conducting this national conference in order that maximum value might be obtained from such a meeting.

It is suggested that the Council of State Governments be utilized as the agency to handle administrative details of such an initial national conference. All states should be invited to send knowledgeable persons in various fields of competence to the meeting, and participation should also include representatives of interested federal departments and agencies as well as representatives of municipal and county government.

It is further suggested that the National Association of State Budget Officers be requested to assist the Council of State Governments in making arrangements for the national conference and that an appropriate advisory committee of state, federal and local officials be created.

We hold no brief for any particular format of such a conference, other than the suggestion that participants should include both persons who are users of comparative governmental statistics and technical representatives of governmental agencies that gather statistics.

Hopefully, this initial national conference might be able to develop recommendations which could lead to a continuation of annual national meetings in the future, with modest but adequate staff to carry on technical studies and to administer future operations. One possibility might be that the Advisory Commission on Intergovernmental Relations—which already represents the several levels of American government—could accept such a responsibility.

The Executive Committee urges that the National Governors' Conference approve this report and hopes that all Governors will assist in the implementation of the recommendations contained herein.

Raymond T. Bowman
Assistant Director for Statistical Standards
U. S. Bureau of the Budget

Governor Bellmon's proposal at the 1964 Governors' Conference sparked a series of actions which led up to this meeting, namely—the action by NASBO, the subsequent action by the Executive Committee of the Governors' Conference on November 30, the staff work done since that date and the final recommendations of the Executive Committee to this 1965 Governors' Conference. This meeting and the events listed were excellently conceived and give us every reason to believe that the need for action to develop adequate comparative statistics appropriate to the needs of all levels of governments in the United States has, at least, been clearly recognized. This is extremely gratifying to one who has worked since 1934 at both the state and federal levels of government and has hoped for just such a development.

This meeting is being held at a time when the need for such an enterprise has never been greater and delay could be extremely costly. Much of the basis for the growing current recognition of the need for improved statistics has been admirably developed by Mr. Webb and needs no elaboration by me. Instead, I take this opportunity to express my strong support for the two basic recommendations of your Executive Committee, which are: (1) that the Governors establish state statistical standards units and (2) that a National Conference on Comparative Statistics be held expeditiously. My office and the federal statistical establishment will cooperate fully. My remarks will be most pertinent if directed to showing why the steps recommended by your Executive Committee are a sound beginning.

With respect to the first recommendation, a central statistical standards and coordinating unit is essential to the more useful development of the statistical work of each state. This is particularly true with respect to the internal or operating statistics produced by the state as Governor Bellmon noted when he presented his proposal to the 1964 Conference. He pointed out that the services offered by State Governments are becoming more comprehensive and more complex and that the data required for their cost-benefit evaluation and for long run planning must reflect this development. Even within a state there are various data sources that must be developed purposefully for their different uses.

Equally important, a standards and coordinating unit is also essential for working with other states and with the federal government. For their mutual benefit, state and federal programs today must be consistent with each other. Their evaluation and planned extensions and purposeful modifications require comparisons with operations in the various parts of the country as well as in the nation as a whole.

A proper understanding of the differences in needs that exist in the various states and parts of states, as well as their similarities, cannot be achieved without comprehensive and comparable data. Without a standards and coordinating unit in states there is no focal point for dealing with the issues which arise. Without such a unit there is no effective way of working to establish appropriate over-all standards within and among the different levels of government. The promulgation of standards within each state after they are developed also requires such a unit.

An equally important aspect of statistical programing is the consideration of costs and other burdens which reporting imposes on those who supply the information as well as on those who collect it. Only from some central point in government is it possible to balance, even though imperfectly, the burden-benefit elements which governmental data requests impose on school districts, hospitals, police departments, local governments, individuals, households, farmers, and business and industry. This is one of the responsibilities which a central agency of government must not shirk.

These are certainly the more important reasons for a statistical standards and coordinating unit in each state. For such a unit to be successful it must be staffed by persons with professional standing in statistics and the behavioral sciences. The function itself must be allowed to develop continuity. It must supplement the work of the separate state agencies responsible for different types of information and not supersede them. This development will take time. The Director of such a unit must do everything possible to promote the integrity of the facts and figures of the government. He must make it a part of the *esprit de corps* of the statistical agencies that statistics are not collected to prove pre-conceived notions but to be valid factual bases for decision making. Such a development will not be easy. Perhaps even more difficult is the recognition that all standards must allow for intelligent variations. An overstress of "standards" like Emerson's statement about "a foolish consistency" can also be "a hobgoblin of little minds."

The second recommendation is for a National Conference on Comparative Statistics. This is also important. We must find some way to organize our efforts in a more permanent pattern to achieve the longer run objective of cooperation in development of comparable statistics among the states and with the federal government.

Such a conference should clearly recognize that in the United States better comparability of statistics has been most successfully promoted in connection with special cooperative federal-state programs. Such programs include, to mention only a few, the crop and livestock estimates and forest surveys of the Department of Agriculture; employment, hours, and earnings, labor turnover, and industrial hazard statistics of the Department of Labor; and vital statistics of the Department of Health, Education, and Welfare.

Most of these programs involve efforts of long standing and are programs worked out and participated in largely at departmental levels in the state and federal governments. On the other hand cooperative state-federal statistical programs in education, health and crime have experienced more difficulty because the information which must be standardized is produced in numerous local units with differing degrees of state government participation and responsibility.

It might be desirable to bring such programs within the general structure of a broader state-federal focus.

Special attention should also be paid to the proper sphere of state and federal governments in developing statistical information for smaller geographic units. Historically the federal government has accepted responsibilities in the periodic censuses for full geographic small area detail. This has been true in the censuses of population, housing, agriculture, manufacturing, business, and governments. For more current monthly and annual statistics the federal statistical program has usually concentrated on national series with sufficient detail by industry or area to make national analysis meaningful. In more recent years efforts have been extended to provide more state and standard metropolitan statistical area data. Currently, thought is being given to population and income estimates on an annual basis by counties. But there is much state and local data that the federal government cannot provide with the frequency and in the form most appropriate for local needs. In the context of a well developed cooperative over-all state-federal effort much more would be possible in defining needs and adapting programs of data collection to actual requirements.

It is my hope that the proposed conference will recommend that current and prospective needs require a permanent state-federal arrangement for better over-all across the board cooperative efforts in statistical development of national, state and local data and that such an arrangement should be part of the focus of the state statistical standards units.

What is required, as I see it, is an arrangement which will promote the development of state and national standards with participation of all levels of government and also provide a way to promulgate such standards and achieve their adoption.

There are undoubtedly more ways than one of doing this. A brief description of the organization that has developed to improve comparability in international statistics may, therefore, be useful. Under the Economic and Social Council of the United Nations there is a Statistical Commission to promote the development and issuance of standards, guidelines, and manuals for the improvement of international comparability. The Commission also acts to coordinate the statistical work of the specialized agencies of the UN, such as ILO, the International Labor Organization; FAO, the Food and

Agriculture Organization; UNESCO, the United Nations Educational, Scientific and Cultural Organization; and WHO, the World Health Organization.

The Statistical Commission is made up generally of the chief statistical officers of those member states elected to the Commission by the Economic and Social Council. I have represented the United States on this Commission by Presidential appointment as part of the function of my office in the federal government. The staff of the Commission is the Statistical Office of the United Nations. This office prepares the basic documents of the Commission, promulgates the standards and other guidelines under the authority of the Secretary General of the United Nations, and aids and assists the regional statistical organizations in the development of comparable statistics among the member states of each region.

The regions set up by the UN are Europe (ECE); Asia and the Far East (ECAFE); Latin America (ECLA); and Africa (ECA). Within each region there is a Conference of Statisticians which provides a vehicle for developing standards adjusted to the special problems of the region. The Regional Conferences also act as forums for consideration of the statistical problems and needs of the region, and for exchange of experience. They are composed of the principal statistical officers of the member states of the region. On occasion I attend these Regional Conferences, since the United States is a member of all the regions except Africa.

But perhaps more important than the formal plenary sessions of these bodies are the meetings of regional working groups to prepare the basic proposals which eventually become the guidelines for the development of standards. In all of this the emphasis is on statistics useful to each member state. It is not difficult to show that comparability of the statistics among the nations improves their usefulness for national purposes.

In summary, I have tried in these remarks to do two things:

First, I have stressed the importance of further steps toward the development of adequate comparative statistics appropriate to the needs of all levels of government in the United States, including (i) the establishment in each State of a statistical standards and coordinating unit, and (ii) the convening of a National Conference on Comparative Statistics. I have also tried to indicate why I think these steps should be taken and to mention a few of the more important considerations that should receive attention in such efforts.

Second, I have suggested that there is need for a permanent organizational arrangement for state-federal cooperative efforts to develop, promulgate and aid in the adoption of standards for comparable statistics for all levels of government. By way of analogy with the organizational arrangement I have in mind, I have described very briefly some of the elements of the international organization that have functioned effectively to promote comparable

statistics. The analogy is far from exact, and should not be thought of as a proposal for replication, but I think the international experience is relevant in illustrating effective organizational arrangements for accomplishing a major task of statistical comparability without abridgment of the sovereignty of the states participating in it. Success will crown our efforts if they are as well conceived and executed as the planning and arrangements for this meeting.

T. N. Hurd
Director

New York State Division of the Budget

The Governors' Conference's Executive Committee on Standardization of Statistical Data made two recommendations for consideration at this Conference:

1. That each Governor establish a statistical standardization unit in his state;
2. That a "National Conference on Comparative Statistics" be held this year.

The objective behind these recommendations is to improve the statistical programs of the states, so as to facilitate interstate comparisons.

Need for Standardization

At present, virtually the only fields in which we have uniform definitions of state operating data are those supported by federal funds and where the federal government has set the standards—such as employment security, public assistance, and interstate highways. Often in such fields a uniform methodology is prescribed by the federal government in making statistical estimates, as for example, in estimating labor force, employment and unemployment.

In a number of other fields agencies of the federal government gather statistics initially compiled on the state and local levels, using federal criteria which may differ from those used by individual states and localities. These data often are the most comparable ones available, as for such programs as elementary and secondary education, and higher education.

In many cases the only comparable state financial data are those compiled by the Bureau of the Census. These compilations are useful but they are generally on a "gross" or "program" basis, as for example, "state expenditures for state institutions of higher education." For meaningful comparisons, however, we need data on a "work unit" or "performance basis" such as (to continue the education example) "operating costs per full-time student." Of course, this gets us into problems of what is a full-time student (which is

really not too difficult a matter), and providing sufficient detail so that the comparisons made are directly comparable, and not overall categories which gloss over important differences in programs.

The importance of comprehensiveness and of providing sufficient detail may be seen from the standard category used by the Bureau of the Census to describe state expenditures for higher education—expenditures for "state institutions of higher education." I am sure that the figures reported are accurate, but the category is not comprehensive insofar as New York State is concerned. It does not take into account New York State's other programs in higher education—state aid to local public colleges (\$67 million expected to be spent in 1965-66) and scholarships, fellowships, and scholarship incentive awards (\$69 million in 1965-66). Thus, under the standard used and reported by the Census, New York State's higher education program is understated in 1965-66 by \$136 million. In addition, since information is not provided on state expenditures for scholarships and for local assistance, we are not able to compare New York State's programs in these fields with those of other states.

State Statistical Standardization Office

We in New York State endorse the recommendation of the Executive Committee on Standardization of Statistical Data that each state have an office of statistical standards.

Last year, under Governor Rockefeller's direction, an Office of Statistical Coordination was established in the Division of the Budget. The major functions of this office are:

Improve statistical output so that data necessary for budgeting, forecasting and planning are available:

1. Review and analyze statistical output to encourage agencies to improve the quality of their series, initiate series not now produced, and eliminate duplication.
2. Determine needed data not now collected, and promote collection.
3. Establish standards in reporting (graphs, charts), in terminology, bases, areas, etc.
4. Promote more current reporting of statistical data.
5. Provide, or encourage production of, the basic data needed for agency forecasting.
6. Review department questionnaires addressed to the public to eliminate duplication, meet the needs of other agencies, conform with state policy, etc.

Promote the exchange of information within state service and between state service and outside organizations:

1. Act as secretariat for the reactivated Interdepart-

mental Committee on Research to facilitate interchange of research ideas and data.

2. Hold periodic conferences of State statistical and research personnel, both with and without their counterparts in private industry and other governmental jurisdictions, to discuss topics of interest to the state—economic, financial, population forecasts, new techniques, operations research, etc.
3. Publish bimonthly, the New York State Statistical Reporter containing news of studies under way and research reports available.
4. Conduct an inventory of the state statistical series and publish the compilation in Statistical Services of New York State. This publication could list—by agency and by function—series that are available, how often compiled, and where and when available.
5. Compile state statistics for publication in the annual Statistical Abstract of New York State.
6. Act as liaison with the United States Bureau of the Census to determine the availability of data and the needs of state agencies to obtain the maximum amount of information, and at a minimum of cost (e.g., eliminate duplicate purchases of unpublished data and make purchased data available to other interested agencies).

Act as clearing house:

1. Handle inquiries to the state (from both within and without the state) concerning sources of data, availability of statistics, publication dates, etc.
2. Assist research and statistical units in locating qualified employees and in placing employees with agencies.

Provide technical assistance:

1. Assist budget examiners in determining needs of statistical and research units in staffing and related aspects.
2. Upon request, counsel agencies in planning research projects.
3. Recommend to the Budget Director and Governor as to what the state's official position should be on statistical issues in representations to the federal government and other outside organizations; upon request represent the State before such bodies.

New York's Office of Statistical Coordination has published a bimonthly periodical (The New York State Statistical Reporter) to publicize the state's current efforts in statistics and research. As a forerunner to establishing statistical standards and to publishing a statistical abstract for the state, this office is conducting an inventory of statistical series compiled and maintained by state agen-

cies. A summary of the information obtained will be published to facilitate the work of researchers, statisticians and others interested in New York State government.

National Conference on Comparative Statistics

The second recommendation of the Executive Committee was that a National Conference on Comparative Statistics be held this year. We in New York State believe that such a meeting could be a useful device for getting a program started for setting statistical standards for state data. At such a conference the basic statistical problems affecting states could be discussed and methods could be initiated for resolving these problems. Among the many matters that should be discussed and considered at such a conference are the following:

1. What are the purposes for establishing standards (e.g., to facilitate interstate cost comparisons only or for budgeting, program planning, and so forth)? The prospective use of the statistics would determine the type of data to be collected, and therefore the standards used.
2. What are the deficiencies in existing data and in the existing standards used?
3. Who should be given responsibility for directing, or acting as secretariat for, an interstate program for establishing standards? The problem appears to be too large, and the work required too extensive to have standards established under part-time direction.
4. The mechanism(s) to be used in implementing standards which are adopted.

In my opinion any program calling for the establishment of standards for the states, and use of them by the states, requires:

1. Assigning responsibility for the program to an organization who will assign full-time personnel to the program;
2. Having representation of a diversity of users and producers of statistics.

Accordingly, I suggest the following:

1. At the National Conference the principal functional fields be determined.
2. A ten to fifteen member committee be established in each functional field for which standards are desired (e.g., highways, health, correction, economic data, elementary and secondary education, for example).
3. Each committee should have:
 - a. Several representatives from different states who are in the operating agency in the functional field;
 - b. Several representatives from central staff agencies such as the state budget offices;

- c. One representative each from the United States:
 - (i) Operating agency in the field; and the
 - (ii) Bureau of the Census; and the
 - (iii) Office of Statistical Standards of the Bureau of the Budget.
- 4. Responsibility for full-time direction of the program should be given to an organization such as the Council of State Governments or the Advisory Commission on Intergovernmental Relations.
- 5. The statistical standardization office in each state should coordinate each state's participation in the program.

Under this plan, these committees would have full-time direction, and have the benefit of the operating experience on the state and federal levels, and the coordination experience of the Federal Bureaus of the Census and the Statistical Standards.

Eugene L. Swearingen
Vice President for Development
Oklahoma State University

It has been my great pleasure to be associated since its inception with this program designed to establish improved comparative statistics. It was the inability of Oklahoma State University research personnel to supply Governor Henry Bellmon of Oklahoma with comparative data for Oklahoma and surrounding states which led to his concern over the problem. We were forced to inform Governor Bellmon that some of the data he desired for decision-making purposes did not exist, that other data lacked comparability between states, and that some statistical measures were available in some states but not in other states. It was obvious to us that these data were needed for current operating programs in Oklahoma and that they were also needed for future planning to meet the needs of our citizens.

The first point I wish to make deals with the necessity for cooperation. As we have discussed this problem periodically with the Executive Committee of the Governors' Conference and with representatives of federal agencies in Washington, D. C., we have found complete agreement that several problems exist in this area and that it is high time we move to improve the situation. To fail to solve a problem common to all our states is to invite an attempt at a federal solution.

What we need, as Mr. Webb has said, is cooperation among agencies in a state, cooperation among states, and cooperation among the states and appropriate federal agencies.

We do not anticipate that this problem will be easily solved. We have been told that all states will want to standardize, using

their existing definitions and procedures. We all judge our procedures to be best, and we recognize that our program of voluntary cooperation among the states lacks the power of a federal agency which has funds to dispense and demands conformance before such funds are distributed.

We do believe that a national conference on comparative statistics is a first step toward improving communications. We are recommending that each Governor establish a statistical standardization unit in his state. This unit need not be a new and separate body. The important point is that some agency and some individual becomes responsible for this important task. In the report of the Executive Committee on this subject, we have itemized a number of functions which we believe such a statistical standardization unit should perform. It will be important that the individual so designated attend the National Conference on Comparative Statistics to be held probably in Washington, D.C., either late this fall or in the spring of 1966.

Time does not permit my going into detail regarding the extent of our problem. Governor Henry Bellmon wrote to each of you earlier this year, seeking information on three statistical concepts. Your responses provided us with incontestable evidence that our states are following widely varying procedures in gathering, recording, and publishing data useful to the Chief Executive of the state, his various agencies, and businessmen.

Let me cite one example. Governor Bellmon asked you to give the definition used in your state for "a state government employee." Among the various definitions we received were the following:

1. "was working on the tenth of the month"
2. "worked a full month or was hired after the first of the month"
3. "received pay for a full month and is classified permanent"
4. "worked at least 35 hours per week for at least 22 weeks in the year"
5. "employed longer than ninety consecutive days"
6. "no definition available"
7. "every person who receives a wage or salary payment from the state during the month"

The diversity of the above definitions indicates that at present it is virtually meaningless to compare employment statistics in any one state with statistics published by other states. It is also obvious that our definitions may be changing over time in such a way that the data for a state in one period of time lacks comparability with data from a preceding period. We are in a situation in which impressive advances have been made in recent years with respect to improved economic statistics at the federal level, but much remains to be done at the state and county levels.

We should recognize that almost all of the progress which has

been made at the federal level has come in the last thirty years. Even at the time of the depression in 1930, President Herbert Hoover had no reliable information on national income or changes in gross national product. There were no reliable employment figures, and no economist could give him a clear picture of the magnitude of the problem he faced. "The Consumer Price Index" was at that time computed only twice a year, and a very substantial lag existed between the fact and the date of publication. Most of the data on employment, unemployment, price changes, production changes, inventories, sales, and construction which we as economists depend upon so much every day in making forecasts both for government and private agencies were virtually nonexistent in 1930. What we must recognize is that the Governor of a state is in a position today which compares in many ways to the position in which Herbert Hoover found himself in 1930. You are handicapped in governmental budgeting by the lack of reliable statistics and reliable forecasts of future revenues. You need improved data, particularly on a county level, in order to analyze subsections of your state. You need improved demographic and social data to improve policy-making in many areas in which state governments are heavily involved.

Part of our problem is that no one agency or person is charged in most of our states with the coordination of the statistical gathering and analyzing processes. We know that unnecessary duplication exists among our agencies; we know that gaps exist in data which should be gathered; and we know that our methodology can be refined and improved. We also know that the Governor of a state needs data promptly and in usable form and that we should study our methods of presenting data to decision-making personnel. The use of computers in our states has significantly reduced the lag time between the fact and the reporting date. It is now comparatively easy to process data, analyze it, and prepare it in usable form.

In conclusion, I recommend the adoption of the report of your Executive Committee and the implementation in your respective states of its recommendations. I am pleased to acknowledge the full cooperation of the Executive Staff of your Governors' Conference, particularly Mr. Brevard Carihfield and Mr. Charles Byrley, as we have labored over the past year to bring our considered recommendations on this subject to you.

Appendix IX

REPORT OF THE COMMITTEE ON HUMAN RESOURCES

The Committee in its first report since being constituted in its present form undertakes a discussion and review of three areas of public policy relating to the nation's human resources—education, problems of the aged, and the specialized problems of increasing health insurance costs. The report deals with each area in a separate section. In addition, there is attached a special report on education by the Committee.

Education

In every state in the nation education is the cornerstone of public action. States have traditionally served as the focus for educational policy and initiatives. And while there have been great variations among the states, the general pattern has been recognizable and even predictable.

This is no longer the case. Now the pattern promises to change substantially. Significant developments in the teaching process itself, more effective educational leadership by state departments of education, and major changes in federal legislation are altering radically both the structure and the results of the nation's educational effort.

The Committee believes that a restatement of the state's role in the changing situation is needed at this time. The size and range of federal programs relating to education makes such a redefinition imperative.

These national programs are neither a usurpation of power nor a windfall which relieves the states of responsibility. Rather, the new programs offer the states new opportunities, while creating new obligations. These programs must be viewed as a challenge to state government action. If the states do not respond to this challenge—that is, if they do not formulate policies consonant with these federal programs—then they may abrogate their role as the focus of decision-making in educational policy.

Of crucial importance in the reassertion and restatement of the state role in education is the Governor—for the Governor is the center of both political power and administrative coordination. His leadership, coupled with that of educational leadership, is essential if the states are to serve as the vital link between the federal government and the local school districts.

In the area of education, a new and massive Elementary and Secondary Education Act easily qualifies as the most important fed-

eral program. It is a good example of the rapidly changing situation in educational financing.

While this Act retains specific and fundamental state responsibilities in several areas—through state plan arrangements and the possibility of technical assistance—it is clear that states will not necessarily play the central policy role. Much of the innovation and imagination required for applications for funds is expected to come from the local school districts. But many local districts cannot develop comprehensive plans without assistance. Therefore, the states must assert aggressively their commitment and leadership to bring the improvements envisioned by the Act to the districts most in need of assistance; to serve as a participant in the making of educational policy; and to strengthen their positions as the vital intermediate level of governments.

The states, then, have many responsibilities under this Act. They can shape the national educational policy, if they have the will. If not, they can expect the federal government to fill the policy vacuum.

The Committee therefore believes that it is advisable that states take action on a number of fronts to insure that they will play the traditional role in education in a dynamic fashion.

In a special report to the Conference, the committee has urged each Governor to take a personal and leading role in the fulfillment of the suggestion that the states band together in the effort to develop a national consensus on educational policy. This is a call both to leadership and to innovation.

In many states, it may be advisable to call a State Conference on Education, much like the White House Conference on Education. Such a conference would bring together leading educators, political figures and interested citizens in the state. It could attempt to formulate a statewide policy for the best use of the new educational opportunities available.

They also could be a forum for useful exchange of information by the Departments of Education from several states and with federal officials. The diversity among our states is a resource that should be exploited. The lessons of one state may prevent another from repeating mistakes. And each state's successes should be made readily available to all.

The general state response to federal and local initiatives in this area of education in many instances will require expanded action on the part of the state educational agency if the states are to excel in the leadership that should be theirs in this program.

If the states are to play their necessary and proper role in implementing the new federal legislation and in shaping educational policy, there is a great need for assuring that the emphasis within the state departments of education is on program development—that their role is that of constructive educational leadership.

It must be recognized that there is a great need for states to accelerate planning and action now in the area of education, even before all of the newest federal programs have become law. It is of particular importance that the states recognize and anticipate the impact of this legislation far enough ahead to be prepared to respond actively and constructively to it—and that federal grants be administered in such a way as to neither impose nor perpetuate local forms of organization.

There can be no doubt that state executives and chief school officers are at a most significant point in the development of educational policies in this country. Today the state governments and the Governors must reassert their primary responsibility and their willingness to meet their responsibility in the area of education.

Aging

The American people—including the President and the Congress of the United States and the Governors of all the states—are thinking about the problems of aging, and they are acting to solve them.

Much progress has been made on behalf of the nation's 18 million elderly citizens, principally because of intensified federal and state efforts to organize our human resources and public institutions for the urgent tasks to be undertaken.

Old people are quite frequently poor people. Three million elderly families in the nation have incomes of less than \$3,000 a year. Almost 2 million aged couples live on less than \$2,500 a year, and over 5 million aged individuals live on less than \$1,800 a year. Despite recent stepped-up efforts to attack poverty in our country, the nation's older poor have been little affected by the anti-poverty campaign.

While job opportunities diminish with old age, progress can and is being made. National statistics reveal that the jobless rate since 1961 has dropped for older workers as it has for all workers. Business prosperity, national efforts in training and retraining, greater public works programs, and increased emphasis on education have taken effect quickly and have widened the employment horizon. For men age 65 and over, unemployment is down from 5.5 per cent to 4.5 per cent, and for women of the same age, it is down from 3.9 per cent to 3.2 per cent.

Various experiments have opened new avenues of hope for senior citizens. One project in New Jersey utilizes the elderly as part-time toll collectors for peak-hour traffic. This suggests new concepts in business and government utilization of the talents of the elderly in part-time employment.

The process of advancing age bears the possible hardship of deteriorating health—physical as well as mental. The dramatic proof that old age brings with it the possibility of ill health emerges in fig-

ures which reveal that the nation's elderly need three times more hospital care than the rest of the population. Their hospital stays are twice as long as that of younger age groups. Their medical bills are twice as high as those of younger persons. Yet their average income is only about half as high.

Recent federal legislation provides new sources of funds for state programs designed to solve the problems. The passage of Medicare may remove for many of our elderly much of the disastrous impact of serious illness and hospitalization costs. The Omnibus Housing Bill, with its provisions relating to low and moderate income housing for senior citizens, will also have an impact. And the Older Americans Act of 1965, for example, has the potential to improve services for the elderly in many communities.

The Committee believes that it is important to review, with special emphasis, the provisions of the recently enacted Older Americans Act, for it can provide a fresh and challenging stimulus to state and local efforts to help meet the needs of the elderly.

This new law creates the Administration on Aging within the Department of Health, Education, and Welfare. It authorizes \$5 million for Fiscal 1966, \$3 million for Fiscal 1967 and such sums as the Congress may appropriate for the next three fiscal years in grants to the states for community planning and coordination, demonstration programs, and training of special personnel for work with the elderly.

The Act is based on a broad declaration of policy that determines "that older people of the Nation are entitled to, and it is the responsibility of the governments at all levels to enable our older people to secure, equal opportunity to the full enjoyment of objectives in areas such as adequate income in retirement; best possible physical and mental health; suitable housing; restorative services; and opportunities for employment without discrimination on account of age."

The Older Americans Act leaves much to the states. It will require both imagination and innovation to respond to its challenge. It provides funds for action at the community level to meet the range of problems of our elderly in a more comprehensive manner than ever before. The state, by virtue of the expertise in its many agencies, must provide the technical assistance to make these local programs a reality.

This law can serve as the focal point of the national effort to meet the problems of our senior citizens.

Pinpointed attacks on the problem now can be made in the areas of health and housing. Substantial proportions of the older poor have health problems but this problem will have to be judged anew, based on the experience of the imminent passage of the program of health care for the aged under Social Security. In housing, 2,700,000 units, or 30 per cent of all units in which the head of the household is 65 or

over, are classified in a deficient condition—that is they are lacking in some or all facilities, deteriorating, or dilapidated. Again, the experience of the Omnibus Housing Act of 1965 should teach us much about the solution to this problem.

The status of our aged citizenry is changing from the outworn concept in which society treated the elderly as individuals who had outlived their usefulness. Today, we realize that the welfare of the elderly is inextricably bound up in the welfare of the whole society.

In summation, the Committee recognizes that the states are now entering a new era of governmental responsibilities for the aged. In addition to substantial past efforts by the states, there now is the added impetus of three major federal programs. The Committee, through the member Governors, and through the continued good work of the secretariat of the Governors' Conference, proposes to examine carefully the experience of states with their new programs and to report on developments in these areas through the forthcoming year.

Hospital-Medical Insurance

Last year, the Committee on Human Resources took under general consideration the question of Medical-Hospital costs and their impact on non-profit insurance carriers. At the Committee's request, the staff of the Governors' Conference developed and distributed a questionnaire to the states concerning their experiences in this area during the past five years.

A summary of the replies from the various states, which admittedly is rudimentary in nature, is quite revealing in that it clearly establishes a pattern of sharply rising costs throughout the entire nation with corresponding increases in insurance premium rates. As could be expected, however, this general pattern cannot necessarily be translated directly into the specific situation existing in some of the states. In addition, because of extreme differences in benefit coverages and rating procedures, it would be difficult to draw meaningful comparisons between individual states insofar as increased costs are concerned. The nation-wide trend toward sharply increased hospital costs, nevertheless, seems unmistakable and indicates that this problem is not confined to any geographic area or to the more metropolitan states. In part, this conclusion is borne out by the fact that a number of widely diverse states have been compelled to undertake intensive studies in this problem area. Included among these states are: California, Massachusetts, Michigan, New Hampshire, New Jersey, New York and Pennsylvania.

Unquestionably, this current trend will be affected considerably by the Federal Medicare Program as set forth in the "Society Security Amendments of 1965" upon which agreement is expected in Congress very soon. Since the new Federal program will not be fully operative for twelve to eighteen months, meaningful projections as to the impact of this program on rising hospital and medical costs as

revealed in increased insurance rates cannot be developed at this time. The importance of this development, however, would seem to require the Governors' Conference to maintain continued surveillance over the problem. The Conference, with its direct connections in every state, is well suited to serve as a central collection agency gathering information from each state as it becomes available.

The Committee on Human Resources, therefore, has determined to continue its review of medical and hospital costs and has requested the staff of the Governors' Conference to seek the assistance of the National Association of Insurance Commissioners and other related groups to help develop information as to state experiences in this area beginning at the earliest possible date.

The committee has received an explanatory report from the Department of Health, Education and Welfare on the Medicare part of the "Social Security Amendments of 1965." This report gives special emphasis on the role of the state agencies in the proposed federal program. Since the report contains information of general interest to all Governors, it has been attached as an Appendix to this report.

The Committee also discussed problems concerning welfare administration and expects that this will be an area of inquiry for next year's report.

SPECIAL REPORT OF THE COMMITTEE ON HUMAN RESOURCES

Background

Last April, as the first part of a study sponsored by the Ford Foundation and the Carnegie Corporation designed to strengthen the role of the states in the American system of government, former Governor Terry Sanford of North Carolina embarked on an effort to create an interstate mechanism which would bring together the political and educational leadership of the several states for the purpose of studying, planning, suggesting and promoting sounder objectives and goals for the improvement of education in this nation—a common alliance for its widespread improvement. He stated at that time:

"The states ought to lace themselves together by compact, association, or by whatever name, and begin to work for a truly nationwide effort to improve education.

"I'm certain the states would benefit from the availability of a forum for sharing experiences, improving standards and debating goals. When you stop to think about it, there just isn't any such device available today which brings together all of the political and professional forces concerned with the improvement of education."

In conjunction with this Committee, the Council of Chief State School Officers, the National School Boards Association, the National Association of State Boards of Education, the American Association

of School Administrators and the American Council on Education, a general conference was held in Washington, D.C. in May at which more than one hundred representatives of the educational organizations throughout the country met to discuss the need for such a mechanism and the best method and organizational structure for its accomplishment. Following the highly successful session Governor Sanford stated: "From the response to the meeting, I can confidently report that there is broad agreement on the need for such cooperation from most of the educators."

A study committee consisting of representatives of this Committee's Chairman and Vice-Chairman; the Council of Chief State School Officers; the American Council on Education; the Association of State Universities and Land Grant Colleges; the National School Boards Association; the National Association of State Boards of Education; the American Association of School Administrators; and a few advisors, such as John Ivey of the Michigan State University Department of Education; Winfred Godwin of the Southern Regional Education Board; Mitchell Wendell of the Council of State Governments; and Alan Pifer of the Carnegie Corporation as well as Governor Sanford and his staff have been meeting since that time in an effort to draft some preliminary proposals for the creation of an interstate compact for the planning and development of nationwide education policies. In a letter of July 2nd addressed to the fifty Governors, Governor Sanford described it thusly:

"Such a compact would not have authority, nor be expected to set policy. It would merely be the means of developing alternatives for policy decisions, which ultimately are to be made, in any event, by local and state policy-making bodies. It would furnish the states with the best available information. It would suggest appropriate goals. It would serve to exchange information, and to advise."

Governor Sanford has been invited to present a plan for interstate cooperation to the assembled Governors at their annual conference, at which time he will seek the approval of the individual Governors with respect to these general proposals:

1. The suggested agreement will anticipate some seven representatives from each state. From the entire body, there will be selected a smaller steering committee, perhaps thirty people, ten of whom will be Governors.
2. The Governor will be one of the representatives of the compact, and will be authorized to name the other representatives, to be selected from state legislators, higher educators, representatives of the state education system, local education, and lay and professional educational leadership.
3. The agreement will be put in final form by a September meeting of a "final planning committee," made up of the Governor of each state and his appointees as listed in 2 above.

4. A small staff will be selected to begin the functions of the organization.
5. While individual Governors will be asked to appoint members to the September "final planning committee" meeting, no one will be expected to join the agreement until it is in final form after the September meeting.

This Committee believes that Governor Sanford's proposals are of such lasting significance and far-reaching importance as to be the subject matter of a special report to this Conference.

Discussion

There is no area in which the states, either directly or through their local instrumentalities, are more directly involved than in public education. To it are dedicated the largest part of each of the states' fiscal resources. Leadership in achieving quality education for our citizens has traditionally come from the states; the primary responsibility has—and should rest with them.

Yet today the states find themselves at a crossroads. To continue to maintain their preeminence, they must be willing and prepared to assume their obligations with a broader concept than has been required in the past. The constantly mounting pressures of fiscal burdens have made inevitable the infusion of massive federal financial assistance to state and local school districts. A growing awareness and concern for the disadvantaged has forced the development of new and imaginative educational techniques. Increasing demands of a rapidly developing technology have required the expansion of institutions of higher education and the development of new types of education after high school, such as the Junior College.

The states are the logical as well as the traditional agencies to meet this challenge. Each state—and indeed each local school district—has its own unique problems and its own special requirements which call for different approaches and individual solution. The existence of diversity in public education which these local differences have dictated has been a source of strength in American education which must be preserved.

The establishment of massive federal aid programs has added a new dimension to the problem of public education. While the federal government has repeatedly expressed a lack of desire—and even an unwillingness—to establish local educational policy, the mere determination of where and how to spend its money is of itself a major policy determinant. Thus, for example, a decision to appropriate a large proportion of funds for vocational education in the high school is a decision that this type of instruction shall be expanded and taught in the high school. The definition by the federal government of the sort of vocational courses which will be eligible for aid is a decision affecting the high school curriculum in an even more detailed manner.

A program in support of Junior Colleges is a policy decision that there shall be an intermediate institution between the high school and the traditional college. And here again the federal definition of the Junior College will be the architect of its structure.

It is the belief of this Committee that the leadership in the determination of these policy decisions must remain with the states. The federal government cannot know all the answers because it cannot know all the problems. Only by state leadership can our invaluable diversity be maintained. But if the states are to lead in the formulation of policy and influence federal educational programs in a meaningful way, there must be a mechanism which will weld the states together into a nationwide organization. We agree with Governor Sanford that only by the vigorous leadership of the Governors and the intensification of communications between the states can the desirable end of state preeminence in the field of education be preserved. If the states merely respond to policy as determined by the federal government or drift into policy positions, they will have abdicated their responsibilities and find that once again the federal government has preempted the field.

A program of cooperation such as is suggested by Governor Sanford if vigorously led by Governors in cooperation with their chief state school officers, legislative and administrative leaders, leaders in higher education, local school administrators and school board members, would furnish the states with the necessary tools for the fulfillment of their responsibilities. Such a group would not be cast in the role of a policy-making body. Rather it would suggest policy alternatives, goals, methods and ways for more effective support and operation of the entire educational effort, seeking not uniformity but recognizing the merit of diversity in solving local problems. It would satisfy a need for more effective communication among the states, so that varieties of educational techniques and innovations might become more broadly available throughout the entire country and the ability of each state to benefit by the experience of others be maximized. By thus combining their political and educational leadership, the states will be in a position to effectively advise the federal government in how best it can assist the states in achieving what the states see as the national needs in education—and will at the same time become a stronger instrument in assisting the local communities—the traditional source of public education—in achieving their objectives.

Recommendations

1. The Committee believes that there is a need for a nationwide alliance for the widespread improvement of education such as that suggested by Governor Sanford.

2. The Committee believes that the Governors should take a

leading role in the formation of such a group and should give it their active personal participation.

3. The Committee believes that there is a desire and willingness on the part of the Governors to take the lead in the future development of education.

4. The Committee urges all Governors to give serious consideration to Governor Sanford's proposals and expresses the hope that they will receive a broad favorable response from the individual Governors.

5. The Committee expresses its appreciation to Governor Sanford for his efforts in behalf of what the Committee hopes will be—in his words—a common alliance for the widespread improvement of education in America.

Appendix X

REPORT OF THE COMMITTEE ON ROADS AND HIGHWAY SAFETY

The growth in highway transportation is of staggering proportions. In 1934, thirty-seven million drivers operating 25.3 million vehicles traveled 216 billion miles. Last year, 96.3 million drivers operating 86.2 million vehicles traveled 838 billion miles. Estimates for 1975—a mere decade hence—forecast 125 million drivers, 117 million vehicles and 1.25 trillion miles of travel.

If these figures are to be placed on the credit side of the ledger, then on the debit side it must be pointed out that last year's total of traffic deaths approximated 47,800, an all-time high and a 10 per cent increase over 1963. Injuries rose by 100,000 to 1,700,000; property damage accidents by two million to 12.5 million; and economic loss by more than \$1 billion to \$8.2 billion.

These disappointing developments occurred despite strenuous long-range and short-run efforts, on the one hand, the opening of many more miles of the interstate system—limited access, divided highways engineered to produce the best possible driving conditions—and, on the other hand, a stepped-up program of spot improvements to correct accident producing conditions on other highways.

It occurred despite efforts of many individuals and organizations, public and private. Yet these efforts have borne fruit. Were it not for them, the situation might be far worse.

State and Interstate Activity

With respect to interstate activity, the Vehicle Equipment Safety Compact has been ratified by forty-three jurisdictions, an increase of thirteen in the past year. The Vehicle Equipment Safety Commission, set up pursuant to the Compact, issued its first regulation, "Minimum Performance Requirements and Uniform Test Procedures for New Tires for Passenger Cars and Station Wagons." Under the Compact, party states are not required to adopt the proposed regulation, but they are obligated to consider it.

The Driver License Compact, to which thirteen states were party last year, has now been ratified by nineteen states.

To be presented to the states this year is the Traffic Violations Compact which, although its primary purpose is to ease the burden of nonresident violators in complying with enforcement and court procedures, also aims to provide for a more efficient use of traffic law enforcement personnel.

Worthy of note, too, is the "Legislators' Policy Statement on Traffic Safety" developed by the Western Interstate Committee on Highway Policy Problems of the Council of State Governments. As

its name implies, the document is a call for legislative leadership. It proposes that legislatures: (1) adopt a broad statement of legislative intent concerning those functions of government relating to motor vehicle ownership and operation; (2) sponsor motor vehicle law studies to ensure that the best legal tools are available to administrative and enforcement officials; (3) plan now for meeting urgent immediate needs and the expanding needs of the future; and (4) support needed research in the motor vehicle field and encourage adoption of valid research findings.

Actions by individual states included: a change in the Vermont chemical test law to lower the chemical test presumptive level from 0.15 per cent to 0.10 per cent as provided in the Uniform Vehicle Code; a North Dakota law providing that chemical tests will be presumed to be valid if performed in conformity with procedures approved by the state toxicologist; and authorization by the West Virginia legislature of a comprehensive study of the desirability of enacting implied consent legislation. Massachusetts enacted the hand signal provisions of the Uniform Vehicle Code; Colorado and Washington both completed major revisions of rules of the road based on the UVC; and Illinois enacted measures to regulate left turns, increase safety margins when passing, and prohibit backing on an expressway. Legislation to permit the use of flashing hazard warning signals was adopted by Arizona, Iowa, Massachusetts, New Jersey, New Mexico and West Virginia and, by regulation, the District of Columbia.

In Kansas, Maine, Montana, North Dakota, Ohio and Oklahoma laws passed in 1965 require seat belts for front seats. In Ohio, SAE standards must be met by seat belts. New York and North Carolina will require rear seat belt anchorages in new cars after June 30, 1966. On 1967 and subsequent model cars, New York will require that seat belts be installed for rear seats.

Arizona repealed its mandatory inspection law; Georgia reenacted a similar law; and North Carolina enacted such a law for the first time.

Three major administrative changes have been effected. In Washington, all related motor vehicle functions were grouped together in a new Department of Motor Vehicles. Similarly, in Florida, a separate Department of Motor Vehicles was established as recommended by the Uniform Vehicle Code. A centralized Drivers License Bureau was established in the Arkansas Revenue Department.

Provisional or restricted licenses are now provided in Colorado for operators and chauffeurs under 21 years of age. Indiana provides that licenses of all persons under 21 shall be probationary. A New York law makes all new licenses probationary for a period of six months. South Dakota provides for issuance of restrictive licenses for persons between the ages of 14 and 16. West Virginia established a junior driver's license for 16 to 18 year olds. Iowa permits issu-

ance of a one year temporary license to beginners. Minnesota now requires completion of a driver training course in order to obtain a driver's license under the age of 18 unless the licensee has a valid license from another state. A new Kansas law denies a driver's license to all high school dropouts under 18 years of age.

A new Minnesota law provides for the establishment and operation of driver improvement clinics. New Michigan laws bring juvenile drivers under the point system and provide procedures for handling juvenile offenders.

Kansas has adopted a new driver and chauffeur license act. North Carolina has tightened her law so as to permit revocations for driving while under suspension. A new Utah law provides for issuance of a special license for epileptics who establish competency.

Motor vehicle fuel taxes have been increased in several states. In Arizona the increase is from 6¢ to 7¢ per gallon. Iowa has upped her gasoline tax from 6¢ to 7¢ per gallon and her diesel tax from 7¢ to 8¢. Massachusetts has provided for an increase from 5-1/2¢ to 6-1/2¢ per gallon. Nebraska has enacted a 1/2¢ increase, so as to bring the gasoline tax up to 7-1/2¢. California has enacted an emergency 1¢ per gallon levy for a nine month period to finance repairs to flood damaged highways. Nevada has authorized an optional 1¢ motor fuel levy in counties of over 25,000 population.

Arizona created a Highway and Street Fact-Finding Committee and a Technical Advisory Committee, composed of members of the legislature and the State Highway Commission, whose purpose is to study the present deficiencies and the future needs of all highways, roads and streets in the state and report its findings to the Legislature.

Arkansas requested the Highway Commission, in cooperation with the Legislative Council and the cities and counties to make an immediate study of the state highway needs.

Kansas directed the Legislative Council to conduct a study for the clarification, reorganization and recodification of the laws of Kansas relating to streets, roads and highways. Such study is to be submitted with recommendations to the Governor and the 1967 regular session of the Legislature.

Michigan created a Joint Legislative Committee to review the Statewide Comprehensive Engineering Study and to survey the highway needs and deficiencies of the state; to make a fiscal study relative to these needs; to study and investigate federal legislation relative to grants to states for highway purposes; to make recommendations to the Legislature relative to needed state legislation; to supplement existing laws to enable the state to obtain such monies as may be necessary to implement the Michigan Road Program; to develop codification of the highway laws of Michigan; and to report its findings to the Legislature in 1966.

These several actions certainly go far toward proving the case

for continued state interest in and activity on behalf of safe, efficient and economical highway transportation. Yet the 1964 traffic accident record illustrates that our highways are far from as safe as they should be and, as can be discovered in virtually every major population concentration, intracity, as distinguished from intercity, highway transportation leaves much to be desired in terms of efficiency and economy. Some part of the answers to our problems was suggested, in some cases in the form of questions, in the report of the Committee on Roads and Highway Safety last year. For the rest, the report urged consideration of an additional \$500 million annually to manage the highway system. Such an expenditure would cover the employment of additional personnel to police the highways, educate high school student drivers and handle traffic engineering problems. It would improve maintenance of traffic control devices, driver licensing procedures, motor vehicle inspection, record keeping and traffic courts. It was urged that the highway-transportation economic-consequences study, sponsored by the National Safety Council, be completed as soon as possible.

No point would be served in repeating what was included in last year's report. The point remains, however, that the situation today is no less urgent and it is not at all clear that all that is necessary is being done to meet it.

Federal Legislation

A bill has been ordered reported by the House Public Works Committee to approve the cost of completing, and to revise the authorization of appropriation for, the Interstate System. For each of the fiscal years 1966-1970, the sum of \$4 billion is authorized, and for fiscal 1971, \$3.785 billion.

In addition, the bill authorizes the Secretary of Commerce "to make a comprehensive study of the needs of the Federal-Aid Highway System, including the National System of Interstate and Defense Highways, after 1972. Such study shall be made in cooperation with state highway departments and shall include but not be limited to costs, possible extensions of such Interstate System, and such other considerations as the Secretary may deem advisable. The Secretary shall submit a report of his findings to Congress not later than January 1, 1967."

Of equal interest is another section which provides that after December 31, 1967, no federal-aid highway funds shall be apportioned "to any State which does not have a highway safety program, approved by the Secretary, . . . on highways on the Federal-Aid System. Such highway safety program shall be in accordance with uniform standards approved by the Secretary and shall include, but not be limited to, provisions for an effective accident records system, and measures calculated to improve driver performance, vehicle

safety, highway design and maintenance, traffic control, and surveillance of traffic for detection and correction of high or potentially high accident locations. . . ."

A somewhat different approach, but one quite as indicative of an increased federal interest in highway safety, is taken by a Senate bill introduced June 30. Labeled the "National Highway Traffic Safety Act of 1965," it proposes the establishment of a highway traffic safety fund to be derived from the 1 per cent automotive excise tax. The fund would finance the establishment of a National Highway Traffic Center in the Department of Commerce. Through it the Secretary would (1) plan, conduct, and administer basic research and development programs for highway traffic safety; (2) conduct engineering studies, establish testing facilities and proving grounds to apply the results of such research and to assure the practicability of such developments for highway traffic safety; (3) prepare with the assistance of state, interstate, and private organizations an inventory and evaluation of present standards for highway traffic safety, including the consideration of driver training, traffic laws, driver licensing, traffic control devices, highway construction, motor vehicle inspection, and accident reporting; (4) collect and disseminate through appropriate means, all information pertaining to such standards of highway traffic safety the results of such research, and recommendations for the improvement of such standards; (5) establish national minimum standards for highway traffic safety; (6) cooperate with state highway safety boards, such interstate agencies as are established pursuant to the joint resolution of the Congress relating to highway traffic safety approved August 20, 1958, and other public and private agencies and organizations (including private industries) in the preparation and administration of the research programs under this Act; (7) coordinate all programs for highway traffic safety research, development, and testing in the federal establishment; (8) make grants to or contract with, public and private agencies, organizations, and individuals for research and training projects, and such contracts for research shall be made in accordance with and subject to the limitations provided with respect to research contracts of military departments in section 2353 of title 10, United States Code, except that the determination, approval, and certification required thereby shall be made by the Secretary.

Under the bill, there would be available for grants to "State highway safety boards" of up to \$45 million a year to pay up to 50 per cent of the cost to establish or improve motor vehicle inspection programs. It is anticipated that federal grants would terminate after an agreed period of time, after which the programs would be self-sustaining.

Another grant program would be authorized—this one to develop, establish and improve driver education programs. Up to \$60 mil-

lion per year would be authorized to pay up to 50 per cent of the costs of such programs.

A bill already approved by the Senate would amend the Clean Air Act to require standards for controlling the emission of pollutants for gasoline-powered or diesel-powered vehicles. It would direct the Secretary of Health, Education, and Welfare to promulgate regulations to be effective by September 1, 1967, which, "giving appropriate consideration to technological feasibility, and economic costs, [shall] prescribe standards, requirements, or limitations applicable to the emission of any kind of substance, from any class or classes of new motor vehicles or new motor vehicle engines, which in his judgment cause or contribute to, or are likely to cause or contribute to, air pollution which endangers the health or welfare of any persons."

The same bill would also direct the Secretary to develop as soon as possible standards for allowable emissions from diesel-powered vehicles, and to recommend by January 31, 1967, legislation to regulate the discharge of pollutants from such vehicles.

Another Senate bill would authorize the Secretary of Commerce to prescribe minimum safety and performance standards, and a grading and labeling system for motor vehicle tires.

In passing, it should be observed that on June 30, the General Services Administration published a federal standard covering safety devices for automotive vehicles purchased by the federal government for its own use. The standard covers anchorages for seat belt assemblies; padded instrument panel and visors; recessed instrument panel instruments and control devices; impact absorbing steering wheel and column displacement; safety door latches and hinges; anchorage of seats; four way flasher; safety glazing materials; dual operation of brake system; standard bumper heights; standard gear quadrant; windshield wipers and washers; glare reduction surfaces — instrument panel and windshield wipers; exhaust emission control system; tires and safety rims; backup lights; and outside rearview mirrors.

In another area, too, highway beautification, there is evidence in legislative form of an increased federal interest. Four pending bills have been introduced at the request of the President.

The first bill would require that each state use at least one-third of federal funds for secondary roads for: (1) construction of scenic highways, (2) construction of roads leading to scenic and recreational areas, and (3) landscaping and roadside development. Projects of this nature could be part of any federally-aided system other than the Interstate System.

Another proposal would require that each state use 3 per cent of federal-aid highway funds without matching for acquisition and scenic enhancement of land adjacent to federal-aid highways. For several years states have been permitted by law to make agreements

with the Secretary of Commerce to use federal highway funds for this purpose. Three states, all in 1965, have applied for such use of funds.

The third piece of legislation would make control over billboards along the interstate and primary systems a condition of receiving federal-aid highway funds after January 1, 1968. Those sections of the two systems to be affected would be sections not zoned or used primarily for commercial or industrial purposes. In general, the bill would require that no advertising signs be erected within one thousand feet of the pavement and visible to the passing motorist. Existing signs would have to be removed by July 1, 1970.

The fourth bill would, as a condition to receiving federal aid for highways after January 1, 1968, impose state control of junkyards along the entire interstate and primary systems. Existing junkyards would have to be screened from view or removed by July 1, 1970. No new junkyards would be permitted within one thousand feet of the pavement and must not be visible to the motorist.

The Future

Interpretation of current or recent developments to estimate future developments is hazardous at best. Nevertheless, this brief review seems to indicate that certain conclusions are tenable.

First, we may anticipate that the burden on our highway transportation system will continue to increase be it measured in number of accidents or deaths, injuries or property damage resulting therefrom; in miles of travel, number of licensed drivers or number of vehicles on the highways; in the myriad of problems associated with highway construction, maintenance, policing or administration; or in any other index that may be used.

Second, it is reasonable to assume that efforts will be stepped up to cope with this burden. There will be more state enactments in traffic control legislation. Legislation and administrative activity, state and local, will be directed toward improving performance in such fields as traffic engineering, accident records, driver licensing, vehicle inspection, driver education, law enforcement and the other recognized elements of a good traffic safety program.

Third, federal activity, particularly in the field of highway safety, may be expected to increase. Some measure of federal regulation to control the emission of pollutants from motor vehicles may also be anticipated. Of equivalent interest to states is what changes may be instituted as a result of the contemplated study by the Secretary of Commerce of the needs of the Federal-Aid Highway System.

Proposed Study

More than a decade has passed since, in response to an invitation from the President for advice, the Governors' Conference com-

pleted its study, "A Cooperative Program for Highway Construction." Two years later, in 1956, the study "Highway Safety" was presented to the Conference by its Committee on Highway Safety.

Much has happened since these studies were made and their recommendations offered to the federal government and the states. It is apparent from this review of recent developments and the conclusions drawn from them as respects the future, that another comprehensive study may be in order. Subjects to be studied might include, but not be limited to, highway construction, maintenance, administration, safety and beautification of federal-aid and other highways, and coordination of highway planning and construction with other forms of transportation and with other programs such as urban renewal, recreation, open space acquisition, and area and regional economic and natural resources planning.

Such a study might be undertaken by the Committee on Roads and Highway Safety or, because of its far-reaching implications for matters not solely within the jurisdiction of this Committee, by a Special Committee whose members might be drawn from this Committee, the Committee on Federal-State Relations and possibly other committees as the Executive Committee might direct. It might serve formally or informally in an advisory capacity to those who may be charged with the responsibility of making a similar study, or studies, at the federal level. In its own study it should seek the advice of state officials and of those representative of the federal government and local governments, as well as those outside government, whose counsel would be helpful.

Appendix XI

REPORT OF THE ADVISORY COMMITTEE TO THE EXECUTIVE COMMITTEE ON THE NATIONAL GUARD

This report is concerned solely with the proposed realignment of the Army's reserve forces, which calls for maintaining in the Army National Guard all of the organized reserve units the Army states it requires for immediate augmentation of its regular force in the event of partial or full mobilization.

All states have received tentative proposals from the Department of the Army which would realign the Army National Guard in each jurisdiction. It is the understanding of the Committee that each Chief Executive has indicated that the realignment proposals for the Army National Guard of his state would satisfy state requirements for internal security and emergency service. I emphasize at this time that these realignment proposals are still tentative in that the responsible Committees of the Congress have not yet concluded their consideration of the plan.

In brief, the proposal to realign the Reserve Forces of the Army, as announced by the Secretary of Defense on December 12, 1964, calls for:

1. Deactivation of the fifteen non-priority combat divisions of the Army National Guard and the six non-priority combat divisions of the Army Reserve, substituting therefor twenty-one high-priority combat brigades;
2. Activation of an additional five new separate combat brigades;
3. Retention of the existing six high-priority combat divisions and the two theater reinforcing divisions, all of which are now maintained in the National Guard;
4. Dispersion of the brigades of each of these eight divisions over two or three states;
5. Deactivation of several hundred non-divisional units currently organized in both the Army National Guard and the Army Reserve, thus reducing over-all number of units in the Army's reserve forces from 8,215 to approximately 6,100 company and detachment-size units;
6. Reduction of the currently authorized 700,000 individuals in the organized units of the Army National Guard and Army Reserve to approximately 550,000, all to be in the realigned Army National Guard;
7. Assignment of all organized units of the Army's realigned force to the Army National Guard and assignment of all individual reservists not members of units to the Army Reserve, which will

have the responsibility for administration and training of this pool.

It is significant that implementation of this plan would assign all organized units of the Army's reserve force to the National Guard.

Defense Planning

Although the Committee is not qualified to comment on the strategic aspects of defense planning, a review of developments since the end of World War II makes obvious the great changes that have taken place in defense programming. With the advent of nuclear weapons, in the closing days of World War II, there came tremendous alterations in weaponry, military tactics, worldwide strategies, and management and control techniques.

Military aid, enabling many friendly nations to assume a large portion of responsibility for defense of the free world, has become an important factor in determining the size and composition of our own armed forces.

Nuclear weapons imposed an urgent need for greater dispersion of military forces. Political developments throughout the world required the deployment of United States defense forces to many overseas areas. This, in turn, created the necessity for more rapid and reliable communications and transportation and for closer coordination between the military and political segments of our leadership.

Eventually, these changes came to bear on the organizational structure of the military forces and required that they be redesigned to bring them into full compatibility with the new weapons and equipment and the strategies which were developed to assure the security of the United States and its allies.

There came recognition by strategic planners that massed land warfare, such as was conducted in World War II, had become the least likely type of conflict in which the United States might be required to engage. Even the war in Korea, sizeable as it was, required only a partial mobilization of the nation's reserve forces. More common have been situations such as occurred in Lebanon, Berlin, Cuba, and the Dominican Republic, and as now exists in Viet Nam. There emerged a pattern of Communist strategy of pinprick conquest and harassment by proxy.

Acceptance of the doctrine of no large land wars had major significance for the U. S. Army.

There was increased reliance, not on our ability to mobilize huge land armies in a prolonged buildup, but on a capability for rapidly assembling smaller, more highly-ready forces and speeding them to a troubled area in time to prevent a war if possible, but to fight one if need be.

Acceptance of this doctrine compelled structural changes not

only in the Regular Army but also in its reserve components. We have seen reorganization of divisions from the Triangular to the Pentomic, and, subsequently, to the ROAD-type structure. Revolutionary new supply and maintenance concepts were developed. Tactical doctrines were altered. Worldwide communications networks were established and high speed jet transports became the accepted mode for rapid deployment and reinforcement.

By 1962, defense planners had settled on an Army force of twenty-two deployable divisions with supporting elements capable of meeting United States commitments in the existing Cold War and its requirements for the first six months of a major conflict. Into this force was woven a flexibility to permit deployment of task forces to engage in limited warfare at one or more points on the globe.

Sixteen of the divisions, with many of the supporting elements, are maintained in the Regular Army. The remaining six divisions, plus hundreds of supporting units, are now organized as high-priority elements of the Army National Guard and Army Reserve.

In addition to the twenty-two deployable divisions, there are maintained in the Army National Guard two infantry divisions with a theater reinforcing mission. Contingency plans call for the movement of these divisions to Alaska and the Caribbean, as may be required.

In the opinion of defense planners, the realignment will make final adjustments to bring the Army force, active and reserve, into conformity with the new strategic doctrine. More importantly from their viewpoint, the realignment will eliminate units which they regard as unnecessary, units which consume a considerable amount of the Army's funds and other resources without producing a compensating military return.

In scaling back the size of its reserve force, it was the decision of the Department of the Army that the reduced but more highly-ready force could more efficiently be managed in a single component. Recognizing the requirement of the states for trained and equipped military units available for call in local or regional emergencies, the Army determined that this force must be in the National Guard.

The State Role

Traditionally, state and local governments have shared many of the burdens of national defense with the federal government, as befits our American system. This partnership possesses a particular validity in an age when weapons of mass destruction can obliterate the sources of federal power in a flash, leaving to the states the responsibility for initial recovery from attack.

It is the opinion of this Committee that the realignment, in

assigning sole and exclusive responsibility to the states for providing and maintaining all organized reserve units of the Army, enhances rather than diminishes the states' portion of this shared responsibility.

Objections have been expressed in some quarters to certain portions of the plan, notably to the merger of the Army National Guard and the Army Reserve, and to the deactivation of combat divisions during a time of increasing international tension. Your Committee has given serious thought to the wisdom of deactivating well organized, trained divisions and other organizations, in being, as proposed by the merger, in a period of increasing international tensions. Our commitments may well require many more divisions or units than has been contemplated under the present twenty-two division force concept. In light of the President's report to the nation yesterday, the increasing American role in the defense of freedom throughout the world, and particularly in Viet Nam, makes it necessary to view implementation of the merger from a strict perspective of national military requirements recognized by the President, the Congress, the State Department and the Department of Defense.

The states and their Chief Executives recognize the joint responsibility they share with the federal government in providing for the common defense. They recognize also the authority, the necessary supporting facts, and the responsibility for making decisions on such important matters as military force structure repose with federal officials—the President, the Congress, and responsible leaders of the defense establishment. However, this Committee emphasizes, as it has in the past, that the states should be accorded the full consideration of a partner by consultation before, and not after, plans and decisions are made.

Congressional Responsibility

The Committee would like to make clear its recognition of the authority and responsibility of the Congress in matters of national defense. It is the opinion of the Committee that an expeditious and efficient implementation of the Department of Defense proposal to realign the reserve forces can be achieved only if the plan has the approval and the active support of the Congress.

The Committee cannot over-emphasize the importance of having available in every state, the Commonwealth of Puerto Rico and the District of Columbia a well-trained, adequately-equipped and disciplined military organization to function in natural disasters and civil emergencies under the direction and command of the respective Governors. If, therefore, there is to be a single reserve force, this force must be in the National Guard. We are confident that the Congress is aware of this requirement. Furthermore, the

Congress recognizes the importance of the National Guard's capability to function as a recovery force in a post-nuclear attack period, and of its increasingly important contributions in peacetime in the planning for military support for civil defense.

Lack of Support—Cause for Alarm

In recent years, the Governors have viewed with alarm and expressed their concern over failures of the Department of Defense to adequately support the reinforcing or non-priority organizations which now exist in the Army National Guard.

There exist serious shortages of full-time technicians, equipment and school spaces necessary to maintain the military competence of the officers and non-commissioned officers of the reinforcing organizations. By administrative actions, the Department of Defense, therefore, is denying to all but the priority elements of the Army's reserve forces the support necessary to maintain even minimum levels of mobilization readiness.

Realignment Effects at State Level

The Committee is aware of the added responsibilities of the states to be assumed in the support of a substantially increased number of units and individuals in the realigned Army National Guard. Higher manpower levels and substantially more equipment will impose a greater administrative burden than the present smaller force.

To achieve the strength objectives of the realigned forces will require recruiting an additional 175,000 individuals. It is hoped that many of the officers and enlisted men now in the Army Reserve will voluntarily enroll in the National Guard. The Department of Defense has asked the Congress to pass legislation making it possible to attach members of the Army Reserve, who do not voluntarily join the National Guard, where such attachments may be necessary to bring a unit to its authorized strength.

The Committee views the maintenance of strength by the states as most critical and essential to developing the full potential of the realigned Army National Guard, and the attainment of the major objectives of the merger—"greater operational readiness" and "greater combat readiness."

State Funding

The Department of Defense has stated that additional federal funds will be provided to assure that state funding for the National Guard does not exceed present levels. The plan calls for increased federal funds to cover such areas as salaries of additional full-time technicians and necessary expansion of state headquarters. In ad-

dition, where required, federally-owned Army Reserve armories and other facilities will be made available to the states at no additional cost. It should be clearly understood that where new construction may be necessary to accommodate a larger National Guard called for by the realignment in any state, this construction must be supported wholly by federal funds.

New Legislation

Recognizing the prerogatives of the Congress, the Secretary of Defense has asked that it act upon legislation intended to provide a basis for solution to certain of the problems that will confront the states. This legislation calls for:

1. The authority to attach Army Reservists to National Guard units for training;
2. Authority to accept female members in the Army National Guard;
3. Authority to enlist individuals in the National Guard who have retired from the Regular Service;
4. Authority to increase from seven to thirty days the period after an organization has held a training assembly, in which separate segments of that unit may conduct their own training;
5. Authority to organize National Guard units in the Virgin Islands.

The principal item in this legislative package is the request for legislation to authorize the attachment of reservists for training.

As noted earlier in this report, the matter of maintaining the strength of substantially larger Army National Guard organizations is a prime concern of state authorities. While the technique of attaching reservists to the National Guard has proved generally satisfactory for short terms, normally field training periods, it is doubtful that it will prove satisfactory to attach reservists to Army National Guard units for both field and armory training periods. The attachment procedure is viewed as something less than a satisfactory solution to the strength problem.

It is significant that the implementation of the realignment will leave the National Guard as the ready reserve force in the country. This places a greater responsibility upon the states, the Governors and Commanders, than ever before in recent times—involving as it does our national security. Therefore, the matter of strength is the dominant factor in attaining and maintaining greater operational and combat readiness.

It is the considered judgment of your Committee this cannot be done by recruiting alone. The Congress, defense officials, and the states should direct their thinking toward finding a solution which would funnel into the National Guard, under the merger, the trained

manpower being released daily by the active Army, who still have a military obligation. To merely assign them to a Reserve pool is a waste of trained manpower.

The request for authorization to "attach for training" contained in House Bill 8243, soon to be considered by the Congress, does not provide the solution. It reads as follows:

"(d). Training duty prescribed in sub-section (a) shall be performed with the active forces, the reserve components, or the National Guard as the Secretary concerned may prescribe."

It must also be pointed out that in order to provide six months active duty for training for non-prior service enlistees, the Army would have to substantially increase its level of in-put. Today, a backlog of about 25,000 exists in the National Guard.

It is noted that the troop basis of the realigned force includes a considerable number of medical units, the Tables of Organization of which call for large numbers of doctors, nurses and other professionally-qualified individuals. Experience has shown that in both the Active and Reserve forces, these are the most difficult types of individuals to recruit, and the Department of Defense will have to take a realistic attitude in this matter.

Job Security for Technicians

There is an additional problem area of equal importance. That is the treatment of National Guard technicians—those officers and enlisted men who are members of the National Guard and employed as full-time professionals for the purpose of administration, supply, training and maintenance.

There are approximately 37,000 technicians now employed in the program—a number which will be significantly increased under the present proposals.

These technicians, although paid from federal funds, are considered by the federal government to be state employees. Paradoxically, however, many of the states cannot, under their laws, provide these employees with the fringe benefits of conventional employment such as state retirement and state-sponsored life insurance and health programs.

A solution to this problem would be Congressional enactment of legislation which would provide a uniform, federally-supported retirement system for National Guard technicians, together with other fringe benefits of conventional employment.

The Committee is advised that such a bill, now supported by the Department of Defense, is presently under study by the Federal Bureau of the Budget and the Civil Service Commission.

Your Committee considers this a "must" piece of proposed legislation which should either accompany or immediately follow any implementation of the proposed realignment of the Army's reserve forces.

Full Federal Support Essential

Structural realignment and merger are only the beginning. They merely provide the foundation on which a better reserve force can be built. Actual creation of better units, with higher levels of military effectiveness, will rest almost wholly on the degree of support provided to the states by the federal government.

The Committee is convinced that, if properly supported by the federal government, the states will accomplish the desired objectives.

Conclusion

Recognizing that in this critical era the reserve force of the Army must be maintained at the highest possible level of combat readiness, the Committee recommends that the National Governors' Conference:

1. Endorse the objectives of greater operational readiness, increased combat readiness and improved management of the Army's reserve forces;
2. Urge the Congress to pass legislation that will assure a uniform, federally-supported retirement system for National Guard technicians and other conventional fringe benefits;
3. Approve the concept of the proposed merger, but in light of increasing world tensions, and the enormous difficulty in assessing the total impact at this time, that the Conference defer offering a recommendation as to the time and method of implementation, thus leaving the matter of critical timing of the proposed realignment to the national administration and the Congress;
4. Transmit a copy of this report to the President of the United States, the Congress, the Secretary of Defense and Secretary of the Army.

Appendix XII

REPORT OF THE COMMITTEE ON ELECTION LAWS AND COMMUNICATIONS MEDIA OPERATIONS

Technological developments of recent years have increased enormously the amount and quality of voting information available to radio and television networks on election night. These developments have come at a time when the broadcasting media have made spectacular advances in general reporting speed and accuracy. The accumulation and refinement of data made possible by this progress has given the major networks a statistical basis for extensive reporting of early voting returns and reliable prediction of election outcomes. These advances are directed toward the legitimate and admirable goal of broadcasting media—to report the news as rapidly and accurately as possible. Despite the intent of the broadcasting industry, the new reporting techniques have been discussed as a possible external influence on the voting process.

Research recently has been conducted to examine the impact of broadcasting and predicting election results prior to the closing of the polls. This research has been undertaken both under the sponsorship of the broadcasting industry itself and as a consequence of the intellectual concern of the academic community. In addition to reviewing selected products of this research, member Governors of the Committee and staff representatives met with officials of the major networks in New York City on August 31, 1964, to discuss the impact of early television voting predictions and results on actual voting behavior.

The broadcasting media representatives indicated that they shared the concern of the Governors serving on the Committee. They, too, were aware of the possibility that premature declarations of election victories might influence the election results in those areas where the polls have not closed. They agreed to take positive steps to reduce the possibility of such external influence on the voting process.

One measure discussed at this meeting was an educational campaign to be conducted before the November 3rd election which would work towards an increased public understanding of the nature of predictions. A second step consisted of a concerted "get out the vote" effort, both before and during the election. Such an effort, it was hoped, would encourage all citizens to vote regardless of national election predictions made on Election Day.

Governor Grant Sawyer of Nevada, expressing the views of both the Governors and the broadcasting representatives at the meeting, reported that prior studies are inconclusive on the point of whether or not the reporting of election results affects a citizen's decision to vote or his selection of the candidates. The Governors, therefore,

felt that legislation at this time would be premature, primarily because of the cooperative attitude of the communications media.

One of the most significant questions to be discussed was the extent to which the public's right to know should be impaired by delaying election reports and predictions. One of the major network presidents raised this question during his arguments against the imposition of restrictions on the industry, citing extensive legal research conducted by his firm's counsel.

Broadcasting representatives referred to such restrictions as possibly conflicting with the guarantee of the First Amendment of the Constitution. Their reservations were directed to a bill introduced in the Congress, S. 2927, and it was suggested that the doubtful constitutionality of such a proposal (to curb the broadcasters) was a strong argument against sanctioning such restrictions.

They cited legal precedents regarding restrictions noting that the precedents placed heavy emphasis upon signs of a "clear and present" danger, and a "clearly-defined" evil. It was pointed out that only when such a danger or evil is evident can restrictions of freedom of expression be warranted.

As has been suggested, the evidence in this matter is sparse and uncertain. In an attempt to establish the impact of broadcasting election results prior to poll closings, research teams have studied the particular conditions found in California where the polls are open several hours after those in the eastern section of the nation. Some surveys were directed toward those residents of California who voted late on Election Day and thus had access to the broadcasting returns and predictions.

Interviews with California voters indicate that the impact of broadcast election results prior to poll closing is negligible, based upon the limited evidence extracted from research. It is fair to say, however, that the present state of knowledge in this area still is tentative and incomplete. There appears to be neither a statistically supportable basis for criticism of election-night procedures nor a verification of the contention that television predictions do not affect voting patterns. Definitive comment on this matter must await more definitive research.

While cases have been established in the abstract for the harmful influence of broadcasting election results prior to poll closing, the studies under controlled conditions which trace the development of the voter's activities and his reaction to these broadcasting influences indicate that his freedom of choice has not been substantially impaired. The Committee feels that it must make clear that inherent limitations in its research capability did not permit the gathering of sufficient information to substantiate claims on either side. Since the research is unquestionably limited—despite the near unanimity of its conclusions—the Committee suggests that further inquiry be made in the future in order to clarify the issue and to

present a sharper picture of voting behavior as it relates to broadcasting activities. The potential importance of this question demands that further rigorous research by specially qualified organizations be encouraged.

The Committee recognizes the possible detriment to the voting process, if even the voting behavior of small numbers is influenced because of broadcast election results and predictions. Therefore, the Committee feels obliged to recommend to the broadcasting industry that it continue to impose self-restraint in its broadcasting policies. While the present election laws appear suitable for maintaining these national objectives, the protection of the voter demands that these laws be reviewed as new evidence becomes available.

The Committee notes that the broadcasting industry has a clear obligation to the American people and their political candidates to be on guard against unduly influencing voting behavior by the broadcast of early predictions and results.

Appendix XIII

REPORT OF THE COMMITTEE ON CIVIL DEFENSE AND POST-ATTACK RECOVERY

Ever since the Governors' Conference in 1959 took collective leadership in seeking to bring about an effective civil defense program for the nation, your Committee has been able to report continuing progress. It is pleased to do so again this year, although it must also report that the current pace of progress is not as rapid as in some previous years.

Since 1959 there has been a major change: the contribution that fallout shelters can make to the protection of Americans in the event of nuclear attack has been clearly identified. There is now agreement that fallout shelters should receive the concentrated attention of government at all levels and that evacuation of urban populations is not a feasible alternative.

It is also recognized that massive underground, or aboveground, construction is not required to provide adequate fallout protection.

As President Johnson recently stated:

"An effective civil defense program is an important element of our total defense effort. It aims at the achievement of a nationwide fallout shelter system."

This Report is based on the communications which your Committee has received from individual Governors, as well as from the Department of Defense, and the Office of Emergency Planning.

The slow-down in the pace of efforts to improve our civil defense posture, since the fall of 1962, is attributable to a variety of factors. There is still a widespread lack of understanding as to the essentiality of the civil defense effort. There appears also to be an increasing popular belief that a major nuclear conflict is becoming less and less likely. This popular attitude is buttressed by the failure of the Congress of the United States to enact the incentive fallout shelter legislation, as proposed two years ago by the federal administration.

We remain satisfied, however, that the goals we set for ourselves as Governors—to provide adequate civilian defense for all of our citizens—and the goal that President Kennedy established for the nation—to provide fallout shelter protection for every American as rapidly as possible—remain priority concerns.

Secretary of Defense McNamara said in his annual review, last February, for the House Armed Services Committee:

"Fallout shelters should have the highest priority of any defensive system because they decrease the vulnerability of the population to nuclear contamination under all types of attack." Similarly, in his message to the Congress dealing with national de-

fense, President Johnson underscored the central importance of fallout shelter protection in these words:

". . . without fallout shelter protection for our citizens, all defense weapons lose much of their effectiveness in saving lives. This also appears to be the least expensive way of saving millions of lives and the one which has clear value even without other systems."

We urge, therefore, a continuing and increased effort by all Governors, by their legislatures, by the President of the United States, and by the Congress of the United States, to make the goal of fallout protection for every American a reality.

Recent State and Local Progress

The Governors, reporting for their individual states, describe substantial advances in the shelter program, in planning for continuity of government notwithstanding a nuclear emergency, in the preparation of Comprehensive Emergency Resources Planning Programs, and in the development of post-attack stabilization measures.

Most Governors also report satisfactory progress in the Federal Shelter Survey and in the licensing, marking and stocking of shelters. Yet two important shortcomings in this shelter program have been identified in a number of states. They are:

1. The maldistribution of identified shelter spaces as compared to location of population, with serious shortages of shelter facilities in suburban and rural areas, and
2. The lack of adequate storage space for shelter supplies.

Two years ago only twenty-four states reported the existence of emergency operating centers. This year forty states and one territory report that they now have such protected operating centers. Notable progress has also been made in the provision of such centers for county and local jurisdictions. Delaware, in fact, reports that all of its counties now have such facilities available. And in both Hawaii and Maine all counties are reported either to have such emergency operating centers completed or to have them in process of development.

It is also encouraging to report that twenty-four states and three territories now have in effect a formal program for the duplication and safe storage of their essential records. In most cases records are being microfilmed, with at least one copy stored in a protected area. Three states, Delaware, Maryland and Oregon, report the actual completion of such records preservation programs.

State and local plans for the management of resources in an emergency have also advanced markedly during the past year. Nearly all of the reporting states are now taking advantage of the financial grants-in-aid made available for this purpose by the Office of Emergency Planning. Industry participation in emergency

planning is reported to range from "average" to "outstanding." This apparently reflects the efforts of the planning committees in the various states to seek the assistance and cooperation of major companies.

Once again the Governors report a more favorable public attitude toward civil defense than has previously been noted. This improvement is attributable importantly to the very prompt and effective actions by civil defense agencies in the handling of natural disasters, large and small. In flood situations, hurricanes and earthquakes, in drought-affected areas, and in many other instances where natural disasters have occurred, civil defense forces have demonstrated their ability to move rapidly and to provide substantial assistance. The public is thus acquiring a more tangible sense of the importance of a competent civil defense organization, trained and in being, at both state and local levels.

Most states point to a general improvement in federal-state cooperation. Yet many Governors feel that the federal and state governments have not done all they can and should in providing the leadership which is essential before an effective system of civil defense can be achieved. In particular, Governors point to the continuing failure of the Congress to enact a meaningful national shelter incentive program, and to the apparent absence of vigorous continuing executive branch interest in pressing for such legislation.

There are several Governors who renew their suggestion that the respective roles of the Office of Emergency Planning and the Pentagon's Office of Civil Defense be clarified. For the most part, these Governors feel that the best solution lies in a reconsolidation of these two offices under one head.

Several Governors have also remarked on their growing difficulties in providing their states' share of the cost of their civil defense and emergency planning efforts. They feel that a considerably larger proportion of the financing required and perhaps all of it, might more appropriately be covered with federal funds.

The Federal Program

Your Committee has received comprehensive reports of progress from Mr. William Durkee, Director of Civil Defense in the Department of the Army, and from former Governor Buford Ellington, appointed last March by the President to the post of Director of Emergency Planning.

Federal Office of Civil Defense

Since our report of last year, positive advances have been made in the federal shelter program. As of June 1, 1965, over 134 million shelter spaces have been located, and nearly eighty-four million of these, in some one hundred thousand facilities, are li-

censed or marked; and facilities with shelter spaces for thirty-two million have been stocked. There are now over fifty-four thousand radiological monitoring locations, 529 radio broadcast stations in the protection program, and about 1800 emergency operating centers either operational or in process.

Continuation and expansion of the program through 1970 is contemplated, to include, among other things:

1. Procurement of packaged portable ventilation kits, permitting increase in existing shelter capacities by some thirty-three million spaces;
2. Identification of additional shelter assets, particularly in small commercial structures, apartments and individual homes;
3. Training of thousands of architects and engineers in new and less expensive shelter construction techniques; and
4. Development of a program of community shelter planning and construction. A pilot program in this area is already under way in fifty-seven communities.

During the past year all Governors approved a plan developed by the Department of the Army for use of the State Adjutants General and their staffs to plan and coordinate employment of military forces and resources for civil defense. The plan provides a military chain of command, paralleling the civil structure, to improve military cooperation with state authorities.

Federal Office of Emergency Planning

As of June 1, 1965, all states have designated Emergency Planning Directors; forty-eight have Emergency Resources Planning Committees; and thirty-seven states have ratified amendments to their constitutions dealing with continuity of government and succession to office in an emergency. In some of these states action still must be taken, particularly at local levels, to make these new constitutional provisions fully effective.

Also, as of June 1, 1965, forty-four states, and Puerto Rico, Guam and The Virgin Islands have negotiated resources planning contracts with the federal government. These states and territories are, thus, eligible for federal financial assistance in planning. Since direct financial aid under this program will end on January 1, 1966, Governor Ellington urges each state to establish a small staff either within the Governor's office or as part of the state civil defense agency, to continue work with OEP on resources management programs.

OEP is undertaking a pioneer program involving the application of electronic data processing techniques to resources management problems. The office is also preparing to assist states in comparable programs as and when they have computers available.

Over the past year, hurricanes, floods, droughts and earthquakes have taken a heavy toll in lives and property. Over fifty-five million Americans have suffered. During 1964, twenty-five major disasters were declared in eighteen states, Puerto Rico, The Virgin Islands and the Pacific Trust Territories. California, Florida, Georgia and Montana suffered two major disasters each. In the early spring of 1965, storms and tornadoes hit the Midwest from the Dakotas to Ohio and from Minnesota to Kentucky and Missouri. More recently, Colorado, Kansas and New Mexico were struck by record-breaking floods.

Federal aid, administered through OEP, has been provided in nearly all these cases. State and local civil defense agencies have rendered invaluable service. All states but one have by law placed the responsibility for coordinating natural disaster relief operations in their civil defense agency under the direction of the Governor. The President has recently directed OEP to review the Federal Disaster Act and to propose any necessary changes which might serve to assure a more effective federal response. Governors will wish to cooperate closely with the OEP in considering new proposals for more effective assistance to people and communities afflicted by disasters.

Conclusion

Gratifying as is the progress that has been made in preparing a civil defense program adequate for the nuclear age, persistent is the reminder that more protection for our citizens is well within our power to achieve at a feasible cost in money and effort. What is required is steadfast attention to the possibilities for emergency planning and for shelter.

Leadership by the President, by the Governors and by local officials is essential to the task before the nation. Each of us as Governors can achieve more through leadership than we have in the past. It is certainly as essential that we protect the safety of our people as the safety of our records.

The potentials for increasing the safety of our citizens, notwithstanding a nuclear attack, by linking civil defense planning affirmatively to ongoing state programs, for example: in housing, for highways, for care of the ill, and for schools, remain large and challenging. With constructive imagination, but little additional effort, and often with marginal incremental cost, essential fallout shelter can be provided as a part of new state or local construction programs. An example has been cited involving a new building costing upwards of \$1,000,000 where shelter space for all occupants has been provided with an additional outlay of no more than \$1,000. The returns in security for our people and our nation can generously repay the relatively minor cost involved.

We, therefore, urge a renewed commitment by this Governors' Conference and by the individual Governors to devising and providing the maximum feasible assurance to the American people that they and their values can survive the threat, and, if it should occur, the reality of nuclear attack.

Appendix XIV

REPORT OF THE COMMITTEE ON EXECUTIVE COMMUNICATION AND COORDINATION

At the Fifty-Sixth Annual Meeting of the National Governors' Conference held in Cleveland, Ohio in June, 1964, the Committee on Executive Communication and Coordination was created as a successor to the Committee on State Planning. The establishment of this committee at the suggestion of its predecessor was the first step toward carrying out the recommendations contained in the joint staff paper agreed upon by the Governors' Conference Committee on State Planning, members of the White House staff, and Bureau of the Budget staff. The avowed purpose of this committee was to "work with the President of the United States, the Cabinet officers and Executive agencies toward the end that more effective communications could be established with the Governors of the respective states."

The joint staff paper and recommendations are set out in full in the 1964 report of the Committee on State Planning. However, the second recommendation is worthy of recitation again here since it is the key to the accomplishment of the purposes of this committee:

"That information concerning Federal or federally supported planning for or the undertaking of activities which have a significant impact on State planning and development be made available to the Governor's office in each State, so that it may be related to over-all State planning activity. To accomplish this, it is recommended:

"a. That arrangements be devised for making available, on a systematic basis, summary information concerning development projects for which applications for Federal assistance are being received from each of the various States.

"b. That arrangements be made for exploring the feasibility of providing the Governors on an orderly basis such planning information concerning contemplated Federal public works as might be found relevant for the development of State comprehensive plans.

"c. That Federal agencies notify the Governor when any public announcement has been made concerning action taken on any Federal or federally assisted physical development project in his State.

"d. That the Governors' Conference Committee on Executive Communication and Coordination, the White House staff, and the Bureau of the Budget cooperate with Federal agencies in perfecting arrangements for transmitting the types of information referred to in this recommendation."

While this committee's predecessor devoted its attention primarily to physical development programs and projects—and certainly not without good reason—we should be reminded that the same compelling justification for notification and coordination of activities applies to projects not involving physical development.

Last year's committee report spoke of our advancing technology which has virtually broken down the once distinct barriers between our separate states, and has organized the economic and social life of the American people in ways which in many instances altogether ignore state boundaries. The relative political position of the nation and its member states has obviously shifted with the increasing economic unification of the country. Yet the states are the oldest units of government in the United States; that they have retained influence and importance through the variances of our social and economic system is a testament of their vitality.

Today, the states retain important functions as units of the central government, as sovereign entities for dealing with statewide problems, and as a level of governmental coordination of local administrative units. A fourth function, however, has become increasingly important. As the relative positions of the state and federal governments change, the states are becoming more actively engaged as intermediaries between the nation and the cities and other units of local government.

There are few functions and services which do not concern all levels of government. The federal government is increasingly involved in the entire spectrum of governmental activity—education, health, labor, natural resources, public works, social welfare, transportation, civil rights. These activities represent varying degrees of coordination and communication with the states.

The related programs under the Economic Opportunity Act of 1964 offer a timely example. Although a substantial portion of anti-poverty programs or projects require clearance through a Governor's office and are subject to the Governor's veto, this is not true of all such programs and projects. Those which bypass the state level include assistance to migrant workers, rural loans, small business loans, the college work-study program, Higher Education Facilities Act funds for construction of graduate facilities, and the work experience program. In these fields, all negotiations and contracts are between the Office of Economic Opportunity or delegate federal agency on the one hand and the local applicant, which may be a nongovernmental entity, on the other. Furthermore, legislation already approved by the House of Representatives would amend the Economic Opportunity Act to permit the Director of the Office of Economic Opportunity to override a Governor's veto, disapproving a program or project to be undertaken in his state by any public agency or private organization with respect to the Neighborhood Youth Corps program, the community action program and the adult

basic education program if, in the opinion of the Director, the application is consistent with the law and would further the purposes of the act.

It can be easily shown that greater efforts toward communication between the federal agencies and the states can enhance the success of a program and avoid the complications of inadequate coordination. A recent illustration is the Labor Department's summer job program for high school boys known as A-TEAM (Athletes in Temporary Employment as Agricultural Manpower). This program was originated as a means to put young men to work in areas where the adult farm labor supply was not sufficient to meet the demand. It was handled through direct contact with high schools, bypassing State Employment Security Agencies. Due to inadequate information on available jobs, the program in some instances enrolled boys and adult supervisors without sure knowledge that they could be placed in agricultural employment. The result was a considerable loss of effect in some areas of the nation.

This points up the fact that multiplying federal programs and projects will continue to compound state planning problems in the absence of complete and effective coordination of federal-state activities. Initially there must be meaningful federal-state consultation in the development—and through all stages in the development—of legislative proposals that have major implications for federal-state relations. Further, we cannot emphasize too strongly that the states must have the opportunity to participate at the very inception and at all stages in the evolution of a program or project—not just the right of review or veto after plans have been finalized at the federal level. It is axiomatic that coordination will be effective and useful only if the states aid in the formulation as well as the execution of various programs and projects.

Lengthy delay, sometimes stretching for several years, often occurs between the development of a particular project proposal and its implementation through actual appropriation by the Congress. Though the procedure for state cooperation and advice may be well established for consideration of the initial plan, subsequent revisions to answer federal agency or Congressional objections may be made without the knowledge or consent of the affected state agency.

For example, water projects developed by federal agencies are constantly revised; when finally considered by the Congress they may be substantially altered from the original form. If the state has a justifiable interest in the project as initially advanced, then its continuing interest is equally justifiable. The impact of federal programs on state programs is such that effective working relationships must be established and maintained without regard to changes in administration or personnel at either the state or federal level. Duplication of effort and misunderstanding can only

delay achievement of worthwhile goals and frustrate our citizens with the complexity of procedures and paperwork.

Fortunately, in an increasing number of instances Congress is recognizing the advisability for communication and coordination of federal and state activities. Certain new programs and revisions in existing programs demonstrate this.

In highway construction, we find the Secretary of Commerce directed by law to cooperate with the states in the development of long-range highway plans and programs of transportation. As of July 1, 1965, the Secretary may not approve programs for federal aid projects in urban areas of more than 50,000 population unless he finds that the projects are based on a continuing comprehensive transportation process carried on cooperatively by states and local communities. Such plans must meet the objective stated in the law "to encourage and promote the development of transportation systems, embracing various modes of transport in a manner that will serve the states and local communities efficiently and effectively."

A comparable provision is included in the Urban Mass Transportation Act under which grants and loans may be made to states and local governments to finance facilities and equipment for mass transportation service.

Only this year are funds becoming available under the Land and Water Conservation Fund Act. Aid may be used for planning, acquisition, or development. However, only acquisition and development projects which are in accord with the comprehensive state plan are eligible for assistance.

Grants are also available for community mental centers and for mental retardation facilities. But the Congress has said that in both cases conformity with an approved state plan is necessary.

These developments reflect a recognition on the part of the federal government of the importance of both state planning and the coordination of state-federal activities. The joint staff paper demonstrates the same recognition by the executive branch of the federal government. But to date, the machinery and procedures for putting into operation the recommendations cited earlier in this report have not been worked out.

Conclusion

This Committee and the Council of State Governments staff have been in further contact with the White House staff and representatives of the Bureau of the Budget. As a result of these discussions and communications, we recommend that the Council of State Governments staff send to each Governor at the conclusion of this Conference a questionnaire posing the following questions:

1. What types of information on federal projects or programs would be most generally useful and needed?

2. What form should this information take?
3. How should this information be transmitted to your state?
4. Do you have within your office or your state an office or an individual responsible to the Governor for the collecting, on a systematic basis, planning and development information concerning federal, state, and local public works, capital improvements, capital acquisitions and other federal projects in accordance with the recommendations of the Committee on State Planning to the 1964 Governors' Conference?
 - (a) If so, please describe the make-up and operation of this office.
 - (b) If not, do you plan to establish such a planning facility?

The answers to these inquiries should be returned no later than November 1, 1965, in order that this Committee can evaluate the information received and explore further with the Bureau of the Budget and White House staffs the execution of the earlier recommendations at the earliest possible time.

The veto accorded a Governor with respect to certain programs and projects authorized by the Economic Opportunity Act of 1964 is, at best, a negative means of achieving coordination. As inadequate as it is, it is far better than no means. Yet legislation has been approved by the House of Representatives to narrow further the application of the veto. As a minimum, the provision in the current law must be maintained.

The problem of coordination of federal and state activities is far larger than retention, elimination or amendment of the veto power of a Governor under the Economic Opportunity Act of 1964. It extends from highways to welfare, from health to education, from natural resources to manpower training, from unemployment compensation to law enforcement, from housing and urban development to vocational rehabilitation—and these several program areas do not complete the listing. It would appear that a major federal-state effort is needed to examine and to develop recommendations for making changes in the existing federal laws and to establish a policy with respect to laws that may be enacted in the future that will permit effective state participation in determining the policy decisions, not to mention details of administration, of programs in which states share administrative and financial responsibility with the federal government.

The Committee on Executive Communication and Coordination suggests that in the next year the Committee pursue and study the possibility of establishment of an action committee consisting of the members of this Committee of the Governors' Conference, Congressional leaders and representatives of the President. Such a committee would have as its objective a searching review of fed-

eral legislation now passed or proposed to determine what amendments may be necessary to phase in such legislation with state activities. A well-funded effort already is under way to review public lands laws. This might serve as a model for the review herein suggested.

Nor is it enough that the states be afforded an opportunity to participate in decision making. They must be prepared to take full advantage of such an opportunity. To the extent that any state has not done so, it is urged to implement as soon as possible the recommendations contained in the Joint Staff Paper attached to the 1964 Report of the Committee on State Planning relative to the establishment or designation of an agency responsible to the Governor for the performance of coordinative functions.

Coordination of state efforts is a must if we are to retain our viability as the form of government most responsive to the varied needs of our people. Contiguous states now enjoy coordination in a number of isolated fields. Our several department heads frequently cooperate on the field level—but much too often they agree to companion efforts in a vacuum. We sorely need executive coordination among ourselves.

An appropriate vehicle for such executive coordination has emerged from one of the regional Governors' Conferences. The New England Planning Compact provides the mechanical device for overall cooperative effort. The Governors are commended to inquire into the feasibility of adopting a similar compact within their respective regions. The compact device may well be a most valuable means of coordinating our several state efforts as well as coordinating our multi-state efforts with the activities of the federal government. For the same reasons, states are urged to examine the newly-created Water Resources Planning Act of 1965, Public Law 89-80.

REPORT OF THE SUBCOMMITTEE ON
JUVENILE DELINQUENCY

Foreword

Anyone who reads the newspapers in any of the 50 states knows that delinquency is a nationwide problem. This automatically gives us a nationwide responsibility to do something about it.

Statistics from every state tell us that juvenile delinquency is on the rise.

Many of society's problems come from population growth, and this is particularly true of delinquency. Most offenders come in the 12- to 29-year age bracket, and this is where the population is expanding most rapidly. In California, alone, we will see an increase in that age group from 4,700,000 in 1964 to 7,400,000 in 1975. This makes it obvious that if all other factors relating to delinquency remain constant during the next decade, the population growth alone will greatly compound our problems.

In most counties in most states, probation caseloads are intolerable, the courts are overwhelmed, institutions are overcrowded, and police and prosecutors are swamped.

So what of the future? The only answer is delinquency prevention, and the best place to undertake it is in the urban, suburban, and rural slums that dot our nation. Although the country has a highly productive economy, we have a hard core of poverty wherever marginal families gather together and perpetuate themselves to multiply those conditions that cause more delinquency.

In these areas of poverty, housing is squalid, overcrowded, and depressing. The neighborhood is rundown, unpainted, and dilapidated. The neighbors are often unemployed, mother abandoned, and children left untended. Alcoholism, drug addiction, mental illness, violence, promiscuity, and disease are everywhere.

Our young people are also sometimes unsettled by the tension of the times, caused, in part, by the brushfire military actions that pose threats of full war in our atom bomb age. There are innumerable other conditions leading to delinquency, such as broken homes, school dropouts, the lack of jobs for our youth, alcohol, and narcotics.

The fundamental answer is obvious: We must break up these poverty cores by giving the people in them the help and some hope they need to get out and become productive citizens. We must eliminate other conditions, to the best of our ability, to reduce the incidence of delinquency. President Lyndon B. Johnson's War on Poverty provides every state with assistance in this admittedly

gigantic task. Americans have the power to eliminate poverty and we will eliminate it. But we will need the support of every Governor and every citizen. The job is doubly worthwhile because when we eliminate poverty we will also eliminate delinquency. We dare not fail.

Report of the Advisory Committee

The Committee on Juvenile Delinquency, initially a subcommittee of the Committee on Human Resources of the National Governors' Conference, originated at the Governors' Conference held in Honolulu, Hawaii, in June 1961. It was then that the Governors of the states affirmed that "Not only do the states have primary governmental responsibility for combating youth crime, but also the obligation to provide leadership in the fight against juvenile delinquency."

The committee had the original charge to "develop, for consideration by the states, recommendations for the control and prevention of delinquency and youth crime."

In October 1961, a national conference on delinquency and youth crime was held in Denver, Colorado, and delegates agreed on these recommendations:

1. That each state designate one state agency or official to be given the primary responsibility for preventing and combating juvenile delinquency.
2. That a national clearinghouse be established for information necessary to establish sound programs to deal with delinquency.
3. That an offer of the National Association of Broadcasters to assist in informing the public of the nature and scope of delinquency be accepted.

All but one of the states has since designated the responsible agency or official, and the clearinghouse was established in New York City by the National Council on Crime and Delinquency.

Governor Stephen McNichols of Colorado was named chairman of the original committee. He was succeeded by Governor Edmund G. Brown of California in 1962, and Governor Brown has twice been reappointed. Mr. Heman G. Stark, Director of the California State Department of the Youth Authority, was named in 1962 to the chairmanship of an advisory committee of state officials, and he has served in that capacity continuously since that time. Two years ago, the Committee on Juvenile Delinquency applied to the Office of Juvenile Delinquency and Youth Development for funds to conduct training programs for state coordinators in delinquency prevention. The first regional training workshop was held in February 1965 at Southern Illinois University in Grafton, Illinois. The

second regional workshop was held in June 1965 at the University of Southern California in Los Angeles.

Recommendations of the Advisory Committee

The advisory committee submits four major recommendations to the Committee on Juvenile Delinquency of the National Governors' Conference, covering the following areas:

1. Development of continuing and positive relationship with law enforcement;
2. Establishment of state governmental structure to combat delinquency;
3. Establishment of methods to provide information on program standards; and
4. Development of statewide planning for protective services.

Recommendation No. 1

Too often there is a lack of understanding, communication, and coordination among the various public agencies concerned with juvenile delinquency—the police, juvenile courts, parole and probation and other youth agencies. The result may be public confusion and conflicting policies which hamper efforts to deal with the problem of delinquency. There is a great need for all such agencies to work together so that within each state there can be a coordinated comprehensive attack on delinquency with general agreement as to the best methods for preventing, treating, and controlling juvenile delinquency.

We recommend, therefore, that the Governor of each state take leadership in bringing these various agencies together through conferences and in other ways as a mechanism for developing an appreciative understanding of each other's roles and common procedures for the treatment of juvenile delinquency.

We urge also that national voluntary agencies such as the National Council on Crime and Delinquency and the International Association of Chiefs of Police explore their common interests in this field.

Recommendation No. 2

The inherent responsibility of state government calls for overall leadership in the field of delinquency prevention and youth crime and to encourage and assist local communities to assume their fundamental responsibilities for action-oriented programs.

State personnel and funds should be provided to carry out this inherent responsibility of state government and where suitable machinery exists it should be utilized; where it does not exist, it should be created.

State leadership should focus public attention on the fight against juvenile delinquency and youth crime and should attempt to mobilize widespread public support for action programs at the local and community level.

The President's committee and other federal agencies dealing with juvenile delinquency and youth problems should work with state governments in order to assure maximum state participation, coordination, and continuity of services.

The Governors' Conference should request the President's committee and other federal agencies to make available funds for statewide assessment and planning in the prevention, control, and treatment of juvenile delinquency and youth problems.

A major leadership responsibility of both state and federal governments is to coordinate, clarify, and publicize the programs of technical and financial aid made available by such federal programs as:

1. The President's Committee on Juvenile Delinquency and Youth Crime;
2. Children's Bureau;
3. Office of Economic Opportunity;
4. Vocational Rehabilitation;
5. Manpower Redevelopment and Training;
6. National Institute of Mental Health;
7. Department of Health, Education, and Welfare;
8. and others as their programs relate to juvenile delinquency.

Recommendation No. 3

During an era of increasing public concern for the problems of juvenile delinquency and youth crime, it is appropriate for the National Governors' Conference to promote public understanding of the complexity of this vexing problem and encourage action based upon practical experience and reason. It should be recognized that there exists among the states a substantial body of time-tested knowledge about delinquency prevention and treatment programs of proven effectiveness.

The persistent and threatening nature of the delinquency problem sometimes creates pressures which turn some communities and officials to such shopworn and ineffective panaceas as, for example, the publication of the names of children brought before the juvenile courts, punishment of parents, opening juvenile court hearings to the public, lowering the age of juvenile court jurisdiction, and direct commitments to jails and prisons in a futile search for solution.

While there are obvious differences among states and among people within them, there is a persistent stream of fundamental

principles which do apply to any productive program of service for preventing, controlling, or treating delinquency in a democratic society. Information and data regarding both effective and abortive programs—community prevention, law enforcement, juvenile court service, and institutional—are available from a variety of sources.

It is the function of state leadership to ensure that both state and local communities may benefit from experience and best available knowledge, and avoid costly and wasteful repetition of ill-conceived programs already found ineffective in preventing or treating juvenile delinquency.

Your Committee on Juvenile Delinquency has assembled much information about programs across the nation. We also call attention to the Council of State Governments as another source of information through which experience and knowledge in this field can be systematically shared.

Recommendation No. 4

Fundamental to society's efforts to combat delinquency are casework services, usually known as protective services, which can reach out to any child who is reported to be neglected, abused, or who is showing early signs of delinquent behavior. In the absence of protective services, a community must wait until a child is in serious trouble, has suffered serious damage, or his family has completely disintegrated before protective, corrective measures are undertaken.

Many children and their families slip through this gap in community service into delinquency, crime, and lifelong economic dependency.

Our committee recommends that statewide planning be undertaken in every state to insure that a strong program of protective services be available to every child within all states.*

* A more complete printed report on behalf of the Subcommittee on Juvenile Delinquency was distributed at the Annual Meeting, including organizational tables and background information. Copies of the printed report are on file at the headquarters of the National Governors' Conference in Chicago.

Appendix XVI

REPORT OF THE COMMITTEE ON FEDERAL-STATE RELATIONS

It has become a truism to speak of the increasing complexity of intergovernmental relations, and to point out that this imposes a need for increased cooperation among governments at the several levels or among governments at the same level, better coordination in the execution of programs administered or financed jointly by such governments, and improved procedures and organizational arrangements at all levels.

Much is being done to meet this need. There is increasing consultation among officials. Advice is sought and given. At the federal level more departments and agencies have designated high-level officials to be particularly concerned with intergovernmental relations. At the state level, more and more states are establishing an Office of Local Affairs or its equivalent; providing technical assistance to local governments; authorizing metropolitan area planning agencies; or taking other steps to strengthen local governments.

Congress has indicated that it recognizes the significance of intergovernmental relations through the creation in both Houses of a Subcommittee on Intergovernmental Relations. For some years, too, the Advisory Commission on Intergovernmental Relations has been functioning. Its twenty-six members include, in addition to four Governors, members of Congress, executive department heads, Mayors, county officials, state legislators and representatives of the public.

Among states, the need for greater cooperation has led to the development of many formal and informal procedural arrangements. These include such potentially nationwide interstate compacts as those dealing with mental health, driver licensing, vehicle equipment, pest control, public assistance and unclaimed property.

Given all that has happened and is happening, it is at least arguable that the tempo of change in intergovernmental relations is so great that attempts to cope with it continue to be inadequate. As the material below will disclose, the areas of significant events are many and diverse—and only the more significant are discussed.

Water Resources Planning

Ever since the introduction of the administration bill on this subject in 1961, the Governors' Conference has maintained an active interest in it. There was opposition on the part of many Governors to certain portions of the original bill. This opposition changed to support when amendments were approved. Now it would

appear that there will be an enactment soon since the bill, currently S. 21, has been approved by a conference committee.

Enactment of S. 21 will make available to the states and the relevant federal agencies a mechanism to facilitate their planning together in river basins or regions for the conservation, development and use of our hard-pressed water and related land resources. This is a long step forward, but the legislation is not self-executing. The states, if they are to be full partners in a planning enterprise, must be prepared to devote adequate staff, money and other resources. Anything less will defeat the purpose of the legislation.

Water Pollution Control

Another area of interest to the Governors' Conference, and another area where increased state activity is indicated, is water pollution control. The Senate version of the current bill would grant authority to the Secretary of Health, Education, and Welfare to establish water quality standards applicable to interstate waters if, after having been requested by him to do so, the appropriate states and interstate agencies have not developed standards found by the Secretary to satisfy the requirements set forth in the bill. The House version "... Provides that the State will file with the Secretary a letter of intent that such State will establish on or before June 30, 1967, water quality criteria applicable to interstate waters and portions thereof within such State, and no State shall receive any funds under the act after ninety days following the date of enactment of this clause until such a letter is filed with the Secretary."

Regardless of which version is adopted, Congressional intent is clear. Unless there is action by states, there will be federal action.

On another water pollution control front, the Senate has passed a bill to authorize the Secretary of Health, Education, and Welfare to prescribe standards for the discharge of wastes from federal installations. In both its procedures and proposed standards, this bill is a major improvement over a similar bill of the last Congress.

Taxation of Multi-State Businesses

Beginning with a resolution adopted in 1962, the Governors' Conference has maintained a keen interest in the study that the Committee on the Judiciary of the House of Representatives has been making of state taxation of businesses engaged in interstate commerce. The initial authorization was for a study of state income taxes. Later the inquiry was broadened to include all state taxes. To date, the special subcommittee set up to make the study has issued reports on income taxes and on sales and use taxes.

Its specific recommendations are yet to be published, but there is not the slightest doubt that federal standards will be proposed.

The Governors' Conference has opposed imposition of federal standards with respect to state taxation, and, in the case of income taxes, has urged that states enact legislation based on the "Uniform Division of Income for Tax Purposes Act" promulgated by the National Conference of Commissioners on Uniform State Laws. With many states still to report, a survey currently under way indicates that eleven states have adopted the uniform act, or adopted it in substance; one state is reasonably close to the uniform act; and at least four more have under serious consideration amendatory legislation which would bring their corporate tax laws much closer to the uniform act. It is evident that progress is being made among the thirty-nine jurisdictions that levy corporation income taxes, but it is still too slow to warrant complacency or to assure that an effort to enact federal standards can be thwarted.

In the area of sales, use, gross receipts and capital stock taxes, although specific recommendations remain to be made, the subcommittee appears to be ready to propose that a federal agency act as a clearing house for tax collections on sales made out-of-state, determine uniform rules for enforcement and make tax audits. It is anticipated that specific legislative proposals, both with respect to corporation income and sales and similar taxes, will be made later this year, with the push for enactment delayed until next year.

This subject is far too significant to be passed over lightly. It is evident that the legislative proposals of the Judiciary subcommittee will be hostile to the continued independence of the states and their local governments. This is a far more direct and meaningful attack on the constitutional division of powers than any unfunctional attack that may have been described in the past. If the states and their local subdivisions are shackled by federal legislation in raising revenue necessary to discharge their governmental obligations, then indeed our federal system will be subverted.

On the other hand, undoubtedly businesses that operate in interstate commerce do have difficult tax compliance problems, many of which could be eliminated without any diminution of state sovereignty or loss of tax revenue if there were a greater disposition on the part of states to cooperate in their elimination.

The course of the Governors' Conference seems clear. There should be continued resistance to any imposition of federal standards and continued adherence to a policy of urging the states to adopt the "Uniform Division of Income for Tax Purposes Act" and take other action to minimize tax compliance problems. To these ends it is urged that there be, among other things, cooperation between the National Association of Attorneys General and the Council of State Governments in studying these matters and preparing materials, including testimony; study by the National Conference

of Commissioners on Uniform State Laws of the need for and recommendations concerning uniformity in sales and use and other fields of taxation; and cooperation among organizations of state and local government officials in resisting federal encroachment and effectuating needful reforms in tax laws and administration.

Taxation of State and Local Bonds

For almost 30 years the Governors' Conference and other organizations of state and local government officials, as members of the Conference on State Defense, have resisted efforts to subject interest paid on state and local bonds to taxation by the federal government. Most recently this effort has taken the form of endeavoring to assure that interest received by life insurance companies by virtue of their holding state and local obligations would not be subjected to income taxation by the federal government. Beginning in 1958, when what was to become the Life Insurance Compact Income Tax Act of 1959 was before Congress, the Conference on State Defense sought to have included in the legislation language which would make it clear that state and local bond interest would remain tax exempt. It was thought that this aim had been achieved when the so-called "exceptions" clauses were incorporated in the bill. Section 804 (a) (6) reads as follows (Section 809 (b) (4) is substantially identical):

If it is established in any case that the application of the definition of taxable investment income contained in paragraph (2) results in the imposition of tax on—

(A) any interest which under section 103 is excluded from gross income. . . .
adjustment shall be made to the extent necessary to prevent such imposition.

In view of the attitude of the Treasury in arguing, first that the tax formula contained in the bill would not result in the substantive imposition of tax on municipal bond interest, and second that the exceptions clauses, in effect, were surplusage, the Conference on State Defense made every effort to secure the issuance of a regulation which would implement Congressional intent not to impose a tax on tax-exempt income. It was pointed out to Treasury that the Life Insurance Company Income Tax Act employs a prorationing concept which, unless the exceptions clauses are implemented, would require life insurance companies to charge a part of operating expenses to tax-exempt income—a requirement that Congress sought to avoid and that in any case, it was contended, would be unconstitutional under the Supreme Court decisions of National Life Insurance Co. v. United States, 277 U. S. 508 and Missouri v. Gehner, 281 U. S. 313.

It was further pointed out that the regulation proposed by the

Conference would treat life insurance companies as other investors are treated. Failure to do so would result in litigation. Litigation, in turn, would hurt the state and local bond market. An adverse decision would discourage purchase of such securities not only by life insurance companies, but by other investors.

Unfortunately, Treasury officials were not persuaded, and subsequent developments have borne out our prophecies. The issue was litigated by the Atlas Life Insurance Company. In District Court, Atlas lost. In the Circuit Court of Appeals for the Tenth Circuit, this decision was reversed. Finally, on May 17, the Supreme Court upheld unanimously the Treasury's prorationing of municipal bond interest between the policyholder and the company. In District Court, Circuit Court and Supreme Court, members of the Conference on State Defense appeared as amici curiae.

The decision is unfortunate enough insofar as it applies to life insurance companies—but they represent only a small portion of the state and local bond market. What effect the decision will have on other investors is of far greater significance. To minimize such effect, it is proposed that the Governors' Conference join with other members of the Conference on State Defense in urging that federal legislation be enacted to confirm the existence of state and local government tax immunity from federal taxation in the same terms as that already afforded by existing federal statutes to obligations of the United States Government from state and local government taxation.

Judicial Review of Administrative Decisions under the Public Assistance Titles of the Social Security Act

Of the several federal grant-in-aid programs, relatively few provide for judicial review of administrative decisions of federal officials at the instance of a state. Of those that do not, it is probable that the several public welfare titles of the Social Security Act are productive of more differences of view, and more significant differences of view, between federal and state officials than any other federal-aid program, or all others combined. Needless to say, this state of affairs from time to time has occasioned proposals for judicial review of administrative decisions of the Secretary of Health, Education, and Welfare or, alternatively, for review of all administrative decisions made under provisions of federal-aid statutes.

The Committee on Federal-State Relations in 1963 concluded that this situation merited its attention. Initially it considered the broadest possible approach. Subsequently it was decided that amendment of the Social Security Act was more likely to be secured. Efforts were then directed toward this end, but, before they could be realized Congress adjourned. The latest effort in this direction is

included in H. R. 6675, amending the Social Security Act. Section 404 provides for both administrative and judicial review of decisions made under all the public assistance titles (old-age assistance and medical assistance for the aged; aid to needy families with children; aid to the blind; aid to the permanently and totally disabled; the combination of the foregoing; and the proposed program of medical assistance for all categories except the aged).

Following administrative review, if a state is dissatisfied with the Secretary's determination relating to submission or operation of a state plan, the state may petition for a review of such determination in the court of appeals of the circuit in which the state is located. For purposes of review any amendment of a state plan, at the option of the state, may be treated as the submission of a plan. Final review upon certiorari may be had in the Supreme Court.

As this paper is written, Section 404 appears in both the version of H. R. 6675 approved by the House and by the Senate Finance Committee. It would appear, therefore, that there is every chance that it will be contained in the bill as finally approved by both Houses.

Walsh-Healey Radiation Protection Regulations

The report of this committee to the Conference last year indicated that the Department of Labor had proposed to require conformity on the part of government contractors with a uniform set of radiation health and safety regulations. The proposed action was protested on the grounds that such regulations would be duplicative at best; would discourage and impede state regulatory programs undertaken in good faith by states with the Atomic Energy Commission; and would make it more difficult to secure additional state-AEC agreements.

As of this writing, ten states—Arkansas, California, Kansas, Kentucky, Florida, Mississippi, New York, North Carolina, Oregon and Texas—have concluded agreements. Tennessee's proposed agreement has been published and, if approved, will be effective September 1. The states of Alabama, Arizona, Indiana, Louisiana, Nebraska, New Hampshire and Virginia are negotiating with the AEC. Enabling legislation has been enacted in Colorado, Georgia, Idaho, Illinois, Maine, Michigan, Nevada, New Jersey, North Dakota, Ohio, Oklahoma, Puerto Rico, Rhode Island, Washington and Wisconsin.

As a result of the protests, the Labor Department postponed the effective date of its proposed regulations pending oral proceedings on the narrow issue of whether or not special provisions should be made for states with agreements. There the matter rested for a year. Then, in April 1965, the Secretary of Labor caused to be published a proposed regulation according special treatment

for licensees covered by programs of the agreement states, but reaffirming the Department's intention to determine compliance of contractors in other states with its own radiation safety standards. As of the date of this writing, final action to promulgate the regulation has not been taken.

The reasons cited for opposing issuance of the proposed regulation last year appear to be as valid now as they were then. It is suggested that the Governors' Conference authorize its Committee on Federal-State Relations to take such steps as may be appropriate to oppose such issuance.

Intergovernmental Cooperation Act

Companion bills, S. 561 and H. R. 6118, have been introduced, both of which bear the short title "Intergovernmental Cooperation Act of 1965." The bills' five titles contain many provisions which over the years have been proposed or endorsed by the Governors' Conference, National Association of State Budget Officers, Council of State Governments, and Advisory Commission on Intergovernmental Relations, among others. For the most part, Title I deals with matters of administration by states of federal grant-in-aid programs. Sections in this title pertain to information to be supplied to Governors for fiscal planning purposes, commingling of federal grant funds or federal and state funds, removal of barriers to budgeting grant monies, waiver of the "single state agency" requirement, etc. Title II would require periodic Congressional review of grant-in-aid programs authorized in the future. A broad grant of authority to federal departments and agencies to furnish technical services to state and local governments is provided in Title III. Title IV would require consideration of various major objectives—appropriate land uses, development and conservation of natural resources, balanced transportation systems, adequate outdoor recreation and open spaces, etc.—in all programs of federal urban assistance, and would require coordination of federal development purposes with state, regional and local purposes and with plans and objectives of local governments. Title V is similar in objective to Title IV, but relates to federal acquisition, use and disposition of land within urban areas.

Hearings have been concluded by the Senate Intergovernmental Relations Subcommittee on S. 561. Both the Executive Committee and the Committee on Federal-State Relations filed statements supporting the bill's enactment. House hearings have not been scheduled as yet.

Postal Rates

One of the major expense items in motor vehicle administration is postage. For many years a number of states have used me-

chanical addressing equipment to process bulk mailings. States using this means of processing registration and driver license renewal applications enjoyed third class bulk mailing rate privileges. With the advent of electronic computers, many states have moved to take advantage of their versatility and speed. Bulk mailings processed by computer take first class mail rates because of interpretations of the postal laws—since in the one case the imprint is made by a single plate impression and, in the other, typewriting is simulated as a result of individual keystrokes of the computer reproduction unit.

As a consequence of changing from one means of processing to another, postage increases have resulted. Many state administrators have been embarrassed and have had to call on Governors and legislators for deficiency appropriations to meet postage requirements.

A rate increase from 3¢ to 5¢ is a substantial sum for states to absorb when millions of items per year are involved. Motor vehicle administrators, on a number of occasions, have sought relief from the Post Office Department and Congress from these higher rates, without success.

One of the reasons that motor vehicle mailings have not been accorded lower rates is because granting them (it is claimed) would discriminate against other users of postal services and particularly against other agencies of state government.

If relief is to be had, it would appear that it must be obtained on a statewide basis (for all state agencies—income tax, fish and game, welfare, etc.), that is, as an exemption for state bulk mailings at third class rates regardless of method of reproduction of the address. It is on such a basis that the American Association of Motor Vehicle Administrators seeks organized action of the Governors for a united front to seek Congressional action for a state exemption in respect to third class bulk mailing rates.

In seeking a lower rate for state mailings, it should be pointed out that as a consequence of going to electronic procedures, states now perform a number of services for the Post Office Department that previously had to be done manually by its employees. Some states sort mail to postal zones, bag it and deliver it to the post office, and still pay the full first class rate. This is a substantial savings, and still pay the full first class rate. This is a substantial saving in post office manpower and time. In effect, the Post Office Department is enjoying almost double the rate increase since it does not have to perform these services.

On this matter the Committee on Federal-State Relations recommends, as it did last year, that the Governors' Conference support legislation to permit states to mail bulk mailings at third class rates.

Study of Federal Requirements Impeding Effective State Administration of Grant-in-Aid Programs

In 1962, a report was submitted to the Governors' Conference entitled State Government Organization and Federal Grant-in-Aid Program Requirements. The report was prepared in response to a resolution adopted by the Governors' Conference in 1961 which deplored "the tendency of federal agencies to dictate the organizational form and structure through which the states carry out federally supported programs." The resolution went on to request the Council of State Governments "to investigate the matter of federal statutory and administrative requirements dealing with state organization under the various federal grant-in-aid programs and to make a report. . . ."

The effort in 1962 was described as being "in the nature of an interim report." Now it is proposed to implement much more fully the resolution which inspired the earlier report.

It is suggested that the project be sponsored jointly by the Governors' Conference and the National Association of State Budget Officers. Data collection would be undertaken by the budget officers of the states selected to participate in the effort. Assuming that the respective budget officers would cooperate, about one-third of the states would be chosen to achieve a representative sample of large and small states and states from every major geographic region. A similar sampling technique would be employed with respect to selection of programs. Criteria used in the program selection would include size of program, number of states participating, length of time program has been in operation, and number of restrictive provisions known to cause problems. Staff work would be done by the Council of State Governments with the assistance of the Executive Office of the President, General Accounting Office and Department of the Treasury. Advice would be sought from and information made available to the Advisory Commission on Intergovernmental Relations and the two Congressional Subcommittees on Intergovernmental Relations.

Objective of the study would be to identify and "quantify" restrictive provisions in present grant programs; eliminate or modify such provisions; and establish an administration policy to avoid the inclusion of similar provisions in future grant programs.

Sponsorship of the study by the Governors' Conference and the National Association of State Budget Officers was approved by their respective Executive Committees meeting in Chicago late in 1964. Cooperation of the several federal entities and the NASBO Committee on Budget Research has been assured.

It is the recommendation of the Committee on Federal-State Relations that the Governors' Conference cosponsor this project.

Automated Data Processing

Throughout its history, the economy of the United States has been receptive to new ideas and techniques to increase the production of goods. By and large such ideas and techniques affected government only indirectly since government does not engage to any significant extent in the production of goods. Now, however, we are witnessing the application of technology to services of which government is a major supplier. Such application presents both problems and opportunities.

In late May this year, a conference was held in Lansing on automation, technology and data processing as they relate to state government. This was a very helpful first step in determining the ADP impact on the states. It must be followed up, however, as the conferees concluded, to inventory ADP applications, to exchange information, to determine what ADP means in displacement and retraining of personnel and to explore intrastate, state-local, interstate and federal-state applications.

At this time it seems premature for the Governors Conference to take any official action except to take judicial notice of the matter and to stand ready to make recommendations at an appropriate time.

Advisory Commission on Intergovernmental Relations

The several recommendations below emanated originally from the Advisory Commission on Intergovernmental Relations. In the view of the Committee on Federal-State Relations, they merit serious consideration by the several states.

Real Estate Transfer Tax

The recent repeal of the federal documentary stamp tax on real estate transfers leaves this tax field available for exclusive state and local government use. Real estate transfers are particularly well suited for state or local taxation. Transfers of titles to real estate are recorded at the local level, generally by county officials, so that the administrative support that local recorders can give the tax is available for enforcement of either a state or local transfer tax. Such a tax has an important by-product value in providing information for state and local property tax administrators and others concerned with current real estate prices. Finally, the revenue potential of a real estate transfer tax is attractive, particularly to rapidly growing urban communities where property values are rising and a relatively large number of properties change hand.

The Committee on Federal-State Relations urges that states consider the enactment of real estate transfer taxes, effective January 1, 1968, when the federal tax goes out of existence making all or a portion of the revenue available to local governments. A num-

ber of states will want to give special consideration to utilizing the real estate market information that can be derived as a by-product of this tax for assessment-sales ratio studies useful in improving property tax administration.

Coordination of Public Employment Services in Interstate Metropolitan Areas

A serious problem in the effective administration of state employment services is created in interstate metropolitan areas. Some thirty-two such areas now exist containing 23 per cent of the nation's population. A metropolitan area is essentially a single labor market. Both the job seeker and the employer range throughout the area; they are not bound by state lines. Yet the fact that employment services are administered on a state basis can interpose real obstacles to a free flow of job information and job services unless interstate arrangements are effected.

The Committee on Federal-State Relations endorses the recent recommendation of the Advisory Commission on Intergovernmental Relations that Governors and the Secretary of Labor take steps to assure that public employment services are provided to all job applicants and employees within metropolitan area labor markets regardless of state lines. We particularly urge that Governors in the states concerned consider directing their employment service agencies to enter into formal interstate agreements for coordination of employment services across state lines in metropolitan areas, and that Governors maintain close follow-up to assure that necessary action is taken to carry out the agreements. We further urge that the Secretary of Labor establish special arrangements within the Department of Labor and work with the Governors in effecting interstate agreements with a view to assuring that employment services are provided on a metropolitan area labor market basis in interstate metropolitan areas.

Cigarette Tax Administration

The states would be able to save a large part of the money they now spend (almost \$45 million a year) on compensating cigarette distributors for affixing a tax stamp to each package of cigarettes if their cigarette tax collection were shifted to the manufacturing level. Such a shift would also maximize the benefits of a coordinated state-federal audit program and would lay the foundation for closer intergovernmental cooperation.

The present system of collecting state cigarette taxes from thousands of distributors, primarily through the sale of prepaid stamps or other indicia, is unnecessarily costly, as compared with the procedure used by the federal government. The federal government abandoned the use of tax stamps in 1959 and collects substantially all of its cigarette tax revenue (more than \$2 billion annually)

from sixteen manufacturing plants with virtually no evasion and at very little expense. Although the states collect only 60 per cent as much as the federal government, the cost of administering the state taxes is almost one hundred times greater. These costs consist of three elements: (1) preparing the stamps and other forms of indicia; (2) compensating distributors for affixing the stamps; and (3) auditing distributors' accounts.

The Committee on Federal-State Relations urges that states consider the recommendation of the Advisory Commission on Intergovernmental Relations that state tax officials, with the cooperation of the Internal Revenue Service, explore with representatives of the tobacco industry the procedures that would be required to place the state cigarette taxes on a return basis at the manufacturing level in such a way that the burden on the industry would be minimized, the administrative cost of state cigarette tax collection would be reduced, and the potential scope of federal-state administrative cooperation would be enhanced.

Current Federal Legislation

Enacted recently, or pending with every likelihood of enactment, are numerous pieces of legislation with significant implications for relations between the federal government and the states. Certain of them may deal with matters subject to the jurisdiction of other committees of the Governors' Conference, but they are discussed here so that they can be presented in one place.

Elementary and Secondary Education

In every state, expenditures for elementary and secondary education exceed those in support of any other service. Of particular interest then is Public Law 89-10, the first general aid to education bill. Enacted after literally years of debate over scores of schemes, Title I of the new law provides for a three-year program of grants to local school districts where there are concentrations of educationally disadvantaged children. For fiscal year 1966, \$1.06 billion is authorized. Title II provides for a five-year program of grants-in-aid of school library resources, textbooks, and other instructional materials. For the first year, \$100 million is authorized. Another \$100 million for the first year of a five-year program is authorized by Title III. This one is for local supplemental education centers. No matching is required with respect to these titles. Furthermore, participation by pupils in nonpublic schools is provided.

Title IV authorizes a five-year program aggregating \$100 million. It amends the Cooperative Research Act of 1954 (Public Law 83-531), and includes establishment of a series of national and regional laboratories.

Title V is a matching grant program to strengthen state departments of education, for which \$25 million is authorized for the first year.

Higher Education

Hearings have been concluded in both Houses on the higher education bills—S. 600 and H.R. 3320. As introduced, they provide, in Title I, a five-year program of grants-in-aid of continuing education and extension methods and teaching. For the first year \$25 million is authorized. Title II authorizes another five-year program for which \$50 million is authorized the first year. Direct grants to institutions would be made for library assistance and training and research. To strengthen the academic quality of developing institutions, Title II would establish a five-year program for which \$30 million would be authorized the first year.

Title IV consists of four parts. Part A authorizes to be appropriated \$70 million for the first year of five years for payments to institutions for scholarships to qualified high school graduates from low-income families. Part B deals with insurance of reduced-interest loans to students. Part C would amend the Economic Opportunity Act of 1964 (Public Law 88-452) to transfer to the Commissioner of Education jurisdiction over the college work-study program, extend the program and authorize \$129 million for fiscal 1966. Part D would extend the student loan program of the National Defense Education Act of 1958 authorizing appropriations for fiscal years 1968, 1969 and 1970 of \$225, \$250 and \$275 million respectively.

Social Security Amendments

The issue of hospital insurance for the aged has been too well explored to require further explanation here. Yet it is but one part of a comprehensive series of amendments, most of which affect the states directly and few of which have received adequate discussion. One amendment, to provide for judicial review of administrative decisions under the public assistance titles of the Social Security Act has already been discussed in this report.

Under the proposed program of supplementary health or medical insurance benefits for the aged, a state could enter into an agreement for coverage of persons who are receiving money payments under public assistance programs. Agreements could cover individuals receiving payments under Title I (old-age assistance and medical assistance for the aged) or Title XVI (aid to the aged, blind and disabled, or for such aid and medical assistance for the aged) or all of the several titles, I, IV (aid to needy families with children), X (aid to the blind), XIV (aid to the permanently and totally disabled), and XVI. Under this part, too, authorization is extended to the Secretary of Health, Education, and Welfare to make

agreements with and reimburse appropriate state agencies to determine compliance by providers of services with conditions of participation.

The pending bill would establish a new title, Title XIX, under which grants would be made to states to enable them to furnish medical assistance on behalf of families with dependent children, and of aged, blind or permanently and totally disabled individuals whose income and resources are insufficient to meet the cost of necessary medical services, and rehabilitation and other services to help such families and individuals attain or retain capability for self-care or independence.

Appropriation authorizations would be increased both for Maternal and Child Health and Crippled Children's Services, with a proviso in both cases that no payment would be made to a state for any period after June 30, 1966, unless such state makes a satisfactory showing that it is extending the provision of such services with a view to making them available by July 1, 1975, to children in all parts of the state.

Special project grants for health of school and preschool children are authorized. State and local health agencies would be among eligible recipients.

Authorization is made for appropriations for a two-year period to implement and carry out planning and other steps to combat mental retardation.

The bill would remove the current limitations on federal participation in assistance to individuals with tuberculosis or mental disease.

The Senate version of the bill would authorize grants to non-governmental organizations for a program of research into and study of resources, methods and practices for diagnosing or preventing emotional illness in children, and of treating, caring for and rehabilitating children with emotional illnesses.

Title IV would increase the percentage of the federal share of public assistance payments and the maximum amount of which there would be federal sharing.

Older Americans

Both Houses have passed H.R. 3708, to establish in the Department of Health, Education, and Welfare an Administration on Aging; to authorize grants to states for community planning, services and training; and to authorize project grants for research and development and for training.

Health

One or both Houses have passed three measures relating to health. One would extend the present program of health research

facilities construction grants; authorize appropriations for research contracts; and authorize three additional Assistant Secretaries of Health, Education, and Welfare, one of whom would be responsible for intergovernmental relations.

A second bill would authorize assistance in meeting the initial cost of professional and technical personnel for comprehensive community mental health centers.

The third would extend expiring provisions of the Public Health Service Act relating to immunization, migratory agricultural workers health services, general health grants to states and special project grants for community health services.

Department of Housing and Urban Development

The House has passed and the Senate Banking and Currency Committee has voted to report a clean bill to establish a Department of Housing and Urban Development. The Department would administer the programs presently administered by the Housing and Home Finance Agency and, in addition, would serve the President as his principal advisor on urban problems and coordinator of programs affecting urban, suburban and metropolitan areas.

Housing and Urban Development

The House has passed a bill and the Senate Banking and Currency Committee has reported a bill to make many changes in current laws. A new program would be authorized to extend financial assistance to enable certain private housing to be available for lower income families. Rehabilitation grants to homeowners in urban renewal areas would be authorized. The elderly housing direct loan program would be extended and the interest rate reduced. Both bills increase urban renewal funds. Both increase relocation payments to those displaced and provide substantial partial payments if payment amounts are disputed. Authorization for college housing loans is increased. Grants to local public bodies for construction of public water and sewer facilities are authorized, as well as grants for necessary neighborhood facilities, including health, recreational and community centers. Open space land acquisition grants would be increased.

Corrections

Passed by the House is a bill to authorize grants to nongovernmental organizations to carry out a coordinated program of research and study of the current and projected personnel needs in the field of correctional rehabilitation, of the availability and adequacy of the educational and training resources for persons in, or preparing to enter the field, of the effectiveness of present methods

of recruiting personnel, and of the extent to which personnel in the field are utilized in the manner which makes best use of their qualifications.

Law Enforcement

A pending bill on which House hearings have been held would authorize grants to or contracts with any public or nonprofit agency, organization or institution to establish or enlarge programs and facilities for education and training of state and local law enforcement and correctional personnel or those preparing for employment in programs for the prevention or control of crime. Also authorized are project grants to improve the capabilities, techniques and practices of state and local agencies engaged in law enforcement, administration of the criminal laws, correction of offenders or the prevention or control of crime.

Manpower Development and Training Act Amendments— Public Law 89-15

The Act extends MDTA programs through fiscal 1969, increases previous authorizations for fiscal 1966 from \$285 million to \$454 million (\$407 million for Title II training programs, of which \$22 million would be for programs in Area Redevelopment Act areas), and authorizes such appropriations as may be necessary in each of the subsequent three years. The training and retraining provisions of the Area Redevelopment Act are transferred to Title II of MDTA.

Prior to the 1965 amendments, Title II program matching requirements were scheduled to become effective on July 1, 1965, the state share to be one-third of all costs for fiscal 1966 increasing to one-half in the next year. The 1965 amendments extend the period of full federal financing through fiscal year 1966 and provide thereafter for state sharing at 10 per cent (in cash or kind) of training costs only with subsistence and other trainee allowances to remain a wholly federal responsibility.

Title I (Manpower Requirements, Development and Utilization) amendments include a new finding of need for refresher and reorientation training for specialized professionals displaced by technical and other changes. Existing authority (hitherto under Title II) for pilot grant and loan projects to help meet relocation costs of the unemployed was extended for two years and transferred to Title I to eliminate state matching requirements. Other Title I amendments provide for a new job development training program for openings in service and related occupations; new demonstration authority to help place qualified trainees unable to find jobs for reasons other than ability; new grant and contract authority for expanding research as well as for new experimental projects on

methods of meeting employment problems of particularly disadvantaged workers.

Vocational Rehabilitation

H.R. 8310 is a clean bill reported in the House to amend the Vocational Rehabilitation Act. It would liberalize federal financing; encourage development of new programs; permit extension of services to greater numbers of disabled; assist construction and operation of new workshops and facilities; provide for improved training opportunities for the disabled; initiate an effort to remove architectural barriers to rehabilitation of the handicapped; provide expanded training opportunities for persons entering the field of vocational rehabilitation; permit more flexibility in state administration; and establish a research program and data processing service in the Vocational Rehabilitation Administration.

For section 2, grants for vocational rehabilitation services, authorizations are \$300 million for 1966, \$350 million for 1967 and \$400 million for 1968. A revised formula for allocation of funds is proposed. Present law contains a variable federal share, ranging from 70 to 50 per cent. H.R. 8310 proposes 75 per cent federal funds in fiscal year 1967 and thereafter, with federal funds for 1966 being midway between the state's present matching rate and 75 per cent. A requirement for maintenance of state effort is included.

A new section 3 would provide grants to states for projects introducing new methods and techniques for providing rehabilitation services to handicapped persons and to develop or provide new or expanded services for groups of the severely disabled.

Section 4 deals with special project grants. Funds could be used for paying part of the cost of planning, preparing for and initiating special programs to expand services. A second provision proposes a two-year program of grants to states to meet costs of planning for the development of a comprehensive program with a view to achieving the orderly development of services in the state, including those provided by private nonprofit agencies, and making services available to all handicapped persons in the state by July 1, 1975.

Section 13 would provide for five new programs affecting workshops: (1) grants for construction and staffing; (2) grants for improved training programs, including allowances for trainees; (3) grants to expand or improve the level and quality of services in existing workshops; (4) technical assistance in management, shop layout, merchandising, training techniques, etc.; and (5) establishment of a standard-setting body, the National Policy and Performance Council. Funds for workshop construction (which could include residential accommodations) would be 50 per cent matching. Federal funds for initial staffing would cover a fifty-one month pe-

riod, starting at 75 per cent, to be reduced gradually to 30 per cent. Planning grants of two types are also authorized: (1) to assist states in assessing and determining statewide need for facilities and workshops; and (2) to assist in the cost of planning for such facilities or workshops.

Section 14 authorizes grants to states and public and other nonprofit organizations and agencies to pay 90 per cent of the cost of projects for providing training services to physically handicapped individuals in workshops.

Under present law a state vocational rehabilitation agency may be located either under the state board of vocational education or as a separate agency or commission. H.R. 8310, as reported, proposes that in addition to the existing choice of location, the state could locate the agency in a state department which includes at least two other major organizational units from among public education, public health, public welfare, or labor.

Economic Opportunity Amendments

A bill amending the Economic Opportunity Act of 1964 has been reported by the House Committee on Education and Labor. It would extend for an additional year federal assistance at 90 per cent of costs of the work-training and work-study programs. Thereafter the federal share would drop to 50 per cent and 75 per cent respectively. In the case of developing and carrying out urban and rural community action programs, the 90 per cent federal sharing would be extended for another year before decreasing to 50 per cent. The same change is made with respect to adult basic education programs.

Under the current act, a Governor may disapprove the establishment of a Job Corps center in his state; disapprove any program or project to be undertaken in his state by any public agency or private organization or institution, except an institution of higher education, with respect to the Neighborhood Youth Corps program, the community action program and the adult basic education program; and disapprove the assignment or referral of VISTA volunteers. The bill would not alter the Governor's absolute veto with respect to location of Job Corps centers and assignment of VISTA volunteers. With respect to the other three programs, however, it provides for a suspensive veto to be exercised by the Governor thirty days after a proposed program or project is submitted to him. If he does not disapprove, or if the Director of the Office of Economic Opportunity determines that the application is consistent with the law and would further the purposes of the act, the program or project may go forward despite the Governor's disapproval.

Appalachian Regional Development Act

"... to assist the [Appalachian] region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis" is the purpose of Public Law 89-4.

To carry out this purpose an Appalachian Regional Commission is set up composed of one federal member and one member from each participating state. Administrative expenses will be borne by the federal government until June 30, 1967, after which they will be shared equally by the federal government and the states.

The Commission shall "(1) develop, on a continuing basis, comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region; (2) conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, and, in cooperation with Federal, State, and local agencies, sponsor demonstration projects designed to foster regional productivity and growth; (3) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region; (4) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation; (5) encourage the formation of local development districts; (6) encourage private investment in industrial, commercial, and recreational projects; (7) serve as a focal point and coordinating unit for Appalachian programs; (8) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences; and (9) advise the Secretary of Commerce on applications for grants for administrative expenses to local development districts."

Special Appalachian programs are authorized for highway development, health facilities, land stabilization, conservation and erosion control, timber development, mining area restoration and water resources survey.

Public Works and Economic Development

Passed by the Senate and reported in the House is a bill intended to provide for other economically distressed areas the kind of broad, coordinated assistance contemplated in the Appalachian Regional Development Act. Title I authorizes grants up to 50 per

cent of total project cost for needed public works, public service or development facilities, including related machinery and equipment, in redevelopment areas. Grants would be available to states, political subdivisions, Indian tribes, or private or public nonprofit organizations. Also authorized are supplementary grants to enable states and other entities to take advantage of other federal grant programs for which they could not otherwise supply the required matching share.

Title II authorizes loans for the same purposes and to the same entities to which grants could be made. Title III authorizes technical assistance to alleviate or prevent conditions of excessive unemployment or underemployment. The bill stipulates that grants should, where practicable, be used in conjunction with other available planning grants such as those under the Housing Act of 1954 and the Federal Aid Highway Act of 1962.

Title IV sets standards for determining eligibility of areas and districts and prescribes an annual review of eligibility. It authorizes the Secretary of Commerce to designate multicounty economic development districts with the concurrence of the states affected.

Title V authorizes the Secretary, with the concurrence of the states concerned, to designate economic development regions within contiguous states. Areas within a region must have a geographical, cultural, historical and economic relationship. The Secretary would invite and encourage the states involved in any such region to establish multistate regional commissions which would be composed of a Federal co-chairman and one member from each participating state.

State and Regional Technical Service Programs

Hearings have been concluded in both Houses on bills to promote economic growth through federal support of state and regional centers to place scientific and engineering information in the hands of American enterprise. Standards to be met include the designation by the Governor of an institution to administer the program. A bonus payment is authorized if two or more states cooperate in administering the program through one institution. Consent in advance is given to interstate compacts in furtherance of joint efforts toward attainment of the objectives of the legislation.

Unemployment Insurance

Hearings are expected to be held this year on legislation to amend the unemployment insurance system. Among other things it is proposed that the amount of wages subject to tax be increased, the tax rate be raised, coverage be extended to about five million more workers, contributions be provided from the general fund

and matching grants be made to high-cost states. There would be established a system of federal unemployment adjustment benefits and federal requirements with respect to level and duration of unemployment compensation.

Highways

The House Public Works Committee has ordered reported a bill to approve the most recent estimate of cost of completing, and to revise the authorization of appropriation for the Interstate System. In addition, the bill authorizes the Secretary of Commerce to make a comprehensive study of the needs of the Federal-Aid Highway System after 1972. The study is to be made in cooperation with state highway departments and shall include but not be limited to costs and possible extension of the Interstate System. The Secretary's report is to be filed by January 1, 1967.

The bill also contains a section providing that after December 31, 1967, no federal-aid highways funds shall be apportioned to a state which does not have a highway safety program approved by the Secretary of Commerce on highways in the Federal-Aid System. "Such highway safety program shall be in accordance with uniform standards approved by the Secretary and shall include, but not be limited to, provisions for an effective accident records system, and measures calculated to improve driver performance, vehicle safety, highway design and maintenance, traffic control, and surveillance of traffic for detection and correction of high or potentially high accident locations. . . ."

Highway Beautification

Four proposals designed to aid in the development of scenic highways or improve the appearance of areas traversed by highways have been introduced.

The first bill would require that each state use at least one-third of federal funds for secondary roads for (1) construction of scenic highways, (2) construction of roads leading to scenic and recreational areas, and (3) landscaping and roadside development. Projects of this nature could be part of any federally-aided system other than the Interstate System.

Another proposal would require that each state use 3 per cent of federal-aid highway funds without matching for acquisition and scenic enhancement of land adjacent to federal-aid highways. For several years states have been permitted by law to make agreements with the Secretary of Commerce to use federal highway funds for this purpose. Three states, all in 1965, have applied for such use of funds.

The third piece of legislation would make control over billboards along the interstate and primary systems a condition of re-

ceiving federal-aid highway funds after January 1, 1968. Those sections of the two systems to be affected would be sections not zoned or used primarily for commercial or industrial purposes. In general, the bill would require that no advertising signs be erected within 1,000 feet of the pavement and visible to the passing motorist. Existing signs would have to be removed by July 1, 1970.

The fourth bill would, as a condition to receiving federal aid for highways after January 1, 1968, impose state control of junkyards along the entire interstate and primary systems. Existing junkyards would have to be screened from view or removed by July 1, 1970. No new junkyards would be permitted within 1,000 feet of the pavement and must not be visible to the motorist.

Arts and Humanities

The Senate has passed a bill to establish a National Foundation on the Arts and Humanities, an independent agency in the Executive Branch. It would consist of a National Endowment for the Arts and a National Endowment for the Humanities. In addition to grants made directly to assist the activities of artistic and cultural groups and productions, the bill authorizes the Arts Endowment to make matching grants to states to support productions and projects. Also authorized are matching grants in support of state arts agencies, or a non-matching grant to a state to permit it to make a survey which would lead to the establishment of an arts agency. Other grants might be made to a state education agency for equipment and minor remodeling of space used in connection with arts and humanities instruction.

Uniform Policies with respect to Recreation and Fish and Wildlife Benefits and Costs of Federal Multiple Purpose Projects

As approved by the Conference Committee of the two Houses, S. 1229 provides that full consideration be given to recreation and fish and wildlife enhancement as project purposes; planning with respect to the recreation potential of any project is to be coordinated with existing and planned federal, state and local recreation development; and non-federal administration of such features of most federal projects is to be encouraged and both federal and non-federal responsibilities are to be recognized.

In effect, except in a few cases, the full potential of any federal project for serving these purposes will be developed only if a non-federal body agrees to administer the area for either or both purposes, and to advance or repay not less than half the separable costs of the project allocated to these purposes.

Voting Rights

The Senate has approved a bill in this area. The House is scheduled to take up the matter immediately after the July 4 recess. Both bills are designed to enforce the fifteenth amendment. Among other things they authorize the appointment of federal examiners to certify the eligibility of persons to vote and poll watchers to observe the voting process and the tabulation of votes, and extend to private citizens as well as state and local officials criminal liability for interfering with voting rights. The House bill also outlaws the requirement of payment of a poll tax in state and local elections.

Apportionment

Hearings have been concluded by both Houses on a proposed constitutional amendment concerning apportionment of state legislatures. As introduced, the measures would permit one house of a bicameral legislature to be apportioned on the basis of factors other than population if such apportionment has been submitted to a vote of the people and has been approved by a majority of those voting on the issue. The Senate committee-approved proposal would require that after each decennial census the apportionment plan, or a new plan, would again be submitted to referendum.

Uniform Time

The Senate has approved a bill requiring that daylight time be begun and ended, where it is observed, on certain specific dates, and expressing the sense of Congress to supersede state laws or local ordinances which provide for different dates for the observance of daylight time than those set forth in the bill. It would also prevent the observance of so-called double daylight time.

Right-to-Work Laws

A bill has been reported in the House to repeal Section 14(b) of the Taft-Hartley Act which permits states to enact so-called "right-to-work" laws prohibiting the union shop. Some nineteen states have enacted such laws or constitutional amendments. Indiana repealed its law earlier this year. Hearings have been concluded on a companion Senate bill.

High-Speed Ground Transportation

For some years now, there has been discussion of the need for improved high-speed ground transportation, particularly in the so-called "Northeast Corridor" running from Boston to Washington. In the Senate, hearings have been concluded on a bill to author-

ize the Secretary of Commerce to undertake research and development in such high-speed ground transportation. Money to fund the effort is included in a pending appropriations bill. Of the \$20 million requested, \$10 million would be allotted to research, \$8 million to a rail demonstration project between New York and Washington and \$2 million for other studies.

Appendix XVII

SUMMARY OF POLICY ACTIONS AND RESOLUTIONS ADOPTED BY THE NATIONAL GOVERNORS' CONFERENCE AT ITS 57TH ANNUAL MEETING

1. Readopted Rules of Procedure in the same form as approved at the previous Annual Meeting. (Page 12)
2. Amended the Articles of Organization so as to change the name of the organization to "National Governors' Conference" and to increase the annual dues to \$200 per year. (Page 13)
3. Defeated, by a roll-call vote, a motion to amend the Articles of Organization so as to re-establish regular procedure for resolutions. The effect was to continue the prohibition of resolutions, except by suspension of the Articles. (Page 15)
4. Suspended the Articles of Organization and adopted a motion supporting the position of the President of the United States with respect to Viet Nam as enunciated at his press conference of July 28. (Page 96)
5. Suspended the Articles of Organization and adopted a motion to direct the Executive Committee to prepare a report on ways and means whereby the influence of the states may be strengthened regarding matters of federal-state concern. (Page 81)
6. Defeated, by a roll-call vote, the minority report of the Nominating Committee; then approved by voice vote the majority report of the Nominating Committee. (Page 158)
7. Suspended the Articles of Organization and adopted resolutions dealing with: Sharing of Federal Tax Revenues; Economic Opportunity Act; Civil Defense and Post-Attack Recovery; Preserving the People's Rights; Community Mental Health Programs; Third-Class Mailing Privileges; Water Pollution Problems; Highway Safety; Adlai Ewing Stevenson; and Appreciation to the Host State. Copies are appended.

Resolution on Sharing of Federal Tax Revenues

Whereas, in the American division of governmental functions among local, state and federal bodies, the exercise of powers at various levels is inseparably related to the distribution of taxing authority; and

Whereas, the larger the percentage of total tax revenue collected at any one level, the greater will be the power of that government; and

Whereas, today the federal share of total taxes collected exceeds 70 per cent, while state and local governments each account for only about 15 per cent of the total; and

Whereas, if present tax trends continue, local governments cannot meet public demands for more and better schools, highways, health facilities, police protection and the like, without severe strains upon their respective economies; and

Whereas, despite new and higher taxes, local governments have had to increase their debts vastly to meet their spending budgets, bringing obligations of local units alone in excess of \$63 billion last year as compared to \$19 billion in 1950; and

Whereas, the latest federal budget lists approximately eighty-five local grant-in-aid activities, and as a consequence these programs are beginning to exceed the level of manageability; and

Whereas, the dollar value of grant-in-aid programs has increased from \$3.1 billion a decade ago to more than \$13 billion this year, and the continued growth of such programs makes state and local governments even more dependent upon the federal government; and

Whereas, such programs often force the states to spend tax monies excessively in certain areas in order to match the allocation of federal funds; and

Whereas, sharing of federal tax revenues with state governments, as proposed by certain economic advisers of the present national administration, not only would enable state governments to accept more responsibility in providing needed services for their citizenry but would also tend to decrease the alarming trend toward complete federal domination; and

Whereas, it is vital and essential to strengthen state and local self-government;

Now, therefore, be it resolved, that the National Governors' Conference affirm the position of its Executive Committee endorsing and favoring study of the proposal to strengthen both the capabilities and the self-reliance of the states by return of a portion of federal tax revenues each year to the states, without federal controls attached as a condition to the grant; and

Be it further resolved, that the President of the United States be requested to create or reactivate at the earliest possible time a task force on this subject, including representation of state and local governments.

Resolution on Economic Opportunity Act

Whereas, under the Economic Opportunity Act of 1964, although

a number of anti-poverty programs and projects bypass the state level, a substantial portion of such programs and projects require clearance through a Governor's office and are subject to the Governor's veto; and

Whereas, the gubernatorial clearance and power to veto provide a measure of coordination and orderliness in the administration of those programs to which they apply; and

Whereas, with respect to those programs and projects not requiring clearance through a Governor's office and not subject to his veto, negotiations and contracts are between the Office of Economic Opportunity or a delegate federal agency and the local applicant, which may be a nongovernmental agency, thus producing conditions of chaos; and

Whereas, legislation has been approved by the United States House of Representatives to permit the Director of the Office of Economic Opportunity to override a Governor's veto disapproving a program or project to be undertaken in his state by any public agency or private organization with respect to the Neighborhood Youth Corps program, the community action program and the adult basic education program, to all of which programs the veto presently applies, if, in the opinion of the Director, the application for the program is consistent with the law and would further the purposes of the act;

Now, therefore, be it resolved, that the National Governors' Conference express its firm opposition to any diminution of the power of a Governor to veto proposed projects and programs under the Economic Opportunity Act and respectfully request the Congress to preserve intact the relevant provisions of the current law; and

Be it further resolved, that copies of this resolution be sent to all Members of Congress.

Resolution on Civil Defense and Post-Attack Recovery

1. Be it resolved by the National Governors' Conference that the Report of the Committee on Civil Defense and Post-Attack Recovery endorsing increased civil defense effort at all levels of government be adopted, and that a copy of the report together with a copy of this resolution be transmitted to the President and Vice President of the United States and to the Chairmen of the Armed Services and Appropriations Committees of the House and Senate of the United States Congress;

2. Be it further resolved, that all Governors be urged to:

a. Reaffirm the urgency of fallout shelter protection for all our people; and

b. Continue their support of the Federal Civil Defense

Program and the Emergency Resources Planning Program; and

c. Initiate legislation or take executive action as necessary to insure that adequate preparations have been made to provide for continuity of government in an emergency, at both state and local levels; and

d. Accelerate their programs for provision of protected emergency operating centers at state and county levels and, where necessary, in local jurisdictions; and

e. Initiate or continue programs for preservation of essential state records; and

f. Take action as necessary to provide fallout shelter space in all state-owned buildings; and

g. Bring civil defense planning affirmatively into the development of new construction programs financed, sponsored or assisted at the state level.

3. Further resolved, that the federal government be requested to continue its financial support for the states' resources management planning efforts beyond the present cut-off date of January 1, 1966; and

4. Further resolved, that the President of the United States be urged to direct the inclusion of fallout shelters, to the maximum extent feasible, in new construction financed, sponsored or assisted by any federal agency, and that he recommend to the Congress legislation to establish and finance a realistic federal incentive fallout shelter program, similar to that recommended to the Congress by the late President John F. Kennedy (H.R. 8200) which failed of enactment by Congress in 1964.

Resolution on Preserving the People's Rights

Whereas, the increasing reliance of local governments on federal funds is justified to an important extent by lack of either adequate state financial assistance or separate revenue sources, or both; and

Whereas, local governments are essential instruments of state government, and their forms, functions and resources can best be provided for by the states and determined in detail locally; and

Whereas, the population explosion, the lengthening of life, the multiplication of knowledge, conservation of natural resources, and world responsibility are so greatly expanding the role of federal, state and local governments as to make efficient and economical collection and use of taxes subjects of unprecedented importance; and

Whereas, time is of vital importance in securing a sound financial solution to these problems if we are to retain the advantages of the constitutional division of governmental functions be-

tween the federal and state governments, so that ultimate power can continue to be exercised by the people;

Now, therefore, be it resolved, that the National Governors' Conference Chairman and Executive Committee appoint a special study committee which will promptly consider total revenue sources and how they can be structured to permit the state and local governments to meet their revenue needs adequately either by their own actions or by a rebating of federal revenues or retention of a percentage of federal revenues, such as the personal income tax; and

Be it further resolved, that as soon as this committee's recommendations are prepared, they be submitted to the Executive Committee and each Governor in written form, hopefully before the commencement of the next session of Congress, and that if a majority of the Governors request it in writing, a special meeting of the National Governors' Conference be called to consider and act on the committee's recommendations.

Resolution on Community Mental Health Programs

Whereas, widespread public interest in mental health has resulted in a national commitment to the establishment of community mental health programs; and

Whereas, in 1961 the Special Governors' Conference on Mental Health fostered this commitment by its endorsement of the basic conclusions of the Final Report of the Joint Commission on Mental Illness and Health; and

Whereas, the success of community mental health programs depends in large measure on the development of state and local financial and other support, which in about half the states has taken the form of enactment of state community mental health services acts; and

Whereas, new or prospective federal programs will have a profound effect on the roles of state and local governments in the support of community mental health programs in the states that have enacted state-community mental health services acts, as well as in states without such legislation; and

Whereas, there is a continuing need for evaluation of the scope of services performed by mental health centers established under all such programs, to the end that there be a strong commitment to identify and resolve problems of human development and social adjustment which are of public concern, including critical needs for diagnostic and evaluative services for the mentally retarded; and

Whereas, the time seems appropriate for calling together state, local and federal executive, legislative and mental health

personnel for discussion of the issues surrounding community mental health legislation;

Now, therefore, be it resolved, that the National Governors' Conference request the Council of State Governments and the National Institute of Mental Health to co-sponsor such a national conference, to be scheduled at the earliest practicable time, for the purpose of providing a forum for the review and critical evaluation of the experience of states under the various kinds of community mental health services acts and other methods of financing community mental health services, and for thorough consideration of the future role of each level of government in multiple-source financing of community mental health programs.

Resolution on Third-Class Mailing Privileges

Whereas, under present postal regulations vehicle registrations, driver's license applications and notices of renewals of drivers' licenses require postage at the first-class rate, at a considerable expense to the various states; and

Whereas, this material is in a form that is handled by the United States Post Office Department at a comparatively small expense; and

Whereas, it appears reasonable and equitable that the low cost of handling this material should be reflected in the postal rates required; and

Whereas, third-class postal privileges are, in fact, granted to commercial interests in their systems for billing or invoicing purposes;

Now, therefore, be it resolved, that the National Governors' Conference petition the Postmaster General of the United States to amend the regulations of the Post Office Department so that this material may be mailed by the states at the rates charged for third-class mail.

Resolution on Water Pollution Problems

Whereas, state and local units of governments, cooperating with affected segments of industry, have long sought solutions to the problems of water pollution; and

Whereas, Section 1 of S.4, now pending before the Congress to amend the Water Pollution Control Act, reaffirms it to be a federal policy that the pre-eminent responsibility and right of the states to prevent and control pollution should be recognized, preserved and protected; and

Whereas, the federal-state-local partnership involved in dealing with the existing water pollution problems must be strengthened and given more meaning if we are to be responsive to our leadership obligations in meeting these urgent problems;

Now, therefore, be it resolved, that the National Governors' Conference assume a more active and a continuing concern with water pollution problems by directing a study to be made by the Committee on Natural Resources and that a report and recommendations be submitted to the Governors of the respective states.

Resolution on Highway Safety

Whereas, the Governors have long acknowledged the gravity of their traditional obligation of concern for the personal welfare and safety of all of the people of their states; and

Whereas, the National Governors' Conference has repeatedly demonstrated the collective determination of the Chief Executives of the states to act in the public interest through cooperative efforts in behalf of highway safety; and

Whereas, strong endorsement has been given to the Action Program for Highway Safety as a master plan and as an effective guide to essential traffic accident prevention services at all levels of government; and

Whereas, a pending amendment in the House of Representatives to make highway construction grants-in-aid contingent on arbitrarily determined highway safety standards is unworkable and therefore unnecessarily punitive;

Now, therefore, be it resolved by the National Governors' Conference that the Congress of the United States be urged to adopt as national policy the principles contained in the Action Program for Highway Safety; and

Be it further resolved, that the pending amendment to the highway construction grants legislation be set aside; and

Further resolved, that the National Governors' Conference invite the National League of Cities, the United States Conference of Mayors and the National Association of Counties to join with the Governors in sponsoring a national conference of state and local governments to define and clarify areas of traffic safety responsibility, and to determine the most effective possible courses of action with respect to priority needs and financing; and

Further resolved, that the comprehensive approach by the National Governors' Conference to today's traffic safety problems be extended to include a continuing study of the total public and private transportation outlook as it encompasses every manner of movement in the service of both people and commerce.

Resolution on Adlai Ewing Stevenson

Whereas, our nation and the free world have lost a profoundly great spokesman of Liberty in the death of Adlai Ewing Stevenson, who gave of his very substance for world peace; and

Whereas, this brilliant servant of Democracy was once Governor of Illinois and a member of this Conference, who spoke to the people of the world with a deep and abiding faith in the ability of people to govern themselves, and with a great knowledge of our American system of government; and

Whereas, his life of service and dedication, his principles and accomplishments, brought honor to his state and to the other states as well—for, although other titles came to him and he served the greatest nation on earth as its Ambassador to the United Nations, he always preferred to be called "Governor"; and

Whereas, his eloquence, which moved the hearts and minds of freedom-loving people throughout the world, was a voice that came from the heart of America, for as he said:

"I have Bloomington to thank for the most important lesson I have ever learned; that in quiet places reason abounds; that in quiet people there is vision and purpose; that many things are revealed to the humble that are hidden from the great. I hope and pray that I can remember the great truths that seem so obvious in Bloomington but so obscure in other places."

Whereas, Adlai Ewing Stevenson remembered those great truths of America and articulated them with an eloquence seldom matched in history; and

Whereas, he has earned an enduring place in the history of his country and of Freedom itself;

Now, therefore, be it resolved by the National Governors' Conference in its Fifty-seventh Annual Meeting that we honor the memory of Governor Adlai Ewing Stevenson of Illinois, that we acknowledge our debt and that of the nation to him, and that we express to his family our sincere sympathy in their great bereavement.

Resolution on Appreciation to the Host State

In warm appreciation of the outstanding hospitality accorded by the people of Minnesota, and of the excellent organization and cooperation of the participating host state officials, the National Governors' Conference at the conclusion of its Fifty-seventh Annual Meeting commends Governor Karl F. Rolvaag, our host, for making this 1965 meeting one of the most memorable and successful in the history of our organization.

We commend the Minnesota Conference Chairman, Max M. Winter, his staff, and the volunteer workers who cooperated with them for the excellent advance planning and superb coordination of facilities, programs and services that anticipated and met our every need.

We are grateful to the Minnesota State Highway Patrol, the Minnesota Army and Air National Guard, and the General Motors

Corporation for the courteous driving and commodious transportation furnished throughout the Annual Meeting. Also, we highly commend the efficient security provided by the Minneapolis Police Force and the Minnesota Bureau of Criminal Apprehension. Our appreciation goes to the Radisson Hotel and its staff for their outstanding service and personal care.

The fine facilities provided for members of the press, radio and television enabled them to maintain their very high standards of Conference coverage. They were aided by the well planned and executed services of the Northwestern Bell Telephone Company, the Western Union Telegraph Company and the R.E.A. Express.

Our special thanks go to the sixty-nine corporations and other Minnesota industries and business firms that provided so many delightful activities and splendid gifts. We especially commend the individual sponsors of the major social events of the Conference.

Our deep and sincere gratitude is extended, indeed, to all Minnesota citizens who participated in the Conference, contributed to its success, and welcomed us into their state.

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