

*Proceedings*  
OF THE  
NATIONAL  
GOVERNORS'  
CONFERENCE  
1967

FIFTY-NINTH ANNUAL MEETING  
S. S. INDEPENDENCE AND VIRGIN ISLANDS  
OCTOBER 16-24, 1967

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

THE COUNCIL OF STATE GOVERNMENTS  
IRON WORKS PIKE  
LEXINGTON, KENTUCKY 40511

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THE NATIONAL GOVERNORS' CONFERENCE

1313 EAST SIXTIETH STREET

CHICAGO, ILLINOIS 60637

## CONTENTS

|  |      |
|--|------|
| Executive Committee . . . . .                                    | vii  |
| Other Committees of the National Governors' Conference . . . . . | viii |
| Attendance . . . . .   | xi   |
| Program . . . . .  | xii  |

### Morning Session—Tuesday, October 17

|   |    |
|---|----|
| Welcoming Remarks—Governor Ralph M. Paiewonsky . . . . .  | 2  |
| Adoption of Rules of Procedure . . . . .  | 6  |
| Address by Chairman of the National Governors' Conference—Governor William L. Guy . . . . .           | 7  |
| Report on State and Local Government Labor Relations—Governor Hulett C. Smith . . . . .               | 9  |
| Report of Advisory Committee on the National Guard—Governor Otto Kerner . . . . .                     | 16 |
| Regular Report of Advisory Committee on Federal-State-Local Relations—Governor John Dempsey . . . . . | 20 |
| Special Report of Advisory Committee on Federal-State-Local Relations—Governor John Dempsey . . . . . | 24 |
| Appointment of Nominating Committee . . . . .   | 27 |

### Afternoon Session—Tuesday, October 17

|   |    |
|---|----|
| Report of Committee on Constitutional Revision and Governmental Reorganization—Governor Daniel J. Evans . . . . . | 29 |
| Report of Committee on Regional and Interstate Cooperation—Governor Edward T. Breathitt . . . . .                 | 36 |

### Morning Session—Wednesday, October 18

|   |    |
|---|----|
| Report of Committee on State and Local Revenue—Governor George Romney . . . . . | 58 |
| Report of Committee on State Planning—Governor John A. Love . . . . .           | 66 |

### Afternoon Session—Wednesday, October 18

|   |    |
|---|----|
| Action on Report of Committee on State Planning . . . . .                         | 80 |
| Report of Committee on State-Urban Relations—Governor Richard J. Hughes . . . . . | 80 |
| Summary of Action in Executive Session . . . . .                                  | 87 |

## Afternoon Session—Friday, October 20

|   |     |
|---|-----|
| Report on Compact for Education—Governor Calvin L. Rampton . . . . .                              | 89  |
| Motion Concerning Special Report of Advisory Committee on Federal-State-Local Relations . . . . . | 92  |
| Resolution on Public Lands . . . . .  | 93  |
| Resolution on Fish and Wildlife Management . . . . .  | 94  |
| Resolution on Planning for Future Highway Programs . . . . .                                      | 94  |
| Resolution on World Governors' Conference . . . . .   | 95  |
| Resolution on Coordination of Federal Assistance Programs . . . . .                               | 95  |
| Resolution on State and Local Revenue . . . . .   | 96  |
| Resolution on Highway Trust Fund Allocations . . . . .  | 96  |
| Resolution on Forest Fire Fighting . . . . .  | 97  |
| Resolution on National Guard . . . . .  | 98  |
| Resolution on Civil Disorders and Lawlessness . . . . .   | 99  |
| Resolution on Interstate Crime Control . . . . .  | 100 |
| Resolution on Constitutional Revision and Governmental Reorganization . . . . .                   | 103 |
| Resolution on Regional and Interstate Cooperation . . . . .                                       | 103 |
| Resolution on State-Urban Relations . . . . .   | 103 |
| Resolution on Non-Defense Spending and Inflation . . . . .  | 104 |
| Resolution on Southeast Asia . . . . .  | 108 |
| Statement on Industrial Bonds . . . . .   | 119 |
| Resolutions on Textiles and Chemicals . . . . .   | 120 |
| Resolution on Flags in Vietnam . . . . .  | 121 |
| Resolution regarding Governor Lurleen B. Wallace . . . . .  | 123 |
| Election of Officers . . . . .  | 123 |
| Resolution on Retiring Governors . . . . .  | 124 |
| Resolution of Appreciation . . . . .  | 125 |
| Adjournment . . . . .   | 127 |

## Appendices

|   |     |
|---|-----|
| Roster of Governors . . . . .   | 130 |
| Articles of Organization . . . . .  | 132 |
| Rules of Procedure . . . . .  | 136 |
| Treasurer's Report . . . . .  | 139 |
| National Governors' Conference Annual Meetings . . . . .                        | 140 |
| Chairmen of the National Governors' Conference, 1908-1968 . . . . .             | 141 |
| Resolutions . . . . .   | 142 |
| Report of Advisory Committee on the National Guard . . . . .                    | 153 |
| Regular Report of Advisory Committee on Federal-State-Local Relations . . . . . | 157 |



|   |     |
|---|-----|
| <u>Call and Commitment</u> (A Special Report of Advisory<br>Committee on Federal-State-Local Relations) . . . . . | 165 |
| Report of Committee on State and Local Revenue . . . . .  | 175 |

## EXECUTIVE COMMITTEE

1966-67

Honorable William L. Guy  
Governor of North Dakota, Chairman

Honorable William H. Avery, Governor of Kansas\*  
Honorable William A. Egan, Governor of Alaska\*  
Honorable Daniel J. Evans, Governor of Washington  
Honorable Harold E. Hughes, Governor of Iowa  
Honorable Warren P. Knowles, Governor of Wisconsin  
Honorable Calvin L. Rampton, Governor of Utah†  
Honorable James A. Rhodes, Governor of Ohio†  
Honorable George Romney, Governor of Michigan  
Honorable Hulett C. Smith, Governor of West Virginia  
Honorable John A. Volpe, Governor of Massachusetts

## EXECUTIVE COMMITTEE

1967-68

Honorable John A. Volpe  
Governor of Massachusetts, Chairman

Honorable Spiro T. Agnew, Governor of Maryland  
Honorable Nils A. Boe, Governor of South Dakota  
Honorable Buford Ellington, Governor of Tennessee  
Honorable Mills E. Godwin, Governor of Virginia  
Honorable Walter J. Hickel, Governor of Alaska  
Honorable Otto Kerner, Governor of Illinois  
Honorable John W. King, Governor of New Hampshire  
Honorable Calvin L. Rampton, Governor of Utah

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\* Served July, 1966 - January, 1967

† Served January, 1967 - October, 1967

OTHER COMMITTEES OF THE NATIONAL  
GOVERNORS' CONFERENCE, 1967\*

Advisory Committee on Federal-State-  
Local Relations

Governor John Dempsey, Connecticut—Chairman  
Governor John A. Volpe, Massachusetts—Vice Chairman  
Governor Spiro T. Agnew, Maryland  
Governor John A. Burns, Hawaii  
Governor John Connally, Texas  
Governor Buford Ellington, Tennessee  
Governor Richard J. Hughes, New Jersey  
Governor Warren P. Knowles, Wisconsin  
Governor Ronald Reagan, California  
Governor George Romney, Michigan

Advisory Committee on the National Guard

Governor Otto Kerner, Illinois—Chairman  
Governor Tim Babcock, Montana—Vice Chairman  
Governor Dewey F. Bartlett, Oklahoma  
Governor Roger D. Branigin, Indiana  
Governor Edward T. Breathitt, Kentucky  
Governor John W. King, New Hampshire  
Governor Harold LeVander, Minnesota  
Governor Calvin L. Rampton, Utah  
Governor James A. Rhodes, Ohio

Committee on Constitutional Revision and  
Governmental Reorganization

Governor Daniel J. Evans, Washington—Chairman  
Governor John Connally, Texas—Vice Chairman  
Governor Tim Babcock, Montana  
Governor Dewey F. Bartlett, Oklahoma  
Governor Roger D. Branigin, Indiana  
Governor John A. Burns, Hawaii  
Governor Walter J. Hickel, Alaska  
Governor Harold LeVander, Minnesota  
Governor Calvin L. Rampton, Utah  
Governor Charles L. Terry, Jr., Delaware  
Governor Norbert T. Tiemann, Nebraska

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\* As of October 16, 1967—opening date of Conference.

### Committee on Regional and Interstate Cooperation

Governor Edward T. Breathitt, Kentucky—Chairman  
Governor John H. Chafee, Rhode Island—Vice Chairman  
Governor Nils A. Boe, South Dakota  
Governor David F. Cargo, New Mexico  
Governor Kenneth M. Curtis, Maine  
Governor Stanley K. Hathaway, Wyoming  
Governor John W. King, New Hampshire  
Governor Lester G. Maddox, Georgia  
Governor Tom McCall, Oregon  
Governor Ralph M. Paiewonsky, Virgin Islands  
Governor Hulett C. Smith, West Virginia

### Committee on State and Local Revenue

Governor George Romney, Michigan—Chairman  
Governor Philip H. Hoff, Vermont—Vice Chairman  
Governor John Dempsey, Connecticut  
Governor Robert Docking, Kansas  
Governor Warren E. Hearnes, Missouri  
Governor Paul B. Johnson, Mississippi  
Governor Paul Laxalt, Nevada  
Governor Tom McCall, Oregon  
Governor Dan K. Moore, North Carolina  
Governor Winthrop Rockefeller, Arkansas  
Governor Don Samuelson, Idaho

### Committee on State Planning

Governor John A. Love, Colorado—Chairman  
Governor Harold E. Hughes, Iowa—Vice Chairman  
Governor Owen S. Aspinall, American Samoa  
Governor Manuel F. L. Guerrero, Guam  
Governor Otto Kerner, Illinois  
Governor Claude R. Kirk, Jr., Florida  
Governor Robert E. McNair, South Carolina  
Governor Ronald Reagan, California  
Governor Roberto Sanchez-Vilella, Puerto Rico  
Governor John A. Volpe, Massachusetts  
Governor Jack Williams, Arizona

Committee on State-Urban Relations

Governor Richard J. Hughes, New Jersey—Chairman  
Governor Warren P. Knowles, Wisconsin—Vice Chairman  
Governor Spiro T. Agnew, Maryland  
Governor Buford Ellington, Tennessee  
Governor Mills E. Godwin, Jr., Virginia  
Governor John J. McKeithen, Louisiana  
Governor James A. Rhodes, Ohio  
Governor Nelson A. Rockefeller, New York  
Governor Raymond P. Shafer, Pennsylvania  
Governor Lurleen B. Wallace, Alabama

\* \* \*

Governor William L. Guy, North Dakota—Chairman of the National Governors' Conference—is an ex-officio member of all Committees.

## ATTENDANCE

Walter J. Hickel, Governor of Alaska  
Owen S. Aspinall, Governor of American Samoa  
Jack Williams, Governor of Arizona  
Winthrop Rockefeller, Governor of Arkansas  
Ronald Reagan, Governor of California  
John A. Love, Governor of Colorado  
John Dempsey, Governor of Connecticut  
Charles L. Terry, Jr., Governor of Delaware  
Lester G. Maddox, Governor of Georgia  
Manuel Flores Leon Guerrero, Governor of Guam  
Don Samuelson, Governor of Idaho  
Otto Kerner, Governor of Illinois  
Roger D. Branigin, Governor of Indiana  
Harold E. Hughes, Governor of Iowa  
Robert Docking, Governor of Kansas  
Edward T. Breathitt, Governor of Kentucky  
Kenneth M. Curtis, Governor of Maine  
Spiro T. Agnew, Governor of Maryland  
John A. Volpe, Governor of Massachusetts  
George Romney, Governor of Michigan  
Harold LeVander, Governor of Minnesota  
Paul B. Johnson, Governor of Mississippi  
Tim Babcock, Governor of Montana  
Paul Laxalt, Governor of Nevada  
John W. King, Governor of New Hampshire  
Richard J. Hughes, Governor of New Jersey  
David F. Cargo, 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  
Dewey F. Bartlett, Governor of Oklahoma  
Roberto Sanchez-Vilella, Governor of Puerto Rico  
John H. Chafee, Governor of Rhode Island  
Robert E. McNair, Governor of South Carolina  
Nils A. Boe, Governor of South Dakota  
Buford Ellington, Governor of Tennessee  
John Connally, Governor of Texas  
Calvin L. Rampton, Governor of Utah  
Philip H. Hoff, Governor of Vermont  
Mills E. Godwin, 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  
Stanley K. Hathaway, Governor of Wyoming

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## PROGRAM

### Sunday, October 15

4:30 p.m. Pre-Sailing Reception and Briefing for All Conference Participants, Waldorf Astoria Hotel

### Monday, October 16

11:00 a.m. S.S. INDEPENDENCE Takes Departure from New York City

12:30 p.m. Luncheon Meeting of Executive Committee and Committee Chairmen

2:30 p.m. Meetings of Study Committees:  
Constitutional Revision and Governmental Re-organization  
Regional and Interstate Cooperation  
State and Local Revenue  
State Planning  
State-Urban Relations

3:00 p.m. Briefing for Governors' Aides

4:00 p.m. Meeting of Advisory Committee on Federal-State-Local Relations

Meeting of Advisory Committee on the National Guard

9:30 p.m. Presentation "Good Art is Good Politics and Good Business": Governor Nelson A. Rockefeller

### Tuesday, October 17

9:00 a.m. Opening Session, Marine Lounge

Call to Order: Governor William L. Guy

Invocation: Reverend Boniface Cunningham, St. Joseph's Catholic Church, Sterling, New Jersey

Greetings and Report on History and Development of the Virgin Islands: Governor Ralph M. Paiewonsky

|            |  |
|------------|--|
| 9:30 a.m.  | Adoption of Rules of Procedure   |
| 9:45 a.m.  | "Strengthening the States": Governor Guy   |
| 10:15 a.m. | "State and Local Government Labor Relations":<br>Governor Hulett C. Smith  |
| 11:15 a.m. | Report of Advisory Committee on the National<br>Guard: Governor Otto Kerner  |
| 11:45 a.m. | Report of Advisory Committee on Federal-State-<br>Local Relations: Governor John Dempsey                                   |
| 12:15 p.m. | Recess for Lunch   |
| 2:00 p.m.  | General Session, Marine Lounge<br>"Constitutional Revision and Governmental Reor-<br>ganization": Governor Daniel J. Evans |
| 3:30 p.m.  | "Regional and Interstate Cooperation": Governor<br>Edward T. Breathitt   |
| Evening    | Captain's Reception and Dinner   |

Wednesday, October 18

|            |  |
|------------|--|
| 8:00 a.m.  | Prayer Breakfast (Governors and Wives Only)  |
| 9:00 a.m.  | General Session, Marine Lounge<br>"State and Local Revenue": Governor George<br>Romney   |
| 10:35 a.m. | "State Planning": Governor John A. Love  |
| 12:00 noon | Recess for Lunch   |
| 2:00 p.m.  | General Session, Marine Lounge<br>"State-Urban Relations": Governor Richard J.<br>Hughes |
| 3:30 p.m.  | Executive Session for Governors Only   |



Thursday, October 19

|           |  |
|-----------|--|
| Morning   | Arrive St. Thomas                      |
| All Day   | Virgin Islands 50th Anniversary Events |
| 5:30 p.m. | Dinner and Entertainment at Magens Bay |

Friday, October 20

|            |   |
|------------|---|
| Morning    | Virgin Islands 50th Anniversary Events, St. Thomas  |
| 12:00 noon | S.S. INDEPENDENCE Takes Departure for St. Croix   |
| 2:00 p.m.  | Business Session, Marine Lounge<br>Report on Compact for Education: Governor Calvin L. Rampton<br>Consideration of Resolutions and Policy Statements<br>Election of Officers (Executive Session, Governors Only)<br>Other Business<br>Adjournment |
| Evening    | Starlight Dinner at Fountain Valley, St. Croix  |

Saturday, October 21

|           |  |
|-----------|--|
| All Day   | Virgin Islands 50th Anniversary Events, St. Croix  |
| Evening   | Farewell Reception, Estate Carlton   |
| 9:00 p.m. | S.S. INDEPENDENCE Takes Departure for New York City<br><br>(Arrival in New York City, Tuesday, October 24) |

# MORNING SESSION

Tuesday, October 17

Governor William L. Guy: Ladies and gentlemen, as Chairman of the National Governors' Conference, I open this 59th Annual Meeting in perhaps the most unique surroundings that the Governors' Conference has ever occupied. Because of the surroundings, we are going to make some adaptations in this meeting that are not traditional with us.

There are only two Executive Sessions scheduled for the Conference. However, any Governor has the right to move for Executive Session, and the will of the body will prevail. One of the factors that could trigger an Executive Session would be our inability to properly conduct a meeting in these cramped quarters because of the overtone of conversations within the room, or the presence of too much television light. So I hope that all of us will try to adapt ourselves to these surroundings.

It is absolutely essential, from our viewpoint, that this meeting be thoroughly covered by the press. We welcome you. We want to accommodate you in the best way possible, but we have to strike a balance between an effective and productive Conference and effective coverage. So I will ask that during those periods when the television cameras are not being used that you turn out the bright lights. You may move around the room to take such photographs as you wish provided, in our cramped quarters, you do it unobtrusively and do not interfere with the conduct of the Conference. We are very pleased to have so many press, radio and television people here. At this time I shall call on Reverend Boniface Cunningham of St. Joseph's Catholic Church, Sterling, New Jersey, to deliver the Invocation.

Reverend Cunningham: Let us Pray! O, Eternal Father, Creator of all the Universe, Lord and Giver of Life, we beseech you to give ear to these deliberations of the Governors of these United States from which they seek solutions to the many problems concerning the common good of all our citizens. Grant that the results of their joint efforts will abound in much good for the well-being of all our citizens. May your blessings pour down upon them—and upon us all and on our beloved country with peace and justice for all, through Christ, our Lord. Amen.

Chairman Guy: A little over a year ago, one of our fellow Governors stood up in the Los Angeles Conference and proposed that an annual meeting be held aboard a ship. This in itself was a startling suggestion, but it captured the imagination of the nation's Governors, particularly when it was known that we could help celebrate an anniversary of the Virgin Islands. And so this morning, to give his welcome, may I present our esteemed colleague, Governor Ralph Paiewonsky.

Governor Ralph M. Paiewonsky: My fellow Governors, distinguished representatives of the press and guests: The nature of my greeting to you this morning is, to say the least, unique. At previous Governors' Conferences, the host Governor has always extended a welcome on behalf of his State to all of the other assembled Governors. My problem is obvious. We haven't arrived in my "State" yet. I am—in fact, we all are, literally "at sea."

At any rate, though my greeting to you is wholehearted and sincere, and all of us from the islands are delighted that you were able to come, I will put off any official welcome until the morning of our arrival in the Virgin Islands. But, the fact remains, we are on our way—on a voyage to those islands named by Columbus on his second trip to the New World in 1493. He called them the "Virgin" islands in honor of a Cornish princess named Ursula, who according to legend, was martyred along with 11,000 virgin friends of hers, by Attila and his Huns at Cologne, Germany, in the fifth century. Along with that little known fact, I thought you might enjoy hearing this morning something of our islands' background and a few of the highlights of our colorful history.

There are three main islands in our territorial home plus about fifty smaller islands and cays. The three principal islands, St. Thomas, St. Croix and St. John were first inhabited by the Carib Indians. Records show the first permanent Danish Colony as having been established by the Danish West Indian Company in 1671 and the old red fort you will see upon arrival in the harbor was completed that year and named Fort Christian after King Christian V of Denmark.

The islands changed hands quite often in the ensuing years. Many European nations fought bitterly to possess them throughout the 17th and part of the 18th Century. St. Croix, in fact, has seen the flags of seven nations fly over its government buildings. The Danes acquired St. Croix in 1733, and except for a few brief intervals when Great Britain seized and occupied the islands, they remained in Danish hands until their transfer to the United States in 1917.

Throughout most of the 18th Century, the West Indies swarmed with pirates and I must admit that for a time the har-

bor of Charlotte Amalie that you will enter on Thursday, was a very popular place for these "freebooters." Rear Admiral Benbow of the British Navy reported St. Thomas as a "receptacle of thieves." There are some ancient towers of interest on the islands, perhaps the most famous of which is purported to have been the watchtower of Edward Teach, better known as the notorious Blackbeard. The pirates did finally overstay their welcome and the Danish governors encouraged them to move on with a few appropriately timed hangings. The port then became a thriving hub of commerce and shipping between Europe and the Americas.

On St. Croix, the Danes with Dutch overseers, established sugar plantations. Great estates rose with many slaves, and sugar cane was cultivated from the sea almost to the mountain tops. In the 1850's, the island produced practically all the sugar of the West Indies and you will see St. Croix today, still dotted with the familiar windmill towers where the cane was ground. But the slavery which was an integral part of the sugar cane industry was deplored by many Danes who felt it must end, and in 1847, King Christian VIII of Denmark provided for the gradual emancipation of the slaves over a twelve-year period. This only triggered their impatience for freedom and on July 2, 1848, they staged a protest in St. Croix, causing the Danish Governor Peter Von Scholtjen to proclaim freedom for all the slaves in the Danish West Indies—fifteen years before Lincoln's Emancipation Proclamation.

In 1865, the first attempt was made to transfer the islands from Denmark to the United States. Then Secretary of State, William Seward (whose name you will, I am sure, remember as being associated with the purchase of Alaska), attempted to purchase the islands for the U. S. A treaty was approved by the Danes but died in our own Senate Foreign Relations Committee, largely through the hostility of a Senator Charles Sumner, who feared that President Johnson would reap credit for the purchase. But as you know, a transfer was finally negotiated and we have been celebrating the fiftieth anniversary of that occasion throughout this year 1967. The United States paid Denmark \$25,000,000 for the islands during the administration of Woodrow Wilson. It seemed at the time, to be a high price to pay for these small Caribbean outposts, but to the government at that moment, it was the practical answer to preventing foreign navies from occupying ports too close to our steamer routes and the strategic Panama Canal.

The treaty proclaiming the transfer was actually signed on August 14, 1916 by Constantin Brunn, the Danish Minister at Washington and Robert Lansing, our Secretary of State. It successfully concluded a negotiation which had begun in October

1915. From August of 1916 until the actual transfer, it was necessary for both governments to ratify the Treaty and for Congress to pass the necessary legislation. Finally, with the pressure of imminent War with Germany at hand, the actual transfer was arranged for March 31, 1917 and on that day, the Stars and Stripes were then raised over the Virgin Islands. After the transfer, the islands were governed by a succession of Naval Officers. The Navy Department immediately instituted a program of reconstruction and reforms that included free schools, paved roads, watersheds, libraries and public health centers.

In 1931, the first Civil Governor, Paul Pearson, was appointed by President Hoover. Limited United States citizenship had been granted to the islanders in 1927 and then in 1932, by Act of Congress, full citizenship was conferred on all resident natives. Tourism was encouraged for the first time in the thirties and our first world-famous American visitor was Charles Lindbergh who came to visit in 1927. Lindbergh Bay near the airport in St. Thomas was named after the renowned aviator as a result of that visit.

An Organic Act was passed by the Congress in 1936, considered by many to be the islands' "Magna Carta" since it gave us broader powers for governing ourselves and included universal suffrage. This Act was revised by the Congress in 1954 and is the one under which we now conduct our governmental operations.

A bill presently in the Congress will, if passed, give us the right to elect our own Governor and Lt. Governor, now appointed to serve at the pleasure of the President. We look forward also, to the day when we will be granted some type of representation in the Congress and be able to vote for the President and Vice President in national elections. Our Legislature is unicameral, with fifteen Senators chosen every two years. Last year, more than eighty per cent of the electorate exercised their suffrage right in this local election. We have our own municipal courts and a U. S. District Court that is a part of the Third Circuit Court of Appeals in Philadelphia.

In recent years, the surge of tourists toward the Caribbean has given new impetus to our economy and we have encouraged this trend by deepening our harbors for cruise ships, improving our airports and providing improved accommodations and services. The tourist revenue that our good friends from the United States and other countries leave behind has in turn enabled us to provide much more for our own people. We have concentrated our efforts in areas of public education, housing, health and social welfare. Here on the "Independence," we hope you will take a moment to look at the model for our two proposed new medical centers. As you drive around the islands,

I'm sure you will notice the new schools, the housing projects and other public improvements we now enjoy.

We are well on the way to the solution of two of our major problems, that of sufficient water and power. The lack of adequate rainfall and the rapid expansion of power needs have in the past, caused most serious concern. Our answer has been the construction of water and power plants in which sea water is converted to fresh water and power generated as a part of the process. Our first small plant was completed in 1963 and in November 1965, Vice President Humphrey personally dedicated the opening of a million gallon a day plant. Additional plants, now under construction on both St. Thomas and St. Croix, will, when completed, give us a total capacity of 4,675,000 gallons of fresh water daily and at the same time, will generate 55,500 kilowatts of power. And so, thanks to tourism, industrial incentives, the confidence and cooperation of the Congress, the Department of the Interior, and many far-sighted individuals and firms—and of course, a perfect climate—we are today, enjoying a stable and still growing prosperity—and one that augurs well for the future of this Territory.

Back in 1851, the Historian John Knox described the Virgin Islands thusly, in his "History of the Danish West Indian Islands." "There is much in the general appearance of the Islands," he said, "to excite the most pleasing and lively emotion. Their blue summits rising one after another out of the ocean; their picturesque outline and still more picturesque grouping; their numerous channels, small bays and rocky projecting points; these with the rich tropical growth of trees and shrubs; the lovely green of the cultivated estates, the groves of palm in almost every valley, fringing the beach; the white rolling surf; and the varying lights and shadows from passing clouds, present views of extraordinary novelty, beauty and even magnificence."

Happily, this same description applies today. The changes that have been made for the betterment of our people have taken little away from the islands' natural beauty. We are actively engaged in our own beautification program to keep it this way. We are fortunate to have more than two-thirds of the island of St. John set aside as a National Park through the generosity of Laurance Rockefeller who gave more than 5,000 acres on that lovely island to the National Park Service a decade ago. Today, everyone can enjoy its superlative beaches and breathtaking views— and this will always be so.

Our Danish friends have left us much of their old-world charm and picturesque colonial architecture, plus the memories of a rich and historic past. Their belief in tolerance and fraternity has been strengthened and matured in the years un-

der our Stars and Stripes. We happily share with our visitors a soothing tropical climate, a colorful old-world atmosphere, magnificent beaches, and free port shopping. But most of all, we pride ourselves on our human relations. In the Virgin Islands, a man, regardless of his color or religion, starts out with self-respect and equal opportunity and the knowledge that he can aspire to go just as far as his own efforts, coupled with our help, will take him. It is a fact of which we are most proud.

All this, that I have described to you, you will shortly see for yourselves. Perhaps the serious and important work that is to be done in these sessions will proceed more smoothly in anticipation of our island landfall. I look forward to welcoming you officially upon our arrival.

Mr. Chairman, I would now like to take this opportunity to introduce my Attorney General who is the Chairman of our Semi-Centennial Celebration Committee, to make a presentation to Governor Guy. General Corneiro.

General Corneiro: Governor Guy and assembled Governors. As has been noted by our Governor, you will climax the year-long celebration of our Semi-Centennial. We are proud of what we have done in the last fifty years as American citizens, and we feel there is great significance in the fact that this most important Conference should assemble there this year. May you, Governor Guy, and your successors at this and future conferences, use this gavel, made of native mahogany, for use in good health, for good government. [Gavel presented to Chairman Guy.]

Chairman Guy: Thank you, Attorney General Corneiro. This is a beautiful gavel. This is one that will remain with the Conference at least six days, until I have a chance to steal it! For the benefit of those who are attending the Conference for the first time, we are governed by Articles of Organization which have been in effect for many years, and which can be amended at each annual session. Such amendments, when submitted thirty days in advance, can be adopted by simple majority vote. If the amendment to the Articles of Organization is not submitted thirty days in advance, it would require a three-quarter vote of those present and voting. No amendments to our Articles of Organization have been received, and so we have no indication that there will be any effort to amend the Articles of Organization.

The Rules of Procedure are intended to implement the Articles of Organization and must be adopted by the Conference before we can proceed. These Rules of Procedure were drawn up on the basis of changes made in the last meeting of the National Governors' Conference at Los Angeles, and the Rules of Procedure have been approved by the Executive Committee.

What is your wish regarding the adoption of the Rules of Procedure, as distributed?

Governor John Dempsey: I move for their adoption

Governor Otto Kerner: I second the motion.

Chairman Guy: Governor Dempsey has moved for their adoption. Governor Kerner has seconded the motion. Is there discussion? Those in favor say "Aye." Those opposed, "No." The motion is carried.

In 1908 Theodore Roosevelt invited the Nation's Governors to Washington, D. C. to form a Nation's Governors' Conference. Today we are in our fifty-ninth year as a continuing National Governors' Conference. The problems of 1908 are not the problems of 1967.

We speak expansively of our democratic process and our federal system. We have a tendency as citizens of the United States to think in grand terms that we have the finest system of government in the world, but all too often we are unwilling to adapt our system of government to the continuing vacuum of human need.

State and local governments need to be strong in the federal system. This does not mean that the federal government should not also be strong. There is no reason why the federal government and state and local governments cannot all be strong and effective.

Cries of alarm are heard on every hand from citizens, politicians and political scientists who would have you believe that the States as a form of government are becoming obsolete, overtaken by time and an overpowering dominance by the federal government. Perhaps there is more than a grain of truth in their observation, but there is no reason why the States need gradually outlive their usefulness. As a matter of fact, there is ample evidence that state governments are not only desirable, they are essential in a federal system which serves all citizens in all walks of life.

Recognizing that the people of the States, and particularly state leaders, need to constantly examine state government within the framework of the federal system, the Executive Committee of the 1967 National Governors' Conference concentrated on the problem.

There are many ways in which state government must change and respond to human need, but five factors stand out as major areas for state government concern. A State can be no stronger than its own state constitution permits it to be, and a state government often is shackled by laws not even envisioned by its state constitution. Governor Evans was given the task of examining the mechanics for bringing about constitutional revision. His committee evaluated the proven governmental advances



adopted in some state constitutional revisions and statutory reforms.

A state or local government can do no more in the way of services than it can finance. Governor George Romney carried over from the previous year the work of his Committee on State and Local Revenue in order to evaluate such things as federal tax sharing plans, block grants and state tax reform.

Governor Ed Breathitt was given the assignment as Chairman of the Committee on Regional and Interstate Cooperation. His assignment is to examine the existing and new devices, such as compacts and reciprocal agreements and others, which would make it possible for two or more States to do, on an interstate or regional basis, that which no one of them could do alone. In many cases such interstate cooperation would fill a vacuum of human need which would otherwise go by default to the federal government.

One of the exciting innovations in government is state and local planning. Once again state and local planning, if skillfully done, can assure the citizenry that state and local government can and will fill the vacuum of human need and that federal intervention is not necessary. Governor John Love is Chairman of the State Planning Committee.

The mass movement of people from rural to urban areas has created such serious urban problems that the States must move rapidly to respond lest urban areas feel they must go directly to the federal government for their needs. Governor Richard Hughes has chaired the State-Urban Relations Committee.

Governor Otto Kerner has again very ably chaired the standing Advisory Committee on the National Guard.

Governor John Dempsey's standing Advisory Committee on Federal-State-Local Relations has had the responsibility of implementing the Washington office of the National Governors' Conference. Yet six weeks ago it was assigned, on an urgent basis, the task of proposing the program of action to be considered by the National Governors' Conference in response to the nationwide problem of civil disobedience. The Committee viewed this urgent problem from two equally important aspects: (1) it will make recommendations on the complex problems of improving law enforcement; and (2) his Committee will recommend action to alleviate the causes of civil unrest based on the need for equal opportunity for all citizens in such things which would include education, wages, job opportunities, housing and recreation.

Governor Hulett Smith has been Chairman of a special committee assigned the study of the relationship between state government and state employees.

There is reason to believe that this year has been the most active Governors' Conference year in history. Your Executive Committee has met seven times on conference affairs. The Executive Committee hosted the Japanese Governors' Conference in Des Moines, Iowa, in May. The interim conference last December at The Greenbriar Hotel in West Virginia was the first interim conference in our history. It was a very productive conference and resulted in the establishment for the first time of the State-Federal Relations Washington office of the National Governors' Conference. In late winter the entire National Governors' Conference was hosted at the White House in a meeting designed to examine views between President Johnson and all the nation's Governors on ways and means of improving the effectiveness and efficiency of state and federal relations.

It has been highly gratifying to me to observe the intensity and determination of the actions of our professional staff. Mr. Brevard Crihfield, our Secretary-Treasurer, has again so ably handled the affairs of our conference. Charles Byrley, the Director of our Washington office, has implemented this new mechanism for state-federal relations in a highly successful manner that would have been difficult to duplicate by any other person.

There is no question but that state government is experiencing a powerful resurgence in the federal system. The position of state government leaders in national affairs attests to the quality of people who have stepped forward to serve at state government level.

I am particularly proud of my Executive Committee, and the interim committee chairmen. They have pursued their responsibilities with the initiative and sincerity which justifies their positions of leadership in our selective group, made up of the chief executives of our States. I know that the resurgence of state government within the federal system will continue on under the leadership of the National Governors' Conference in the years ahead.

Gentlemen, this is your Chairman's annual report. Thank you very much.

Governor Hulett Smith was given the assignment of examining state and local government labor relations. This is a topic that will be amplified as each year goes by, and it's a topic of immediate concern to all of the States. Gentlemen, Governor Hulett Smith.

Governor Hulett C. Smith: Governor Guy and members of the Governors' Conference. This morning I am pleased to report on the task force established by your Executive Committee on state and local government labor relations. This preliminary report deals with a controversial aspect of public em-

employee relations—collective bargaining. And along with collective bargaining and its aspects comes the question that is raised throughout this nation: does a public employee have the right to strike?

I ask that you review this as we go through the report and think a little bit about what lies ahead, because many in the field of public administration view this issue today as one that is second only to that of civil rights. And newspaper reports of recent events would seem to bear this out. Increasing strikes and other manifestations of unrest in vital areas of the public sector are indicating that we should look for solid, objective analysis of existing arrangements, and possibly new procedures in handling governmental employee relations.

Your task force report is based on the premise that there is no single solution to the problem. Second, it suggests that States and other public bodies must develop policies on these fundamental issues. It doesn't assume that all governments throughout our country will ultimately end up at the collective bargaining table. Instead, it says very clearly that Governors, state legislators and municipal officials must anticipate the demand for collective bargaining and must fashion their responses on the basis of local circumstances and many other factors. And there are widely disparate views on this subject throughout this Nation. Governors have views, legislators have separate views, and they all get back to whether or not collective bargaining is permitted in the public sector. Some will say that it's good for public service, as well as for public employees. Others take exactly the opposite view and consider it inappropriate and unwise.

But rather than discuss that particular question, let's consider the issues that it raises. For example, do all of us or any of us really understand the precise nature of collective bargaining? Do we know why it has grown so fast in the public sector? Are we sufficiently prepared to make informed judgments about this emerging phenomenon in public affairs today? And these are questions to which, as Governors, we must try to seek and find answers, because we will ultimately be called upon to answer them, regardless of our personal views. This report was made precisely on this basis: to provide you, the Governors of this Nation, with background information that you can take back to your lawmakers and to your associates in considering policies for the future in this vital field.

Recent developments have been moving so rapidly that there is really no accumulated body of knowledge on which to rely as being a bible or a testament that you could go to to find the answer. To bridge this gap your Governors' Task Force asked the Public Personnel Association to conduct and coordi-

nate studies of management-employee relations in the public sector. The Association was assisted by an eminently qualified five-man advisory committee, and each member of the committee speaks with authority on employee relations in either the public or private sector.

I brought with us on this trip Dr. Martin Wagner, who is a member of the Advisory Committee. He will serve as a resource person and will answer questions about the report. And I am sure that they are going to arise. Dr. Wagner is professor of labor and industrial relations at the University of Illinois; and he served as Chairman of Governor Kerner's Advisory Commission on Labor-Management Policy for Public Employees.

We found, in order to deal effectively with the major issues, that we had to try to understand the goals of the employee organizations. We found that public employees now want to have a share in decision-making in the matters that affect their work, their pay, hours and conditions of employment. There is a growing feeling that they wish to do away with traditional paternalism, which is so often found in government employment, characterized by unilateral decisions handed down from above. And you find that they wish to institute procedures in which their representatives take part as equals with representatives of management. They are seeking economic benefits comparable to those that exist in the private sector—the fringe benefits that are so important in private negotiations.

And so for this reason and many other reasons, they claim the right, as public employees, to organize, to bargain collectively, to gain enforceable written agreements, and in some cases, to strike. This raises the all important question: What matters should be brought to a bargaining table in the public sector? What matters should be reserved exclusively to managerial determination by government? In other words, what is the proper scope of collective bargaining in the public field?

Management traditionally tends to resist bilateral determination in many subjects, while employee organizations seek to bargain on any subject that affects their work. And the dispute over the scope of bargaining has continued for decades in private industry. Undoubtedly the same dispute will occur in governmental bargaining. These public employee collective bargaining subjects, such as the mission of the agencies; hiring, firing and promotion; and the drawing up of the budget can be written into the law as non-bargainable issues, or contained in contract clauses as rights preserved for management determination.

Our report suggests that public employee relations legislation may include—and perhaps should include—limitations on

the scope of such bargaining as the legislature believes properly within its jurisdiction. Of course, if the limitations are too severe, the principle of collective bargaining may be nullified and you will be back where you were. The report considers whether a collective bargaining law should apply to all levels of government in a State, and to all categories and classes of employees—policemen, firemen, nurses, doctors, teachers. Historically, States have been more willing to extend bargaining arrangements to local government employees than to their own state employees. And you will find in the report that, while conditions vary from State to State, the general argument seems to favor a single law to apply to all governmental agencies within a jurisdiction, and that uniform employee relations' principles should cover all occupational categories and employees.

We looked at the type of administrative machinery needed to implement employee relations laws, the advantages and disadvantages of each type, and the various possible types available. The report takes into account that in many of our States we have state departments of labor, civil service commissions, and boards of education which already have existing machinery to handle some of these problems. It deals with how many cases we have; what the reputation is of the existing agencies in terms of impartiality and independence; who should represent the public employer; and who should represent the public employee.

The question gets to be more complicated because of the division in state government between executive and administrative officers, legislators, and special boards and commissions that operate within the framework of state government. These problems are not normally found in any business operation. Problems also arise when spokesmen for employee organizations, who wish to have certain responsibilities, complain of confusion in public agencies and complain that many public officials are untutored in collective bargaining procedures.

To overcome these difficulties, it appears that three courses of action are open to public officials. The specific assignment of responsibility for the various aspects of bargaining can or should be fixed by law or by administrative order. Perhaps experienced, outside negotiators should be pressed into service. Training in both theory and practice should be given to officials responsible for bargaining collectively. And then you take a look at the effect of collective bargaining on the purse strings, the establishment of your budget, and the other aspects of public finance. You can clearly see where bargaining will affect budgetary and fiscal arrangements, and perhaps more sharply in the case of local governments that are limited by constitutional restrictions and in their ability to raise money. We will urge in this report flexibility, which seems to be a part

of the answer to the problems that will arise.

There must be consideration of the breadth of coverage; of how a bargaining unit should be structured; of who shall be the bargaining unit; of whether supervisory personnel in government should be included in bargaining; the question of exclusive recognition; of safeguards to protect an individual's right to join or not to join an organization of his own choosing; and of whether exclusive bargaining rights can be granted to a majority organization.

A question that all of us must think about with the coming—if it comes—of collective bargaining in public service, is this: what effect will it have on the merit system of employment in state government? What effect will it have on the various procedures that have been established by Civil Service arrangements in many States? What effect will it have in regard to personnel management? Conflicts will arise between merit system supporters and those who base their theories on union representation. We find that union representatives often regard Civil Service agencies as an attribute of management, rather than an impartial organization establishing the employment of personnel on a merit basis. The largest union of state and local employees would restrict Civil Service to the limited function of recruitment and promotion. The unions generally attempt to put Civil Service agencies on the sidelines. Some observers believe that the merit system and collective bargaining can be carried on within the same governmental organization.

Bargaining will undoubtedly influence the type of personnel programs developed in the future in state and local government, whether or not they operate under the merit principle. It is going to become a matter of controversy because some authorities feel that employee groups can act as an effective means of destroying patronage. I leave that to your judgment. But the issue of greatest moment, and the one that is going to be the most difficult for Governors to resolve, is that of strikes against the government—strikes of public employees. Despite laws and court decisions prohibiting strikes in the public sector, work stoppages are becoming more numerous in government centers and in education.

Several major questions highlight the strike issue. Is the strike an appropriate weapon in public service? Should strikes be prohibited for some employees and not for others? For example, should firemen, policemen, prison guards and persons in other security occupations be prohibited from striking? Is it realistic to make a distinction between essential services that should not be struck, and others that can be struck? Would a strike prohibition, with compulsory arbitration, serve the public interest? If strikes are prohibited, what penalties would

be effective? What steps could be taken to prevent strikes, while preserving political democracy by protecting the rights of both the public and employee organizations? These questions obviously are not easy to answer and are dealt with more fully in the report. You will find in the report that the strike is probably not the best method of settling public disputes. Continuous bargaining, supplemented by mediation, fact-finding and voluntary arbitration, offers greater advantages in the long run.

This report does not claim that every level of government in our land will necessarily follow the road of collective bargaining. But it points out that if present trends continue, every State, in varying degrees, will be faced with the problem—the right of collective bargaining in the public sector.

Mr. Chairman, I submit this report for filing in accordance with the Rules of Procedure—that it be received and filed, that it be given careful consideration by every Governor, and that each of us will take a look at this new problem arising in the field of public administration.

Chairman Guy: Does any Governor have a comment or a question on this report? Governor King?

Governor John W. King: Mr. Chairman, I would be interested if they discussed in this Committee report the role of the slowdown—whether that is an aspect of the strike, or something separate.

Governor Smith: Professor Wagner was a member of this study committee, Governor King, and I think he can answer your questions in greater detail.

Professor Wagner: The study committee certainly looked at all forms of concerted withdrawals of service as a matter it should consider. So mass resignations would fall into this category. Whatever we call it, it seems to me that we have to look upon any concerted effort at withdrawing service as the kind of situation that we have to deal with. Whether you call it a slowdown or stoppage doesn't seem to be very important. The issue is, what happens to the public service? And we've tried to deal with that kind of concerted withdrawal of service.

Governor John H. Chafee: I was wondering if they found any communities or States that have compulsory, binding arbitration on all matters, including financial matters.

Professor Wagner: I don't think so, Governor Chafee. I think your State comes closest, but I think it is, if I recall correctly, binding upon all matters other than wage matters. Governor Romney established a study commission and that study commission did make a recommendation, for a trial period, to consider compulsory arbitration in the security forces—for policemen and firemen. I believe that proposal has not yet reached legislative enactment.

Governor George Romney: The Legislature didn't think much of it. We are taking another look at the whole picture as a result of experiences this summer and fall. I would be interested in knowing what Governor Rockefeller's experience has been in New York with their new law, and whether or not it was applied in the recent teachers' strike. I believe New York has gone a good deal further than any other State in this area.

Governor Nelson Rockefeller: Well, unfortunately the law didn't take effect until September 1. The teachers' strike—or the negotiations leading up to it—had already started. We had been through the process of fact finding and then arbitration, and none of it worked. They went to a strike, although they didn't actually say they were going to strike. They went on a resignation program, and that was taken to the courts immediately, and under the new law it was interpreted as being a strike.

The unions have now been fined. The strike is over. The union is fined \$150,000. The head of the union has been ordered to jail for 15 days. The case has been appealed, but the State Board, which also has jurisdiction here, has the right to remove their checkoff for a year and a half, which is now under consideration by the Board.

I think that you can't stop strikes. A lot of people say, "Well, this law wasn't any good." But it's just like having a speeding law. Just because somebody speeds, you don't abolish speed laws. They do have an effect on a great many people.

Professor Wagner: I think—if I may volunteer this, Governor Rockefeller—that the action of your Board with respect to withdrawing the checkoff might be a matter of some interest and significance, depending on how the Board comes out with it.

Governor Nelson Rockefeller: I think it is. It is a very powerful weapon. Of course, this particular union in New York to which I referred, which was a teachers' union, had opposed the bill for three years. We finally got it through. They said they would strike, and they were really carrying out a threat, just to show their strength against the State.

Chairman Guy: Any further questions or comments? There are several ways that we can handle committee reports. They are covered in our Rules of Procedure. On non-controversial reports, where there is no resolution involved within the report—I would hope that we could approve these reports. This being a factual report without recommendation within the report, I have a motion by Governor Hulett Smith to approve the report.\* Is there a second?

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\* This refers to the preliminary report as distributed, copies of which are on file in the office of the Secretary. A final report was printed subsequently.



Governor Kerner: Second.

Chairman Guy: Is there discussion of this motion? Those in favor say "Aye." Opposed, "No." The motion is carried.

Governor Romney: Mr. Chairman, I would just like to make one comment on this total picture. It is fundamental to the problem with which we are dealing. As far as I can see, one of the major reasons why we are having this increasing effort to organize public employees is because public employees are not able to keep up in their compensation with the increased wages and fringe benefits being secured by the highly organized groups in private areas. And the success of the use of power in the private areas—which in my opinion is excessive and is resulting in inflationary increases—continues to increase the spread between the compensation of public employees and those in private employment.

For example, in our State a carpenter's helper gets more than a veteran policeman in salary, and a plumber's helper—a boy just out of high school—gets more than a senior teacher. And this spread is growing, not narrowing. In my opinion this problem is going to get worse before it gets better. I don't think you can deal with it without getting into the area of the excessive use of private economic power in this country.

Chairman Guy: Thank you, Governor Romney.

Is there any further comment on the subject? Governor Knowles?

Governor Warren P. Knowles: May I inquire as to what the intent is of the ongoing committee assignment here? I think this is so important.

Chairman Guy: The question by Governor Knowles is, what is the plan for an ongoing committee assignment on this subject? It would be up to the incoming Executive Committee to determine the standing committees for the coming year. If you wish to move that this be considered by the Executive Committee as an ongoing committee, I will accept it.

Governor Knowles: I will so move.

Governor John A. Volpe: Seconded.

Chairman Guy: There is a motion by Governor Knowles of Wisconsin that the subject of state-local labor relations be considered by the Executive Committee for ongoing standing committee study. It has been seconded. Is there discussion? Those in favor say "Aye." Opposed, "No." It is carried.

I think one of our members is easily the most senior member in service in the military. With distinction he served as Chairman of our Governors' Conference National Guard Committee for several sessions. For the report of the Advisory Committee on the National Guard, Governor Otto Kerner.

Governor Kerner: Thank you very much, Governor Guy.

The National Guard report has taken on, I think, additional significance because of the events that have occurred within a number of States, both in 1967 and in 1968, and added to that, of course, are continued reorganizations. So the report, I believe, takes on additional importance because of the internal affairs of the United States.

The National Guard has experienced one of the most difficult and trying periods in its long history this past year, chiefly as the outgrowth of the United States' steadily-expanding military involvement in Southeast Asia and the tragic eruptions of violence and social turmoil in many American cities. These unhappy events have troubled all Americans but they have imposed an especial burden on the National Guard, for it is the Nation's primary backup force in both national defense and internal security. National Guardsmen, Army and Air, officer and enlisted, have performed their demanding, often distasteful, duties with dedication and professional competence, any critical comment to the contrary notwithstanding. Simultaneously, they have elevated the operational readiness of their units to an unprecedentedly high level, have made noteworthy direct contributions to United States military operations in South Vietnam, and have brought sanity and order back to riot-torn American cities. For their accomplishments, they deserve the gratitude of all Americans.

Understandably, the Guard's extensive involvement in so many areas, coupled with other causes, has given rise to a number of major problems, some of which still await final resolution. It is on these that we will concentrate the remainder of our comments. In general terms, it can be fairly stated that the thorniest problems relating to the National Guard arise from the reluctance of the federal military establishment to recognize and consider state needs in the structuring, training and manning of the National Guard. The Governors understand the necessity of giving priority to national defense requirements. This is an area of critical concern to the States as well as to the federal government. Recent destructive outbreaks of civil disorder pose a greater threat to the stability of our society, however, than the Nation has ever faced, and the National Guard should and must be organized, trained, equipped and manned to cope effectively with future eruptions.

The reorganization plan presented to the States in August by the Department of Army contains the following deficiencies in the opinion of your Advisory Committee: First, it reduces the number of combat-type units in many States, with a corresponding reduction in the number of headquarters which can provide supervision and control during state emergency employment of Guard forces.

I leave the report here for a minute and point out that the military establishment—the Department of Defense—bought the plan of the National Guard in providing combat units to all National Guard units until there was an objection by the Reserves—primarily in the United States Senate—who attempted to preempt and to retain the commissions that they held in the Reserve. And may I say that the head of the Military Affairs Committee in the Senate certainly was a champion of the National Guard forces. However, with other members of that committee a compromise had to be made, and in the final analysis the plan was that three brigades would be given to the Reserve forces, and certain of the service units that were to be attached to these Reserve forces were then put back in the Guard and combat units were then placed in the Reserve units. May I say the Department of Defense did, I think, whatever it could. However, our problem lay with the Armed Forces Committee of the United States Senate.

Now continuing with the report which I was describing: Second, it reduces the overall number of National Guardsmen in some States; Third, it does not provide an adequate supervisory structure through which the training and operations of non-divisional, non-brigade units may be coordinated. We, therefore, recommend that the National Governors' Conference call on the Department of Army, to display a less rigid attitude by negotiating with the several States to attain troop allotments that are mutually acceptable.

The Department of the Army recently revised its training program in civil disturbance operations and directed the Army National Guard to offer thirty-two hours of this training on a speed-up basis. This satisfies the immediate requirements of the States, but of course new types of counterattack techniques need to be developed and used in training our Guard units. This committee believes that additional steps now should be taken to (1) conduct a thorough re-evaluation of the techniques, weapons and training that are required for effective riot control operations; and (2) provide additional training programs for the National Guard to produce and sustain a high level of effectiveness in civil disorder operations. Army National Guard units still have not been issued adequate stocks of equipment, particularly in the communications category, to conduct civil disorder operations with full effectiveness. It should be pointed out that the crisis in American cities will not await the resolution of our Vietnam problems. Disorders, and threats of disorders, face us right now, and federal purchases of military equipment should be accelerated to meet this new and critical need.

At the Midwestern and Southern Governors' Conferences, the Council of State Governments was charged with studying the

legal basis for mutual assistance compacts between States, under which the National Guard forces of the signatory States could be employed across state lines upon request. This study has been completed, copies of which will be submitted to the Governors during the course of this annual meeting, and this committee endorses the concept of such compacts, as a means by which the States will be able to suppress any disorder of whatever intensity, without recourse to federal troops. May I say that Illinois benefited from the Civil Defense Compact, as previously approved, because of the heavy snows in north Illinois this last winter. And I called upon the Governors of Wisconsin and Iowa to help and assist us with our highway equipment. Without it, northern Illinois would have been crippled for a much longer period of time. And I publicly want to acknowledge again my thanks to both of those Governors. But it shows how useful the equipment and men and trained personnel of adjoining States can be to States that have problems.

The Midwestern Governors' Conference also requested the Council of State Governments, working in cooperation with the Adjutants General Association of the United States, to develop suggested uniform state legislation on the call and utilization of the National Guard. This committee strongly endorses this action.

This committee has noted a growing tendency on the part of the Department of Air Force to schedule Air National Guard units for deactivation on grounds of obsolescence without giving due consideration to their conversion to other productive missions. We believe that the United States has made a training investment of considerable magnitude in the highly skilled members of the Air Guard units and in the units themselves. Even though specific missions can grow obsolete, experience and technical skill can be converted to other vital uses. We recommend that the Department of Air Force enunciate, clearly and unequivocally, a policy of converting outmoded units to new missions wherever possible.

In conclusion, the committee desires to reaffirm its strong adherence to the concept under which the National Guard traditionally has functioned. Throughout our existence as a Nation, this system has produced a military force that is effective and that satisfies a dual need, national defense and state internal security. The Guard embodies the best aspects of our federal system. It gives every State a direct, participating role in the defense of the Nation. It makes productive use of the military skills and experience of men who otherwise would not be able to contribute to the defense of their land. It takes state and regional traditions and loyalties, and converts them into a national asset. It enables a single organization, with a single outlay of

money for training, equipage, facilities and administration, to perform two vital tasks, one for the States and one for the nation, and all America is the beneficiary. Mr. Chairman, I move the acceptance of this report.\*

Governor Buford Ellington: I second the motion.

Chairman Guy: The motion is to accept the report with the provision that it be forwarded to the President, the Secretary of Defense and to Congress. It has been seconded. Is there discussion? Those in favor say "Aye." Those opposed, "No." The motion is carried.

Our Committee on Federal-State-Local Relations has been working through much of this year in implementing the new Washington office. It has had a full load as a committee, and in August we assigned them a fresh, new problem to cope with. And so today the Committee on Federal-State-Local Relations will have two reports, really—one on implementation of the Washington office; the other report having to do with its assignment on proposals for action to cope with the problem of civil disobedience that has swept across the land. The first portion of this report will deal with the routine work of this Committee, and I will expect the body to dispose of this section of their report as you see fit.

However, the second section of their report I would like to have presented today, and then I suggest postponement of any action on this second report, having to do with civil disobedience and civil unrest, until we have had an opportunity to study it closely. Then we can decide how we want to handle it—whether it be through resolutions or adoption of the report. Final disposition of this second section of the Committee's report will be made in the executive business session on Wednesday afternoon. And so, to bring forth the first portion of his report on Federal-State-Local Relations, Governor Dempsey.

Governor Dempsey: Mr. Chairman, Governor Paiewonsky, my fellow Governors. I am pleased to submit to you now a summary of the report of your Advisory Committee on Federal-State-Local Relations, and to offer for your consideration several proposals which the committee feels will help the States to play a role—a most dominant role—in our national development. The text of the report is now before you.

"Strengthening the States in the Federal system," the theme of our Conference this year, is an essential requirement if the States are to fulfill their responsibilities in dealing with the complex intergovernmental issues of today. The past year has been one of progress, but much remains to be done. Our field of action is broad. It includes such matters as constitutional

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\* For official text of the report, see Appendix VIII.

reform leading to governmental reorganization, regional and interstate cooperation in numerous areas, fiscal problems, planning at the state level to meet national and state and local needs, and urban area problems.

Your decision of last December to establish a special office in Washington was a major step toward increasing the role and the influence of all Governors in intergovernmental relations. Significant developments that have occurred include the meeting of the Governors with President Johnson and the Cabinet, and the outstanding work done by Governor Farris Bryant, the President's ambassador to the Governors, and his successor, Governor Price Daniel. Their efforts to increase cooperation between federal and state officials are bound to have beneficial results for all of the people.

We appreciate the suggestions to strengthen the federal-state partnership made by President Johnson at a meeting in Washington earlier this year. Joining with me at that meeting were Governor John Volpe, Vice-Chairman of the Federal-State-Local Relations Committee, for whose strong and constant cooperation I am indeed most grateful; Vice-President Humphrey, Governor Bryant, and Charles Byrley, who heads our Washington office. The President's helpful suggestions covered such areas as closer liaison with Congress, more work at the state level to coordinate federal-state programs, participation in federal programs now bypassing the States, modernization of state administrations, and the industrial development bond financing problem.

Our Washington office is working to implement these suggestions. In only half a year's time that office, headed by Mr. Byrley as Director of Federal-State Relations, has made much progress. Among numerous other activities, its staff has met at least once with each Cabinet member who is responsible for federal-state programs, and has consulted frequently with members of the Congress. The workshop which the Washington office held last June for our coordinators of federal-state programs was most helpful. It is good to report to you that another such workshop is scheduled for next month. Our Washington office contributed significantly to the development of Circular A-85, issued by the Bureau of the Budget, requiring formal consultation between federal agencies and the Governors on pending federal legislation. The success of our Washington office is due in large measure to the help that it has received from a majority of the Governors—those who have responded promptly to issues raised in the Governors' Bulletin and in special communiques, and who have made personal appearances to testify before the Congress.

But continuing help, gentlemen, from all the Governors is

essential to the achievement of full and true federal-state cooperation. Carry on the enthusiasm that has been generated this year. And to complete the long journey—of which we have taken the first step—your Advisory Committee is pleased to offer the following suggestions and recommendations.

First, Governors in greater numbers must participate more directly in Washington despite a burdensome schedule. Each Governor must be more available to testify before Congress and to attend more meetings held in Washington. A more active role is called for on the part of Governors serving on such organizations as the Advisory Commission on Intergovernmental Relations and the Public Officials' Advisory Committee of the Office of Economic Opportunity. This recommendation reflects what we as Governors have so frequently said: power and influence cannot be transferred from principal to staff.

Second, the Governors' Conference should improve its committee structure to help all of us become more involved in the development of legislation. After a year's experience, my colleagues and I on the Federal-State-Local Relations Committee feel that the problem is so broad and far-reaching that it should be handled by more than a committee of limited membership, such as our present Advisory Committee to the Executive Committee. Federal-state relations cover almost every field of governmental activity. We suggest, therefore, to you that this Conference develop a committee structure related to specific subjects. Specifically, we propose that the National Governors' Conference establish a regular standing committee on federal-state relations which would serve as a steering body on all matters of federal-state concern.

We further propose that a number of subject matters be dealt with by subcommittees which would be formed. Each member of the standing committee on federal-state relations would be designated as chairman of a functional subcommittee. Members of each functional subcommittee, other than the chairman, would be appointed from the National Governors' Conference membership at large, thus assuring the participation of all Governors in at least one major area of federal-state relations. We might consider about fifteen subcommittees composed of three or four members each, thus calling for a federal-state relations standing committee of about fifteen members. The subcommittee would be assigned functional areas of responsibility—education, agriculture, welfare, transportation, national resources, planning, and so forth. The Governors serving on these subcommittees, in close contact with one another, would have responsibility for developing Governors' Conference policies and positions in the respective areas to which they are assigned.

Another suggestion is that the Governors' Conference consider holding a special seminar each year in Washington early in the Congressional session. This could put us—all of us—in a good position to set a course of action after major programs have been introduced, but before legislative approaches have been solidified.

Third, we recommend that the Governors' Conference anticipate major problem areas and develop policies regarding them so that individual Governors can be in a position to take positive action on major issues. We expect the federal-state relationship to be deeply involved in a great many matters during the coming year—matters like transportation, urban renewal, industrial development, bond financing, and urban area problems. The Governors' Conference could, we believe, attain the desirable goal of playing a major role in the molding of national policies in these areas, if we establish a committee structure such as we are now proposing to you.

Finally, your Advisory Committee on Federal-State-Local Relations believes that much more can be done to strengthen the States and the federal system and to improve the image of state government generally. The impression prevailing among many members of the federal establishment, that state governments are lacking in power, can be overcome through each Governor working earnestly to upgrade the image of the office of Governor and the capability of state government.

We believe the Governors' Conference should widen its focus. The primary mission of our Washington office still must be to inform the Governors of Washington developments. But, gentlemen, it should also inform Washington of actions taken by the Governors and of developments occurring within each of our States. This requires close cooperation and a concerted campaign. Your Advisory Committee suggests a new information service—an information service directed primarily at the federal establishment and the press, reporting on significant developments in Governors' offices and in your state capitals.

Gentlemen, your 1967 Advisory Committee on Federal-State-Local Relations has enjoyed its assignment. We feel that it has been a good year. But let us not stop our efforts now that the States are on the move. They are becoming stronger in our federal system. And with the continuing cooperation of all Governors, we can expect even greater progress in the days that lie ahead. Mr. Chairman, I move for adoption of the report.\*

Governor James A. Rhodes: Second.

Chairman Guy: Moved and seconded for the adoption of

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\* For text of the report, see Appendix IX.



the committee's report. Is there discussion? Those in favor of adoption say "Aye," opposed, "No." The motion and the report are adopted.

Governor John A. Love: I suggest some discussion on the proposed standing committees and the subcommittees in various functional areas. Again, a mechanical problem. Do those committees have the authority to go ahead and take positions for the Governors' Conference? Is there a dual position? I am simply asking this. What thoughts do you have about subcommittees in functional areas, such as perhaps highways, agriculture, and what not? Is it thought that the subcommittees would have the right to take positions for the Governors' Conference, or is there some holding arrangement?

Governor Dempsey: The subcommittees would have the right, Governor Love, in that they would be acting for the Federal-State Relations Committee as a whole. Our concern was that all Governors sometimes do not get involved in the proceedings. We are trying to come up with a mechanical structure, if you will, that will get all of the Governors on active committees or subcommittees. And as we look to oncoming programs in the days ahead, not only is it advisable but it is so necessary. We need your help, particularly now with the Washington office. It is the hope, John, to involve everybody.

Chairman Guy: Just as an additional comment on this phase, Governor Love, the Articles of Organization give the Executive Committee the responsibility and the power to set up all committees. Therefore, really, what is proposed here is that we provide the Executive Committee with an expanded advisory group to guide us on the course of action.

The second portion of important work in this committee came about when the Executive Committee assigned Governor Dempsey's group the task of studying federal, state and local government responsibility in coping with civil disobedience. I will ask Governor Dempsey to give the highlights of his report. I will ask that we take no action at this time, but I shall open the subject up to question or comments after his report.

Governor Dempsey: The crisis of our cities is the Nation's number one domestic problem. It demands an earnest commitment to action by all citizens—and particularly by the Nation's Governors. We all know too clearly how shock waves issued forth from the ghettos and slums of our Nation's cities this summer. We can each tick off the statistics of civil unrest, and can decry its underlying causes—such as inequality and lack of opportunity. Gentlemen, the time has passed for talk. The challenge to act is here and now.

The Executive Committee of the National Governors' Conference acknowledged the challenge in its August 26 resolution

on law and order and the elimination of social and economic injustice. The resolution directed the Advisory Committee on Federal-State-Local relations to review the responsibilities of all segments of society to achieve desired goals. Your committee accepted the assignment with enthusiasm and set to work immediately—recognizing the giant scope of the problem and the acute lack of time.

We established a task force of Governors' aides and representatives of a select number of relevant organizations. We asked all Governors for recommendations. Most of you replied. And it is on your suggestions that this report—"Call and Commitment"—is built.\*

The Executive Committee resolution had envisioned numerous consultations with appropriate officials at all levels of government, as well as with representatives of public and private organizations. The result was to be a detailed analysis of the problem. This, of course, was not possible in the brief time allowed. Instead, the task force distilled, refined and compiled your suggestions into an action document. It met frequently and worked hard—and has come up with a genuinely fine report. But it is just a beginning. We must continue our efforts—individually, through our state action programs—together, through the States' Urban Action Center—and collectively through the ongoing interest and stimulus of the National Governors' Conference.

Although numerous consultations and detailed analyses were not possible, the Advisory Committee and its task force alerted key members of Congress, federal agencies and significant public interest groups to the project. An information draft report was made available to the National Advisory Commission on Civil Disorders. From all these groups we have received enthusiastic encouragement. It would be appropriate to make final copies of the report available to them—and hopefully continue the dialogue.

Each of you has received a confidential copy of the report: "Call and Commitment." Therefore, I shall not read it, but rather discuss its major thrust. The first part is a clear call to action. It recognizes that no one segment of society can meet the challenge alone. The problem is too far-reaching for city government, yet involves close contact and diversified approaches not available to the federal government. The private sector also is limited. The States cannot meet the complex problem alone either—but they are in the unique position of the catalyst to bring about a new focus on the needs of our urban citizens. The call is to the entire Nation. The responsibility is on the shoulders of every Governor.

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\* For text of the report, see Appendix X.

The second section deals with commitment. Each Governor is pledged to take up the challenge and meet his responsibility by developing an urban action program tailored to the needs of his State. A new mechanism to help develop and implement these programs is essential. Therefore we endorse the States' Urban Action Center—a non-partisan action-oriented service to provide experts to help tailor specific proposals to individual States—to do trouble-shooting in special problem areas, and to exchange and disseminate information.

Each Governor must participate in the call and wholeheartedly make the commitment. The third section provides the flexibility needed to insure appropriate alternatives in developing an action program. It incorporates a checklist of programs that have proved successful in some situations as well as proposals not yet tried. Overall, it offers a valuable resource for attacking urban problems—but the checklist as a whole obviously is not applicable in every situation. It is divided into five areas:

- assurance of order and respect for law.
- full participation in the processes of government.
- physical rehabilitation of blighted areas.
- improved educational and employment opportunities.
- full availability of effective services to the individual.

We see here two aspects of the larger problem. We know that no progress can be made in eliminating social and economic injustice if we do not proceed in the context of order and respect for law. We as Governors recognize the urgency of the problem. New and innovative programs—both short range and long range—must be launched. The resources of the entire Nation must be marshalled to solve this crisis.

President Johnson spoke of the disastrous effects of civil disorder in his speech to the Nation on July 27. He listed some of the conditions that bred it. And he said:

We should attack these conditions—not because we are frightened by conflict, but because we are fired by conscience. We should attack them because there is simply no other way to achieve a decent and orderly society in America. . . . Yours is the duty to bring about a peaceful change in America. If your response to these tragic events is only "business as usual" you invite not only disaster but dishonor.

Mr. Chairman, I sincerely and humbly request that each Governor read and review this report so that when this matter is brought before this body again we will have not only an exchange of ideas but constructive criticism, if you will. If the report is not what you wanted, I hope you will come back here ready to tell us. I look forward to joining in the discussion, Mr. Chairman. It is my hope that, before this Conference adjourns,

we will have the opportunity to take the necessary action.

Chairman Guy: Thank you, Governor Dempsey. Is there any question or comment at this time on the report? According to our Rules of Procedure, the resolutions that are submitted to the Conference through the Resolutions Committee should be in the hands of the Chairman or the Secretary-Treasurer by noon of the second business day, which is tomorrow at noon.

Now perhaps on the report that you just heard, you would wish to draw resolutions. If you do prepare resolutions concerning Governor Dempsey's last report, I hope that you will contact either Governor Dempsey or his Vice-Chairman, Governor Volpe of Massachusetts, in order that we might coordinate, if this is possible, any resolutions on this subject. I hope that your resolutions can reach the Secretary-Treasurer's office—or reach me—before noon tomorrow.

I would like to announce at this time the membership of the Nominating Committee, whose mission will be to bring forth on our last business day the nominations for the 1968 chairmanship of the Conference and the make-up of the Executive Committees. I have asked Governor John King to chair the Nominating Committee. Governor Rhodes, Governor Rampton, Governor Boe, and Governor Ellington are named to this Nominating Committee. Is there further business for this morning's session?

Governor Love: I don't know whether the rest of you received the recent communication from the press. It makes certain demands upon this Conference, and we are not attempting to answer all of the points. I thought that some response should be made. I surely want to make it clearly understood that none of us, as Governors present, have a single discriminatory thought or any feeling of intolerance toward the press. Indeed, some of our best friends are reporters. However, first point: A referendum seems impossible at this time for the reason that no reporters are legally registered to vote by reason of failure to pay poll tax and inability to read or write understandable, accurate English. [Laughter]

As to item No. 2. We disagree. We are unanimously in favor of some Resolution as to Vietnam. Three, as to open occupation in the Barbary Tavern: This is a problem of international jurisdiction, since we are beyond the territorial limits. And I am sad that items 12 and 13 are non-negotiable. [Laughter]

Chairman Guy: Thank you for clearing up that very thorny question, Governor Love.

Governor Smith: Mr. Chairman, in that connection it should be recorded that an equally non-partisan committee drafted that statement—one Democrat and two Republicans. [Laughter]

Chairman Guy: We have an announcement from our Secretary-Treasurer.

Secretary Carihfield: The one and only official photograph of the Conference will be taken today as soon as we adjourn, in the Independence Lounge, which is one deck up. We suggest that you take your papers with you at the close of the session. Full security is difficult to preserve when the sessions are not going on. Also, in that connection, I have been asked to announce that poker or card games are not permitted on these green felt tables. This is the first action taken to implement the fourteen proposals previously issued by the press.

During all business sessions, radio calls or teletype messages for Governors will be delivered to you immediately. If it is an urgent call, the courier will take you up to the solarium. There will be a meeting of the Committee on State Planning in this room, the Marine Lounge, immediately following the group photograph.

Chairman Guy: Gentlemen, since there is no further business, we are in recess until promptly at two o'clock this afternoon.

## AFTERNOON SESSION

Tuesday, October 17

Chairman Guy: We start out this afternoon with the subject of Constitutional Revision and State Government Reorganization. Most of us have had some experience attempting—and in some cases, successfully—state government constitutional revision. Reporting for his committee today is Governor Dan Evans.

Governor Dan Evans: Thank you, Mr. Chairman.

Let me first say that I am glad we were given such a narrow assignment. Constitutional reform and executive reorganization—if that leaves anything out, I don't know what it is. But I think that there is little question in the mind of any Governor here that there is no more basic need, if state government is to remain a viable force in our national affairs, than the reformation of our constitutions in order to give us the ability to carry out our responsibilities, for responsibility and authority go hand in hand. And I think in too many cases today the responsibility, rightly or wrongly, falls on the Governors' shoulders, but too often there is not the necessary authority to go along with it.

The study that is before you may be somewhat overwhelming in size and thickness. It is a comprehensive review of what has occurred in the past several years and is a research document that may be of some value to you in terms of specific changes you may wish to make in your own State. This preliminary report will eventually, in its final form, have a comprehensive index that will give you a chance to find what you wish. The study was conducted under the able leadership of Dr. Hugh Bone of the University of Washington, and Dr. George Condon of Washington State University. Dr. Bone is here and I would like him now to discuss the background of the study, the methodology, and a few of the more pertinent points before we get to the guideline recommendations we have made.

Dr. Hugh Bone: Thank you, Governor. Mr. Chairman and the Governors. In many ways this was a crash program. We had a small staff and operated from only about the middle of June to about the middle of August. We came up, as Governor Evans has noted, with 145 pages, and that's about half of the report. So how did we proceed? We wrote to each one of the Governors and asked them for the results on all ballot propositions since 1963. Our response was quite good. Then we classified these amendments by subject—as to those dealing with the executive branch, those deal-

ing with the Legislature, and so on—and analyzed them, both quantitatively and qualitatively, and prepared a number of detailed summaries. We have a state-by-state summary which does not appear in the report now before you.

We have amassed, I think, the greatest single concentration of statistics on state constitutional propositions in a single place that has ever been done. Dr. Condon, who directed the reorganization side of the report, likewise wrote to each Governor and included a questionnaire. Like myself, he surveyed all of the literature in his particular area, and he has prepared a short state-by-state summary on executive reorganization which appears at the end of the report. Governor Evans has suggested that I might have the opportunity to make a few side comments before dealing with the subject matter. I am not going to go over the summary, since that is before you, and the major guidelines will be pointed out by Governor Evans. But the following things I thought were quite interesting.

Of all of the amendments submitted during this five-year period, 76 per cent were accepted. In other words, when you sent a constitutional amendment to the voter, overall in the Nation, three out of four have been accepted. I think you will be interested to know that constitutional commissions are becoming increasingly popular and are quite effective. Twenty-eight of these have been created since 1916. The amendment article is undergoing revision to make the amending process easier in a rather large number of States. There is a move in that direction.

Because of a significant fall-off in the vote for propositions, as opposed to candidates, a question of strategy arises if you want the amendment to pass. We know that there is such a thing as position effect—that if a proposition is down at the bottom of the page on the ballot, there is a fatigue factor, and many people do not take the trouble to mark it. In that case, of course, it requires the Governor, interest groups, and legislators, to mobilize a particular campaign so that the amendment will be passed.

A question that intrigues us—and on which I hope there will be more study by the Governors—is this: Are chances better for passage in a Presidential year than in an off year? This is being carefully studied. One study concluded a while back that the higher the turnout, the less the probability of a favorable vote. We have found evidence on the other side, as in the State of Texas, for example, where many more propositions seem to be accepted during the Presidential year vote than in the mid-term elections.

Another question that is intriguing—raised by one of the Governors in our committee yesterday, and I'm sorry I cannot answer it—is this: Is it better to submit one or two propositions or many at a time, in terms of acceptance? Much more study is needed here, and I think that it should be on a state-by-state basis.

The electorate has shown greater willingness to approve con-

stitutional amendments in the executive article than it has shown willingness to approve constitutional amendments in the judiciary and in the legislative article. Local government, we find, has rather successfully resisted change, through the channel of constitutional amendment, in the structure and organizational form of localities.

Now, finally, some brief words with reference to the executive reorganization report. Dr. Condon felt that one of the most striking developments has been the emergence of planning as a standard function of the Governors. Also, the coordination of federal assistance plans. Ten States, for example, in the last five years attached to the Governor's office a coordinator who would work with the federal programs. Surely this is one of the most important problems in administration. The federal programs have called for a proliferation of agencies. The question is, how can these best be coordinated? This item needs much greater study than we are able to give it: For example, when the new United States Department of Transportation was created, how does the State respond? What do they create to deal with the United States Department of Transportation? Almost as pressing are administrative arrangements for relationships with the local governments. Much experimentation is taking place here.

Next we found that selective rather than major reorganization is taking place. Only a very few States have created organizations—such as the Little Hoover Commissions—where a study could be made of overall reform of the executive structure.

The big problem, of course, which confronts us in executive organization is this: how can the administrative branch keep up with an unrelenting expansion of programs? More and more, the voters are looking to the Governor for proposals to improve the operation of state government, especially in the executive branch.

As I look back over our study, three things particularly impress me. First, that there is very great experimentation in the States. The States are not all following the same pattern. Indeed, they are following many different patterns. There seems to be no single pathway of salvation for either constitutional reform or executive organization. Secondly, we find in the literature and in our contacts a great renaissance of interest in state government. And finally, since we cannot do all things at once, we have to set up priorities, and it is suggested that the Governor can play and must play a very crucial role in the setting of priorities for change.

Governor Evans: Thank you, Dr. Bone, not only for that oral report, but for the fine work you and your staff have done this summer. Let me reiterate one statement made by Dr. Bone—one thought which I share enthusiastically—and that is that there is a renaissance of the States under way today. I think it is led in large part by the activity of this Governors' Conference over the past year or two. Now I would like to share with you—they are listed in the sum-



mary of the preliminary report, but I think they are worthwhile re-examining—a brief discussion of the guidelines, first for constitutional reform, and then for executive reorganization.

These are not listed as the perfect or only way to change, but I do think they reflect some direction. They reflect some ideas that I suspect most of us wish we could use to accomplish our purposes in our individual States. The following guidelines for constitutional change are offered for the consideration of those who will be concerned with such change in the future.

First: That the state constitution itself should express only fundamental law and principle and omit procedural details, except for procedural provisions in the Bill of Rights. This is perhaps one of our most difficult problems in the constitutions of today.

Second: Outmoded, obsolete detail should be removed from the constitution, and material relating to a common subject should be placed in the same article.

Third: A constitutional commission composed of persons representing the public as well as government is the best instrument for studying and recommending revisions under these first two proposals.

Fourth: Revisions of the executive, legislative and judicial articles should be on the basis of a "whole article" rather than a piecemeal approach.

Fifth: The Legislature should be permitted to meet in annual sessions. Some Governors may shudder, but I suspect it is true.

Sixth: More authority—fiscal and otherwise—should be granted to local governments in order to allow Governors and Legislatures to concentrate on state problems.

Seventh: The amendment process should be liberalized to allow Legislatures to submit more amendments of greater scope and with more frequency. Submission of whole articles dealing with the same subject would permit more rapid constitutional improvement. All constitutional ballot questions should be approved by a simple majority of those voting on the issue.

Eighth: One of the most challenging areas of constitutional reform is the fiscal article, which is often a jungle of lengthy and tangled provisions and restrictions. This article should have high priority in revisions, and the Legislature should be allowed the widest possible range of tax and appropriation alternatives.

Ninth: There should be provision, in addition to legislative option, for placing before the voters at stated intervals the question of whether a constitutional convention should be called. Voters should also have the power, through the initiative process, to call a convention and propose amendments.

These are rather sweeping and dramatic changes. Some may wonder whether they can ever be undertaken by any State—much less succeed—and yet the experience of new States with new state

constitutions is that this can be done. Alaska, I suspect, has a constitution and a plan of executive organization that should be the envy of all of us. Governor Walter Hickel has authority—along with responsibility—under a short and decisive constitution that I think fulfills all of these guidelines that have been suggested here, both for constitutional reform and for executive reorganization.

As we turn now to executive reorganization, there are certain proposals that represent at least some of the principles I hope we would all like to follow. The following guidelines are offered:

1. Elected officials in the executive branch should be limited to the Governor and Lieutenant Governor, who should be elected jointly;
2. The Governor and Lieutenant Governor should serve terms of four years, with no restriction on the number of terms to which they might be elected;
3. The States should provide office space and funds for staff and expenses of a Governor-elect, for use in the period between his election and inauguration;
4. The administration of state services should be reorganized into approximately 20 departments, grouped by major function; each department should be headed by a single director appointed by the Governor to serve at his pleasure;
5. Where burdens on the personal staffs of Governors have impaired efficiency, staff expansion should be unhesitatingly provided;
6. The informational responsibilities of Governors' offices should be made administration-wide, in order to promote more effective reporting of state government;
7. Each State should provide for a key staff position of state-federal programs coordinator, with power to approve, modify, or reject applications of state agencies for federal aid funds;
8. Consistent with merit system principles, personnel management should serve the Governor as a staff resource, along with the budget and planning functions;
9. Governors should be empowered to prepare reorganization plans for submission to Legislatures, to take effect automatically in the absence of legislative rejection within a specified period; and
10. Where constitutional restrictions impair implementation of the foregoing, corrective provisions should be sought via the method most appropriate to the State concerned.

I think you would agree that this, in most States, represents striking and perhaps even radical change in our present organization. But most constitutions and most executive organizations were constructed initially when, I suspect, the people did not want state governments to be strong. Rather, they were more frightened about

what state government might do. And thus the restrictive parts of our constitutions.

But now is the time—and perhaps far past time—when we should reassert the ability of the States to be an effective part of the federal system, through executive reorganization and constitutional reform. And perhaps it is only through this reform that we can again achieve the balance in our federal system we so badly need.

It is my hope that continuation of this study could be made so that on a national level, without the problem of a Governor having to put forward these proposals on his own, the impetus could come forth. I think this would take some of the heat off of a Governor who is often accused of being power mad or power hungry when he suggests executive reorganization or constitutional revision.

We have one final recommendation that will be submitted in the form of a resolution during the regular course of events. The "resolve" clause of that resolution is that the Study Committee on Constitutional Revision and Governmental Reorganization be continued; that it particularly study a model state constitutional executive article; and draw a model of the state executive departmental organization for both large and small States, and the most effective means for accomplishing these ends.

Let me, in closing, then, thank not only the staffs which did so much work on this report, but my Vice-Chairman, Governor John Connally of Texas, and the other members of the committee who worked on this report. I for one hope it is just a beginning on a long and very important road toward the States' reasserting their authority. Thank you, Mr. Chairman.

Chairman Guy: Thank you, Governor Evans. Is there a comment or a question on this report? Governor Chafee?

Governor Chafee: I was wondering if they discovered in their research whether the election of delegates on a nonpartisan basis produces better results than those elected on a partisan basis—if there is any rule of thumb.

Dr. Bone: You mean delegates to constitutional conventions?

Governor Chafee: Delegates to conventions. It seems to me that is where things get bogged down—in the selection of delegates.

Dr. Bone: We didn't study that, mainly because very few conventions were held—only about three or four—during the five-year period under study. But there is a very excellent study which we have footnoted in the report. I would be very happy to give you that reference which goes into the whole matter of constitutional conventions. And whether partisan or nonpartisan would be more successful, I just don't know. Our study did not cover that.

Governor Romney: Having been through a constitutional convention, there isn't any question in my mind but that you should get it on a nonpartisan basis. If it is on a partisan basis, things get to

be just like a Legislature, and a constitutional convention delegate has a greater responsibility than a member of a Legislature or of a Supreme Court, if he discharges his responsibility properly.

Chairman Guy: Are there any other comments or questions?

Governor Agnew: There is one comment I would like to make, and that is about the recommendation that Legislatures be constantly in session. We are in the throes of a constitutional convention right at the moment. It is very successful and it happens to be a nonpartisan convention. Our instrument provides not for continuing sessions of the Legislature, but provides that the Legislature can call itself into session, without being called by the Governor. The thinking is that this is just as expedient as having a continuing session, as long as the Legislature has the right to bring itself into session, and it doesn't discourage people from becoming members of the Legislature who may not have the flexibility to attend sessions all year round.

Governor Evans: Let me just clear up one point. As far as the report was concerned, I am sure that no one suggested that all Legislatures be in session all of the time. Far from it. That should possibly be the last thing I'd like in my own State. It was really aimed at the States that remain on a biennial basis. In my State we experience the very real difficulty of trying to budget on a biennial basis when we have close to 2,000 local units of government, not one of them budgeting on a biennial basis. The biggest budget, by far, in the State is the state government. We are still trying to estimate revenues and expenditure needs for about two and a half years into the future. I think there is an overriding need for annual sessions of the Legislature, and I hope that they are short.

Chairman Guy: Thank you, Governor Evans. I know a State which seventy-seven years ago was formed, and thirty-six people with an average education of six grades—which did not include women because they were not allowed to vote then—met for forty-four days, and in that brief period they came forth with a document that is called the Document of our Forefathers. It has a certain sacred atmosphere surrounding it, and I know, Governor Evans, that I can go back to my own State and take your report and I think bring more prestige toward constitutional revision—which we need desperately—than would be possible had your committee not gone into this work. I think your report is excellent.

Governor Evans: I move that the preliminary report of the committee be accepted.\*

Governor Kerner: I so second.

Chairman Guy: It has been seconded by Governor Kerner. Is

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\* This refers to the preliminary report as distributed, copies of which are on file in the office of the Secretary. A final report was printed subsequently.

there a discussion? Those in favor say "Aye," those opposed, "No." The motion is carried. There is a resolution that goes with this report. It will be submitted to the Resolutions Committee.

We have before us another subject that was assigned as a part of the theme, "Strengthening State Government in the Federal System." This committee's work was on regional and interstate cooperation. What are the mechanisms that are now used or could be used to bring about that cooperation, and to permit several States to do that which no one State could do alone? To present this report we have the Committee Chairman, Governor Edward T. Breathitt.

Governor Edward T. Breathitt: Thank you very much, Mr. Chairman. I guess I'm about as much of an expert about what not to do on constitutional reform as any Governor in the audience. We had a very blue ribbon commission, and they wrote probably the greatest model constitution that was ever written. It completely reformed the judiciary, it completely reformed the county courthouse, it completely reformed the legislative and executive branches to the point where everybody in the State was afraid of it, and they defeated it about three to one. It's a model, but it takes a great educational selling job.

When America was actually started as a relatively loose federation of States, cooperation among our member States was desirable, as they each struggled to survive and become strong in the isolation and wilderness of a new continent. In the present age cooperation is even more of an imperative because of the lack of isolation and the day-to-day dealings which Americans have with each other across state lines and sectional boundaries.

Our committee was given the assignment of trying to solve some of our problems as States through interstate cooperation and regional cooperation. Instead of hiring a group of experts, we decided that we would work with a committee of Governors and that the Governors themselves would draw up this report with their own staff members. So, technically, it may not be as scholarly as the report of some foundations, but it is the Governors themselves who are speaking. And we are going to follow the format of letting each Governor give us his recommendations and a comment or two concerning the various subject areas of which we have had experience in our regions dealing with particular subject matters.

If there is one theme that is constant throughout the subcommittee reports we discuss here, it is that our growth and our new mobility have made interstate and interregional matters out of what were once strictly matters of a locality or perhaps a State. This calls for action at a level of competence greater than that of individual state governments. It either means more and more federal action and direction or a meaningful and productive co-

alescence of state strengths and abilities tied together along functional lines, or by regional needs and interests. As we have seen the key problems of our time become more and more national in scope, many of us have held increasing concern that these national problems must be met with sensitivity for regional differences. We have felt that action to meet the problems should be administered by government closer to the people and that state government should and must reassume greater responsibility—and develop capability—to meet these needs.

This is true not only because state government has constitutional responsibility for many basic governmental functions. It is true also simply because state government—for most of America—is the only unit of government large enough to serve the local government and its citizens, while still small enough and close enough to know and deal with the problems of each differing local area. So, this matter of interstate cooperation is, in some ways, even more important to the States than the question of state-federal cooperation. And it may well be that the critical challenge of strengthening the States in the federal system will be met most successfully by creative state-to-state action in the months and years just ahead.

First, we must continue to develop mechanisms by which the States can work together effectively. This means strengthening and improving the traditional methods—those which are catalogued and explained in this committee report. In addition to this, our own staff and the Council of State Governments have done a very fine job in devising new methods to deal with the new problems as new opportunities arise. Out of our several meetings that we have held this year, we have found many, many examples that I am sure none of us knew about as Governors, and we hope that this will be of some interest to you.

Second—and this is much more significant—the individual States must develop more capacity for dealing with problems which affect an area larger than an individual State. Each subsection of this committee report treats a functional area, and each shows that there is great need for interstate cooperation. Each also shows that there are great opportunities in these areas if the States work together—far greater than the sum of what the States can achieve separately. If we consider regional and interstate cooperation in terms of separate and functional subjects, we are going to miss most of the message that the work of this committee has developed. That message is a loud and clear expression to the States that through cooperation they can reassert themselves and strengthen their position in our system of government.

That message says that while cooperation along voluntary and functional lines is better than no cooperation, there is a crying need for States to relate functions to broad regional policy and to establish regional goals for the betterment of all the people within a re-

gion. That message says that the States must act to establish the capability within their individual government structures to cooperate productively. That message is a message to the Governors that says we need to work more closely than ever before, that we need to feel a new responsibility for shouldering national problems through state and interstate action. It says the future opportunities to the States are limitless if we pool together.

Now, the first subcommittee report, to illustrate some of the different regional and interstate cooperation techniques that are available, deals with water. This is the Subcommittee on Water Resources. Federal planning indicates that in the next 50 years our national population will at least double, and the demand for water will increase more than fivefold. Planning estimates have consistently tended to be conservative, however, and traffic on the nation's highway systems and visitors at today's major recreational developments are already exceeding their designed projections. This could lead us to suspect that current projections may significantly underestimate future water demands. Once a major water development structure is in place, it preempts that site from further development for 50 to 100 years.

We have many examples in water resource development such as the Delaware River Basin and the Columbia River Basin. And we have the Tennessee-Tombigbee Waterway Development Authority in which Alabama, Mississippi, Kentucky and Florida have joined together in an effort to develop another new major interior system of waterways. It's a significant example of the application of interstate cooperation in the area of navigational development. The project will bring, in addition, new flood control advantages and recreational benefits and opportunities for industrial expansion in the southeastern area. The new Interstate Mining Compact, which States are now joining, is a national instrument that can have a salutary effect in helping to maintain clean waters in those States where there is mining activity, and in neighboring States. Flood plain management and regulation of common streams—all of these are examples of how we can work together as States. All States should immediately take steps to establish flood plain management cooperatively with each other, and the Corps of Engineers should carry out the present program for managing flood losses.

We have a few recommendations that we would like to call to your attention. We have carefully discussed them and we have approved these recommendations. First, it is recommended that dam and reservoir sites should be developed to their full potential to meet present and future needs as multi-purpose structures. Therefore, the Congress should revise and broaden its policy relating to the conservation and wise use of the nation's water so that water storage to meet expanding municipal, industrial, agricultural, and recreational needs and other future beneficial uses is established

as a primary benefit with the same priority as flood control, navigation, pollution abatement, and low-flow augmentation in establishing project justification. Federal funds should be appropriated in sufficient amounts to provide adequate water storage capacity for these purposes. All States in a region should be considered potential consumers and they should work cooperatively to see that needs will be met as sites are developed.

Second, the Water Resources Council should review the population and water demand projections of the Office of Business Economics, United States Department of Commerce, working with States on a regional or river basin basis to insure that critical water and related land resource projects will not be underdesigned.

Third, the States should make full use of such powerful tools as interstate compacts, coordinating committees and river basin commissions, for the initiation and implementation of state-controlled regional water and related land resources planning.

Fourth: States on common waterways should develop uniform regulatory policies governing floodplain use, water-oriented recreation, water quality management, fish and wildlife preservation and other common interests.

Fifth: The States should act in the interest of efficiency and economy to develop with other States and federal agencies data-sharing techniques, joint research efforts and closer personnel liaison. This includes the establishment of computer centers to be used regionally.

Sixth: States should inventory and categorize underground water supplies on a regional basis.

Seventh: States should organize themselves regionally for the development of desalination plans. This course is an example of what we are doing, and we heard from our distinguished host Governor what they are doing on this in the Virgin Islands. Many States now are doing this, regardless of whether they are coastal States, because there are also interior States that are concerned about underground waters.

Eighth: The States should vigorously promote public information programs directed at water resources management and development, both at the state and regional levels.

At this time I should like to call on Governor Hulett C. Smith to present the subcommittee report on mineral resources.\*

Governor Hulett C. Smith: Governor Breathitt, Governor Guy, our distinguished fellow Governors. My part in this is to discuss with you briefly the problems and some of the recommendations as to how we can obtain better interstate cooperation in the field of development of our mineral resources. We find that when we talk about

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\* Slides and audio-visual presentations accompanied a number of the subcommittee reports.



mineral resources we are primarily talking about the extractive industries. Today the extractive industries are facing a situation comparable to that which prevailed shortly after the turn of the century, when the labor movement was struggling to assert its rights.

Now the pressures are being brought again on the extractive industry. Citizens are demanding the right to a habitat that is clean and healthful and safe. The people are now demanding that we provide some sort of protection. And, of course, this is just a beginning because the extractive industry has so many things that it needs to worry about. And at the same time we in government have to worry about this: how are we going to develop maximum utilization of available mineral resources? [Slides shown]

Here is a scene of a coal mine operating with a big underground machine. It is developing problems of water pollution. And we have another activity of this sort—the eyesores that go with strip mining. Here is air pollution. Here is acid drainage from a strip mine operation. And here is a slate pile that is burning, and you can see the ravages that have come with it.

We are trying to impress upon the industry the importance of developing new methods of extraction to prevent this air and water pollution and to develop new methods of reclamation. Here is a scene which shows how it has been reclaimed, so you see what is being done—the healthful environment. In connection with that, we are seeking to develop a triangle where the state governments and industries and the communities will work together to bring about a revolutionary change in regional efforts to improve the development of our extractive industries.

And so we first recommend that the States cooperate to create regional research and "think centers" at major universities where many of the mineral industry problems may be considered and views expressed and solutions perhaps found; that the States conduct regional technical meetings for the state officials and for industry's leaders at which topics peculiar to the region may be discussed; that the States avail themselves of opportunities for cooperation by joining and supporting existing interstate compacts and organization, such as the Interstate Oil and Gas Compact and the Interstate Mining Compact. In this connection, of course, the great work of the Appalachian Regional Commission comes to the fore. The States should explore interstate instruments similar to the Appalachian Regional Commission, and encourage their creation and development.

The States should emphasize developmental as well as regulatory aspects of interstate efforts so that we can build up our prospecting and extracting techniques and increase our nation's mineral wealth. The interstate and regional organizations, relating to minerals which we are discussing today, should find ways and means to cooperate with other interstate and regional organizations dealing

with such matters as air and water pollution, so that these major problems can be attacked on a functional basis through cooperation of the various existing agencies. And I think it would be important that through our Governors' Conference we find ways and means to join together and discuss problems that affect very many of us in different compact fields. These are the recommendations of the Subcommittee on Mineral Resources.

Chairman Breathitt: Thank you, Governor Smith. I now present Governor Curtis of Maine, Chairman of the Subcommittee on Forest Resources, for his recommendations.

Governor Curtis: Mr. Chairman and fellow Governors. I am pleased to report on recommendations of the subcommittee concerning forest resources. By way of comment, after more than three centuries of settlement and development, it is interesting to note that forests still occupy some 750 million acres of land in the fifty States. We must, however, recognize that demands for timber products have been projected by some to increase as much as 80 per cent by the year 2000. And there are growing demands upon forest lands, for cities, parks, roads, utility lines, reservoirs and wilderness areas. Use for this purpose is expected to increase by sixty million acres by the year 2000. Strong state leadership is necessary to handle forest management in the face of these economic pressures.

The following recommendations are hereby offered:

1. The States, both separately and regionally, and on a continuing basis, should prepare and adopt sound policies, long-range and annual plans, and implement programs for the full and wise use, protection, development, and management of their renewable forest resources. Toward this end, they should continue to develop and enter into imaginative and broad based agreements for fostering their resources along the lines already charted in the four regional forest fire protection compacts, the Pest Control Compact, the numerous water pollution control compacts, the New England Interstate Planning Compact, and others.

2. The States should take a more active role in accelerating and expanding forest research programs in protection, management, utilization and marketing. State universities and research facilities should be specialized to serve the regional needs of States through cooperative programs.

3. The States should develop strong forestry programs of public relations in the fields of education, training, and dissemination of literature.

4. The States should consider the expansion of youth forestry camps on an interstate basis, not only to aid in the rehabilitation of youth but to enhance forestry programs.

5. State and federal governments should assure an adequate forestry program through technical assistance, cost sharing pro-

grams, a system of equitable taxation based on the productivity of the forests, and equitable freight rates for forest products.

Governor Breathitt: Thank you very much. Now we call on Governor Lester Maddox of Georgia, who is the Chairman of the Subcommittee on Agriculture.

Governor Lester Maddox: Thank you, Governor. Fellow governors, guests. This report deals with our study in agriculture, as has been stated, and we have some ideas to present on this subject. By the way, I would like to begin by saying that I have had some experience in agricultural products myself. [Laughter] I think it is fitting on this occasion to go back to my former experience. I have some slides which I think will help in this presentation. [Slides shown]

The American farmer, with the help of private and institutional research, a sympathetic government, hard work, and devotion to his occupation, has developed such efficiency in production that less than 7 per cent of our population today produces the abundance of food and fiber required for this Nation, and also provides for reserves and exports to less fortunate nations. In 1966, 35 per cent fewer people on farms, harvesting 11 per cent fewer acres, produced 20 per cent more food than 10 years earlier. Productivity per man hour has nearly doubled, and productivity per acre has increased 76 per cent, in the last 10 years.

Despite this outstanding performance by the farmer, he is much less fortunate than the average American wage earner. According to the United States Department of Agriculture, his average annual income in 1966 was \$1,731, while the average American earned \$2,618. Furthermore, compared with 20 years ago, retail food prices to the housewife are up 33-1/3 per cent, while prices to farmers are still about what they were; but during the same period, prices of things a farmer must buy have gone up some 30 per cent.

This Nation is an exporter of a vast array of major agricultural commodities, a fact which has a direct bearing on agricultural producers. The increase in exports of agricultural commodities over imports in recent years (in spite of restrictions on imports by some countries) has been a major factor contributing to improvement of our gold balance position. Any export nation must appreciate the need for reciprocity between nations if maximum mutual benefits from export-import arrangements are to be achieved. Decisions as to changes in these arrangements require careful advance planning and gradual implementation, however, if serious disruptions are to be avoided.

The United States itself is a great market in which the agricultural products of all our States can be sold for the mutual benefit of producers and consumers. The capability of interstate movement of commodities in this Nation is the envy of others throughout the

world and should not be restricted by trade barriers unless it is unquestionably necessitated by public health considerations.

Some crops, notably fruits, nuts, and vegetables, require a great deal of hand labor despite progress made in mechanical harvesting. This necessitates large numbers of laborers being available at the proper time—laborers for whom work is not generally available in the same locality for the rest of the year. To assure that labor is available when needed and to make certain that the laborers have a living income year around, better coordination is needed among state employment service offices. Working regionally, these offices could perhaps identify and recruit an available and effective domestic labor pool which could be scheduled from state to state, and from crop to crop, as the need for field help arises.

A major factor in enabling American agriculture to reach its present high level of productivity has been the development and use of programs and products to control destructive agricultural pests and disease. These programs necessitate the establishment and effective utilization of checkpoints to minimize the entry of insects and diseases injurious to plants and animals; they also require the availability of speedy eradication programs to eliminate such pests once they have entered the United States. Of direct importance, also, is the availability of effective pesticides, capable of providing needed protection against destruction of useful plant and animal life, yet not harmful to human health. Opportunities abound, in this area, for cooperation between and among states, as well as between the States and the Federal Government.

Consumers of agricultural products increasingly demand adherence to standards on two broad fronts; the assurance of healthful and wholesome products, and the assurance of quality products. States can do much to assist farmers in both areas. Today's agricultural production is the direct result of yesterday's investment in research and planning. By the same token, we can safely assume that the capacity of American agriculture to handle tomorrow's demands will be directly related to our willingness and ability, today, to use intelligent foresight. Our continued population growth and concentration place tremendous pressures on the use of our limited land resources for non-farm purposes—for urban development, transportation, parks, recreation, and other uses. Similar pressures are seen in tomorrow's competitive uses of fresh water, also a finite resource. If nothing else, these challenges should stimulate our research into the capability of the oceans to provide an increasing share of our future food requirements. These are indeed problems to test the capacity of our best brains, State and Federal, public and private. The States have a vital stake in the outcome; they must be active partners in initiating and assuming

much responsibility for long-range studies in this area.

It is recommended:

1. That any changes contemplated in export-import arrangements give full consideration to the impact on the American domestic producer. Also, that full reciprocity by all nations involved be a basic consideration.

2. That States, through cooperative agreement and mutual understanding, assure the free and unrestricted movement of agricultural products meeting established and recognized standards.

3. That States, through their employment services, identify their needs for seasonal agricultural workers and their sources of labor, and cooperate regionally to get the laborer to the crop at the right time, so as to insure increased employment and increased production. That, once this has been done, Federal restrictions on foreign and off-shore labor be relaxed if there is still a shortage of seasonal workers. Greater consideration should be given to recommendations of the Governor and the employment security agency of each State.

4. That once an insect or disease has entered the United States, fast and effective eradication programs be inaugurated before they spread over wide areas and become more difficult and costly to eradicate. Problems involved in the spread of insects and disease lend themselves to regional and interstate cooperation between States as well as federal-state cooperation. The Interstate Pest Compact offers States one specific desirable avenue of cooperation.

5. That matching fund policies of the Federal Government be re-examined on disease and insect eradication programs where initial eradication will preclude widespread damage in the United States.

6. That USDA and FDA be adequately staffed to handle and process applications for approval of new products and renewals of products withdrawn from the market by the pesticide industry.

7. That States work together regionally and with the Federal Government to develop new ideas and new procedures in the field of consumer protection. Wider and more effective use of such organizations as the National Association of State Departments of Agriculture and others offer excellent opportunity for cooperation in this area.

8. That federal and state agricultural research and development be accelerated and directed toward known and foreseeable problems. That States cooperate regionally on identifying research problems and on conducting research. Private and institutional research should also be encouraged. This endeavor will probably have a greater effect on the ability of this Nation to adequately produce food and fiber for future populations than any other single factor.

Governor Breathitt: Thank you. Now we would like to call on

Governor Chafee of Rhode Island for his report on the Subcommittee of Air Pollution Control.

Governor Chafee: Thank you very much. With a growing population and more automobiles all the time, and the ever-increasing industrial complex, the problem of smoke pollution, of course, becomes more and more a problem every year. [Slides shown]

Now here are some scenes with smoke shown, taken in different parts of the Nation. I won't identify them because it could happen anywhere, although this is a State that has a great big arch being built on the edge of the Mississippi River. [Laughter] You can see them pumping out the smoke here. Actually this one gets very close to home. They were the winners in the American League this year. That's identified, but it's probably down there in Texas where they are just pumping it up into the air. Everybody who is standing around is a millionaire, I guess. [Laughter] Now, of course, smoke is no respecter of state boundaries, and this makes it a fertile field for interstate cooperation. Relatively little has been done so far on an interstate basis, despite the Federal Clean Air Act in which the federal government gave extra money for regional cooperation.

Here is another picture. This shows the cleaning of a building in St. Louis before the smoke has become rather heavy. I mention that there has been very little cooperation between the States on compacts. One of the best, however, with progress being made in it, was proposed by Governor Rockefeller, called the Mid-Atlantic Air Pollution Control Compact. There are several states which form this Compact. They are New York, New Jersey, Connecticut, Delaware, Pennsylvania, and the New England States are also considering joining. One important point to bring out concerning regional air compacts is that they must have power and authority. Otherwise they are not successful. If the disagreeing States in a compact can withdraw or overrule, veto whatever action takes place, then the compact just doesn't succeed. We have some recommendations here today. I won't read them all.

Recommendation Number 1: The States should cooperate to obtain and exchange basic data, to evaluate and improve techniques and to set standards of cleanliness on a regional basis. At the same time the degree of federal financial support for multi-jurisdictional solutions—in other words, regional compacts—should be increased. This is a taste of greater sweetness so that States will enter compacts as units.

Secondly, that States in all sections of the country consider the establishment of regional interstate compacts, instead of just a series of compacts between State A and State B, and then State B goes on with State C. They should come in on regional compacts. For example, you could even consider all the States west of the Rocky Mountains.

Third, that the Air Quality Act of 1967 be administered with imagination and diplomacy to enable the federal government to play a far more effective role in the fight against air pollution in the future than it has today.

Fourth—and this is a problem that particularly arises in the urban States where we are doing a lot of urban renewal: to handle their solid waste disposal, States should insist on nuisance-free incinerators which produce little or no smoke and dust. And this ties in with the next recommendation.

Fifth, that these incinerators have furnaces large enough to accommodate and consume debris from demolition. We are all running into this problem of getting rid of debris from the demolition in urban renewal and other programs which involve tearing down old buildings.

Sixth. This has a lot of potential, I think: that composting at sufficient capacity to serve municipalities be researched and encouraged. I understand California and Oklahoma have done quite a bit with composting, but certainly it has not been developed to its fullest extent.

Governor Breathitt: Thank you very much, Governor Chafee. I appreciate your taking those pictures of Kentucky out of your presentation. At this time I would like to call on Governor David Cargo of New Mexico to give his report on the subject of tourism and outdoor recreation.

Governor David Cargo: Thank you very much, Mr. Chairman. I want to try to shorten my part of this presentation as much as I can, since I am sure that when you get back home, somebody in your office will probably read it and tell you what it's about. But I do think that we have many things to do in the field of outdoor recreation and tourism. And certainly the studies that we went through and the recommendations that we finally made should be of interest to most of the people here.

The recommendations are as follows:

1. States should cooperate in promoting and advertising tourist attractions within the region. This should include newspaper, magazine, radio and television releases and advertisements, travel show and fair exhibits, overseas missions and promotional tours for travel writers and vacation consultants.

2. States, through compacts or other cooperative arrangements, should develop interstate tourist and recreational attractions. This should include parks, scenic highways, rivers and other common bodies of water and areas of historic attraction. States should encourage private operations on opposite sides of State lines to cooperate by exchanging information on availability of accommodations, by setting up cooperative tours and package vacations, by providing good highway information and by any other method that would serve to keep tourists within an area.

3. Adjoining States should consider the erection of cooperative welcome and information stations on state lines and the Bureau of Public Roads should encourage erection of such structures, even if it means an over-the-highway building on interstate highways.

4. Regions should develop common symbols or names for highway markers or signs along routes that tie interstate areas of similarity together and ask the BPR to allow more informational signs along interstate highways.

5. States should cooperate in standardizing data and definitions relating to the travel and vacation industry and set up guidelines for measuring it statistically and economically.

6. Where a regional airport services more than one State, travel booths should be established by the appropriate States in the airport terminal and tourist information should be made available to those who fly in.

7. States should cooperate in establishing regional training centers for hotel employees and others engaged in serving the traveling public.

8. States should join in urging proper funding of the United States Travel Service, so that it may do its job of selling America to other peoples.

There is one salient feature that I would like to point out in the pamphlet and report that we prepared. Rather than having slides or pictures of any of the other States in the United States, you have some beautiful pictures of scenes that can only be found in New Mexico. So thank you very much.

Governor Breathitt: Governor Tom McCall was unable to be with us to enjoy and to learn from this very fine Conference, but he did file his report of his subcommittee, and he has some very interesting recommendations, including such recommendations as these: that each State review its highway construction plans from a regional viewpoint, which many States are now doing. I understand Missouri, Arkansas, Kansas and Oklahoma now are studying ways by which they can tie together their road systems. There are recommendations for regional training for personnel engaged in transportation planning and administration, since it is very expensive for individual States to have these very specialized disciplines at our colleges and universities.

Also, one of the many interesting recommendations was the role of rail transportation in moving people over long distances. This needs to be refined and additional experimentation made in demonstration projects. For example, the high speed trains soon to be operating between New York and Washington, D. C., to offer travelers a second choice in fast, long distance travel.

All of those, including other recommendations which you see here, I think are helpful in pointing out new techniques for the States to solve problems in transportation. Next we call on our



good friend, Governor Nils A. Boe of South Dakota for a report from his Subcommittee on Regional Economic Development.

Governor Nils A. Boe: Mr. Chairman, gentlemen. As has already been recorded, this committee report deals with the very important matter of economic development, which is so close to the heart of all the States. And it has been our attempt also to consider this on the basis of regional development. I realize that many other States, such as Ohio under Jim Rhodes, probably do not need to consider this on a regional basis. But we do have various areas where we feel it would be greatly advantageous if many of the States could, as in the other subject matters discussed previously, join together and establish a joint economic development program, for maximum benefit to the entire region and area. We all have, I could safely say, development agencies in our States. And it is for this reason that we felt this matter was of great importance.

We have drafted certain recommendations which I will take just a moment to read to you. First, it is recommended that the States establish Regional Economic Development Research Centers to deal with the basic economic problems and opportunities of the region which cannot effectively be dealt with by an individual State. This program should be structured around the land grant universities and other academic and research institutions in the region. Such a program will make it possible to bring to bear the special competencies of each institution on regional problems in a coordinated manner.

Second, that Regional Technical-Vocational Centers be created to satisfy the training requirements for occupations for which there is a substantial regional demand but in which the demand is too small in individual States for effective training programs to be organized.

Third, that States cooperate regionally to study and recommend policies relating to methods of financing industrial plants. Particular attention should be given to developing criteria for the use of municipal industrial revenue bonds.

Fourth, that States organize to plan and recommend a coordinated regional transportation system including highways, rivers, and airports.

Fifth, that States consider joint regional efforts to promote and advertise their resources for industry and business and also consider the possibility of regional trade missions. Such cooperative endeavors could supplement and, where found desirable, replace single state efforts.

As I have said at the outset, this certainly is not intended to apply to each and every State represented at this Conference. But we do feel that there are many areas which could benefit greatly by joint and united efforts in the development of their respective regions.

Governor Breathitt: Thank you very much, Governor Boe. I now call upon Governor John King of New Hampshire, who will give us his Subcommittee Report on Welfare and Corrections.

Governor King: Thank you, Mr. Chairman. Fellow Governors. There is marked difference in the extent to which States thus far have utilized interstate cooperation effectively in the somewhat related fields of corrections and welfare: In corrections, interstate cooperation has achieved a fairly high degree of sophistication; in welfare, only beginnings have been made.

Interstate cooperation in corrections got its real start during the 1930's, a time of nationwide alarm over the operations of organized crime. At that time, the Interstate Commission on Crime, a loosely organized group of state officials, drafted numerous innovative arrangements including reciprocal laws on fresh pursuit, out-of-state witnesses in criminal cases, extradition, and the Interstate Compact for Supervision of Parolees and Probationers. This Compact, which for many years has been on the statute books of all fifty States, Puerto Rico and the Virgin Islands, was the first instance of an interstate crime control program requiring continuous administration. Under this Compact, prisoner rehabilitation is fostered by enabling a parolee or probationer to go to any other party jurisdiction and yet remain under supervision.

The Interstate Compact on Juveniles, to cite another example, was developed in the 1950's to provide cooperative procedures for the out-of-state supervision of juvenile offenders, and to establish legally-safeguarded procedures for their return. It has been enacted to date by forty-five States. Still another important correctional device is the Interstate Agreement on Detainers, now enacted by twenty States, which makes it possible for a prisoner in any party State to receive early trial on charges which form the basis of a detainer—that is, a "hold order"—placed against him by the authorities of another party State. This agreement achieves the constitutional and humanitarian requirements for speedy trial and disposition of accusations, yet the State in which the prisoner is already serving a sentence does not lose jurisdiction over him, which it did in the past.

In recent decades our basic attitudes toward criminal offenders have changed. We no longer think of imprisonment for punitive or purely custodial ends; we have come, instead, to emphasize the rehabilitative aspects. With this significant change, however, our States more and more are having to face the practical limits within which they can "go it alone," in developing facilities and programs which are adapted to each of the different groups of prisoners, some of which are few in numbers, including women prisoners. Considerations of this nature are important for any State; and they are particularly important for States of sparse population or mea-

ger resources. States so situated, as New Hampshire, Vermont and Maine, face the alternatives of failing to achieve desirable levels of rehabilitation, or of pooling their resources on a co-operative, regional basis.

Here again States have experimented in efforts to cope with this problem. Following initial efforts to develop interstate correctional programs in the south central region and in the west, which thus far have not been significantly implemented, the New England States developed their regional correctional compact, which provides for the joint use of facilities and programs, and this has worked out very well.

Still more recently the Midwestern Governors' Conference brought on the development of the Mentally Disordered Offenders' Compact, which received its first enactment this year. Frankly, I can't answer any questions on that. I would refer them to some Midwestern Governor who has had some practical experience on it. But this Compact, which is open to adherence by States throughout the country, envisages interstate use of facilities, as well as interstate training and research programs, and hopes thus to supplement the resources of each State in handling a class of prison inmates of especially dangerous proclivity.

Interstate cooperation in the field of welfare has not reached the stage that it has in correction, and there is need here for further development in creative efforts, as well as full utilization of existing, cooperative programs. Two examples are the Interstate Compact on Mental Health, which two-thirds of the States have adopted and which provides for the care and treatment of mentally ill or mentally deficient persons, and also provides for interstate cooperation to pool mental health resources; and the recent Interstate Compact on Placement of Children, which ten States have thus far adopted.

There have been some notable achievements in recent years in cooperative regional studies of mental health research and training needs, sometimes in conjunction with existing regional higher educational boards. Less solid accomplishments have been recorded in the actual joint development and use of regional institutions for research and training, as well as in establishing regional hospital care centers in sparsely settled areas, such as the mountain sections of Appalachia.

The Northern New England Medical Needs Compact, to insure day-to-day medical care in rural areas of Maine, New Hampshire and Vermont, is along the lines here being suggested. Actually the most difficult problem is that some of the small medical schools are somewhat jealous of their jurisdiction. Shortages of trained, qualified personnel in rural areas add to the problem. The States can act not only through assisting in establishing badly needed medical care facilities, available for people across state lines,

but also through careful review and modification of overly stringent licensing.

The three final recommendations that I have are consonant with my previous suggestions, and they are not startling. One is that within the field of corrections, the States should continue to make use of such proven, cooperative arrangements as the interstate compacts for parolees and probationers, juveniles and detainees. Joint action on a regional basis similarly should be utilized for inaugurating improved rehabilitation programs for specialized groups of prisoners, and especially for women prisoners.

Second, the States should make full use of all forms of cooperative action in their mental health programs, as well as to cooperate to assure the availability of basic general hospitals and trained medical services in areas now under-served. This is a very big and broad statement, but an important one.

Third, the States should take full advantage of joint and cooperative arrangements for improving research and training in the fields of correction, health and welfare.

Governor Breathitt: For our last report, before we open the floor for any comments and discussion, we call upon Governor Hathaway of Wyoming.

Governor Stanley K. Hathaway: Mr. Chairman, members of the Governors' Conference. I don't know how a rookie Governor gets assigned to a topic like education, because I don't know of a more difficult subject. And certainly there is no greater problem facing any of the States than meeting the financial demands of education. In this day and age of inadequate state and local revenues to meet the needs and demands of education and other governmental services, the alternative to interstate and regional cooperation in education is a centralized, monolithic educational system unresponsive to local situations and local conditions, regimented toward conformity and oriented toward bureaucratic control and against state and local control.

It seemed to this committee that one of the areas most neglected in the educational field is that of vocational, technical training, recognizing that only a small percent of our young people follow an academic career and graduate from a four-year institution. Realizing that jobs are created by people who are skilled and able to utilize their skills, the first recommendation of the committee is that, on a regional basis, States should consider entering into cooperative agreements to plan, develop, and implement vocational educational programs which look to the future manpower needs and which serve the States involved to the best advantage. Individually and collectively, States should, as a first step, work to upgrade the status and image of vocational education. We have had for some time some fine regional coop-

erative agencies, such as the Western Interstate Compact for Higher Education, the New England Higher Education Board, and the Southern Regional Education Board.

The second recommendation of the Committee is that States pursue the possibilities and opportunities to establish, through interstate cooperation, regional centers for professional and specialized education in order to meet the needs for more such facilities and to achieve greater excellence in research and training in specialized fields. Particularly in the smaller western States which do not have medical schools, dental schools or veterinary schools, we find that regional cooperation on tuition and entering our students in institutions within the regional States, has been a very fine program and one that we believe can be expanded.

Also, to make tax dollars go further and to bring the advantages of educational television to more people faster, States and groups of States should pool their resources, exchange ideas and program materials and coordinate state and regional planning and development of educational television. Educational television is still in its infancy in the Rocky Mountain States. The Federation of Rocky Mountain States has embarked upon a program for regional cooperation, using the technical facilities available, sharing ideas from beginning to end, and recognizing the tremendous cost involved in obtaining a good educational television system. We think that this is a very fertile field for regional cooperation.

Finally, it is recommended that all States be urged to participate in the work of the Education Commission of the States—a great compact agency capable of making real progress and bringing about better communication and cooperation between and among States in the education field. All States should be urged to join the compact and work through the Commission for the solution of some of their common problems. I attended the meeting of the Education Commission of the States in Denver this summer. There were eleven Governors there. I am advised that now forty-four States have ratified the compact and are Commission members. Certainly this could be a great vehicle to bring together our best minds and our best thinking, to help the States collectively to solve some of the most pressing problems in education of our time. Thank you very much.

Governor Breathitt: All right, gentlemen. This concludes the report. We don't feel that we have a corner on all the brains in the Conference. So if any of you desires to make any comments on any regional problem you are having—Governor Love?

Governor Love: I want to ask a couple of questions. First, a point of clarification on the recommendations. The first recommendation that you made indicates that Congress should revise the policies relating to conservation and use of the Nation's water supply, so that water storage to meet expanding municipal, indus-

trial, agricultural and recreational needs, and other future beneficial needs, and so on—be established as a primary benefit, going on to say that federal funds should be appropriated in a sufficient amount to provide adequate water shortage capacity.

In the west our experience has been with the reclamation projects in which all of those portions of the benefits—except those deemed to be absolutely public, such as recreation or flood control—are reimbursable; the industrial or agricultural or other use is reimbursable, and the money flows back. This is a point of clarification. Is it the committee's recommendation that we do away with this reimbursable portion and seek federal funds to provide the kind of water storage necessary to provide municipal and industrial and agricultural use?

Governor Breathitt: Last year the Committee on Natural Resources considered this matter. It was also considered at the Midwestern Governors' Conference over a year ago. Now this is an extension of that which was recommended last year. The reason for this is that there is a growing concern that once you build these dams and these reservoirs, to endure as long as 50 to 100 years, and unless we provide for sufficient storage to take care of these other needs that are developing, we may never be able to do it. That was the thinking behind our work, which is a follow-through on the thinking of the Midwestern Governors' Conference two years ago, and the National Governors' Conference Committee on Natural Resources last year, with the exception of agriculture.

Governor Love: I would certainly agree that these uses should be planned for at the time of construction. But, based on my understanding, I don't associate myself with the plea that all of these uses be financed with federal funds. We have state and local money and many of the water developments that are necessary.

Secondly, I don't know that this is the appropriate place, but I wanted to inquire about this: Are we going to have an opportunity to discuss the recent case—I think it was out of Connecticut—that indicated the limitation that was placed by the courts on residency requirements in welfare matters.

Chairman Guy: We would be glad to have anybody answer that who feels competent to answer it. Governor Dempsey do you want to speak?

Governor Dempsey: Simply to say the Connecticut matter is now before the courts and that's where the matter rests. There has been no decision on it.

Governor Love: Perhaps at the time of the Executive Session we could get into that because I think it has great implications. Maybe not in all of the States, but certainly an attractive, beautiful State like Colorado does have much to fear.

Chairman Guy: Are there any other comments on any of the specific recommendations? The comments will be noted.

Governor John Connally: I have one comment that might be helpful to Governor Love. This is undoubtedly not unique in our State, but historically, in trying to provide for water, unfortunately the State of Texas, as a political entity, has permitted cities and other local subdivisions, including river authorities, to contract unilaterally for the development of water for municipal and industrial purposes, with the Corps of Engineers, the Bureau of Reclamation, and whoever, and, in effect, to appropriate the water. Within the last few years we have created a Water Development Board and have in that Board a fund of \$400 million. It is provided, incidentally, by state law now that the Water Development Board can insist on the maximum and optimum development of any site with respect to the size of a dam or reservoir. If a city will assume contracts to build a dam—supply water, we will say, for the City of Dallas—if their needs are such that they cannot afford to finance the maximum, optimum size of dam which the watersheds would permit, the Water Development Board then can go in and say to the Corps of Engineers, the Bureau of Reclamation, or whoever builds it, "Build it to the maximum, optimum size." We then, as a state entity, buy that reserve pool, in effect. We finance the additional construction over and above the requirements of the City of Dallas. We have a right to do whatever we wish with that surplus. And we finance it through this \$400 million bond program.

This is one way, John, that this matter can be solved. I'm not sure that this is a final answer.

Governor Love: You don't agree that all of these things should be taken care of federally?

Governor Connally: No. I agree with you wholeheartedly. I think more and more the States might as well make up their minds to start developing some of the projects on their own. Once a dam is built, it is there for 50 to 100 years. And in Texas we face this problem of trying to devise a statewide water plan which we just promulgated in the last two years. So we will not permit any dam of any kind or character to be built unless it is consonant with the statewide water development plan. We are suffering now because we didn't pay enough attention to this in the past. I think the States might as well face up to the fact that they are going to have to put a considerable amount of money into these projects to get them built. And our fund, instead of being \$400 million, should be \$2 billion. But, that's beside the point.

Governor Breathitt: I would like to point out that in our State we have set up a similar water authority. We have already entered into agreements with several of the communities on several projects. And I suspect that there are other States that are doing it. But we are running into the problem that there are some municipalities that are limited and do not have the capacity to do it. It's a question of whether in the long-range we need to think about these

matters to solve them now, at much less cost than we may have to spend in the future. And that was the Committee's final judgment.

Governor Chafee: You will recall that in the committee I raised the same objection as was raised by John Love.

Governor Breathitt: Yes.

Governor Chafee: And I would like the record to show that. I am for the idea but I think this is something the State ought to do. It ought to be worked out on a reimbursement basis. I just don't think it is something we should ask the federal government to do for us.

Governor Breathitt: Thank you very much. Any other comments? Governor LeVander, do you have any comments as to the best mechanical means of accomplishing these various compacts or commissions between States?

Governor Harold LeVander: What I have in mind is that Governor Knowles and I have a compact between Wisconsin and Minnesota on the boundary. But it is a commission that I appoint, and then the commission appoints its own executive secretary, and once it has gotten off to the races, there is nobody to whom it really reports—the legislature or the Governor or anybody else. And I am wondering whether the way in which these commissions and the compacts are set up has been studied as to whether it is the best way of doing it. Are they advisory? Do they have authority? And who gives them direction? Was that whole area explored in any way?

Governor Breathitt: Yes. We actually have a Council of State Governments staff paper, attached to this report, to which you can refer for the different methods and techniques. We as Governors tried to make a start—and we hope a fairly good start—in considering this. And then we relied on the Council for the various devices. You will find that in the appendix to this report right at the back. That might be helpful to you.

Governor Winthrop Rockefeller: I am looking forward to having a meeting with Governor Connally this week and discussing some of our mutual water problems. For a number of years, long before I became involved in the political scene, I have been very much interested in the question of water management. Although I haven't had time to read all the statistical material involved in this report, I can say this to you: there is a great deal of knowledge with regard to water and its resources and limitations, its origins, and so on, but very little is coordinated. Under the administration of my predecessor, I made available the services of an eminent expert to provide certain basic coordination work with the numerous state agencies that are involved with water management.

I have had occasion to review statistical materials related to the impact of ground water versus the impact of surface water. The world is still using ground water at a fantastically high rate. Your ground water is subject to the gods, in a sense, because in the years



of drought, when your lakes do dry out, you are still going to be dependent on ground water. I think it would be awfully interesting for us in this connection to get a review, which I think would be very helpful to each and every Governor here, of the sources and the projections of sources of water, that are going to be available for us, with this frightening increase of population and the frightening increase in industrial use. And I am not just thinking solely of water pollution, but the water of lesser quality. Some of that water can be treated or can be aerated. There are all kinds of methods of increasing the water supply, even the reuse of regular sewage water. There are some 450 cities across the Nation—or more by now—that are using the sewage pond in order to recapture water down the line for agriculture.

This total question of water management is one that few people think of in that light. And I would suggest that we do involve ourselves in these deliberations: One, a definition of what is water management; two, a statistical analysis of the water that is available to us, the water that will be available to us and what can we do to preserve it.

When you think of the evaporation, as an example, of water from any open lake, whether it is recreational or not, it runs into millions of gallons of water a day. The seepage back into the soil is at a tremendous rate. And this doesn't necessarily get back into the aquifer that is giving you your major water supply. Early in my stay in Arkansas I worked with the University of Arkansas on the question of water recharge, and experiments have been conducted with some success. But unfortunately the quality of water that was being put into the aquifers was of inferior quality.

We should be taking a long-range look. And I would hope that this committee would seek some insights into what we can and should expect across this Nation in the next 25 to 50 years. There are going to be areas that we either will have to pipe water in from hundreds of miles away, or you won't see those areas growing up and developing. I believe this distinguished group of men could well profit by our getting a technical, professional analysis of the water management problem over the next say 50 years.

Governor Jack Williams: Mr. Chairman, I would like to concur in that. But the riparian and "prior use" laws are different in the east from the west. We have a problem in Arizona now where the government has claimed that any water originating on Indian land belongs on the Indian land, which would just about dry up one of our major watersheds. So it's a fascinating and most productive project to study this right now. We learned this in the west a long time ago. People in the east are just beginning to learn what Governor Rockefeller is talking about.

Governor Breathitt: Thank you very much. I think these comments are very appropriate for the next Executive Committee in

planning the study work of the Conference next year. Any other comments? Any other questions? Any additions? If not, I move that the report, with the comments and reservations on one particular part of one report, be accepted.\*

Governor Smith: Second.

Chairman Guy: Is there discussion of the motion? Those in favor say "Aye," opposed, "No." The motion is carried.

I think this last report was particularly interesting, because it dealt with some of the mechanisms which we should be adapting to a particular need we are trying to fulfill. For example, informal cooperation is one of the mechanisms. It is sometimes overlooked as a mechanism. There is the interstate compact, which is old and tried and true, but sometimes a failing mechanism. There is the intergovernmental commission, which has been very effective in many instances. There is the administrative agreement, which might be the quickest and most decisive method of bringing about action. This committee lists reciprocal and uniform statutes, which is a very proven mechanism.

When I take this report back home, I am going to ask someone on my staff to go through it and underline and extract those things that apply to my Department of Economic Development, my Water Commission, my Travel Department and so on. And so, Governor Breathitt and all you Governors, thank you very much for what I intend to get out of your report. We are now at a point where we need to have the announcements for the evening and tomorrow morning. Mr. Carihfield. (Announcements by Secretary Carihfield)

Chairman Guy: Gentlemen, I think if all of you are feeling as I do, the motion of this ship has given you a rather dull feeling, and this has rather suppressed some of the characteristic give and take of the Governors' Conference.

I am told that tomorrow morning at 9:00 a.m. the water will be smooth and calm, and we will recess until that time. Then you will be fit as a fiddle. We're in recess.

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\* Copies of the report are on file in the office of the Secretary.

## MORNING SESSION

### Wednesday, October 18

Chairman Guy: I call this session of our National Governors' Conference to order. Here we are on Wednesday morning, finding that the instability of the ship continues to bring stability to the Conference. The first order of business this morning is a report from the State and Local Revenue Committee, which is a continuing committee under the chairmanship of Governor George Romney. At this time I call on Chairman Romney to give his committee's report.

Governor Romney: Thank you very much, Chairman Guy.

Gentlemen, I would like to make my report in three parts—the committee report, which consists of two motions, and then some personal observations based on the experience we have had in this committee. By way of background, let me remind you that this work was initiated in Minneapolis, in 1965, when we heard from Dr. Heller and Dr. Pechman. At that time it was their judgment that the federal government was going to generate a surplus of about six to eight billion dollars plus, each year, and that consequently there would be federal income taxes to share with state and local governments. Also at that time we were confronted with the prospect of the federal government using these funds increasingly to subordinate local governments, and to the extension of federal influence in the educational field.

It was against this background that the Conference decided to pay intensive attention to the federal-state-local revenue field. As a result, a committee was created. We made our first report in Los Angeles. We made a second report at the White Sulphur Springs Conference of last December. Since the White Sulphur Springs Conference, we have been fortunate to secure funds from the Ford Foundation, and with those funds we retained Dr. Mushkin of George Washington University and members of her staff. They have prepared the factual material that you have before you. You have three items containing basic data developed to date—a staff report, then the statistical supplement, and then the pamphlet equating public wants and public taxation.

On the basis of this study, the Committee has two recommendations. If you will turn to the first page of the report, you will find the resolution adopted in White Sulphur Springs, and I would like to read the three points on which the argument was based.

A. It is resolved that we continue the work to modernize state and local government machinery. We believe it is essential that the

federal government adopt new intergovernmental fiscal policies which reflect a basic change in emphasis, giving more discretion and responsibility to state and local governments and moving away from over-reliance on national controls under the very large number of existing categorical federal grants-in-aid.

B. It is further resolved that the National Governors' Conference specifically endorse the principle of tax sharing and the principle of block grants, to partially or wholly offset federal categorical grant-in-aid programs which now exist or may be developed in the future.

C. It is further resolved that the Executive Committee of the Conference be authorized to take such action now as is deemed necessary and appropriate in support of the implementation of this resolution.

In accord with that resolution, the National Governors' Conference Committee on State and Local Revenue recommends that immediate steps be taken to systematize the categorical aid programs and improve them so that they may better serve national purposes and priorities.

The following specific proposals are urged as first steps in implementing the above recommendation:

1. The Joint Funding Simplification Act introduced August 28, 1967, should be enacted without delay. Basically, it is intended to enable the federal departments to bring some order out of this chaos in terms of present federal aid programs.

2. Authorizations for federal support of planning in States and communities should be increased to facilitate comprehensive planning over the spectrum of state and local governmental activities. Such grants should be made not to specified state or local agencies or single "planning" agencies, but as determined by the Governors, mayors and county executives.

3. The more than two hundred demonstration or innovational grants now authorized should be consolidated into a single demonstration grant authority for each department and independent agency of the national government having substantial intergovernmental programs.

4. The U. S. Bureau of the Budget should develop general guidelines for the specifications of grant-in-aid formulas and their matching ratios.

5. A detailed study should be made of the existing major grant programs with a view to (a) simplification of present grant provisions; (b) elimination of grant program standards and requirements which are outmoded or unduly restrictive; (c) authorization for consolidation of state plans for closely related programs where several such plans are required as a condition of aid. We also recommend that the national government undertake, in cooperation with the Na-

tional Governors' Conference, a study of present public welfare programs. We propose a joint study of educational needs and finances by the National Governors' Conference and the U. S. Department of Health, Education, and Welfare. We recommend that forthright steps be taken to correct overlaps and conflicts between existing federal programs for water supplies and liquid waste disposal. And we recommend elimination of all categorization and earmarking from the vocational education programs, to provide in effect a single vocational education grant.

6. The Committee recommends a further study of categorical aid programs to determine if there are some that are no longer necessary for the national purpose, and that might properly be replaced by block grants or a general support grant in the interest of greater efficiency, economy and local determination.

Mr. Chairman, that concludes the first motion that we make, and we make it simply for approval by the Conference. While we have been fortunate to have research work done by the George Washington group headed by Dr. Mushkin, it is perfectly obvious that this subject is so large and comprehensive that additional research will be needed to carry out the objectives. And you will note that we have recommended such additional necessary research. Mr. Chairman, that's our motion for the first part of our report.\*

Governor Philip H. Hoff: I second the motion.

Chairman Guy: Governor Romney and Governors of the Conference. In our rules of procedure it says that any resolution or policy statement with respect to the substance of a committee report shall be acted upon as though it were a resolution. In this case I would rather have a motion to receive the report, with the resolution then being extracted from the report and submitted as such.

Governor Romney: Is there a resolution?

Chairman Guy: Yes.

Governor Romney: Where?

Chairman Guy: The motion that was just put was a motion to approve something that has been extracted from the report. I would prefer to have this brought in as a resolution because it is a policy statement. I would rule that it should be treated as a policy statement and so I would accept a motion to receive the report.

Governor Hoff: Let's move it. I move it.

Chairman Guy: Are you moving to receive the report?

Governor Hoff: Yes.

Chairman Guy: Is there a second?

Governor Kerner: Second.

Chairman Guy: Is there discussion? Those in favor say "Aye."

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\* For text of report, see Appendix XI.

Those opposed? The motion is adopted and the report is received. I would expect the policy statement, then, to come in subsequently as a resolution, Governor Romney. I think it is a very excellent report and one that deserves more time and thought so we can have it brought up as a resolution.

Governor Romney: Very good. Now going to the second recommendation of the Committee, you will find the resolution passed at the White Sulphur Springs Conference, and this dealt directly with the question of revenue sharing:

"Now, therefore, be it resolved that the National Governors' Conference authorize the Committee on State and Local Revenue to develop, in consultation with experts in the field and representatives of local governments, a federal tax sharing plan for appropriate and timely consideration by the Executive Committee; and

"Be it further resolved that this plan include the allocation of additional revenue beyond present levels for use by the States and for distribution by the States to local governmental units; and

"Be it further resolved that in the formulation of this plan consideration be given to the use of both the federal individual income tax base and federal individual income tax collections as the basis for the federal tax sharing fund thereby established; and

"Be it further resolved that, in the decision on distribution of these funds, consideration be given to including in the distribution formula the factors in the various proposals which have been made for sharing federal tax revenues with states and local governments."

In accord with these charges to the Committee on State and Local Revenue, the Committee: (1) consulted with experts on federal tax sharing, (2) carried on a series of discussions with representatives of local governments, (3) met in joint sessions with an ad hoc committee representing the mayors, and (4) designated the State-Local Finances Project of the George Washington University as a study staff on behalf of the Committee. The study staff worked with the staffs of the U. S. Conference of Mayors and the National League of Cities to develop a federal tax sharing plan in alternatives that would include allocation of additional revenue beyond present levels for use by the States and for distribution to local governmental units.

Three documents were prepared in carrying out this work:

1. A Staff Report of the Committee on State and Local Revenue, containing alternative specifications and plans for general support grants;

2. A chart book presenting background facts relevant to additional federal revenue sharing; and

3. A technical report by the George Washington University staff under the title "Equating Public Wants and Public Taxation" to be completed by January of 1968.

The National Governors' Conference recognizes the urgency

of a massive attack on the critical problems that exist in our society today. Symptoms of those problems are the recent outbreaks in our core cities. The explosions in the cities have served as a warning that the American people cannot afford complacency, that remedies must be found now. There is no panacea; there is no simple solution to this crisis. This much is clear—there must be a vast enlargement in the amount of resources channeled toward alleviation of these problems. The marshalling of resources must be carried out through all levels of government and through the private sector as well.

In order to gain maximum cooperation with local officials on a specific general support grant, we urge that the Executive Committee, or a committee it designates, consider together with such local officials the alternative plans. And, further, we urge this Conference to continue to delegate to the Executive Committee, or a committee it designates, the responsibility for working with local officials and other interested groups and organizations to gain favorable consideration by the U. S. Congress of a general support grant.

Now a little background here may be pertinent. When we passed our first resolution in Minneapolis a little over two years ago, the National League of Cities was meeting simultaneously in Detroit. And the National League of Cities passed, at their Convention, a resolution indicating that they could not expect to get the financial assistance that they needed from the States themselves, that they had to go directly to the Federal Government, and that they didn't expect to work in any cooperative way with the States in meeting their revenue requirements. In the two years since that time, we have reached the point where we are now conferring with them in working out a joint plan, and it has seemed to those of us on the Committee that this is perhaps as significant a development as has occurred in the past year. While our discussions are in their preliminary stages, these discussions should be continued with a view to developing, if possible, a concerted approach on the part of the cities and the States in the hope that as a result of the joint effort, we can get sound action.

And so, Mr. Chairman, I will move that this be received and referred to the Executive Committee, if that is your pleasure. That is the motion.\*

Governor Hoff: Second the motion.

Governor Kerner: Mr. Chairman, I would like to amend the last paragraph of the report by adding the words "and legislative representatives."

Chairman Guy: Governor Kerner, is this a correction or an amendment?

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\* For text of report on this subject, see Appendix XI.

Governor Kerner: An amendment—adding to.

Chairman Guy: I am very sorry, but our rules forbid us to amend a committee report. So unless it is a correction, I will have to rule you out of order.

Governor Kerner: I was not a member of the Committee, but may I say, for the members of the Committee, I think we as executives too often ignore a very important part and branch of state government. And when we determine policy, then we have a selling job to do to the legislative members. And I would suggest that somehow we include them so they become spokesmen for the same policies and programs that we seek.

Chairman Guy: If the Chairman of the Committee wishes to correct his report, we will permit that.

Governor Romney: I think most of the members of the Committee are present. Unless some member of the Committee has an objection, I would be inclined to accept the recommendation of the Governor of Illinois. I think it's a very excellent recommendation. I would second.

Chairman Guy: All right. We have the motion to receive and distribute this recommendation to the Executive Committee, as corrected. It was then seconded. Is there further discussion? Those in favor say "Aye," opposed, "No." The motion is carried.

Governor Romney: Now, Mr. Chairman, I would like to make a few personal observations, based on my experience with this subject. First, I would like to say that I think this is the best National Governors' Conference I have attended in the five years that I have been a member. I think this because it has been focused around the problems with which we have to deal as Governors. And I think also it has brought to the attention of the people who are not familiar with our work some of the things that we are doing that indicate the effectiveness of state government at the present time. I hope this Conference will help to kill the obsolete concept of irresponsible, unresponsive, status quo state governments.

When we started our committee work, it was thought that federal revenues would exceed federal needs. But today the federal government is fighting for revenue to cover part of a huge deficit. This deficit results from three things—the Vietnam war, non-defense spending and authorizations that are greatly in excess of appropriations. I think it is perfectly obvious that curbing inflation will take priority over revenue sharing with the States in the immediate future, and that's going to require an end to the stimulation of spending pressures caused by authorizations of desirable programs. Congress has approved some desirable programs without funding them, and then the pressures build up to fund them, and there isn't the money there to fund them.

There is another big change that has occurred in the last two years in connection with this whole question. Two years ago,



our attention was focused on the problems that seemed to call for major expenditures in the southern part of the United States. We know now that at least equally great needs exist in the northern core city areas. And this involves quite a big change, it seems to me, in the factors relating to this problem of revenue sharing. The principal problem in developing a revenue-sharing formula is to determine the factors to be brought into use in distributing the funds among the States and to the local governments. This factor I have just mentioned—this realization that there are problems just as big in the northern part of the country and the core cities, as there are in the southern part of the country—is exceedingly important to this question of formula, and how you arrive at one. Because the formula we would have adopted two years ago, in my opinion, would have been quite different from the formula that might be adopted today. I am of the opinion that we should re-appraise our order of priorities in solving federal-state-local revenue relationships.

The earlier resolutions we adopted only authorized our committee to deal with the problems of grants-in-aid and revenue-sharing. So we concentrated our efforts in those two areas. I believe if we would take a searching look at the number one priority of today, we would find it to be the control and reduction of federal spending so as to leave more room for direct revenue raising by the States and their local units of government. On the basis of following this subject for the last two or three years, I do not believe we are ever going to agree on a formula among the States for a return of major federal revenues. I'm just being realistic about this because I have sat in on these discussions and there are sharp differences among us as to what the formula should be. And as I have stated, the basic factors in such a formula have shifted in two years. In my opinion there ought to be retention of flexibility, and that's why I think we ought to take a look at the question of reduction and control in federal spending so that we will have more room to levy direct taxes at the state and local level.

Second, I think we should make a concerted attack to stop the federal government from bypassing state governments and making funds available directly to local governments and private organizations. I do think that we have a common interest as States in seeing that these federal funds come through the States, and then to the local units of government and the other organizations involved.

Third, we should develop a realistic approximation of the limitation of the total government effort—the funds available to meet present domestic problems. Having toured the cities, having looked first-hand at the magnitude of the problems with which we are faced in this country, in my opinion it's completely unrealistic to think that these problems are going to be met primarily through the availability of federal funds, state funds or local funds. In my

opinion they are going to be met primarily by private funds and private efforts. And we ought to focus an attitude of realization around that fact in dealing with this federal-state-local financing problem.

Finally, I believe we should stimulate private and state and local innovation in reducing the cost of present needs. I want to give you an example of that.

Governor Hoff: Mr. Chairman, I just think the record should show at this particular point that I am not raising any objection, nor am I raising a point of order, but I just want the record to show that the remarks Governor Romney is making at this time are his own and are in no part a reflection of the views of this committee.

Governor Romney: I made that perfectly clear, Governor Hoff, when I started with the statement that these are personal observations based on my experience with this committee. I want to give you an example of how we can focus attention on areas of great public expenditure. One of our greatest is education. There are private activities in this country today taking people from illiteracy through high school in a relatively short period of instruction in the basic subjects. I just direct your attention to such an innovation that I believe needs to be considered in dealing with the problem of this total federal-state-local revenue requirement.

I hope the new Executive Committee will make this needed reappraisal and lead us in demonstrating that, with more financial freedom and responsibility, the States are prepared to play their full part in our system of creative, cooperative federalism. And I believe that such a reappraisal would be helpful and beneficial, and that we have established a basis at this Conference to have people place greater faith in our responsibilities and our ability to raise funds directly in a proper way. Thank you very much.

Chairman Guy: Thank you, Governor Romney. I think you may have gathered that there is some difference in policy in this subject, and you can imagine that it has been a difficult subject for this committee to handle. Hopefully, as we review the work of the committee, we can come to grips with the policy differences that have existed within the committee.

I would like to have you camera men take your cameras down for the next presentation, because we will need to use the screen behind you. I am very sorry that this has to be done. While we are having the television cameras removed so that we can use the screen, I will ask our Secretary-Treasurer to make a few announcements.

Mr. Cribfield: Don't forget that the deadline for the introduction of resolutions is set for noon today. Please submit your resolutions to the Chairman or to me by noon. The Executive Committee, acting as a Resolutions Committee, will meet at breakfast tomorrow morning.

Chairman Guy: There has been some question as to the procedure to be followed on the report that was just given to you by Governor Romney. The Chair ruled that this committee report was in two parts, and it was submitted to the Conference as a report in two parts. The first part was ruled to contain a policy statement, and therefore was eligible only for a motion to be received and that motion was made and passed. But the policy statements in part one will be taken out and placed in the form of a resolution which you will be considering at the time we hear resolutions on Friday. Part two, which was offered to the Conference by a separate motion for receiving and distribution to the Executive Committee, was moved and seconded and approved and will be distributed to the Executive Committee.

Now we have an exciting part of this program that is concerned with state planning. All of the major factors that we examine in strengthening state government sooner or later lead back to state or local planning. The State of Colorado has done an excellent job in developing state planning. And so it is appropriate that Governor John Love should have chaired this committee on state planning. I give you Governor Love.

Governor Love: Thank you, Mr. Chairman. My fellow Governors. First, let me congratulate our Chairman, Governor Guy, and members of the Executive Committee who have guided us so well since our Los Angeles Conference and on to White Sulphur Springs and at this annual meeting. I think major strides have been made under their leadership. I think the presentations here have been excellent. I hope we have more time to discuss some of the details.

You will remember at the historic White Sulphur Springs Governors' Conference we lamented the present imbalance of our federal system. We recognized the problem of the emerging city states, and we have created committees to spotlight the States' role in urban affairs. We calculated the overwhelming resources needed to solve the urban problem, and we created a committee on tax sharing. We decided, however, that before the resources could be effectively applied to the problem, there was still another step to be taken. Our institutions had to be improved. Cognizant of the importance and urgency of meeting this need, the Governors created this Committee on State Planning and instructed it to review in depth the management techniques used by state governments to analyze complex problems, gather information, estimate available resources, set realistic goals, evaluate potential alternatives, and implement action and planning.

We want to express our gratitude. We were assisted by the gentleman who has been referred to as the former Governor of New Mexico, the ex-Governor of New Mexico, and on

one occasion the late Governor of New Mexico.

Any new problem or invention recalls to mind the oft-repeated statement that "the world will never be the same." Why, therefore, should we dare to distinguish today's problem? The answer lies in the information explosion brought out by science. Some have observed that ninety percent of the scientists that have been known in all the history of man are alive today. Every few years their work is doubling the world's storehouse of knowledge. Their work has produced an age of specialization, high technology, and rapid change. The pace, the intensity, and the resulting complexities of this scientific advance threaten any institution which does not keep abreast of it. All of man's institutions are caught in its tide. It does not give any institution, including state government, the option of standing still. States must, therefore, so position themselves as to be able to influence, channel and direct this tide or be overwhelmed by it.

The States have not generally attempted to apply modern management methods in their program development. It also appears that States are attempting to solve complex problems with personnel who generally are not sufficiently trained, adequately compensated, or fully understanding of the new scientific methods available. We are caught between the proliferation of these ever increasing complex problems and our badly fragmented and legally limited institutions. This dilemma cannot be solved until and unless our organizations are adjusted so that they use the most advanced and highly sophisticated methods provided through science.

The problem is ours to face. What we often forget, but what has become apparent to the members of your Committee, is that state government is big business. If we measure the relative size of our institutions by the number of people we employ, the number of programs we manage, or the dollars we spend, state governments must be considered equivalent to all but the largest corporations in this country, or, for that matter, most of the governments represented in the United Nations. We must begin to scientifically manage our institutions as industry has learned to do. By so doing, we shall welcome constructive innovation, control its ingredients, and more fully understand its politics.

With this understanding, we began our work. We were assisted by the Institute on State Programming for the 70s, which was funded by the Carnegie Corporation of New York and is chaired by the Honorable Jack M. Campbell, former Governor of New Mexico. As each of you know, their research associates visited every State. They interviewed nearly one thousand state officials, including seventeen governors. Their purpose was to study the process of decision making, to analyze its effectiveness, to assess the technology—used and available—identify obstacles, and measure the commitment to modernization and reform.

As interviews were concluded on September 7th, there was not sufficient time to compile, much less thoroughly analyze, the storehouse of information obtained. As soon as it is available, each governor will receive a full report. More detailed information, including private consultation, will be made available to any governor who requests it from the Institute. However, in order to report to you today, the Committee asked Governor Campbell and his staff to outline some preliminary findings.

These findings will take on added importance if we briefly examine the history of state planning. The National Resources Board gave birth to state planning in 1933, but in the early 1940s World War II buried it. It was during this period, however, that States created legislative research councils and began to use formal executive budgets. After the war, national attention was given to the problems of housing and urban renewal. Since the States did not demand to be involved in these challenges, the federal government started on its long road of by-passing the States. As the States were not involved in the solution of these problems, the new technologies of management science were not learned by the States. State government thus slipped from its position at the helm of problem solving.

In 1953, the first alarm was sounded. The American Institute of Planners pointed out the need to adopt the new technologies of management science. Although repeated in 1955 and 1957, no action ensued. In 1956, the Council of State Governments became concerned. They outlined what planning services were needed by state government. The States were encouraged to fund planning services from their own resources, much as they financed their legislative councils and the budget offices. Most States chose not to do so. In the 1959 Housing Act, the federal government made financial resources available for state planning under what is called the "701" program. In 1962, the National Governor's Conference created a committee for state planning. The Committee's recommendations went largely unheeded. Today, fourteen years after the first alarm was sounded by the American Institute of Planners, this committee again appears before you and challenges you to action.

The Institute's survey showed that the States have now begun to move. But, as always with something new, they are struggling. Although forty-eight States now have an agency responsible for state planning, as opposed to nineteen states in 1960, the general concept of state planning is quite narrow. The study showed that only seventeen of the States have begun computerized information systems, fifteen operate with capital improvement budgets, ten have adopted some form of the planning, programming and budgeting system (PPB), and only seven are using some form of systems analysis.

The re-birth of state planning in 1961 came through an amendment to a federal grant-in-aid program for city planning. One of the resulting consequences was the carry-over of local planning methods. A state plan, however, is not a city plan written larger. The 1961 state planner did not distinguish between the physically oriented local government with its sewers, streets and schools, and the regionally oriented state government, with its health, education and employment services. While the physical facilities plan of a local government can be implemented through the zoning ordinance, no such simple device is available to state government. The physical facilities of state government are widely scattered individual hospitals, parks, office buildings, jails or university buildings. The state planning process must concern itself with the executive-legislative process of setting goals, adopting budgets, and choosing programs.

Had the 1961 state planner recognized this distinction, there would not be today the many divergent and confusing views on state planning. Because of this emphasis on physical planning, some still equate state planning with local planning and zoning, and limit themselves to giving technical assistance to local and regional planning bodies. Some limit their concept to planning for economic development. Many still think of planning as being synonymous with coordination of federal programs rather than, more appropriately, thinking of coordination of programs as a means to implement goals set by the planning process. Some believe that the purpose of state planning is to improve their federal grantsmanship, or to be an office of local affairs. Each of these views is limited. None of them view planning as a broad management tool.

The survey also highlighted that among the basic causes for the fragmented and narrow concept of state planning are the planning requirements of federal grant-in-aid programs. Prime examples are the recreation, comprehensive health, water resources, and the pending education and law enforcement planning requirements. Development of these plans necessarily involves a number of state agencies. The Governor's planning office should, therefore, play the prime, central, coordinative role. If we are to form separate commissions or ad hoc committees for each federal program with a planning requirement, or merely choose one agency over another, we will destroy the very reason for a central planning agency, and thereby weaken the Governor's control over his administration. There are over eighty individual federal programs offering planning grants or requiring some form of state planning. Too often today, in many of these programs, neither the Governor, the legislature, the budget office nor the planning office have any substantial role. The opportunity to direct or influence policy is thereby lost. Since the very essence of the planning concept revolves around the Governor as the key decision-maker, this is certainly

one area where the block-grant approach is justified, provided that such federal program planning is integrated into the State's broad, priority setting, goals-oriented planning program.

A fair but depressing assessment of state planning today can be made by paraphrasing a recent observation on the limits of man's rationality. State planning is: (1) incremental, or tending toward relatively small changes; (2) remedial, in that the decisions are made away from ills rather than toward goals; (3) serial, in that problems are not solved with one stroke but rather successively attacked; (4) exploratory, in that goals are continuously being redefined; (5) fragmented or limited, in that problems are attacked by considering a limited number rather than all possible alternatives; (6) disjointed, in that there are many dispersed "decision points."

The survey suggests that there is an urgent need to broaden the scope of state planning, and thereby increase its usefulness and relevance as a management tool to the governor and the legislature. There is, furthermore, a widening gap between the type of planning used by the federal government and industry and the type used by the States. One need not look beyond the text of the "help wanted" advertisements printed in the major financial newspapers in order to be convinced of this fact. State planning, narrowly conceived and practiced, will inevitably fall far short in helping the States to contend with the critical, complex and interrelated problems of crime, education, transportation, pollution, riots, and poverty.

This challenges us to define what state planning should be. Among other things, it should be considered a source of information and a research arm for the decision-makers—the governor and the legislature. It should give to these decision-makers the assistance required in setting goals; it should help determine the cost of alternatives; it should provide a communication network for state government; it should work to coordinate effort; it should staff the Governor's situation-briefing room; and it should develop an early warning system for social and economic crises. This description of planning converts it to a management method. Some would argue that the word itself should be changed. This semantic quibbling can be decided later. What is important is that we make state planning more relevant to the Governor.

It is only logical that planning include what is known as the inductive process which seeks to identify where you are, proceeds to where the trends and course of events are carrying you, and determines the influence and impact on your decisions, programs and policies. Too often, however, our research stops there, or consumes all the time available in a governor's term of office. The systems approach, which will be later described, utilizes this process but also draws upon other patterns of logic, thereby allowing earlier

involvement of the decision-maker. The important point is that the Governor and the legislature initiate, direct, and control the planning process. They do so by outlining their objectives and choosing from the alternatives which are presented to them. This is a continuing process. It should not be an inflexible document. It should be a mechanism to place goals in perspective and to initiate action programs.

The words "comprehensive planning" and the technology of the systems approach can be applied to every level of planning, whether it be project or program planning, functional planning, or overall planning. These words are elusive. There are no exact definitions that are commonly accepted. The difference in the words merely attests to the fact that there are different levels and types of planning. All planning should be comprehensive. Every level of government, and each section, bureau, division, commission or department should plan. The central planning office should have the capacity to require that all agencies use the same information base, relate all planning activities to the governor's program, and insure that broad goals result in specific action in the shortest possible time.

State planning, in this light, may be many years away. While industry today has developed this capability, they learned through experience that the lead time is considerable in the process of selling the concept, employing and training personnel, adapting the technologies, and providing the financial resources.

The obstacle in installing a sophisticated planning system has been, and still is, the widespread lack of understanding as to what state planning is, its role, and the benefits which can be gained from it. Obviously, the key in overcoming this obstacle is gubernatorial initiative. Such a concept requires strategic leadership. The Governor must be the state's chief planner. This strategic leadership involves a number of fundamental principles: (1) only the Governor can initiate and insure successful planning; (2) new techniques must be added to today's limited approach to planning; (3) the process of planning must relate to the legislature; (4) it must recognize its impact on the plans of other governmental entities; and (5) effective state planning should utilize the total resources available, among which should be universities and colleges, foundations, the federal government, and industry.

If we are to fulfill our responsibilities as the state's chief planners, we must be prepared to recognize some of the methods available to us. The Committee suggests that these methods include capital improvements programming; planning, programming and budgeting systems; information systems with their briefing rooms; the systems approach; and modeling and simulation techniques. We will describe each separately for purposes of clarity, but hasten to point out that the capital improvements program is



but a part of a complete planning, programming and budgeting system. Furthermore, the techniques of the systems approach are used in or include all the other tools mentioned.

Our review of state planning showed that only a few States use a modern technique in their capital improvements budgeting. State government is now spending over \$21 billion a year on such projects. If present trends continue, the figure will grow to \$26 billion by 1970, and to \$31 billion by 1975. Only a few States analyze their capital expenditures requirements beyond the initial budget. Still fewer predict future costs of construction, analyze alternative means of financing, capitalize present income, contrast routine and non-routine capital projects, analyze the long range effects on operating budgets that occur as a result of capital expenditures, evaluate the economic "spin-off" of construction, or program and evaluate project completion according to modern methods. Industrial corporations have long used sophisticated techniques in this area. It is encouraging to see a few States following suit.

State planning, broadly defined, and the executive budget are the only existing means that attempt to correlate all demands and needs of the people, the legislators, and the public officials. Until the advent of the new planning, programming budgeting system (PPB), the budget was conceived and used primarily as a control mechanism. Its life was of short duration—one or two years. It was dollar oriented and did not evaluate the benefits or effectiveness of programs. It offered little in coordinating programs. It was more concerned with expense accounts than the services provided. What was needed was a system which would provide a basis for allocating governmental resources in terms of the job to be done and the results to be expected.

The planning, programming and budgeting system is such a system. It has been described as putting a policy microscope over the aims, purposes and objectives of government. Rather than relying solely on the bookkeeper's line-item categories, it requires that the objectives of programs be stated, that alternate programs be considered and costed, that the benefit and effectiveness of the program be weighed against its costs, that total rather than partial cost estimates be stated, that future costs of present decisions be projected, and that continuous evaluation and analysis be made of programs. There has not been enough planning in the budget process, nor has there been sufficient budgeting in the planning process. Significantly, the "programming" provides the bridge between "planning" and "budgeting."

Though we cannot discuss the system at length here, perhaps one example would illustrate its basic role in decision-making. Let's assume a possible objective—that of removing the handicaps to self-improvement by the poor. The PPB system would first iden-

tify these handicaps, and then propose and analyze as many alternative programs as possible, in such areas as health care, vocational training, and transportation facilities. Careful computation of the gross effectiveness of each alternative would then give the decision-maker considerable assistance in allocating state resources to achieve maximum benefits. The PPB system could later evaluate actual performance in terms of concrete result per dollar spent.

Some observers have remarked that the planning, programming and budgeting system is the greatest advance in the field of public administration since the advent of the civil service—over 100 years ago. Your committee found one description of this system which we thought particularly good. David Novick summarized the PPB system when he said: "It systematizes (1) appraisal and comparison of various government activities in terms of their contributions to objectives, (2) determines how a given objective can be attained with a minimum expenditure of resources, (3) projects government activities over an adequate time horizon, (4) compares the relative contributions of private and public activities to stated objectives, and (5) allows for continuous revision of objectives, programs and budgets in the light of experience and changes in circumstances."

One of the new methods becoming prominent is the computerized information system, linked to a complete communication system. Before we can employ any of the new problem-solving concepts, we must have access to information—on a consolidated basis. The information-handling process is the first step toward overcoming organizational fragmentation and improving coordination.

An information system is said to be the automation of the manual functions of data recording, and communicating, filing, manipulation, and retrieving data through the marriage of electronic computers and communication media. This provides a central source and an immediate availability when required. Each function, or specialized field of data, is part of the whole and must be treated as such. Electronic data processing and communication is a new technology that provides for the central exchange of information.

For example, in some States a man might draw unemployment compensation until it expires, then go to a public hospital until released, then go on public welfare until forced to take a job, then draw unemployment compensation again, and so on. No one knows which people or how many do this. At no place in state government is it possible to bring together in a single review all benefits paid by the State under different department programs to a single individual.

Neither does the State know whether or not public welfare

grants had the favorable effect upon the incidence of crime that was expected when the program was established. Studies have been published referring to third generation welfare recipients which would lead the public to believe the converse effect has been achieved. No one can show whether adult education programs reduce unemployment costs, whether county jail sentences deter crime, and if so, under what varying circumstances, and so on. The state administrator is dedicated to solving public problems, but he now has little more information than the public.

Through such a system, Governors would have all the relevant information immediately available. Existing agencies must be provided faster and better information to accomplish their responsibilities. Perhaps a situation-briefing room could be the focal point of control.

The idea of a situation-briefing room is not new. The military have long used "war rooms." Many corporations require their staff to make visual presentations. One Governor has installed such a room, and several more are considering it. The essential purposes of a situation-briefing room are to make it more convenient for the governor, the press, or the legislature to see and hear complete information, and to encourage all staff personnel to think visually. The military and industry also use such rooms as control centers. The old saying that "one picture is worth a thousand words" is truer today than ever before. Today's problems are difficult, if not impossible, to describe in a few words. Audiovisual techniques, including remote inquiry and display units of computers have been greatly refined in the past decade. Naturally, some of this equipment pre-supposes that the information system be operating. However, many of the advantages of such a room can be secured with the more standard film, chart and mapping techniques.

The development of ultra-complex weapons, space vehicles, communications systems, and other technological advancements has stimulated advancements in the art of management, too. The management, in fact, has sometimes been as important as the technology.

The Polaris missile system, for example, was finished over a year ahead of the original schedule, and has proved to be very reliable. Its early delivery and high reliability are largely due to the new techniques of scheduling and quality control—aided, of course, by the development of the computers. There was a time when companies designed products such as airplanes by building a prototype, flying it, analyzing its faults, and then repeating the process until the desired features were secured. This is the trial and error approach. Today these companies design, build and fly airplanes on a computer before they actually begin to construct the product.

One of the major management methods developed in this period is the systems approach. What is it? What can it do? When can it be used? How can we, as Governors, use it? These are questions we would like to answer at least tentatively now, and more thoroughly in the coming months.

In a concise statement, the systems approach is a body of highly developed capabilities for the solution of complex problems. The systems approach looks at problems through their interrelationships in contrast to the more traditional view, which solely sees large problems consisting of separate parts. The systems approach discards the trial and error method, and does not solely rely on the inductive method. In everyday parlance that means "from the bottom up"—first gathering all facts and then analyzing them since the very data which we analyze can limit our view of the problem and thus restrict the number of possible solutions. Rather, while the systems approach uses the inductive approach to gather and analyze information, it also gives paramount importance to the objective through the deductive process or "from the top down." In short, it is a more orderly way of looking at all angles of a complex problem. Its characteristics are that it: (1) utilizes advanced technology, (2) works on large, complex problems, (3) can deal effectively with a very large number of variables such as physical, social, economic, environmental, and fiscal factors, and (4) is action oriented. Its principal elements are: (1) systems analysis, which defines the problem and offers possible avenues for its solution, (2) system engineering, which designs the approach to the selected solution, including setting schedules and costs, and (3) systems management, which controls the program, the schedule, and the cost.

We feel that the answer to the question of where it is applicable lies in two areas. First, there are elements of this national resource which we can personally borrow or adopt right now to help make all of us more effective managers of state government. We all need better information on which to base decisions. We all want more effective control over the multitude of projects going on throughout our State. The systems approach, if embodied in our state planning operation, can help here.

Secondly, almost all of the problems each of us is struggling with on a daily basis—transportation, criminal justice, health, education—have a commonality. They are big, they are complex, they demand new approaches.

Consider, for example, the primary duty of every government—maintaining law and order. This involves a number of other problems. In this area, we face the interrelationships of poverty, organized crime, civil rights, and the condition of our slums and ghettos. Our police and national guard units, our judicial system, our educational system, our labor and employment practices, our wel-

fare, public health and social service programs are all involved.

There are the beginnings of a systems approach to this problem in some localities and States. One State is developing an intelligence system aimed at organized crime. The system will allow law enforcement agencies within the State to have immediate access to information deemed necessary to do their jobs. In addition, it will provide detailed patterns of underworld activities, contacts, money flow, and organizational relationships. This, as you probably recognize, is an illustration of the use of the systems approach in a specific area. It is not an example of the use of the systems approach as it must in time be applied to the full concept of a broad state planning program. This approach can, if utilized more fully, greatly enhance our capabilities of meeting head-on some of the serious problems of today, but it may also have as great or an even greater benefit when employed as a tool for broad state planning.

As another example, consider the transportation plan. The facilities and services provided for the movement of people and goods should not only maximize convenience, safety and speed, but also produce the desired effect upon economic development, urbanization, the quality of life and environmental design. A cursory review of transportation history highlights these interrelationships. In the mid-1800's the nation opened the West with the railroad. The automobile has played a significant role in urbanizing our country. Air travel has increased the mobility of our people. We are now exploring space and are beginning to build high speed rail transit. With these movements have come problems—accidents, congestion, and pollution. Perhaps proper planning could have avoided the worst aspects of these problems and still allowed us to maximize opportunities.

Those States that choose to lead in the new forms of transportation will receive their reward. The commitment to do so, however, requires strategic leadership, trained personnel, financial commitment, and most importantly, proper approaches and procedures.

As a final example, let us spotlight this summer's riots. All of us, in one way or another, are grappling with this problem, and in doing so are overwhelmed by the intricacies of it. If we are going to meet this problem, we must recognize that the solution involves an interdisciplinary analysis. We cannot afford the luxury of isolated state departments if we are to alleviate the problem and prevent further occurrences. The policies and programs of welfare, education, correction, unemployment security, health, transportation, and other agencies are all interrelated.

Let us ask what information was available during the past summer when we were concerned about existing or possible social disturbances in our States. Was it adequate? Was it com-

plete? Did it reflect the interrelationships between various areas of public responsibility? Did it point to alternative solutions? Or were we required to act too late and largely by intuition? We must ask ourselves whether or not our departments and bureaus had adequate tools to meet their responsibilities. We must ask whether or not there was available to us a central planning operation which was strategically placed and whose scope was broad enough to tie all the necessary factors together for us to anticipate this problem and meet it effectively and in good time. We certainly are not, in this instance, speaking solely of long-range implications.

We should emphasize that there is nothing magical about the systems approach. It is not a scientific breakthrough. It certainly is not a cure-all. It is simply a procedure which does, in a more formalized way, what the best minds have always done—it views a problem objectively and in its proper perspective, considers all its relationships with other problems, weighs all of the possible alternatives and their consequences and costs, selects the alternative which offers the best solution from the standpoints of technical value, time, and costs, and then sees the project through the implementation stage. During the course of this, of course, the approach may be modified as new problems appear.

Events which follow natural laws or repetitive or predictable patterns can be described by mathematical models. For example, a computer can simulate the orbit of an earth satellite or the traffic flow in a city. In either case the problem can be seen without the expense of an actual situation. By using a computer you could hypothetically close down the George Washington Bridge and observe the effect on traffic in the New York area.

Many problems faced by state governments may be suited to such an approach. For instance, what form of tax increase (if there is to be any) would be best for a State's economy? What mix of educational institutions and programs would best serve the population centers of the State?

The Committee is now working with the Institute on State Programming for the 70s in developing a model which will allow us to predict the effect of important decisions by state government.

While problems require many months or years of lead time to solve, we cannot afford the luxury of old methods—time is running out. Some say that our grace period has expired. If we do not now choose to use these new tools, few complex problems are soluble and fewer are avoidable. We stated previously that state government is big business. Our Committee has been discussing the methods which States are using to organize and direct this business. Our Committee feels that all of us must have a basic understanding of the new methods available and we must feel comfortable with them. It is, of course, essential that we involve ourselves

to the degree to which we can effectively use these new methods in state government. Indeed, none of us would be willing to drive an automobile without knowing how to use its basic control mechanisms or read the instruments on its panel. However, it is not necessary that we know everything about what is under the hood.

Many challenges face each and every one of us and many more are just around the corner. Broadly conceptualized state planning, properly placed within the structure of state government and using the new technological methods, can provide us with the opportunity to anticipate and provide for the rapidly nearing impact of such things as high speed rail transit, desalinization of water, nuclear power, new towns, and marine biology. We can seize these new opportunities that will shape the future of our States.

We do not need to point out to this group how much more complex and difficult the job of Governor has become during the last decade or two. We do not need to review the proliferation of grant-in-aid programs, and the fragmentation of plans that they involve. We all know of the specific planning that exists in the departments of our own States. In few, if any, States there has been a consolidation into a coherent, over all, long-range plan that looks toward achievable goals and takes into consideration the interaction between the various parts.

Ad hoc decisions are no longer good enough. The problems of today demand the background and information upon which sound decisions may be based. No longer can the question simply be: "Is it good or bad?" Today the question is: "Is some other alternative better and what effect will our decision have on other programs?"

We cannot mount our horses and ride off in all directions at once, nor can we do all things and be all things to everyone. Sensible priorities within an imaginative and ambitious plan can provide the framework which will aid materially in the state-federal relationship and point the way to the future.

The Committee believes that state planning is the best means available to strengthen the management hand of the Governor. State planning is an important mechanism for coordinating interstate activities and for insuring that needs expressed through local, regional and metropolitan planning are encompassed in a State's overall program. Effective state planning must be broadly conceived and fully utilize all the modern tools and the total resources available.

Your Committee encourages each of you to examine your state planning operation with a view to expanding its scope and increasing its relevance to you. As an aid to you, we are distributing a kit which includes a check-list and other useful information.

The Committee on State Planning feels that it has made progress in identifying the present position of planning in the States, and in recognizing some of the available tools which can permit us to intensify our efforts. We recognize that much needs to be

done. The Committee and the Institute will soon make available to the Governors, information showing the status and scope of state planning throughout the country, and we are prepared to work with individual Governors, upon their request, to evaluate their individual programs. The Committee, in conjunction with the Institute, expects to sponsor regional seminars on state planning at which Governors' representatives can discuss the scope and effectiveness of their planning program with experts in new management methods.

We urge the continuation of this Conference Committee on State Planning so that we may pursue this matter in greater depth and make available to the Governors recommendations which would enable them to use the resources of their States to the fullest capacity.

Chairman Guy: Thank you, Governor Love. This has been one of the most scholarly and perceptive reports that I have heard in many Governors' Conferences. This relatively new mechanism for advancing the science and art of government is something to which all of us will be giving more thought in the months ahead. Gentlemen, we are running ahead of schedule. Do you have comments or questions now on the report of Governor Love? I have an announcement. The Republican Governors will meet following the recessing of this meeting in a few minutes in the card room, which is one deck above this.

In order that we can get started early enough to cover all that we must in Executive Session this afternoon, I am going to ask that we reconvene at 1:30 p.m. rather than 2:00 p.m. So we are now in recess until 1:30 p.m.

**THE COUNCIL OF STATE GOVERNMENTS  
IRON WORKS PIKE  
LEXINGTON, KENTUCKY 40511**



## AFTERNOON SESSION

### Wednesday, October 18

Chairman Guy: I call the meeting to order. We are convening the Wednesday afternoon session of the National Governor's Conference. Prior to lunch we received a report on state planning by Governor Love, and I believe that report was not disposed of at the completion of the morning session.

Governor Love: Mr. Chairman, I move its acceptance.

Chairman Guy: Governor Love has moved that his committee report be accepted.\*

Governor Rhodes: I second the motion.

Chairman Guy: It has been seconded by Governor Rhodes. Those in favor say "Aye." Those opposed, "No." It is carried.

Tomorrow morning at 7:00 a. m. in the card room the Executive Committee, which is the Resolutions Committee, will meet to consider the resolutions that have been filed. Gentlemen, we have this afternoon a report from the Committee on State-Urban Relations, chaired by Governor Richard Hughes.

Governor Richard J. Hughes [N. J.]: Mr. Chairman, Governors, before going through this report very briefly, I would like the members to have in mind that there are two documents. One is a document which we will suggest be merely filed as a sort of reference document. It has a good deal of very important information in it. There was a staff study for the Committee which was made with very formidable assistance from the Carnegie Corporation, and I shall make it part of the motion that appropriate thanks be extended to it.

The other portion of the report has to do with a subject which has been discussed particularly since the tragic events of last summer. It was discussed long before that, of course, but I suppose more millions of words have been poured out on this subject at this point than at any other previous period.

The consensus seems to have developed that the crisis in our cities across America presents a great domestic challenge—some people say the greatest domestic challenge since the depression. The dimensions of this crisis, of course, are represented in realities with which most of us are familiar—the tremendous concentrations of poverty, physical blight and crime within our cities, com-

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\* Full text of the report was presented by Governor Love at the morning session on October 18. See pages 66 through 79.

bined with the growing fiscal incapacity of the cities to bear the disproportionate burden of the national problem of poverty—and other things—while assuming the costs of modern city services in what now have become entire regions. Our central cities stand in stark contrast to some of the rest of the fairly prosperous America.

If one speaks of unemployment, we must recognize that in the poor areas of our cities, unemployment is three times the average of the nation. If one speaks about family income, median family income, for three-quarters of our largest cities the income is \$2,000 below the median family income of surrounding suburbs. If we concern ourselves with housing, we must recognize that 30 per cent of housing in lower income city neighborhoods is substandard, and that's twice the national average. In the field of education, the dropout rates in many central cities are two and three times those of other urban communities. The arrest rate—this is a very important problem; law enforcement—the arrest rate in our largest cities is over twice that of the arrest rate of the rest of the Nation. About one-quarter of large city revenues raised from property taxes are directly related to services for the impoverished. And I have some statistics here on all these subjects, if anyone has further interest in this large disproportion, illustrated by the contrast of the central and large city as compared to the average in America.

We think that this crisis cannot be judged as a problem for our cities alone, or for our most urban States. This is a crisis which must be a matter of deep concern to all Americans, for in our highly urbanized condition, the entire social and economic fabric of our society is inextricably tied to our cities. If our cities collapse, the damage which this Nation and all of its citizens will suffer, regardless of income, irrespective of race or place of residence, is incalculable. So we have joined with the Advisory Committee on Federal-State-Local Relations in its declaration that the crisis of our cities cannot be judged as a problem for our cities alone. Governor Dempsey's report is excellent, and will be considered by the Executive Committee at a later time. The crisis of our cities, including the need to restore on a very permanent and unconditional basis law and order, is a most important domestic problem facing the Nation today. And we think, as Governors, that this problem not only deserves but demands priority over all other domestic problems.

The staff study that I mentioned has been distributed to you, which undoubtedly most of you have not had the time to examine seriously yet. This Committee authorized the preparation of a staff study to suggest possible new directions for individual States to take in dealing with these problems. The recommendations and views expressed in this study are those only of the staff and do not

necessarily represent the views of members of our committee. It is being made available, as I said, as a basic reference document, and I think that you will find, subject to the needs and the directions of various States, individual States, that it is a most valuable reference document.

The crisis of our cities represents, we think, not only a challenge but an opportunity for the States to emerge as the essential element in our federal system, and it presents a challenge to our ingenuity and our commitment to create a better life for all our citizens. We recognize that States must form a close partnership with the federal and local levels of government to maximize the attributes of both these essential links in our government structure. As President Johnson stated in his 1967 State of the Union Message:

"Federal energy is essential. But it is not enough. Only a total partnership among federal, state, and local governments can succeed."

The States must recognize that they are possessed with inherent capabilities, whose potential must be fully utilized. Unlike the federal government, the States have the legal power to direct local government to meet problems created by our present day population and resource incompatibilities. Further, the States are much closer to the problems of the cities and can and must provide personalized attention and services to an extent that a distant federal government cannot. The States can also blend their existing institutions and programs with new or redirected federal programs. As such, no other level of government but the States can so effectively coordinate the various activities which must be brought to bear on the problems of urban America.

The States have a much greater financial capacity than local governments, as well as a broader perspective. Further, the States can accumulate at a central point the limited expertise now available in the various urban professions to assist a number of cities in service programs. They are a natural base to provide technical assistance and training for local government. Indeed, the States are the necessary "middle ground" between the rigidity of centralization and the limited capacity and resources which are characteristic of highly decentralized local government.

This Committee recommends that the States take the following basic steps to assume fully their responsibility as the essential actor in meeting the urban challenge:

No. 1: States should continue their efforts to strengthen urban education, housing, employment and social service programs as well as local law enforcement efforts.

No. 2: Consistent with the report of Governor Evans' Committee on Constitutional Revision, which you heard during this Conference, constitutional and statutory provisions which restrict Gover-

nors from undertaking effective urban programs should be removed. Governors should be given the authority over heads of important operating departments, along with the final responsibility and authority for the Executive Budget, and a highly professional planning agency.

No. 3: We think that States that have not done so already should consider establishing local or community affairs agencies. This Committee is greatly encouraged by the fact that at least eighteen such agencies or departments have been created already, most of which were created during the 1966-67 legislative session. These agencies can be established to perform a number of vital administrative services, including coordinating federal and state urban grant functions and state agencies dealing with urban problems; studying local government operations and suggesting new governmental techniques to localities; supplying financial and technical and advisory assistance to localities and the federal government while serving as the liaison between the localities and state agencies and the federal government; and conducting training and personnel programs for local governments.

No. 4: States should re-examine present financial and legal restrictions imposed upon local government, enabling them to deal more flexibly with their mounting problems.

No. 5: To avoid duplication and to create maximum efficiency and economy in providing municipal and county services, States should encourage greater cooperation between local governments and a more coordinated approach to a variety of urban problems. Consideration should be given to the establishment of cooperative arrangements to provide local services such as medical care, parks and recreation areas, record and data collection systems and sewerage and water systems. Local or community affairs agencies can be an invaluable instrument for developing such co-operation. Here we refer to the very imaginative program recommended by my distinguished colleague just across the Hudson, Governor Nelson Rockefeller.

No. 6: We think that States should avail themselves of the technical services which will be extended through the Urban Action Center. This Committee joins with the Advisory Committee on Federal-State-Local Relations in strongly endorsing the formation of the Urban Action Center.

We further recommend that this Committee and its working group continue in existence and that both be available to the Urban Action Center in an advisory capacity. During the past six months, this working committee has met in various State Capitals and has worked harmoniously, irrespective of party affiliations or regional interests, and has become an invaluable resource for information and experience. Massachusetts and Mis-

souri, in particular, have designated able persons to work with this group and have contributed greatly to the final report. We strongly urge other Governors to consider designating representatives of their own to serve as members of the working group.

Under the urban partnership with the federal government during the last few years, the federal government has greatly expanded its program of assistance to the cities. As Governors, we encourage this development, for we recognize that the federal government should supply a major portion of additional resources to meet urban problems. On the other hand, we strongly feel that the federal government should encourage more active participation by the States in federal urban assistance programs. On the basis of these two basic underlying principles, a true and essential partnership can be created to meet the urban challenge.

So as a Committee, we are making the following recommendations:

No. 1: States and local governments should jointly work toward a much greater degree of participation in program design and administration, by the establishment of more comprehensive grant programs at the federal level which at the same time retain broad national purposes.

No. 2: Consistent with the effort to move toward comprehensiveness in federal grants, state and local governments should jointly work towards reducing the present proliferation of categorical grants through grant consolidations, yet never abandoning the essential national purpose. This Committee concurs with the recommendation of the Advisory Commission on Intergovernmental Relations that the President should be given the authority to consolidate these grants through reorganization plans submitted to Congress with the goal of reducing the present categories to approximately half their present number. Indeed, some progress toward this goal has already been made with the passage last year of the Comprehensive Health Planning and Public Health Act which combined a number of narrow categorical grants into a broad health program.

No. 3: States should be given a greater opportunity to comment on legislation and administrative rules and regulations for urban assistance programs during the formulation stage.

No. 4: The federal government should, jointly with the States, re-evaluate all existing grants-in-aid which are aimed at dealing with urban problems to ascertain their true effectiveness and to redirect the design and composition of these grant programs to meet today's critical urban problems.

No. 5: The federal government should take immediate steps to simplify the procedural requirements placed on grants-in-aid in order to facilitate joint funding of two or more grant programs

at the state level to support multi-purpose projects. And you may notice that the recommendations made by the able committee headed by Governor Romney with reference to the simplification of these funding programs, modernization of the administrative organization and procedures for distributing grants-in-aid should be pursued jointly and concurrently at both federal and state levels. More delegation of authority should be given to federal regional offices. Federal programs administered on a district level should reflect the preferences of the affected States. Further, States which show an interest and capacity should be allowed to assist regional offices in expediting grant applications to reduce delays in federal approval of desperately needed local programs.

No. 6: It is recommended that the Congress pass remedial legislation to give the States a mandated interest in all federal-city assistance programs; further, it is recommended that no future federal-city assistance programs circumvent state government.

As a Committee, we are greatly encouraged by the growth of interstate compacts and agreements over the last few years to deal with regional urban problems throughout the nation. The Delaware River Basin Commission and the Great Lakes Commission stand as just two examples—there are many more—of interstate efforts to improve and control our most valuable natural resource, water. The Tri-State Transportation Commission and the Mid-Atlantic Air Pollution Compact may well develop into the most far-reaching and realistic approaches to combating the problems of traffic congestion and air pollution, which respect no political boundary. The close working relationship established by the members of the New England Governors' Conference in a variety of areas and the work of the Western Interstate Commission for Higher Education, for instance, should receive special attention by all Governors who are concerned with common issues and problems. We are very proud of the fact that some of the representatives on our Committee are members of these organizations, and we encourage other States to form similar organizations to deal with pressing problems of the Greater City.

There are no simple solutions to the profound and complex problems of our cities and urban areas. The Committee feels that the foregoing recommendations, while far from complete, are at least steps toward meeting the urban challenge. We recognize that individual States should treat these recommendations in conformity with their different traditions, unique patterns of government and diverse problems.

It is recommended, Mr. Chairman, that the Committee on State-Urban Relations continue its efforts to suggest new directions for the States to take in overcoming the critical urban problems confronting this nation. Toward that end we think that imme-

diate attention should be given to the following. This is a suggestion primarily by our member, Governor Rhodes. We all agree with it:

--Greatly expanding and strengthening vocational education, within the framework of comprehensive secondary schools, so that the vast majority of our youngsters who do not enter college can be equipped with the technical skills required of modern industry so that they will be ready to work, if not to go on to college. Unrealistic requirements which now preclude students from vocational training should be eliminated.

--Increased inducements by the public sector to attract private investment in the lower income areas of the cities, including the provision of extended mortgage insurance and appropriate tax incentives.

--Recognizing that poverty is indeed a national problem, consideration should be given to increased federal assumption of public welfare costs, because this indeed recognizes that poverty is a national problem.

--And again, serious study should be given to the interrelationships of rural and urban poverty. This is particularly important in view of the substantial transmigration of rural poor, generally uneducated and untrained for work, into our central cities.

In conclusion Mr. Chairman, I have already thanked the able Governor of Wisconsin Warren P. Knowles, our Committee Vice-Chairman, and our Committee members for their effective cooperation and the Carnegie Corporation for its generous financial support. The members of this Committee have accepted the challenge—and we think we all must accept the challenge—posed by the crisis of our cities and will do all in our power to improve the quality of life for those in the cities and in all of our urban areas.

We pledge our wholehearted support to efforts by the federal government, business and labor, and our fellow States—to assist in this great effort. It is a full commitment by all of us. We have thought—though we haven't formally expressed it here—that it would be intolerable to have to face two Americas: One, an urban, and one a rural America; one, a poor, and one, an affluent America; one a black and one a white America. These multiple Americas are not within our thinking. We think that one of the ways to make sure we come back to the concept of one America—all come together, one Nation, under God, with liberty and justice for all—is to adopt a resolution, a mental drive, a new drive, to carry forward in two great formidable thrusts—one to redouble and triple our efforts to deal with the festering problems in many of our cities; but of equal importance, to make a new pledge for unconditional law enforcement, the restoration of law and order, in the communities of America, both urban and rural. We think that by

following these two directions we can render great service and indeed necessary service, because we have no choice.

So, Mr. Chairman, I would like to move that the report be received at this time. And I have filed an appropriate resolution with you, Mr. Chairman, so that it can be discussed and approved, we hope, later in this Conference.

I would like to add to that a further motion that the staff study be received and filed merely as a reference document, without prejudice, so that the individual States can use its contents and review them, and the recommendations, and fit them into their individual needs and viewpoints; and a third part of this simple motion, Mr. Chairman, is that the Conference extend its deep appreciation to the Carnegie Corporation which has made this staff study possible by its generous financial report.\*

Governor Curtis: Second the motion.

Chairman Guy: We have before us a motion to receive this report, along with the staff study document, and with an appropriate "thank you" to the Carnegie Corporation for its financial assistance. It has been seconded. Is there discussion or comment now on the report?

Governor Nelson Rockefeller (N. Y.): Is "received" different from "to accept"?

Chairman Guy: Yes. This report will be received as a record of the Conference. The policy statements that are in the report will be moved at the time that all policy statements will be considered.

Governor Nelson Rockefeller: Thank you.

Chairman Guy: Those in favor of the motion say "Aye," opposed, "No." The motion is carried. Gentlemen, we are now on that part of our agenda which is the Executive Session. And so we will ask that all who are not a part of the working staff of the Governors to vacate the room at this time, please. Everything that is said from this point on is off the record, and this is an Executive Session. I should clarify this a little bit. The question has arisen: Can wives stay? Of course, wives can stay. They are part of the staff. As a matter of fact, every State gets two officials for the price of one when it elects a Governor with a wife. While we are clearing the room, I want to announce once again that the Resolutions Committee, which is the Executive Committee, will meet tomorrow morning at 7:00 a. m.

[Whereupon, the Conference went into Executive Session, during the course of which the following official actions were taken by the Conference:

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\* Governor Hughes presented in full the report of his committee. Copies of the staff study are on file in the office of the secretary.



(1) The draft of a proposed National Guard Mutual Assistance Compact was approved in principle, with instructions that a perfected draft be prepared by the Executive Committee.

(2) The second report of the Committee on Federal-State-Local Relations entitled "Call and Commitment" was received by motion adopted, with instructions that the Executive Committee prepare an appropriate additional motion or resolution for subsequent consideration by the Conference.]

## FINAL SESSION

### Friday, October 20

Chairman Guy: I have a message addressed to the Chairman of the National Governors' Conference stating the following: The President regrets that, due to matters before him in Washington, it will be impossible for him to make the trip to the Virgin Islands. Governor Paiewonsky has been so advised.

Our first order of business is to hear a report on the Compact for Education. Governor Rampton will give this report.

Governor Calvin L. Rampton: Mr. Chairman, Gentlemen. The Education Commission of the States now has thirty-seven States as members, plus Puerto Rico and the Virgin Islands. In addition, five States, plus the territory of American Samoa, are members by executive order, and there is a possibility that during the remainder of this year we will get one additional State adhering by legislation. Thus, the acceptance of the idea of an interstate compact on education is obvious. The concept of an education compact among the States was originally fostered by Dr. James B. Conant, and was taken up by former Governor Terry Sanford, who was the moving force in getting the compact started. We had our second anniversary meeting in Boston some three weeks ago, which I believe was attended by half a dozen of those here. There has been distributed to each of you a report which has been prepared on the compact and the progress that we have made to date. There are a few things I would like to mention by way of emphasis.

First, we, as Governors, frequently make the statement in campaign speeches, or elsewhere, that the most important problem that we have before us in the State is the problem of education. And yet, because we are busy with other things, I believe that there are other matters to which we pay more detailed attention than we do to educational policy. Generally we are content to leave it up to the educators. And I think no greater mistake could be made. It was one of our educator members who said, "education is too important to be left to the educators," and I believe this is very true. In no place has it been brought out more clearly than in the meetings which we have had.

And yet I would say, if we have one weakness in this compact up to the present time, it's that we have tended to become educator-dominated. And the only reason we have tended to become educator-dominated is because the Governors have not been getting to the meetings. At Boston I believe we had seven Governors out of the

total of some 130 or 140 people attending. We probably had fifteen or twenty state legislators. And the rest were educationally oriented.

Now the primary purpose of the compact and of the Commission was to provide a dialogue between those of us who have the decision-making responsibility and those in the field of education. But if we're going to sit back and say, "the duties I have at home are too important for me to attend these meetings," then the purpose of the compact is not going to be fulfilled. The next meeting of the Steering Committee is scheduled for early in December in South Carolina. It has been arranged so that the Republican Governors can attend this meeting on their way to the Republican Governors' Conference. Governor Bob McNair will be the host. I'm going to ask Bob to take just a moment to tell us what he has planned for that meeting.

Governor Robert E. McNair: Thank you very much, Governor. That will take only a moment. The meeting will be held at Hilton Head with which I am sure you are familiar. We would hope that many of you will attend. We would like to have it at another season, but early December is not bad in South Carolina. And we are making some additional plans for any of the Governors who might like to arrive a little early. There is an airport there that will take care of most of the private planes. The Marine Corps also has a base just about thirty minutes away, and the facilities of the Marine Air Base will be available for all of those who want to fly in their National Guard Planes. Beyond that, we will have further information that we will be getting to you directly.

Governor Rampton: Thank you very much, Governor McNair. During last year we have been able to complete the staffing of the Commission. The headquarters is at Denver, Colorado, and the Executive Director is one of the foremost educators of the country, a former superintendent of the Cincinnati Schools. I'd like to ask Dr. Wendell Pierce to stand up so you can get to know him in case you have not previously met him.

We have undertaken seven basic studies, and we have attempted to apply them directly to the problems that we face in the States. They are not abstract studies. They are studies that are meant to solve your problems. In addition to that, the staff has a complete service available to you as Governors and to the members of your Legislature to help you in the drafting of legislation and to provide you with the information and data which you need to take before your legislature and before the people of your State in an attempt to get legislation enacted. But we feel that we won't live up to our full potential if we merely remain a study and research group.

We feel that the States must assert a voice in the educational picture, and that this voice should be asserted through this Commission representing both the political leaders and the educational

leaders. We believe that we should have a role in establishing the policy of the federal government so far as cooperative effort between the state and federal governments in the field of education is concerned. You will be asked to vote in a few minutes on a resolution which came out of Governor Romney's Committee on State and Local Revenues, which includes the following language:

"We propose a joint study of educational needs and finances by the Education Commission of the States and the United States Department of Health, Education and Welfare."

Furthermore, those of us Governors who have become involved in this work feel that we must go beyond study on this point. We feel that the Education Commission of the States, with the leadership of the Governors and of the state legislatures, should be involved with the Department of Health, Education and Welfare and the Educational Committees of the two Houses of our Congress in developing the kind of legislation to be presented to the Congress that we feel meets our needs as States. We saw what happened in the last session of the Congress when the bill that I think most of you could support in part became bogged down for two reasons: because sufficient work had not been done on it ahead of time, and secondly, because it had partisan aspects. We feel that through our staff and through close cooperation with the Congress, we can help draft a bill which will remove the defects that existed and avoid the previous controversy.

Furthermore, we feel that because we are a bipartisan Commission, we can get bipartisan sponsorship of such legislation in the Congress and can prevent it from becoming bogged down in politics. But we can do this, gentlemen, only if you as Governors are willing to participate. If you are not willing to take a part, then this compact and this Commission are going to die out. Now I know you are interested in it because more than three-fourths of the States now have had Governors who were sufficiently interested to put a bill through the Legislature approving it. Furthermore, more than three-fourths of you have put items in your appropriation bill to support this compact. And you wouldn't do that unless you were interested. But if you just go this far and don't give it your personal attention, then it's not going to reach the potential we have envisioned for it.

In conclusion, I would like to read the section from the report that was submitted by Governor Dick Hughes and Governor Mark Hatfield at the time this compact was originated, as to the objectives, and I believe these are still the objectives. It reads as follows:

"It is the belief of this committee that the leadership in the determination of educational policy decisions must remain with the States. Only by state leadership can our invaluable diversity be maintained. There must be a mechanism which will weld the

States together in a nationwide organization. We agree with Governor Sanford that only by the vigorous leadership of the Governors and the intensification of communications among the States can the desirable end of state pre-eminence in the field of education be preserved."

Thank you.

Chairman Guy: Thank you, Governor Rampton. Is there any comment or question on this report?

Governor Chafee: Mr. Chairman, I just think all the members—all the Governors—ought to be aware of the wonderful leadership which Governor Rampton and his predecessor, Governor Charles Terry of Delaware, have given to this Commission. They have been tremendously loyal and have done outstanding jobs as chairmen for the past two years—first, Governor Terry, and now, Governor Rampton.

Chairman Guy: Thank you, Governor Chafee.

At our last session the Executive Committee, acting as the Resolutions Committee, was given the assignment of determining the procedure whereby the report of the Committee on Federal-State-Local Relations might be considered by the Conference. I am asking a member of the Resolutions Committee to offer the recommendations of that Committee. Governor Smith.

Governor Smith: Mr. Chairman, on behalf of the Executive Committee, I offer the following motion: "We commend the advisory Committee on Federal-State-Local Relations for its outstanding report on action to alleviate civil disorder and eliminate social and economic injustice, and, with the understanding that each particular recommendation of the report is not binding on the individual States, we approve the report as a helpful checklist of action for the Governors in dealing with urban problems in their respective States."

Chairman Guy: Is there a second?

Governor Kerner: Second.

Chairman Guy: Judging from the way this motion is worded, I recognize it not as an expression of Conference policy but as a motion to recognize the report as a guideline for action by the States in such manner as might be applicable in situations and conditions unique to each State. Therefore, I will ask only for a majority vote on this motion. Is there discussion of the motion? Those in favor of the motion say, "Aye." Opposed, "No."

Governor Maddox: No.

Chairman Guy: The motion is carried. It is now time to take up consideration of the resolutions. The Executive Committee, acting as a Resolutions Committee, has recommended for approval a number of resolutions. I am going to ask that these resolutions be considered in the order that you find them in your bound copy, and

I'm going to ask that the Governor sponsoring each resolution move that resolution for action.

I ask that you treat these resolutions in this manner: either move it by title, as distributed, or by reading only the resolving clause. If you feel it's necessary to read the entire resolution, this will be in order. Following action on these resolutions, there will be an opportunity to consider resolutions from the floor. At that time it will be necessary first to offer a motion to suspend the Articles of Organization. When you offer a motion to suspend, you must state your reason for so doing. And at that time it would be necessary for you to read the specific resolution which you wish to offer. Suspension of the Articles will require a three-fourths vote of those who are present and voting. The subsequent approval or disapproval of the resolution itself will also require a three-fourths vote of those present and voting. The motion to suspend the Articles will be debatable, but only debatable as to procedure. There will be no debate on the issue itself at that time. And only if suspension is approved and the resolution is submitted, will debate be allowed on the issue.

I would suggest that, in order to give adequate time to all of these resolutions, we should remember that the weight of importance of a resolution is its intent. We could get into a jungle of semantics if we get down to picayunish argument about the wording of a resolution. So I hope, wherever possible, we can avoid that and look at a resolution from the standpoint of the intent.

I will now call on the sponsor of the first resolution reported by the Resolutions Committee. Do you all have copies of these resolutions before you? Governor Love.

Governor Love: This is a resolution which endorses the efforts of the Public Land Law Review Commission. This new Commission was to undertake a complete review of—and hopefully, to prepare positive and affirmative amendments to—the many laws that affect our public lands. It seems on its face perhaps more important in the Western States where greater percentages of the land are in public ownership. But it also has meaning in each of the States, and I think also in the problems of the off-shore lands that are in many ways comparable and parallel to some of the problems that exist in the West. I will not read it or state the resolving clause, but simply move its adoption.

Chairman Guy: Is there a second?

Governor Hoff: Second. And I would like to speak to the motion if I could very briefly.

Chairman Guy: All right.

Governor Hoff: I am a member of the Public Land Law Review Commission, and I would like to second what Governor Love has said about its importance. While it is true that the primary States involved in this are Western States, nevertheless I would

suggest to all the Governors here that these lands are owned by all of the people of this country, and that what this Commission ultimately does is going to have a decided impact on the lives of every one of us here today, particularly in view of the burgeoning population growth, with which we will be more and more confronted in the future. Almost every State has within its boundaries some United States public land, and the policies adopted here could have an impact on all the States of this nation. It is a very important matter, and with this I simply would move the question.

Chairman Guy: Is there further comment on the resolution? Those in favor, raise your hands. Opposed, raise your hands. The resolution carries.\*

We have before us the resolution on Reaffirming States' Jurisdiction Over Fish and Wildlife Management.

Governor Love: I don't think this resolution requires lengthy explanation. We in Colorado—and I am sure it is true among the various States—find it is not only advantageous but necessary that there be continued recognition of the States in their jurisdiction and control over game and fish and wildlife within their borders, with the exception of migratory fish and fowl. Without reading the resolution, I move its adoption.

Chairman Guy: Is there a second? Governor Hathaway seconds. Is there discussion? Those in favor of the resolution Reaffirming States' Jurisdiction Over Fish and Wildlife Management, raise your hands. Those opposed, raise your hands. The resolution carries.\*

We have before us the resolution to Advance Federal Planning for Future Highway Programs.

Governor Harold E. Hughes [Iowa]: Mr. Chairman, by way of explanation, this deals with the interstate system beyond 1972, the completion date. We are at a point where most States having a five-year planning program are in their final year of planning on present availabilities, and in order to go beyond that date without totally revising their planning systems, financially and in every other way, we should have a declaration of intent by the Congress of the United States. This resolution proposes guidelines for the extension of the interstate system beyond 1972, and I would move its adoption.

Chairman Guy: Is there a second? Governor Hulett Smith seconds. Is there discussion? Those in favor of the resolution to advance federal planning for future highway programs, raise your hands. Those opposed, raise your hands. The resolution passes.\*

We have before us a resolution regarding the World Governors' Conference.

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\* For text, see Appendix VII.

Governor Harold Hughes [Iowa]: Mr. Chairman, as I explained the background to the Governors the other day in Executive Session, this resolution arises from the experience of the Japanese-American Governors' Conference. In discussions with Governor Connally and Governor Ellington, as a subcommittee to initiate the idea of a World Governors' Conference, we thought it would be conducive to affirmative action if we accept the study that has been made on this subject by Brevard Cribfield, and it has been staked out by the State Department as thoroughly possible. We believe that the proposal should move ahead and that it would be very profitable to have participation by Governors of the countries with systems of government similar to our own. I would move its adoption. If Governor Connally would like to explain the matter further as far as Texas is concerned, I move it over to him.

Chairman Guy: Do we have a second?

Governor Connally: I second.

Chairman Guy: Is there discussion?

Governor Connally: Mr. Chairman, may I simply explain, in addition to what I said yesterday, that we have talked with the officers and directors of this World's Fair to be held next year in San Antonio. We expect at least twenty-five nations to participate. The HemisFair officials are prepared to cooperate in every way. The Chamber of Commerce of San Antonio has agreed to help underwrite the expense of this so that the National Governors' Conference will not have to bear any of these expenses whatever. I assure you that between the HemisFair, the local officials of the City of San Antonio and the State of Texas, we will do our utmost to provide a World Conference of Governors that will do credit to the National Governors' Conference. And I hope that this resolution will meet with favorable action.

Chairman Guy: Is there further discussion? Those in favor, raise your hands. Opposed, raise your hands. The resolution is carried.\*

Now we come to the resolution on State Coordination of Federal Assistance Programs.

Governor Dempsey: This resolution, Mr. Chairman, was presented to the Committee on Federal-State-Local Relations by the distinguished Governor of Maryland. We feel, Mr. Chairman, that this resolution will strengthen our report. Because it is so important, let me just read a portion:

"Now, therefore, be it resolved, that the National Governors' Conference requests that any new federal-local assistance programs adopted by the Congress be drafted so that the interest and participation of the States be included and that remedial

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\* For text, see Appendix VII.



legislation be adopted to give these States a participating interest in existing federal-local assistance programs that bypass the States."

Mr. Chairman, I move adoption of the resolution.

Governor Agnew: I second.

Chairman Guy: Governor Agnew seconds. Is there discussion? Those who approve, raise your hands. Those who disapprove, raise your hands. The resolution carries.\* The next resolution is entitled Implementation of Part I of the Report of the Committee on State and Local Revenue.

Governor Romney: Mr. Chairman, this is the motion that was submitted earlier. It now appears before you in the form of a resolution, and it has these specific recommendations:

Number one, supporting enactment of the Joint Funding Simplification Act; number two, planning grants to be made as determined by the Governors; the consolidation of individual grant programs is number 3; and number four, guidelines for specifications of grant-in-aid formulas and their matching ratios by the Bureau of the Budget. Then the report calls for several studies: a detailed study looking forward toward simplification of present programs; elimination of standards and requirements which are outmoded or unduly restrictive; consolidation of related programs; a study of the public welfare programs; a study of educational needs and finances; a consolidation of grants for water supplies and liquid waste disposal; elimination of all categorization and earmarking from the vocational education programs; and finally, the recommendation for a study of the categorical aid programs to determine if there are some no longer necessary for the national purpose, so that they might properly be replaced by block grants, in the interest of greater efficiency, economy and local determination.

I move the resolution.

Chairman Guy: Is there a second?

Governor Evans: Second.

Chairman Guy: Is there discussion? Those in favor of the resolution, raise your hands. Those who oppose, raise your hands. The resolution is approved.\* The next resolution is entitled Highway Trust Fund Allocations.

Governor Volpe: Mr. Chairman, the resolution speaks for itself. I think all of us certainly understand the great need for not interrupting the progress of the interstate highway system, particularly the great need for the economy of our States, and also for the safety of our fellow citizens across the nation. We have reworked the resolution. I believe it is one that we should all support, I urge its adoption, and so move.

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\* For text, see Appendix VII.

Chairman Guy: It has been moved. Is there a second?

Governor Knowles: Second.

Chairman Guy: Is there discussion? Those in favor, raise your hands. Those opposed, raise your hands. The resolution carries.\* The next resolution is entitled Forest Fire Fighting.

Governor Don Samuelson: Mr. Chairman, this past year has pointed up a need for legislation to help States in case of a disaster like we have witnessed in Idaho. In our State the humidity dropped to fifteen. We had gone seventy-five days or more without a drop of rain. Our huckleberry brush and the rest of the timber burned just like paper. In the last fifty-seven years our fire suppression bill had amounted to somewhere in the neighborhood of \$57,000 a year in costs, on the average. And this one fire will run somewhere in the neighborhood of between six and seven million.

If you can imagine conditions that would allow one square mile of timber to burn in less than six minutes, you can envision the importance of this consideration. The research team from our regional office in Missoula, Montana, flew over the fire and determined that this happened. They tell me that a fire such as this is called a fire storm. But this fire travels over twenty miles in just a matter of a couple of hours, and on a ten-mile front, through the mountains. It burned the hillsides as bare as you have ever seen.

This resolution asks that Congress consider implementing a law very similar to Public Law 84-99 that deals with floods, and which says that when a county does everything that it can in the instance of a flood, then it can call on the State. The State then does everything that it can, and when the State runs out of money budgeted for floods, it then calls on the Army Engineers. The Army Engineers then take over and go on from that point until the flood recedes.

Now the precedent has been set. This has been done in many States, and I know that there are many of you here who are familiar with the procedure. What we are asking is that Congress consider this same method for fire protection. We will let the fire suppressing associations in each county do whatever they can. Then, when they call the State in, the State will do whatever it can. And when it runs out of funds allocated to this purpose, then we will ask the federal agency to take over the fire and to help us suppress it.

The reason we ask for help is that in our particular State, about sixty per cent of the land belongs to the federal government. If a fire isn't stopped, then the fire will burn on into Fed-

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\* For text, see Appendix VII.

eral Forest Service lands as well as on private or state lands. For instance, because of the extremely bad conditions we had, as many as two hundred fires gather in one storm, in just a matter of an hour or two. Of course, the Forest Service in Missoula, Montana, put men on the fires, and they were retrieving them. Young college boys were jumping as many as three times a day on fires, and they were retrieving them with helicopters. And that's the only thing that kept the loss as low as it was. This is the worst that we had been hit in fifty-seven years, and I can see where this could hit other States. Our neighboring people in Montana had the same experience. They lost a great deal of land in the Glacier Park area of Montana. So I would like to move the adoption of this resolution.

Chairman Guy: Is there a second?

Governor Paul B. Johnson: I second.

Chairman Guy: Is there further discussion? Those in favor, raise your hands. Those opposed, raise your hands. The resolution carries.\*

Once again I will ask the television people who have these hot lights on, if you are not rolling them, please turn them off except when you want a film. And will you open those doors so we can get a flow of air through here, please. Most of you people are already seated. Standing, I may fall over in a dead faint. The next resolution is on the National Guard.

Governor Le Vander: The National Guard I think we all recognize is the arm of the Governors in case of emergency, and we have no control over the Army Reserve. The transfer of the combat units and the reduction in the strength of the National Guard weakens the ability of the Governors to maintain law and order in the case of a real emergency. This year plans were presented by the Defense Department and negotiated and worked out by Congress before there was adequate consultation with the States. The impact of this resolution is that the strength that has been taken away should be restored, and that in future negotiations the States should be consulted before, not after the accomplished fact. I think it's an important resolution and in the interest of the Governors, I move its adoption.

Chairman Guy: Is there a second?

Governor Don Samuelson: I would like to second that, Mr. Chairman, for this reason: the National Guard was a big help to us during the fire season this year in Idaho. They supplemented our crews all over the State. I don't know what we would have done without them.

Chairman Guy: Is there further comment? Those in favor, raise your hands. Those in opposition? The resolution carries.\*

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\* For text, see Appendix VII.

The next resolution is on Civil Disorders and Lawlessness.

Governor Rampton: Mr. Chairman, I am not the only one to introduce a resolution on this. There were several in on it, and Governor Smith and Governor Knowles and I were assigned as a committee to combine them into a single resolution, which we have done and submitted here.

In this resolution we make five primary points:

First, that the primary obligation for the preservation of law and order is an obligation of the local and state governments; second, that the States should within themselves make certain that their laws are sufficient to take care of the problem, and that their National Guard is sufficiently equipped to deal with civil disorders; third, we take the position that the first obligation, in the event of a civil disorder, is to restore order and maintain peace by the use of whatever force is reasonably necessary; the fourth point is that restoring of order is merely a treatment of symptoms of social disorder, and that we, as States, must devote our primary attention to getting to the basic causes; and the fifth point is that, while the basic responsibility is with the States and the local governments, there are some fields where civil disorders and crime cross state lines, and here we must seek cooperation between state and federal agencies in the enforcement of law. I move adoption of the resolution.

Chairman Guy: Is there a second?

Governor Tim Babcock: Second.

Chairman Guy: Is there further discussion?

Governor Maddox: Yes. I would like to make some comments similar to what I have already made, in reference to this particular proposal, and to say that basically it evades some of the major issues and is not as comprehensive as it should be. There are many good things in the resolution, but to me it suggests programs that have already proven a failure and it contributes to the problem that we are trying to eliminate.

In my opinion, law and order must come first before we can ever make our social conditions and economic conditions what we would seek. Further, the resolution contains no suggestions or indications that Communism is a basic factor in this and every civil rights movement in America and any civil disobedience that has struck our nation. And it fails to state in this resolution that people in high places have encouraged, inspired and sometimes participated in actions that led to the blight that has struck much of our nation and now threatens all of America.

This resolution fails to acknowledge, or even suggest calling for action against the use of public funds to teach Communism, spread hate, rioting, looting, burning and murder that are designed to overthrow the United States of America. And it suggests that we support and create human relations groups, when we find in these

human relations groups some of the same Communists and some of the same rioters and burners who have been striking at the cities of America. Further, the resolution asks for non-bail release of offenders with influence, but bail will apply for the less fortunate who may have committed the same legal offense.

Chairman Guy: Governor Maddox, are you referring to the resolution before us?

Governor Maddox: Yes, sir. A paragraph in there states that policies be changed to overcome social, economic and racial segregation, support open housing legislation and its effective implementation, and require real estate agents to make lists of sales properties to other clients. This is destructive of the rights of private property and of free enterprise. And then finally, the resolution calls for the right of welfare recipients to undertake training and employment by permitting income plus welfare benefits to total more than the amount they would receive under welfare benefits alone. This is what is in the proposal by the Committee that is cited in the resolution as being recommended to the States and to their people, which in my opinion contributes further to the violence and rioting that is sweeping our country. And I wanted this to be on the record on this occasion.

Chairman Guy: Is there further discussion? Those in favor of the resolution, raise your hands. Those opposed, raise your hands. The resolution is carried.\* The next resolution deals with Interstate Crime Control.

Governor Harold Hughes: Mr. Chairman, I would like to explain to the Conference that this resolution was introduced by Governor Guy, Chairman of the Conference. I concur in the resolution. I do think there are some important points in it that I should read, just in case some of you haven't had time to read these resolutions and are not aware of all of their contents.

"Whereas, there is mounting evidence of a breakdown in law and order in the United States which can only breed contempt for law and order by each oncoming generation of citizens . . .

"Now, therefore, be it resolved that the National Governors' Conference does urgently ask that the Administration join hands with Congress to take whatever action is necessary, administratively or legislatively, to begin an aggressive, unequivocal battle to eliminate the Cosa Nostra and other interstate and syndicated crime from our midst through such devices as:

"1. Limited wire tapping against the Cosa Nostra by enforcement agencies when approved by a Federal court beforehand;

"2. A new interstate crime fighting federal agency to bring together all governmental agencies at all levels in a coordinated ef-

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\* For text, see Appendix VII.

fort to document activities and secure convictions of Cosa Nostra members;

"3. The tightening up of political campaign fund laws which will disclose the illegitimate as well as legitimate political campaign financing for elected officials;

"4. The strengthening and modernizing of the laws governing grand juries to make them more effective;

"5. The formulation of laws to secure removal of incompetent police or judges;

"6. The creation of new federal courts and federal financial assistance to the States for state courts to hasten and improve the meting out of justice."

I move adoption of the resolution.

Chairman Guy: Is there a second? Governor Hoff seconds. Is there discussion?

Governor Rampton: Mr. Chairman, I would like to comment on the resolution, and I do so hesitantly because of my great respect for you as the drafter. But to my mind this resolution flies right in the face of what these Governors have been trying to do for many years. We have been decrying the influence of the federal government into those areas where we feel that the States have a traditional responsibility. Here it appears to me that we are recognizing a problem that is our responsibility, saying we have failed to solve it, and asking the federal government to come in. I doubt in these fields that the federal government could constitutionally do what we are asking them to do here. And if they could, I think they should not.

For example, you ask that the federal government tighten up political campaign fund laws at every governmental level. It seems to me that you are asking the federal government to come in the States and take over their corrupt practices acts. I feel this is a responsibility of state legislatures, and that if they haven't borne this responsibility, then they must get in and do it. Secondly, you ask for strengthening and modernizing grand juries and courts. Once again I assume you are talking about state courts, because that's the whole concept here. You ask that there be adopted laws—or the formulation of laws—to secure removal of incompetent police or judges. Now the term "police" to me means all police. I don't think you are talking here only about the FBI and the Secret Service. I don't want the federal government to have the power to enact laws for the removal of judges in my State. If you were talking about federal judges, under the Constitution, then they can be removed by impeachment. If you are talking about removal of state judges, then I think that should be done by our States.

I don't know about the balance of the resolution, about the Cosa Nostra. I have read articles about it. I don't know that they have any in Salt Lake City, but if you have some in Bismarck, I'd

be willing to vote for you to get rid of them. I just don't know. I don't like to vote for a resolution which means nothing to me and which flies in the face of what I think is my obligation as Governor of my State.

Governor Romney: I would like to raise a point of order with respect to the resolution because it is my recollection that Governor Rampton expressed these same views in our Executive Committee, and the resolution was to be redrafted. As I read this resolution, it hasn't been so redrafted. Now I want to support what he said and I want to add one other thing. In Detroit we know we've got some syndicated crime and we are concerned about syndicated crimes, and we are cooperating with federal officials and we are cooperating with local officials to do everything we can about it. Our state police spent a great deal of effort in connection with syndicated crime. But it is more than the Cosa Nostra. And I think our discussion in the Resolutions Committee was to the effect that we ought to refer to syndicated crime, regardless of whether it is designated under one name or some other name.

In any event, I raise this point of order. My recollection is that Governor Rampton raised these same points in the Executive Committee. And I believe Governor Rampton would have agreed with the resolution as it was to have been amended. Is that correct, Governor Rampton?

Governor Rampton: May I explain what happened. My understanding was that I would try to take the guts of Governor Guy's proposal and put it in the last paragraph of the resolution we passed a few minutes ago. Governor Guy did not feel we had been successful in doing this, and in view of the fact that we hadn't actually turned his resolution down, the Committee felt we had to bring it forward on the floor.

Governor Romney: In any event, I support the Governor of Utah in his objections, and I would make the motion, if we are going to consider this resolution, that we substitute "syndicated crime" for "Cosa Nostra" so that we are at least dealing with the whole subject.

Chairman Guy: Governor Romney, I believe that "syndicated crime" is mentioned in the resolution, along with the Mafia and the Cosa Nostra. I believe it's all there.

Governor Smith: Mr. Chairman, if you recall, there were resolutions—four or five resolutions—that dealt with this subject which was consolidated. It was our hope that we covered sufficiently in the last long sentence of the resolution on civil disorders and lawlessness the intent that you had in the resolution that you had drafted. That is, that we pledge ourselves as Governors to seek effective control by the federal government and effective cooperation by state and local governments through the federal government in control of the interstate traffic of narcotics and other contraband material, the interstate operations of crime syndicates, and the in-

terstate movement of those who make a profession of inciting civil strikes, disorders and lawlessness. We felt that was really broad enough to cover the whole subject. And because we have already acted in favor of that resolution, I would have to support Governor Rampton.

Governor Romney: Mr. Chairman, in light of the fact that my earlier motion hasn't been seconded, I move the resolution be sent back to the Resolutions Committee.

Governor Ellington: Second the motion.

Chairman Guy: There is a motion before you to have the resolution sent back to the Resolutions Committee. Is there discussion? Those in favor say, "Aye." Opposed, "No." The motion is carried.

We move on to the resolution dealing with Constitutional Revision and Governmental Reorganization. Who is the sponsor of this resolution, please?

Governor Evans: Mr. Chairman, I move the adoption of this resolution. I think it is self-explanatory. This will continue the Committee on a more defined course for the next year. At least that is the recommendation for the next Executive Committee.

Governor Connally: Second the motion.

Chairman Guy: Governor Connally has seconded the motion. Is there discussion? Those in favor, raise your hands. The resolution is carried.\*

The next resolution is entitled Regional and Interstate Cooperation.

Governor Breathitt: The resolution is designed to carry out and adopt the recommendations contained in the report of the Committee on Regional and Interstate Cooperation. I think it was carefully explained in an earlier recommendation, at the time the report was given. I move the adoption of the resolution.

Governor Curtis: Second.

Chairman Guy: It has been seconded by Governor Curtis. Is there discussion? Those in favor, raise your hands. Opposed? It carries.\*

Now we have a resolution on the State-Urban Relations Committee. Governor Hughes of New Jersey.

Governor Hughes: Mr. Chairman, this is to carry into effect the suggestion that was made during the course of our discussion on the report of the State-Urban Relations Committee. The Resolution reads as follows:

"Be it resolved by the National Governors' Conference that the report of the State-Urban Relations Committee be approved, and that implementation of the Committee's recommendations, including continuation of the Committee for another year, be considered by the newly elected Executive Committee."

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\* For text, see Appendix VII.



I move that resolution's adoption.

Chairman Guy: Governor Hoff seconds. Is there discussion? Those in favor, raise your hands. It is carried.\* [Governor Johnson asked that the record show his opposition.]

We have two resolutions that I think rightfully belong near the end of our meeting. So at this time I would ask if there are any other resolutions to be considered.

Governor Smith: At the meeting of the Executive Committee there were three or four resolutions introduced, one by Governor Romney, one by Governor Connally, and one by myself. And this is a resolution on Non-Defense Spending and the causes and effects of inflation. The draft is one that Governor Romney and I worked out together, and it reads as follows:

"Whereas, the nation is faced with an indicated fiscal deficit of approximately \$29 billion for the current fiscal year; and

"Whereas, one of the fastest growing items in the federal budget is interest on the national debt, this interest costing the nation approximately \$14 billion in the current fiscal year; and

"Whereas, the impending deficit constitutes a grave inflationary danger to the welfare of every wage-earner and all other citizens, to the extent that wage and price controls could be necessitated; and

"Whereas, maintenance of national security and prosecution of the Vietnam war will continue to make heavy demands on our resources; and

"Whereas, the 'tax' of inflation can be a profound eroder of the quality and quantity of services provided by all levels of government and of the buying power of every American; and

"Whereas, the public has enjoyed the benefits of tax reductions totaling more than \$24 billion over the past three years:

"Now, therefore, be it resolved by the National Governors' Conference that the States continue their own operations on a pay-as-you-go basis; and

"Be it further resolved that the National Governors' Conference affirm to the President, to federal fiscal authorities, and to the public our strong support of disciplined and principled fiscal policies as an essential means of meeting the needs of the people; and

"Be it further resolved that we support those members of Congress who are insisting on a prompt and meaningful cut in non-defense spending, jointly with an increase in federal individual and corporate taxes to the level necessary to minimize impending dangers of inflation and to insure fiscal stability in the immediate and long-range interest of every American."

I move adoption of the resolution.

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\* For text, see Appendix VII.

Governor Rampton: May I ask a question? Is this first "Resolved" clause a statement in opposition to state bonding?

Governor Romney: Not as far as I am concerned.

Governor Rampton: It is not the intent?

Governor Romney: Certainly not in the case of revenue bonding, because you make provision for payment as you go along.

Chairman Guy: Is there further question or comments? Governor Hughes?

Governor Hughes [Iowa]: The Governors back here are getting lost in this discussion.

Chairman Guy: I ask the photographers here to move back.

Governor Hughes [Iowa]: And the lights be turned off.

Chairman Guy: May I ask the photographers to move back. We will suspend the proceedings until you do.

Governor Hughes [Iowa]: Mr. Chairman, whether they are moving or not, I am going to move to clear the room.

Chairman Guy: I will ask the photographers to try to get down so the Governors can see who is speaking on the other side of the table here. Is there further discussion?

Governor Hughes [Iowa]: Yes, Mr. Chairman. I hate to do this, but I would like to ask for a short recess to go over this resolution. It is getting to a critical point and is becoming partisan. I haven't myself, as a member of the Resolutions Committee, had a chance to go over this resolution. It wasn't in my folder. I would like a chance to go over it, if we could so do—just read it. I don't know how many Governors have had that opportunity.

Chairman Guy: All right. There is a motion.

Governor Chafee: Second.

Chairman Guy: There is a motion to recess for five minutes, seconded by Governor Chafee. All those in favor? The motion is carried. We are in recess for five minutes.

[Brief recess]

Chairman Guy: We have before us a resolution entitled Non-Defense Spending and Inflation, moved by Governor Smith and seconded by Governor Romney. We are in the process of discussion. Does anyone wish to discuss the resolution? Governor Reagan?

Governor Ronald Reagan: I would like, if it is in order, to propose an amendment to this resolution. I am very much concerned with the last few lines of the resolution. It sounds as if this Conference is endorsing, without any question, an increase in federal taxes. And I would like to amend this resolution to end with a period after the word "spending" in the last paragraph. In other words, amend it to read, "Be it further resolved that we support those members of Congress who are insisting on a prompt and meaningful cut in non-defense spending."

Governor Hathaway: I second the amendment.

Chairman Guy: The amendment has been moved by Governor Reagan, and Governor Hathaway seconded. Is there discussion on the amendment? All you are asking is a deletion of the language in the last paragraph following the word "spending."

Governor Reagan: Yes.

Governor Smith: I would like to speak in opposition to the amendment because it has been very clear in all of the economic studies that have been made and presented to the Congress, and to all of us, that if we are going to attack and prevent inflation, we are going to have to have a combination of both a cut in spending and also additional taxes that would take care of the obligations of the United States government. I think all of us recognize the great imposition that inflation can bring upon us, upon our own State budgets, because if we look at what is happening to us, it is costing each State more and more to carry its obligations through, to meet its obligations for housing, health, education, and highways. I think we need both of these provisions, and I think we should support the resolution as now worded, Mr. Chairman.

Governor Romney: I would like to indicate very clearly that if this resolution in its introduced form did not provide a means by which we could bring federal spending under control, I would not support the resolution. As far as I'm concerned, we are confronted with a pattern of authorizations by the federal government that exceed available revenue and available funds. And this builds up pressures to increase spending to the level of authorizations. And then the spending gets above the revenue. And then you get a situation where you've got to have tax action in order to prevent the greatest disaster than can happen to the American people economically, and that's inflation.

We are in the midst of inflation. The failure to take tax action in 1966 cost the American people I don't know how many billions of dollars. It has been estimated that inflation last year cost the American people between forty and fifty-two billion dollars. Now that's a lot more than is involved in moderate tax increases here. But I am unalterably opposed to any tax increases that would occur prior to a curb on spending and a clear indication that we are going to get spending under control. And that's what the resolution called for in its original form.

Governor Nils A. Boe: I am not speaking either to the resolution or the amendment. I am raising a point of inquiry. Has it been indicated as yet why this resolution was not presented by the Resolutions Committee? If it has been, I missed it.

Chairman Guy: It was introduced by the Resolutions Committee, but it was not bound into the report because it was completed later than the rest.

Governor Romney: Mr. Chairman, May I comment on that.

You will recall that Governor Smith and I both submitted resolutions, and Governor Evans had one. And the Resolutions Committee agreed to let Governor Smith and me see if we could work out a consolidated resolution. This we did, and it was worked out on that basis.

Governor Boe: In other words, then, this has the affirmative approval of the Resolutions Committee.

Governor Romney: I didn't go back to the Resolutions Committee after it was worked out on a basis that was acceptable to us. So the Resolutions Committee members did not have an opportunity to review it in its final form, but indicated they would be willing to have a resolution worked out by the two of us embodying the content of the three resolutions that were before us. I think that's an accurate statement. Mr. Chairman, I want to add one other point on this question of inflation. We have had 4.4% inflation since June. If we have that rate of inflation during the balance of this year it's going to cost the people of this country a lot more than it did last year when we had 3.3 per cent.

Now the key to it is to get spending under control. I don't question that one iota. But, on the other hand, with expenditures running well in excess of revenues, you've also got to deal with a deficit situation if you're going to contribute to the control of inflation.

Governor Reagan: Mr. Chairman, I would like to speak in support of the amendment. There's no question about fiscal responsibility embodying both the tax structure itself, as well as the control of spending. And it wasn't indicated that this Governors' Conference should go on record as opposing or supporting this measure. It is my belief that the wording at the end of this Resolution does flatly put us on record.

Now I think that we are willing to accept the additional factors that are necessary to control inflation, as contained in the next to the last paragraph where we pledge our strong support of disciplined and principled fiscal policies as an essential means of meeting the needs of the people. And I believe it can also be inferred then that those members of Congress who are critical at the moment of the suggested tax increase have gone on record not as opposing a tax increase without question, but have said that it should be accompanied by a cut in spending. Therefore I think that Governor Smith's views are met in this resolution, and at the same time we avoid any possible misunderstanding that we are usurping the Congress' position and flatly now advocating a tax increase.

Governor Romney: Mr. Chairman, I would like to point out that this is exactly what this resolution does, as introduced. The word "jointly" indicates very clearly that the spending reduction is to take place jointly with tax action.

Governor McNair: That's right.

Governor Romney: And I want to submit that I think the Con-

gress has taken the right position in insisting that there be action to reduce spending, and at the same time that the fiscal requirements of this nation be met in a responsible manner by taking tax action. And I don't think we should leave it to any implication. I think we ought to state it squarely and clearly, as we have, and make it very, very clear it is to be joint, not separate.

Chairman Guy: Gentlemen, I think the issue is clear. We have an amendment before us which is going to require a three-fourths vote. And the amendment that we will be voting on is very simple. It is simply a deletion of the language proposed in the Resolution — all of the language of the last paragraph following the word "spending."

Governor Agnew: Mr. Chairman.

Chairman Guy: Governor Agnew.

Governor Agnew: Mr. Chairman, I move to table the entire matter.

Governor Hoff: Second.

Chairman Guy: It has been moved and seconded to table the entire resolution and amendment.

Governor Agnew: That's right.

Chairman Guy: Those in favor say "Aye." Those opposed, "No."

The Chair will have to call for a count of hands. Those in favor of tabling, raise your hands. Will you get the count? [Count taken by Mr. Carihfield]

Mr. Carihfield: Twenty-two.

Chairman Guy: Those in favor of not tabling both the resolution and the amendment, raise your hands. [Hands raised and Mr. Carihfield takes count]

Chairman Guy: The motion passes by a vote of 22 to 13, and the resolution and amendment are tabled. We will at this time accept resolutions from the floor.

Governor Rampton: I would like to move to suspend the Articles to permit the introduction of a motion from the floor.

Chairman Guy: Governor Rampton, will you come forward. Is this on a Vietnam resolution?

Governor Rampton: Yes, Mr. Chairman. I move that the Articles be suspended to permit the introduction and consideration of the following resolution:

"Whereas, this Nation is involved in an armed conflict in Southeast Asia which is the daily concern of every American; and

"Whereas, 500,000 American youth are immediately involved in that conflict, at daily peril to their lives; and

"Whereas, as Americans, above partisanship, and beyond any question of approval or disapproval of the strategic and tactical decisions which are not our responsibility, we stand united in our fight for the freedom and self-government of the people of South Viet Nam; and

"Whereas, we are anxious that none of our enemies abroad misconstrue our tolerance for dissent in this free society as a weakening of our national purpose:

"Now, therefore, be it resolved by the Governors of the United States in conference assembled that we stand committed to the successful conclusion of the struggle for freedom in Southeast Asia, by peaceful negotiation if we can, and by victory in battle if we must; and

"Be it further resolved that we encourage our national leadership to persist in our search for peace, and to persevere in our struggle for victory."

Mr. Chairman, I would like to raise two points of order. Is it my understanding that the Chair has ruled that while we may not debate the substance of the motion, we may debate the advisability or non-advisability of the suspension of the rules to consider?

Chairman Guy: The motion before us is to suspend Article Seven of the Articles of Organization. You have heard the reasons for this motion. The only question that is debatable at this point is the motion to suspend, and the debate must be pertinent to procedural matters and not to the issue.

Governor Love: Point of inquiry.

Chairman Guy: Governor Love.

Governor Love: What vote does it take to suspend?

Chairman Guy: A three-fourths vote of those present and voting.

Governor Rampton: I think I understand that. One more point of order. Do I understand that upon the request of the person making the motion and the concurrence of ten members, that a roll call vote is required?

Chairman Guy: That's right. The request of any member, concurred in by nine others, would force a roll call vote.

Governor Rampton: Then at such time as the Chairman is prepared to put this motion to a vote, I would like to ask that the vote be on a roll call.

Chairman Guy: Do we have a second to that?

Governor Connally: I second the motion to suspend Article Seven.

Chairman Guy: Is there any discussion on the procedural matter at this time?

Governor Boe: One more point of inquiry. I would like to be advised as to whether this resolution has been considered by the Resolutions Committee. There seems some doubt as to whether there has been consideration of a previous resolution. I would like to know about this.

Chairman Guy: Governor Boe, this does not enter into the procedural question, so we will vote on the procedure, whether it has been voted on by the Resolutions Committee or not.

Governor Boe: Well, Mr. Chairman, I feel that we, as members of this body, have a right to know what has been considered by the Resolutions Committee and what action has been taken, before we are asked to suspend the rules and do something about it.

Governor Romney: Mr. Chairman, my recollection is that the Executive Committee had a different resolution before it on Vietnam, and that resolution was vetoed in the Resolutions Committee. This is a new resolution and was not considered by the Resolutions Committee.

Governor Rampton: What Governor Romney said is right. This is a somewhat revised resolution from the one that was considered by the Executive Committee. However, the clear indication in the Executive Committee was that a similar objection would be raised to any resolution dealing with the subject of Vietnam. And whether the Executive Committee has or has not considered this resolution, I think, makes little difference.

Governor Connally: Mr. Chairman, point of inquiry. Do I understand that those of us who would like to be heard can be heard on the advisability of the suspension of the rules in order to take up a resolution?

Chairman Guy: As long as it does not pertain to the issue, yes. If you start arguing the issue, no.

Is there further comment? Those in favor of suspending the rules, then, raise your hands.

Governor Connally: Mr. Chairman, I understand Governor Rampton has asked for a roll call. If not, I want to request a roll call on the suspension, Mr. Chairman.

Chairman Guy: There has been a request for a roll call vote. How many governors would request a roll call vote? There are sufficient to have a roll call vote. The call, then, will be on the procedural motion to suspend Article Seven and the Rules of Procedure, for the purpose of introducing a resolution on Vietnam.

Governor Rampton: Mr. Chairman, is there going to be no debate on the question of suspension itself? If not, I would like to address myself to that very briefly. I was going to wait to see if there were arguments against it, and then conclude. But, if none, I would like to state my basis for feeling that the rules should be suspended to consider this matter at this time. If I may do so, then, I would try to keep within the bounds that you have laid down.

For the last two years both at Minneapolis and at Los Angeles, the Governors' conference has considered a resolution on the issue of Vietnam. The issue is no less important to the American people today than it was at that time, and probably more important. Although we as Governors—

Governor Evans: Mr. Chairman, point of inquiry.

Chairman Guy: Governor Evans.

Governor Evans: Is the gentleman speaking on a procedural

matter, or is he speaking to the merits of the resolution?

Chairman Guy: I don't believe that he has gotten into the issue within the resolution at this time.

Governor Evans: How long do we have to wait?

Governor Rampton: If you had let me proceed, I would have been through before now. My point is this, Mr. Chairman. We as Governors are supposedly the leaders of public opinion in our States. We each have the right to dissent. But I think it is highly important that our views be known and that our views be not stifled by a gag rule imposed on anyone here. And I think each Governor here, regardless of the political party to which he belongs, should have the right freely and openly to state where he stands on this matter. Therefore, I feel that the rules should be suspended to give each one of us a chance to indicate our position on this vital matter.

Governor Reagan: Mr. Chairman.

Chairman Guy: Governor Reagan.

Governor Reagan: Mr. Chairman, I would just like to reply and say that I think I made my position very well known on the matter of Vietnam within my own State and even outside the State on several occasions, and I don't think there's been any attempt on the part of this Conference to prevent any Governor from stating his position on the Vietnam conflict. But I myself recommend and urge a "no" vote on this procedure, because I think this is just one more step in what has been recognized by some of us as the introduction of partisan politics into the Governors' Conference.

Governor Connally: Mr. Chairman, I would like to be recognized on a point of personal privilege with respect to that last remark. This will take some time, Mr. Chairman.

Governor Chafee: Mr. Chairman, can you just give us the ground rules now on this "personal privilege." Is he to restrict his remarks to the procedural matter, and must he remain germane to the subject under the rules of personal privilege? What latitude is he given, and should he perchance stray, could he be cut off?

Governor Connally: That would be quite difficult.

Chairman Guy: Well, I've tried to outline the limit within which I would ask the debate be held, regarding the procedural matter, and not the question involved in the resolution itself. But we will see what's going to be said. We can't anticipate anything until we listen.

Governor Chafee: No, but I assume that Governor Connally is still addressing himself to the procedural matter. In other words, what he said is that he rose on a matter of personal privilege.

Governor Connally: I rose on a matter of personal privilege



to reply to the remark that we, by the presentation of a motion to suspend the rules, were engaging in partisan politics. And I know no limit to which I can't go in reply to it.

Chairman Guy: May I read the rules that govern "personal privilege."

"Questions affecting the rights, reputation and conduct of members of the body in their representative capacity are questions of personal privilege. Questions of privilege of a member must relate to a person, as a member of the body, or relate to charges against his character, which would, if true, incapacitate him from membership. He is not entitled to the floor on a question of personal privilege unless the subject which he proposes to present relates to him in his representative capacity. A person raising a question of personal privilege must confine himself to the remarks which concern himself personally, and when speaking under a personal privilege, a member has no right to defend any person other than himself."

I am sure Governor Connally will confine himself to that ruling.

Governor Chafee: As I understand it, Mr. Chairman, Governor Connally must confine himself to anything that affected Governor Connally personally in the statements. That's the way I understand the last rule.

Chairman Guy: That is correct.

Governor Chafee: And one more point. I hate to delay this, Mr. Chairman, but should somebody wish to blow the whistle somewhere along the line, they would appeal to you when he strays beyond the grounds of germaneness.

Governor Roger D. Branigan: I think we ought to adopt the Marquis of Queensbury Rules.

Governor Evans: Mr. Chairman, if I correctly remember the words you just read, "personal privilege" has to relate to something that would incapacitate a person for continued membership in a body of which he is a member. And I was just about to ask a question as to whether "partisan politics" incapacitates anybody in this organization as a member.

Chairman Guy: This involves questions which affect the reputation and conduct of members of a body.

Governor Evans: How about those few words that relate to incapacitating a person from continued membership in an organization.

Chairman Guy: Yes, that is another section.

Governor Evans: Not part of the same?

Governor Chafee: Mr. Chairman, one other point. It seems to me that before Governor Connally gets started here, I would like to have the stenographer read back the words that have sent Governor Connally into partial orbit. If we could kindly have those words read back, it would then give us an opportunity to know whether he strayed or not.

Chairman Guy: I have ruled that he can speak on personal privilege, so we will proceed on that basis. Governor Connally?

Governor Reagan: Before Governor Connally speaks, in view of the discussion here, may I just say that no words of mine were intended to reflect on Governor Connally. I owe him the utmost respect. I meant no personal attack, and I had even hoped that perhaps these several days at sea might have led to a budding friendship between us.

Governor Branigan: Stand your ground, John!

Governor Connally: Mr. Chairman and fellow Governors.

Governor Reagan, I appreciate more than you know these felicitations of friendship which you enunciated. But I must say to you, in all candor—and to all the Governors—that this is precisely the point on which I rise—a matter of personal privilege. Because in your brief remarks you characterized an attempt to get this distinguished group of Governors of the Sovereign States to express themselves on a matter of paramount importance in this country, as being done for partisan, political purposes. And let me say to you first and last that there is no intent on my part, as one of those who is most interested in the adoption of this resolution, to inject any partisan politics in this discussion whatsoever. And I consider it a personal affront for you to assume that I am doing so for partisan, political purposes, because such is not my intent. This happens to be a matter on which I feel very strongly and very deeply.

Let me remind you distinguished Governors that we represent one of the most responsible gatherings of contemporary political leaders in the history of this nation. Let me also remind you that we have met here to consider matters of very great importance to us, and we have discussed many of these matters. We have discussed water, education and crime in our streets; we have discussed constitutional restrictions on States, and the reorganization of our political structure in order that we might meet the changing needs of our times. We have expressed ourselves both in written form and verbally on all of these matters, and have brought them to the attention not only of ourselves but to the people of this country. And yet, with remarkable callousness and unconcern, up to this point we blissfully have sidestepped the paramount issue in the minds of the people in this country today. And that's the issue of the war in Vietnam.

Among all of us, all around us, a conflict of opinion rages over Vietnam. Some want to escalate; some want to stop the bombing; some want to pick up our guns and haul our men home. Seldom in the history of this nation have so many would-be military experts been spawned, nor have so many profound observers on war and peace given voice to their feelings and to their sentiments.

And in this time of conflict and confusion, where there is a

serious threat to our national will, history offers us some very significant enlightenment. Let me very hurriedly remind you that what we are experiencing in America today is a repeat of history, almost chapter and verse, that has plagued us since our very formation as a nation. Let me remind you in the days of the American Revolution, when we were fighting for the independence of this nation, that less than half of the people of the United States supported that endeavor.

Let me remind you that, at a time when the men fighting with George Washington were cold and hungry, there were Tories who were supplying food to the British soldiers.

Let me remind you also, as history teaches us, that every war, and every conflict in which the United States has participated, has begun with a great deal of support and high popularity. But as the war progressed, as inflation occurred, as losses mounted, the people began more and more to be critical of it. And this is a very important part of armed conflict in this nation. Let me also remind you that throughout history, beginning with the Revolutionary War, those who have led the opposition have been pseudo-intellectuals, have been those of the ministry, have been many members of Congress.

Let me point out to you that the head of the Anglican Church, the first head of the Anglican Church in the United States of America, Bishop Samuel Seabury, was imprisoned during the Revolutionary War because of his actions, and that severe restrictions was the thinking of the day. At that time the former Governor of New Jersey and the former Mayor of New York, were also imprisoned. But as soon as the war was over, romanticism prevailed where discord and dissent had previously plagued the minds of the American people.

And in the war of 1812, sixty-two members of both Houses voted against a declaration of war. The Hartford Convention advised States to resist conscription of their men for the war. And frankly, all of the "best men" in New England were in the forefront of the opposition to the war. Daniel Webster made a speech so bitter in its content and so vitriolic in its delivery that it was repressed for almost one hundred years. William Channing condemned the war from the pulpit, and William Cullen Bryant wrote poems against the war. And Timothy Bryant, President of Yale, toasted the British victories in the War of 1812. Only President Madison and General Jackson stood firm. But after the Battle of New Orleans, again the people of this country were jubilant because of the perseverance of the President and General Jackson through the days of adversity.

In the next war the same thing happened. It started out as a very popular movement, but as it dragged on, opposition arose. Again the intellectuals took the lead, including Professor Kent of

Harvard, James Russell Lowell and many others joined. The press joined in. The Boston Atlas complained of "unsurpassed inefficiency." And Daniel Webster rose to denounce the war. Henry Clay criticized the war. So did Calhoun. Let me remind you that an Administration Resolution defending the war was defeated in the Congress, and a resolution condemning it was passed.

Perhaps it was no surprise that the Mexican General commanding the troops in the Mexican War told a foreign diplomat that the American people would not continue to support the war, so he was going to hold on. But suddenly, after the battle of Buena Vista, victory was imminent. And the Whig Journal at that time said this was "one of the most brilliant wars that ever adorned the annals of any nation," and the Whigs chose General Taylor as their presidential nominee.

And again, in the Civil War, history was the same. It started out with a high degree of popularity. But in December, 1862, a House Resolution calling for negotiations with the South was tabled by only a vote of 98-69. And by the summer of 1864 a group of prominent Republicans organized a "Lincoln withdrawal" movement. Lincoln himself doubted that he could be re-elected. And the loudest critics were Congressional critics, as well as the press.

Economic problems brought riots in New York to a thousand people who were killed and injured. And those who discouraged enlistment were so numerous, so widespread, that martial law was imposed in many sections of the country and more than 13,000 people were arrested, with the right of habeas corpus suspended in many areas of the country at that time. But the fall of Atlanta brought an overnight change, just a few weeks after the New York Times had said that all that could save the Union was the selection of a peace mission to confer with the Jefferson Davis group to negotiate a peace movement. In World War I you saw the same. In World War II you saw the same. We are all old enough to remember what happened during that time. In the Korean War we had a repeat. Inflation became rampant. People became dissatisfied. The popularity of any administration under those circumstances becomes lowered, and increasingly so.

As we close the business of this Conference, let me remind you that history is repeating itself once again. Let me remind you that there are men and women marching in protest all over this country; that they are being encouraged to burn their draft cards; that they are being led and aided and abetted by the same type of people who throughout history have failed to support this country in its international commitments. And let me also remind you that we, as Governors, have a solemn responsibility. If we have a duty to speak out on anything, we have a duty and obligation to speak out on this issue, whatever your views; and there is nothing wrong with us doing it collectively.

It is immaterial as to what happens to the party in power or the man in power, but it is important as to what happens to this nation. And let me remind you that every President throughout the history of this country has had his critics—and this one is no exception and the next one will be no exception, and there must be room for dissent. Nevertheless, surely, the President of the United States, whoever he might be, and from whatever party he comes, must know that Governors have a concern for what is happening in this nation; that we have a commitment when we have 500,000 men overseas, and that we have a duty and a responsibility to speak out as responsible leaders if we hope to be leaders.

Now there are those who say that we don't want to talk about this until 1968, and it will be fully discussed in 1968. But let me remind you that the war is not going to wait until 1968, and that it brings scant relief to the boys in the rice paddies in Vietnam to hear that we are going to have a full-blown discussion of it in 1968. This resolution does not ask that the war be escalated or de-escalated. It does not ask that targets be bombed or that they be not bombed. This resolution is a very simple one. It says solely that the Governors assembled here—

Governor Chafee: I'd like to raise a point of order here. It seems to me that Governor Connally's remarks should be restricted to personal facts against him, and not discussion of the resolution.

Governor Connally: I will defer from any discussion of the resolution.

Governor Chafee: And I think he should restrict his remarks to any attack against him personally—to the extent it was made.

Governor Connally: I feel very strongly that those of us who propose this resolution do not do so for partisan reasons, because the commitments of this nation are not partisan commitments. They are commitments of the United States of America, whether they are made by a Democratic President or a Republican President. And I want to remind you that both parties have been involved in the commitments which we are trying to honor now in Southeast Asia. There was nothing partisan about it. The boys fighting in Vietnam have no partisanship in their blood as far as they are concerned. And the blood they are spilling day by day is not partisan blood. The money that is drained out of this economy in order to support that war effort is not partisan money. It comes from every citizen, and at a time when we are seeing riots, marches, insurrection, almost, and draft cards being burned.

I know of no time in the history of this country when it more behooves Governors, who purportedly speak for the people they represent, to stand up and say that we are for peace if it can be obtained; that we want to continue the struggle until it can be honorably concluded; that we do support those who are being asked to

give their lives in order that this nation might provide the leadership for the free world; and that this nation must live up to its commitments. And if there is anything partisan in this approach, then, gentlemen, I don't understand the definition of the word.

Thank you very much.

Chairman Guy: Governor Boe.

Governor Boe: I feel that Governor Connally should be complimented on the spontaneous remarks that he has just made on this matter of a procedural question. And I feel that in order to avoid any further evidence of such spontaneity, it is in order at this time to call for the previous question.

Chairman Guy: Is there a second for the call of this question?

Governor Hughes [Iowa]: Second.

Chairman Guy: Those in favor say "Aye." Opposed? The call for the previous question is approved, and we now revert to the proposition of whether the Vietnam resolution read to you earlier should be introduced before us and debated. The Secretary will call the roll.

Mr. Carihfield: A "yea" vote is to suspend the Articles to consider the resolution.

Alabama? Alabama not present. Alaska?

Governor Walter J. Hickel: No.

Mr. Carihfield: Alaska, no. Arizona?

Governor Williams: No.

Mr. Carihfield: Arizona, no. Arkansas, not present. California?

Governor Reagan: No.

Mr. Carihfield: California, no. Colorado?

Governor Love: Mr. Chairman, I bow to no man in my patriotism. I have spoken out as loudly and clearly as I can on our commitment with Southeast Asia. But the effort to express a consensus of opinion on it seems to me fruitless at this time because it either gets watered down to what would be meaningless, or would really reveal a strong difference of opinion. I vote "no."

Mr. Carihfield: Colorado, no. Connecticut?

Governor Dempsey: Yes.

Mr. Carihfield: Connecticut, yes. Delaware?

Governor Charles L. Terry, Jr.: Yes.

Mr. Carihfield: Delaware, yes. Florida, not present. Georgia?

Governor Maddox: Yes.

Mr. Carihfield: Georgia, yes. Hawaii, not present. Idaho?

Governor Samuelson: No.

Mr. Carihfield: Idaho, no. Illinois?

Governor Kerner: Yes.

Mr. Carihfield: Illinois, yes. Indiana?

Governor Branigan: Yes.

Mr. Carihfield: Indiana, yes. Iowa?

Governor Harold Hughes: Yes.

Mr. Carihfield: Iowa, yes. Kansas?  
Governor Robert Docking: Yes.  
Mr. Carihfield: Kansas, yes. Kentucky?  
Governor Breathitt: Yes.  
Mr. Carihfield: Kentucky, yes. Louisiana, not present. Maine?  
Governor Curtis: Yes.  
Mr. Carihfield: Maine, yes. Maryland?  
Governor Agnew: No.  
Mr. Carihfield: Maryland, no. Massachusetts?  
Governor Volpe: No.  
Mr. Carihfield: Massachusetts, no. Michigan?  
Governor Romney: Mr. Chairman, from the Minneapolis Conference onward I was opposed to injecting the Vietnam issue into the Governors' Conference because it is not within the authority of the Governors' Conference. The resolutions have been misused and they have not helped to clear up confusion. They have added to the confusion, and I therefore vote "no."  
Mr. Carihfield: Michigan, no. Minnesota?  
Governor Le Vander: No.  
Mr. Carihfield: Minnesota, no. Mississippi?  
Governor Johnson: Yes.  
Mr. Carihfield: Mississippi, yes. Missouri? Not present. Montana?  
Governor Babcock: No.  
Mr. Carihfield: Montana, no. Nebraska, not present. Nevada?  
Governor Paul Laxalt: No.  
Mr. Carihfield: Nevada, no. New Hampshire?  
Governor King: Yes.  
Mr. Carihfield: New Hampshire, yes. New Jersey?  
Governor Richard Hughes: Yes.  
Mr. Carihfield: New Jersey, yes. New Mexico?  
Governor Cargo: No.  
Mr. Carihfield: New Mexico, no. New York, not present. North Carolina?  
Governor Dan K. Moore: Yes.  
Mr. Carihfield: North Carolina, yes. North Dakota?  
Chairman Guy: Yes.  
Mr. Carihfield: North Dakota, yes. Ohio?  
Governor Rhodes: Yes  
Mr. Carihfield: Ohio, yes. Oklahoma.  
Governor Dewey F. Bartlett: No.  
Mr. Carihfield: Oklahoma, no. Oregon, not present. Pennsylvania, not present. Rhode Island?  
Governor Chafee: No.  
Mr. Carihfield: Rhode Island, no. South Carolina?  
Governor McNair: Yes.  
Mr. Carihfield: South Carolina, yes. South Dakota?

Governor Boe: No.

Mr. Crihfield: South Dakota, no. Tennessee?

Governor Ellington: Yes.

Mr. Crihfield: Tennessee, yes. Texas?

Governor Connally: Yes.

Mr. Crihfield: Texas, yes. Utah?

Governor Rampton: Yes.

Mr. Crihfield: Utah, yes. Vermont?

Governor Hoff: Yes.

Mr. Crihfield: Vermont, yes. Virginia?

Governor Mills E. Godwin, Jr.: Yes.

Mr. Crihfield: Virginia, yes. Washington?

Governor Evans: No.

Mr. Crihfield: Washington, no. West Virginia?

Governor Smith: Yes.

Mr. Crihfield: West Virginia, yes. Wisconsin?

Governor Knowles: No.

Mr. Crihfield: Wisconsin, no. Wyoming?

Governor Hathaway: No.

Mr. Crihfield: Wyoming, no. American Samoa?

Governor Owen S. Aspinall: Yes.

Mr. Crihfield: American Samoa, yes. Guam?

Governor Manuel Flores Leon Guerrero: Yes.

Mr. Crihfield: Guam, yes. Puerto Rico?

Governor Roberto Sanchez-Vilella: Yes.

Mr. Crihfield: Puerto Rico, yes. Virgin Islands?

Governor Paiewonsky: Yes.

Mr. Crihfield: Virgin Islands, yes.

Chairman Guy: Gentlemen, the result of the vote is twenty-six to suspend the rules, eighteen to deny the suspension of the rules. It required a three-fourths vote. Three-fourths would have been thirty-three votes, and thus the suspension motion is lost.

Are there further resolutions to be brought before the Conference?

Governor Kerner: Mr. Chairman, I respect the decision of the Resolutions Committee that denied the issue I suggested in reference to industrial bonds. I know the subject matter I now discuss is properly anti-climactic. However, it affects every one of us in our budgetary responsibilities to the people of our States.

Over a period of years industrial bonds were issued to attract industry, and I think they served their purpose. They caused a spreading of industry throughout the United States. It slowed down the migration to the large urban centers. Forty-one States now authorize industrial bonds. Industrial bonds no longer offer any one State an advantage of attracting industry by this method.

I think it is equally clear that no one State alone can end this trend, but it must be done by all States uniformly and simultaneous-



ly. If it does not take place among the States as I suggest, there will be federal legislation prohibiting federal tax exemption for state and local government industrial bonds. Already the price of these bonds for government general obligation purposes has gone up almost beyond reach. This will naturally lessen our ability to provide public services that people demand—and as we seek to give them—by way of schools, highways, sanitary systems, and many other things that are required by our population.

I ask that this subject matter be given very serious consideration by all the Governors.

Chairman Guy: Thank you, Governor Kerner. Are there any other resolutions to be offered from the Floor?

Governor Terry: Yes, I have one.

Chairman Guy: Governor Terry.

Governor Terry: Mr. Chairman, I would like to say, with due deference and respect to the Resolutions Committee that I would propose that we suspend the rules to consider two resolutions relating to textiles and chemicals. I am quite sure that no one here would have any substantial objection to them, although they failed to pass the Resolutions Committee. The Southern Governors' Conference adopted these two resolutions unanimously, Republican and Democratic Governors voting alike. These resolutions would create a healthy balance of trade by restricting imports which threaten considerable harm to our American industries. We are dealing here with a substantive problem relating to the economy of practically each one of our States. I would like to have the Resolutions read, followed by a motion to suspend the rules.

Chairman Guy: Have the resolutions been distributed?

Mr. Carihfield: They are being distributed.

Chairman Guy: There are two resolutions being circulated. Governor Terry has moved to suspend the Articles to consider these two resolutions. Is there a second?

Governor Godwin: Second the motion, Mr. Chairman.

Chairman Guy: Governor Godwin has seconded the motion. Is there discussion? Those in favor of suspension of the Articles, raise your hands.

Governor Boe: Mr. Chairman, may I ask again, have these resolutions been considered by the Resolutions Committee, or are these new ones now just coming forth?

Chairman Guy: These resolutions were considered by the Resolutions Committee. Those who object to the suspension of the Articles, please raise your hands. Please count the objections. I am sorry, gentlemen. Lower your hands and rest for a minute. Who has these bright lights up here? Will you turn them off? Lights out. Now those who object, once again raise your hands.

Twenty-three objectors, and therefore the motion to suspend has failed, and we will not then be able to introduce the two resolutions.

Governor Richard Hughes: May I ask for a suspension of the Articles of Organization?

Chairman Guy: Will you state your reason, please.

Governor Richard Hughes: Yes. I move for suspension of Article Seven to consider a resolution which was filed with the Conference. It was directed to me by a New Jersey resident, Lt. Colonel John Colby, a resident of the City of South Amboy, who said:

"I've been assigned to headquarters, Air Field Force, Vietnam, since January 1967, as counter-intelligence officer. Although not in consonance with my official duties, I have noticed that this Headquarters does not have state flags on display. With more than 85,000 troops under command of Lt. General Bruce Palmer, Jr., this organization is the largest tactical unit in the Republic of Vietnam, with representatives of all of the States in most of the various units of command.

"I have enclosed a picture of our Headquarters which shows the ceremonial field at its front, where I would propose to establish a double row of flagpoles to display state flags during all ceremonies conducted by the headquarters. The plan has been discussed and met with favorably by the Chief of Staff, Brigadier General Robert C. Forbes. We plan to mount a flag at the base of each flagpole, identifying the States, giving the State's name or flower or other items of interest to the State."

I then transmitted this information to you, Mr. Chairman. You indicated you thought it was a commendable project and suggested that I place it before the National Governors' Conference in the form of a resolution. I then filed, in timely fashion, this resolution:

"Whereas thousands of young men from every State and possession are serving their country in Vietnam with courage and distinction; and

"Whereas more than 85,000 troops representing every State and possession are under the command of Headquarters, Second Field Force, Vietnam, and this constitutes the largest tactical unit in the Republic of Vietnam; and

"Whereas, Headquarters, Second Field Force, Vietnam, has requested that it be provided with state flags for display on the ceremonial field of the Command; and

"Whereas the display of such flags will serve to enhance state and national pride on the part of the men serving in Vietnam;

"Now, therefore, be it resolved that each member of this Conference take the necessary steps to provide Headquarters, Second Field Force, Vietnam, with a flag suitable for display on the ceremonial field of that Command."

I feel, Mr. Chairman, that this is not partisan, nor an attempt to manipulate the war in any way, but to be projected as a request that each Governor furnish an appropriate state flag because each Governor has citizens of his State serving our country with honor and distinction in Vietnam.

I ask for a suspension of Article Seven of the Articles of Organization to consider this resolution.

Chairman Guy: Is there a second to the motion?

Governor Curtis: I will second.

Chairman Guy: Governor Curtis seconds the motion.

Governor Romney: This resolution was considered in the Resolutions Committee and it was not objected to by any member of the Resolutions Committee because of the character of the resolution itself. As a matter of fact, most of us pointed out we were already doing this. We send thousands of flags to our servicemen in Vietnam from Michigan, and I've had many letters back from them expressing appreciation. And I certainly concur with the purpose of this resolution.

However, I vetoed it because if this resolution were adopted and if we suspended the rules to permit this resolution to be considered, we would then be subject to the parliamentary procedure of permitting the adoption of the Vietnam Resolution that we have just refused to consider. And consequently, I personally oppose this resolution because of the procedural consequences that could follow.

Governor Richard Hughes: Mr. Chairman, if these procedural consequences are the only objection that Governor Romney has, perhaps this could stand on its own feet.

Governor Romney: If there can be unanimous agreement that there will be no amendments offered to this resolution, and it can be passed in the form in which it was offered, I have no objection.

Governor Richard Hughes: I propose no amendment.

Governor Bartlett: Mr. Chairman, I would like to point out to Governor Hughes, as Governor Romney said, that each State has had many requests of it for flags, and I am sure each State has honored these requests. If every single request was handled in this manner—with a resolution—we would be here for many, many days, as you well know. I feel that there are many other important groups. This is an important group, certainly. But I think this is completely inconsistent with what we should do with resolutions.

Chairman Guy: I will call for the vote. Those in favor of suspending the rules, raise your hands. Those who oppose the suspension of the rules, raise your hands.

The motion has lost.

Are there further resolutions to come from the floor? Governor Johnson.

Governor Johnson: Matter of personal privilege. I would like the record to show that my vote was "No" on the resolution for implementation of the Committee on State-Urban Relations.

Chairman Guy: All right. The record will so state. Governor Maddox.

Governor Maddox: This is a resolution which I offer. I don't

know whether it has been before the Committee or not. But I'd like to move for suspension of Article Seven in order to provide for this resolution:

"That those members in attendance at this 59th Annual Meeting express their sincere regret that the illness of Governor Lurleen B. Wallace prevented her attendance at the Conference, and that we send our best wishes and hopes for her early and complete recovery."

Chairman Guy: The motion is for unanimous approval for the introduction and approval of that resolution. Does anyone object? It is so ordered, and the resolution is adopted.

We have several other resolutions that will be brought up at the end of this session. We are now at that point in our agenda where we will elect our officers. We are going into Executive Session immediately, so please clear the room.

[There was a short executive session in which the following officers were elected:

Chairman

Governor John A. Volpe, Massachusetts

Other Members of the Executive Committee

Governor Spiro T. Agnew, Maryland

Governor Nils A. Boe, South Dakota

Governor Buford Ellington, Tennessee

Governor Mills E. Godwin, Virginia

Governor Walter J. Hickel, Alaska

Governor Otto Kerner, Illinois

Governor John W. King, New Hampshire

Governor Calvin L. Rampton, Utah

Secretary-Treasurer

Brevard Carihfield]

Chairman Guy: I call on that hard working, dynamic Governor of Massachusetts, John Volpe, our new leader.

Governor Volpe: Thank you very much, Mr. Chairman.

Governor Boe: Mr. Chairman, point of inquiry.

Chairman Guy: Yes.

Governor Boe: Is that a spontaneous speech we have here?

Chairman Guy: No, but it's going to be a good one.

Governor Volpe: My fellow Governors, I want you to know how deeply I appreciate the great honor you have bestowed upon me. This display of confidence by my fellow Governors I shall never forget.

The Governors of this great nation I am sure will be playing an increasing role in local, state and national affairs for years to come. And I pledge myself to do my very best to build upon the outstanding work of this Conference and past Conferences.

I particularly want to commend our retiring Chairman for his untiring efforts on our behalf. Bill, you have done an outstanding job, and I am sure I express the appreciation and gratitude of all

fellow Governors to you for the great amount of energy, time, effort and ability that you have given the National Governors' Conference.

[All Governors rise with applause]

Also, I want to praise not only the Chairman, but all the members of the study committees who have so effectively carried out their respective assignments this year. Certainly the amount of time and energy they have devoted merits our appreciation. And I am sure we will be able to build on these fine committee reports we have had, and with this base, all of us will be able to do more effective jobs as Governors in our respective States. In addition I want to thank our staff and the aides and associates who have worked with these fine committees.

I am extremely anxious to work closely with each and every Governor for the continuing progress of our Conference, for the progress of each of our States, and for our nation as a whole. So that the members of the Executive Committee may learn quickly that they haven't taken on a plum, they will go right to work on Sunday Morning at eleven o'clock aboard ship. There will be a meeting of the newly elected Executive Committee in the card room on the Promenade deck.

Again, my appreciation to all of you. And I pledge you my best efforts in the years ahead.

Chairman Guy: Gentlemen, we have three items on our agenda before we conclude. One is announcements. Then we have two resolutions, and then we will have a short statement by Governor Paiewonsky. And if you have any further business at that time, we will consider it. Mr. Carihfield has an announcement.

Mr. Carihfield: This announcement is for the benefit of the press who have not been back to the press room. Governor Volpe, the new Chairman, will hold a press conference immediately following adjournment, in this room.

Chairman Guy: We have two resolutions remaining. One of them has to do with our colleagues who are seated with us for the last Governors' Conference. Who has that resolution, please?

Governor King: Mr. Chairman, the National Governors' Conference pays tribute to its distinguished colleagues, Governor Edward T. Breathitt of Kentucky and Governor Paul B. Johnson of Mississippi who, because of constitutional limitations in gubernatorial succession, will not be in office at the time of our 1968 annual meeting. We salute them for their significant contribution to the National Governors' Conference, and extend to them our very best wishes. [Applause]

Governor Curtis: Second.

Chairman Guy: Those in favor, say "Aye." It is carried unanimously. Could we have a word from Governor Breathitt.

Governor Breathitt: Mr. Chairman and members of the Confer-

ence. I want to express my appreciation to each of you for the privilege of working with you for four years, and my appreciation also to you who have not yet served as long.

The States are facing their responsibilities to an increasing degree, and in the four years that I have served as Governor it has been gratifying to observe this trend.

I also want to express my deep appreciation to those Governors who have served and are no longer serving, who I hope have gone to a just and honorable reward. And to each of you, I wish my best for a continued role of service for the people of our respective States. And I look forward to seeing you in the Commonwealth of Kentucky on any occasion that you may see fit. Thank you very much.

Governor Johnson: Gentlemen, I have attained fifty years of age. I don't like to say good bye. I'm not too good at it. I do want to express my almost unbounded gratitude to the Governors of this Conference in what they have meant to me, and particularly what they have meant to my State. At the beginning of my term, thanks to Mr. Spivak, I had an opportunity to ask the people of this country—and particularly some segments—to get off of our backs and to get on our side, and to encourage and to work with us and to help us in our own little bootstrap operation. This has paid off because the leadership came from the Governors of this fine Conference. They have been of tremendous help to me. I am grateful to them for it. And I want all of you to know that my interest in your work will continue as a private citizen. If any of you come my way, we would be delighted to have you with us. Thank you.

Chairman Guy: Thank you, Governor Breathitt and Governor Johnson.

Governor Chafee: Mr. Chairman, I have a resolution here. It is a resolution of appreciation. We certainly have had some spectacular Governors' Conferences, but none superior to this one, sponsored by the Virgin Islands during the commemoration of its 50th anniversary. On behalf of the Conference, we would like to extend a very special tribute to you, Governor Paiewonsky, to Mrs. Paiewonsky, and to the host committee.

And we are grateful for the support of the Virgin Islands' Legislature. And we wish to express our genuine appreciation to the people of all the Virgin Islands for their warm welcome and gracious hospitality. We would like to express our thanks to the officials and staff of the American Export-Isbrandtsen Lines, and to the personnel of this ship, and to you, Governor Guy, who have conducted these meetings with a calm, even demeanor, and with a tremendous skill at parliamentary procedure. You have certainly given us outstanding leadership and guidance during the past year.

We also wish to express our thanks to our study committees, and our gratitude to the Carnegie Corporation and the Ford Foundation for their financial support of our special research projects. And our thanks also to the news media for their fine work. All of these, but especially Governor Paiewonsky and his committee, by their unstinted cooperation, have made this an extremely memorable and successful Governors' Conference.

Governor Love: Mr. Chairman, I consider it a privilege to second and support these sentiments. However, not in any way critically, but there was oversight, I think, on an expression of thanks to the radio and telephone communications people.

Chairman Guy: Thank you, Governor Love, for seconding. We have unanimous approval for the introduction and approval of this resolution. Those in favor say "Aye." It is carried unanimously.

We have one last message from our host Governor, Ralph Paiewonsky. I think he deserves a real accolade.

[All Governors rise with applause]

Governor Paiewonsky: Governor Guy, fellow Governors. On behalf of the people of the Virgin Islands, I want to tell you how much we have enjoyed acting as a host to such a wonderful group here in the Virgin Islands. It has meant a lot for us. This effort of bringing the Governors' Conference to the Virgin Islands, as you have seen, has been a community effort. In accepting your thanks and appreciation, I think the good Lord was good to us by giving us wonderful weather all the way through—yesterday, last evening and today.

On behalf of the people of the Virgin Islands, I accept your thanks and appreciation, and I accept it on their behalf because it has been a community effort, as I said before. They have also asked me to express to you and to Governor Guy their appreciation for everything you have done. And as a token of their appreciation, the people of the Virgin Islands would like to have me present to Governor Guy two gifts which he will take with him and we hope will cherish, and by which we hope he will long remember this visit, this pleasant association with the people of the Virgin Islands.

Also, each Governor will be receiving a gift. As you know, this island was once—as we gave you a brief history of it—a pirate's haven. And so we have sent each of you a pirate's chest, which has been sent to your homes. I do not know and cannot tell you what is included in it. But rather than burdening you with that in your travel, we have sent it to your homes. We all hope you will enjoy your gift and it will help you long remember the Virgin Islands.

We hope that each and every one of you will come back to the Virgin Islands to spend your vacations among us. We enjoyed hav-

ing you with us and, as I said, you have been the most wonderful group ever to visit our shores.

We hope—and know—that this evening, as we leave for Fountain Valley, your entertainment will continue. My understanding is that we leave here between 5:45 and 6 o'clock for a reception and then dinner and entertainment at the beautiful Fountain Valley Golf Course. We have entertainment in store for you, and I'm sure you will enjoy it tonight as much as you did last evening. You know, there was a rivalry between the two islands, between St. Thomas and St. Croix, and that's the reason we had such a wonderful affair last evening at St. Thomas. And St. Croix said they're going to top that this evening. I'll be with you again in early evening and tonight. God bless you all, and we hope to see you back in the Virgin Islands vacationing with us. Thank you.

Chairman Guy: Thank you very much. Is there further business to come before this Conference?

Hearing none, I now declare this 1967 Annual Meeting of the Governors' Conference to be adjourned.



# Appendices

# Appendix I

## THE GOVERNORS, OCTOBER, 1967

| State<br>or other<br>Jurisdiction | Governor<br>and<br>Political Party | Length of<br>Regular<br>Term in<br>Years | Present<br>Term<br>Began<br>January | Number<br>of<br>Previous<br>Terms | Max. Consecu-<br>tive Terms<br>Allowed by<br>Constitution |
|-----------------------------------|------------------------------------|--|-------------------------------------|-----------------------------------|---|
| Alabama                           | Lurleen B. Wallace (D)             | 4  | 1967                                | -                                 | (a)   |
| Alaska                            | Walter J. Hickel (R)               | 4  | 1966(b)                             | -                                 | 2   |
| Arizona                           | Jack Williams (R)                  | 2  | 1967                                | -                                 | -   |
| Arkansas                          | Winthrop Rockefeller (R)           | 2  | 1967                                | -                                 | -   |
| California                        | Ronald Reagan (R)                  | 4  | 1967                                | -                                 | -   |
| Colorado                          | John A. Love (R)                   | 4  | 1967                                | 1                                 | -   |
| Connecticut                       | John Dempsey (D)                   | 4  | 1967                                | (c)                               | -   |
| Delaware                          | Charles L. Terry, Jr. (D)          | 4  | 1965                                | -                                 | 2(d)  |
| Florida                           | Claude R. Kirk, Jr. (R)            | 4  | 1967                                | -                                 | (a)   |
| Georgia                           | Lester G. Maddox (D)               | 4  | 1967                                | -                                 | (a)   |
| Hawaii                            | John A. Burns (D)                  | 4  | 1966(e)                             | 1                                 | -   |
| Idaho                             | Don Samuelson (R)                  | 4  | 1967                                | -                                 | -   |
| Illinois                          | Otto Kerner (D)                    | 4  | 1965                                | 1                                 | -   |
| Indiana                           | Roger D. Branigin (D)              | 4  | 1965                                | -                                 | (a)   |
| Iowa                              | Harold E. Hughes (D)               | 2  | 1967                                | 2                                 | -   |
| Kansas                            | Robert Docking (D)                 | 2  | 1967                                | -                                 | -   |
| Kentucky                          | Edward T. Breathitt (D)            | 4  | 1963(f)                             | -                                 | (a)   |
| Louisiana                         | John J. McKeithen (D)              | 4  | 1964(g)                             | -                                 | 2   |
| Maine                             | Kenneth M. Curtis (D)              | 4  | 1967                                | -                                 | 2   |
| Maryland                          | Spiro T. Agnew (R)                 | 4  | 1967                                | -                                 | 2   |
| Massachusetts                     | John A. Volpe (R)                  | 4  | 1967                                | 2(h)                              | -   |
| Michigan                          | George Romney (R)                  | 4  | 1967                                | 2(i)                              | -   |
| Minnesota                         | Harold LeVander (R)                | 4  | 1967                                | -                                 | -   |
| Mississippi                       | Paul B. Johnson (D)                | 4  | 1964                                | -                                 | (a)   |
| Missouri                          | Warren E. Hearnes (D)              | 4  | 1965                                | -                                 | 2(d)  |
| Montana                           | Tim Babcock (R)                    | 4  | 1965                                | (j)                               | -   |
| Nebraska                          | Norbert T. Tiemann (R)             | 4  | 1967                                | -                                 | -   |
| Nevada                            | Paul Laxalt (R)                    | 4  | 1967                                | -                                 | -   |
| New Hampshire                     | John W. King (D)                   | 2  | 1967                                | 2                                 | -   |
| New Jersey                        | Richard J. Hughes (D)              | 4  | 1966                                | 1                                 | 2   |
| New Mexico                        | David F. Cargo (R)                 | 2  | 1967                                | -                                 | 2   |
| New York                          | Nelson A. Rockefeller (R)          | 4  | 1967                                | 2                                 | -   |
| North Carolina                    | Dan K. Moore (D)                   | 4  | 1965                                | -                                 | (a)   |
| North Dakota                      | William L. Guy (D)                 | 4  | 1965                                | 2(k)                              | -   |
| Ohio                              | James A. Rhodes (R)                | 4  | 1967                                | 1                                 | 2   |
| Oklahoma                          | Dewey F. Bartlett (R)              | 4  | 1967                                | -                                 | 2   |
| Oregon                            | Tom McCall (R)                     | 4  | 1967                                | -                                 | 2   |
| Pennsylvania                      | Raymond P. Shafer (R)              | 4  | 1967                                | -                                 | (a)   |
| Rhode Island                      | John H. Chafee (R)                 | 2  | 1967                                | 2                                 | -   |
| South Carolina                    | Robert E. McNair (D)               | 4  | 1967                                | (l)                               | (m)   |
| South Dakota                      | Nils A. Boe (R)                    | 2  | 1967                                | 1                                 | 2(n)  |
| Tennessee                         | Buford Ellington (D)               | 4  | 1967                                | 1(o)                              | (a)   |
| Texas                             | John Connally (D)                  | 2  | 1967                                | 2                                 | -   |
| Utah                              | Calvin L. Rampton (D)              | 4  | 1965                                | -                                 | -   |
| Vermont                           | Philip H. Hoff (D)                 | 2  | 1967                                | 2                                 | -   |
| Virginia                          | Mills E. Godwin, Jr. (D)           | 4  | 1966                                | -                                 | (a)   |
| Washington                        | Daniel J. Evans (R)                | 4  | 1965                                | -                                 | -   |
| West Virginia                     | Hulett C. Smith (D)                | 4  | 1965                                | -                                 | (a)   |
| Wisconsin                         | Warren P. Knowles (R)              | 2  | 1967                                | 1                                 | -   |
| Wyoming                           | Stanley K. Hathaway (R)            | 4  | 1967                                | -                                 | -   |
| American Samoa                    | Owen S. Aspinall (D)               | (p)                                      | 1967(q)                             | -                                 | -   |
| Guam                              | Manuel Flores Leon Guerrero(D)     | 4  | 1967(r)                             | 1                                 | -   |
| Puerto Rico                       | Roberto Sanchez-Vilella (s)        | 4  | 1965                                | -                                 | -   |
| Virgin Islands                    | Ralph M. Paiewonsky (D)            | (p)                                      | 1961(t)                             | -                                 | -   |

## FOOTNOTES

- (a) Governor cannot serve immediate successive term.
- (b) Alaska Constitution specifies first Monday in December as Inauguration Day.
- (c) 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. Re-elected in November, 1966.
- (d) Absolute two-term limitation.
- (e) Hawaii Constitution specifies first Monday in December as Inauguration Day.
- (f) December 10, 1963.
- (g) May 12, 1964.
- (h) Previous terms 1961-1963, 1965-1967.
- (i) Previous terms 1963-1965, 1965-1967.
- (j) 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.
- (k) Previous terms 1961-1963, 1963-1965.
- (l) 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. Elected to full four-year term in November, 1966.
- (m) Governor not eligible for "re-election."
- (n) Nomination for third successive term prohibited by state law.
- (o) Previous term 1959-1963.
- (p) Indefinite term.
- (q) August, 1967.
- (r) March, 1967.
- (s) Popular Democratic Party.
- (t) 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.

#### Article IV

##### EXECUTIVE COMMITTEE

The Executive Committee of the Conference shall consist of the Chairman of the Conference and eight other members elected

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\* As amended at Fifty-eighth Annual Meeting, Los Angeles, California, July 5, 1966; and last amended at Interim Meeting, White Sulphur Springs, West Virginia, December 17, 1966.

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.

The Executive Committee is empowered to enter into agreements with the Council of State Governments for the administration and implementation of services to the Conference and its members in regard to state-federal relations and the coordination of research in that area. Any such agreement shall be subject to continuing oversight and supervision by the Executive Committee.

## 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 Nominating Committee

shall consist of five members, three of whom shall be of a political party other than that of the person who shall be elected as next Chairman of the Conference. The Nominating Committee shall present a single slate of nominees for the offices of Chairman, members of the Executive Committee, and Secretary-Treasurer. Additional nominations may be made from the floor, and election shall be by secret ballot in all cases where the number of nominees exceeds the number of officers to be elected. Elections shall be conducted in executive session.

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; he 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

### RESOLUTIONS

The Executive Committee, by a unanimous 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. Amendments shall also require a three-fourths majority vote. Consideration of any resolution not offered in the above manner shall require unanimous consent.

## Article VIII

### DUES

Each member shall contribute such amounts, not to exceed a maximum total aggregate of \$260,000 per year, as may be necessary to finance the programs and operations of the Conference. Budgets shall be prepared and adopted by the Executive Committee. Annual financial reports shall be submitted to all members of the Conference and an independent audit shall be conducted not less than once a year by a reputable firm of certified public accountants.

## Article IX

### 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 X

### 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. Any member intending to offer a resolution for consideration by the Conference shall submit the text thereof to the Chairman by not later than noon on the second day of business.

2. 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.

3. The vote required for adoption of a resolution shall be in accordance with the provisions of Article VII of the Articles of Organization.

#### 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.

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

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\* Adopted at Fifty-ninth Annual Meeting, S. S. INDEPENDENCE, October 17, 1967.



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. This Rule II shall not apply to the report of the Nominating Committee, which shall be acted upon as set forth in Article V of the Articles of Organization.

6. 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 shall be adopted by the same proportionate vote as is required on the main motion being amended.

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  
July 1, 1966 - June 30, 1967

#### BALANCE

Balance on hand, July 1, 1966 . . . . . \$ 3,651.52

#### RECEIPTS

Dues received from States . . . . . \$103,000.00

TOTAL REVENUE . . . . . \$106,651.52

#### DISBURSEMENTS

Salaries . . . . . \$18,166.84

Supplies. . . . . 998.85

Equipment . . . . . 9,313.51

Postage, Express & Delivery . . . . . 660.57

Telephone and Telegraph . . . . . 2,022.55

Rent . . . . . 2,874.48

Travel . . . . . 11,906.40

Printing and Library . . . . . 5,343.97

Miscellaneous (Court Reporter,  
Audit, etc.). . . . . 1,646.22

TOTAL DISBURSEMENTS . . . . . \$ 52,933.39

NET BALANCE, June 30, 1967 . . . . . \$ 53,718.13

## 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, California | 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 |
| 58th | Los Angeles, California                  | July 4-7        | 1966 |
| 59th | S.S. Independence and Virgin Islands     | October 16-24   | 1967 |

## Appendix VI

### CHAIRMEN OF THE NATIONAL GOVERNORS' CONFERENCE, 1908-1968\*

|  |         |
|--|---------|
| 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     | 1919-22 |
| 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 |
| Governor William L. Guy, North Dakota        | 1966-67 |
| Governor John A. Volpe, Massachusetts        | 1967-68 |

\* At the initial meeting in 1908, President Theodore Roosevelt presided.

## Appendix VII

### RESOLUTIONS

Adopted by the National Governors' Conference

#### PUBLIC LANDS

Whereas, the public lands of the United States in the aggregate amount to approximately one-third of the land area of the United States; and

Whereas, the public lands of the United States and their resources constitute assets of inestimable value; and

Whereas, these assets belong to all the people of the United States; and

Whereas, the United States Public Land Law Review Commission is engaged in a comprehensive study of laws, regulations, practices, and procedures pertaining to the public lands; and

Whereas, the Commission has developed a study program providing intensive examination of each of the commodities found in or produced on the public lands and additional subjects affecting the public lands, including many of direct interest to the several States:

Now, therefore, be it resolved by the 1967 Annual Meeting of the National Governors' Conference, October, 1967, that the program undertaken by the Public Land Law Review Commission warrants the support of the people of the United States towards the end that the completion of an objective study enhances the probability of agreement on and implementation of recommendations concerning the future retention and management or disposition of the public lands so as to assure, in the words of the statute establishing the Commission, "that the public lands of the United States shall be (a) retained and managed or (b) disposed of, all in a manner to provide the maximum benefit for the general public"; and

Be it further resolved that the Public Land Law Review Commission be and it is hereby memorialized to continue to pursue its program of obtaining the views of the people of the United States concerning retention and management, or disposition, of the public lands and their resources.

#### REAFFIRMING STATES' JURISDICTION OVER FISH AND WILDLIFE MANAGEMENT

Whereas, since colonial times in this country, the ownership of wildlife, by law, history and tradition, has been separated from the ownership of the land, in contrast to the European system in

which the landowner owns the game thereon; and

Whereas, it has been held by the U. S. Supreme Court that all species of wildlife are held in trust by the individual States for the people of each State, the principal exception to this rule arising under the treaty-making power of the United States which makes the migratory bird treaties and federal legislation dealing with migratory birds pursuant to and limited by said treaties the supreme law of the land; and

Whereas, contrary to Supreme Court decisions and dictates of sound unified fish and game management policies, the Solicitor of the Department of the Interior has held, and the Secretary of the Interior, Stewart L. Udall, has concurred therewith, that the federal government has full and exclusive power and control over both migratory and resident wildlife on all federally-owned land:

Now, therefore, be it resolved that the National Governors' Conference reaffirms the basic right of the States to conserve, manage and regulate the use and harvest of resident species of fish and game on all lands, including those lands owned by the federal government, within each individual State on which said jurisdiction has not been relinquished to the federal government; and

Be it further resolved that, to prevent further encroachment upon the States' responsibilities in the management of wildlife and fish resources, the following basic policies be adopted: the federal government, through existing international treaties and agreements, bears direct responsibility and jurisdiction over specified migratory birds, certain endangered species, basic research, certain oceanic resources, and fauna of certain territorial lands beyond the continental United States, and fish and resident species of wildlife are and should remain state resources under the direct jurisdiction and responsibility of the individual States; and

Be it further resolved that the National Governors' Conference supports the basic tenets of H. R. 8377, introduced in the First Session of the 90th Congress, which purports to declare and determine the policy by the Congress, with respect to the primary authority of the several States to control, regulate and manage fish and wildlife within their territorial limits.

### ADVANCE FEDERAL PLANNING FOR FUTURE HIGHWAY PROGRAMS

Whereas, the National System of Interstate and Defense Highways is now more than 60% completed and is providing this nation with the safest and most convenient highway network ever developed; and

Whereas, current progress on the interstate system indicates that it will be essentially completed by 1972; and

Whereas, there is widespread recognition by state highway administrators, federal highway administrators, and the general public of the need for a continuing highway program to augment the complete interstate system; and

Whereas, the planning and development of such a supplemental system will require many years of lead time; and

Whereas, the several state highway departments have submitted to the Department of Transportation their plans both for the completion of the interstate system and the supplemental highway system after the interstate system is completed; and

Whereas, the Governors of this Nation's States recognize the urgency for obtaining federal guidance relative to the future highway program:

Now, therefore, be it resolved that the Congress be urged to enact at the earliest possible moment such legislation as will provide the necessary guidelines for future highway planning, construction and maintenance, and will provide for the supplementation of the National System of Interstate and Defense Highways beyond the currently authorized program to meet the future highway needs of this Nation; and

Be it further resolved that copies of this Resolution be submitted to the Congress, to the Secretary of the Department of Transportation, the Federal Highway Administrator, and the state highway executives of the several States.

#### WORLD GOVERNORS' CONFERENCE

Whereas, for the past six years the National Governors' Conference has conducted a series of highly successful exchange visits with members of the Japanese Governors' Conference, to the mutual advantage of both groups of Governors; and

Whereas, during the past decade there have also been visits to other countries under the auspices of the National Governors' Conference, including Argentina, Brazil and Mexico; and

Whereas, these person-to-person contacts at the gubernatorial level have a significant influence in bringing about better understanding among the peoples of the world and in fostering international amity; and

Whereas, Governor John Connally, "HemisFair 1968" and the San Antonio Chamber of Commerce have graciously indicated their willingness to serve as hosts to a World Governors' Conference at San Antonio during the course of "HemisFair 1968";

Now, therefore, be it resolved by the National Governors' Conference that such a World Governors' Conference be held under its auspices in San Antonio, Texas, in the month of May, 1968; and

Be it further resolved that the newly-elected Executive Committee and the staff be instructed to implement this resolution in



cooperation with Governor Connally, the officials of "HemisFair 1968" and the San Antonio Chamber of Commerce.

### STATE COORDINATION OF FEDERAL ASSISTANCE PROGRAMS

Whereas, the geographical areas of major problems facing local governments today go beyond the boundaries of single local jurisdiction; and

Whereas, the States bear the primary responsibility for coordinating all forms of technical and financial programs to insure the optimum final benefits in services and facilities; and

Whereas, there are now more than forty federal assistance programs to local government jurisdictions that provide for no involvement by state governments;

Now, therefore, be it resolved that the National Governors' Conference requests that any new federal-local assistance programs adopted by the Congress be drafted so that the interest and participation of the States be included and that remedial legislation be adopted to give the States a participating interest in existing federal-local assistance programs that by-pass the States.

### IMPLEMENTATION OF PART I OF THE REPORT OF THE COMMITTEE ON STATE AND LOCAL REVENUE

Be it resolved by the National Governors' Conference that:

1. The Joint Funding Simplification Act introduced August 28, 1967 should be enacted without delay.

2. Authorizations for federal support of planning in States and communities should be increased to facilitate comprehensive planning over the spectrum of state and local governmental activities. Grants should be made not to specified state or single "planning" agencies, but as determined by the Governors.

3. The more than two hundred demonstration or innovation-al grants now authorized should be consolidated into a single demonstration grant authority for each department and independent agency of the national government having substantial intergovernmental programs.

4. The U. S. Bureau of the Budget should develop general guidelines for the specifications of grant-in-aid formulas and their matching ratios.

5. A detailed study should be made of the existing major grant programs with a view to (a) simplification of present grant provisions; (b) elimination of grant program standards and requirements which are outmoded or unduly restrictive; (c) authorization for consolidation of state plans for closely related programs

where several such plans are required as a condition of aid.

a. We also recommend that the national government undertake, in cooperation with the National Governors' Conference, a study of present public welfare programs.

b. We propose a joint study of educational needs and finances by the Education Commission of the States and the U. S. Department of Health, Education, and Welfare.

c. We recommend that forthright steps be taken to correct overlaps and conflicts between existing federal programs for water supplies and liquid waste disposal.

d. We recommend elimination of all categorization and earmarking from the vocational education programs, to provide in effect a single vocational education grant.

6. The Committee recommends a further study of categorical aid programs to determine if there are some that are no longer necessary for the national purpose, and that might properly be replaced by block grants or a general support grant in the interest of greater efficiency, economy and local determination.

#### HIGHWAY TRUST FUND ALLOCATIONS

Whereas, the federal aid highway system is vital to the defense of our Nation and its economic development in terms of transportation of goods and materials and insuring a mobile society, as conceived by the executive branch of government in 1956 and supported by both Democratic and Republican members of Congress to end the haphazard planning of road construction and proceed on a regularly scheduled and orderly basis; and

Whereas, it is essential to the national defense and the overall economy of each State and the Nation as a whole that the federal aid highway program be allowed to continue as originally conceived; and

Whereas, every State in the Nation has geared its overall planning and appropriations according to the anticipated apportionments previously announced in good faith; and

Whereas, any delays in scheduled releases of federal funds for this program increases the overall cost of the highway system to both the federal government and the respective States, and adversely affects the economy of our States and the Nation; and

Whereas, the Congress did establish a special trust fund composed of the annual receipts from the Federal Gas Tax and other taxes to finance the interstate and defense highways system; and

Whereas, the Secretary of Transportation on October 8th announced that it may become necessary to impose reduced ceilings on the federal aid highway program in the immediate future; and

Whereas, the Secretary of Transportation, on the other hand, as recently as August 31, 1967, announced a warranted increase

in the apportionment of federal aid highway funds for fiscal 1969 of \$4.8 billion, up from the \$4.4 billion announced for fiscal 1968:

Now, therefore, be it resolved that the National Governors' Conference urge the President to exhaust all alternative remedies to attack the problems of inflation, high interest rates and unbalanced federal budgeting before any reduction of Highway Trust Funds be considered.

### FOREST FIRE FIGHTING

Whereas, in most instances and in most years the several States have been able to handle their fire fighting problems adequately; and

Whereas, in major emergency years such as 1967, the resources of the States, particularly in the sparsely populated areas of the West, become quickly exhausted both in manpower and money; and

Whereas, the federal government, which is the majority landowner in most Western States, has vastly superior resources for use in times of emergencies; and

Whereas, the Corps of Engineers under Public Law 84-99 has rendered invaluable services to the States in times of flood crisis; and

Whereas, these same services are vitally needed by the States from the Bureau of Land Management and the U. S. Forest Service in times of fire crisis:

Now, therefore, be it resolved by the 1967 National Governors' Conference that the U. S. Congress should enact legislation before the 1968 fire season, to provide a law similar to P. L. 84-99 which would make available to the States the services and resources of the BLM and Forest Service when fires become beyond the control of the abilities and resources of the States to handle adequately; and

Be it further resolved that copies of this resolution be sent to the President of the United States, members of Congress, the Secretaries of Agriculture and Interior, and all other persons concerned with enactment of this proposed legislation.

### NATIONAL GUARD

Whereas, it is the desire of this National Governors' Conference to reaffirm the responsiveness of the National Guard to a primary Federal Mobilization mission, while, at the same time, recognizing the traditional and historic dual mission of the National Guard to maintain internal security and protect the lives and property of our citizens during either natural or man-made disasters in which capacity the National Guard has rendered outstanding service; and

Whereas, the Department of the Army has made a troop allocation for the reorganization of the National Guard, now approved by the United States Congress, which will eliminate thirty per cent of the company sized units in the present Army National Guard; and

Whereas, this approved plan will culminate in a cumulative reduction since 1958 of fifty per cent of the units and substantially reduce command capabilities and effectiveness of the National Guard in each State:

Now, therefore, be it resolved by the 1967 National Governors' Conference that the Congress be memorialized to give full consideration, consultation and hearing to the States in the next appropriations, and that these now severed National Guard units and combat brigades be restored to the National Guard of the respective States; and

Be it further resolved by the 1967 National Governors' Conference that the Congress consult the States before any future changes in size and organization of the National Guard will be made.

#### CIVIL DISORDERS AND LAWLESSNESS

Whereas, during the past two years a tragic series of disorders have plagued our Nation, turning the streets of our cities into battlegrounds and resulting in the loss of life and destruction of property; and

Whereas, the occurrence of crime of all types in the United States is showing a tendency to increase; and

Whereas, one of our colleagues, Governor Otto Kerner of Illinois, is currently chairman of a committee appointed by the President of the United States to investigate the basic causes of violence and unlawfulness; and

Whereas, this Conference has received and considered the excellent report prepared by the committee headed by Governor John Dempsey of Connecticut:

Now, therefore, be it resolved that the Governors of the several States meeting in the National Governors' Conference and being fully cognizant of the obligation of the States do hereby affirm that:

1. The enforcement of law and the preservation of order is primarily the responsibility of local and state governments.
2. We will strengthen all efforts at state and municipal levels to prevent incidents of disrespect for law and order.
3. Each State should immediately re-examine its own laws to ascertain if current statutes are adequate to deal with civil disorder and crime and that, where necessary, laws should be strengthened and revised.
4. All Governors should immediately determine as an immediate step that the police forces of the respective States and munic-

ipalities and the National Guard are well trained to cope with civil disorder.

5. The first obligation of the state and municipal governments in the event of civil disorder is to restore and maintain peace and order by the use of whatever force is reasonably necessary.

6. While seeking immediate short-range treatment of the symptoms, we pledge ourselves to seek the long-range answers to cure the basic causes of crime and civil disorder so that the malice and hatred which a reckless few would use as a torch to ignite civil disorders amid the wretchedness and squalor of our ghettos and slums would no longer find a foothold in these neighborhoods.

7. We recognize that the most effective long-term answer to problems of lawlessness and disorders lies in education and the providing of employment opportunities to the masses of our people.

8. While the primary obligation for the combatting of crime and the prevention of riots and disorder lies with state and local governments, there are many aspects of the problem which transcend state lines and which require effective treatment by the federal government. We pledge ourselves as Governors to seek effective control by the federal government and effective cooperation by the state and local governments with the federal government in the control of the interstate traffic in narcotics and other contraband material, the interstate operation of criminal syndicates and the interstate movement of those who make a profession of inciting and creating civil strife, disorder and lawlessness.

#### CONSTITUTIONAL REVISION AND GOVERNMENTAL REORGANIZATION

Whereas, the genius of the American form of government has been our federal system; and

Whereas, there is now a determination on the part of all state governments to strengthen the federal system and respond to the problems within the States; and

Whereas, in order for the States to maintain their proper position in the federal system and provide the necessary services to their citizens it is vital that both their constitutions and governmental organization be adequate; and

Whereas, the Study Committee of the National Governors' Conference on Constitutional Revision and Governmental Reorganization has submitted a report which sets forth current developments in constitutional revision and governmental reorganization and sets guidelines for action; and

Whereas, it is desirable that there be further study of state constitutional revision and governmental reorganization by the

National Governors' Conference, particularly in the area of the executive article and executive organization:

Now, therefore, be it resolved that the Study Committee on Constitutional Revision and Governmental Reorganization be continued; that it particularly study a model state constitutional executive article and model state executive department organization for both large and small States and the most effective means for accomplishing these ends; and

Be it further resolved that this Study Committee submit a written report to the next annual meeting of the National Governors' Conference.

#### REGIONAL AND INTERSTATE COOPERATION

Whereas, the report of the Committee on Regional and Interstate Cooperation has drawn attention to the wide variety of cooperative mechanisms, for achieving better program coordination among and between the States, and the Committee also has suggested many useful and innovative applications of these mechanisms in several fields of major concern to state government; and

Whereas, the work accomplished by this Committee during the past year underscores the opportunities and challenges which exist for the States to sustain a role of imaginative leadership in identifying opportunities for creative utilization of the tools for intergovernmental cooperation available to us within the federal system:

Now, therefore, be it resolved that the National Governors' Conference approves the exploratory work of our Committee on Regional and Interstate Cooperation and urges the Executive Committee to continue this study, by special committee or otherwise, exploring the full range of opportunities for cooperation across state lines.

#### STATE-URBAN RELATIONS COMMITTEE

Be it resolved by the National Governors' Conference that the Report of the State-Urban Relations Committee be approved, and that implementation of the Committee's recommendations, including continuation of the Committee for another year, be considered by the newly-elected Executive Committee.

#### RETIRING GOVERNORS

The National Governors' Conference pays tribute to its distinguished colleagues, Governor Edward T. Breathitt of Kentucky and Governor Paul B. Johnson of Mississippi, who, because of constitutional limitations on gubernatorial succession, will not be

in office at the time of our 1968 annual meeting.

We salute Ned and Paul for their significant contributions to the National Governors' Conference and extend to them our very best wishes.

### GOVERNOR LURLEEN B. WALLACE

Be it resolved by the National Governors' Conference that those members in attendance at this 59th Annual Meeting express their sincere regret that the illness of Governor Lurleen B. Wallace prevented her attendance at the Conference and that we send our best wishes and hopes for her early and complete recovery.

### APPRECIATION

Whereas, the National Governors' Conference has been privileged to hold its 59th Annual Meeting aboard the S. S. Independence and in the Virgin Islands during the commemoration of the Islands' 50th Anniversary under the flag of the United States; and

Whereas, the Governors' 1967 Annual Meeting has been particularly outstanding, both substantively and socially—a result of unmatched Conference planning and coordinating efforts on the part of the Virgin Islands' Host Committee and numerous other individuals and organizations:

Now, therefore, be it resolved that the Governors and their official parties and guests, who have had this unique opportunity to participate in a highly rewarding business program and to visit the delightful Emerald Isles, express their deep appreciation for this memorable occasion:

A very special tribute is extended to our colleague, Governor Ralph M. Paiewonsky and his charming First Lady and to the Host Committee. We are grateful for the fine support of the Virgin Islands' Legislature, and we express our genuine appreciation to the people of the United States Virgin Islands for their warm welcome and gracious hospitality.

We wish to record our sincere appreciation to officials and staff of the American Export Isbrandtsen Lines and to the personnel of the S. S. Independence who have labored diligently in caring for our needs.

The National Governors' Conference salutes its retiring Chairman, Governor William L. Guy, and his Executive Committee for their outstanding leadership and guidance during the Conference year 1966-67.

We also wish to acknowledge the exceptional fine work accomplished this past year by our study committees, and express our gratitude to the Carnegie Corporation and to the Ford Foundation for their financial support of special

research efforts of the National Governors' Conference.

The communications facilities, so essential to us at a conference of this nature, were ably provided; and we are grateful to RCA Communications, Inc., ITT, the Virgin Islands Telephone Company, Xerox Corporation, International Business Machines, and the Royal Typewriter Company for their services.

And we convey thanks to our news media friends for their fine work and attention to the 59th Annual Meeting of the National Governors' Conference.



## Appendix VIII

### REPORT OF ADVISORY COMMITTEE ON THE NATIONAL GUARD

The National Guard has experienced one of the most difficult and trying periods in its long history this past year, chiefly as the outgrowth of the United States' steadily-expanding military involvement in Southeast Asia and the tragic eruptions of violence and social turmoil in many American cities.

These unhappy events have troubled all Americans but they have imposed an especial burden on the National Guard, for it is the nation's primary backup force in both national defense and internal security. In both the Federal and State segments of its dual mission, the National Guard has been compelled to accept heavier responsibilities, and to call on its officers and men for a greater outpouring of effort than normally is expected of part-time military forces.

National Guardsmen, Army and Air, officer and enlisted, have performed their demanding, often distasteful, duties with dedication and professional competence, any critical comment to the contrary notwithstanding. Simultaneously, they have elevated the operational readiness of their units to an unprecedentedly high level, have made noteworthy direct contributions to United States military operations in South Vietnam, and have brought sanity and order back to riot-torn American cities. For their accomplishments, they deserve the gratitude of all Americans.

Understandably, the Guard's extensive involvement in so many areas, coupled with other causes, has given rise to a number of major problems, some of which still await final resolution. It is on these that we will concentrate the remainder of our comments.

In general terms, it can be fairly stated that the thorniest problems relating to the National Guard arise from the reluctance of the Federal military establishment to recognize and consider State needs in the structuring, equipping, training and manning of the National Guard.

The Governors understand the necessity of giving priority to national defense requirements. This is an area of critical concern to the States as well as to the Federal government. Recent destructive outbreaks of civil disorder pose a greater threat to the stability of our society, however, than the nation has ever faced, and the National Guard should and must be organized, trained, equipped and manned to cope effectively with future eruptions.

With good planning, goodwill, and adequate support from every level of government, there need be no significant conflicts between

the two missions. The differences in Federal and State requirements are not great, and can be satisfied by relatively minor additions or alterations in structure, manning, training and equipping. Following are problem areas that currently are causing the most concern:

#### Army National Guard Reorganization:

The reorganization plan presented to the States in August by Department of Army contains the following deficiencies in the opinion of your Advisory Committee: (1) It reduces the number of combat-type units in many States, with a corresponding reduction in the number of Headquarters which can provide supervision and control during State emergency employment of Guard forces; (2) It reduces the overall number of National Guardsmen in some States; (3) It does not provide an adequate supervisory structure through which the training and operations of non-division, non-brigade units may be coordinated.

We, therefore, recommend that the National Governors' Conference call on the Department of Army, to display a less rigid attitude by negotiating with the several States to attain troop allotments that are mutually acceptable.

#### Army National Guard Training:

We can properly comment only on training that affects the ability of the Army National Guard to perform State missions. Department of the Army recently revised its training program in civil disturbance operations and directed the Army National Guard to offer thirty-two hours of this training on a speed-up basis. This satisfies the immediate requirements of the States.

This Committee believes the following additional steps now should be taken:

1. Department of Army conduct a thorough re-evaluation of the techniques, weapons and equipment, and prerequisite training including community relations that are required for effective riot control operations under conditions such as those that prevailed in Watts, Newark and Detroit, and training programs should then be revised once more to reflect the findings of the re-evaluation.

2. Sufficient time should be earmarked annual in Army Training Programs for the National Guard to produce and sustain a high level of effectiveness in civil disorder operations, and a similar program of instruction additionally should be incorporated in the training programs at all Army Training Centers, to provide an acceptable level of proficiency in all trainees.

### Army National Guard Equipment:

Army National Guard units still have not been issued adequate stocks of equipment, particularly in the communications category, to conduct civil disorder operations with full effectiveness. The States have been assured that Department of Army intends to provide full stocks of equipment to units of the Army National Guard as soon after reorganization as the demands of South Vietnam can be met. It should be pointed out that the crisis in American Cities will not await the resolution of our Vietnam problems. Disorders, and threats of disorders, face us right now, and Federal purchases of military equipment should be accelerated to meet this new and critical need.

### Mutual Assistance Compacts:

At the Midwestern and Southern Conferences of Regional Governors, the Council of State Governments was charged with studying the legal basis for mutual assistance compacts between States, under which the National Guard forces of the signatory States could be employed across State lines upon request.

This study has been completed, copies of which will be submitted to the Governors during the course of this annual meeting. This Committee endorses the concept of such compacts, as a means by which the States will be able to suppress any disorder, of whatever intensity, without recourse to Federal troops.

### Uniform State Legislation - Use of National Guard:

The Midwestern Governors' Conference also requested the Council of State Governments, working in cooperation with The Adjutants General Association of the United States, to develop suggested uniform State legislation on the call and utilization of the National Guard. This Committee strongly endorses this action.

### Air National Guard:

This Committee has noted a growing tendency on the part of the Department of Air Force to schedule Air National Guard Units for deactivation on grounds of obsolescence without giving due consideration to their conversion to other productive missions.

This was demonstrated by their insistence that a number of strategic airlift Squadrons be eliminated even though definitive studies had not yet been completed, and decisions reached, on the total strategic, inter-theater and tactical airlift needs of our armed forces.

It appears likely that a similar tendency will be displayed in the future in respect to other elements of the Air National Guard unless Department of Air Force can be induced to adopt a more

reasonable approach to force planning.

It is this Committee's view that the United States has made a training investment of considerable magnitude in the highly skilled members of Air Guard units and in the units themselves. Even though specific missions, and/or equipment, can grow obsolete, experience and technical skill can be converted to other vital uses with minimum effort, to the benefit of the States and the entire nation.

We recommend to the Conference that it call on the Department of Air Force to enunciate, clearly and unequivocally, a policy of converting outmoded units to new and productive missions wherever possible, rather than ordering their arbitrary elimination.

In conclusion, the Committee desires to reaffirm its strong adherence to the concept under which the National Guard traditionally has functioned. Throughout our existence as a nation, this system has produced a military force that is effective and that satisfies a dual need, national defense and State internal security.

The Guard embodies the best aspects of our Federal system. It gives every State a direct, participating role in the defense of the nation. It makes productive use of the military skills and experience of men who otherwise would not be able to contribute to the defense of their land. It takes State and regional traditions and loyalties, and converts them into a national asset. It enables a single organization, with a single outlay of money for training, equipage, facilities and administration, to perform two vital tasks, one for the States, the other for the nation, and all America is beneficiary.

Your Committee recommends a copy of this Report be transmitted to The President of the United States, the Congress, Secretary of Defense and Secretary of the Army.

## Appendix IX

### REGULAR REPORT OF ADVISORY COMMITTEE ON FEDERAL-STATE-LOCAL RELATIONS

"Strengthening the States in the Federal System" is not only the timely, well-chosen theme for the 1967 Annual Meeting of the Nation's Governors; it is an essential requirement if States are to meet their senior partnership position in solving today's complex intergovernmental issues. This Conference year—July, 1966 to October, 1967—has been a year full of developments and promise for the States in the federal system. Progress is evident on many fronts, but much remains to be done.

The problem of strengthening the role of the States, and particularly the voice of the Governor, has left the field of dry scholarship to become one of the central themes of government and politics. We, as Governors, are currently addressing ourselves to numerous problems that have tended to shackle both state and local governments:

- Major efforts to initiate constitutional reform and to bring about needed governmental reorganization.
- A call for increased regional and interstate cooperation in such activities as water resource development, education, transportation and taxation.
- A careful examination of financial resources required to meet governmental responsibilities at all levels, and an attempt to offer prescriptions to correct intergovernmental fiscal disparities.
- A recognition that comprehensive planning is urgently needed at the state level to complement and accommodate both national and state goals and local needs.
- Unprecedented attention to the metropolitan and urban areas, and the development of action programs to meet the crisis of our cities.

#### 1966-67 Highlights

A major effort to enhance the role and influence of Governors in intergovernmental relations was the Governors' decision last December to establish a special office of the National Governors' Conference in the Nation's Capital. The Executive Committee moved promptly to implement this decision. The Governors' Washington Office—Office of Federal-State Relations—under the direction of Charles Byrley, was opened in March of this year. At the same time that the National Governors' Conference was taking

this significant step, the Governors met with President Johnson and his Cabinet at the White House to examine and review the "new era of cooperative federalism," with particular emphasis on improved communication and liaison between the federal government and the States. On that same day, March 17, the President sent to the Congress his message on "Quality of American Government."

As we highlight the more significant developments in federal-state relations during the year, we salute Governor Farris Bryant who, in his capacity as the President's Ambassador to the Governors, initiated seminars between federal and state officials in forty of our state capitals. And already—during the brief span of a few months—Governor Bryant and his successor, Governor Price Daniel of Texas, have thoughtfully arranged for the Governors and their delegations to visit Washington "to keep the lines of communication open and to foster an even higher degree of cooperation between federal and state officials."

On May 3, Governor John Volpe, Vice Chairman of the Advisory Committee on Federal-State-Local Relations, and I, as Chairman, met with President Johnson, Vice President Humphrey and Governor Bryant to discuss the National Governor's Conference Washington Office and ways and means of assuring its effectiveness. Mr. Byrley joined us for these discussions. The President pledged his full cooperation. As additional suggestions to solidify the federal-state partnership, the President suggested that:

- Governors appoint a staff member to oversee and coordinate federal-state programs.
- Governors strengthen their liaison with their own congressional delegations—visiting with them in Washington, and inviting them for briefings and discussions in the state capitals.
- Governors take the initiative in testifying before Congress, perhaps utilizing a regional "whip" system to assure gubernatorial representation at hearings.
- Governors continue their efforts to modernize and upgrade state administration.
- States participate financially in many federal programs now bypassing the States. State financial involvement in federal aid programs would minimize the bypass problem, and would allow the States to assume and reassert their leadership role.
- Governors take the initiative to halt the abuses associated with industrial development bond financing. Federal legislation can be expected, and reasonably soon, in the absence of voluntary state action.

Our visit with President Johnson was highly productive. Suggestions were both meaningful and helpful—some have been imple-

mented; others are in process. All Governors, I believe, have recognized the importance of designating a Coordinator for Federal-State Programs. We are now working diligently to improve both the constitutional base and administrative structure of our respective state governments. We are making progress—but not enough—in appearing personally before the congressional committees. The concept of States participating financially in federal assistance programs which now bypass state government deserves high priority. We can look to our Washington Office for assistance in identifying programs which may be considered as "prime candidates" for increased State involvement. We have not given sufficient attention to the industrial development bond financing problem, but we are asking our Office of Federal-State Relations to assist us in developing a specific course of remedial action. Having highlighted a number of the significant developments of our Conference year, your Advisory Committee on Federal-State-Local Relations now wishes to turn attention to the work and activities—both current and prospective—of the National Governors' Conference Washington Office, and to offer a few suggestions to further strengthen the States in our federal system.

#### National Governors' Conference Washington Office

Pursuant to the National Governors' Conference "Critique Committee" report adopted at the Greenbrier meeting last December, the Executive Committee employed a Director of Federal-State Relations, Charles Byrley, to head its Washington Office, and authorized him to employ a small professional staff with clerical support to commence operations in March. Guidelines, as follows, were set forth for operations:

"The primary mission of the Washington, D. C., office of the National Governors' Conference shall be to provide constant and rapid information to all Governors of pending action by federal agencies and committees of Congress.

"Secondary missions shall include:

1. The occasional research into subject matter deemed by the National Governors' Conference, its Executive Committee, or the Director of the Washington, D. C., office to be of urgent importance to all Governors.
2. The distribution of important information of general interest to all Governors which does not give the appearance that the National Governors' Conference supports or opposes particular political positions.
3. Representation by the staff of the National Governors' Conference in such discussions or meetings at which Governors cannot be present but which require Conference representation.

"The position of the National Governors' Conference shall be stated by the staff of the Washington, D. C., office only in general terms, except where resolutions approved by the current National Governors' Conference or the Conference Executive Committee shall be in effect."

To fulfill its assigned missions, the Office of Federal-State Relations publishes a weekly Governors' Bulletin providing brief, telegraphic-style news. Other periodic publications are the Congressional Box Score and Status Report on Appropriations. Special letters that give more detail and suggest action are prepared on individual developments.

Our staff has met at least once with each member of the President's Cabinet having responsibility for significant federal-state programs, and has worked constantly with key staff persons in all of the major executive departments. Our Washington staff has also consulted frequently with members of the Congress, their administrative assistants and staff aides to major congressional committees. All consultations, both with executive and legislative branches of the federal government, have focused on our Washington Office's primary mission: ". . . to provide constant and rapid information to all Governors of pending action by federal agencies and committees of Congress." In addition, our staff has worked closely with all major public interest groups, and especially with Washington-based representatives of those States maintaining branch offices in the Nation's Capital.

Fruits of labor are many times difficult to assess. Our Washington Office and its programs are still in the embryonic stage. But numerous benefits have already become evident:

- Our Washington Office has already assisted greatly in orienting our Coordinators of Federal-State Programs to their responsibilities in broad federal-state missions. A special workshop was held last June for the Coordinators, and another of considerable import is scheduled for November. To illustrate the importance of such workshops, the November meeting will examine the relationship and coordination of Titles VIII and IX of the Model Cities legislation, Title I of the Higher Education Act, the OEO Information Center, and the 701 Planning Program. Elements of these programs have a common thrust—to strengthen the gubernatorial position and capability—and we are pleased to see the imaginative approaches taken by our Washington Office to acquaint Governors and our staff aides to these potentials.
- Our Washington Office has contributed significantly to the development of the Bureau of the Budget's Circular A-85 which now mandates formal consultation between federal agencies and the Governors on pending federal regulations, guidelines and instructions. Procedures are now being de-



veloped to ensure that the gubernatorial voice is heard. Circular A-85 also opens the door for re-examination of regulations and guidelines on programs already established.

- Similar to its activity in assisting the Bureau of the Budget in the development of formal federal-state consultation procedures, our staff helped prepare the recently-introduced Administration proposal on "Joint Funding" to simplify the process of funding state and local programs which normally would be assisted from more than one federal categorical grant-in-aid program.
- The Office of Federal-State Relations, operating within the scope of its guidelines, has worked effectively with the Congress on current and proposed legislation of major significance to the states. A few examples:
  - Intergovernmental Manpower Act, still in subcommittee, which would provide intergovernmental exchange of personnel, aid for staff training and for improving personnel administration;
  - Partnership for Health, extending and improving the Comprehensive Health Planning Act of last year;
  - Social Security Amendments of 1967, giving increased attention to views expressed by the Governors;
  - Law enforcement and Criminal Justice Act, filtering grants through the States rather than funding directly to local governments (House version);
  - Elementary and Secondary Education Act, amended to give added responsibility to the States.

These and other measures of State achievement in federal-state relationships can be attributed in large measure to the many Governors—clearly a majority of the chief executives—who have guided the efforts of our Washington Office by responding promptly to issues raised in the Governors' Bulletin and special communiques, and by making personal appearances and providing testimony before congressional committees. A high degree of gubernatorial cooperation is evident; continuing help from all Governors will hasten our goal of true cooperative federalism. But much remains to be done, which leads your Advisory Committee on Federal-State-Local Relations to offer recommendations for future courses of action.

### Suggestions for the Future

Notwithstanding the substantial progress in 1967 toward improved intergovernmental relations, let us not be complacent. We have taken but the first step in a long journey. Now is the time to build on the enthusiasm commenced this year. To this end, your

Advisory Committee offers the following suggestions and recommendations:

- Governors—in greater numbers—must participate more directly in Washington. As burdensome as is the Governor's schedule, he must be more available to testify before congressional committees and attend important meetings in the Nation's Capital. Governor members of such organizations as the Advisory Commission on Intergovernmental Relations and the Public Officials Advisory Committee of the Office of Economic Opportunity should assume a more active role. In brief, and as stated so frequently by Governors themselves, there is no transferability of power and influence from principal to staff.
- The National Governors' Conference should have a more functionally-oriented committee structure to facilitate greater involvement in the development and perfection of substantive legislation.

Our Office of Federal-State Relations was necessitated, in part, because communications at the level of the elected heads of government were not as smooth as those between subject-area functionaries at the various levels. To strengthen our voices in this process, we will have to delve more deeply into the functional specifics of legislation and programs that follow.

A year's experience as Federal-State-Local Relations Chairman—with the earnest cooperation of my colleagues—has indicated that the job is too far-reaching for the singular handling by a committee of limited membership, such as our present Advisory Committee to the Executive Committee. Federal-state relations embraces most every substantive field of governmental activity; hence, our suggestion that the Conference develop a subject-matter committee structure which could ensure some continuity from year to year and would place the National Governors' Conference in a more prestigious position, subject-matter wise, in its dealings with the federal government.

- Specifically, we propose that the National Governors' Conference establish a regular standing Committee on Federal-State Relations which would serve as a steering body on all matters of federal-state concern. We further propose that a number of subject-matter subcommittees be formed. Each member of the standing Committee on Federal-State Relations would be designated Chairman of a functional subcommittee. Members on each functional subcommittee, other than the Chairman, would be appointed from the National Governors' Conference Membership-at-Large, thus assuring the participation of all Governors in at least one major

area of federal-state relations. We might consider about fifteen sub-committees composed of three or four members each, thus calling for a Federal-State Relations Standing Committee of about fifteen members. The subcommittees would be assigned functional areas of responsibility: agriculture, education, welfare, transportation, natural resources, planning, etc. Governors serving on these subcommittees should be in close contact with each other. It would be their responsibility to provide the thrust for developing NGC policies and positions in their own respective functional areas. It would be their duty to prepare and present testimony, and they could be backstopped by their own expert staff—assisted by the staff of our Washington Office—to review proposed regulations and guidelines, and to re-assess regulations covering existing programs where appropriate.

As an additional suggestion, we offer the thought that the National Governors' Conference might hold a special seminar each year in Washington early in the congressional session. At such seminars, the subcommittees could have access to special resource people in the Capital: Cabinet members, Congressmen, congressional committee staff, and representatives of functional groups. The National Governors' Conference would then be in a good position to set a course of action after major programs have been introduced, but before congressional hearings and other consultations have solidified legislative approaches.

- The National Governors' Conference should anticipate major problem areas and develop policies regarding them so that Governors can be in the position of acting positively on most major issues. We can expect, for example, major federal-state thrusts in the coming year in the fields of transportation, urban-rural balance, industrial development bond financing, continuing problems of the urban area, and countless others. With a committee structure as envisioned in the preceding recommendation, the National Governors' Conference could play a major role in helping mold national policies. This, we believe, is a desirable goal.
- Finally, your Advisory Committee on Federal-State-Local Relations believes that much more can be done to strengthen the States in the federal system and to improve the image of state government generally. The myth of the impotent State prevails with many members of the federal establishment and the press. Each individual Governor must work assiduously toward upgrading the image of the Office of Governor and the capability of state government. The National Governors' Conference should widen its focus. The Washington Office's primary mission must still be to inform the Gov-

ernors of Washington developments. But it should also inform Washington of gubernatorial actions and state development. This requires close cooperation and a concerted campaign. Your Advisory Committee suggests a new information service directed primarily at the federal establishment and the press, reporting on significant developments in Governors' offices and in the state capitals.

Your 1967 Advisory Committee on Federal-State-Local Relations has enjoyed its assignment. It has been a good year. But let us not stop our efforts now. States are on the move; they are being strengthened in our federal system. And with the continuing cooperation of all Governors, we can expect much greater progress in the future.

## Appendix X

### "CALL AND COMMITMENT"

(A Special Report of the Advisory Committee  
on Federal-State-Local Relations)

#### I. A CALL TO ACTION

The crisis of our cities demands a call to action that none can ignore. It issues forth from the ghettos and slums of our nation's cities, large and small. It is the nation's number one domestic problem—a challenge that must be met as Americans have met other great challenges in the past.

The crisis is exemplified by harsh characteristics of life in blighted city areas—such as poor housing, high unemployment, high crime rate, and limited educational and health facilities. To meet this crisis lawlessness and violence must be halted and underlying causes of unrest—inequality and lack of opportunity—must be alleviated. These two objectives are inseparable; maintenance of order and respect for law are essential if actions to meet root causes of disorder are to be successful.

A massive effort is required to attain these basic objectives. It must involve all segments of our society. It must be commensurate with the vast scope of the urban problem.

Government has a basic responsibility for the economic and social well-being of all citizens. Government has a primary responsibility for the maintenance of order under law. Government must be a catalyst and a leader to achieve these purposes.

Urban unrest is no longer simply a local problem.

Individual city governments, which are in the position of grappling firsthand with the crisis, find the problem too far-reaching to deal with effectively.

The massive resources, close contact, experimentation, and diversified approaches required for its solution preclude full achievement through federal government measures alone.

The private sector has a major responsibility but its potential impact is limited by the magnitude and complexity of the problem.

The States alone cannot meet the total problem either. They are, however, in the unique position to bring about an effective new focus on the needs of our urban citizens. The States can and must be the agent for bringing together the resources of all levels of government as well as the private sector in the development and implementation of effective urban programs.

States must accept this responsibility.

As Governors, we issue to the entire nation a Call to Action—a call to all levels of government and a call to the private sector to join in mounting the massive effort to eliminate social injustice and unrest.

## II. COMMITMENT FOR STATE ACTION

As Governors, we have the clear responsibility to move immediately to achieve:

- Assurance of order and respect for law.
- Full participation by all people in the processes of government.
- Physical rehabilitation of blighted areas.
- Improved educational and employment opportunities.
- Full availability of effective services to the individual.

As Governors, we recognize that the States must assume the leadership role to achieve these goals.

We are committed to meeting this challenge and fulfilling this responsibility.

Accordingly, we will continue to strengthen state government to guarantee the development and effective implementation of programs to assure the maintenance of order under law, to alleviate city problems and to demonstrate a full capability to serve and work with other levels of government and the private sector.

We also recognize that state government must assert itself in meeting the problems of participation and involvement by all people, regardless of race or economic condition, in the governmental process as well as in the planning and development of programs. The most immediate and effective avenue of assuring this participation is through open lines of communication and the guarantee and encouragement of the right to vote. This, for state government, is not only a proper role, but an obligation.

### 1. State Urban Action Program

Specifically, we as Governors will each develop an Urban Action Program for mobilization of public and private resources for the particular social and economic ills of our state's urban areas.

- The Program will include immediate steps to help alleviate the most pressing ills.
- The Program will assess the impact on blighted areas of various ongoing efforts in such fields as employment, health, welfare, housing, recreation, and education.
- The Program will draw upon existing programs and upon methods used elsewhere to develop new means to meet needs.
- The Program will identify areas in which the private sector can and should make a greater contribution.

## 2. States' Urban Action Center

To assist in accomplishing this, we recognize the need for a new mechanism to bring expert guidance and advice on developing and implementing specific programs to meet our particular needs.

Accordingly, we endorse the States' Urban Action Center. We will work with the Center and fully utilize its assistance in implementing specific programs in individual States. The Center will:

- provide a team of experts in the various program areas to help tailor specific proposals to the particular needs of those in individual States,
- provide "trouble shooting" assistance to individual States faced with special problems in implementing action programs, and
- receive and disseminate information on steps taken by each State to implement action programs so that all States may benefit from the experience of others.

This non-partisan Center will complement the mission of established organizations such as the Council of State Governments, the National Governors' Conference, and the Advisory Commission on Intergovernmental Relations.

The Center is designed solely on a service basis for the States. The emphasis of the Center will be on action rather than on study. It will work closely with Governors and their staffs in making effective use of available information, proposals and resources to implement their Urban Action Programs.

## III. URBAN ACTION PROGRAM CHECKLIST

We have agreed that each Governor will immediately develop an Urban Action Program designed to mobilize all resources in meeting the urban problems of his State. The elements of each Urban Action Program will vary, of necessity, according to the specific needs and circumstances in each State.

The following guide for action has been developed to assist the individual States in preparing their Programs. It draws heavily from the suggestions of the Governors to the Advisory Committee on Federal-State-Local Relations. The checklist includes programs which already have proved successful in some urban areas and which may be helpful in others. In addition, items are included as proposed responses to known problems which may not yet have been effectively approached.

The Urban Action Program checklist recognizes the necessity of involving all segments of our society in a meaningful response to urban problems. This response cannot be limited to public or private action alone, nor to action by any one level of government. In fact, the diversity of the elements in this checklist illustrates

the total commitment needed to overcome urban unrest.

In those cases where effective implementation is predicated on joint action, or when major responsibility does not lie with state government, we agree as Governors to be the catalyst to bring together or urge action by the federal or local governments, or the various elements of the private sector.

The Urban Action Program checklist is a valuable resource for every one concerned with urban problems. It is obviously not all-inclusive nor are all items necessarily applicable in all situations. We will continue to build upon it, through the States' Urban Action Center, so that all may benefit from our experiences.

### Order and Respect for Law

Justice and equality for all Americans is predicated upon the maintenance of respect for law.

Effective law enforcement depends on just, firm and equitable application of laws, including those designed to correct basic social ills.

It is the responsibility of government to control violence, crime, looting and all manifestations of lawlessness. In a like manner, it is the responsibility of individual citizens to respect and obey the laws by which society is governed.

### To Assure Order Under Law:

- Provide for rapid and accurate intelligences: establish special intelligence mechanisms to provide information on potential social unrest; monitor effectiveness of ongoing law enforcement as a preventive measure; develop statewide intelligence and identification systems with modern communication linkage.
- Develop interjurisdictional agreements to aid in law enforcement: implement interlocking agreements between local law enforcement units; authorize fire-fighting agencies to pool manpower and equipment; provide for interstate compacts relative to law enforcement.
- Strengthen training and the capacity of state and local police: mandate minimum training for new police officers; provide regular in-service training including practice of community relations concepts; develop an action plan and provide special training for the control of civil disorders.
- Insure maximum coordination between Governors and the National Guard: recognize state manpower needs in National Guard reorganization; clarify National Guard utilization procedures in civil disorders.
- Develop and implement a statewide law enforcement plan: integrate and coordinate improved law enforcement and admin-



istration of criminal justice at all levels of government.

- Strengthen professionalism of law enforcement personnel: recruit and retain personnel dedicated to high professional standards; assure just compensation; provide funds for continuing education; develop nationwide retirement systems to allow flexibility and mobility.
- Provide legal tools needed for effective law enforcement: provide full-time legal staff for large police departments; strengthen laws against organized crime and the use of narcotics.
- Assign responsibility for coordinating activities following a disorder: develop capability of state and local civil defense agencies to coordinate social services; assure smooth resumption of services by regular agencies.

#### To Correct Social Ills:

- Enact and enforce provisions to protect citizens against consumer fraud and usury: require accurate labeling of prepackaged products; limit installment charges; curb false advertising; crack down on loan shark racket.
- Provide for full enforcement of health, sanitary and housing codes: provide for the use of "receivers" and compulsory repairs; develop model codes for housing; provide financial assistance for code enforcement.
- Strengthen laws relating to juveniles: tighten laws against sales of narcotics to minors; control use of hallucinatory drugs, amphetamines and barbiturates; provide for effective rehabilitation programs.

#### To Foster Respect for Law:

- Develop effective community relations programs: dramatize the role, value and procedures of law enforcement officials; insure that officers are conversant in the predominant language of policed area; encourage police participation in community service programs.
- Promptly investigate charges and insure action against law enforcement personnel who abuse their authority: develop complaint mechanisms and internal controls in major departments; assure adequate review by governmental superiors; give full publicity to departmental hearings.
- Provide for prompt arraignment and an equitable system of pre-trial release: develop twenty-four hour courts; provide for non-bail release of offenders with major community ties; provide for public defenders.

## Full Participation by All People in the Process of Government

To establish real participation by our citizens in the process of orderly government, accent must be on the use of the ballot by every citizen.

There must also be a regular dialogue between all segments of the community—particularly with those of the disadvantaged and minority groups. This dialogue is vital if government is to accurately assess and move to meet the needs of its citizens. In turn, our citizens need to know of programs, plans and services designed to provide full opportunity for them.

Likewise, full participation by all citizens in the development of programs leading to effective action must be assured if frustrations are to be overcome.

### To Assure Full Participation:

- Provide for participation by all citizens in the election process: guarantee every person entitled to vote the free use of his franchise; support and encourage voter registration campaigns for all types of elections.
- Foster dialogue between citizens and government: create and support human relations agencies or commissions at local and state levels; encourage dialogue between people of majority and minority groups; establish training laboratories in community relations; establish government neighborhood information centers in urban neighborhoods; operate mobile information units.
- Encourage community improvement groups: provide state aid and technical assistance to such groups at municipal and neighborhood levels to help shape creative and cooperative programs to deal with community ills and to provide a forum for all citizens including the disadvantaged and minority groups.
- Assure representation of all citizens: recognize the responsibility to have the views of all citizens adequately represented in the governmental process; assure direct or indirect representation on official policy-making bodies.

### Physical Rehabilitation of Blighted Areas

The environmental deficiencies of blighted areas are important elements of individual frustration and social unrest.

Substandard and deteriorating housing, schools, and recreational areas, community facilities and services occur in large and significant areas of our urban centers. The present level of commitment has not resulted in substantial change.

For the majority of those who live in these areas, flight to

new locations is not feasible. Total and comprehensive transformation of these slum areas must be undertaken immediately.

#### To Accelerate Effective Rehabilitation:

- Marshal public and private resources: effect a complete and basic transformation of blighted areas; undertake comprehensive "new neighborhood" projects including the full range of urban uses; provide incentives to facilitate investment of private capital on a scale commensurate with the magnitude of the problem; establish comprehensive and multi-purpose facilities which could combine such uses as housing, education, recreation and commercial.
- Provide state financial assistance for urban programs: share local matching requirements of federal programs; seek changes in federal legislation to allow state and local pre-financing of federal urban development programs; aid development and enforcement of adequate building and housing codes and rent receivership laws; aid local governments for adequate collection and disposal of garbage and solid waste; support programs to control the rodent and roach problem; assist programs designed to assure adequate mass transportation.
- Develop mechanisms to insure the opportunity for better housing for the disadvantaged: encourage home ownership and property improvement through tax incentives and banking and investment pools; seek zoning policies to overcome social, economic and racial segregation; support open housing legislation and its effective implementation; require real estate agents to make lists of rental and sale properties available to every client; assure the ability to purchase and retain insurance in inner city areas.

#### Improved Educational and Employment Opportunities

In spite of legislation and programs designed to achieve equal opportunity for all of our citizens, true equality of opportunity is not yet a reality for many Americans.

The chance to benefit from a good education and have an equal chance to get a rewarding job have been and still are denied to many.

State government must reassess its present programs and, where necessary, develop new programs and approaches to assure that all citizens are in fact offered the opportunity to receive an education which develops their potential to the fullest and results in gainful employment.

The well-being of all citizens depends on the achievement of these objectives.

### To Achieve Educational Excellence for All:

- Provide pre-school children with experience: enable them to benefit fully from elementary school; provide coordinated state assistance for pre-school programs; recruit volunteers who are especially gifted in working with young children.
- Improve elementary and secondary education: provide state aid to help meet the special problem of slum area schools; identify talented youngsters who are not attaining their potential; recruit volunteers to provide additional help to students; establish work-study programs for those who need to work to stay in school; encourage college students and graduates from slum areas to stimulate students to continue their education; establish state-wide teacher reserves to encourage trained but inactive teachers to return to teaching on a full or part-time basis.
- Expand college opportunities: provide state scholarship and student loan programs to assure that no youth is denied the opportunity for a college education because of the lack of financial resources; develop special tutoring programs to help those capable of doing college work who need special help to meet college entrance requirements; establish college work-study programs; create urban college centers or universities-of-the-streets to offer diversified academic and vocational courses with flexibility to transfer to a college.
- Improve and expand vocational education opportunities: review current vocational education courses to assure that they reflect labor market conditions; establish a vocational education system without entrance requirements.
- Expand adult basic education programs: provide programs in or near blighted areas at times convenient for neighborhood residents; provide child care services.
- Make schools a year-round community focal point: encourage parents to take an active interest in their children's education; use facilities for recreational, cultural and civic activities; use schools and local libraries for special music and reading hours for children and adults; establish additional summer school programs.

### To Expand and Improve Employment Opportunities:

- Increase job opportunities: recruit, train and hire slum area residents for public employment; provide tax incentives for industry and business to locate in blighted areas; provide neighborhood counselling to small business in urban areas; encourage industry and labor to expand job opportunities through across-the-board hiring of disadvantaged persons; promote and enforce equal employment practices in both

public and private employment; use career fairs to publicize availability of jobs; utilize mobile employment units to bring employment information to the unemployed.

- Increase and improve training programs: establish state manpower training programs to supplement federal programs; expand apprenticeship training programs in cooperation with unions; promote apprenticeship training in small establishments; set up mobile units for "instant" testing services to discover aptitudes and potential employability; establish mobile community colleges to provide immediate training in employable skills needed for which openings are available; provide training to develop job counselling personnel; expand use of business and industrial facilities and staff for on-the-job and other training.
- Enhance the opportunity of individuals to participate in training programs and benefit from job openings: provide subsistence allowances for job trainees; provide local day care services to help parents who want to find employment; provide incentives for welfare recipients to undertake training and employment by permitting income plus welfare benefits to total more than the amount they would receive under welfare benefits alone; provide neighborhood vocational counselling units.
- Initiate special efforts to help unemployed youth: develop summer employment programs for disadvantaged young people; develop work-experience type projects in state and federal parks and forests or other governmental operations; provide part-time employment opportunities for school-aged young people during the school year.

#### Full Availability of Effective Service to the Individual

A more complete and accessible range of social services for those now living in blighted areas must accompany the physical improvement of such areas.

If families now caught in the vicious cycle of poverty and discrimination are to be able to participate fully in the American society, a wide range of health, welfare, recreational and cultural opportunities must be made available.

At present many of these services do not effectively reach disadvantaged citizens. Furthermore, these services are often fragmented and uncoordinated.

#### To Assure Effective Services:

- Provide convenient and coordinated services: develop comprehensive one-stop government service centers; establish urban

extension programs; organize and promote programs to bring together volunteers who want to help those in need; provide for neighborhood day care centers.

- Provide ready access from blighted areas to the rest of the metropolitan area: develop special public transportation for blighted areas; encourage highway development which does not isolate the core areas.
- Meet the unique health and mental health needs of disadvantaged persons: implement rat control programs; develop neighborhood clinics; provide health guide programs; construct community mental health centers.
- Provide adequate consumer protection and education programs: establish special state agencies to investigate consumer frauds; protect against charity frauds; regulate real estate syndicates; protect the public from deceptive practices.
- Develop an interstate cooperative training and orientation program: provide help for those who have moved or are planning to move from rural to urban areas.
- Expand cultural opportunities in blighted areas: make governmental facilities available for exhibitions; finance artistic and historical exhibitions; and performances; finance and provide technical assistance to individuals or groups who wish to sponsor cultural events; encourage private resources in the development of neighborhood centers; provide transportation from blighted areas to specific educational and recreational events; utilize unused community lands as cultural or recreational areas.
- Reassess present programs: assure full relevancy to those for whom each program is designed.

## Appendix XI

### REPORT OF COMMITTEE ON STATE AND LOCAL REVENUE

#### I

#### NEW DIRECTIONS IN FEDERAL-AID POLICY

The National Governors' Conference meeting in White Sulphur Springs, West Virginia, December 16-17, 1966 adopted the following resolution:

"Whereas, the vigor and responsiveness of state and local governments are essential elements of our governmental system; and

"Whereas, these vital units in our federal system must have both the necessary authority and resources to fulfill effectively their responsibilities to the people; and

"Whereas, existing categorical federal aid programs in many instances impede state and local governments from meeting priority public needs in a manner effectively suited to the varying problems and needs of individual state and local governments:

"Now, therefore, be it resolved that at the same time that we continue to work to modernize state and local governmental machinery, we believe it is essential that the federal government adopt new federal intergovernmental fiscal policies which reflect a basic change in emphasis, giving more discretion and responsibility to state and local governments and moving away from the over-reliance on national controls under the very large number of existing categorical federal grant-in-aid programs; and

"Be it further resolved that the National Governors' Conference specifically endorses the principle of tax sharing and the principle of block grants—consolidating existing federal categorical grants-in-aid—to partially or wholly offset federal categorical grant-in-aid programs which now exist or may be developed in the future; and

"Be it further resolved that the Executive Committee of the Conference be authorized to take such action now as is deemed necessary and appropriate in support of the implementation of this resolution."

In accord with this resolution, the National Governors' Committee on State and Local Revenue recommends that immediate steps be taken to systematize the categorical aid programs and improve them so that they may better serve national purposes and priorities.

The following specific proposals are urged as first steps in implementing the above recommendation:

1. The Joint Funding Simplification Act introduced August 28, 1967 should be enacted without delay.

2. Authorizations for federal support of planning in States and communities should be increased to facilitate comprehensive planning over the spectrum of state and local government activities. Such grants should be made not to specified state or local agencies or single "planning" agencies, but as determined by the Governors.

3. The more than two hundred demonstration or innovational grants now authorized should be consolidated into a single demonstration grant authority for each department and independent agency of the national government having substantial intergovernmental programs.

4. The U. S. Bureau of the Budget should develop general guidelines for the specifications of grant-in-aid formulas and their matching ratios.

5. A detailed study should be made of the existing major grant programs with a view to (a) simplification of present grant provisions; (b) elimination of grant program standards and requirements which are outmoded or unduly restrictive; (c) authorization for consolidation of state plans for closely related programs where several such plans are required as a condition of aid.

a. We also recommend that the national government undertake, in cooperation with the National Governors' Conference, a study of present public welfare programs.

b. We propose a joint study of educational needs and finances by the Education Commission of the States and the U. S. Department of Health, Education, and Welfare.

c. We recommend that forthright steps be taken to correct overlaps and conflicts between existing federal programs for water supplies and liquid waste disposal.

d. We recommend elimination of all categorization and earmarking from the vocational education programs, to provide in effect a single vocational education grant.

6. The Committee recommends a further study of categorical aid programs to determine if there are some that are no longer necessary for the national purpose, and that might properly be replaced by block grants or a general support grant in the interest of greater efficiency, economy and local determination.

## II

### DEVELOPMENT OF TAX SHARING LEGISLATIVE PROPOSAL

The National Governors' Conference at its December, 1966 meeting adopted the following additional resolution:



"Whereas, the National Governors' Conference endorses the principle of tax sharing; and

"Whereas, there are a wide number of possible alternatives for achieving this objective:

"Now, therefore, be it resolved that the National Governors' Conference authorize the Committee on State and Local Revenue to develop, in consultation with experts in the field and representatives of local governments, a federal tax sharing plan for appropriate and timely consideration by the Executive Committee; and

"Be it further resolved that this plan include the allocation of additional revenue beyond present levels for use by the States and for distribution by the States to local governmental units; and

"Be it further resolved that in the formulation of this plan consideration be given to the use of both the federal individual income tax base and federal individual income tax collections as the basis for the federal tax sharing fund thereby established; and

"Be it further resolved that, in the decision on distribution of these funds, consideration be given to including in the distribution formula the factors in the various proposals which have been made for sharing federal tax revenues with state and local governments."

In accord with these charges to the Committee on State and Local Revenue, the Committee: (1) consulted with experts on federal tax sharing, (2) carried on a series of discussions with representatives of local governments, (3) met in joint sessions with an ad hoc committee representing the mayors, (4) designated the State-Local Finances Project of The George Washington University as a study staff on behalf of the Committee.

The study staff worked with the staffs of the U. S. Conference of Mayors and the National League of Cities to develop a federal tax sharing plan in alternatives that would include allocation of additional revenue beyond present levels for use by the States and for distribution to local governmental units.

Three documents were prepared in carrying out this work:

1. A Staff Report of the Committee on State and Local Revenue, containing alternative specifications and plans for general support grants.

2. A chart book presenting back-drop facts relevant to additional federal revenue sharing; and

3. A technical report by The George Washington University staff under the title "Equating Public Wants and Public Taxation" to be completed by January of 1968.

The National Governors' Conference recognizes the urgency of a massive attack on the critical problems that exist in our so-

ciety today. Symptoms of those problems are the recent outbreaks in our core cities. The explosions in the cities have served as a warning that the American people cannot afford complacency, that remedies must be found now. There is no panacea; there is no simple solution to this crisis. This much is clear—there must be a vast enlargement in the amount of resources channeled toward alleviation of these problems. The marshalling of resources must be carried out through all levels of government and through the private sector as well.

In order to gain maximum cooperation with local officials on a specific general support grant, we urge that the Executive Committee, or a committee it designates, consider together with such local officials the alternative plans. And, further, we urge this conference to continue to delegate to the Executive Committee, or a committee it designates, the responsibility for working with state legislative representatives, local officials and other interested groups and organizations to gain favorable consideration by the U. S. Congress of a general support grant.