

*Proceedings*  
OF THE  
NATIONAL  
GOVERNORS'  
CONFERENCE  
1970

SIXTY-SECOND ANNUAL MEETING  
TAN-TAR-A RESORT • LAKE OF THE OZARKS, MISSOURI  
*AUGUST 9-12, 1970*

THE NATIONAL GOVERNORS' CONFERENCE  
IRON WORKS PIKE  
LEXINGTON, KENTUCKY 40505

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## EXECUTIVE COMMITTEE

1969-70

Honorable John A. Love  
Governor of Colorado, Chairman

Honorable Albert P. Brewer, Governor of Alabama  
Honorable Kenneth M. Curtis, Governor of Maine  
Honorable Warren E. Hearnes, Governor of Missouri  
Honorable Robert E. McNair, Governor of South Carolina  
Honorable Arch A. Moore, Jr., Governor of West Virginia  
Honorable Calvin L. Rampton, Governor of Utah  
Honorable Winthrop Rockefeller, Governor of Arkansas  
Honorable Don Samuelson, Governor of Idaho

## EXECUTIVE COMMITTEE

1970-71\*

Honorable Warren E. Hearnes  
Governor of Missouri, Chairman

Honorable Forrest H. Anderson, Governor of Montana  
Honorable William T. Cahill, Governor of New Jersey  
Honorable Frank L. Farrar, Governor of South Dakota  
Honorable Linwood Holton, Governor of Virginia  
Honorable Marvin Mandel, Governor of Maryland  
Honorable Robert D. Ray, Governor of Iowa  
Honorable Robert W. Scott, Governor of North Carolina  
Honorable Jack Williams, Governor of Arizona

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\*As elected August 12, 1970

**OTHER COMMITTEES OF THE NATIONAL  
GOVERNORS' CONFERENCE, 1970\***

**COMMITTEE ON EXECUTIVE MANAGEMENT  
AND FISCAL AFFAIRS**

Governor Buford Ellington, Tennessee — Chairman  
Governor Warren P. Knowles, Wisconsin — Vice Chairman  
Governor Kenneth M. Curtis, Maine  
Governor Deane C. Davis, Vermont  
Governor Claude R. Kirk, Jr., Florida  
Governor Harold LeVander, Minnesota  
Governor Robert D. Ray, Iowa  
Governor Winthrop Rockefeller, Arkansas  
Governor John Bell Williams, Mississippi

**COMMITTEE ON HUMAN RESOURCES**

Governor Nelson A. Rockefeller, New York — Chairman  
Governor Robert Docking, Kansas — Vice Chairman  
Governor Carlos G. Camacho, Guam  
Governor Melvin H. Evans, Virgin Islands  
Governor Luis A. Ferré, Puerto Rico  
Governor Warren E. Hearnes, Missouri  
Governor Tom McCall, Oregon  
Governor Robert E. McNair, South Carolina  
Governor Ronald Reagan, California

**COMMITTEE ON LAW ENFORCEMENT,  
JUSTICE, AND PUBLIC SAFETY**

Governor Raymond P. Shafer, Pennsylvania — Chairman  
Governor John A. Burns, Hawaii — Vice Chairman  
Governor Forrest H. Anderson, Montana  
Governor David F. Cargo, New Mexico  
Governor Frank Licht, Rhode Island  
Governor Louie B. Nunn, Kentucky  
Governor Russell W. Peterson, Delaware  
Governor Calvin L. Rampton, Utah  
Governor Jack Williams, Arizona

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\*As of August, 1970—opening date of Conference.

COMMITTEE ON NATURAL RESOURCES  
AND ENVIRONMENTAL MANAGEMENT

Governor William L. Guy, North Dakota — Chairman  
Governor Dewey F. Bartlett, Oklahoma — Vice Chairman  
Governor Stanley K. Hathaway, Wyoming  
Governor Linwood Holton, Virginia  
Governor Lester G. Maddox, Georgia  
Governor Keith H. Miller, Alaska  
Governor Don Samuelson, Idaho  
Governor Francis W. Sargent, Massachusetts

COMMITTEE ON RURAL AND URBAN DEVELOPMENT

Governor John Dempsey, Connecticut — Chairman  
Governor Norbert T. Tiemann, Nebraska — Vice Chairman  
Governor Albert P. Brewer, Alabama  
Governor Frank L. Farrar, South Dakota  
Governor William G. Milliken, Michigan  
Governor Richard B. Ogilvie, Illinois  
Governor James A. Rhodes, Ohio  
Governor Robert W. Scott, North Carolina  
Governor Preston Smith, Texas

COMMITTEE ON TRANSPORTATION,  
COMMERCE AND TECHNOLOGY

Governor Daniel J. Evans, Washington — Chairman  
Governor Marvin Mandel, Maryland — Vice Chairman  
Governor William T. Cahill, New Jersey  
Governor John M. Haydon, American Samoa  
Governor Paul Laxalt, Nevada  
Governor Arch A. Moore, Jr., West Virginia  
Governor John J. McKeithen, Louisiana  
Governor Walter Peterson, New Hampshire  
Governor Edgar D. Whitcomb, Indiana

Governor John A. Love, Colorado—Chairman of the  
National Governors' Conference—is an ex officio  
member of all Committees.

## ATTENDANCE

Albert P. Brewer, Governor of Alabama  
John M. Haydon, Governor of American Samoa  
Jack Williams, Governor of Arizona  
Winthrop Rockefeller, Governor of Arkansas  
John A. Love, Governor of Colorado  
John Dempsey, Governor of Connecticut  
Russell W. Peterson, Governor of Delaware  
Lester G. Maddox, Governor of Georgia  
John A. Burns, Governor of Hawaii  
Don Samuelson, Governor of Idaho  
Richard B. Ogilvie, Governor of Illinois  
Edgar D. Whitcomb, Governor of Indiana  
Robert Docking, Governor of Kansas  
Louie B. Nunn, Governor of Kentucky  
Kenneth M. Curtis, Governor of Maine  
Marvin Mandel, Governor of Maryland  
Francis W. Sargent, Governor of Massachusetts  
William G. Milliken, Governor of Michigan  
Harold LeVander, Governor of Minnesota  
John Bell Williams, Governor of Mississippi  
Warren E. Hearnes, Governor of Missouri  
Forrest H. Anderson, Governor of Montana  
Norbert T. Tiemann, Governor of Nebraska  
Walter Peterson, Governor of New Hampshire  
William T. Cahill, Governor of New Jersey  
David F. Cargo, Governor of New Mexico  
Nelson A. Rockefeller, Governor of New York  
Robert W. Scott, Governor of North Carolina  
William L. Guy, Governor of North Dakota  
James A. Rhodes, Governor of Ohio  
Dewey F. Bartlett, Governor of Oklahoma  
Raymond P. Shafer, Governor of Pennsylvania  
Luis A. Ferré, Governor of Puerto Rico  
Frank Licht, Governor of Rhode Island  
Robert E. McNair, Governor of South Carolina  
Frank L. Farrar, Governor of South Dakota  
Buford Ellington, Governor of Tennessee  
Preston Smith, Governor of Texas  
Calvin L. Rampton, Governor of Utah

Deane C. Davis, Governor of Vermont  
Linwood Holton, Governor of Virginia  
Melvin H. Evans, Governor of the Virgin Islands  
Daniel J. Evans, Governor of Washington  
Arch A. Moore, Jr., Governor of West Virginia  
Warren P. Knowles, Governor of Wisconsin  
Stanley K. Hathaway, Governor of Wyoming

#### **GUEST SPEAKERS**

Warren E. Burger, Chief Justice of the Supreme  
Court of the United States  
Richard J. Hughes, Former Governor of New Jersey  
Dwight A. Ink, Assistant Director, Office of  
Management and Budget  
Elliot L. Richardson, Secretary of Health,  
Education, and Welfare  
John A. Volpe, Secretary of Transportation

## PROGRAM

### Saturday, August 8

6:00 p.m. "Early Bird" Reception

### Sunday, August 9

Morning and Afternoon Open for Church Services, Press Conferences, Committee Meetings  
11:00 a.m. Interdenominational Church Service  
12:00 noon Luncheon Meeting of Executive Committee  
4:00 p.m. Briefing for Governors' Aides  
7:00 p.m. Reception and Dinner for Governors and Their Wives  
6:30 p.m. Buffet Reception for Other Conference Participants

### Monday, August 10

8:30 a.m. Opening Session  
Northwinds Hall  
Presiding:  
Governor John A. Love  
Call to Order and Invocation  
Welcoming Remarks:  
Governor Warren E. Hearnese  
Adoption of Rules of Procedure  
Conference Theme:  
"The States in the '70s—Catalyst for Action"  
Governor John A. Love  
9:00 a.m. "Transportation, Commerce and Technology"  
Presiding:  
Governor Daniel J. Evans, Washington  
11:00 a.m. "Natural Resources and Environmental Management"  
Presiding:  
Governor William L. Guy, North Dakota  
1:00 p.m. Recess  
Afternoon Open for Optional Host State Events, Small Group Meetings  
7:00 p.m. Informal Buffet Dinner and Entertainment

Tuesday, August 11

- 9:00 a.m.      General Session  
Northwinds Hall  
“Executive Management and Fiscal Affairs”  
    Presiding:  
        Governor Buford Ellington, Tennessee
- 11:00 a.m.      “Human Resources”  
    Presiding:  
        Governor Nelson A. Rockefeller, New York
- 1:00 p.m.      Recess  
Afternoon Open for Optional Host State  
Events, Small Group Meetings
- 8:00 p.m.      State Dinner and Ball  
(Black tie) Northwinds Hall

Wednesday, August 12

- 8:30 a.m.      General Session  
Northwinds Hall  
“Rural and Urban Development”  
    Presiding:  
        Governor John Dempsey, Connecticut
- 10:30 a.m.      “Law Enforcement, Justice and Public Safety”  
    Presiding:  
        Governor Raymond P. Shafer, Pennsylvania
- 12:30 p.m.      Executive Session—Final Business  
    Presiding:  
        Governor John A. Love  
        Consideration of Proposed Amendment to  
        Articles of Organization  
        Election of Officers  
        Other Business  
        Adjournment



# MONDAY SESSION

August 10

GOVERNOR JOHN A. LOVE: This meeting is now called to order. Would you please rise while the Missouri National Guard posts the colors. We call on the Reverend Dean W. Maas, of Our Savior Lutheran Church, for the invocation.

REVEREND MAAS: Oh, God, we call upon Thee for guidance and strength in these special days. Help these people who have been called to govern the affairs of men to know, to feel, to acknowledge, and to understand that You are not a God removed from the arena of human affairs but an ever-present God who stands before each person and every circumstance of life, prodding and searching and judging our motives, to know the truth and the way for all men to be free. Make all people in all positions and circumstances of life keenly aware of that which happens in these days, which is not merely to be measured and judged by man's hopes and anxieties, but that they must be measured and judged by Thy hopes and purposes for all men, in all places, and at all times. In Thy name we pray, amen.

GOVERNOR LOVE: I will now call upon our Host Governor, Governor Hearnese, for remarks.

GOVERNOR WARREN E. HEARNES: It is, of course, a pleasure and an honor for Missouri to serve as host to the Sixty-second National Governors' Conference. We extend the warmest possible welcome to each of you. This meeting of itself has attracted the interest and attention of people throughout the State. It is of added significance that this coincides with an important milestone in Missouri's history. It was one hundred fifty years ago this month that the citizens of Missouri adopted their first Constitution, following approval by Congress of the Missouri Compromise; and it was exactly one hundred forty-nine years ago today, on August 10, 1821, that President Monroe signed the bill officially granting statehood to Missouri. So we have been functioning as a State for one hundred fifty years and have officially been a State for one hundred forty-nine. This is why we are starting today with a year-long celebration of our sesquicentennial. No matter which historical interpretation a person chooses to follow, this year-long observance will cover our one hundred fiftieth birthday.

Missouri has a proud history, one which is heavily sprinkled with famous names and events, but I choose to believe that this anniversary is a time to look

toward the future. Like most States, Missouri has serious problems at hand and tremendous opportunities within reach. Rather than just observing what has transpired during our one hundred fifty years of statehood, we must use that experience and heritage to our own advantage as a foundation for the future.

Within that context there would be no better way to begin our sesquicentennial than by hosting this meeting of the National Governors' Conference. Together we will be dealing with the major problems and opportunities of today and the future. We will use our personal experience and the experience of our States as a basis for making policy decisions. We will draw upon the successes and failures of the past as guidelines, but our actions will be geared toward what we can do to improve our States in the years ahead. This is the kind of meeting which our whole host committee has had in mind.

May I transgress just one bit in concluding this welcoming address. I have been admonished by one of the editorial writers of our metropolitan papers, for goodness sake, to pronounce the name of our State correctly with all of you as our guests. I want to say that for many, many years the natives have said Muh-zoor-ah. The literary folk made a great effort around the turn of the century to get the natives to say Muh-zoor-ee. They have been reinforced by television and radio announcers until probably some day they will win, but I am like the fellow who says, "You pronounce the name any way you want to, Muh-zoor-ee or Muh-zoor-ah, just have a good time." Thank you very much.

GOVERNOR LOVE: Thank you very much, Governor Hearnese. It is great to be here in your State. You all have before you the Rules of Procedure as proposed by the Executive Committee. They are identical to those adopted last year except for Paragraph one of Rule I. The last sentence of that paragraph was added by unanimous vote of the Executive Committee. It reads as follows:

"Policy statements adopted by the Conference shall remain in force and effect until rescinded or superseded by the Conference."

The basic thinking behind that addition is that we make little sense to join in conference annually and re-pass positions that we have already taken. We think that the positions, the policies, should stand until supplemented, amended, or rescinded. If you are in agreement, I would like to have a motion that we adopt the Rules of Procedure as suggested.

GOVERNOR BUFORD ELLINGTON: I so move.

GOVERNOR ROBERT W. SCOTT: I second it.

GOVERNOR LOVE: You have heard the motion. Is there any discussion?

GOVERNOR HEARNES: Question.

GOVERNOR LOVE: The motion has carried and the Rules of Procedure are adopted for this Conference. The National Governors' Conference, in my firm opinion, has had a good year. I know it has been a great personal pleasure for me to serve as the chairman of this group. It has also been a great pleasure to serve with a very fine Executive Committee. The Executive Committee met on

five separate occasions: September 3, 1969, immediately following the Conference in Colorado Springs; December 10, as guests of Governor Winthrop Rockefeller at Winrock Farm. I was informed that it is just the typical Arkansas hill farm. It was very lovely to be there, "Win". The Committee also met February 25-27 in Washington during the course of our Winter Meeting, and on April 25, as the guests of Governor McNair at Hilton Head, South Carolina. Our final meeting was yesterday here at the beautiful Lake of the Ozarks.

Very briefly, I would like to comment on a few of the things during the past year that I think deserve mention. You will recall last year in Colorado Springs that we had present the elected heads of the major organizations representing local governments. We had mayors and county executives. This was the beginning of a very important dialogue and your Executive Committee has done a good deal more to foster this state-local relationship during the year. At the Hilton Head meeting of the Executive Committee we invited the same group. We had meetings on revenue sharing, the Safe Streets Act, and other policies of great interest to both the local and the state officials. In addition, we held a joint press conference in Washington, D.C., with the mayors and the county officials in regard to revenue sharing. While I admit it has not achieved revenue sharing as yet, nevertheless it did gain a good deal of notice and I think aided in the kind of support, hopefully, and momentum eventually that will be necessary to move this important program.

As you will remember, we had another special Winter Meeting in Washington in February. Over forty Governors were in attendance and I thought it was a fine meeting. Most of our attention was devoted to attempting to improve our relationships with the Congress. We did meet with appropriate Congressional committees, mainly on an informal basis. I thought the discussions were very meaningful and productive. It seems to me that this is an area that must gain our increased attention and efforts. We do quite satisfactorily work out our relationships with the Administration, but we continue to find very great difficulty in having the kind of contact with the federal Congress which will allow adequate consultation and timely exchange of information which can make the kind of legislative action that is more relevant to the States' problems.

In addition, your Executive Committee has approved the idea of conducting a special seminar for governors-elect immediately following the November elections. Our first effort of this kind of program took place following the 1968 elections. Governor Ellington of Tennessee provided fine leadership of the seminar that was held in Gatlinburg, Tennessee. Programs of this nature can be extremely useful and I urge their continuation. The Executive Committee and others of you resumed the on-going program of international relations. Visits by various Governors were made to France, Israel and Japan. A visit to Ireland is planned shortly under the leadership of Governor Dempsey, who is going to return to the land of his birth. We wish him well. I emphasize

that the State Department places exceptional value on these visits and they are viewed as extremely helpful in our international relationships.

We have continued, too, to provide direction for our special Washington operations. As you know, the Conference is now in its sixty-second year. I personally believe perhaps the most important move forward was to establish this office in Washington. They do a good job and we need to get the support that will allow this to continue. A proposal will be placed before the Conference at our business session on Wednesday to increase the funding of our Washington operation. I think it deserves your support.\*

The theme for this Conference is "The States in the '70s—Catalyst for Action". I don't intend to offer a keynote address on this theme, but I do think it is important for us to recognize that the States are faced with tremendous challenges, tremendous opportunities, and tremendous responsibilities. I couldn't help but think, in reading of the American Bar Association meeting that is being held in St. Louis, the discussion there which expressed concern that the institution of the judiciary was under such attack in some instances that its usefulness might be severely damaged. It is true not only of our judicial system, it is true, it seems to me, of all of our institutions, each of them under attack to one extent or another, to such an extent that sober, informed, and rational people for the first time in many, many generations are expressing concern about the survival of the system itself.

The job of making representative democracy work in this ever-challenging, swiftly changing world falls in large part on government at the state level. It seems to me that if ever there was a time when each of you individually, and in this Conference collectively, needs to bring the best you can to the problems of the day, now is that time. I know we have excellent committees that have been hard at work. They will be bringing to your attention the problems in the various areas.

We will now look at the general program plan. The program, as you know, is divided into six two-hour segments relating directly to the work of the six standing committees. We are following what we thought was a very successful approach last year. The policy positions of each committee will be presented at the end of each committee's two-hour program to be acted upon. The policy statements or resolutions that may or may not be offered under suspension of the Articles of Organization will be held over and not considered in these two-hour periods of time. They will be held until the closing business session on Wednesday. This was a ruling of the Chair with advice and counsel of the Executive Committee. I think that those of you who plan to move suspension of the rules should be reminded that notice to that effect in writing must be given either today or tomorrow.

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\*See Appendix VII for text of the Chairman's official report on behalf of the Executive Committee.

I have one more announcement. As others of you are here at the podium, it would greatly help the stenotypist to make an accurate transcript if you would identify by name any Governor or State when recognized to speak. It would help the sound man, if you are going to speak from your seat, to raise your hand so he can get the sound switched. We would request that our guests, particularly those in the back of the room, show some courtesy in being quiet so we can conduct this program. It is now my very great pleasure to introduce and call upon Governor Daniel Evans, Chairman of the Committee on Transportation, Commerce, and Technology, who will preside at this first program session. Governor Dan Evans.

**GOVERNOR DANIEL J. EVANS:** I am delighted to preside over this first business session of the Conference relating to the activities of our Committee on Transportation, Commerce, and Technology. We will shortly present the policy statements of the committee for your discussion and adoption. Prior to that, however, I have the great pleasure of welcoming to this Conference a former colleague of ours, a man who has shaken things up in the Department of Transportation and has initiated new concepts and new ideas long overdue in the field of transportation in this country, this man who, as I think we all know, had the first opportunity to supervise the beginnings of our interstate highway system as Federal Highway Administrator under President Eisenhower. He is now the Secretary of Transportation, our former colleague, I am very proud to introduce him to you, Secretary of Transportation John A. Volpe.

**SECRETARY JOHN A. VOLPE:** I am delighted to be here. Let me quickly congratulate Governor Hearnes on the beauty of this outstanding meeting place, and thank the many Missourians who have worked with the National Governors' Conference staff in making arrangements so well.

As a former Governor and as one who occupied John Love's shoes as Chairman of this Conference, I'm fully aware of the tight scheduling and the great amount of work that can and will be accomplished here.

I want to extend my personal appreciation—and that of the President—to all those Governors who cooperated in helping to curb the inflationary fires by deferring, on a voluntary basis, highway and other construction projects. This Nation has now turned the corner in the domestic economic struggle, and you gentlemen can take a large share of the credit.

I know that because of extraordinary circumstances there were some Governors who could not participate in the voluntary cutback program. Regardless, we have kept our commitment to all of the Governors.

Let me assure you that in light of our national priorities, and the spending limitations imposed upon us by the Congress, no State will have its highway construction program curtailed to any great extent. Regarding the 1971 obligations, we said we would—and in fact we will—take from the top and give to each State that participated the amount that was withheld. So much for that.

I watched *Meet the Press* yesterday afternoon, and all six Governors who participated—Republican and Democrat—agreed that there is reason for optimism, agreed that the United States is still the greatest Nation in the world.

I would like to emphasize at the outset that I like the Conference theme “The States in the ’70s—Catalyst for Action.”

We have as our central thrust at the Department of Transportation, in all that we do, a very healthy respect for overall comprehensive planning. By directing your attention at the ’70s—rather than just this year and next—you, too, reflect this commitment to long-range planning.

I am delighted that twelve States now have their own transportation departments, and that my home State of Massachusetts will become the thirteenth in January of next year. Progress such as this is essential if we are to do the job which we, as public officials, have been entrusted to do.

I know you are aware that we have been mandated by President Nixon to come up with a national transportation policy; something the country has never really had.

This policy will articulate more than just our needs. It will articulate our directions as well. I’m pleased to report to you, my former colleagues, that progress on this policy statement is well in hand. I expect to have a definitive outline of this policy on my desk in about thirty days. At that point I will certainly look forward to discussing various aspects of such a policy with the National Governors’ Conference Transportation Committee. As you know, I am a firm believer in strong and cooperative federal-state relations.

Also, I suspect you are aware that the Department of Transportation is developing an overall assessment of future transportation needs for all modes of transportation to be known as the 1972 National Transportation Needs Study or, as I prefer to call it, a survey.

The 1972 study, the first of its kind, will include estimates of transportation demand for ten and twenty years in the future and assessments of alternate ways of providing transportation service to accommodate this demand. There also will be recommendations regarding the scope and structure of federal programs designed to bring about a transportation system which lives up to the expectations and needs of our citizens across the country, and takes advantage of the most sophisticated features of each transportation technology.

Gentlemen, I fully expect that the development of this needs study will include full involvement of state government. We want and need your assistance and cooperation. The survey which will be carried out in the 1972 study will be done cooperatively with state and local governments and with transportation industry groups.

In particular, we are striving to provide much greater participation by the State Governors and local elected officials in structuring and reviewing their

future transportation needs with particular emphasis on shifts between transportation programs that they feel to be desirable for the future. The focus of the planning process within each State will be the Governor's office. We are sending to each Governor a set of instruction manuals for summarizing long-term transportation needs, transportation capital improvement programs and other information which would be used in the 1972 survey.

We hope to receive data back from you by the middle of next year in order to prepare our recommendations in early 1972. While we have had comprehensive cooperative planning efforts at the metropolitan level in the past, this will be the first time that we will be carrying out a cooperative planning study at state, metropolitan and local levels where all modes of transportation are considered.

Now, gentlemen, I refer to something with which you are all familiar.

I refer, of course, to the report of the Committee on Transportation, Commerce and Technology which you have before you. Your policy statement—as you well know—calls for authorization at federal and state levels of flexible inter-fund transfers in transportation financing.

Let me say with no hesitation that this is a thoughtfully prepared report. Perhaps one of the best I have seen. It makes some extremely good points and recognizes with a very vivid awareness the transportation challenges that face this Nation now and in the immediate future.

It recognizes imbalances in the system, it recognizes inequities in the financing, it recognizes and recommends new proposals that have been well thought out and have attracted widespread support throughout the Nation.

Let me recap for just a moment, the problems and inequities that led to its creation.

First, historically we have had sharply limited resources in several modal areas, notably aviation and urban transit. The point that has been made here over the years is not that there has been inflexibility; rather, there was simply a lack of funds. Well, we have taken quick action in these areas during the first eighteen months of this Administration. The airport/airways bill, which Jack Shaffer discussed in detail with you last year in Colorado Springs, is now the law of the land. And the public transportation bill, which received the solid support of this organization, is through the Senate and things look good on the House side.

Given this—the fact that we have improved and are improving the state of our resources in aviation and in urban transit—the question you have raised is “How can we best improve the application of these resources?”

We have already recommended to the Congress that the Highway Trust Fund be utilized to include highway-related items—highway safety, highway beautification, and so forth. This recommendation is pending before the

Congress now. This is a proposal that some would have put down as being futile not too many months ago. But we feel our recommendations are valid, and I am certain will receive serious consideration.

What this leads to, of course, is the question "Can we add further flexibility? Can we free some of these funds for use at the discretion of local and state governments?"

Gentlemen, I addressed myself to this question almost as soon as I accepted this cabinet post. In fact it was at a press conference in Pittsburgh in March of last year that I indicated that at some future time it might be necessary to move toward some kind of a flexible discretionary single transportation trust fund.

I recognized, and pointed out at that time, that there would be a few political realities to face up to between the idea stage and the action stage. I made it very clear that I couldn't really envision such a development the next day or the next week, or even in the next year or two. But I said then, and I say again here today, I can definitely envision this happening in the not-too-distant future if we work together. As far as action is concerned, my policy people—who have come to realize that when I ask for an analysis, I don't expect bureaucratic gobbledegook—are making a very incisive study into the potential for integrating the several federal financing programs.

Regarding this, let me make one important point. Clearly, we must maintain in each area a substantial measure of program integrity. Failure to do so would mean a disruption of program continuity. For example, I am sure we all agree that an approach that would allow all of a State's urban mass transit funds to go into airport development would be politically impossible not to mention socially impractical.

Nonetheless, it appears there should be provision for some portion of the total federal funds available to States to be reallocated according to the needs of those individual States.

For instance, I'm sure Stan Hathaway from the great State of Wyoming isn't really going to want money for a subway system. But Nelson Rockefeller's people seem to be in my office every day. On the other hand, California is recognizing that highway travel isn't the ultimate solution, while Deane Davis up in Vermont does need highways.

What I have been discussing with my people in staff meetings is: How can we, at the federal level, take into account such things as land area, population, industry, natural resources, the "status of completion" within the various modes, when we are faced with the decision as to how a State can determine—within certain limits—how it will best allocate and use at least some of its transportation dollars?

We have discussed, and I remind you that this is still in the discussion



stage, the feasibility of having so-called "designated accounts" within a single transportation trust fund. That is to say, a Governor could transfer a certain percentage of funds (up to a certain percentage) according to that State's need. This, I firmly believe, is the direction in which we should probably head.

This, I believe, is where we are going, and it is a reasonable, meaningful, and effective program.

Charlie Baker, my Assistant Secretary for Policy Development, is doing a solid in-house study of this right now, and preliminary indications are that there are promising possibilities that may well be worth consideration by the States and by the Congress.

We will have a program to submit to the Congress early next year. We certainly will be discussing this again with your transportation committee.

I know this is a matter of great import and interest to each of you, and we shall certainly be soliciting your best thinking in this area.

Gentlemen, these are the areas Governor Evans and I specifically wanted to discuss. There are other matters, I know, such as transportation and the environment, the continuation of the interstate program beyond 1972, airport development, the railroad crisis (and that's what it is—a crisis; make no bones about it) and other items such as automobile insurance, highway safety programs, and so forth.

Incidentally, you may have read that the House passed the rail safety bill late last week. The Senate passed it last winter, and so we are going to have a rail safety bill.

This is another of our significant accomplishments.

Before closing, I would like to make an announcement that is of particular interest to ten or a dozen Governors and at the same time has implications that over the long haul will have impact on the entire national economy.

As you know, one of our operating administrations is the Saint Lawrence Seaway Development Corporation. This massive public works project—just eleven years old last month—has had a profound impact on the economy and export capability of the Nation's great industrial heartland. It has been described, truly, as the Nation's fourth sea coast. It has provided thousands of jobs throughout and adjacent to the Great Lakes Region. It has brought ocean-going commerce to the core of the Nation. In fact just four weeks ago Governor Whitcomb and I participated in the dedication of the new multimillion dollar Port of Indiana. The Saint Lawrence Seaway must continue and must develop as a strong and viable part of the Nation's transportation system.

Tomorrow morning I will testify before the Senate Commerce Committee and will present this Administration's new proposed policy regarding the seaway's continued growth.

This Administration believes any discouragement of seaway traffic at this time would be detrimental to the growth of the midwestern economy. Any

increase in tolls would tend to discourage traffic growth. Therefore, we are going on record as being opposed to an increase in the present toll structure.

In addition, it is our position that the debt burden of the seaway must be moderated in order to remove the constant pressure for higher tolls. I will elaborate on this before the Senate committee twenty-four hours from now.

My former colleagues—I now look forward to the remainder of this session. I am sure I'll be getting some good suggestions. I hope I'll be able to respond in a meaningful way. And I assure you that I am a good listener. Again, let me say that I welcome this opportunity to be here with you.

This is one fellow who knows and appreciates the tremendous responsibility of being a Governor. I admire all of you for your dedication and hard work.

GOVERNOR DANIEL J. EVANS: Mr. Secretary, thank you for an incisive look into the policies of the Department of Transportation, and particularly as they relate to the policy statement you have before you. Before we get into action and discussion on the policy statement of the Committee, there is time for any questions from the floor for the Secretary if you would like to undertake those at this time, either on his remarks or any of the problems that you have before you relating to the Department of Transportation. Governor Licht.

GOVERNOR FRANK LICHT: Mr. Secretary, I want to commend you on your statement. You and I share, I think, a common problem in rail transportation. I would like to ask you a question with respect to that because of the deep concern of passengers and freight services in my area. I don't think there is any Governor who knows more about that situation than you do, Mr. Secretary, but, as you know, we in New England, particularly Connecticut, Rhode Island, and Massachusetts, have been subsidizing, first, the New Haven Railroad, giving them tax relief, and then, in addition to that, when they went into reorganization and the Penn Central took over, they continued to tell us how vital it was that we should subsidize them. As a matter of fact, our reluctance at one point indicated that we would in some way affect transportation, so we again came through and made direct subsidies to them and they had tax relief. They are now in reorganization, and it is the long history of reorganization that produces demand on their part to reduce service, passenger service particularly, and freight service.

I suggest this may be a long way of putting a question, but I do want to get this before you, Mr. Secretary. I suggest that some of the problems directly relate to the management of these railroads. But, in any event, when there was talk of the shut-down, we knew in Rhode Island and Massachusetts and Connecticut that it would have a devastating effect upon our economy, and here they go into reorganization. This is an interstate system, we can't subsidize them to keep them operating, and I know you have been thinking about this and I

would like you to share with us what the plans are of the Administration with respect to a national rail program that is going to not let them off the hook but is going to improve both passenger and freight service and not let it deteriorate.

**SECRETARY VOLPE:** Governor, there is no subject on which I have worked longer or harder, going back to my first day in office as Governor of Massachusetts in 1961. Let me say that I know how hard it is on the part of the States that are involved to come up with the amounts of money that are required in the subsidy programs. Each year it became more difficult to come up with those funds, and each year I had to fight harder before the legislature to get our share. I know Governor Sargent is having even a more difficult time now. The fact is that we recommended last April a rail passenger quasi-public corporation that would undertake to run the rail passenger service of this nation. We would establish a national basic network. That plan was approved by the Senate, I think in May, by an overwhelming vote. It has had its hearings on the House side, and I would hope very much that it will be passed by the House in the not too distant future.

That bill will relieve the railroad corporations of passenger service. We can all place the blame wherever we want to, and a lot of us know where it belongs, but the fact is that it isn't bringing us railroad service. We believe that through a quasi-public organization similar to COMSAT we can establish a basic network of railroad passenger service across the country through funds, some by the federal government, that would enable us to have newer equipment, use the equipment which is now being used on some lines that are not being patronized, and not have to go through the process of a one-year, two-year, three-year, or a five-year delay in getting the abolition of certain lines that only eighteen passengers a day want to use. We believe this is only one step. There are many others that have to be taken. The Rail Safety bill is going to help. There are other measures, however, that must be taken. There is a box car shortage for freight service and we are working at this. We hope to have some legislation ready to submit to the Congress early next year.

There are other situations, certainly, which have hampered this situation in addition to management problems. One of those is the fact that the railroads today are being regulated almost the same, not exactly the same but almost the same, as the day when over a hundred years ago they were a monopoly, and so we have a multitude of problems here that we have analyzed, and I believe through the various pieces of legislation we have already submitted and additional pieces of legislation we will submit we will be able to maintain a viable passenger service in those areas that want and will support good passenger service.

**GOVERNOR LICHT:** Mr. Secretary, just to carry it one step further, because of its importance to our area. At this stage the Penn Central trustees are seeking to cut runs because of the obligation, I assume, of trustees to be sure

that they operate as economically as possible. What we are seeing is a reduction in passenger service or a potential reduction, a deterioration of equipment. This is not a local matter for Rhode Island or Connecticut or Massachusetts. It would seem to me that we are at the stage where perhaps we no longer can conduct long-range studies in the field of rail transportation but we need an immediate program to see to it that we don't have reduction in service, and also that we have an improvement and upgrading in the kind of service that is now being rendered by this railroad.

**SECRETARY VOLPE:** John Dempsey and I probably have worked at this longer than any two men in this room, at least as far as the New Haven Railroad and the Penn Central are concerned, and this goes back ten years now. He remembers, I am sure, how many meetings we had with Governor Nelson Rockefeller and Governor Chafee. The fact is that out of all these meetings we haven't really gotten the answers. We have proposed, something which I didn't mention in my earlier response, a rail guarantee loan bill. In my humble opinion, unless the federal government passes a federal rail guarantee loan bill, we may have more Penn Centrals. The country can't stand it. We can't do without the railroad industry in this nation. They carry 86 per cent of the food, they carry 41 per cent of the total intercity freight movements and, therefore, it is incumbent upon us to be able to guarantee, as they did in 1958, certain amounts of loans that would be repaid over a period of years. I would hope that each of the Governors would look into this bill. There was great interest in it while the Penn Central was still afloat. Now that the Penn Central has gone to reorganization, there are some people who feel, oh, well, the Penn Central's gone, so it is not necessary any longer. It is still necessary, very essential, because there are one or two roads, one already in reorganization, the Central of New Jersey. If it does not get some funds, they may not be able to continue service at all. That means shutting down the service. New Jersey couldn't possibly afford to allow the Central of New Jersey to close down. Thinking of allowing the Penn Central to close would be even more unthinkable, so I hope the Congress will pass this legislation which would provide an immediate answer in many cases such as you have just pointed out, Frank.

**GOVERNOR DANIEL J. EVANS:** Governor LeVander.

**GOVERNOR HAROLD LEVANDER:** I would like to address a question to Secretary Volpe. First of all, I would like to express appreciation because I am informed that without his help the cutback would have been more substantial than it was. But I am very much concerned over the fact that, as far as our State is concerned, we were cut back \$27,000,000 in the highway trust fund, which is a 25 per cent reduction and is just going to cause havoc with our construction program. Many contract lettings that have already been scheduled are going to have to be cancelled. I would like to know, is there any possibility that the Executive Order establishing these cutbacks can be changed so that we

can get restored the funds that we have been planning on getting?

**SECRETARY VOLPE:** Governor, I wish I had a dollar for every hour I sweated over this one. It was a rough one. It just so happens, as you all remember, that I happened to be the Chairman of this Conference a couple of years ago when I fought pretty hard against highway cutbacks. The year before that my predecessor fought pretty hard against cutbacks, as we all did. When you get over on the other side of the table, gentlemen, you know, you get just a little different view. I am sure that if any of you were speakers or president of the Senate or a legislator or a mayor, once you got behind the desk of the Governor's chair, things did look just a little different. I am not in any way apologizing for the actions that have been taken. I only want to try to be factual if I can. The fact is that the Congress places a limitation or a ceiling on spending. There are some people who feel that the limitation does not apply to the highway trust fund. This is not right. The ceiling placed on spending by the Congress includes all of the expenditures, including those that are made from the highway trust fund, even though that is called a trust fund to be utilized for a basic purpose.

Harold, one of the reasons that you have perhaps a more substantial cutback is that you used 108 per cent of your funds last year, which is fine, but that does cut down somewhat on the funds that you will get this year in Minnesota. That isn't too bad. There are some States that used 120 per cent of their funds last year, but they hadn't spent them the year before. I can only assure you that this is under constant review. I would hope that the situations may arise that will enable us to bring that up to the full four billion nine, but I certainly can't, at this stage of the game, give any encouragement or discouragement as far as that picture is concerned.

**GOVERNOR DANIEL J. EVANS:** Governor Farrar.

**GOVERNOR FRANK L. FARRAR:** Secretary Volpe, what we in South Dakota are deeply concerned with in the trust fund cut is that it is not an across the board attempt to secure a balanced budget. Why not play the whole ballgame on a prorated basis, to start with the salaries of the United States Congressmen and the President of the United States and the social security and the Vietnamese War and everything else on a one per cent basis in a two-hundred-billion-dollar economy. It wouldn't take too much to cut the whole mess instead of picking on the highway trust fund all the time. Let's cut them all.

**SECRETARY VOLPE:** The defense budget would have been cut by nine billion dollars. I for one, however, don't want to see that defense budget cut to the point where the United States is at the mercy of the Soviet Union. I have seen what the Soviet Union has done in the last couple of years while we have done nothing insofar as building or deploying further missiles. The fact is they have come up with the deployment of six or seven hundred additional missiles,

submarine missiles, which they have increased substantially. I think this is a game where we have to look at the total situation, and I believe this is exactly what the President is trying to do. We have cut in other areas besides highways. The defense picture has been substantially cut. There were education funds cut. There were some other programs that were cut. The fact is that the highway trust fund is rather an easy target. I can only assure you I have done the best I can, trying to keep it at a level which at least I believe is consistent with what the state highway departments can work with and in the total picture isn't one that is going to be too damaging to the economies or the highway programs of any of the States.

GOVERNOR DANIEL J. EVANS: Governor Guy, North Dakota.

GOVERNOR WILLIAM L. GUY: Mr. Secretary, I am pleased that you have indicated the Administration is going to strongly support the strengthening of the St. Lawrence Seaway and the inland ports. However, the largest railroad system in the United States, the Burlington Northern, one month ago had only one-half of its own box cars on its system. The remainder of its box cars, nearly half of its owned box cars, were on other systems in the United States. The problem of transportation, whether it be through the St. Lawrence Seaway or over the largest rail system in the United States, the Burlington Northern, or the interstate highway system, affects population migration and also the location of economic and industrial opportunities. My question is, is there any effort on the national scene for comprehensive national transportation planning of all systems? Two, is there any movement to modernize the Interstate Commerce Commission, which has floundered and is far out of its depth now in controlling transportation by rail? Three, is there any plan for the federal government to build box cars and lease to other lines and lease to private lines in the face of the very obvious proof that private lines cannot or will not build sufficient box cars to move freight, especially from the Midwest, which must depend heavily on rail service?

SECRETARY VOLPE: One, Governor, I can assure you that we are developing a national transportation policy that will address itself to the problems that you have discussed. Regarding the Interstate Commerce Commission, for the head of one federal department to criticize another federal department isn't usually very popular. I can only say that I think the new I.C.C. chairman, George Stafford, understands that there are problems there.

We in our own shop serve as transportation policy advisor to the President and recognize some of the shortcomings in the regulatory agencies that affect transportation. I think you will see, not tomorrow, but in the not too distant future, plans calling for a strengthening, modernization of the total relationship of regulatory bodies and the Department of Transportation. Thirdly, as far as the boxcars are concerned, the Midwest is in a very unfortunate position here, as is New England. Thirty cars of tomatoes were lost last fall and were found a

month later frozen.

The fact is that many suggestions have been made as to how this problem could be cured. Some have suggested that the Defense Department purchase some of these cars and lease them back to the railroads so that they would be available during wartime should that event come about. The fact is that there are numerous ways in which this can be done. We are exploring all of these avenues. We are very hopeful that we will have finances. We have had some very good suggestions from some of the great States. We do hope to have some answers in that area also in the not too distant future.

**GOVERNOR DANIEL J. EVANS:** Governor Knowles.

**GOVERNOR WARREN P. KNOWLES:** Mr. Secretary, I want to compliment you for your forward-looking statement in connection with the St. Lawrence Seaway. I expect this afternoon at the meeting of the Upper Great Lakes Commission to offer a resolution. We believe that this is an extremely important program insofar as the future of the Seaway is concerned. I believe I speak for all of my colleagues in the Great Lakes area in supporting the position which you have taken. I am wondering if there is anything you would suggest that we might do to further support your position, the position of the Administration, in connection with the hearing to be held tomorrow.

**SECRETARY VOLPE:** I have just been handed a note, Governor, which says that Senator Hartke has just cancelled tomorrow's hearing, but he has released the testimony today. So now I can say a little more than I said a few moments ago, which I didn't want to do because you don't usually go and testify and have it all spread out before you do so. Actually, what we are suggesting, inasmuch as he is releasing the testimony, let me give you just two or three quick facts. Since its opening, the Seaway revenues have not been, as you know, anywhere near adequate to meet both the interest on the debt and to pay back anything on the principal. As I indicated, the toll increase would discourage use of the waterway and we will oppose and do oppose any such increase. The traffic forecasts indicate an annual cargo volume of about 75,000,000 tons. We intend to submit to the Congress legislation that will terminate the requirement for the corporation to pay any interest on the Seaway debt. This includes interest which has accrued to date and interest that would otherwise accrue on the balance of the debt over its remaining life. The thing that you can do to help us get that bill passed is to just let Senator Hartke's committee and the members of the Congress know of your feeling and hope that they will support both my efforts and your efforts in getting that passed.

**GOVERNOR DANIEL J. EVANS:** Thank you very much, Mr. Secretary. Perhaps sometime during the remainder of this session on transportation there may be other questions as we go through our policy statement. We are now ready to address ourselves to the policy statements of the Committee. They are before you. There are actually two volumes, one is the Committee report on

which we will ask for a motion in a short time, but prior to that we will take up the policy statements. These policy statements will be taken one at a time. They are in front of you so I will not read all of them, but I do want to read the first one and I hope you will follow along with me because, unquestionably, this represents the heart of the report of the Transportation Committee. I think you will notice the similarity between its proposals and the remarks of the Secretary and these were done independently, I might add.

Let me read it and, if you will follow the text with me, we will then be ready for its discussion and adoption. (Governor Evans, thereupon read a proposed policy statement on National Transportation Policy.)

Mr. Chairman, I move the adoption of Policy Statement No. 1.

GOVERNOR LOVE: Governor Evans has moved the adoption of Policy Statement No. 1. Is there a second?

GOVERNOR MARVIN MANDEL: I second it.

GOVERNOR LOVE: Governor Mandel of Maryland seconds the motion. Governor Evans requests he be allowed to make some additional remarks.

GOVERNOR DANIEL J. EVANS: Just very briefly to lead the discussion, I think the policy statement is self-explanatory. You fully realize that some who have long supported separate funds have made contact with members of this Governors' Conference, attempting to suggest the way in which they should go. Let me reiterate, first, that the question before us really is money for transportation purposes and the ability to best use that money for transportation purposes. Second, a question of flexibility is basically one of determining whether elected officials, Governors and legislators, can effectively manage their transportation needs. Third, it is a question of state responsibility, through a bloc grant system, which we have fought so long and hard for, in the fields of health, in the Safe Streets Act, and in numerous other fields. I hope that this body will endorse this policy statement and, in doing so, support the very fine statement of our Secretary of Transportation.

GOVERNOR LOVE: Is there further discussion? Governor Smith of Texas.

GOVERNOR PRESTON SMITH: The question before the assembly is the endorsement of the entire report of the Committee?

GOVERNOR LOVE: Just No. 1. They are divided into some eleven different statements. As designated in the Policy Statements of the Committee on Transportation, Commerce, and Technology, the one that has just been read in full, the question before this Conference is the adoption of this particular policy statement.

GOVERNOR SMITH: All right. This policy statement would make the highway trust fund more flexible?

GOVERNOR LOVE: Yes. Do you want to respond to that, Governor Evans?



GOVERNOR DANIEL J. EVANS: Governor Smith, what it would do is give flexibility to each State to make determinations on the use of moneys, whether it is urban transit moneys, airport and airways moneys, or highway moneys or any other federal moneys that come to your State, the possibility for some limited interfund flexibility if that seemed to be desirable or necessary for your own State. It does not contemplate changing, in any way, the distribution of money to the various States from the federal government.

GOVERNOR LOVE: Governor Rampton of Utah.

GOVERNOR CALVIN L. RAMPTON: I would like to ask the Chairman what sort of a formula he proposes on distribution of the money that will compensate public land States, first, for the fact that they don't have the tax revenues from this public land to support their parts of the highway system and, secondly, the fact that we have to build large mileages of roads across the public lands themselves.

When you are concerned with only road-building, the formula recognizes the existence of public lands and varies the matching of the States, depending upon the amount of federal land, but I fail to see how this is going to be true in urban transit and other areas. It appears to me that we who have large amounts of public land, unless there is some formula devised for a division on this new flexible formula, are going to lose substantial amounts of revenue. Until I see a formula, I can't vote for the general principle set forth in the policy statement.

GOVERNOR DANIEL J. EVANS: Governor Rampton, this does not, in any way, deal with the formula for distribution of funds from the federal government to the individual States. The provisions that already exist in the Federal Highway Acts, the several ones that govern our various highway systems, do recognize the needs of the geographically larger States that have small populations. To some extent, in that formula, it does recognize the public land States. I am confident that in the years to come a substantially higher percentage of total transportation spending may be in non-highway fields. Mass transit already is coming along, airports and airways are coming along, and I suspect that unless there is some way to obtain a single transportation fund, there may be less attention paid to highway needs rather than more for the remaining highway needs of States like yours and mine.

GOVERNOR RAMPTON: Governor Evans, even though you may not change the allocation formula, if you change the purpose for which the money is going to be distributed, aren't you automatically going to get a change in how much goes to each State?

GOVERNOR DANIEL J. EVANS: No. There are two factors involved. One is the distribution of money from the federal government to the individual States. The other is the ability of each Governor to make his own decisions, based on his own State's needs, once the money comes to that State. Your needs are almost entirely in the field of highways. A State like Maryland or

Massachusetts has not so much in the way of highway needs but a great deal in the way of mass transportation needs.

GOVERNOR RAMPTON: I agree with that, Governor Evans, but let's take an extreme case and say you were going to divide this money down the middle, half highways and half urban transit. Then wouldn't we automatically get substantially less dollars in the State of Utah than if it all went for highways?

GOVERNOR DANIEL J. EVANS: No, because this does not contemplate doing that at the federal level. What it does is contemplate, once you get the money in the State of Utah, you make your determinations whether you want to spend half of it on mass transit and half on highway or 100 per cent on highways or whatever other field you choose, based on your own transportation needs. Let me reiterate, this does not contemplate the distribution formula from the federal level to the individual States. It contemplates the opportunity for greater flexibility for each of us within our own State to make our determinations based on our needs. Governor Sargent is recognized.

GOVERNOR FRANCIS W. SARGENT: Governor, I would like to say that I think your report and your policy statement deserve the support of all of the Governors and I think we should all congratulate Secretary Volpe, my former boss, who has introduced this proposition of flexibility. It seems to me this gives the Governor an opportunity to govern. I think we all recognize that our States are very different and our metropolitan areas are very different. Phoenix is certainly different from Pittsburgh, and Boston is different from Boise. This would give us, the Governors, the opportunity not to be in a straight jacket but to make decisions as to the allocation of those funds we would get from the federal government.

It seems to me that, granted, this is of more importance perhaps to the industrial States than to the others, but it doesn't short-change those States that want to use all of the money for highways. It does give the industrial States the opportunity of using new and innovative ideas, such as mass transit and bus trams and dial-a-bus programs and other things that can be done today. I don't think we should be precluded from doing this. It seems to me that States which are moving forward and establishing their own departments of transportation won't be able to accomplish what they want if they can't use the federal funds in a flexible manner. So I think all Governors should support this and I think we should be very pleased that the Secretary of Transportation envisions this program.

GOVERNOR DANIEL J. EVANS: Governor Mandel served as vice-chairman of this Committee. Governor, I should have called on you first.

GOVERNOR MANDEL: I just wanted to respond briefly to the question that Governor Rampton raised. I think, as a matter of fact, this policy would probably produce more revenues for the highway program than are presently being produced. For example, in the field of mass transit, if a Governor doesn't

have the need for using his funds for mass transit, he could divert part of that fund to his highway program. I think that is the basic element here. It gives the Governor the right to establish the priority within his State as to where he wants to use his transportation funds. We have gone much further in Maryland than this proposal because we have created a single transportation fund for all sources of transportation in the State and we have the ability to establish complete priority for the use of those funds. This is just a limited—and I emphasize that “limited”—transfer of funds, so that you can, in your State, not at the federal level but in your State, make the decisions that you have to make as to what is most essential for your particular transportation problems. I think every Governor should be able to make that decision.

GOVERNOR JAMES A. RHODES: Mr. Chairman, first of all, I want to congratulate John Volpe for not only the scope of the program but also for its flexibility. I think that the report places great emphasis upon mass transportation and I think what we should do as Governors is bring into focus what the problem is. Presently the Department of Transportation, at the top of its program, is using two hundred million dollars for the whole United States to break bottlenecks. We have spent two hundred million in the City of Cleveland to break bottlenecks. We have one thousand bottlenecks in the State of Ohio that will take a billion dollars.

We are now talking about transportation planning. I would like to see the bottleneck program come first and mass transportation come second for this reason: The demand is from workers taking one hour or more to get to work and the same amount of time to get home from work. They want to move freely within their cities. Every metropolitan area in America is losing industry because of traffic bottlenecks. Industry is moving out because they cannot move in the raw product and deliver the end product that they manufacture. All of the cities are losing the large taxpayer and they are losing the tax base. The bottlenecks have created unemployment within the large metropolitan areas and this has created more welfare problems for the States and prolonged poverty.

It is all right to talk about mass transportation. I am for it. You can employ all of the mass transportation concepts and you can have creeping bureaucracy in government, but, until you break the bottlenecks in the cities, you are not going to move. We had a great program started in 1954 as far as highway construction is concerned. Our problem is in the cities. I think that breaking the bottlenecks of the cities should come first and then we can take over on mass transportation. This is not a program of subsidizing the people within the cities. Now we are starting a new program and not answering the first cause of all the problems. I know there is a great drive on in America for many people who have failed in management of transportation to prey upon the state government and the local government and the federal government for subsidy so they can operate, but they cannot operate until these bottlenecks are broken in the respective cities. Thank you.

GOVERNOR FORREST H. ANDERSON: I think, if what you are going to say is that this will give to the Governors a greater opportunity to expend the moneys that are allocated to the various States, if you say that and say it succinctly, I believe we would probably all better understand it. I think this is what we need. The same as my colleague, Governor Rampton, I think the document itself, or the resolution itself, puts us all in a position where we are going to be confronted with all kinds of bureaucratic concepts as to what it means. I think if the document were reduced to something shorter to say just exactly what it means, we would all be in a better position to vote on it. That was really all I was going to say, but, perhaps I might respond briefly to Governor Rhodes. I think if more emphasis were put on the fact that in this nation we have a great, great lot of area where industry could be formed, it would help us from the standpoint of having no further bottlenecks. Little emphasis in this regard is being made by the federal government, as I see it, and to a large extent by the Governors of these great United States. What we have had is an outgo of people from Middle America; they have gone to the various coastal regions. I would say greater emphasis ought to be put on turning that migration around and starting to use the entire nation instead of just those portions of the nation that are now highly used. I think this would break the bottleneck quicker than anything else.

GOVERNOR DANIEL J. EVANS: Governor Anderson, if I may—I apologize if the statement is too long. It attempted to deal with the two relatively new ideas of a National Transportation Policy and the financing to carry it out. Let me reiterate that by no means, in any respect, would this proposal lessen the amount of money available for any State today, nor dictate how that money should be spent. As Governor Rhodes points out, the bottlenecks are a real problem in some heavily industrialized States, but I think the release of that bottleneck may differ, the means of release may differ, depending on the State. Each Governor and each State ought to have the opportunity to determine how best to release that bottleneck and do the best job possible.

GOVERNOR ANDERSON: Governor, why don't you say in your statement just that? I don't find it anywhere.

GOVERNOR ARCH A. MOORE, JR.: Mr. Chairman, I think what really concerns all of us here is that essentially the statement does call for a different direction in eligibility for highway funding out of the highway trust fund. As each of our respective States moves to the completion of our interstate obligation, the formula which we now participate in in these highway trust funds is reduced. Presently our funding is made available to us on the basis of the miles that are allocated, the miles we have a capacity to build. As we look to the end of this particular program, if we change the original concept of the trust fund, what is going to happen is that the formula for participation in federal highway

trust funds is going to be changed and there will be another addition to the equation, that is, mass transit or urban problems, in the respective States. What will in the long run occur—at least I would like an explanation if it will not—is that those States that for the present do not have these problems in the same degree as the large industrial States, when we complete our interstate system and our eligibility to participate in dollars out of the interstate highway trust fund, it is going to be materially reduced and we will not have anything that is eligible for funding. We won't need this discretion that you talk about in terms of applying the funds that we would otherwise have available to us.

In the long look at the highway trust fund, what tortures us is exactly what we are going to do with these funds or what the federal government is going to do with these funds when this program comes to an end. There is widespread discussion now in the Congress as to whether there should be a greater contribution on the part of the federal government toward handling what we call the A.B.C. Road Program, which is the fifty-fifty funding program. Perhaps the federal government should give consideration to upping their contribution to 75 per cent, thereby relieving us of the tremendous burden we have as a State in undertaking to maintain our primary and secondary road systems. If we now move in with this policy statement and place it in the equation, the question of mass transit, the question of urban transportation problems, there is going to be, in my judgment, a very, very severe dilution of the funds that would be available to us out of federal highway trust funds. If this is not the case, please tell my why it would not occur.

GOVERNOR DANIEL J. EVANS: I have a better man than me to tell you because the Secretary is here and I think he can express to you just what the intent is. My own concern is that, as the interstate system ends, the funding for it, there will be great demands on the part of many across the country to use that money for non-transportation purposes. I think that would be disastrous. A flexible transportation fund, I think, will help avoid such a disaster. Mr. Secretary, maybe you can respond to Governor Moore's question.

SECRETARY VOLPE: With the Chairman's permission, I recognize that nobody but Governors participate in discussions so I am not going to participate in discussion, I am just trying to answer a question. Actually, gentlemen, it seems to me that what we are talking of here, at least as I understand the policy statement—and maybe it could be clarified although I understood it well—is that no State that wants to use the amount of highway funds it now gets or will get in the future will be short-changed. If that State, because of its nature, because of its geography, because of the fact that it has no large urban areas, wants to use more money for highways, it would be in a position consistent with what the Congress decides. You and I can talk all we want to here today, but it will be the Congress that will have the final say as to what kind of flexibility they will allow. Will they allow up to 15 per cent or 20 per cent or 25 per cent of each of

these four designated areas within a single transportation trust fund that could be transferred to one of the other designated accounts?

In other words, Montana, for instance needs more money for highways than it is getting now. I envision under the Airport-Airways Act they may not need all of the funds that would be going to Montana for airport-airways. If they wanted to and if the Congress approves of this, they could divert or transfer or use that amount, let's call it 20 per cent, for the moment, to highways, and the Governor would be in a position to do that. Vice versa, if you are an industrial State and you have done a good job on highways and your needs are greater in mass transportation, then you would be able to transfer some from highway programs that have been allocated to your State into mass transportation. So it is a flexibility that works both ways.

GOVERNOR LOVE: Governor, may I point out that our time is somewhat limited. I would ask not that the debate cut off, but that we keep it as short as possible so we can get through the balance of the program.

GOVERNOR MOORE: I am still tortured somewhat by the suggestion of the statement and that question I posed. Presently your eligibility to participate in these funds is clearly designated by the amount of allocation of eligible highway system in your State. When that is completed and you have none of these problems which this statement focuses on, even though you may have other highway problems just as difficult to resolve but not now eligible for consideration, how are you individually as a Governor going to be able to take any funds if you are not, in the first instance, eligible for federal highway trust funding? I think that what occurs by this statement is that we inject into the highway fund another consideration of eligibility for distribution of those funds and this, in my judgment, dilutes the funds which would go to the respective States under the present formula.

GOVERNOR DANIEL J. EVANS: Governor Moore, this does not deal at all with the continuation of the highway trust funds. That is a matter for Congress to determine. In another policy statement there is a direct mention of this which suggests that after completion of the present interstate system the highway trust fund should be continued as part of the flexible fund described above. The basic purpose of the highway trust fund in the post-interstate period should be to strengthen the primary and secondary system.

GOVERNOR MOORE: Absolutely, and what this first statement does is to insert within the formula these troublesome areas in highway transportation as they exist in the various States which are not now included in the federal highway trust fund eligibility. If we adopt the statement saying that the highway trust fund should continue and then adopt this particular statement, you are going to add an additional factor in funding from the federal highway trust fund.

GOVERNOR DANIEL J. EVANS: That is not true, Governor. This suggestion that the highway trust fund continue recognizes also that there is a

new airport and airways act with growing funding coming to the various States. It recognizes that there is pending and very likely will pass the beginnings of fairly substantial funding for mass transportation, and that there will be other elements of funding, quite aside from highway funding, for transportation purposes, both now and in the future. All this contemplates is that there be the opportunity for a Governor to make his executive decisions as to where the priorities are. This does not contemplate in any respect the diminishing from the federal government to any State of highway moneys.

GOVERNOR EDGAR D. WHITCOMB: Governor, as a member of this committee, I am concerned that the statement does not go far enough and I think that some of the other Governors who have spoken share my concern about the possible diversion of federal funds at the federal level, and I for one would like to go on record, and I suspect that there are other Governors who would like to go on record, as opposing any mandatory diversion of federal funds from the federal highway trust fund. I think that our statement is possibly a little deficient in not including that. We talk about flexibility within the State and by the Governors themselves, but we do not consider the possibility that funds may be diverted to other purposes, even though they are in the area of transportation. We are all well acquainted with the federal government's ability to place conditions upon the use of funds. Our purpose, as set out in this statement, could be totally defeated unless we go on record as opposing diversion at the federal level.

GOVERNOR DANIEL J. EVANS: That may well be a suggestion that I certainly cannot find fault with and that this statement certainly does not advocate. I think we are going to be hard pressed to have sufficient moneys in all modes of transportation coming from the federal level to the individual States.

GOVERNOR WHITCOMB: My concern with the statement which this committee is offering is that it seems to be subject to interpretation in different ways by different people, depending on what their thought is. In addition to this statement, I think we need to go on record opposing diversion of the fund at the federal level for other purposes or opposing restrictions and conditions put upon them at the federal level which may defeat this very flexibility we are talking about at the state level.

GOVERNOR LEVANDER: I think the difficulty that I find with the statement of the committee is that it is going to make the highway trust fund a mass transit fund and a highway fund. If we had a mass transit fund, if we had an airways fund, if we had a highway fund, if we had some other different kinds of funds, and then you talk about flexibility, you have one situation. What we should be doing is continuing the highway trust fund for highways. I think every State needs that money. We certainly don't get enough to build the highways we need. We are going to have to increase gas taxes every session for the next six sessions in order to build our highways. What I think we ought to do now is

support the Administration's idea that there should be a fund for mass transit in addition to the highway fund.

GOVERNOR DANIEL J. EVANS: Remember, we already do have an Airport and Airways fund. There is another section of this that deals with urban mass transportation and suggests just that very strongly, the development of urban mass transportation funds. I think we are going to have all of them. The trend is going to be toward these various funds. Remember, again, this deals not with what comes from the federal government to the States but how the States decide to use their own money.

GOVERNOR LICHT: Governor, I want to concur on what Governor LeVander just said because, as I now read the policy statement, it says "such principles as: consistent, long-term continuity of federal trust funds." Then in the mass transportation section, we talk about a National Public Transportation Assistance program, and we have deleted from the former statement adopted by the Governors the establishment of a national urban mass transit trust fund. I think what Governor LeVander is saying and what troubles me here, is that when you have the highway trust fund and the airport trust fund and you don't have a mass transit trust fund and you have this flexibility, you don't have the continuity with respect to mass transit that you would have under a trust fund, regardless of some of the difficulties with the allocations.

I think what we are doing, unless I misunderstand this, is that we are retreating from a position that we have taken at the last Governors' Conference. I don't quite understand what you mean by substituting an assistance program as against the national urban mass transit trust fund.

GOVERNOR DANIEL J. EVANS: Let me be very clear. There is not only no retreat but we will even fight to help get an urban mass transit assistance act, which is most of the way through Congress now. The only change in the statement was devoted to trying to bring continuity to all parts of this thing with this flexible, single transportation fund. The National Public Transportation Assistance program is exactly that, an urban mass transit fund funded separately from or in addition to present highway funding. We can identify that as the Urban Mass Transit Act.

GOVERNOR LICHT: How are you going to finance certain urban mass transit; you aren't doing it through the trust fund for mass transit, but through general allocation by the Congress, is that correct?

GOVERNOR DANIEL J. EVANS: The Secretary can probably answer that better than I. It is through an allocation authority, that is correct. It is not a trust fund which we have supported as Governors.

GOVERNOR LICHT: My point is, why have we removed from our resolution the direct reference to an urban mass transit trust fund?

GOVERNOR DANIEL J. EVANS: I think it says the same thing, and certainly I would be willing to add that. The National Public Transportation



Assistance program was reworded to fit into this single transportation fund concept rather than a separate fund. Certainly we aren't retreating in any respect from that position.

GOVERNOR NORBERT T. TIEMANN: Governor Evans, I am fearful of the impact of this position. When the federal trust fund was originated the national proportion between the interstate system and the A.B.C. system was approximately equal. Today it is about four to one in favor of the interstate system. The States that will be finishing their interstate work ahead of most other States are going to be penalized. What I am hopeful of is that we can come up with a particular apportionment formula, which I will suggest to the Secretary of Transportation as I have suggested to Senator Randolph, Chairman of the Public Works Committee. It seems to me that as we now move from the interstate complex over to the A.B.C. system, we will be accomplishing what we are trying to do with this position paper. I am not going to offer any amendment, but I am fearful that, even with a fixed trust fund as we started out with in 1956, we already have reached an imbalance and by further dilution we are going to have a raid on the federal trust fund.

GOVERNOR WINTHROP ROCKEFELLER: Governor Evans, I share much of the apprehension that has been reflected by many of the Governors who have already spoken and I would like to move the resolution be returned to the committee for further study.

GOVERNOR FARRAR: I second it.

GOVERNOR WINTHROP ROCKEFELLER: You may call it clarification or further study, either one.

GOVERNOR LOVE: It has been moved and seconded, in effect, that we refer the report back to the committee for further action.

GOVERNOR SCOTT: Is this referring just to this portion of the report or to the entire report?

GOVERNOR LOVE: This is just that portion of the report that we have been talking about. The motion goes only that far. Governor Daniel Evans ask Governor Rockefeller, when do you contemplate having the committee bring it back to the attention of the Conference?

GOVERNOR WINTHROP ROCKEFELLER: The sooner the better, but if it is not feasible to reach a consensus in light of the apprehension evidenced this morning, then it would have to go over to the next meeting.

GOVERNOR RHODES: The clarification should spell out our position on mass transportation, a separate fund. Unless we do that, we have programs now within the Transportation Department for which they do not have money. We are spending two hundred fifty million just to break bottlenecks. So what you should do is take these in priority and get clarification. Everybody is for mass transportation, but somebody has to pay for it.

GOVERNOR LOVE: The question has been called for. The motion, as I

understand it, is to recommit this portion of the report of the Committee on Transportation, Commerce, and Technology. May we have a show of hands? The count was twenty-three to twelve. The motion has passed and this portion of the report will be recommitted.

I call on Governor Evans now, in view of the time element, to summarize the other portions of the report. I would ask, to the extent possible, that we do limit the remarks and discussions.

GOVERNOR DANIEL J. EVANS: If everyone will bear with us, we have relatively few minutes and we will deal with the remaining part of the report very briefly. I might say that the committee is going to have to meet sometime very shortly. We hope to be back to you before the end of this Conference, understanding the expressions that have been made today, and perhaps we will attempt to uncommit by Wednesday. The second part is "Transportation and the Environment." Mr. Chairman, I move the adoption of Policy Statement D.-2.

GOVERNOR MANDEL: I second it.

GOVERNOR LOVE: It has been seconded by Governor Mandel. Are you familiar with this, or do you want to paraphrase or summarize in any way?

GOVERNOR DANIEL J. EVANS: This one, of course, deals directly with the problems of pollution. It is general. Someone has suggested that we be even more specific in areas of pollution control as it relates to transportation, but the decision was to keep it more general and deal with all forms of pollution as they relate to transportation.

GOVERNOR LOVE: Is there further discussion on the D.-2 portion of the report and policy statement? All in favor, please so indicate. The nays? The aye's have it and D.-2 is adopted.

GOVERNOR DANIEL J. EVANS: Statement D.-3 relates to highways. All of the language, with the exception of the italicized portion, is a repeat of our policy of last year. The statement that is added is the suggestion: "After completion of the present Interstate System, the Highway Trust Fund should be continued as part of the flexible fund described above. The basic purpose of the Highway Trust Fund in the post-Interstate period should be to strengthen the primary and secondary system."

Mr. Chairman, in the light of the action on our Policy Statement D.-1, I will move that we adopt the statement with the deletion of that new language, pending the resolution of our Statement D.-1, so it would be the same as last year's, without the italicized language.

GOVERNOR LOVE: It has been moved that D.-3 as amended be adopted. Is there a second?

GOVERNOR WHITCOMB: I second it.

GOVERNOR LEVANDER: In light of the action that was taken at the Midwestern Governors' Conference in Columbus last month and in order to carry out the action that was taken unanimously at that meeting, I should like to

move to amend, by adding a sentence. The statement now reads: "Funds from the Highway Trust Fund should not be suspended or withheld." I move that we add, "We hereby request the Executive Committee to take necessary steps to provide that court action be undertaken to challenge the authority of the Executive Branch of the federal government to withhold distribution of highway trust funds."

The reason for the amendment is that there is a great deal of divergence of opinion, when you have a trust fund that is committed and has been sold to the voters on the basis of highway purposes, whether or not it is possible and legal to divert that money to other uses, and I think this is a question that needs to be settled. I think all of us recognize if we try to do this on the state level we would all be in trouble. I think it is time that we ought to test whether or not this can be done at the federal level. I think the Congressional intent is that these are trust funds that should not be used to reduce inflation or for balancing the budget or for anything. The money is in the fund; it has been paid with the idea it is to build highways, and I think we ought to find out whether we can stop and start and reduce and increase the amount of the fund. Therefore, the Midwestern Governors' Conference took this position and I move the amendment.

GOVERNOR LOVE: The motion to amend Statement D-3 has been made. Is there a second?

GOVERNOR RHODES: I second it.

GOVERNOR LOVE: The question has been called for. All in favor say aye—opposed nay. The amendment is adopted. With such amendment, are you ready for the question on Statement D-3? All in favor say aye—opposed nay. The statement is adopted.

GOVERNOR DANIEL J. EVANS: Statement D-4 relates to highway and motor vehicle safety. You will notice two additions to the policy statement as it was submitted and passed last year. I would move the adoption of Policy Statement D-4.

GOVERNOR JOHN DEMPSEY: I second it.

GOVERNOR LOVE: It has been moved, and has been seconded by Governor Dempsey, that Statement D-4 be adopted. Is there any discussion? All in favor so indicate. The ayes have it and the statement is adopted.

GOVERNOR DANIEL J. EVANS: Statement No. D-5 deals with airport development. You will notice that it has five specific suggestions, after commending Congress for enacting a major new program of financial assistance for airport development, the recent Airport and Airways Act. The addition, I think, without reading it, is self-explanatory. It merely deals with the development of comprehensive national airport system plans based on our state airport system plans developed in cooperation with federal and local governments, sufficient funds necessary to conduct planning activities at the state

governmental level, and the urging that all States join the twenty-seven which have already adopted the "Uniform State Channeling of Federal Airport Funds Act." That was drafted in cooperation with the Council of State Governments. Mr. Chairman, I move the adoption of Policy Statement D.-5.

GOVERNOR LOVE: Is there a second?

GOVERNOR WILLIAM T. CAHILL: I second it.

GOVERNOR LOVE: We have a motion and a second as to the adoption of Policy Statement D.-5. Is there discussion? Governor LeVander.

GOVERNOR LEVANDER: I have just a point of inquiry. Does the adoption of this section on airport development include the possibilities of federal aid and financing on a third level system of airports to intertie and connect with our major airports, which is one of our great concerns in Minnesota?

GOVERNOR DANIEL J. EVANS: Governor LeVander, it does not deal directly with that, but you will notice that we advocate the development of a comprehensive national airport system plan to be based upon individual state airport systems plans, developed in cooperation with federal and local governments. I think that does really deal, at least indirectly, with the question you raise, the involvement of the States in letting the federal government know of the individual problems that some of us have that are not nationwide in scope.

GOVERNOR LEVANDER: I strongly urge the adoption of this if it includes, at least by implication, the support of a flexible situation, so that those States that need a third-level airport and need assistance from the federal government could get some.

GOVERNOR LOVE: You have heard the motion. All in favor so indicate. The motion has carried and Statement D.-5 is adopted.

GOVERNOR DANIEL J. EVANS: Mr. Chairman, we will now withhold any motion on Item D.-6, urban mass transportation, because that does tie in, at least in its consistency, with Item D.-1, and until we have had an opportunity to review that, we will withhold any motion. Item D.-7 relates to railroads and it really responds, I think, to some of the concerns that were raised earlier in the discussion with the Secretary on the problems of our nation's rail system. This statement particularly deals with those problems where it advocates federal legislation which would provide for the establishment of a national rail passenger system with financial assistance from the federal government and private industry and a significant role for the States in the determination of necessary services and facilities for a balanced rail transportation system. I move adoption of this statement.

GOVERNOR DEMPSEY: I second it, Mr. Chairman.

GOVERNOR LOVE: No. D.-7 has been submitted. The motion has been made and seconded for its adoption. Is there any discussion? All in favor say

aye—opposed nay. The statement is adopted.

GOVERNOR DANIEL J. EVANS: Mr. Chairman, Policy Statement D.-8 relates to waterways. The first part of the statement is a repeat from last year. The new part recognizes the growing need for ferry boat and water surface transportation systems where these are the least expensive and most practical way of extending transportation connections. We call upon the federal Department of Transportation to initiate an action program to give aid to those parts of the nation in need of such water transportation development. Mr. Chairman, I move the adoption of Policy Statement D.-8.

GOVERNOR MELVIN H. EVANS: I second it.

GOVERNOR LOVE: It has been moved and seconded. All in favor so indicate. The statement is adopted.

GOVERNOR DANIEL J. EVANS: Mr. Chairman, Policy Statement D.-9 is a repeat and a re-endorsement of the policy statement of last year, with no changes, relating to communication. I think it is still important, still not completely resolved, and, as such, I move the re-adoption of Policy Statement D.-9.

GOVERNOR LOVE: Is there a second?

GOVERNOR DEMPSEY: I second it.

GOVERNOR LOVE: It has been moved and seconded that Policy Statement D.-9 be adopted. Is there any discussion? All in favor say aye—opposed nay. The motion carries.

GOVERNOR DANIEL J. EVANS: Policy Statement D.-10 was the subject of some discussion by our Committee in their meeting yesterday. As a result of that action, I will call on Governor Cahill to make a motion relating to Policy Statement D.-10, relating to auto insurance.

GOVERNOR CAHILL: Mr. Chairman and Members of the Conference: I move to delete No. D.-10 and all reference in the policy report in relation to the field of automobile insurance. I think the key sentence is the first sentence in D.-10 which says that the Conference supports the principle of state regulation of the insurance industry as embodied in the McCarran-Ferguson Act of 1945. I would respectfully suggest that the McCarran-Ferguson Act of 1945 exempts the insurance industry, the only major industry in the United States that is involved essentially in interstate commerce, from the operation of the anti-trust laws of the United States, and it seems to me that since the Transportation Department's study on automobile liability insurance has just been completed and not, as yet, adequately evaluated, there are, in all States of the Union today, innovative programs under consideration, and I would merely mention the State of Massachusetts which is now about to adopt, I understand a no-fault insurance plan which has brought about threats by some major companies to discontinue business in that State, as they have in my State.

Because in my State and I think in a great many other States, there has

been in the past several years great concern on the part of all of the population relating to the high cost of insurance, the arbitrary cancellations, the withdrawal of some companies from doing business, most importantly, I think, the failure of so many insurance companies in certain sections of the country who were not, in the first instance, properly capitalized and, secondly, in my judgment, at least, were not properly supervised, I think this action would be premature at this time. It is my observation, at least, that the committee has not given the intensive attention to this most serious problem that it deserves and, therefore, for those reasons, I move that all reference to automobile insurance be deleted from the policy report and that the entire matter be referred back to the committee for further study.

GOVERNOR LOVE: As a matter of procedure, was there a motion to adopt this statement?

GOVERNOR DANIEL J. EVANS: No, there was not a motion. I was depending on Governor Cahill to make a motion.

GOVERNOR CAHILL: I have made the motion, Mr. Chairman.

GOVERNOR LOVE: This presents a rather awkward procedure, that is, we have a statement of policy and a motion not to adopt it, is that right? Governor Cahill, why don't you make the same motion Governor Rockefeller did to recommit it to committee.

GOVERNOR CAHILL: I so move.

GOVERNOR SARGENT: I second it.

GOVERNOR LOVE: It has been moved and seconded that the Policy Statement D.-10 be, in effect, sent back to the committee for further consideration and action. Is there any discussion? All in favor of the motion say aye—opposed nay. The motion for recommitment carries.

GOVERNOR DANIEL J. EVANS: Mr. Chairman, Policy Statement D.-11 is short; it is self-explanatory. I move the adoption of this policy statement relating to commerce.

GOVERNOR RAYMOND P. SHAFER: I second it.

GOVERNOR LOVE: It has been moved and seconded that Statement D.-11 be adopted. Is there any discussion? All in favor so indicate. The motion carries and the statement is adopted.

GOVERNOR DANIEL J. EVANS: There is one more motion, Mr. Chairman. You will notice on the bottom of the cover sheet there are policy statements recommended for deletion. These are statements of previous years which have been superseded by the new policy statements. However, in some cases those have not been superseded because we recommitted, so I move that we delete policy statements relating to Airways/Airports, Highway Beauty, Railroads, Commerce, and Pipeline Safety, and leave the others intact until such time as we have further committee action.

GOVERNOR SHAFER: I second it.

GOVERNOR LOVE: It has been moved and seconded. Do you understand the motion? All in favor say aye. The motion is adopted.

GOVERNOR DANIEL J. EVANS: Mr. Chairman, I thank the Vice-Chairman Governor Mandel of Maryland, and members of the committee for their assistance. The work of the technical committee of representatives during the year is appreciated. We certainly will observe the recommendations expressed earlier today, particularly in the field of transportation funding, and we hope to have a further report to you shortly. I notice that we have arrived at the witching hour of 11 o'clock. Thank you very much, Mr. Chairman, and members.

GOVERNOR LOVE: Thank you, Governor Evans, and thanks to your committee. We will expect to hear from you again on Wednesday. I now call upon Governor William L. Guy of North Dakota, Chairman of the Committee on Natural Resources and Environmental Management, who will preside over this session of our program. Governor Guy.

GOVERNOR WILLIAM L. GUY: Governor Love, fellow Governors: This is a report on the work of the Committee on Environment and Conservation, made up of myself, Vice-Chairman Bartlett, and Governors Miller, Maddox, Samuelson, Sargent, Holton and Hathaway. We have several presentations on specific subjects this morning. I hope you have the committee report before you which in part states that "Environmental mismanagement, natural resource exploitation, and uncontrolled population growth and distribution are closely related worldwide socio-economic maladies which could prove terminal for mankind unless treated with great skill, urgency, and commitment. The science of ecology, which relates all living things to each other and to their environment, is the umbrella under which we study conservation, environment, and population. It is a science which must be broadly taught and understood. It is the science which studies the most important issues before mankind today. It is apparent that the need for educational courses in these related fields exceeds our educational systems' willingness or capacity to provide them. Public apathy can be traced to a lack of knowledge, often the end product of inadequate education.

In the report a section has been compiled to analyze the survey made last January by the committee on the environmental problems that face each individual State. I will not go into that report. It is well written and I hope it will be referred to those on the Governors' staffs having to do with environment and conservation. At this point I will move that the report of the Committee on Natural Resources and Environmental Management be approved so that we can move on to other presentations and finally the policy positions.

GOVERNOR LOVE: You have heard the motion that the report be accepted. Is there a second? This is not the adoption of policy statements. This is a motion to accept the report.

GOVERNOR DEANE C. DAVIS: I second it.

GOVERNOR LOVE: It has been moved and seconded that the report be adopted. All in favor say aye. The motion is adopted and the report is accepted.\*

GOVERNOR GUY: Moving into specific presentations on aspects of this committee's assignment, I will call now on Governor Hathaway, who will highlight salient points of the very recently published Public Land Law Review. This review is a part of our concern for conservation in these United States. Governor Hathaway.

GOVERNOR STANLEY K. HATHAWAY: Thank you very much, Governor Guy. Any discussion of the environment and natural resources in this country must cover the public lands. This little document is the work of five years of the Public Land Law Review Commission, chaired by Congressman Aspinall of Colorado. It is probably the most thorough and comprehensive review that has ever been made of vital issues of the public lands of this nation. One-third of the land in this country is owned by the federal government. Of that one-third, about 50 per cent is in the State of Alaska. The remaining 50 per cent is in the eleven western States, other than the State of Hawaii. Of course there was a policy for a long time of disposal of public lands, grants to railroads, the Homestead Act, and many other actions. More recently we have had a policy of non-disposal, at least the administrative procedures for sales and disposal of public land have been cumbersome and not much land has been sold.

Of course the economic impact of this report and the legislation that may follow from it is most important in the eleven western States. Nevada, for instance, has 86 per cent public land. It ranges from 29 per cent in the State of Montana to 96 per cent in Alaska, I believe. In my own State 48 per cent of the surface and 70 per cent of the subsurface is owned by the federal government. In many ways we are an economic satellite because of this. It is often said we are a State in which there are two Governors, one elected by the people and the other by the Secretary of the Interior. So it is most important, when we think about assuring environmental quality in this nation and also a healthy economic development, that we have sound management practices in the administration of our public lands.

This report is certainly very complex and I will not make any attempt to get into the details of it, but I think some of the underlying philosophy that is indicated in this report is most interesting. The policy of large-scale disposal of public lands reflected in the majority of statutes in force today should be revised and future disposal should be only of those lands that will achieve maximum benefit for the general public in non-federal ownership, while retaining in federal ownership those whose values must be preserved so that they may be used and

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\*Copies are on file in the offices of the National Governors' Conference.



enjoyed by all Americans. An immediate review should be undertaken of all lands not previously designated for any specific use and of all existing withdrawals set aside, and classification of public domain lands that were affected by executive action to determine the type of use that would provide maximum benefits for the general public in accordance with the standards set forth in this report.

The Commission recommends that Congress should assert its constitutional authority by enacting legislation reserving unto itself exclusive authority to withdraw or otherwise set aside the public lands for specified, limited-purpose uses. It recommends that public land management agencies should be required by statute to promulgate comprehensive rules and regulations, after full consideration of all points of view, including protests, with provisions for a simplified administrative appeals procedure in a manner that will restore public confidence in the impartiality and fairness of administrative decisions. Judicial review should generally be available. Administrative functionings of the public land agencies have been most cumbersome and this Commission is recommending simplified procedures so we will get to the heart of the problem and get decisions more rapidly.

The Commission recommends the statutory goals and objectives should be established as guidelines for land use planning, under the general principle that within a specific unit consideration should be given to all possible uses and the maximum number of compatible uses permitted. This should be subject to the qualification that, where a unit within an area managed for many uses can contribute maximum benefit through one particular use, that use should be recognized as the dominant use. We have long followed the multiple-use concept in management of public lands where uses are compatible, such as grazing, timbering, recreation. The Commission is saying, in effect, that this policy will still be followed but that where there is one dominant use, where the recreation potential is so high that no other uses would be compatible, for instance, that recreation will be the dominant use. They are also saying that with regard to timbering, certain areas are most productive for timbering and do not interfere with other uses, therefore, timbering would be the dominant use on some portions of the public land.

Federal statutory guidelines should be established to assure that federal public lands are managed in a manner that not only will not endanger the quality of the environment but will enhance the quality of the environment, both on and off the public lands, and that federal control of the lands should never be used as a shield to permit lower standards than those required by the laws of the State in which the lands are located. Federal licensing power should be used under statutory guidelines to assure these results. The United States should make payments in lieu of taxes to state and local governments by reason of the federal ownership of public lands, without regard to the revenues generated therefrom.

State and local tax efforts should be a factor in determining the amount to be paid. This is probably one of the most controversial sections of the report and one that will be most difficult to implement because the States that have substantial public lands suffer from the lack of tax base and the ability to provide services for their people. In my own State, for example, the money taken into the federal treasury from mineral royalties alone is much greater than all of the state budgets combined since we became a State, so this matter of revenue in lieu of taxes will be most important to all of the public land States, and it is one that we will have to watch very closely.

The Commission recommends that legislation be enacted to provide a framework within which large units of land may be made available for the expansion of existing communities and the development of new cities until some experience has been gained in the various mechanisms that might be utilized and a national policy adopted concerning the establishment of new cities. Congress should consider proposals for the sale of land for new cities on a case-by-case basis. With this great land area in the Rocky Mountain States we have 15 per cent of the area and only 3 per cent of the population in the nation. It is a tremendous resource for the dispersal of population that we have talked about in this Conference for the last couple of meetings. We have the resources, we have the space, if it is properly utilized. The Commission has recognized this by saying that we can make grants, not only for the establishment of new communities and cities, but for the enlargement of existing ones. I think it is one of the exciting portions of the report.

The Commission recommends that legislation be enacted to provide flexible mechanisms, including transfer of title at less than full value, to make federally owned lands available to state and local governments when not required for a federal purpose, if the lands will be utilized for a public purpose. For instance, in several places the report mentions the matter of recreation and, if a State has a recreation plan and if it can utilize public lands by developing recreation facilities, the federal government would consider sale and lease of these lands, perhaps at much less than their real value. I am pleased to see that the report throughout recommends close liaison and communication with local subdivisions of government, provides the kind of communication that is needed to establish the highest and best use of these public lands. The responsibility for public land policy and programs within the federal government in both the legislative and executive branches should be consolidated to the maximum practical extent in order to eliminate or at least reduce differences in policies concerning the administration of similar public land programs.

The Commission recommends that we have a new department of natural resources. About 60 per cent of the public lands are administered by the Bureau of Land Management under the Department of the Interior. About 30 per cent are administered by the Forest Service under the Department of Agriculture. There has been continual interplay between these agencies and in many cases

differences of opinion in management of the land. The Commission is recommending one agency to manage all public lands. In making land decisions, the federal government should take into consideration, first, the interests of the national public, then the regional public. The federal government is the sovereign and the federal government is the proprietor. The users of public lands and resources and the state and local government entities in which the lands are located should be considered in order to insure, to the extent possible, that maximum benefit for the general public is achieved. That is the general philosophy of the report, and there are many chapters on specifics, which I obviously do not have time to go into.

On mineral resources, we will find more competitive bidding for all types of minerals and oil and gas. On water resources, it is recommended that restrictions be placed upon the reserve doctrine which now says, in effect, that water produced on public lands is under the exclusive control of the federal government. This has long been a threat to proper planning for water development in the western States. On fish and wildlife, they recommend that the harvesting of game be retained in the jurisdiction of the State. In areas where agriculture is the dominant use, we should look forward to more land sales, bringing this land into the private sector.

GOVERNOR LOVE: I must insist that the noise level be kept down. If those of you wish to have separate meetings, there are other facilities available. I have had complaints from Governors at the end of our table that they can't hear. I must insist that quiet be maintained.

GOVERNOR HATHAWAY: With regard to the outer Continental Shelf which concerns many of you, the Commission recommends that the federal government retain full authority in management of the resources of the outer Continental Shelf. Outdoor recreation, as I mentioned, allows great flexibility to the States if they develop recreation plans and those plans include the use of some of the federal lands. Land grants to States, as we have known them in the past, will not be continued. Many States still have in lieu selections to be made, and it is recommended by the Commission that those matters be cleared within the next five years.

I think the important thing I'd like to leave with respect to this report, is that Governors' representatives have taken an active part in the deliberation of this Commission for the past five years. Their duty is officially ended now, but the implementation of this report will require a great deal of legislation. It seems to me that it is urgent that the Governors continue their representation and that the Governors' representatives still will be able to meet and discuss the impact of legislation that is offered. Mr. Chairman, I do not wish to make it a formal motion because there may be funding problems and some legal problems, but I hope that the majority of the Governors will continue the office of their representative to the Public Land Law Review Commission so that we can

continue the communication and work with the Congressional delegations of our States. As the legislative battle unfolds, it will follow the implementation of this report.

**GOVERNOR GUY:** Thank you, Governor Hathaway. I don't believe very many Governors who have not read the Public Land Law Review realize that, whether or not you have public lands in your State, this review will furnish the basis for legislative and national policy action in the years ahead that will profoundly influence the future of every State in this nation because these States that have vast quantities of public land also have the vast quantities of resources and water and space. They have problems operating their State and its political subdivisions when so much of this public land is in their State. Thank you, Stan Hathaway, for opening the subject that will touch each of us in the years to come in our States. I will call now on the other end of the spectrum in public concern for public resources. I will ask Governor Sargent to give us a brief report on the progress and proposals for coastal zone management.

**GOVERNOR FRANCIS W. SARGENT:** Thank you very much, Governor Guy. I have been asked to comment on the subject of coastal zone management as it relates to the report of the Committee on Natural Resources and Environmental Management. Following the remarks of Governor Hathaway who represents the mountain States, the public land States, at the risk of sounding a little bit provincial, I must say that the coastal States are very important; we have huge populations in the coastal States and I will be talking about the Atlantic Coast, the Pacific Coast, and the Great Lakes. I do this not just as the Governor of a coastal State but as one who has spent a personal lifetime on the coast and who has also had the unique opportunity to administer a coastal resources agency.

Few of us perhaps realize that 30 of the 50 United States enjoy extensive coastlines. Nearly 60,000,000 people live within a coastal zone and 90 per cent of the land area of this country drains directly into its estuaries.

Forty per cent of all manufacturing concerns are located within the more than 500,000 square miles of the coastal counties. Seventy-eight per cent of our total foreign trade moves in and out of coastal ports. Probably two billion dollars worth of commercial fisheries and recreational activity take place annually within the coastal zone. In terms of value added, the resources are worth at least sixty billion dollars to the residents of the coastal counties. I need not detail the kinds of problems that have beset this unique land and water resource over the years. Barely five million acres of wetland have survived the growing pressures of economic expansion. More than thirty billion gallons of industrial and municipal wastes pour into the coastal zone each year. Some 35,000 megawatts of nuclear power alone and possibly 30 per cent of all the power plants in the nation will be utilizing coastal waters for cooling purposes

by the mid-1970's. And most shocking of all, for one out of every three estuaries, we have so little information available that we don't even know whether a problem exists, and, if it does, where it exists.

Most Governors are familiar with the extensive federal activity in this area in recent years—the Stratton Commission report, the college program, the national studies of estuaries conducted by the Federal Water Quality Administration and the U.S. Fish & Wildlife Service, the various coastal zone management proposals pending before the House and Senate, the President's recent National Oceanographic and Atmospheric Administration reorganization, and Senator Jackson's proposed National Land Use Policy legislation. In the short space of time available, I do not intend to dwell on the merits or demerits of each, other than to point out the common thread through all of them, the pivotal role of the States, what they can do and what they must do in terms of coastal zone management. May I use my own State as a point of illustration?

A decade or two ago, scientists, conservationists, and recreationists awoke to the rapid deterioration of Massachusetts' estuaries and wetlands. They were originally called marshlands and many people have called them wastelands. These took on an added significance when it was proved conclusively that they were a vital link, a primary source, in the food chain that supports shellfish and fin-fish. Since 1963 Massachusetts has carried out a comprehensive program designed to inventory, categorize, protect, develop, and manage its estuarine and coastal areas with the widest beneficial use of land, water, and living resources for all. To date some 15 coastal bays and estuaries have been studied in detail, resource values have been established, and legislation has been enacted that curtails destructive alterations of the coastal wetland while providing for orderly development of other compatible uses. Massachusetts' landmark legislation has already been adopted in modified form by at least six other coastal States.

In other action, we have recently created a Division of Mineral Resources. One of its mandates is to license the orderly exploration and grant leases for the extraction of mineral resources from the coastal waters of our State. But a primary task of this new division will be to conduct a two-part survey of the seabed and water of the Commonwealth from the coastline seaward to a distance of three geographical miles. The first part of this survey will endeavor to clearly delineate the quality, the quantity, the location, and amount of all minerals within the jurisdiction of Massachusetts. The second part of the survey will be designed to produce precise data on shellfish beds, spawning grounds, and the food processes at which they are interrelated. Along with this will come the study of characteristics of currents, tides, winds, waves, to determine the effects of mineral extraction operations on waterfronts, beaches, and recreational areas. I regret personally that our hindsight caught up with us as late as it did, but I am delighted that our foresight has, in the last decade, remedied some of our past mistakes and paved the way for a more pleasant, a more viable, and a more ecologically stable coastal area environment.

Finally, we are beginning to relate pressures of mankind to the sustaining capabilities of the coastal zone. But all of this does not mean that our role in the coastal zone is done. We now have a momentum of forward progress which we do not intend to lose. We want to, we have to, and we will cooperate with other States, including Rhode Island, and the State of Maine. We are going to cooperate with you, as I was just telling you, and we think this is most important that the States work together, particularly in coastal matters, and that they work effectively with the federal government in all of these matters. With a great deal that still has to be done and a little time left to complete the task, it seems urgent that this Conference take a strong and positive stance on coastal management. To that end you can count on my personal support and that of the State that I represent. I realize that these comments are parochial in nature, that they refer to coastal States, but I would like to point out again that this applies not only to the Atlantic Coast but to the Pacific Coast and also to the Great Lakes States. I think we have to do much more than we have done in terms of preserving and protecting and wisely using the wetlands that are adjacent to the sea and to the great bodies of water in America. Thank you very much.

GOVERNOR GUY: Thank you, Governor Sargent. The capital of North Dakota is 1,500 miles to the nearest coast in any direction, and yet I am a little bit concerned. Somebody said that if we don't do something we might have the seacoast in North Dakota some day. So we are concerned about public land and we are concerned about coastal management. To give us a very short resume of something that has come quickly and dramatically in the last few months, I have asked Governor William Milliken to speak to us very briefly on the problem of mercury poisoning. Governor Milliken.

GOVERNOR WILLIAM G. MILLIKEN: Thank you very much, Governor Guy. I noted carefully Governor Guy's reference to my very brief remarks and I intend to keep them that way. I do welcome this opportunity to summarize Michigan's recent encounters with new environmental challenges which are not alone challenges to Michigan, and some of the new programs which we have now undertaken for environmental protection, and some of the proposals for joint environmental action among the States which I want to make briefly this morning. I am personally absolutely convinced that preservation of our environment is the critical issue of the '70's. I am equally convinced that the States must somehow, more than we have done to this point, devise common and fail-safe steps to preserve our common habitat.

The urgent need for intergovernmental action was brought home to Michigan when Michigan became the first State in the United States to bear the brunt of decades of mercury contamination. For more than thirty years, mercury has been discharged into Michigan waters and now, of course, at least fourteen other States have joined Michigan, including Alabama where the most recent serious problems have occurred. As a result of the mercury and other

environmental challenges, Michigan has taken decisive steps. The 1970 session of the Michigan legislature, which, I might add, has not yet ended, has written an environmental record unequalled by any previous session in Michigan's history. We have done more this year than in all previous years, including giving individual citizens the legal right to sue polluters and requiring every industry to report the volume and the content of every discharge that contaminates the environment, but we have not done enough, there is more that should be done within the States. In Michigan, for example, we are presently considering an outright ban on the use of mercury. There is a good deal more, I think, that should be done.

Before briefly outlining my proposals for joint action among the States, I want to summarize what has happened in Michigan. The Michigan legislature has approved a major package of four environmental protection measurements. The first measure is the Environmental Quality Act of 1970 which allows suits to be brought by individuals or groups in actions against alleged polluters. It is pioneer legislation and it reflects our belief that every member of society should have recourse immediately available for halting dangerous pollution of his environment. Our second major piece of legislation is based on the firm belief that industry must do more to remedy the problems it creates and, concurrently, that the States have the desire and the influence and the manpower and the funds to adequately police industrial waste disposal operations. One section of this bill provides for the mandatory registration of specified materials used in manufacturing processes and of all by-products and waste products. The bill passed the Michigan legislature last week, and a second section provides for the levying of a water surveillance fee on commercial and industrial waste discharges.

Another bill before the legislature contains a new major program of Great Lakes shore land management. In Michigan we have approximately 3,200 miles of Great Lakes shore land. Recently erosion resulted in substantial damages to shore land properties. Much of this damage could have been prevented by sound land-use practices. Our shore land program is aimed at facilitating better use of our shore land areas. Specifically, the program calls for the establishment of local zoning of high-risk areas and significant environmental areas. If local governments fail to act, the State will adopt the necessary zoning regulations. The fourth new element in our anti-pollution campaign is a new law prohibiting waste discharges from commercial and recreational water craft in Michigan waters. These are important steps at the state level and more are under consideration.

Clearly, I think, the mercury problem demonstrates that the nation's environmental protection programs were and still are inadequate. Clearly we need a national clearinghouse to assess the environmental impact of the hundreds of thousands of chemical compounds now in use in industry and in the home and also to assess the environmental impact of all new compounds before

they are actually marketed. Through the activities of the clearinghouse we could hope that problems similar to the mercury crisis would be identified and remedial action taken before serious damage occurs. Last month at the Midwestern Governors' Conference in Columbus we adopted a resolution which has been transmitted to the President, calling for the creation of such a national clearinghouse.

I want to suggest now that I intend to ask for a suspension of the Articles on Wednesday, because I will not be here at that time, so that a resolution on my behalf by Governor Guy can be presented before this National Governors' Conference on the adoption of such a resolution, and I urge your support of that. What happened earlier this month when smog enveloped so many cities along the Atlantic Coast is dramatic evidence, I believe, that pollution is no respecter of political boundaries and its effects stem far beyond those who cause it. It clearly points to the fact, I think, that no single State or city is capable of the kind of broadbased attacks that we need on pollution. We need, and we need very badly, not only a regional approach within our States, but also among our States.

GOVERNOR LOVE: Again, on the noise level, we are delighted to have you as guests, but I would request that if you are going to participate in this Governors' Conference, you find a seat. If, on the other hand, you have a desire or a need to hold a conference or a meeting, I would ask that you go beyond the confines of this hall.

If I may also interrupt, I note that Governor Milliken has indicated that he will move to suspend the rules. I wanted to clarify what I said earlier this morning on that procedure. There has been some confusion. The rules themselves indicate that the proposed policy statement or resolution must be submitted in writing at least one session prior to the time that the motion is made to suspend the rules. The Chair has ruled that the session is the session we are in, such as now, rather than a session of another Governors' Conference a year prior, for example. It means that those of you who have policy statements which you wish to submit must have them in writing with notice of your intent tomorrow at the latest if they are to be considered Wednesday, which is the date that we will consider them.

GOVERNOR GUY: Knowing that regional organizations of States can accomplish that which no single State can accomplish alone in the field of environment and conservation, we have asked Governor Arch Moore to come and briefly explain the new attempt by the Southern Governors' Conference to establish a Southern Regional Environmental Board. I think you will find this interesting. Perhaps it is a forerunner of what other groups of States with a common problem could do in regional urbanization.

GOVERNOR ARCH A. MOORE, JR.: Mr. Chairman, I appreciate the opportunity to present to the Governors an information report on the activity



presently undertaken by the Southern Governors' Conference in the important area of environmental control. As Chairman of the Natural Resources and Environmental Management Committee of the Southern Governors' Conference, it was my responsibility to formulate an action program for the Conference in the broad area of ecology in 1970. I presented for the consideration of the committee an approach to the problem areas envisioning a combined effort by all of the member States of the Southern Governors' Conference. This took the form of a proposal which was approved by the committee in April of this year that we survey the region and discover our problems of ecology and explore some alternative solutions. This proposal was enthusiastically endorsed by Governor Winthrop Rockefeller, the Chairman of the Southern Governors' Conference, and we moved swiftly toward implementing the program.

Shortly thereafter, the nineteen chief executives by simultaneous action created the Southern Regional Environmental Conservation Council and charged it to report to the Southern Governors at our upcoming meeting in September. Working together, we have now completed a regionwide survey of interstate environmental problems and the report is in process of preparation. I can assure you that the council will recommend to the Conference an exciting new alternative for the States in this important and fast-developing field. But in order that I might convey to you the significance of this unprecedented action and what it has for us, I must give you the benefit of some of the background which led us, as individual States, into this venture. Recent events have prompted a re-evaluation of our respective State's roles in environmental problems. We have heard all about it, it is the glamour issue of the '70's. The news media have made the environment and environmental protection a matter of deep concern to all. Frankly, without their emphasis in this area, we perhaps would be moving along at the same old rate. The broad spectrum included everything from pollution problems to population explosion.

With the internal problems of our respective States, I felt that the aggressive leadership was there, but that we should call upon our vast capacity to interrelate among the respective States in hopefully solving problems of interstate nature. In 1965, for example, I introduced into the Congress of the United States an interstate compact which specifically dealt with air pollution problems transcending state lines. It involved the States of Ohio and West Virginia. These two great States, cooperating, had desired to form an enforceable compact which required approval of the United States Congress. After some three years the compact was approved but it was amended by the Congress to a point that the legislatures of Ohio and West Virginia had to re-enact this agreement and return it to the Congress again for further action, something I would suggest to you that remains to be accomplished to this day. Further, this cumbersome constitutional machinery was frustrating in its delay and ineffective in its result.

The problem of interstate cooperation is not unique to any of us. There is recognition of the need for strong support for a legal framework within which two or more States could enter into a binding agreement for the purposes of protecting the environmental area that they share. The Constitution expressly permits this and the new federal pollution legislation encourages it. Our problem was to devise a practical method for accomplishing this end. What we in the Southern Governors' Conference seek to accomplish is the formation of a regionwide environmental council to serve as a vehicle for the States to develop an effective approach to their mutual problems. The council could sponsor an umbrella-type interstate agreement, broad enough in character to permit the States to attack interstate pollution problems in the southern region.

This novel approach envisions that Congressional approval would be required for the initial compact. However, under the compact, the participating States would be free to and have a capacity to enter into supplemental agreements relating to the particular interstate environmental problem which is of common concern to them and to their sister States, but would not require the endless repetitions of formal compact ratification by the Congress. When we realized that in order to respond to our obligations under the new federal legislation through the compact approach the southern States would have to create at least several dozen different compacts, we felt that there was wisdom and absolute necessity for this type of regionwide approach, and it became readily apparent to all of the member States of the Southern Governors' Conference. To explore the feasibility of this undertaking and to determine the commonality of interest throughout the region, what we have done this far is simply this: The council has conducted 18 separate hearings throughout the member jurisdictions of the Southern Governors' Conference. The council has heard the view of over one hundred qualified state technicians in the field and has compiled several hundred pages of testimony and reports.

The council could have and would have, when accepted and implemented fully by the Southern Governors, many additional functions. It could be as broad as any of the member States desire, or it could be limited in scope to merely being the vehicle of the originating compact. If the former course is followed, there is the further possibility of the pooling of resources of all the member States in the area for research and development so that we might provide a reservoir of technology that none of the individual States could afford, but by acting in a joint venture could share in such data at relatively less dollar investment. This I leave, of course, to my fellow Southern Governors to decide.

I believe it would be premature to go into detail on the work of the Southern Regional Environmental Conservation Council at this time, particularly since we have been called upon to make a submission of our report to the members at their September meeting. I would like to simply share this one thought with you, if I might. Precedent does exist for States contiguous to any

member State of the Southern Governors' Conference to benefit from supplementary agreements if they desire without the necessity of being a party to the compact organization. Certain limited compacts have permitted, in the past, a joinder of States to participate in agreements within the general scope and terms of an interstate compact. For example, theoretically the Ohio-West Virginia compact, from which my original experience evolved, could possibly be treated within the framework of this proposed umbrella compact. I should not indicate to you that all of this is an accomplished fact. Much work remains to be done, but we are assured of this step and we are encouraged of the legal feasibility of this approach to interstate environmental problems.

I would conclude by saying that contingent upon the action of the Southern Governors in Biloxi in September and with the proper acknowledgment to our Chairman, Governor Winthrop Rockefeller, who has cooperated with me and assisted the council in every regard, we have demonstrated, in our judgment, an initiative that is unique, an initiative that is imaginative and vital if we are to assume our full measure of responsibility in combatting our common interstate environmental problems. We are heartened and encouraged by the acceptance in the hearings by those who have already expressed themselves for the idea of the umbrella-compact approach. More importantly, the venture confirmed that there is an existing need for a workable, limited agreement between the States which would have the dignity and the enforceability of a compact in dealing with interstate pollution problems. Certainly there is no panacea for ecological problems, but I believe this approach represents a unique opportunity. My motivation here is the same as every Governor at this Conference. I know that the ultimate responsibility of administering and controlling environmental problems must eventually rest with the States. There is no shortcut. There is definitely no federal answer, no matter what federal super agency may evolve. The final solution for environmental problems must and will ultimately rest on the State. Rather than despair as to jurisdictional priority, I believe that the States themselves must be innovative and that state governments must provide the solution. Individually they would be limited, but acting in concert, under this umbrella approach, attacking the problems of interstate environmental difficulties, the first step will be taken by the Southern Governors toward equipping themselves to respond to the growing demands of their mutual and now unsolvable environmental problems. Thank you very much, Chairman Guy.

GOVERNOR GUY: Thank you, Governor Moore. I think we are going to watch the Southern Conference and the progress they make. I think your work can be emulated in other regions. We are now at that point in the report where we move to the policy statements. I hope in this report, with its policy statements, we can widen the perimeter of thinking a little bit. I hope we can introduce some new ideas to chew on. I know there are some policy statements

in here that are going to do that; others perhaps are less controversial. I have asked the members of my committee to present the various policy statements and at this time I am going to call on Governor Sargent to present statements two and six.

GOVERNOR SARGENT: Thank you, Governor Guy. I think everyone has the statement before them. Essentially what we are saying is that we should have a national goal in relation to ecology, environment, conservation, and population. We recognize the importance of the state role and we feel that the state role is paramount. We also support the proposition of an environmental protection agency. We feel that this will place new emphasis and important emphasis on the environmental problems, particularly the pollution problems that face this nation. Mr. Chairman, I presume that the Governors have had an opportunity to glance at this statement and I would move the adoption of F.-2.

GOVERNOR LOVE: It has been moved that F.-2 be adopted as a policy statement of this Conference. Is there a second?

GOVERNOR LINWOOD HOLTON: I second it.

GOVERNOR LOVE: It has been seconded by Governor Holton of Virginia. Is there any discussion? All in favor say aye—opposed nay. The motion is adopted.

GOVERNOR SARGENT: Mr. Chairman, I have given a rather full statement on the desirability, in my view, of adopting a policy whereby the States would take more aggressive action in terms of protecting their coastal wetlands. The statement is outlined in some considerable detail. It envisions strong action by the States in first finding out what the problem is, the extent of the problem, and then adopting regulations to prevent unwise filling and unwise destruction of the coastal wetlands. Mr. Chairman, with those brief comments, I would move the adoption of F.-6 entitled "National and State Coastal Zone Policy Planning and Management Are Needed."

GOVERNOR LOVE: You have heard the motion. Is there a second?

GOVERNOR BUFORD ELLINGTON: I second it.

GOVERNOR LOVE: Governor Ellington of Tennessee seconds the motion. You have heard the motion in regard to Policy Statement F.-6. All in favor so indicate. The motion is adopted.

GOVERNOR GUY: Governor Holton, a member of our committee, will present Policy Statements F.-3, F.-5 and F.-8.

GOVERNOR HOLTON: Mr. Chairman, F.-3 is entitled "Strong States in the Federal System Are Needed." It is a very brief statement which emphasizes the need to put as much responsibility as possible in planning at the state and local level. A significant portion of this policy statement is also that state governments should be permitted to set higher minimum standards than the federal government in this field of environmental management and conservation, and it also emphasizes the need for flexibility which we believe can come from

the broad plans and approach to federal planning and action funds. I believe that summarizes what this is, and I move the adoption of Item F.-3.

GOVERNOR LOVE: The motion is for the adoption of F.-3.

GOVERNOR ROBERT W. SCOTT: I second it.

GOVERNOR LEVANDER: I would like to underscore the sentence there that says "State governments should be permitted to set higher minimum standards than the federal government in the fields of environmental management and conservation." I call attention to the Governors that it is not sufficient to pass a resolution and then feel it is accomplished. I think some affirmative action is necessary because, while we have heard that the federal government in the original Clean Air Act set only guidelines, and invited the States to set higher standards, they now have seemingly reversed their attitude and do not want the States to set higher standards. In other words, we are facing again in this area, the Clean Air Act, a pre-emption on the part of the federal government to the exclusion of the States.

I have laid on the desks of the Governors a memorandum calling to their attention that the House, in the amendments to the Clean Air Act, refused to pass the amendment that gave the States the right to set higher standards. This is now before the Senate and I think, if we are going to pass the resolution and implement it, it is incumbent upon us as Governors to call to the attention of the Senate the necessity of approving this amendment so that we will preserve the right of the States under special circumstances to pass more restrictive standards than the federal government might do in a general way across the whole country.

GOVERNOR WINTHROP ROCKEFELLER: I am wondering whether this F.-3 would be an appropriate place to emphasize, along with the importance of the States, the potential of States working together in compacts and even in terms of regional Governors' conference groups. We talk about federal government and state government, but we make no reference to the working together in compacts or through regionals.

GOVERNOR HOLTON: It was my impression that that is covered in some part of this, but I would like to call on Governor Guy for assistance as to where it is. I believe it is in the picture, however.

GOVERNOR GUY: I think this is an appropriate place to amend, and I think it would be germane to this position.

GOVERNOR WINTHROP ROCKEFELLER: I think the matter will be discussed in relation to Governor Ellington's report tomorrow; therefore, it may be duplicating, but it seems eminently appropriate that a reference could be added to this proposal because, as has been pointed out by these several reports today, environmental problems do not respect state lines.

GOVERNOR LEVANDER: Point of inquiry. When this F.-3 is adopted, what will be done with it? What I am inquiring is whether it will be sent to the

appropriate committees in the Senate and House. If not, I would like to request that that be done because that will convey the idea that I wanted to make under the Clean Air Act that the States should have the right to set more restrictive standards.

GOVERNOR LOVE: I have just looked to the Conference staff. They assure me that is so, that they will be circulated to the appropriate committees. Is there any further discussion on F.-3? If not, all in favor of its adoption say aye. The ayes have it and the statement is adopted.

GOVERNOR HOLTON: Mr. Chairman, F.-5, "A National Voluntary Population Distribution Policy Is Needed," the statement does emphasize the voluntary nature of a need for population distribution. It recites the Homestead Act as one of the ways by which the government has entered into population distribution incentives. It recites that both the overpopulated and underpopulated areas do have problems that are allied and the imbalance of population as the source. Environmental management and conservation management are, therefore, a cause of this imbalance. Even the federal government has helped cause the imbalance. The statement recites several remedies, including such things as subsidized low-interest rates, manpower training programs, revision of freight rates, federal tax incentives, and special grant programs for education, health, and recreation services. These would help lessen the cost and burden in trying to provide the same services to people in more populated areas. I think that fairly summarizes what the statement says, and I move its adoption.

GOVERNOR LOVE: The motion is that No. F.-5 be adopted. Is there a second?

GOVERNOR DAVIS: I second it.

GOVERNOR LOVE: Is there any discussion? All in favor so indicate. The motion carries.

GOVERNOR HOLTON: Item No. F.-8, the title is "State Land Use Planning Is Needed." Frankly, there are three pages of this. Most of it is equivalent to responsible motherhood. I do not believe there is any explanation necessary. I move the adoption of No. F.-8.

GOVERNOR LOVE: There is a motion for the adoption of No. F.-8.

GOVERNOR DAVIS: I second it.

GOVERNOR LOVE: It has been seconded by Governor Davis of Vermont. Is there any discussion? To what did I understand you to say it is comparable?

GOVERNOR HOLTON: Substantially equivalent to responsible motherhood.

GOVERNOR LOVE: The motion has carried.

GOVERNOR GUY: Governor Samuelson, a member of this committee, will present positions on F.-9 and F.-10.

GOVERNOR DON SAMUELSON: Mr. Chairman, F.-9 is covered pretty

well by the title, "Full Funding and Implementation of State Comprehensive Outdoor Recreation Plans Is Needed." The expenditure of outdoor recreation funds should not be diverted from the urgent need to acquire and protect these natural areas. Full funding and implementation of state comprehensive outdoor recreation plans is the best means of solving both short-run and long-run recreational problems of the megalopolis.

I recommend and move the adoption of this resolution.

GOVERNOR LOVE: It has been moved that F.-9 be adopted as a policy statement of this Conference. Is there a second?

GOVERNOR MOORE: I second it.

GOVERNOR DAVIS: Mr. Chairman, I was very happy to note that in the questionnaire which was attached to the report of the committee water pollution receives the highest priority by far of all of the fifteen elements. I want to say a few words about the funding of the Clean Water Act as a prelude to what I understand will be a motion to amend F.-9. In Vermont we are quite proud of what we have done in the field of legislation. I certainly don't want to get into any competitive argument with the Governor of Michigan, but I call his attention and that of the Conference to the fact that the National Observer said that Vermont had passed the boldest and most comprehensive program in the field of environmental control at its last session of any State in the Union. Naturally we are proud of that. I also would like to call attention to the fact that we have mercury in our waters in Vermont and we have had a task force testing every lake and pond in the State, and we have now found that in two of the virginal ponds where there is absolutely no sign of human habitation or any sign whatsoever of the emission into the waters of mercury or any possibility of it, the same high content of mercury that appears in Lake Champlain is there, so we are about to conclude that our mercury comes from fall-out from the Great Lakes.

However, Mr. Chairman, what I want to speak to is this matter of funding of the Clean Water Act. In Vermont we are not newcomers to this effort. Vermont was one of the first States in the nation to establish its own grant program for pollution abatement facilities way back in the early 1950's. As another point, our per capita investment of state funds in pollution abatement is the second highest in the nation and more than twice the national average. But try as hard as we can, Vermonters cannot do this job of clearing up our water pollution alone. We have passed an act which makes it illegal for any individual, corporation, or municipal corporation to deposit into the waters of Vermont any substance, either liquid or solid, without a permit from the Water Resources Board. This becomes effective July 1, 1971, and at that time it will be necessary for us to be well on our way in the construction of 55 more of these municipal plants, and we need help. We must have full support by the federal government as a real full-fledged partner. We all know that the federal government is not now meeting its full responsibilities in this effort.

This is the year when we are reaching the day of reckoning. The authorization for pre-financing reimbursement under Public Law 660 will not cover funds allocated after fiscal year 1970. So unless Congress extends this authorization, it would mean the States have no guarantee of reimbursement of funds expended to pre-finance the federal commitment. Congress has two alternatives, it seems to me. The first and by far the best alternative for the States is for Congress to fully fund the Federal Water Quality Act, repay its pending debt to the States, and provide sufficient additional funds to meet current commitments. The second alternative is to provide a modest increase in appropriations, but to extend the deadline for pre-financing under Public Law 660. Vermont is one of the States which has recently found mercury and we are going to have to put all of our strength into this priority. It is top priority in Vermont and I believe it is in even more than the twenty-six States that are noted here in the report. I make this statement, Mr. Chairman, as a prelude to the introduction of the motion for amendment which is to be offered by Governor Curtis.

GOVERNOR LOVE: Thank you very much. Governor Curtis.

GOVERNOR KENNETH M. CURTIS: Thank you very much, Mr. Chairman. You are probably all familiar with the fact that the federal authorization for municipal pollution abatement facilities is at 1.25 billion dollars. You probably also are familiar that the House is appropriating in their bill one billion dollars. I understand that the Senate Public Works Committee favors the full appropriation of 1.25 billion dollars. Last spring, I had the privilege of representing the National Governors' Conference at the hearings before the Senate Public Works Committee. From the testimony submitted, the States are ready, willing, and able and can very easily spend the full 1.25 billion dollars. So this particular resolution or policy statement appears to be the one that is most germane by which perhaps we could go on record asking for this additional assistance. I would like to join in suggesting the amendment which has been drafted by Governor Sargent and myself to follow the second paragraph of this policy statement. We distributed this amendment and it is very short. I would like to read it. It says:

"Meanwhile, however, we must also recognize that these long-range plans are being eroded by present and increasing pollution of our water resources.

"The National Governors' Conference, therefore, calls upon the Congress and the Administration to support also the appropriation of the full 1.25 billion dollars authorized by the Congress for the construction of waste water treatment plants. Any retreat from this promised federal commitment will further delay the day when American citizens will have access to adequate supplies of unpolluted water for recreational and other uses. Further delay will also increase the construction costs involved in bringing about clean waters, and it will represent a betrayal of those States which have, through prefunding, relied on past federal promises that funds would be forthcoming by now."



I would move that this amendment be accepted.

GOVERNOR LOVE: Governor Curtis moves that the policy statement be amended to include the language which he just read and which I believe each of you has in front of you. The motion is seconded. All in favor say aye—opposed nay. The amendment is adopted. We will now vote on adoption of the policy statement as amended. All in favor so indicate. The statement is adopted.

GOVERNOR SAMUELSON: Mr. Chairman, F.-10 is "A Revitalization of Forestry by All Ownerships Is Needed." Here, again, we are encouraging all ownerships of forest lands to do everything they can do to reforest their land just as quickly as possible. Proven timber management practices should be instituted by the Forest Service and the Bureau of Land Management, other public and private forest management agencies, to promote increased or high-yield timber growth on existing timber-producing lands, provided funds are made available for this purpose. The federal and state governments need to establish a policy to encourage reforestation of denuded publicly owned commercial forest lands. What this resolution does is urge that existing programs be strengthened. The Forest Service and the Bureau of Land Management and private owners are doing this now, but we probably could offer some inducements to help them and, of course, this would improve our watersheds and water quality and arrest soil erosion. It would provide wildlife habitat and and more recreational opportunities.

One of the things that we keep talking about is ecology. The one thing I would like to call to the attention of the Governors here is that a new and vigorous stand of timber produces multiple times the oxygen of an old and mature stand. An old and mature stand barely holds its own and, of course, your new stands of timber utilize the carbons, carbon dioxide, and will produce and do produce oxygen. Then, of course, we will need new sources of wood fiber for future generations for building and paper and various things. This is a good resolution and I move its adoption.

GOVERNOR SARGENT: I second it.

GOVERNOR LOVE: It has been moved and seconded that F.-10 be adopted as a policy statement of this Conference. Is there any discussion? If not, all in favor say aye. The motion carries.

GOVERNOR GUY: Position F.-4 states:

"We must recognize the urgent need for the teaching of environment, conservation, and population as a major basic educational requirement in primary, secondary, and higher education. Curricula of traditional offerings at all levels of education need to be examined for their relevance to the rapidly changing conditions of environment, natural resources, and population.

"The competition for students' attention to a wide range of study matter should not be allowed to prevent a full understanding of the natural forces at play on this planet. Too often in the past students have not been adequately

taught the subjects of environment, conservation, and population, and have not learned the interrelationship of these subjects. Yet failure to understand this relationship could possibly spell mankind's doom if informed action based on knowledge is not taken by the public.

"States should require a constant updating of educational curricula in order to strengthen the offerings in environment, conservation, and population."

I move the adoption of Position F.-4.

GOVERNOR LOVE: Is there a second?

GOVERNOR ELLINGTON: I second it.

GOVERNOR LOVE: It has been moved and seconded that F.-4 be adopted. All in favor so indicate. The statement is adopted.

GOVERNOR GUY: F.-7, "A Change in National Attitudes Toward Non-replaceable Natural Resources Is Needed.

"There is a growing need to establish a new attitude in America among consumers which differentiates between quality of living and standards of living, as well as quantitative consumption and quality of life.

"For example, we should examine the wisdom of our present system of reduced electric power rates as a reward for heavy consumption when that consumption might be beyond the electric consumption needed for a specific business or residence.

"A flat rate for an adequate amount of electric energy based on the size of family or industrial need could be established. Sharply rising rates for electric consumption above the adequate standard set would provide a penalty for that waste which does not contribute to our economy or to the quality of living.

"The consumption of non-replaceable coal in the thermo-generation of electricity which is wasted does not add to the quality of life and is an example of squandering natural resources without significant benefits to mankind.

"Waste of fresh water cannot be tolerated indefinitely. Less than one per cent of the water on the face of the earth is potable. In the face of rising populations and per capita water use, we are faced with the need to conserve our precious water resources by eliminating unnecessary waste. Wasted water adds nothing to our quality of living.

"The same principle which applies to the wasteful use of electric energy and potable water can be applied to the use of petroleum products in our automobile engines. States should consider a policy of encouraging smaller but adequate engines through sharply graduated license fees which discourage larger than necessary engines that do not contribute to the quality of living. There are far too many vehicles in use today which wastefully consume the non-replaceable crude oil resource and add unnecessary pollutants to the air.

"The national attitude which equates some forms of waste with a high quality of life needs to be changed. Waste does not add to the quality of life, but, in fact, denies a high quality of life to future generations."

I move that F.-7 be adopted.

GOVERNOR JAMES A. RHODES: I second it.

GOVERNOR LOVE: It has been moved and seconded that F.-7 be adopted as the policy of this Conference. Is there any question or discussion?

GOVERNOR CALVIN L. RAMPTON: I don't know that I have any criticism of this, but I would like to know just exactly what the committee means by wasteful use.

GOVERNOR GUY: The wasteful use of electricity is that use which has no productive benefit to anyone.

GOVERNOR RAMPTON: We are at the present time trying to encourage the building of a new steam plant in the southern part of Utah. Dave Cargo has one going in New Mexico; Jack Williams has one going in Arizona; Stan Hathaway has one in Wyoming. I don't want to do anything that is going to discourage this development. I am not aware of any wasteful use of electricity, frankly.

GOVERNOR GUY: North Dakota has the largest reserves of lignite coal in the world. We have the largest thermo-generators in the nation, and every bit of wasted electricity that is generated by that coal means that some future generation is not going to have that coal for its benefit. Wasted electricity adds absolutely nothing to anybody's quality of living.

GOVERNOR RAMPTON: Are you primarily talking about turning off the lights when you go out of a room and things like that? I really don't know what we are talking about when we talk about wasteful use of electricity. As far as I can see, we are putting the electricity produced in the nation to a pretty good use.

GOVERNOR GUY: I think you could begin by turning the lights out when you leave the room.

GOVERNOR RHODES: Point of order.

GOVERNOR JACK WILLIAMS: Mr. Chairman, I have a feeling there is sheer arrogance in this particular statement. Who among us is wise enough to say what is waste? Who among us is wise enough to tell somebody else? We are assuming among ourselves that we know the answers to all of these problems. About two millions Indians could barely live in this country before the advent of the Anglo and the Spaniard and now we have two hundred five million people living here because we had the ingenuity to overcome. As we use up coal, then we have atomic energy. I think man has far greater wisdom than is evidenced in this particular approach.

GOVERNOR RHODES: Question on the Indians.

GOVERNOR GUY: I think that America is the greatest consuming nation in the world. We consume 50 per cent, I think, of all that is consumed, with less than 10 per cent of the population. That which is consumed with beneficial results is good. That which is wasted, I think, is unconscionable and intolerable.

**GOVERNOR WARREN P. KNOWLES:** No place in the report does there seem to be reference to solid waste disposal which, I think, is the most critical area that we face in any State. This relates to the disposal or salvage of cars, reusable containers and bottles and cans and garbage. We did have the opportunity on a visit to Japan to talk about this with the Japanese, who have some ideas, and I think this should be included in some way in this report.

**GOVERNOR GUY:** Governor Knowles, there are many, many considerations in environment and conservation that are not included in this report. Agricultural pesticides and herbicides are not here; noise abatement is not a part of it; solid waste is not a part of it. What we are trying to do is talk in this report of attitudes in governmental and political mechanisms. Yes, you could cite numerous very urgent problems that need to be treated, such as solid waste disposal, that are not in the report.

**GOVERNOR LOVE:** The question has been called for. All in favor of adoption, say aye. The motion carries and the statement is adopted.

**GOVERNOR GUY:** F-1 is probably the most controversial proposal of this series of provisions. Everything about us in this room is the result of planning, the table, the equipment, the building, the resort, the Conference; everything is the result of planning. Planning is as old as the hills; it is not new. Planning really is to assemble the best information in order to project a course of action from which intelligent deviation can be made in the future. Nothing in planning is carved in marble or stamped in bronze, and I am just throwing that thought out. All of our States have a state planning agency. The federal government does not. We have a federal system in which we have the national government, the state government, and local governments supposedly on an equal basis within the federal system. Local government is doing an excellent job in many instances on comprehensive planning. State governments are doing a fine job on comprehensive planning. The federal government is doing nothing on comprehensive planning and because we as States must mesh our gears with local and federal government, this resolution or position has been introduced as one of the mechanisms necessary to bring about environmental and conservation management practices.

I will read this controversial position.

"There is need for a Cabinet-level Department of National Planning directly under the President of the United States, who is our Chief Planner. Such a department would be responsible for directing and coordinating all federal planning in all national and federal activities. The National Department of Planning would include environment and conservation as essential ingredients to the planning in every field of national concern.

"This department to be effective might contain several closely related bureaus or divisions such as the Office of Management and Budget; Division of Basic Data and Projections; Division of State-Federal Planning Relations;

Division of Ecological, Environment, and Conservation Planning; and other divisions representing substantial pieces of the national planning action.

"Such a Cabinet-level Department of Planning would assist the President in developing national goals and would see to it that such goals were considered by all federal agencies in their planning and programming.

"There is dire need for massive and comprehensive planning and coordination of effort in many broad fields such as environment, conservation, population distribution, transportation, crime control, and many others.

"There will always be inadequate, fractionated, and uncoordinated planning and programming taking place at the federal level until a mechanism such as a Cabinet-level Department of National Planning is developed to enable the President to gain control and direction of his administration's planning efforts.

"A Cabinet-level Department of National Planning should not be confused with proposals for a national department of federal government management. The two departments' functions would be very different.

"Nor should it be construed that a Department of National Planning would take over individual federal agency or state government responsibility in the field of planning.

"States and the private sector, as well as the many federal agencies, will always have trouble developing their local plans in environment, conservation, and population distribution until there is a strong, unified Department of National Planning.

"A single federal agency, to which all state planning efforts could be directed for federal planning grants and planning matching funds would be preferable to the present system of requiring the States to shop through many federal agencies administering many federal programs to obtain federal planning funds."

I move, Mr. Chairman, the adoption of F.-1.

GOVERNOR LOVE: It has been moved that F.-1 be adopted as a policy statement of this Conference. Was there a second?

GOVERNOR HOLTON: Mr. Chairman, I would oppose F.-1 in that it does propose a new, in my judgment, unnecessary Cabinet-level department. There is no question, of course, about the need for national planning, certainly in the sense of coordinating development in the environmental area at the state and local level. We have talked here substantially about the need for more regional approaches. All of that fits into national planning. However, this is simply another addition to the federal establishment which is already pretty cumbersome. It would, I believe, duplicate the present administration's effort of coordinating such functions as is probably going to come from the President's Environmental Council and Environmental Protection Agency, which the new Administration has established. In addition, it would tend to duplicate the

functions of the Domestic Council. I think, in disagreement most respectfully with the suggestion in the policy statement, it would also duplicate the management responsibility which has recently been added to the responsibilities of the Bureau of the Budget. More importantly, and perhaps philosophically, I differ because this federal planning agency reverses the process which I think is the value of our federal system. It would tend to eliminate the States from the planning process. The plans would come down from Washington rather than going up for coordination and, indeed, more isolated federal planners who are not in touch, as are the local and state planners, with the local problems, is something that we do not need. On the basis of that statement, Mr. Chairman, I move that Item F.-1 be deleted from the report.

GOVERNOR LOVE: It has been moved that F.-1 be deleted. I believe the appropriate motion would be to table or to refer back to committee.

GOVERNOR HOLTON: Sir, I move that item F.-1 be referred back to committee.

GOVERNOR ROBERT E. McNAIR: I second it.

GOVERNOR LOVE: Is there discussion on this motion? Governor Ogilvie.

GOVERNOR RICHARD B. OGILVIE: Mr. Chairman, I would like to speak in support of the motion to refer it back to committee. I believe the committee, in its efforts to dramatize the need for greater coordination of federal planning at the national level, has overemphasized the federal role in the planning process by proposing the establishment of the Department of National Planning. It would have responsibility for planning in all areas of management concerned. I fear that the proposal, if implemented, would tend to eliminate the role of the State in the planning process. I certainly concur with the opinion of the committee that the federal government must be encouraged to better coordinate its national planning across multiple program lines. This procedure has been effectively implemented by many of the States. I feel this coordinated process at the state level should be encouraged and reinforced by the action of the federal government. While the federal agencies should seek every means to better coordinate their own planning efforts, I do not feel that this need justifies the establishment of a separate Cabinet-level Department of National Planning and I cannot support the proposal which I suspect would result in further isolating federal planners from the operating processes, and which would lead to the formation of planning by deduction rather than induction. So I second the motion to refer back to committee.

GOVERNOR SARGENT: Mr. Chairman, I am embarrassed to be a member of the Committee on Natural Resources and Environmental Management. In my view planning should be upgraded. However, I think to take a step that far of establishing a cabinet office is too much, and I think we should do as Governor Holton has recommended, refer this matter back to the committee for restudy.

**GOVERNOR FRANK LICHT:** I want to support that move to recommit because I can only see this as creating a bureaucracy on top of bureaucracy and I can see the difficulty in dealing with agencies in the first instance and then having the problem of dealing with a super planning situation. Obviously, if the President decides to have the best of planning, he can put that in and have that kind of support without the establishment of another department. I can see another problem, that various departments of the federal government may have the very issues in dispute that this planning agency is designed to resolve, and I can only see complications by it and, therefore, I support its recommitment.

**GOVERNOR LUIS A. FERRÉ:** I also believe that this section should be recommitted, but I would like to suggest that there is a real necessity of some kind of over-all national coordination and that it might be possible to make a combined department in which the Governors could elect somebody to represent the Governors and that way give the executive complete authority over this planning, but it would be a combined effort of both the executive and the Governors of all the States.

**GOVERNOR McNAIR:** Mr. Chairman, we will be covering this more broadly tomorrow in Governor Ellington's committee report and working exactly toward what Governor Ferré is talking about, thus I think it would be appropriate to recommit this and take it up in its broader sense when we talk about coordination in general between federal and state and local governments.

**GOVERNOR LOVE:** That being so, do you wish to vote on the motion now? The question is called for. All in favor say aye—opposed nay. The motion is adopted and the statement is referred back to committee.

**GOVERNOR GUY:** There have been four resource Governors on this presentation, Governor Moore, Governor Hathaway, Governor Sargent, and Governor Milliken. Are there any questions by the Conference or comments on any of the four presentations? There being none, Mr. Chairman, this concludes the report of your Committee on Environment and Conservation.

**GOVERNOR LOVE:** Thank you very much, Governor Guy. Thanks to all the members of the committee. Governor Holton.

**GOVERNOR HOLTON:** Mr. Chairman, I hate to push my luck here but there was a substantial feeling, it seemed to me, behind adding to that F.-3 some element of interstate compact consideration. Because I am in accord with it and because Governor Winthrop Rockefeller has asked specifically that I do it, if we do not create any procedural impasse in suggesting this, I would like to move that we reconsider item F.-3 and after the words, "planning and action at the state and local levels" add the words "including such action that might necessitate interstate compacts." If that does reflect the sense of the Governors so that it can be reopened and considered briefly and adopted, then I would like to do it. If not, I will withdraw this motion.

**GOVERNOR LOVE:** You have heard the motion.

GOVERNOR WINTHROP ROCKEFELLER: I second it.

GOVERNOR LOVE: Do you all understand, F.-3 will be expanded—I think you have heard the language. Is there any further discussion? All in favor so indicate. The motion has carried and it is so ordered. I have a few announcements. First I am going to ask the following people to serve on the Nominating Committee: Governor Dempsey as Chairman, Governor McNair, Governor Cargo, Governor Shafer, and Governor Knowles.

You will please take with you the papers, since this table will be broken for the functions tonight in this room. That does not mean, as I understand it, that you need to take your name plates, just simply take your papers with you when you go. Governor Shafer has an announcement.

GOVERNOR SHAFER: Mr. Chairman, I would like to remind the Republican Governors that there is a luncheon in the Sierra Room at 1 o'clock.

GOVERNOR LOVE: Are there any further announcements? If not, this meeting stands adjourned.



## TUESDAY SESSION

August 11

GOVERNOR LOVE: The meeting will be in order, please. I would repeat what I said yesterday, that we are going to insist on a level of order and lack of noise that will allow this Conference to proceed in an orderly manner. Those guests who choose to attend the meeting are perfectly welcome to find a seat, but those who seek to stand in the back of the room and hold separate meetings will be asked to leave.

Now I would like to give the opportunity for any of the Governors who so choose to submit proposed policy statements on which they intend to move to suspend the rules when we consider them tomorrow. Are there any here who wish at this time to give notice of the submission of such a policy statement? We have Governor Maddox, I think, with one.

GOVERNOR LESTER G. MADDOX: Mr. Chairman, I would like to give notification that I want the gentlemen to consider three policy statements during this Conference, one dealing with the treatment of our prisoners by the Viet Cong, another of commendation and appreciation to the youth of America, and the third one dealing with priority so far as Congressional appropriations are concerned.

GOVERNOR LOVE: Thank you very much, Governor. A copy of these proposed statements has been distributed or will be distributed. You will all have copies, and it is my understanding that Governor Maddox will move to suspend the rules tomorrow. Governor Haydon.

GOVERNOR JOHN M. HAYDON: I have a very brief one that has already been submitted.

GOVERNOR LOVE: Are there others at this time? Governor Guy.

GOVERNOR GUY: Governor Love, a resolution asking for Conference support of the declaration of an Earth Week on Environmental Studies for 1971 has been distributed, another resolution from Governor Milliken setting up a noxious substance headquarters has been distributed, and we would like them to be considered.

GOVERNOR LOVE: Are there others who wish to give notice at this time? If not, it is my very great pleasure to present to you this morning as Chairman of your Committee on Executive Management and Fiscal Affairs, a former chairman of this Conference, the Governor of Tennessee, Buford Ellington.

GOVERNOR ELLINGTON: Thank you, Governor Love. It has been a real pleasure to serve as chairman of the Committee on Executive Management and Fiscal Affairs this year. I want it understood I have had very little to do with it. I want to thank the committee, and especially I want to thank the vice-chairman, Warren Knowles, for his leadership during my absence because of illness. In addition to this report which has been distributed to you, your committee has taken as its primary goal the implementation of revenue sharing. Obviously this is not complete because we haven't received the money yet. What must be done is to continue to build support for tax sharing at the state and local level, and make this support known to Congress.

We have distributed to you today another copy of the manual developed by this committee called "Revenue Sharing: This is the Year." This was sent to you a few weeks ago along with a letter from me urging a full scale drive to push Congress to at least call hearings on revenue sharing. So far the pressure is building from the public and from the scores of Congressmen and Senators who have either endorsed or introduced tax-sharing legislation. I am firmly convinced that the battle over revenue sharing will be a historic crossroads in whether or not a balance of government is to be maintained in our federal system. I think the national administration must prove they are serious about getting revenue sharing and giving it a higher priority. I frankly deplore the attitude that tax sharing is just another pot of money that Governors, hat in hand, are going to Washington to get. I see it as a responsible public official trying to get a sensible balance in the distribution of this nation's resources. In other words, let's put the taxpayers' dollars back to work for them by the people who know their needs, problems, and desires, and who know how to get the job done. To emphasize that state officials have been meeting their responsibilities, let me quote briefly from our committee's report.

"State and local governments have made a determined effort to meet the financial crisis which confronts them. Taxes collected by these governments totalled 85.1 billion during the twelve months ended with March 1970. States have made more than three hundred rate increases in major taxes over the last decade. In 1969 thirty-six States raised the rates of at least one tax or submitted revenue-raising proposals to the voters. These actions will augment tax receipts by a record of four billion a year. In addition, state and local debt rose by more than one hundred ten billion from 1948 to 1968."

To this committee the job of meeting state responsibilities through better management has been an area of major concern this year. The strengthening of the Governor's office and his ability to manage his government has been a particular area of interest. With problems and programs crossing many lines from one department to another, how does a Governor coordinate all of those involved? This is the subject of study now under way by the committee, and for the first part of the program our committee vice-chairman, Warren Knowles, will lead a panel of Governors, including Governor Peterson of Delaware, Governor

Samuelson of Idaho, and Governor Curtis of Maine.

**GOVERNOR KNOWLES:** Thank you very much, Governor Ellington. I think we all know that, as chief executive of multimillion dollar programs at the state level, a Governor certainly must have access to the best management techniques and the best management services available. Our relationship with the federal system is, of course, vital and an important ingredient of our responsibilities as chief executives. The States are the keystone of our federal system, but if they are to play the crucial role envisioned for them by the founders of the nation they must equip themselves with the necessary fiscal and organizational tools, and I personally believe that one of the most vital tools is the coordination of program activities.

During the past year the Committee on Executive Management and Fiscal Affairs asked the Council of State Governments to survey the States to determine what techniques of coordination are being employed by Governors today. The survey asked which of six methods of coordination were being employed in such areas as social services, manpower, human resources, urban problems, poverty programs, economic development in undeveloped areas, natural resources, including pollution and environmental control, crime and law enforcement, and transportation. The results were very interesting. They indicated that coordination by the Governor's office staff is the tool most frequently employed. The utilization of state planning personnel in coordination of activities ranked second. Functional commissions or board meeting committees ranked third and were used most often in coordination of activities relating to natural resources, crime control, and law enforcement.

The second phase is intended to obtain from each of the States a case study of a particular method of coordination which has worked well in the individual State. We hope to show how it worked and why it was successful, or, if not successful, why it fails. The complete study of phases 1 and 2 will be available this fall. This morning Chairman Ellington has asked four of us representing different States to briefly discuss a case study from our own experience. I want to say that from the day I assumed the governorship in 1965 it was very apparent to me that efficient, effective management and coordination of state programs was not possible with the unwieldy organizational structure that then existed in my State. Any attempt to meet with more than one hundred agencies took on dimensions of a small convention and it just was totally unworkable.

My predecessors had attempted such meetings and they had always given up on them as being unworkable and impractical. As a legislator I had had some previous experience upon which to judge the operation of the executive branch of government, but I will be the first to admit that I had the same misgivings which legislators have today. Government is just too big and too unwieldy. Administrators have too much power and the executive has too little power

under our constitutional authorities. Consequently, reorganization of state government became a major prerequisite to effective coordination. This was achieved in 1967 when the more than one hundred agencies were consolidated into forty operating departments and forty independent quasi-judicial regulatory agencies. This was a major part of my platform on reorganization, and was adopted with bipartisan support of the legislature.

The story as to how its adoption came about is most interesting, and it was due, in part, to the fact that some of our administrative agencies who had held power for so long overstepped their bounds. When they attempted to destroy the organizational plan, the legislature finally had enough guts to say we are going to put a stop to this and we are going to reorganize on our own without going to constitutional reorganization. With its enactment we embodied the basic principles and guidelines for reorganization as recommended by our task force, within a structure which called for three cabinet groups. These were largely created by executive order. One of these included the major operating departments who meet with me on a regular basis twice a month. The second group consisted of educational agency heads, who meet monthly. And the third group included the regulatory and commerce type agencies, who meet bimonthly.

With this type of a cabinet structure I have been able to meet with the program executives on a systematic basis. These cabinet meetings permit me to discuss statewide concerns from the viewpoint of the Governor and to receive the reactions and suggestions of the administrative heads of departments. The agendas for all of these meetings are prepared in advance by the members of my staff. The meetings are open to the press, and I find that this has been highly successful and a very important method of informing the public. These open cabinet meetings are better, far better, in disseminating educational information to the public than any kind of news conference which we might hold.

I think one of the major achievements which has resulted from the use of the cabinet system has been the development and the approval of a plan for uniform administrative districts in the State. For twenty years the desirability of uniform districts had been discussed but the complexity of the existing pattern seemed just too immense to even hope for any kind of uniformity. We held discussions in the cabinet which indicated the renewed desire on the part of the administrators to unify the districts of the State for the purpose of establishing service areas which might be helpful in bringing government to the people. The press and the editorial reaction was positive. We recognized the need for intensive staff work, so the staff then began to hold meetings throughout the State. Various agencies met with the planning director to identify and correlate population, river basins, highway systems, and other factors in order to identify uniform administrative districts. The recommendations of the staff group were then reviewed in detail by the cabinet. Minor adjustments were made and the plan was then announced.

Already we are investigating ways in which we can truly begin to coordinate the various programmed activities within these districts when such coordination will produce better and more effective delivery of government services to the people. I am convinced that this kind of cooperation and achievement would have been totally impossible without the type of cabinet system which we are presently using in Wisconsin. On occasion subject matter may emerge which crosses the cabinet structure that we have set up. When this happens we have used a type of subcommittee of the cabinet concept (we refer to them as councils) to deal with these various matters. Just two specific examples of these councils are the Manpower Council and the Urban-Rural Affairs Council.

The Manpower Council has already demonstrated its effectiveness in coordinating all agencies involved with manpower programs by the development of a public service program. Its purpose is to train and employ two hundred fifty disadvantaged persons in regularly budgeted jobs in the state service. Similarly, the Urban-Rural Affairs Council has been charged with developing a coordinating plan for revitalizing our rural and small town areas, as a means of easing our metropolitan, urban problems. This program I have tabbed as "Mission '70," and I am hopeful that it will bring about a distribution of population which will attempt to adjust our various boundary problems, programs of annexation, and redistribution of taxation. We also are gearing in transportation and environmental problems to a point that we will lay down the concise plan and ultimate goals to be accomplished during the period of the '70s. I could continue talking about a number of other programs in Wisconsin but we only represent the one viewpoint of a relatively small State, and now I would like to solicit the experiences from other parts of the nation as part of this panel. I introduce to you Russ Peterson of Delaware, who will give you his experience in reorganization.

**GOVERNOR RUSSELL W. PETERSON:** Governor Love, Governor Ellington, Governor Knowles, fellow Governors, Ladies, and Gentlemen: There are more lives to be saved and more coal to be mined by improving the management of government than by any other means. To operate in this age, in an archaic system such as the commission form of government, is wasteful in people and in talent and in time and in money. We do much talking at conferences such as this about what the federal government can do for us, but I think we can be more productive at our conferences by talking about what we can do for ourselves. It should be clear to all of us that a Governor's prime responsibility is to manage his State's business effectively, to get solutions to the day's problems as rapidly as possible, to get the most results per dollar.

Governor Knowles has just told you about his experience in Wisconsin, and from my study of what has been going on in the States around our nation I think we can all look to Wisconsin and Governor Knowles' experience for the good example of how to bring management tactics to bear on government. He

told about the change from a commission form of government, with well over one hundred agencies and boards trying to run the business, to a cabinet form of government which provided a great advancement in Wisconsin. We have just had a similar experience in Delaware, going from 140 such agencies, boards and commissions, to a cabinet form of government which we set up just last week with ten departments, each headed by a Secretary with full authority and responsibility for the job who serves at the pleasure of the Governor.

In my brief experience as Governor I have been exposed to three different ways of trying to coordinate the management of our government. Let me take an example of the health and social services area where we had twenty-eight commissions and agencies involved, each one autonomous, each made up of a number of Republicans and Democrats, some whose terms went well beyond the Governor's term. It was almost impossible to get the right kind of management of health and social services with such an organizational setup. To try to get around that we established a coordinating committee with the executive director of each of these 28 commissions and agencies sitting down regularly to plan goals and try to come up with programs to get solutions to problems. This provided a modest improvement, but it was a long way from getting the job done effectively. We were spinning our wheels. Then we went to the cabinet form of government, and in this particular area established a unit headed by a Secretary who now has full responsibility over those 28 areas. It has been a remarkable change.

As one example of a number of things which have happened, in the Department of Mental Health prior to this reorganization we were in a new alcoholic detoxification program, trying to find an institution or physical facility where this could be carried out. We were planning to ask for additional funds to get another institution, while in another organization they had a hospital which had been shut down because it had been used for tuberculosis, and with the success in our country of combating that problem there was no longer a need for that hospital. As soon as these organizations were put under one man it was pretty obvious what was required and in one meeting a decision was made to use that vacant hospital for this new program.

What is required is to have someone in charge who has the authority and a clear line of responsibility. As Governor Knowles said, in most of our States today the preferred way of coordinating is through the staff of the Governor and, secondly, through the planners. I think neither of those groups really is in a very good position to exercise the authority to get things done. We need, in addition, goals, clearly defined goals, as quantitatively expressed as possible with goal dates attached to them. Once we have the broad structure established, we need a system for handling day-to-day management so as to know whether we are moving in the right direction, and when it comes to the very complicated problems that cover a number of departments, even in a cabinet form of

government, we need to use more modern management techniques than we have been using in most of our States.

We have launched a goal, established a goal of cutting the crime rate in Delaware in half by 1980. Now, as you know, there are many causes of crime. There are many organizations, police and corrections, courts, jobs, health, housing, many, many things involved to reduce the crime rate. To manage a program that will accomplish such a goal calls for more sophisticated techniques than we normally use. We are now establishing a system following the pattern used by NASA and others to handle very complicated programs, a systems analysis methodology, to set up the big goal, very many subgoals for the various organizations and people who are involved, and then to organize this with the aid of a computer so a manager can keep good control over what is going on. Above all, we need accountability and visibility of performance on the part of the managers and, of course, that goes to the Governor especially. With the cabinet form of government and with the open meetings of cabinets and other groups, as Governor Knowles says he has in Wisconsin, and as we are going to have in Delaware, our visibility is great, the pressure is on us to produce, to get the job done by the goals we have established. Thank you.

GOVERNOR KNOWLES: The next speaker is Don Samuelson of Idaho.

GOVERNOR DON SAMUELSON: Thank you, Warren. Governor Love, Governor Ellington, Governors: When I took office about three and a half years ago I found I had department heads who didn't know whether departments existed, let alone department heads knowing one another, and this was an interesting situation. I have somewhere in the neighborhood of one hundred thirty-six agencies, commissions, and boards in Idaho. We have tried to consolidate and have talked about consolidation. I am most interested in some of the comments that have been made today by both Governor Knowles and Governor Peterson, and would be most interested in any suggestion that has worked in your individual States because I have been very concerned about just creating another level of government. I appreciate very, very much the opportunity to appear on this panel concerning management coordination of state activities. My State has a common problem in that the Idaho executive branch is badly fragmented and, again, this is something we have tried to change. I have proposed several reorganization programs, but the legislature hasn't seen fit to approve them, and, of course, that is the first step.

I have turned frequently to the creation of interagency councils as a means of coordinating state activities in areas common to several agencies. Progress has been made, but those interagency coordinating councils that have been most successful contain the following elements:

First, membership on the council has been at the department-head level. In Idaho where agencies are fairly small, department-head level participation has been practiced. The policies and plans formulated by the interagency council are

carried out much better when a department head directs that they be implemented in his department. This is one of the things that I have found in both weekly meetings and bimonthly meetings of all of the departments. I insist the department head himself attend the meeting and not send any of the hired help.

Second, the successful interagency council has been chaired by a member of my staff. This assures a direct line of communication with me and indicates my personal interest in the coordination effort. Also, by having a member of my staff chair the interagency council, it eliminates resentment that some department head would have if the council were chaired by a fellow department head. Coordinating effort does not become identified as simply one department's operation.

Third, the most successful interagency coordinating councils have had some staff that report directly to the council as a whole and not to a particular department head who is a member of the council. If the council can achieve some independence in staff rather than relying on staff reporting to a member, it will be stronger as a coordinating body, more objective, and less single-department oriented. I think that is important.

It may not be possible to follow these guidelines in the formation of all the interagency councils but the closer I come to this format the better the council seems to work. I have chosen as an example of the use of interagency councils the Idaho Human Resource Development Council recently created to assume statewide manpower planning activity. We are all aware of the coordination needed in this area. With manpower programs going into the State from the federal level from a wide variety of directions, it was my opinion that the manpower planning and coordination activities of the State needed to be strengthened. The Human Resources Development Council has as membership all agencies with a role in manpower development and coordination. It has an advisory council representing industry, labor, legislature, and minority groups. The mission of the council is spelled out by executive order. The council is chaired by a member of my staff, and the council has a staff that reports directly to the council as a whole. Previously the manpower planning activities through the state committee had the basic responsibility of employment. Through this council it will cease to be merely an employment function. I am very hopeful this needed coordination will be strengthened through the council and a more meaningful plan and cooperative program will result.

It may be charged that by creating strong interagency coordinating councils a Governor has, in effect, created a new state agency adding to the already too numerous boards, commissions, and departments. However, the coordinating councils do not have responsibility or authority for program administration and operation. This is left to the operating departments and agencies. I think this is a step in the right direction for all of us, and I know as



we progress we seem to bring more efficiency into government. I am real pleased that the National Governors' Conference placed this on the agenda because I think it is most important to each and every Governor. I thank you for this opportunity.

GOVERNOR KNOWLES: The last speaker on our panel is Governor Ken Curtis of Maine.

GOVERNOR KENNETH M. CURTIS: Thank you very much, Governor Knowles. Fellow Governors: I will be very brief this morning because the problems of which I speak are really not new to any of us. I would preface my remarks by stating that I live in one of those States that has a totally antiquated system of administering state government. I am one of those Governors who is charged with the responsibility of administering over two hundred separate departments, agencies, boards, and commissions. To make matters more difficult, in my State the terms of the department heads do not run concurrent with the Governor, so, when a new Governor is elected, he inherits about two hundred department heads with which he must work and many of these department heads do not have the pride, the good grace to resign, they can't be fired, and if they are of the opposite political party, they feel compelled to be the loyal opposition and hang around and make life as difficult as possible for the new Governor. This may be good politically, but I have never been able to find that it is particularly good for the people or particularly good for government. I take some comfort in the fact that I know my situation is not unique, and I also know in recent years a great deal of effort has been made to reorganize state government.

Governors must struggle to build a structure which is capable of providing a broad range of increasingly complex public services, and, unfortunately, we are faced with the task of doing this with obsolete and worn-out tools. So faced with this challenge, as you have heard here this morning, each Governor resorts to short-term solutions that he finds might work and then tries to develop the long-term solutions that are for the good government for which we all seek. The trouble with short-term solutions, of course, is that they are only programs which allow us to meet, in most instances, problems which might be defined as emergency in nature. We find in our State, as I know many of you do, that one of the most useful devices in this regard is the creation of informal coordinating committees, which consists of the administrators from several departments or several agencies who share the responsibility for certain functions. I think such committees are highly successful in dealing with these situations when they cross several agency lines or which arise outside of anyone's specific responsibility.

In the area of continuing coordination, I, too, have found a cabinet of key state agency officials is a useful method in making state government more responsive to uniform policies, and although we have been totally unsuccessful with legislatively coordinating the branches of state government, I have found

that it is still possible to establish such a cabinet system. In my own State we have chosen about twenty of the major state agencies to comprise the cabinet. I think in doing this you can, in effect, extend your own staff, through the technical people, the management people you have running the state departments. I think a cabinet is particularly helpful as a communication device, because it gives the Governor the opportunity to get his key people in one room on a regular basis and discuss such ideas as planning, such ideas as personnel problems, state financing, budget, and so on.

I believe all of us, though, must continue to the best of our ability to undertake the task legislatively of reorganizing our state governments because, at best, the other devices that we use are simply gimmicks that we come up with to try to do the best job we can, and none of us can ever really efficiently run state government as the people expect us to, unless we are given the framework of good management in which to do it. We in Maine would like to thank particularly the States of Delaware and Massachusetts for the great cooperation they have given us in sharing many of their studies. If any of you have not received copies of these studies, I certainly recommend them, because you can go out and pay the same amount of money and come up with many of the same ideas that have been presented in these two States.

There is just one other point that I would like to raise here this morning. I think we have to look more and more to the technical devices that are available to us. I think we have to consider a greater use of data processing, both to speed administrative services and to assist in program planning. I think each of our States should have the capability of testing various alternative programs by making projections. After all, no one today goes out and builds a supersonic transport until they have operated that plane on a computer for many months to find out how it is going to perform, and I don't see why we should attempt to operate new governmental programs without employing the same devices. The use of data processing equipment can help us determine the impact of programs, of budgets, taxes, the impact that they would have on the economy of our State, what they would cost in the future, whether or not we should venture on such a program, or whether we should abandon and begin again.

I hope, and I join with Governor Knowles in saying that I hope, that in each one of these Governors' Conferences, even though it is old hat, even though it is something we have talked about each year, I hope we will continue to place government reorganization on a high priority list so we can learn from each other and so we can continue to try to modernize our governments. Thank you.

GOVERNOR ELLINGTON: Thank you, gentlemen, for very informative presentations. Continuing our discussion on trying to pull things together, we have asked Dwight Ink, Assistant Director of the Office of Management and Budget, to speak to you. Mr. Ink is well known to the nation's Governors and is recognized as a leading authority in management philosophy and techniques. He

will discuss briefly some of the recent developments in the federal government to pull things together, which we hope are working. Mr. Ink, it is a pleasure to have you, sir.

MR. DWIGHT INK: Thank you, Governor. I am delighted to have the opportunity to be with you during this Conference. A good deal has been said and will be said about some of the more visible policy issues which we think are important, which the President thinks are important in terms of making the federal government and, in turn, the federal system work better and serve the people better. Revenue sharing, I think, probably ranks about at the top of this. However, these will be taken up by other people at the Conference. Secretary Richardson is going to be here a little later this morning, and Governor Ellington has asked me to deal with some of the nuts and bolts of what makes or doesn't make government work. I would like to speak of the steps that are under way now to try to streamline this system that we have in this country, which I have often described as the most tortuous system ever invented by man. You are familiar with the piecemeal evolution of this system over several decades. Some very important and worthwhile work has been accomplished through this system, but in the process we have let accumulate a tremendously involved complex arrangement, complex for all three levels of government.

First is the dimension of complexity in itself, and if you look at each of these you will find that the number of steps that are taken to reach people and reach communities is tremendously large in number and the time consumed is most discouraging. Each one of these funding sources, and there are hundreds of them, comes equipped with its own administrative processes and we find they are administered at the federal level through a large number of relatively independent field systems. One department has a total of fifty-five, as a matter of fact. Added to the geographic profusion and confusion it is easy to see why delays occur, why it is hard to get decisions, and looking at it from the standpoint of the citizen, it is easy to see why the credibility of the governmental system has been under increasing attack. So what are we doing? The President has ordered a three-year attack on red tape, which we think will have a significant impact on this problem and we think will greatly benefit the Governors and the States as we move ahead.

The first step was the ordering of common regional boundaries throughout the nation of five agencies and departments that are most concerned with social type problems, HEW, HUD, Labor, OEO, and also the Small Business Administration. This has been tried, this has been talked about for several decades. It has now been accomplished. The boundaries and the location of these regional offices are scheduled to be in place by the end of September. We are on schedule and this target will be met. This, by itself, is useful in that it provides a means for better coordination of the federal people out in the field who have been going in at least ten different directions in the past. Also, I think

it is useful from your standpoint in that there is now one point to which your people can go to deal with these federal agencies rather than having to go from State to State and from city to city and, in some instances, people had to go halfway across the nation just to deal with one group of federal people. More importantly, it provides the setting for substantive steps toward improving our governmental machinery. One we have talked about is decentralization. I guess we talked about it for a good many years, too. We have, I think, our best chance of making progress now.

In the Department of Housing and Urban Development, for example, there were several hundred suggestions that came in on decentralization during the past year and as of now they have reported that over half of them have been implemented. I think the important thing is to move operational details out of Washington, get them out into the field where people are closer to the States, closer to the communities, to better understand the problems. I have always felt that the federal people in the field, if they are permitted to do so, have a much greater sympathy and understanding for the problems of state and local government than do the people in Washington who over a period of time have become increasingly remote from States and communities and tend to live in a world of procedure and manuals.

Revenue sharing, of course, is top on the list of steps proposed to try to strengthen state and local government and rely more heavily upon state and local government. The A-95 processes that States have been working on during the past year is another important area, and I want to say that I have been particularly pleased and impressed with the way in which a number of States have moved forward in handling this process which, for the first time, gives States on a systematic basis the opportunity to comment on a wide range of federally-assisted local projects, an opportunity to comment during an early stage of the process at a time when comments have some impact. I think that a word of congratulation is in order for the States, to the Governors and their staffs who have been working on this, and here I would like particularly to mention people like Jim Martin of your staff and Bo Roberts, Charlie Byrley, the staff under the direction of your Executive Secretary, Mr. Cihfield. I think they are a real credit to your group, and they are very fine for us to work with at the federal level.

Now moving on to another favorite topic and one which we are placing a great deal of emphasis on is the old-fashioned task of red tape cutting. We just think that subject is not out of date and we think we can talk all we want about modern technology and modern procedures. There needs to be combined with that some way to cut down on paper work. Several of your people have suggested this in fairly plain language, as a matter of fact. I am going to show you just a couple of charts, recognizing that in this large room several of you in the back are not going to be able to see them, and I am only going to use two of them.

Here (indicating) is an illustration of the kinds of state plans that have been required in a group of grant programs in HEW, formula grant plans averaging about three hundred pages. I don't know how many of you have looked at what your people are turning out. I know Governor Rhodes has and I know some of the rest of you have. You are probably not going to be very impressed, but one of the reasons is they rarely get any feedback. It is looked upon as a sort of rote requirement. Not a great deal of substance is either submitted or expected. This has been cut back to five or ten pages, which means an average saving, I am told, of in the neighborhood of seven thousand pages from each State each year just in submission of this group of state plans, and you can estimate better than I what that means in terms of your hard-pressed manpower at the state level. We believe that is a significant red tape cutting effort and it is the kind of thing we are trying to do in a wide range of areas.

Let me give you one other example. I don't expect you to follow the line but I merely want to give you just a quick impression of the kinds of steps that are required in a small grant approval process. It takes three, four, five, six months, and involves a large number of people in headquarters. It involves advisory groups, it involves making up large numbers of portfolios and books. During the past year this whole process now has been replaced with this (indicating), and the first grants that have been handled under that process, instead of taking three or four months to get an answer, have, on the average, taken two weeks. This will result in a great deal of savings of manpower time, both at the federal and at the state level.

Finally, I would like to mention the suggestion that came in to us a number of months ago from Governor Rhodes. He brought to our attention, and in language that was not easy to misunderstand, the problem that his people faced with the tremendous amount of reporting in a particular area in which his case workers were spending more time filling out forms and reports than they were in doing their job. We checked it in several other States and they had the same problem. I don't think we have reached perfection, Governor Rhodes, but in the sixty-two forms and reports that have been studied and analyzed thus far thirty-six have been eliminated, twenty-two have been streamlined and reduced, four will be unchanged. Here is a suggestion that came from one of you that will benefit all of you, and I want you to know these suggestions don't all go down in the bottom of the stack of federal bureaucracy, some of them do result in some action.

Processing time. People wait and wait and time is money, time is costly, time is discouraging from the standpoint of people who are pounding at the doorsteps of Governors and mayors for action. One example, in the Urban Renewal Program, which is one of the worst offenders in this area, the planning phase that has in the past averaged about thirty-five months has now been reduced to an average of about fourteen months, which may still be too long,

but that is a saving of close to two years. We are trying to get consistency of procedures. There are more requirements laid on States and communities by the federal government than anyone has been able to count. We don't know how many there are. We know there are thousands and thousands of them. You see, we audit to make sure that the States and communities follow all of these requirements, even though we aren't able to come out with any kind of a document that lays out the totality of them. We have a major effort under way, again with a great deal of help from your people, to see how far we can go to standardize these procedures so we don't require in an audit program a different audit approach in every program that comes down the pike, most of which are not very meaningful or very effective, anyway.

If time permitted, I would go on into some other areas. We have grant consolidation legislation on the hill, which is not moving. We have joint funding legislation on the hill. This, all in all, is an unprecedented effort. Some of it, I think, is moving along quite well, but I would caution, as you know in your work at the state level, that it runs against the grain of bureaucracy. It is sort of like moving against gravity, and it requires a great deal of cooperation among the three levels of government, which again is why I single out the work of your staff and Governor Ellington's group under Bo Roberts which has been tremendously helpful to us. Red tape of all three levels is what affects the citizen. When I left college I started out in a city hall in Fargo, North Dakota. Since then I have worked with administrative management problems in a number of cities, a number of States, and in the federal government, and red tape is red tape, and if you are a citizen, it doesn't really make much difference what brand of red tape it is, whether it is federal, state, or local. It has also been my experience that one level of red tape stimulates and feeds upon red tape of the other, so I think it is to the advantage of the citizens of this country that we work closely together, that we look at the totality of how the federal system works, and that we look at the totality of what happens from the time a need arises in the community until that need is met. I think we ought to draw up some flow charts that show all three levels of the ball game. This is something, Governor, I would propose that we might do at the staff level, working together, to see how we might mesh our efforts towards streamlining government.

A new Office of Management and Budget is designed to provide the President with a staff arm which is no longer preoccupied with the budget, with budget cutting, but gives an equal amount of emphasis to an equally important area, that of how we can best move forward in those areas which are funded. This, of course, will work very, very closely with the new Domestic Council, which, I know, received a great deal of support from a number of Governors when it was in danger up on the hill. I would also like to mention another area of our work in the reorganization field where at the moment, for example, we have pending before Congress a proposal for an Environmental Protection

Agency, which, I think, is an extremely important step toward recognizing at the federal level that environmental pollution is something that needs to be dealt with in its totality, not on a fragmented basis, water here, air there, solid waste over here, pesticides here and radiation over there. It also provides a place for States who are concerned with standard setting problems. I have mentioned steps that are under way on our part to work with you in trying to make government work more effectively. Some of these have been completed. I think we have enough experience among us to know that we can improve.

It is clear that problems of today demand action. It is clear that the people demand action. Action requires government that works, not government that works just at one level, but government that works at all three levels. To those who lament that government has become unmanageable, I would just say we have no choice. We must manage our resources. We cannot walk away from our social or our natural resource problems. I think we can manage if we provide those responsible for execution at all three levels with the modern tools to match the complexity of today's problems. I think we can no longer afford the luxury of criticizing Governors and other public officials who have the responsibility for action and, at the same time, withhold from them the tools they must have to manage. And, finally, I think it is clear that we have to apply major surgery to many of our governmental systems which are outdated rather than continue to deal with minor refinements. To you Governors who play an increasingly key role in this whole process, we look forward to working with you very, very closely toward these ends. Thank you.

GOVERNOR ELLINGTON: Thank you, Mr. Ink. We appreciate your coming. We appreciate your help throughout the year. Now we come to a discussion of a subject that created a lot of interest at one of the Executive Committee meetings. This subject is on interstate regional commissions. It is one in which at least thirty States are already involved to some degree. I know no one better equipped to lead our discussion on this particular subject than my good friend Bob McNair of South Carolina. He will then present to you a policy statement on this subject.

GOVERNOR McNAIR: Thank you very much, Mr. Chairman. My Fellow Governors: I think we have heard and have been listening to really good remarks about major problems. I listened yesterday as we were talking about transportation, the need for better coordination, the need for better planning, the need for more flexibility, and the need for more latitude to follow the plans that suited the various States. Then we listened with great interest to Governor Guy and those who were working on environmental control, as they talked about the need for coordination at the federal level, all the various programs that are available in this particular field.

I noted with interest some language in the proposed resolution that was referred back to their committee for further study, pointing out the need for

directing and coordinating all federal planning and all national and federal activities. They also pointed out the great need for comprehensive planning and coordination of efforts at all levels of government. And then what we have heard this morning, talking about the need for a management system, and about the need for managing the affairs of our State. Then we listened to the latest presentation where we find all the various categorical grant-in-aid programs that are available to us, and we begin to try to pull it all together and try to manage government so that we can deliver service to people, and what we are talking about this morning is a management system, a vehicle, and this is what we want to discuss with you briefly. I have asked at the conclusion of my brief remarks for Governor Shafer of Pennsylvania and Governor Arch Moore of West Virginia to make some remarks, and then we would hope to have some from Governor Curtis very briefly, who is Chairman of the New England Governors' Conference and who has worked very closely in the regional commission there, and Governor Peterson of New Hampshire and Governor Hearnese.

I speak this morning as one who has been with the Appalachian program from its beginning in 1965, one who has served as co-chairman recently. Now Governor Albert Brewer is serving as co-chairman. I also speak as one who, along with Governors Scott and Maddox, occupy the unique position of being members of both the Appalachian Regional Commission and a Title 5 Regional Commission, so in our remarks we are able to talk about our experiences in regionalism as we know it today, also of what we have been able to accomplish. I think Governor Rhodes, at a breakfast this morning, touched on the one thing we should never forget, that the purpose of all of this is to manage the affairs of government so that we can develop economically those low-income areas and underdeveloped regions of our States and of this nation. As we go from this to human resources, as we proceed to the urban-rural problems, we will find if we are going to achieve the goals that all of us would like to set, if we are going to achieve the goals that every national administration has already set forth, we must develop some system by which we can bring together local, state, and federal governments into a comprehensive, planned, coordinated effort to deliver services to people.

I listened with interest to all of you this morning talking about the problems that I have, and I am sure that each of us has in our individual States, of actually bringing together our own departments of government so that we can develop a plan and we can implement that in order to develop an efficient and effective program and, as we talked about all the federal programs, the multitude of specific grant-in-aid programs that need to be coordinated somewhere along the way. I want to make it clear that what we are talking about today is not merely a substitute or alternative for bloc grants or revenue sharing, regardless of whether we are effective in getting the Congress to move toward such grants that Governor Rampton and many of us in the Education Commission and many of



you here have supported so strongly, or if we ever implement the revenue-sharing proposal. We are still going to need some management system, some vehicle through which the State can play a coordinating role of bringing together local, state, and federal governmental units. Thus we speak this morning of the Appalachian program, not as a program but as a concept, as a management system through which we believe this can be accomplished.

For the benefit of most of you, this region is made up of thirteen States from New York to Mississippi. You can see we have every problem that exists anywhere in America. We have the large cities, we have the small rural communities, we have the coastal area, we have the inland areas, we have the North and the South. We have it all together. This is one program where these thirteen States have been able to get together and to make work this new federalism or whatever we might want to call it, because we have been able to plan at the local level, to place our plans on the regional level and in this way to implement them, so we feel we are really contributing to the economic growth and development of our area, providing job opportunities for people heretofore left out and of moving toward the solution of many of those problems that exist. There is complete flexibility in the program because investment plans can vary from State to State. It doesn't put you in a straight jacket. It isn't a give-away program. It is simply a way of getting a grip on all of those that are in existence and of pulling them together in order to make them work effectively and efficiently.

I also work with a Title 5 program, which is serving a very worthwhile and useful purpose. We are accomplishing a great deal because we have been able to plan for the orderly growth of these areas of our State, but there is a substantial difference between the Appalachian program and the Title 5 programs when it comes to implementation. What we were talking about yesterday with Governor Guy was a cabinet level or a representative of the President to coordinate environmental programs. In the Appalachian program we have a federal co-chairman who is appointed by the President and who coordinates all of the federal efforts and represents the federal government in its activities. Then we have the States operating through the respective Governors with a state representative who is named by and is on his staff. All of their expenses are paid for by the States and they represent us on a full-time basis. Thus we have that partnership in existence where we meet, we develop our plans, we establish our priorities, and then we move to implement.

The flexibility I spoke of is even to the extent that we have been able to loan funds from one State to another in areas such as vocational schools. Recently the State of West Virginia had a plan ready to move, ready to implement, and several of us had already moved as far as we could in that area and needed time to do some more planning. So we loaned the State of West Virginia our money so they could implement theirs, and we will get it back from

them later when our additional plans are ready for further implementation. I mention this because I think it is important that all of us try to understand the concept. Then we can see, when we talk about all of the problems that we have discussed as long as I have been attending these Conferences, that this is the only vehicle, this is the only mechanism, this is the only system that I have found which gives the States and gives the Governor an opportunity to have an input into the establishment of priorities and the development of programs.

I think all of us, too, are aware of something that we hear a great deal about, political accountability. Discussing this program and discussing the future with representatives of the federal government, they question us on political accountability. I don't know of any program that has more political accountability, because it all starts at the local level where the local people get together to identify their needs and establish their priorities. It comes on to the States through a state plan and then on to the region, where you develop it into a regional plan, and this is the one that is presented for implementation. So there is accountability at every level and the programs themselves are people oriented. We do not find ourselves in the uncertain matching situation, because here we have an orderly program, one that has been prearranged, one that the schedule has already been set for, and thus you are not frantically looking around trying to match some federal program that has come directly to a local community or to an area without coming through state planning or coming through the Governor's office.

One other thing, I think, that has been referred to is the Governor's program, and I think we need to recognize this because it was said this morning the Governor is responsible for the management, for the affairs, of his State. This is where the responsibility should fall and this gives the Governor the opportunity, through his own office, to work toward the development of a plan for orderly growth and development. Without reading all of the remarks that I prepared, which have been distributed to you, I think we also need to recognize this is a crucial conference for us when it comes to trying to establish some policy on regionalism and on executive management and on local, state, and federal relations. The Appalachia program soon expires and it must be considered during the next session of Congress. Title 5 Commissions must also be considered during the next session of Congress.

What we are recommending is that we make the Appalachia concept available to the nation on a permissive basis, that is, in such a way that this concept would be available to States that get together and form themselves a regional commission that is then approved at the federal level. Thus we would be operating on a basis where the President would have someone of cabinet level representing him and the federal government serving in a coordinating role for all federal programs, and then in each region there would be a federal representative who would serve along with the State's representative in carrying out the plan

that had been developed and approved. I would encourage those of you who are apprehensive, those of you who perhaps do not understand the actual working of this, to inquire from many of those who are in the Appalachian Region, and that those questions be raised so that we might refer to them. In order that we might move along and conclude this on time, I am going to ask Governor Shafer if he will come forward and make his remarks, and after that, as soon as he concludes, if Governor Arch Moore would then make his remarks.

GOVERNOR SHAFER: Thank you very much, Governor McNair. Mr. Chairman and My Fellow Governors: I suppose I could use the few moments assigned to me and just repeat exactly what Bob McNair has told you, because every thought he expressed is something that merits your fervent consideration, because the Appalachian Regional Commission approach is, to me, federalism at its finest. We talk about our great federal system. This is a process of investment determination and program management that I think is second to none in the entire history of the United States. The States determine for themselves the areas where they will be cooperating with each other, where they have mutual problems and where they can solve those problems together better than individually. In the second place, as Bob has indicated, planning begins at the local level. Each individual community has a vital say, because that individual community has initiated action with reference to its own problems instead of having a plan promoted at the national level and then just distributed for action at whatever level it is heard. Each State sets its own priorities, and yet there is a flexibility between States, so that they can utilize funds for individual programs.

This is not a program that is initiated or forced on the States or the local levels by some federal department. The Commission is not a part of a United States department as is the program under Title 5. Again, this is direct executive-to-executive contact, a partnership decision-making process role for Governors, not a matter of petition and grant. It does involve cooperation at every level, state, local and federal. We have seen in the programs that we have had in Pennsylvania where communities have come in and worked with each other and with the State and with the Federal government in a way they were never able to do under any of the other federal programs. That alone merits your consideration for adopting this as a policy of our National Governors' Conference.

A final point that I would like to make, and perhaps it is the most important because it covers almost everything else that we are discussing at this Conference, is how do we utilize our resources for the benefit of all of our citizens most economically? This concept, the Appalachian Regional Commission concept, is the most economical way to deliver services to people that I have seen since I have been in public life. In other words, we are working on the problems of people. We are working to solve the problems of our economy, the problems in transportation, the problems of education, and in

order to utilize the resources in the best possible way, we use the structures of our state governments that are already in being instead of building another federal bureaucracy. In that way we are, in fact, serving the people better because we are directing the moneys that have been made available through the Congress without the additional personnel involved in a separate federal bureaucracy. For that reason alone this concept should be adopted by this Conference as a recommendation for nationwide utilization. I strongly urge the Conference to adopt the recommendation that will be put before you a bit later on. Now Governor Arch Moore.

GOVERNOR MOORE: Talking about the Appalachian program, I would assume that every one of you would anticipate that the State of West Virginia will make both a very provocative and a very convincing statement in support of the same as a national approach to the problem of either regional planning or the problem of implementing, through the regional concept, certain of the programs which all of us as Governors are interested in. I think there is a fear among some of the Governors here at this Conference who do not fully understand or perhaps have not yet had the opportunity to closely examine the Appalachian program to determine whether or not it really would fit the set of circumstances that exists in any one of your States. A statement was made to me just recently that this is something we could not hope for as Governors because the National Congress would not in any way make available to these various regional organizations the vast sums of money that were made by reason of the peculiarities of the Appalachian area. I have also heard it said that this would be in conflict with the question of revenue sharing and other aspects of the approaches that have been made to share the federal dollar with the States.

I think we have to be rather realistic in considering how we are going to channel as rapidly as we can federal funds into the various areas which have certain peculiarities that attach themselves to a group of States that would fit on all fours within the framework of the regional commission of the Appalachian States. Actually, there are seventeen different categories that are eligible for funding under this particular program, and wherever they evidence themselves in any one of the States, the priorities for the spending of that particular dollar is left particularly to the Governor. He may establish a road program utilizing these funds. He may seek to move, as South Carolina has done very aggressively, in the field of vocational and technical education. He may move, as they have in the State of Pennsylvania, in the field of health services. He may move, as they have moved in the State of West Virginia, in highway development and industrial development. He may move, as so many of the other States have moved, partially in the area of correcting many of the deficiencies that have existed over a long number of years as they seek to, for example, enhance the quality of life in the member States.

The Appalachian Regional Commission is, I believe, a unique experience in

federal-state relationships. It does not provide in any way for complete control of the program area by the federal government, nor is there a great loss of time in presentation of any program area to a specific federal organization that controls the subject matter. This essentially is a bricks and mortar program. This essentially is a program in which Governors themselves will make and determine the priorities of spending in their respective States. I recognize that perhaps it would be a little difficult for Governor Tiemann to utilize regional commission dollars for acid mine drainage as I would in the State of West Virginia, but he does have some problems in agriculture for which he could use dollars if they were made available to him through the regional commission approach, perhaps as it applies to agricultural waste, for example. The basic grant concept that we are afforded simply is this: in the many and broad areas, in the total spectrum of federal programs, as Governors we can supplement any basic grant that is given for a particular purpose.

Let's go into Hill-Burton. You may have a rural community in which there has been determined an eligibility for Hill-Burton funds for the purpose of constructing a modest hospital facility and yet this particular community is unable to raise sufficient funding required under Hill-Burton to realize the construction of such hospital facility. Under the Appalachia program, wherever that particular set of circumstances may arise, we can supplement out of our Appalachian funds the Hill-Burton grant and make that particular facility eligible for Hill-Burton funds to the point where the project could be federally funded up to 80 per cent.

There is a suggestion that perhaps the regional concept is something that cannot be brought about because of the attitudes that may exist either among the States or in the national government in terms of the dollars that would be necessary to implement an Appalachian program for every State in the Union. The point of the matter is that the concept has proved workable. The Congress has accepted the regional concept which is a viable way of meeting problem areas in the States that make up the Appalachian area. There are five other regional commissions in being. We are moving towards a condition of acceptance in the National Congress of funding these regional commissions in like manner that the Appalachian Regional Commission is funded. I would say to you that, in my judgment, knowing something of the workings of the National Congress, we could anticipate far more favorable consideration for funding of regional commissions than for a program of revenue sharing. This for the simple reason that we know Congressman Mills takes a rather dim view of turning loose the federal dollar, giving it to us as Governors on an unrestricted basis and letting us decide for ourselves without any restriction whatsoever from the National Congress as to how that dollar would be spent.

In the regional commission concept the Congress retains its control within the framework of the commission and it delineates the particular subject

matters. It determines the dollar amount that the program shall enjoy in sum total. Then those dollars are divided among the various subject matter areas. The States themselves then present their program of participation in utilizing those dollars to the commission members themselves. There is another uniqueness about this. Governor McNair has indicated that in our State of West Virginia we had a program ready to go, we had exceeded the fund area that had been allocated for us for this past year, and we got an advance from South Carolina and one or two other States. In this kind of relationship the Governor of South Carolina will come back to West Virginia within the framework of this commission and say, look, I loaned you of my federal dollars three hundred thousand last year. It is time now, I want those dollars back. And, of course, he has essentially a mortgage on these funds as they come to me. It is a relationship which is unique in many, many respects in terms of trying to help ourselves cooperatively.

You have heard observations made in this Conference about the importance of Governors having control of priorities. Well, if there was ever a program in which we Governors have the total right to establish priorities for our respective States, it is in the regional concept, it is in the Appalachian Commission. As I have indicated, this is a bricks and mortar program. This is a program which will avoid the great mass and bulk of papers that were referred to here a little bit ago. The same cannot be said, in my judgment, about the Title 5 programs. Under Title 5, you would have exactly what we had earlier in the planning programs which were offered by the federal government.

In the Appalachian Regional concept, I think, there is a good feeling in the National Congress. I believe their capacity to accept further enlargement of the regional concept is there and that we could and would be wise as Governors to take advantage of it, and I am sure that those who are somewhat apprehensive as to whether or not this would deprive us of our revenue-sharing concept would find that the results that you would be able to obtain as a Governor in many areas by these dollars would in the long run enhance your governorship and certainly improve the quality of life in your State. I suggest the adoption of this particular proposal evidencing our support of the regional concept, and I would respectfully request your earnest consideration of the same. Thank you very much.

GOVERNOR McNAIR: Thank you very much. I wanted Governor Moore to comment because, coming from the Congress, I think he could speak for the reception there; Governor Williams of Mississippi is a former Congressman who has spoken very eloquently of the commitment of the Congress to this concept of regionalism. I have had the opportunity recently of talking with committees of the House and the Senate. We find a strong commitment to this and thus the Appalachian Regional Commission is recommending in its report which we have to make of our five-year program and our report for action for the future, first,

that this be continued, but that it be shared with the nation as a national policy. I simply contrast the Title 5 and the Appalachian programs by saying in the Appalachian it is directly between the President and the Governors. With the Title 5 regional commissions it is between three or four layers in the Department of Commerce and then where, nobody knows. What we have recommended is that Title 5 be taken out of the Department of Commerce and be grouped in with the Appalachian program as a concept and be made available to the nation as a whole, and that States be given latitude in the formation of the regional commissions so that nobody is going to draw boundary lines and tell you what commission you are in. Nobody would even tell you you had to belong to one. You could stay out of it and not belong. Our time is short now. Some of the others may care to comment.

GOVERNOR LOVE: Are you going to move the adoption of this? Isn't this the appropriate time before the discussion?

GOVERNOR McNAIR: In order to make it appropriate and then we will have the discussion, I would move the adoption of B.-5, which is the statement on new approaches to federal-state partnership. I refer you to B.-5 and ask you to read it. I move the adoption of that statement.

GOVERNOR SHAFER: I second it.

GOVERNOR LOVE: It has been moved that B.-5 be adopted as a policy of this Conference and seconded by Governor Shafer of Pennsylvania. Is there discussion? Governor Curtis.

GOVERNOR CURTIS: Mr. Chairman, I would certainly like to compliment Governor McNair on an excellent presentation and very quickly say that the New England States have been involved in a Title 5 Commission now for nearly four years. I think we have created a great deal of employment in the consulting field and also in the staff field. I do feel that this money hasn't been wasted because I think we have developed an excellent program, but that is exactly where we are at this juncture, at the point where we need action. I think what we have seen this past year from the Title 5 Commission would lead most of us to believe that we aren't going to get that action under the present structure. I can't speak for the other Governors, but I do believe that they will support, on a regional basis, the outline that Governor McNair has given us in his resolution.

GOVERNOR LOVE: Thank you, Governor. Governor Williams of Arizona.

GOVERNOR JACK WILLIAMS: I notice I did not hear in the discussion mention of two suggestions in this with which I concur. I think all Governors should be aware of them. One is "Provide for the Governors to share decision-making authority equally with federal representatives," and, second, to take this out of the Commerce Department and made the federal participation directly responsible to the President and the state participation to the Governor.

This is a change, I believe, from your Appalachian plan, isn't it?

GOVERNOR SHAFER: No, that is what we have in Appalachia.

GOVERNOR McNAIR: Governor Williams, you are in a Title 5 Commission which is under the Department of Commerce. Appalachia is not under the Department of Commerce. It is separate and independent and directly reports to the President. That is what we recommend very strongly.

GOVERNOR LOVE: Governor Tiemann of Nebraska.

GOVERNOR TIEMANN: Thank you, Mr. Chairman. I have some comments or some questions and I will ask them not out of criticism of the regional approach but the fact that I have some apprehension about this regional commission working on a nationwide basis. May I compliment all of the Governors who made this presentation on their eloquence and persuasiveness. Governor Moore, you made a statement that all the members of the Appalachian Commission have certain peculiarities that attach themselves to each State. Are you referring now to the level of the income as one of the peculiarities? What are those peculiarities?

GOVERNOR MOORE: There are seventeen category areas which generally bind together the Appalachian States. We could take twelve of these particular categories and they would have special affinity for any one of the States in the Union, vocational schools, hospitals, highways, just to mention three of them. In the special peculiarity, I mentioned that, by reason of the fact that these States are engaged in a great deal of mining activity, there is the problem that exists pretty severely in four of the thirteen member States of acid mine drainage as it moves out to pollute our streams and thereby reduces immeasurably the quality of life in some of the areas of Appalachia.

The thing I would make clear and try to define as best I can is that the participation in an Appalachian program is not geared to the economics of the particular area or of the State. The qualification for a grant, again, is not peculiar in that regard as to the economics of the area or the depressed conditions or the income level.

GOVERNOR McNAIR: I might briefly say that when Governor Moore mentioned those seventeen basic areas, most of us have selected about five items for our respective States and they are the five that really we need to concentrate on most, so the flexibility is within the system.

GOVERNOR WALTER PETERSON: I would just like to speak very briefly in support of this concept and make two points. First, I think we do need more flexibility in serving our people and it would be a great step forward, I think, if the regional commission, that is, the regional commission with the exception of the Appalachian Commission, were taken out from under the Commerce Department and placed directly under the President. We had one particular experience. I think it was very frustrating for us in New England. Governor Licht, with the concurrence of all of the other New England



Governors, had conducted a study on drug abuse and we had concluded that regional rehabilitation centers were the best answer for our region of the country, yet we ran into a brick wall because we could not satisfy the Department of Commerce that this meant this would qualify in terms of economic development, although you could make quite a case for economic loss, time loss, through this terrible problem. Here was something that we all agreed on and which was close to top priority and we could not get action. I think we could have gotten action if we had been able to go directly to the President.

The second point is, after having served less than a year as a state cochairman, we are really not going to have a meaningful federal-state partnership unless we are willing to take the next step and give the next state cochairman, whoever he may be, funding for adequate staff so that he can function as a coequal partner with the federal cochairman. At our last meeting, I believe we strongly supported this concept, and we also strongly support those two points as being of real significance.

**GOVERNOR TIEMANN:** The thing that occurs to me if we are going to divide the nation into regions as the proposal here is, and if we agree that it is on a voluntary basis, a State doesn't have to join, but if we are going to get any of the federal largesse to join, then everybody is going to get into it. I see nothing wrong with each State developing its own growth pattern or growth plan in the revenue-sharing concept, the bloc-grant concept. In making this suggestion to the President a couple of weeks ago in Fargo, North Dakota, he seemed taken with the idea of this state growth plan because each State has its own peculiarities, its own character, and our people in Nebraska are different from the people in West Virginia or Appalachia. I am fearful that we are going to "marry up" with the federal government and after we take the first step in this thing, we have taken the step forever, and we still haven't learned how to walk yet.

The other argument that I have, or apprehension, is that if Congress is so willing to accept the regional planning approach, I can't quite conceive that they are going to dump as much money into the Corn Belt Regional Commission or whatever we are going to call it, as you get in Appalachia, because you have preferential treatment out there and we aren't going to get it in the Middle West or the Pacific Northwest or elsewhere.

**GOVERNOR McNAIR:** Let me comment. Having fifty different commissions operating this way, it would be an impracticability, and I don't think we would ever come to that. By getting together the regional way, we have our state plan which we put into the regional plan which we then implement. We find that this is the only practical way we can go. Secondly, the question you raised is a strong argument in favor of this approach because it does give us what you are saying. In South Carolina we have selected five target areas which are the five high-priority things for us. Pennsylvania has their target areas that are different from ours, still within the broad latitude at the regional level. In

addition to this, you are never going to get away from all the existing categorical grant-in-aid programs. You are still going to have some. Look at the Law Enforcement Assistance Act that is going through right now where the Senate is fixing or proposing to tell you what you are going to have to do. In other words, they are fixing to take away the bloc grant and go back to categorical. They are going to tell you exactly how. In the Manpower Training Program, again we find the move toward a restriction saying where and how. Thus we are talking of a regional mechanism which permits us to get around all of these hurdles and to, as I say, get a grip on all of these resources that are available to us and manage them and let the State play a key role.

**GOVERNOR RUSSELL PETERSON:** I would like to comment on this proposal of the regional commissions reporting directly to the President. I think that flies right in the face of what we have been talking about here this morning, and it makes a big difference where one sits. We are promoting elimination of many agencies and commissions and boards at the state level so the Governor can have a more streamlined way of operating, which is an admirable move, but, at the same time, we sit here recommending that we mess up the President's organization by adding many more organizations reporting to him. I think we ought to be consistent when we are talking about managing government, whether it is at the federal or state level, so I would like to move that we amend this position paper and say that, rather than the agency tying in directly to the President, that it tie in with some member of his Cabinet.

**GOVERNOR LOVE:** You have heard the motion to amend, which is in order. Is there a second? Hearing none, the motion fails for want of a second.

**GOVERNOR LEVANDER:** I am very much disturbed over the fact that we seem to have confusion as to whether or not this concept is a substitute for federal revenue-sharing. Governor McNair says not, but my fears were rekindled when Governor Moore spoke and said if he were put in the position of making the choice he would choose the Commission rather than revenue-sharing, and he thought it had more chance of success than revenue-sharing. We have been working for years to get to the point where we have revenue-sharing generally accepted, except for a few people in Congress. We have Governors in the vast majority, we have mayors, township officers, we have 71 per cent of the people, according to the national poll. We have the President, and now we are getting to a point where I am very much afraid that we are going to dilute the effort for revenue-sharing as a concept and use the regional commission instead. I congratulate the Appalachian people, they have received a good thing, but that is not true of our Title 5 commissions. Congress has indicated a funding of the Appalachian Commission but they have indicated no desire to fund the Title 5 commissions. If we had had some experience so that we could see how it worked, we might have a little different concept and I would feel much more comfortable with this proposed B.-5 resolution if there was a fifth clause added

so we would have no misunderstanding. One of the guidelines for this study should be that it not be used as a substitute for revenue-sharing. With that we could feel that you are not going to conflict with what we have been trying to develop for many, many years.

GOVERNOR RHODES: I second it.

GOVERNOR LOVE: Was that in the form of a motion?

GOVERNOR LEVANDER: I will move that we add a fifth criterion, that it should not be used as a substitute for revenue-sharing.

GOVERNOR RHODES: I second the motion.

GOVERNOR LOVE: It has been moved and seconded. Governor Shafer of Pennsylvania.

GOVERNOR SHAFER: I have no objection to that. I call for the question on the amendment and I would like to respond to what Governor LeVander has said.

GOVERNOR LOVE: The question has been called for on the motion to amend Policy Statement B.-5, to include the language that has been noted. The motion has carried. The policy statement is amended.

GOVERNOR SHAFER: I think the vote of the Governors has answered the question. This is not a substitute for revenue-sharing, it was never meant to be. It is just a new approach to help us solve problems and I am very pleased that we have clarified that particular point. I now call for the question on the main motion.

GOVERNOR LOVE: The question has been called for on the adoption of Policy Statement B.-5 as amended. The motion has carried and that policy statement is adopted. Governor Ellington.

GOVERNOR ELLINGTON: Thank you. We now come to the final part of the Committee report. Incidentally, I am going to recognize, as soon as I make a motion, Governor Ogilvie, Governor Cahill and Governor LeVander, so you need not think you are going to be overlooked. Policy statements B.-1, 2, 3, 4, 6, 7, 8 and 9 are the same as you adopted last year, with a slight change in 2 and 7 to bring them up to date. We do have three new policy statements. B.-10 is "Federal Aid Information Systems." This provides that information on federal programs should be made available uniformly to all States. B.-11 is "Federal Grant-in-Aid Appropriations." This calls for bloc grants, grant consolidation, joint funding simplification, and advanced funding on construction projects and appropriations prior to the start of fiscal years. B.-12 calls for the defeat of federal legislation which would take away long-established and well-handled regulation of insurance by the States.

Since these statements have been distributed to you in accordance with the bylaws of the Conference for thirty days, pending any questions, Mr. Chairman, I move the adoption of the recommendations of the Committee on policy statements.

GOVERNOR OGILVIE: I second the motion.

GOVERNOR LOVE: To restate, if I may, it has been moved that we adopt B-1, 2, 3, 4, 6, 7, 8, 9, 10, 11, and 12 as the policy statements of this Conference in the area of the Committee on Executive Management and Fiscal Affairs. All of them are standing policies, with the exception of the last three, which are new. It has been moved and seconded. I understand that there are those present who would seek to amend, in some regard, and I would recognize Governor Ogilvie of Illinois.

GOVERNOR OGILVIE: Mr. Chairman, I have had placed on the Secretary's desk a proposed amendment, adding language to Policy Statement B-1. I would like to have that amendment read by the Secretary and then I would like to speak to the support of my motion for its adoption.

SECRETARY-TREASURER CRIHFIELD: Add new paragraphs as follows at the end of the present Policy Statement B-1: "The need for revenue sharing between the federal government and the States is essential to the continued vitality of the federal system and has grown more acute each year. The failure of the Congress to act on revenue-sharing is so destructive to the future of federalism that action must be taken by the States themselves to accomplish this goal.

"The National Governors' Conference calls upon the legislatures of the several States to act pursuant to Article V of the United States Constitution to make application to the Congress which shall call a convention on application of two-thirds of the States for the purpose of amending the United States Constitution.

"Such call shall be for the sole and exclusive purpose of proposing to the several States a constitutional amendment which shall provide that a portion of the taxes on income levied pursuant to Amendment XVI of the United States Constitution shall be made available each year to state governments and political subdivisions thereof without limiting directly or indirectly any use of such moneys for any purpose not inconsistent with any other provision of the Constitution."

GOVERNOR LOVE: Governor Ogilvie, did you make the motion to adopt that?

GOVERNOR OGILVIE: I move the adoption of this language.

GOVERNOR FARRAR: South Dakota seconds it.

GOVERNOR LOVE: I now call on Governor Ogilvie.

GOVERNOR OGILVIE: Gentleman, today I offer this amendment, not lightly or merely for purposes of artistic wording in the policy statement. I offer it and I hope this Conference will adopt it as a call to action. I believe we as Governors must be in deadly earnest about this if we are going to make federalism a viable system. Federalism is a system of trust. It is not a set formula or a static relationship. Each of the federal-state partners must trust the other.

Revenue-sharing has been well discussed before in substance, and I am not going to use your time this morning by rehashing the convincing case for it except to say that today, with welfare and education costs and needs at their present levels, we in the States must share in the fair and equitable progressive federal income tax rather than our own regressive systems of taxation, as 37 of us have had to do in the past 18 months.

I am today proposing that we implement the Constitution, as it was intended to be used. Article V provides for a method of constitutional change which gets around a Congress which refuses to act. It is another of the great checks and balances in that document. It gives the power to initiate, by the States, as the alternative to Congressional action or Congressional inaction. That Article V reads, "The Congress, whenever two-thirds of both houses shall deem it necessary, shall propose amendments to the Constitution or, on the application of the legislatures of two-thirds of the several States, shall call a convention for proposing amendments, which in either case shall be valid when ratified by the legislatures of three-fourths of the several States." Gentlemen, we must seize the initiative and breathe life into this federal system. The Congress cannot remain apart from our problem. We must take action today to reverse the historic trends. I urge your support. Revenue-sharing is a system that we in Illinois have tried with our own cities. We share a percentage portion of our income tax yields with our cities and our counties on an unrestricted basis. Revenue-sharing by this Constitutional route is in addition to our support for proposed spending in the Congress and supported by this Conference. We must use every tool available. I urge you to join me not only in this policy statement, but also in working with your legislatures.

I have already received support for this approach from the National Conference of Mayors, the National League of Cities, and the National Conference of State Legislative Leaders. In fact, I would like to read to you the letter that I have received from President Curran of the National League of Cities and from President Tate of the United States Conference of Mayors. They write:

"We noted with complete agreement the strong concern expressed by the group of Governors meeting in Columbus this week over the lack of congressional action on revenue-sharing legislation. As you know, we have been working with the Governors' Conference in the development of joint strategy to implement revenue-sharing. Last week, after completing a new initiative for hearings, we concluded that the Ways and Means Committee would not schedule revenue-sharing hearings. Moreover there appears to be little general interest in our real commitment among members of Congress to revenue-sharing. We thus reached the conclusion similar to your own that, unless Congress acts soon, a Constitutional amendment initiated by mayors, Governors, and county officials in the States would be the only practical solution to this impasse, and thus, in the spirit of excellent cooperation that has marked our efforts to achieve

revenue-sharing thus far, we wish to express our desire to work with you in the preparation of a solution and ultimately a constitutional amendment that would be suitable for support by our respective organizations."

Gentlemen, as Governors we can and we must take the kind of leadership that makes our hopes for many, many years of revenue-sharing a reality in the next year.

GOVERNOR LOVE: Governor Williams of Arizona.

GOVERNOR JACK WILLIAMS: I wish to raise a question. My understanding is that if a constitutional convention is called it cannot be limited and this would raise some trepidation on my part to ask for a constitutional convention. I am sure that Governor Ogilvie can clarify my concern, because he has probably researched this.

GOVERNOR OGILVIE: I have had a report prepared for me, and I am advised that the Congress could, in the opinion of the experts upon whom I have relied, limit it, as our state constitutional conventions can be limited, to the consideration of a specific subject.

GOVERNOR MANDEL: I had wanted to raise the same question. We had some research done on that, too. I think the Congress can submit a specific constitutional amendment, but when you call a convention, from the legal opinions that we have had, that convention then becomes a wide-open vehicle for any kind of amendment that can be considered. I do not think that the Constitution itself gives to Congress the right to delimit what will be the content of that constitutional convention. It says that there shall be, upon the application of the States, a constitutional convention for the purpose of submitting constitutional amendment. I do not think that they have the legal right to limit it once it is called for any specific purpose. This would be the great fear on my part.

GOVERNOR OGILVIE: The difficulty in this question is that this has never been done before.

GOVERNOR MANDEL: That is true, but it is too dangerous to take a chance, I do believe.

GOVERNOR LOVE: It seems to me that the agreement between those participating is that this particular question has never been decided. You presumably can get opinions on both sides of that question. Is there further discussion? Governor Williams of Mississippi.

GOVERNOR JOHN BELL WILLIAMS: Mr. Chairman, while I am in full accord with the purposes sought by the amendment of the gentleman from Illinois, I would like to submit for the consideration of the Conference some substitute language which, I believe, would go equally as far in putting our point across and yet would not put us in the position of seeking a constitutional convention, realizing the dangers of such a step. I send this to the desk and ask that it be considered as a substitute for the amendment offered by the Governor of Illinois.

GOVERNOR LOVE: As I understand it, you move to amend the amendment by this substitute language?

GOVERNOR JOHN BELL WILLIAMS: Yes, sir, I offer a substitute to the amendment offered by the gentleman from Illinois.

SECRETARY-TREASURER CRIHFIELD: "Revenue-sharing is one of the most important fiscal reforms required for keeping the federal system strong. Enactment of this legislation at an early date is needed. We are concerned that the Congress, and the House Ways and Means Committee, in particular, have failed to assign priority status to the consideration of this immediate legislation. Therefore, the Executive Committee is requested to seek the employment of every parliamentary means available in the Congress to ensure its early and favorable consideration by the whole membership of both houses of the Congress, even to the point of supporting a discharge petition if necessary.

"In the alternative the Executive Committee may wish to consider submitting to the States a resolution calling for a constitutional convention on revenue-sharing."

GOVERNOR LOVE: You have heard the language of the proposed substitute moved by Governor Williams.

GOVERNOR MOORE: I second it.

GOVERNOR JOHN BELL WILLIAMS: Mr. Chairman and Governors: We have, at the present time, an administration which has indicated friendship to the proposal or to the principle of revenue-sharing. Thus far at least they have given lip service to it. The approach that has been suggested by the Governor of Illinois, while I agree thoroughly with him in what he is seeking to accomplish, I feel, is an impractical approach and would be an exercise in futility. In the first place, as has been said already, there is no way, in the event we were successful in securing sufficient signatory States, to limit the scope of a constitutional convention. This would mean that the entire Constitution would be thrown open to a new constitutional convention, and I think all of us recognize the danger in that approach. The courts have held that identical language must be followed by all of the States in petitioning the Congress for a constitutional convention. This is a long and difficult route to get a sufficient number of States to agree on the exact language to be submitted to the national Congress. After a constitutional convention has been held, assuming that a convention should be held and a new constitution should be agreed upon, this would still require the ratification of a sufficient number of States to adopt that constitution.

As a practical matter in politics, I would think that the failure to obtain sufficient number of state signatories to this petition or failure to get this petition approved by a sufficient number of legislatures, would virtually assure that the Congress would take an adverse position in regard to it, feeling that they had no mandate from the people. I do believe, however, that the fifty Governors of the States can exert sufficient influence upon their Congressional delegations

to bring about eventual Congressional enactment of this much-needed legislation and I would feel that the course that has been suggested by Governor Ogilvie should be followed only as a last resort and that we should exhaust every Congressional remedy, offer every parliamentary remedy that we have in the Congress to seek enactment of this legislation by the Congress before resorting to a means as revolutionary as seeking a constitutional convention. Governor Ogilvie, I agree completely with the purpose you are seeking, I think all of us would agree that we want a revenue-sharing program adopted. I simply feel that at this point we should try to follow the Congressional route and only as an alternative, in the event we fail in our efforts, perhaps in a later Conference determine to proceed along the constitutional amendment route.

GOVERNOR LICHT: It seems to me that as much as we are in favor of revenue-sharing, to impart into the discussion the possibility of a constitutional amendment is to suggest, at least, long-range delay. It may well be that the Congress will take the position that if that is the case and that is our position, it has no urgency to act with respect to it. I think it is self-defeating and as everyone has pointed out, it is cumbersome and uncertain as to what you get in a convention. It seems to me that we do have our obligation as Governors to call upon our own representatives and to urge upon them that they take the necessary action with respect to getting revenue-sharing out for discussion, but to go beyond that, in my judgment, it does not serve the purpose of obtaining the result we seek.

GOVERNOR MOORE: Mr. Chairman, I can appreciate very much the concern as to what might occur in the event that we provide for a constitutional convention. In the submissions that have been made, in the light of the amendment provided by the Governor from Illinois, it would indicate that it would be one which is broad in its context and could not be limited, but I believe that we have an approach that we can accomplish exactly what each of us want to accomplish and, at the same time, do it in a way that is compatible with the suggestion of the gentleman from Illinois.

If we believe and if our state legislatures believe in revenue-sharing, we can pass a resolution here that each of us will submit to our legislature a memorializing resolution which will call upon the Congress to submit this particular constitutional amendment as it applies to revenue-sharing. When and if the sufficient numbers of our legislatures would pass such a resolution, it is incumbent upon the Congress to follow through and place this before the country for a vote as an amendment to the Constitution. It would seem to me that we could take Governor Ogilvie's suggestion here, his amendment, and instead of calling for a constitutional convention, we call upon the legislatures of our States, by resolution, to memorialize the Congress, asking the Congress to submit a constitutional amendment providing for revenue-sharing. Thereby you get the limitation of subject matter that you want; you then escape the fear of a



broad constitutional convention being called by the general language of the amendment.

GOVERNOR LOVE: Governor Moore, if I may, before there is further discussion, this is a third approach, as far as an amendment to this. In order to keep this within reasonable procedural bounds, I would like to call now for a vote on Governor Williams' substitute for the language that Governor Ogilvie has suggested. Pending the outcome of that, after that is voted upon, we can come back, if you wish, to submit a different amendment.

GOVERNOR MOORE: Mr. Chairman, in light of the submission by the Governor of Illinois and the input by the Governor of Mississippi, I was then going to suggest that, as we did yesterday in a very sensitive area of the Transportation Committee report, collectively these Governors might get together and perhaps come forth with a better answer. You can memorialize and impeach the members of Congress all you want to, but we have little control over them.

GOVERNOR LOVE: I believe that motion is in order, if you wish to recommit B.-1.

GOVERNOR MOORE: I would move to recommit B.-1 to the Committee on Executive Management and Fiscal Affairs so that we might come before the Conference with perhaps a more acceptable approach.

GOVERNOR OGILVIE: I second it.

GOVERNOR LEVANDER: I support it with the understanding that we will report back during this session because I have at the chair also a proposal which we adopted at the Midwestern Governors' Conference that we memorialize Congress. We have done that in Minnesota and every legislature could give that support; at the same time we don't stop the pressure that is on now to move it through Congress, so that I think if we can rework this proposition and submit it to this meeting, then I would support referring it.

GOVERNOR SMITH: Mr. Chairman, certainly I know that I share the same concern of every Governor about the necessity of revenue-sharing, but as this policy statement goes back to the Committee, I hope they will keep in mind the fact that we are assuming the position that the Congress of the United States has more revenue than it needs, and it might be wise to petition Congress, in this light, to reduce taxes in accordance.

GOVERNOR LOVE: Thank you, Governor Smith. The vote now will be upon the motion to recommit the revenue-sharing Policy Statement B.-1 pending a report tomorrow. The motion has carried. With the exception of B.-1, which will be considered tomorrow, I will now put the question on the remaining policy statements.

GOVERNOR RAMPTON: Do I understand that we are voting on these as a block?

GOVERNOR LOVE: Yes, this is the idea, that we vote on the rest of them as a block.

GOVERNOR RAMPTON: To clarify my position, I would have to vote no, but it would go only to B.-12 in regard to the regulation of insurance. I have already appeared before a Senate Committee and taken a position just opposite to this resolution, so I think I had better make my position clear. I do agree that the States have done a fair job of regulating life insurance companies, but a very poor job of regulating the casualty companies.

GOVERNOR LOVE: Governor Rampton, Governor Cahill indicates that he is prepared with an amendment to go on B.-12. Maybe we should listen to this amendment and see if that takes care of your problem. Governor Cahill of New Jersey.

GOVERNOR CAHILL: Mr. Chairman and Members of the Conference: I would just call your attention to the fact that yesterday this Conference, by an almost unanimous vote, agreed to recommit to the Committee on Transportation a provision relating to automobile liability insurance. Because of the fact that there might well be a conflict, I move at this time, Mr. Chairman, that B.-12 be recommitted to the Committee on Executive Management and Fiscal Affairs for further study.

GOVERNOR LOVE: You have heard the motion. Is there a second?

GOVERNOR RAMPTON: I will second the motion.

GOVERNOR HATHAWAY: What we are doing, of course, if we recommit this, with a bill pending in the United States Senate, Senator Magnuson's bill, S. 2236, is asking for federal regulation of insurance. I would hate to see this Conference do that.

GOVERNOR LOVE: Isn't it true that it is recommitted with the thought that it will be brought back before this Conference tomorrow?

GOVERNOR CAHILL: No. If I may address myself to the remark of the gentleman from Wyoming, I really believe that this entire matter deserves a greater in-depth study by this Conference than it has received and Senator Magnuson, of course, is as I would suggest, not going to be very forceful, in my judgment at least, in seeking out federal regulation of the insurance industry. There has been an effort for many years in the Congress to merely bring the insurance industry under the regulations of the anti-trust laws of the United States, and that has failed. I think that this Conference must consider, especially in the field of automobile liability insurance, the impact and the effect that the present supervision is having upon most of the citizens of the United States.

I think before we take any positive stand on policy that both of these committees should consider, particularly in light of the recent federal investigation on automobile liability insurance, an in-depth study. I believe, so that there can be some reconciliation of these two committees' views on this important matter, it would be wise for both of them to be recommitted for further study.

GOVERNOR HATHAWAY: Mr. Chairman, the last sentence of the Committee's proposal says, "If corrective national legislation is necessary, the

National Governors' Conference stands ready to work with Congress to achieve positive results."

I submit that 25 States have adopted the model insurance code and provide for insolvency funds for casualty insurance. I think the States are doing a pretty good job and the resolution does not preclude federal cooperation, but failure to adopt this, I believe, indicates to Congress that we want federal regulation of all insurance.

GOVERNOR CAHILL: That is not the purpose of the motion, obviously.

GOVERNOR HATHAWAY: It may not be the purpose, but it is the effect.

GOVERNOR CAHILL: No; no, not at all. The purpose of this is to have the Committee give additional study and it does not imply at all federal regulation. As a matter of fact, I referred specifically to only one field of insurance and that was automobile liability insurance.

GOVERNOR SMITH: Mr. Chairman, I think the language is explicitly clear, so as a member of this assembly I ask for a roll call vote when this is determined.

GOVERNOR DEWEY F. BARTLETT: Mr. Chairman, I move to table the Cahill motion.

GOVERNOR HATHAWAY: I second it.

GOVERNOR LOVE: A motion has been made and seconded to table the Cahill motion. This is not subject to debate. The Cahill amendment has been tabled. Now the question is on the original motion to adopt the various policy statements of the Committee on Executive Management and Fiscal Affairs, with the exception of B.-1, which has been recommitted, and B.-5, which has already been adopted. The motion has carried. Governor Ellington, we thank you and your Committee for an excellent report. Governor Ferré of Puerto Rico.

GOVERNOR LUIS FERRÉ: Mr. Chairman, I ask permission for my good friend, Governor Rhodes of Ohio, to submit a statement for suspension of the articles tomorrow for a policy statement which is now being distributed.

GOVERNOR LOVE: Thank you very much. Note will be taken of that request and the distribution of the proposed policy statement. We are running a little bit behind time, but with what seems to be perfect timing, we now call upon Governor Rockefeller of New York, the Chairman of the Committee on Human Resources, to come forward and present his program.

GOVERNOR NELSON ROCKEFELLER: Governor Love, Distinguished Governors, Secretary of Health, Education, and Welfare, Mr. Elliot Richardson, whom it is a great pleasure to welcome here and who will speak to us after we have had the opportunity of discussing the items on the agenda for the Committee on Human Resources: I think you all have had the opportunity of reading the material which has been prepared by the Committee, and, as you will note, these reports today cover five subjects: Welfare, Education, Health,

Manpower, and a new item which is Narcotics Abuse. What I would like to do, if it is agreeable to everyone present, instead of reading the full text, I will just read those portions which are amended by the Committee this year. This includes a new preamble and, therefore, I will read the preamble.

"At the request of the Executive Committee the Committee on Human Resources has reviewed the 'Policy Statements' adopted by the Conference in 1969 in the areas of Welfare, Manpower, Health, and Education.

"Based on this review and on our assessment of the current domestic problems, the Committee on Human Resources reaffirms the 1969 'Policy Statements'. In the Committee's view those statements continue to express the priorities for domestic action which we, as Governors, believe should guide the Federal Government in the development of domestic programs.

"The continuing fiscal crisis faced by the States and their localities grows more urgent and the demand for the basic human services continues to mount. Thus, prompt and effective action remains a most urgent goal of the Committee on Human Resources.

"In order to keep the Human Resources policy statements attuned to current developments, the Human Resources Committee submits for adoption by the 1970 Annual Meeting of the National Governors' Conference the following indicated amendments and additions to the policy statements on human resources."

Under welfare reform, the first section, which recommends a phased take-over by the federal government of the entire welfare responsibility of this country, we have these new additions:

Under Item 4, "The use of the declaration system for determining welfare eligibility", that is, 4a. Then this has been inserted: "Any such system, if mandated by the Federal Government, should provide the States with appropriate options and flexibility as to form and content." This was a subject, if you remember, that was much discussed last year, and there are various members of the Committee who feel very strongly about the importance of the inclusion of this concept.

Under 5, "To combat hunger and malnutrition", "a.: Increased federal funds for the Food Stamp Program so that welfare recipients and low-income persons in all States could be covered by the Food Stamp Program." Then we added: "We commend the Administration and the Congress for the action taken to date and continue to urge full funding for the Food Stamp Program."

Under 4 d.: "Consideration of providing food stamps in lieu of a portion of welfare payments, subject to the approval of the recipient." The new sentence is: "We commend the Administration for its proposed amendments to the Family Assistance Act in regard to Food Stamps and urge their adoption."

Under 4 e.: "Transfer of the Food Stamp Program, programs under the School Lunch Act and the Commodity Distribution Program from the

Department of Agriculture to the Department of Health, Education, and Welfare." The new addition is: "We support the Administration's proposal in regard to Food Stamps and urge their adoption by Congress. We also urge that flexibility be provided for unified state administration where desired."

No. 6 is a new addition that was suggested by Governor Reagan. "The Federal Government, in cooperation with the States, should work toward the development of a rational assistance system which takes into account the full impact of the total range of direct and indirect aid to the poor. Such a system should include a national eligibility policy which takes into account all sources of income and which provides for a workable work incentive."

No. 7: "The Federal Government should establish reasonable national standards of assistance with required regional or geographic differentials."

Those are the additions. Mr. Chairman, perhaps it might be useful for us to act on each one of these separately, in view of the fact that there may be discussion.

GOVERNOR LOVE: If you would like, Governor Rockefeller, to move the adoption of the first one, designate it by number or otherwise, and we will have the motion on the floor and provide for discussion.

GOVERNOR NELSON ROCKEFELLER: I move the adoption of the preamble and the welfare reform section of the policy statement, as amended.

GOVERNOR LOVE: That is C.-1 and C.-2, I think, in the designation that you carry on your sheets that are on the desk before you. Is there a second to that motion?

GOVERNOR MELVIN EVANS: I second it.

GOVERNOR LOVE: It has been moved and seconded that it be adopted. Is there discussion?

GOVERNOR HEARNES: Question.

GOVERNOR LOVE: The question has been called for. The motion has carried. Those policies are adopted.

GOVERNOR NELSON ROCKEFELLER: Under the heading of Health, No. 1 is the same as before. No. 2 has an addition. This relates to adequate funding by the federal government. I won't read the items that are there that were approved last year, but I will read the final addition, the last sentence.

"We strongly urge that attempts to curtail the Supplementary Food Program be stopped and that instead it be further expanded to include adolescent children." That is the item under No. 2.

Items 7 and 8 are new and I will read them: Item 7—"We support restoration of proposed cuts in federal funds for the Medicaid Program or assurance that steps will be taken to insure that these cuts are not merely passed back to state and local governments in the form of increased expenditures or result in reduced services for recipients."

One of the principal items in this area that I might mention is the fact

that, under the proposed Administration provision, there is an increased federal percentage for outpatient care, which is to encourage patients to get outpatient treatment and not stay in the hospitals. This is very sound, but at the same time, they cut back federal matching from fifty-fifty on inpatient care after ninety days to a federal participation of one-third. This will result in those States which have programs in this field being severely handicapped, either by having to pay a much larger amount of money—in the case of New York it would amount to about two hundred fifty million—or having to cut back the care of the patients after ninety days in the hospital. The Committee feels that this is the wrong way to go about it and that there should not be either direct limitations on the amount of funds available for Medicaid, which is a federal program, nor should there be a change in the matching basis, which is even worse, because the program continues and forces the States to pick up a larger share.

Item 8—"Removal of ceilings on the amount of federal expenditures for Medicaid in Puerto Rico."

I might say, on behalf of Puerto Rico, that they have a \$20,000,000 limitation flat with no relation whatsoever to the number of recipients or to the cost of living increments.

Those are the three changes under health, and I would like to move those, Mr. Chairman, for adoption.

GOVERNOR HEARNES: I second it.

GOVERNOR LOVE: Is there discussion on the motion?

GOVERNOR SHAFER: Question.

GOVERNOR LOVE: The question has been called for. The motion has carried.

GOVERNOR NELSON ROCKEFELLER: On education, under Item 1, "Assumption by the Federal Government of far greater responsibility for the financing of education." That is the opening sentence. The addition to this section is: "Such programs should not mandate the creation of any new state or local administrative mechanisms." Then on Item 5: "We support the President's proposal to establish", those are the new words that are added, "an intergovernmental commission on education broadly representative of local, state, and federal officials and educational personnel to furnish guidance to the Congress, the executive branch of the Federal Government and the States, for more effective educational programs, and to continue to review the goals, quality, and cost of our educational system."

Then under Item No. 6, where we are talking about provision for federal programs for joint federal-state development of standardized statistical data and other information necessary for sound analysis of educational needs and programs, the added sentence is: "We commend the Administration for its support of this position and continue to urge adequate funding for the National Center for Educational Statistics and for state efforts to redesign and clarify

state and local inputs into the National Center.”

Then No. 9 is entirely new: “We support enactment of a comprehensive program of federal support for community colleges or their equivalents. Such legislation should assure: that any such legislation take into account the diversity of state higher and post-secondary education structures; that community colleges be an integral part of the total higher and post-secondary education programs of the States; that programs be administered through state agencies designated as responsible for post-secondary and higher educational planning; that such legislation not call for the creation of new and additional competing state higher educational agencies.”

Those are the three modifications under the heading of education, and I so move, Mr. Chairman, their adoption.

GOVERNOR HEARNES: I second it.

GOVERNOR LOVE: It has been moved and seconded. Is there discussion? Governor Rhodes of Ohio.

GOVERNOR RHODES: I wanted to make one comment concerning education. In certain sectors it is antiquated and obsolete. Education has put a connotation that so-called dropouts have turned their backs on society and also education. This is not true. The present educational system is not meaningful. We have eight and a half million people on A.D.C. and we are going to double this unless there is vocational education in every area of America. We do not have equal education for every boy and every girl in this country. Unless we educate these young people at 13, 14 and 15, and stop the dropouts, the problem we are talking about is going to multiply.

Because of lack of education and the high rate of unemployment, education has created all of the problems that we are dealing with here in the whole program we are speaking of. I will be very brief and concise now. Unless we do get vocational education and spell it out, we are going to continue to build community colleges, higher education, research and development, and the problem we are talking about is going to multiply.

GOVERNOR LEVANDER: I agree with you.

GOVERNOR RHODES: Second my motion.

GOVERNOR LEVANDER: I second your motion.

GOVERNOR NELSON ROCKEFELLER: I would like to comment on this motion made by the distinguished Governor of Ohio. The report that goes with this resolution, under community colleges, reads as follows:

“Post-secondary education is becoming increasingly important in our technologically advancing society. As demands for a wide range of post-secondary programs grow, it begins to place increasing demands on an already strained state and local fiscal situation.

“The availability of adequate post-secondary education throughout the nation is vital if the manpower needs of our industrial society are met. Thus,

federal aid is vital to assure that these resources are developed nationwide in the near future. An unplanned pattern of growth would be most undesirable at this time."

They refer to this as what you call vocational education.

GOVERNOR RHODES: Our problem, as I said in Washington, is the people running our educational system have in the past practiced intellectual snobbery. Education, as we know it in the metropolitan areas, is not meaningful, and we are not going to get that until it is spelled out to HEW and to Congress and everyone concerned. I know that it is great to talk about these problems. All we are doing is retreading something we started thirty-five years ago. As far as I am concerned, the welfare system that we know is antiquated and obsolete. We have been giving handouts and doles instead of job training and job education and giving these people an equal opportunity in America.

GOVERNOR LOVE: It is my understanding that Governor Rhodes' comments were in the nature of a comment, not in the nature of a motion to amend.

GOVERNOR RHODES: I am making a suggestion that we spell out vocational education. I have no objection to the report.

GOVERNOR LOVE: That being true, is there further discussion on the motion? Governor Rockefeller of Arkansas.

GOVERNOR WINTHROP ROCKEFELLER: I notice in terms of the language that is used by the Committee report that we talk about community colleges and we talk about vo-tech training. In Arkansas we have the problem of lots and lots of vo-tech schools and more that are committed, but it is not a community-college concept on the comprehensive level. I would like to offer an amendment that you make reference in some way in this resolution to the comprehensive community college, not just purely and simply the junior college or the community college, because if it is comprehensive it includes the vo-tech aspects. I think we ought to recognize, in this recommendation, the word "comprehensive". I would like to propose that as an amendment if I may.

GOVERNOR LOVE: It has been moved to amend the provision of the report, the policy statement that refers to education, by the addition of the word "comprehensive" to precede the words "community colleges". It would then read, "That comprehensive community colleges be an integral part", and so on.

GOVERNOR WINTHROP ROCKEFELLER: That is right.

GOVERNOR LEVANDER: I second it.

GOVERNOR NELSON ROCKEFELLER: May I read the language to the Governor of Arkansas, Governor "Win".

"We support enactment of a comprehensive program of federal support for community colleges or their equivalents. Such legislation should assure:

"That any such legislation take into account the diversity of state higher and post-secondary education structures."



I think that this was supposed to cover the varying concepts of higher education relating to post-secondary and vocational.

GOVERNOR WINTHROP ROCKEFELLER: I would like to see that word "comprehensive" get into the context.

GOVERNOR NELSON ROCKEFELLER: I think we could just take the word "comprehensive" and move it about six words down the line. We will move the word "comprehensive", then we have the same context.

GOVERNOR McNAIR: Let me caution you on this, because in the original legislation that was proposed in the Congress they were preparing it so that only comprehensive community colleges would be eligible for support. Many of us opposed that because we have felt that the academic and technical-vocational-occupational training should be kept separate. We have built a separate system in South Carolina and thus I personally oppose very strongly support for only comprehensive community colleges because that would put you in a straitjacket. The way it is worded in its original form leaves room for either the junior college, the technical schools, or the comprehensive community colleges. That flexibility is built in there, but if you put "comprehensive" in front of "community" and support only comprehensive community colleges, then I would vigorously oppose it because you would completely disrupt what we have built in South Carolina and will begin to tell me what kind of system I have to have.

GOVERNOR LEVANDER: I suggest that after the community colleges we insert "vocational-technical schools", so that it will read that we support community colleges, vocational-technical schools, or their equivalents. Then we have specified vocational-technical schools, which I agree should be highlighted.

GOVERNOR LOVE: Does the Governor of Arkansas agree with that?

GOVERNOR WINTHROP ROCKEFELLER: Jim Rhodes said I did, but I am not perfectly positive that the emphasis ought to be placed on the word "comprehensive." That does not detract from the idea that you might go ahead and have vo-tech schools or you might have community colleges. What we ought to be leaning towards is to get to the point of view of economics in the comprehensive-community-college concept.

GOVERNOR LOVE: To bring the thing to a vote, I would need your agreement and your second that the amendment you proposed would correspond to the suggestion that Governor LeVander has stated. Is that all right?

GOVERNOR WINTHROP ROCKEFELLER: Yes.

GOVERNOR LOVE: That being so, we will not vote on the proposed amendment that we have just discussed.

GOVERNOR RHODES: Mr. Chairman, I want to make another observation. In the original proposal in the community colleges, we are talking about 16 per cent of the young people. Out of every 100 entering the first grade,

only 16 per cent graduate from college. I think our concern and the problem in all the areas is with the 80 plus per cent. We have 50 per cent of the young people refusing to go to college.

GOVERNOR NELSON ROCKEFELLER: I checked with Governor McNair and he would have no objection to this reading, "federal support for community colleges or technical schools or comprehensive community colleges or their equivalents", put them all in.

GOVERNOR RHODES: Vocational

GOVERNOR NELSON ROCKEFELLER: You want the word "vocational"?

GOVERNOR RHODES: That's right.

GOVERNOR McNAIR: Vocational-technical schools.

GOVERNOR LOVE: If that doesn't have everything for everybody, why, we give up. The motion has carried, it is so ordered. We will now vote on the policy statement as amended. The motion has carried.

GOVERNOR NELSON ROCKEFELLER: Thank you, gentlemen. We now go to manpower training and development. There have been some new developments in this field and the Committee on Manpower, chaired by Senator Gaylord Nelson, is not going to have hearings on the Administration bill, so there would be some reason to feel that that bill is not very live or active at the present time. Therefore, we have to take a close look at Senator Gaylord Nelson's bill which really is a bill that I think is fair to characterize as one having been sponsored by the cities and local government. This bill virtually eliminates the States as the effective coordinators of the program and gives local government and community-action agencies the responsibility. The States would have the right to comment, just as we did in OEO, before the program was acted on.

There is one other feature in that bill that I think should be pointed out, and that is that one-third of the money the first year is to be used for employment in government and the second year and thereafter half of the money is to be used for employment in government, so that there is a tremendous emphasis being placed in this bill on increased employment in government. In other words, it is sort of subsidizing you to start out employing additional personnel and then I'm sure that support will be withdrawn and we would be expected to carry on with the larger number of public employees, not that there aren't enough already.

With that background now, I would like to read the additions to our resolution. I might say that the hearings will start in that Senate Committee this week, so that some of you may want to be in touch with your own representatives. The amendments are as follows. We have a new No. 7 and No. 8. We left the resolution as it was before and we come to these:

"The Governors' Conference has called for the enactment of

comprehensive federal manpower legislation which would coordinate federal manpower programs. The Conference also endorses a strong state role in manpower programs so that they can be effectively coordinated. If, however, the State is to be given a major responsibility in the area of manpower, it must also be given adequate authority to meet this responsibility. Federal legislation must assure that States are allowed sufficient flexibility to develop, in close cooperation with local officials, the most effective administrative structures possible."

No. 8 reads as follows: "We urge an additional federal program for creating new federally-financed job opportunities and related employability development and training."

Those are the two paragraphs. There was no specific reference made to the Senate bill, but I think that we have covered the concept and the principle in the additions and the resolution as passed last year. I move its adoption.

GOVERNOR SHAFER: I second it.

GOVERNOR LOVE: It has been moved and seconded this portion of the policy statement be adopted. Is there any discussion?

GOVERNOR HEARNES: Question.

GOVERNOR LOVE: The question has been called for. The motion has carried.

GOVERNOR NELSON ROCKEFELLER: The last and new item that is on the agenda of this Committee and recommended to you is a revised draft of the resolution on narcotics. I would like to say, representing a State where this problem has been serious and where the State has carried out a major program, we are faced in our country with one of the great tragedies of our times.

We have been trying to deal with this problem through a state program of treatment, education, and a very strengthened law enforcement effort. Despite the fact we have 14,000 addicts under treatment, we have just increased our appropriation to include a program that can accommodate another 20,000 under treatment. But this problem is getting ahead of us, it has spread from the colleges into the high schools and down to the elementary schools, and we have a scourge of serious proportions with tremendous implications for the future of our country. It is a human tragedy of the first order and we have come to the conclusion in New York that this is not a problem that can be dealt with by state government alone. It involves the entire mobilization of our community and an all-out war against drugs and, therefore, I have been going around the State having meetings and trying to get the local communities, the churches, the schools, the parents, everybody involved in a total effort. I do not think anything short of that is going to get at what is one of the most serious sicknesses that our country has faced. With that as a brief background, I would like to read the resolution which is before you, which covers this situation, I think, succinctly.

"The National Governors' Conference recognizes the growing epidemic of drug abuse and addiction and the need for consideration of this problem by this committee as well as the Committee on Law Enforcement, Justice, and Public Safety." I might say here that we have been working very closely with Governor Shafer and his committee, because, of course, this is a law enforcement problem in the sense of the sale of drugs, but secondarily because the hard addicts, the narcotics addicts and heroin addicts, are responsible for about half of the crime, so there is a double facet in terms of the responsibility of law enforcement agencies.

"It further recognizes that this problem is national in its scope and not limited to any geographic, social, or economic group. Therefore, the following steps are recommended:

"Federal and state government should cooperate in the development of a coordinated attack on the narcotics problem. Such an effort should include law enforcement, prevention, and treatment. Toward this end, a joint Federal-State Coordinating committee should be established.

"Prompt diplomatic action should be taken by the federal government to reduce the illegal importation of narcotics and other drugs.

"States, in cooperation with local governments, should undertake a major public preventive education campaign involving a broad range of community resources including local schools to assure that the true nature of drugs and addiction is well known.

"A full range of treatment resources should be made available to all addicts who can benefit from it. Substantial federal financial resources should be devoted to the funding of a broad range of flexible state and local programs.

"The States should join with the federal government in an effort to determine the basic underlying causes of the growing drug abuse problem. Such a study should examine the underlying social issues which may lead to addiction as well as the causal processes which promote initiation, continuance, termination, and relapse in drug usage."

This is the resolution. I might say that for those of you who haven't yet become involved in a major way in this we in New York have this year a budget of \$140,000,000 for operating expenses for the program in the State, plus \$200,000,000 of loan funds available to local governments for the building of facilities for treatment. We have already spent a quarter of a billion dollars, so that we are talking about a tremendously expensive program, and only with effective federal cooperation on a large scale are these efforts going to be carried out on a national basis. The resolution is before you. I don't think there is any more urgent subject that we face as Governors in this country today. I move the resolution.

GOVERNOR DEMPSEY: I second it.

GOVERNOR LOVE: It has been moved and seconded that the policy

statement on narcotics be adopted. Is there any discussion? I will call on Governor Ferré.

GOVERNOR FERRÉ: Mr. Chairman, I really think that this resolution doesn't go far enough. I think that the matter of narcotics should be viewed with great alarm and that we should ask that this be called a national emergency. We have been going by steps in trying to take care of this problem and it has been growing by leaps and bounds. All of those States that have not had a narcotics problem up to now are beginning to get involved in it, and I think that it requires a national program which would be uniformly applied to all States of the Union, so that we can have a national policy to control this narcotics situation. I, therefore, would like to move that we view with alarm the growing problem of drug abuse and that this Conference, as well as the Committee on Law Enforcement, consider this as a national emergency. I so move.

GOVERNOR NELSON ROCKEFELLER: Are you familiar, Luis, as to what the implications, from a legal point of view, would be of a national emergency declared by the federal government?

GOVERNOR FERRÉ: I don't know the details, but I do know that this is a very major matter and it requires major measures.

GOVERNOR NELSON ROCKEFELLER: I certainly agree with you on that, and the federal government has started a very important program of stepping up its law enforcement and its work in the diplomatic field, but as yet has provided no funds directly for support of programs at the state level or the local level, except as you might get it under Medicaid. I might mention, as a matter of interest, that the new provision recommended by the Administration about maintenance after ninety days in the hospital would have a very adverse effect on the one area where we get federal funds, namely, for the care of people who are under treatment and that would be knocked out after ninety days, and everybody knows you don't cure an addict in ninety days. I think that we ought to really consult with our parliamentarians as to the implication of a national emergency so that we would know what we are doing if we asked the federal government to declare a national emergency relating to drug abuse.

GOVERNOR LICHT: I assume that Governor Ferré from Puerto Rico means we have a national crisis and there is no doubt in my mind that we do. I wanted to say with respect to this policy statement that we in Rhode Island have provided, for the first time in history, inpatient facilities and outpatient care, after-care, in a civil commitment law. I concur with you, Governor Rockefeller, that we know we are not moving fast enough to meet the very serious problem. Governor Walter Peterson earlier stated that the New England Governors in their meeting had an outstanding report on the growing problem of drug abuse and came up with certain regional facilities for these programs. The problem, of course, is federal funding. When we went, for example, to Congress, Governor Peterson has stated that its interpretation was such that drug abuse control was

not economic, although we indicated that perhaps billions of dollars are lost because of drug abuse addiction. I concur in your call for that kind of participation. Without a national commitment, the trouble with drug abuse is it knows no boundaries, neither geographic nor economic, and unless there is a national commitment, in my judgment, we are going to see an increase of this devastating human tragedy.

**GOVERNOR NELSON ROCKEFELLER:** I share the feelings of the Governor of Rhode Island. I have been to Washington on a number of occasions discussing with Congressional delegations this problem. I don't think that there exists today in the Congress the sense of urgency which you describe, and it is a very disturbing question, because there seems to be, on the basis of my discussions there, no intention of any major federal program, certainly at this session, and there are no bills which would give indication that this was to be done.

**GOVERNOR LOVE:** I would like to ask the Governor of Puerto Rico, with the thought that we are not prepared to examine fully the implications of national emergency, would you be agreeable to some wording such as a national crisis?

**GOVERNOR FERRÉ:** I will be willing to accept "national crisis," but we must have some uniform laws through all the States so that there is not a difference in the way this problem is attacked. That is why I think that the national crisis is a very important concept.

**GOVERNOR SHAFER:** I think the comments of the distinguished Governor of Puerto Rico are very well taken, because it is a national crisis. We could amend the first paragraph by saying, "It further recognizes that this problem is a national crisis and not limited to any geographic, social, or economic group." I think that would cover the point you want to be made for both Congress and all of the people of our country.

**GOVERNOR LOVE:** With that in mind, is there a second to the motion to amend?

**GOVERNOR WALTER PETERSON:** I second it.

**GOVERNOR LOVE:** It has been moved and seconded to add the words "a national crisis." The motion has carried. Governor Knowles of Wisconsin.

**GOVERNOR KNOWLES:** I am wondering if the definition of narcotics is broad enough to include dangerous substances. Although you refer to "other drugs," there are certainly many substances today that are not narcotics and I would suggest that perhaps a modification along this line might at least clarify the thrust of the resolution.

**GOVERNOR NELSON ROCKEFELLER:** What line are you reading from there?

**GOVERNOR KNOWLES:** Starting from the top of the page, where you refer to narcotics, I would put in "Narcotics, dangerous drugs, or other drugs

and dangerous substances which do not come within the definition of narcotics."

GOVERNOR LOVE: Is the suggestion that the title be amended?

GOVERNOR KNOWLES: Both the title and the first paragraph: "The States should cooperate with the federal government in the development of a coordinated attack on the narcotics problem."

GOVERNOR MANDEL: In response to what Governor Knowles has said, in Maryland we worked out a model law based on the law pending in Congress and we used that exact language, together with the federal officials, and defined what dangerous substances are. I think you will find that will be in all the laws, the words "dangerous substances" and then further defined. There are non-narcotic drugs that are just as dangerous in present-day use as are narcotics.

GOVERNOR KNOWLES: In Wisconsin we have defined a dangerous substance as a mind-altering drug, which includes LSD, and the amphetamines and the rest of the chemical type of drugs which come under our law regarding dangerous substances.

GOVERNOR NELSON ROCKEFELLER: Fine. If the intent of the group here is to limit it to those items that are defined in law by both the federal government and other States, then I think we are all right.

GOVERNOR LOVE: It has been moved that the amendment—I believe you understand it now; it is simply a broadening beyond the word "narcotics"—to include "dangerous substances and other drugs." It has been moved and there was a second.

GOVERNOR HEARNES: Question.

GOVERNOR LOVE: The motion has carried.

GOVERNOR NELSON ROCKEFELLER: Thank you very much, Mr. Chairman and Gentleman. This concludes the committee report.

We now have a unique opportunity to hear from the new Secretary of Health, Education, and Welfare. I might say he is one of our own in the sense that he was a Lieutenant Governor and then Attorney General. Both at home and abroad his recent work as Undersecretary of State has received the highest recognition for the uniquely able job he did in that most difficult assignment. I know it is a great loss for our foreign policy to have him leave the Department of State, but I am sure that it is equally fortunate for all of us at the local level who are dealing with the problems of health, education, and welfare. It is a great pleasure to introduce a wonderful person, Elliot Richardson.

SECRETARY RICHARDSON: Thank you very much, Governor Rockefeller, for those very generous words of welcome and introduction. Governor Love, distinguished Chief Executives, and guests of the Governors' Conference:

I am delighted to be here in my new capacity, although if I keep changing jobs at this rate I am afraid I will lose any possible claim to being qualified for anything. At any rate, I do at least have the background of having served with a

very distinguished Governor, John Volpe, as the coordinator of health, education, and welfare programs at the state level. That experience does, I think, qualify me to select, with appropriate feeling, a text drawn from Governor Rockefeller's distinguished lectures on federalism. The text reads: "The federal idea is not an excuse for keeping these things from being done. It is almost the exact opposite—a flexible and imaginative device to open not one but many avenues of political action for economic and social progress." To insure the continued viability of the federal idea, we must rationalize the haphazard allocation of responsibilities which has been the inevitable byproduct of decades of explosive growth in governmental size.

Gentleman, in recognition of the hour, I do not propose to make a sustained address of any sort, but I would like to call to your attention the outline which has been distributed to you. You will see that it touches on a number of aspects of the new federalism, as well as on subheadings of that broad subject that are of particular concern and responsibility to us in H.E.W. particularly the Family Assistance Plan. On this score I would simply call to your attention the summary. This, I think, reduces to as few words as possible what we regard to be the most important elements of this major initiative, an initiative which has been called revolutionary and certainly does offer at least the opportunity to make a new start in cleaning up what I am sure is going to be regarded as a totally unsatisfactory situation. Turning, then, to the next heading you will see the words "Social Services Amendments." This I think has particular importance and relevance because it proposes a new kind of step that would strengthen the role of the Governor in the development of a consolidated, broad-scale approach to the planning of social services. It provides for the allocation of \$30,000,000 to the States for government assistance grants. The Governor who submitted a consolidated state plan embracing social services in at least one other area of health, education, and welfare responsibility would, in addition, be empowered under this proposed legislation to make transfers among the programs covered by the plan to the extent of a maximum of 20 per cent of any given authority but not to exceed an increase of 50 per cent in the amount otherwise allocated to an existing program.

In testifying recently before the Senate Committee on Finance, I did have the opportunity to read from and ask to have inserted in the record a very helpful letter addressed to me from Mr. Charles A. Byrley on behalf of the National Governors' Conference which notes the fact that these provisions will be significantly helpful to the Governors and that they embody goals long sought by Governors and other state officials. So I hope we can count on your support in this area. I could elaborate at considerable length on why I believe it is so important that you should have this authority, but I am sure every one of you can document the case independently. I also would like to call your attention to another letter. This one has been distributed to all of you. It is a



letter from me to Governor Daniel Evans. It deals with a number of quite specific technical problems arising under the administration of the proposed Family Assistance Plan and I hope that, in significant respects, it will resolve problems that have bothered a number of you.

I was very pleased, Governor Nelson Rockefeller, to note that in the report of your committee you referred to the Family Assistance Plan as an excellent first step. Some would say it is a pretty big step. At any rate, we are convinced that it is a necessary step. If there are other questions in regard to the pending Family Assistance Plan or problems involving welfare generally, I do have with me the Director of Family Assistance Planning, Mr. John Montgomery, a former welfare director of California. With him is Mr. Charles Hawkins, Special Assistant to the Administrator for Legislative Affairs in the Social and Rehabilitation Services Administration. They and two of their associates are available to you from the lunch hour until at least early afternoon for any questions or problems or messages or criticisms that any of you would like to communicate. Let me simply say that, while recognizing and hopefully encouraging state governments to develop their capacities for joint planning, we are cutting across the categorical lines with approaches to the needs of human action. We also recognize that this is not a problem applying only to state governments. It has become clearer than ever to me in the few short weeks that I have been back at H.E.W. that we have a long way to go internally in order to be able to relate our programs effectively to any broad, joint planning capabilities that are developed by the States. The resolution you just adopted on drug abuse is a case in point. H.E.W.'s capacity even to use the funds it now has in collaborating with you on effective attacks against the problem of drug abuse is hindered by the categorical subdivisions of our funds. But, beyond that, there are habits of administration that tend to impede the development of interrelationships within H.E.W. that would enable us to deal with that kind of a problem in an across-the-board way.

Just as you at the state level and the heads of municipal governments need to develop this capacity, so also do we. There is no way, obviously, of creating a structure that does not involve artificial boundaries in jurisdiction, whether you divide problems by age, or by disease categories, or in terms of economic levels, the poor, the aged, and so on; all of these are artificial in a sense. They may be convenient, but we have to learn how to overcome the impediments. Now, Mr. Chairman, if it would be appropriate and if there is any time still left, I would be glad to try to respond to any questions or hear any comments any of you may have. I realize better than ever how important it is that we in the federal agencies find more effective means of working with you. I hope that there will be many occasions when I can come back and have opportunities to work with each of you individually.

GOVERNOR LOVE: Thank you very much, Mr. Secretary. Governor Rampton of Utah.

GOVERNOR RAMPTON: Mr. Secretary, I would like to direct a question to you concerning the optional programs under Medicaid. As I understand, there were five required programs and six or seven optional programs. The State of Utah, and I am sure most other States, elected to go into all of the programs. We are all having trouble, as you know, at the present time, with over-utilization of these programs, and we are running out of state money. But, when we attempt to drop an optional program, there are so many requirements to meet that we can't do it. For example, we had to complete a utilization study of all of the essential programs and we are told that it will take a year or two years to complete a satisfactory study. We can, I suppose, if we run out of money, cut the program off two weeks short of the end of the year or something like that. Why can we not be permitted, if we meet your requirements of not diminishing over-all expenditures, to determine our own priority as to the optional programs and drop an optional program if we desire, rather than reducing some of the other programs proportionately?

SECRETARY RICHARDSON: I think this is a very well-taken point, Governor Rampton. It illustrates the problem that arises at many points in the interrelationship between the federal government and the States in the field of welfare. It is touched on with respect to other aspects of the welfare program in my letter to Governor Daniel Evans. The central issue, really, is what is necessary in order to try to assure that the federal government's participation in a program does not bring about a reduction of state effort. Essentially, I suppose, what we visualize is that by adopting additional options, States would be encouraged to remain at that level.

I hope, in any event, that we can address this problem, not in the context of the existing Medicaid legislation, but in the context of the Family Health Insurance Plan which has been outlined in a submission to the Senate Committee on Finance and which the President has promised to submit in legislative form to the Congress by February 15 of 1971. This would be a plan under which the full federal share of existing Medicaid would be supplanted by a program of health insurance for all poor people, including the working poor. One of the things that will have to be worked out between now and February 15 will be the provisions under which the States would participate in this program. In the process of doing this, we could and, I think, should look at the question that you have raised.

GOVERNOR RAMPTON: May I pursue that just a little more. Our problem is, Mr. Secretary, that most of our legislatures are not in session at the present time. I suppose we could call a special session, but if I had the authority administratively in my State, I'd elect to drop the dental program rather than reducing the number of days in the hospital that we provide for. As I understand it now, we just have to cut the thing proportionately across the board. I realize that you do have a new bill coming up, but it is not going to be effective this

fiscal year, so our problems are going to mount on us long before the new bill becomes effective.

**SECRETARY RICHARDSON:** Governor, I just consulted my expert friend, Mr. Charles Hawkins, who was, I might say, one of my closest friends and colleagues at H.E.W. when I was there a dozen years ago. I think it would be worthwhile perhaps to talk with him further after this. This problem could very well depend on the state plan itself. The discretion, I know, tends often to be limited by the statute under which we operate. For example, I have just had occasion to write to the Governor of one State in connection with a cut in the appropriations for Medicaid. The question then is whether they are out of compliance with the federal law. This is a serious problem. It is addressed partially, as I said, in my letter to Governor Evans, and I think we are going to have to look at it more closely as States move into a period in which the competing claims for funds present ever more critical problems. The question in every case is how far should we go in preventing flexibility when a State has initially assumed a responsibility that is, from a national standpoint, a desirable thing for the State to do?

**GOVERNOR LICHT:** I know you have been concerned about the question of reimbursement of hospitals based on the source formula and that the matter has been under consideration by you. Is there something you could tell us with respect to that situation at the present time? It would be very helpful if you could.

**SECRETARY RICHARDSON:** There are a couple of things, Governor Licht, I could say very briefly. One is that we have proposed regulations that would change the basis of reimbursements for hospital care. It is the first time we have introduced a differential between the Medicaid reimbursement level and the Medicare reimbursement level. The other thing that is pertinent at the moment is that we have, at the urging of Governor Sargent of Massachusetts and some others, and you may have been associated with him in this, Governor Licht, amended our participation in reimbursement so as to provide that this can be done on the basis of the charges recognized by the State itself under the State's own provisions for the determination of eligible reimbursement. This, I think, after having worked in Massachusetts in the establishment of a uniform rate setting commission for all the dozen or so state programs purchasing medical care or services in some form, is a desirable step which makes effective for purposes of federal reimbursement, the State's determination that is made by such a body.

**GOVERNOR LOVE:** Thank you very much, Mr. Secretary. As you fully realize, your department is at the heart and center of most of the concerns, certainly the great majority of the money that we deal with at the state level. We appreciate your coming and we look forward to working with you. I have a few announcements. First I have a letter which I received yesterday which I would

like to share with you from the Vice President. It reads:

"With warm memories of my days as a participant and member of the National Governors' Conference, I send cordial greetings and best wishes for a successful meeting.

"All of the Governors are to be commended for their cooperative efforts relating to our many federal, state, and local problems which are increasingly affecting the public interest. I am highly pleased with the awareness evidenced by the Governors to improve the rapport and effective relationship between your state government and the local subdivisions of government which comprise it. Only in so doing can a true new federalism be fully achieved.

"Although I am unable to be with you in person, be assured of my continued deep interest in the programs and activities of this Conference, as well as my full confidence in your ability to exercise the leadership demanded by the issues and problems of our day.

"Kind personal regards, Sincerely".

It is signed "Ted".

GOVERNOR JOHN BELL WILLIAMS: On behalf of the Governor of Alabama, Mr. Brewer, I ask that he be given leave for the submission of a policy statement for consideration tomorrow.

GOVERNOR LOVE: It will be so noted, and the prepared text will be distributed today, as I understand it. Are there any others who wish to give notice? Governor Tiemann.

GOVERNOR TIEMANN: Mr. Chairman, I would like consideration of a resolution which is placed before you dealing with disaster relief in the two Texas disasters. I would ask for consideration of this resolution.

GOVERNOR LOVE: It will be so noted. Are there any further notices in regard to the suspension of the rules? If not, it is my understanding that press conferences have been scheduled for the two chairmen of the session today, 1:15 for Governor Ellington of Tennessee, and at 2 o'clock for Governor Rockefeller of New York. Governor Dempsey also has asked that I announce that the Democratic Governors are going to meet for luncheon today in the Sierra Room at 1:30. Governor Shafer has asked that I remind you all that the Chief Justice of the United States, Chief Justice Burger, will be here to speak to you tomorrow. Mr. Cridfield has an announcement in regard to the function tonight.

SECRETARY-TREASURER CRIDFIELD: Governors, will you please read carefully the memo that I gave you when we passed out the tickets for tonight, especially the details regarding where and when the Governors and their wives meet for the march in. Please be sure to pick up your papers. This is the room where the state dinner will be held. Take everything except your name plates.

GOVERNOR LOVE: If there is nothing further, we stand adjourned.

## State Dinner

The Annual State Dinner was held on Tuesday evening, with Governor John A. Love presiding as Chairman of the National Governors' Conference. The Governors and their ladies were introduced couple by couple upon their entry into the ballroom. Following the Pledge of Allegiance and the National Anthem, the invocation was pronounced by Reverend G. Nelson Duke, First Baptist Church, Jefferson City, Missouri.

Governor Warren E. Hearnes, Host State Governor, spoke briefly and Governor Love read the following message from the President of the United States, Richard M. Nixon:

"The theme you have chose for your Sixty-second Annual Meeting—The States in the '70s: Catalyst for Action—rightly spotlights the vital role of the States as we address both the persisting old needs and the emerging new needs of the decade ahead.

"All of us are called on to define anew the role of executive leadership in a society embarked on an open-ended quest for equality. I say "open-ended" because there is no possible way to put the finishing stroke to the idea of forward motion in terms of this society's expectations and capabilities. Our common task, yours and mine, is to rethink old relationships, reform old programs, and restructure old institutions. We must devise new strategies and new vehicles. And we must work together as partners. This new thrust for quality can be seen in the federal budget priorities for the current year—the first in twenty years in which human resource investments surpass defense spending. It also underlies our basic approach of reform, restoration and renewal—in welfare, in the environment, in education, in government operations and services, such as the postal service—and all across the board. And it is the basis of the New Federalism.

"The New Federalism articulates a wholly new concept of what our emerging domestic agenda requires and an abiding commitment to intergovernmental partnership. It involves a melding of purpose, a mingling of resources, and incentives to private and voluntary efforts. It recognizes, quite centrally, the ever greater roles and responsibilities the States must assume, and it seeks to help ensure that they will have the means—and the authority—to fulfill those roles and carry out those responsibilities.

"We will succeed in our larger purposes only as we succeed in marshalling the total capabilities of American society. There are differences among us about how our goals should be attained. There are difficulties to be overcome. But working together, we can resolve our differences and share, as partners, in a renaissance of the federal system and a rebirth of the American spirit."

Entertainment was provided by Jane Morgan and Jackie Vernon, and dancing ensued during the remainder of the evening.

## WEDNESDAY SESSION

August 12

GOVERNOR LOVE: I will call this meeting to order, and call on Governor John Dempsey of Connecticut, who is Chairman of the Committee on Rural and Urban Development, who will preside at today's first program session. Governor Dempsey.

GOVERNOR DEMPSEY: Governor Love, my fellow Governors: It is the carefully considered and unanimous opinion of your Committee on Rural and Urban Development that the time has come to formulate a national growth policy or, as the Committee has termed it, a "National Community Development Policy." Too much is at stake, too many lives are being affected, too much of our natural and hard-earned wealth is being dissipated to let our federal administration, our Congress, and at the same time our States and municipalities, rush from the solution of one crisis to another, without clear guidelines and priorities for achieving a better quality of life.

My fellow Governors, I want to stress the amount of effort that has gone into this report and its policy recommendations by top staff members that you have personally designated. It has been my real pleasure to serve as Chairman of this Committee, a group of hard working and dedicated Governors; and may I particularly commend Governor Tiemann who served as Vice Chairman and ably represented your Committee's interests in hearings before Congress and in sessions with the national administration. Before discussing this report, with the help of my fellow Governors, I would like to note the success the Committee has enjoyed in seeing the implementation of a significant number of the policy statements as adopted by our 1969 conference.

Further, I would also note the rapidity with which our States are moving to participate actively with our localities in orderly development through such instruments as departments of community affairs and offices of local government. Twenty-seven of those agencies met in Washington last June to exchange ideas and seek mutual solutions to problems. Secretary Romney, acting on the request of this Committee, established a special "State-Model Cities Advisory Committee".

Gentlemen, before you today is a report which outlines a national community development policy. In his State of the Union message early this year, the President called for and pledged to develop a national growth policy.

Your Committee's report identifies areas and issues of national concern and defines what such a policy should encompass. The Committee has unanimously agreed that such a policy must contain at least two basic components—those relating to population growth and distribution, on the one hand, and continued economic growth and development, on the other. These two major policy areas must be supplemented by component policies relating to the allocation of natural resources, agriculture, transportation, housing, human resource development, and financing and administration.

My fellow Governors on this Committee are prepared to discuss a number of the policy components today and also some of the specific implementing actions which might be of immediate use in beginning to put these policies into effect. Before I call on them, I wish to emphasize to all of you the need for such an over-all policy as is called for in proposed policy position A.-1. Each of the Governors on this Committee will discuss certain aspects of the report and other subjects related to it. After their remarks, I shall offer a motion for the purpose of adopting the entire "National Community Development Policy" as a package. My fellow Governors, it is now my pleasure to introduce to you Governor Preston Smith of Texas.

GOVERNOR SMITH: Governor Dempsey, Mr. Chairman, and fellow Governors: I speak with you on this occasion to the question of adoption of a national policy on population growth and distribution, proposed policy statement A.-2. This is a national problem. It is not a problem that is unique to any State. We need only look at any of our cities to measure the strain of population growth. We need only look at any of our rural communities to measure the tragedy of unbalanced population distribution. Earlier in the history of this nation, we took pride in our ever-increasing population, and there was reason for our pride. It took many courageous Americans to conquer the wilderness and to advance the frontiers of knowledge, and we succeeded in it; perhaps it is that we succeeded too well. Some of us now would be willing simply to co-exist with our surroundings, yet pride and population growth persist, often without reason.

We have reached a point in our history, however, when numbers alone cannot describe progress. Today we talk about the quality of the environment, and we talk about the quality of consumer goods. We should, however, think about population growth and distribution in terms of the quality of life. Population growth and concentration has contributed greatly to poverty, to slum conditions, to pollution, the rising crime rate, to drug abuse, to shortages of power and water, and, of course, to many other things. Except for natural disasters, such as tornadoes, hurricanes, and so forth, there is no problem in the experience of Man that has not been caused by him. We know that uncontrolled urban sprawl has made new and sometimes excessive demands on the cities' services. We know that mounting costs for less services are depleting the limited

resources of our cities and are unparalleled in the history of this country.

No less critical, I might remind you, is the burden, the isolation, and the starvation of our rural and small urban areas. The exodus of migrants from these communities in a futile search for a better life in the metropolitan area has left us in America with more ghost towns than all the gold rushes did. As a result, local governments are unable to provide satisfactorily for the physical, the social, and the economic needs of our people. I, for one, am not willing to accept that we must have only rural ghost towns and urban nightmares. This is a problem which must have the highest priority for solution. A national population growth and distribution policy must be formulated which is in harmony with the States' planning policies. Indeed, the policies of the States must provide the basis for a national policy. We recognize that each State has its peculiar problems and that each State has its different capabilities for solving those problems. We recognize that each State has individual resources and ongoing programs which must be brought into play. The essential missing element for a national policy is the support and cooperative efforts of all fifty States.

Here is what is happening now in the State of Texas and, no doubt, in many of your States. The preliminary 1970 census figures indicate an over-all population increase of more than 14 per cent for Texas. The ten largest cities in our State increased in population by more than 18 per cent. The rural-urban shift has not been halted. The migration of our population has severely affected the economic capabilities of both the losers and the gainers in population, and has resulted in a problem demanding the development of realistic new approaches. We have no misty eyed notion that we can reverse the trend of Texans to migrate to the cities. We have, however, taken a practical approach. We have taken an approach to offer Texans a wider range of choices of where to live, to work, and to play.

Governor McNair, as he stood before you yesterday, stressed the necessity for goals to be sought and goals to be attained in state government. In Texas, we initiated a program identified as "Goals for Texas". Each of you received a copy of the published results of the first phase of this program. "Goals for Texas" was extensively studied at the state level to set primary objectives for state agencies and to coordinate spending for a biennium, for a six-year, and a ten-year period in the ten major categories of state government activity and programs. We have learned many of our strengths, and I can assure you that we have learned many of our weaknesses. The most important part, however, may be that we have unified all state agencies and services into a total effort for the first time.

"Goals for Texas", Phase II, was exactly the same program at the local and regional level. Regional task forces of local citizens identified what they considered their primary, their intermediate, and their long-range goals. Over 7,000 citizens from all social, economic, and ethnic groups participated in this monumental effort. It is a people plan for action. "Goals for Texas", Phase III,



which is the final one, will analyze and evaluate the earlier phases in order to integrate the planning process with the budget process. Our budget message to the state legislature in 1971 will develop legislative and budget recommendations around the needs of the people as expressed in the goals process.

By executive order, we created an Urban Development Commission. This Commission consists of 100 of the most able and well informed Texans ever brought together for volunteer public service. This Commission is action oriented. It has been charged with the responsibility of producing workable recommendations to solve our State's urban ills. We have initiated on the state level a program to meet the immediate needs of rural and urban areas. This is a program designed to revitalize the small communities in Texas, those with a population of 12,000 and under. Action meetings have been held in each of the twenty-one state planning regions with the civic and community leaders who live in those regions. Before each meeting, a member of my staff holds in-depth interviews with community leaders to find out what they consider their needs to be. Each meeting, then, is tailored to respond to the needs of the communities and the region. Representatives from state and federal agencies, which have programs of assistance that apply to the express needs, are asked to attend. All of our county and small city officials and other community leaders have an opportunity to discuss their problems with state and federal representatives. Personally, I have attended and participated in every meeting.

A companion program provides technical assistance and advisory services to cities which have a population of over 12,000 people. These two programs, "Texas Communities' Time" and "Technical Assistance to Local Government", are designed to bring the full range of state and federal assistance to bear on the solutions to local problems. These two programs implement our over-all objective, an objective to offer Texans as many options as possible in choosing a place to live and to work. We believe that we are successful. A recent Dun & Bradstreet analysis reported that nearly 30 per cent of all the new plants located in Texas during the last decade were in the smaller towns and cities. Texas stands ready to join with the other States and the federal government in combating, on a national scale, urban, social, and environmental decay, so that all Americans will have more attractive choices of places to live and to work.

Mr. Chairman, I wish to endorse the adoption of a national policy on population growth and distribution, one that is consistent with the following policy position. This policy should be developed in concert with state and local planning agencies, to lessen the congestion, and to reduce the pressure on the already overburdened resources of our cities. This policy should be one to offer opportunities for the free movement of all of our citizens to realize their maximum personal potential. It should be one to match manpower and job training programs with the needs for community development. It should be one to lessen the problems of transportation, environmental decay and social services

that are not being adequately dealt with for today's population. Finally, such a policy should be constant with the urban-rural balances of needs and regional potentials.

**GOVERNOR DEMPSEY:** Thank you very much, Governor Smith. Your Committee is indeed very pleased that many Governors outside of the Committee have offered to assist us, and such is the case this morning in introducing to you a man, a non-member of our Committee, but one who understands our program and our problems only too well. It is a pleasure to introduce to you the Governor of the State of Pennsylvania, Governor Shafer.

**GOVERNOR SHAFER:** Thank you very much, Governor Dempsey. Mr. Chairman, you will be hearing a bit more from me just a little later on, but I am very pleased to rise to support the recommendations of your Committee, in general, because as you and your Committee members have stated, the time has come when we can no longer rush from the solution of one crisis to another without clear guidelines and priorities for achieving a really better quality of life. That is exactly what we are attempting to do in Pennsylvania. We have developed what is known as "Pennsylvania's Urban Program", and in it we have taken up the various categories that do affect each of us in every one of our States. To be sure, it affects some of us to a quite different degree than others, but I think that if we deal with our myriad problems, and if we talk in terms of broad guidelines for the development of our State and of our communities, then I think that the future is assured in meeting this particular crisis.

The formulation of a state urbanization policy is a key component. In viewing the urban crisis facing Pennsylvania and the nation, however, we should not lose sight of the fact that the problems of the cities and those of their surrounding suburban and rural hinterlands are inextricably intertwined. While Pennsylvania has long been characterized as an urban State, the present urban pattern is a reflection of the national trend toward increasing urban concentration. As of 1968, nearly eight out of ten Pennsylvanians lived in twelve metropolitan areas. You know, policy making is not a technical art. It proceeds more tentatively and incrementally than the planning of specific actions or works. As a statement of goals and guides to actions, a state urbanization policy, any more than a national urbanization policy, cannot be envisioned as a single, grand pronouncement. Rather, such a policy is an evolving process, growing out of a variety of regional and local actions and experiences, all directed toward that most complex and elusive phenomenon called development. That is exactly what the distinguished Governor of Connecticut and his fine Committee have attempted to do in the policy recommendations that they have made to this Conference.

One more point that I would like to make is that one of the aspects of a policy has to involve new towns. The new towns idea represents an important method of coping with future urban growth in an orderly manner. Many are of

the opinion that new towns offer unique opportunities to combine private enterprise and business objectives with the broader social, economic, and political goals of our society. New towns, however, are essentially an answer to questions of orderly new growth. The interest which has been generated by the new towns concept, both nationally and in Pennsylvania, points up the need for a broad, multi-faceted approach to state development. I sincerely recommend that the Conference adopt, in general, the recommendations of the policies enunciated by Governor Dempsey's Committee, and I am very pleased to rise for that purpose.

GOVERNOR DEMPSEY: Thank you very much, Governor Shafer, for your report. To discuss the "National Economic Development Policy," as proposed in policy position A-4, and "A National Agricultural Development Policy", which relates to proposed policy position A-5, it is now my pleasure to introduce to you the Vice-Chairman of our Committee, Governor Norbert Tiemann of Nebraska.

GOVERNOR TIEMANN: Thank you, Governor Dempsey. I first want to call the attention of this Conference to the great piece of work which the Task Force assigned to this particular duty has accomplished. We commend you, Governor Dempsey, for your splendid leadership in putting this whole framework of the national growth policy together. Because of the lack of a national growth policy or a national population distribution policy, we have seen and will continue to see programs established and implemented which are designed to cure or curb an urban problem, but which work against rural America, or vice versa. We must call for action now on some of these problems. Alteration must be made of federal policies and assistance programs that inhibit growth in our smaller cities or that, in fact, discriminate against small communities.

Let me give you a few examples. The "Worst-First" priority system of the Economic Development Administration program is not really compatible with a successful growth center concept. The first priority must be on developing the growth centers. I am pleased to note that Secretary Stans, of the Department of Commerce, has indicated a possible change in its "Worst-First" policy. EDA's criteria do not recognize that substantial out-migration is a valid indicator of economic problems. In Nebraska, as in many so-called rural States, we do not have high unemployment rates in our lagging counties because a lack of jobs has caused an immediate out-migration. One of our cities in the panhandle of Nebraska has an unemployment rate which is quite low. This would be much higher if those who were out of a job would go down and register at the unemployment office. They don't do that in the Great Plains States; they go where the job is, as opposed to certain other areas of the country.

In the area of housing, the Farmers Home Administration has residency requirements for home loan applications. The applicant must establish residency

in a community of under 5,500 population prior to application; therefore, it is impossible for persons moving from larger cities to smaller communities to obtain such loans. What I am saying is let's not write off the small communities of 5,500 population and under. In many Midwest and Great Plains States, we have communities of this size which have a good, sound base and which have the capability of absorbing population growth. As a matter of fact, in the past decade, almost without exception, every town in Nebraska of 5,000 or more grew in population.

Inequities also exist in water and sewer facilities. As you know, the Farmers Home Administration makes loans and grants to communities under 5,500 for construction of water and sewer facilities, while the Department of Housing and Urban Development makes grants to the larger communities. The Farmers Home Administration encourages loans to be made to communities, but when grants are made, they are not at or near the 50 per cent level. The result is that the small communities receive a small percentage grant, while larger communities receive a higher percentage grant. The federal government should also consider secondary benefits of resource development projects rather than just primary benefits. For example, a water resource project may not be economically feasible based solely on benefits of flood control, irrigation and power, but coupled with tourism and improving attractiveness of an area to investors could mean a new growth area. The majority of these areas would most likely be in rural America. Transportation facilities are, of course, vital to generating employment opportunities and would be of primary importance in any national population distribution policy. Yet the transportation infrastructure in the less populated States, such as Nebraska, is deteriorating. The commercial air carrier service to non-metropolitan Nebraska, for instance, has recently been cut by 27 per cent. Rail freight service is likewise deteriorating, local bus transportation is fast disappearing, and rail passenger service is practically nil. The question of subsidies to the third level air carriers deserves consideration. We heard something about that on Monday from Governor LeVander. This most certainly deserves our serious consideration.

Box car shortages hit us hard each year. The freight rate structure places us at a disadvantage. There is a real need for an over-all national transportation policy, and it must consider the manner in which the country should grow as well as how it is now growing. Here we should call for a complete study by the Interstate Commerce Commission of the freight rate structure for mid-America to the coastal States for export of our agricultural products. A national community development policy must include policies also on transportation, natural resources, economic development, power development, and the list goes on. I believe that some of the examples which I have given over this broad range certainly reinforce the major components of a national community development policy.

A major component which is synonymous with rural America is agriculture. In establishing national goals and objectives for future development of this country, it is natural to look to the agricultural sector as one warranting special emphasis. Historically, the United States owes much of her strength to agriculture. Even though the Industrial Revolution and advancing technologies in farming methods have brought about a reduction in the number of persons engaged directly in farming, agriculture is still one of the cornerstones of our nation's economy.

GOVERNOR LOVE: May I interrupt just a moment to stress again that the noise level in the private conversations must cease so we can carry on the program and purpose of this meeting.

GOVERNOR TIEMANN: The decision with which we are faced today is not one of whether or not we should work to develop rural America. Rural America is going to develop. As our nation's population continues to grow, there will be an increasing need for space which is available in rural America. Our decision, then, is not whether or not rural America will develop but rather how it will develop. Through the establishment of goals and guides for future planning for rural America as well as more urbanized sections, we can be more certain that the growth will be orderly. The usage of our land should be the primary area of concern in a development plan for this country. While the broad expanses of land in rural America seem endless, haphazard land use could quickly eliminate this great resource. In establishing a national land use policy, several things should be considered. First, it must be recognized that there is value in the preservation of portions of that land in its more natural state. A strong effort must be made to preserve the natural, rugged beauty of the rural areas of the United States. As man's knowledge and technology increase so does his need for leisure time activities.

To encourage the preservation of our most fertile lands for maximum food production as insurance to future generations, consideration must be given to differential tax systems. Programs for future development of rural America should develop an atmosphere which would encourage food processors to conduct their activities near their raw materials. These programs should also provide cooperation by federal and state governments with industry in research to find new and expanded uses for agricultural products and in the development of foreign markets. Let me pause for a brief moment here and say that Nebraska has completed negotiations with a chemical manufacturing company in Japan for the use of some of the agricultural products in Nebraska. We are referring specifically to beef tallow with the manufacture of sugar ester. It is working out very well.

Finally, as in all planning efforts, systems must be built into rural development programs to insure close cooperation between all agencies, units, and persons involved. In a program as important as this, there is no room for

overlapping or waste of effort. There must be co-ordination of federal, state, and local programs in rural areas with reorganization and dovetailing of emerging state and local efforts and federal field organization. There must be recognition of state designated multi-county planning and development districts, primarily composed of local officials as the primary delivery system for most state and federal programs in rural areas. It is difficult, if not impossible, to expect that a national community development policy or a national growth policy can be reasonably formulated unless it involves a strong input from federal, state, and local interests. Failure in any legislation or any national policy to recognize the role of state government would inhibit the ability to adopt a policy which would be workable and realistic. It must be recognized that the successful formulation and implementation of any over-all policy will require the active participation of all levels of government. The interests of rural America must be recognized along with those of urban or suburban America.

It was my honor and pleasure on July 24 to present to President Nixon and several Cabinet members of the Rural Affairs Council, in a meeting with other Governors and mayors of the Great Plains States in Fargo, North Dakota, a report on that part of our proposed national community development policy framework which most directly relates to rural America. I am happy to report to you that the President and his Cabinet members were pleased that the National Governors' Conference has taken a large step forward in drafting this national community development policy framework. I also had the opportunity to appear before the House Banking and Currency Committee to testify on urban growth and new communities' legislation. In both meetings I tried to emphasize the necessity of treating the ills of urban and rural America together. Mr. Chairman, I hope that this national community development policy will be adopted, and that it will be formally submitted to the President and the Congress of the United States, and that we can all start working for legislation and implementation. Thank you very much.

GOVERNOR DEMPSEY: Thank you very much, Governor Tiemann, for an outstanding contribution. Gentlemen, to present to you "Rural Development", I now call upon the Governor of South Dakota, Governor Frank L. Farrar.

GOVERNOR FARRAR: Governor Dempsey, all I have is a couple of amendments. I will take them up at the proper time.

GOVERNOR DEMPSEY: Governor, if you would like to discuss them and move them now, we feel it would be a valuable asset to our report.

GOVERNOR FARRAR: I am requesting amendment to the statement on Agricultural Development Policy, and it reads as follows:

"In addition, Congress must act upon a viable farm program to assure rural America parity of opportunity with the rest of the nation. A new farm bill by Congress should be shaped to give rural producers an equal opportunity to share

in the nation's prosperity and growth, as all other areas. A federal farm program should be continued by the federal government until the market can maintain an adequate price for producers. A strong farm program is recognized as a deterrent to further out-migration from rural areas to crowded metropolitan centers, a necessary element for a growing economy, and vital to providing reasonable food prices for consumers, while assuring a fair return for all agricultural producers."

I would like to move the amendment to A.-5 as an addition thereto.

GOVERNOR LOVE: Governor, I believe the correct procedure on this is to wait until there is a motion to adopt the Committee policy report before we can consider a motion to amend. At the time that it is appropriate, if you will renew your motion, I will recognize you.

GOVERNOR DEMPSEY: Governor Farrar, did you have one more resolution?

GOVERNOR FARRAR: I have an addition to A.-12, which reads as follows:

"To assure balanced urban-rural growth, consideration should be given to a model rural area development program patterned after the model cities concept. It is noted most of the poverty in America lies in the very urban and the very rural areas of our nation. Unless immediate steps are taken to develop the delivery system of federal, state, local, and private resources through the concept of model development areas, this gap will widen at the expense of all Americans in both the urban and rural areas of this nation."

GOVERNOR DEMPSEY: Governor Farrar, our Chairman has advised me that we will accept it, and we will handle it in the same manner as we move for adoption. Will you comment?

GOVERNOR FARRAR: The greatest migration in the history of this country, and, in fact, in the history of the world, was the migration from the rural areas to the urban areas. This is not peculiar to the Great Plains States. In this migration, there is a difference between white and black. The whites leave the farms at a rate of 3.8 per cent to 4 per cent per year; the blacks leave at a rate of 10.5 per cent per year causing many of the major problems in the metropolitan parts of our country. The reason for these people leaving from all over the nation is a lack of economic opportunity—meaning jobs—in small towns and on the farms. Therefore, we need a farm program that must be sustained until the national and world food distribution system can provide a parity of opportunity for farmers so that they, too, can survive.

Again, the national trend, the national policy in the use of all funds has been directed to an urban orientation as opposed to rural orientation. Therefore, in addition to needing a farm program, we need a model rural area development program. We only have one urban renewal program in the State of South Dakota. The emphasis has to be away from the metropolitan and statistical areas, as has been proposed in the model cities, and the new towns concepts. If

this trend continues, the metropolitan areas will have further growth problems, will have mass transit problems, and ghetto problems and pollution. I want to again commend Bill Guy's Committee and this Committee for doing an excellent job. I think we must put a very strong emphasis in these two areas; one, a strong farm program; and, two, a model rural area development program. Thank you very much.

**GOVERNOR DEMPSEY:** The Chairman has advised me that when we make our motion for adoption, we will make the motion, as amended, to include both of your amendments. Thank you, Governor Farrar.

Gentlemen, I am happy to present to you Governor Robert Scott of North Carolina, who will discuss a national land development policy which relates to proposed position A.-7. In addition, he will discuss a national housing policy which relates to position A.-8, and a proposed policy regarding the model cities program which relates to position A.-12. Gentlemen, Governor Scott.

**GOVERNOR SCOTT:** Thank you, Mr. Chairman. I have been asked to comment briefly on those sections of this Committee report dealing with the national land development policy. The report which is before you emphasizes the need for such a policy. I think it is very important that we, as Governors, realize the need for efficient use of land, not only for ecological purposes, but also for the continued rational growth of our cities and towns. I would strongly urge that any proposed legislation establishing a national land use policy provide for planning on a regional basis rather than being limited solely to planning on the basis of river basins. Intrastate land use planning could utilize existing regional planning areas established by the States. Interstate regional planning agencies could provide the mechanism for implementing a national land use policy. It seems to me that the Appalachian Regional Commission approach is the one that should be used for a pattern rather than the approach as outlined and provided for in the Title V Commissions.

A word now about the national housing policy. I feel strongly that there should be a national housing policy to coordinate all of the housing investment and construction programs, in order that it might be tied in with a national community development policy. I think it is obvious that we are not meeting the pressing housing needs in our nation today. The current programs seem inadequate in that they leave many gaps to be filled in. At last year's Conference in Colorado Springs, I outlined and told you of an imaginative new housing program that provides home ownership for low income families, which had just been enacted by the General Assembly of North Carolina. This legislation has now been declared constitutional by our State Supreme Court, which a few days ago declared that decent and adequate housing is in the public interest. We are now ready to embark on this new program which we anticipate will provide 10,000 additional new single-unit, privately-owned, low cost homes per year. We feel very strongly that this program will enable North Carolina to catch up with its housing needs in the near future.



Also, this program—when fully operational—will provide some five and one-half million additional dollars of tax revenues. It has the strong support of the building industry because the program does not encroach upon free enterprise. Instead, it cooperates with the private sector.

There is need for a national housing policy, and such a policy should encourage all levels of government, in cooperation with private industry, to expand the availability of housing on a long-term mortgage financing. Just a word about the model cities policies. This Committee report recommends some changes in the current federal policy. I urge this Conference to adopt the proposed changes, because obviously some changes are needed. Four of North Carolina's major cities have been designated model cities by the federal government. Our State, on its own initiative, has committed itself to deliver, on an experimental basis, new and more intense services to these four cities. The state administration of the model cities program has been assigned to our Department of Local Affairs, which is developing a technical assistance delivery system. This department is directly responsible to me as Governor. North Carolina's model cities policy planning and technical assistance system enables us to provide a more effective response to local needs across the entire State.

To accomplish the task which I see before us, more technical support is needed from the model cities administration. The federal government places high priority on model cities, but, at the same time, it fails to supply the manpower to effect the program. Although advice is freely given, coordination has generally been lacking, and there has been a relatively small amount of federal technical assistance rendered to the States. To carry out the federal concept of government, the States need to be brought in. Mr. Chairman, I urge this Conference to adopt policy statements, A-7 relating to national land development policy; A-8, A-9, A-10, and A-11, the national housing policy and other matters relating to housing; and A-12, a policy on the model cities program.

**GOVERNOR DEMPSEY:** Gentlemen, if I might take just a moment. Our Committee is very grateful for the cooperation that everyone has given to us. Here today is one of our most interested spectators, John Price, who is a special assistant to the President of the United States, working with the National Domestic Council. Mr. Price, I would like to have you stand and take a bow.

I have already referred to the fact that Secretary Romney appointed an Advisory Committee on the State's role in model cities. This Committee is composed of members designated by nine Governors and has prepared a working paper covering a number of salient points of concern. A draft of this paper has been provided to each one of you, and your written comments and suggestions are earnestly solicited for the guidance of this advisory group. I thought you would like to know that a response to this working paper has been received from Assistant Secretary Hyde of HUD, who stated, "I have reviewed the policy recommendations and feel they represent a major step toward active involve-

ment of the Governors in the model cities program." The Assistant Secretary indicated his desire to develop and strengthen the essential partnership between local, state, and federal governments in a combined attempt to solve the critical urban problems facing all levels of government.

Gentlemen, the report before you and its recommended policy statements is the well considered product of a year-long effort by the Advisory Task Force, in consultation with representatives of the Governors and federal officials. At the conclusion of our presentation, we will welcome your comments and questions. The implementation of our report requires the continuation of a number of existing policy positions previously adopted by this Conference, the modification of two other existing policies, and with respect to policy position A.-10, we would like to add the words "and Congress" to clarify our favorable position on the administration's 1970 Housing Bill now pending in Congress. Further, we propose the deletion of certain existing policy positions. These actions are all covered in the report before you.

It is also necessary to consider mechanisms for developing and implementing the policy. As you will note, the Committee has stressed the need for Governors and local elected officials to be directly involved in the process of drafting such a national community development policy. We consider this of paramount importance, and thus we have suggested in proposed policy position A.-16 that the Governors meet with the President and the Domestic Council in formulating this policy. We also believe that the required intergovernmental co-ordination of planning grants should be provided by the same agency charged with policy co-ordination. Thus, in proposed policy position A.-17, we recommend that the Domestic Council, as the policy co-ordinating body, make such grants. It is important for us to realize in considering this report and its recommendations that we are seeking to have our national government establish a format, a framework, if you will, whereby national goals and general policy guidelines can be articulated for modern America. Such over-all policies can serve to rationalize and make consistent the vast variety of separate programs and agencies with which we must continuously deal.

We all agree, gentlemen, that we, as Governors, together with our local elected officials, must be active participants in making these policies, and in this, we must be steadfast in our resolve. My fellow Governors, you have heard our report. You appreciate, we know, that we are concerned about your acceptance of this as a comprehensive and consistent package. Thus, Mr. Chairman, if I might be permitted at this time, I would like to move the acceptance of the policy positions therein, numbered 1 through 17, as amended. I further move the deletion of the three existing policy statements to which I have previously referred.

GOVERNOR LEVANDER: I second the motion.

GOVERNOR LOVE: You have heard the motion, it has been seconded,

for the adoption of the A.-1 through A.-17 policy statements of this Conference. Governor LeVander of Minnesota.

GOVERNOR LEVANDER: Mr. Chairman, I would like to commend the Committee for, I think, an excellent job. I raise one question that I would like to address to Governor Dempsey. I trust that the use of the words "community development program" does not imply an enforcement of the growth center theory for this type of development. I would like to call attention to the fact that the national administration has a Task Force that has been working on this, in which they have developed three theories, the growth center theory, the spread theory, and the new cities theory. I have had little experience because we have adopted a regional development plan in Minnesota. Unfortunately, one of the very strong supporters came out with a paper on growth centers, and the result was that every town that was not designated as a growth center violently opposed the idea. I would not feel that we should, by implication, endorse a growth center theory. They tried it in Italy. You probably saw two weeks ago they had a riot because one town had been designated a growth center and the adjoining town felt that they had been forgotten. My feeling is that we should not, from the national or state level, start to designate which towns we are going to emphasize and which we are going to forget. I have looked through the report. I don't find anything that indicates a support of a growth center theory, but the community development program may sound as though you are endorsing a growth center philosophy. I think that would be unfortunate.

GOVERNOR DEMPSEY: Governor, we are not; I have just checked with the Chairman of the Task Force. Your point is well taken, but in no way do we interfere with it whatsoever.

GOVERNOR LOVE: Governor Tiemann of Nebraska, did you wish to comment?

GOVERNOR TIEMANN: It seems to me that most certainly we will have to come to some designations rather soon as to whether we are going to take the spread theory, the new cities theory, or the growth center theory. I firmly believe that the growth center concept is the only direction that we can go. I don't think the fears that Governor LeVander of Minnesota has expressed are embodied in this report at all. What I am saying, any State that wants to develop the growth center concept can, and those that want to use new cities, if you don't want to designate the growth centers, why, you can do that, also.

GOVERNOR LEVANDER: The only point I make is I think it should be left to each State. I want to caution any State that adopts a growth center theory, don't try to run for re-election after you have done it.

GOVERNOR TIEMANN: You are looking at one right here.

GOVERNOR LOVE: Governor Scott of North Carolina.

GOVERNOR SCOTT: Mr. Chairman, I just want to underscore the remarks by Governor Farrar on his proposed amendments, and say I agree that

this rural development policy approach is sorely needed. I would like to comment that in proposed policy position A.-6 the joint federal-state evaluation of the rural development programs is all right, but I have seen a number of these so-called rural development co-ordinating councils come and go through past administrations. We have one now in our State. It is a fairly newly organized rural development co-ordinating council, and it needs a good swift kick in the pants because they are not doing anything. They are not tying into the state agencies to assure that state coordination is available to make sure that we aren't going off in opposite directions. I just wanted to comment on that.

GOVERNOR LOVE: Governor Farrar of South Dakota.

GOVERNOR FARRAR: In Fargo, we made a presentation of this concept to the President, and his concern was about the rural development of this country. The program would be administered through the state government, and the applicant agency would be at the office of the Governor, acting through the state planning agent. It was suggested that this program not be administered directly through localities, so as to assure statewide co-ordination.

GOVERNOR LOVE: Governor Farrar, I think now would be the appropriate time for you to move your amendments.

GOVERNOR FARRAR: I move the amendments to the Committee on Rural and Urban Development, A.-5 policy, as read, and also an amendment to A.-12, additional language as read, on the model rural area development program.

GOVERNOR HATHAWAY: I second it.

GOVERNOR LOVE: You have heard the motion and the second. Do you wish to discuss the motion? The amendments are adopted. We will now vote on the policy statements as amended. Those in favor say aye. The statements are approved.

Governor Dempsey, we express to you our gratitude, and to the fine members of your committee for the excellent work they have done.

Before we move on to the next Committee presentation, I would like to call specific attention of the media here present to the following. Chief Justice Warren Burger will speak during the closing, approximately 15 minutes of this next session on "Law Enforcement, Justice, and Public Safety". Word has been received that the following ground rules will apply in reference to the Chief Justice's appearance:

*One*, for a very brief time while the Chief Justice is being introduced, still photographs may be taken without amplified lighting. However, no movie, television, or sound recording will be permitted at that time;

*Two*, during the Chief Justice's remarks, no still photographs, no movies, no television, no sound recording and no amplified lighting will be permitted;

*Three*, pen and pencil coverage will be permitted during the Chief Justice's remarks.

We have been informed that this arrangement is consistent with the Chief Justice's standing policy on media coverage, and, of course, that being true, we will see to it that it is complied with in courtesy to him.

GOVERNOR RHODES: May I make a suggestion, Mr. Chairman, that no lawyers have their picture taken with the Chief Justice; conflict of interest.

GOVERNOR LOVE: Do you want to limit that simply to a suggestion, or do you want to make a formal motion?

GOVERNOR RHODES: I move that it is a conflict of interest.

GOVERNOR LOVE: In view of the fact that we are a little ahead of schedule, and I understand some of our Committees are still working on problems that are to be recommitted, we are going to take a 10-minute recess before we reconvene.

[ A brief recess was taken. ]

GOVERNOR LOVE: Will the Governors please take their places. Will the guests and other participants please resume your seats. I would like, at this time, to present to you Governor Shafer of Pennsylvania, Chairman of the Committee on Law Enforcement, Justice and Public Safety, who will preside over this portion of the session. Governor Shafer.

GOVERNOR SHAFER: Thank you, Mr. Chairman. As was announced earlier this morning, we are being favored at this conference with a visit from the Chief Justice of the United States. I would like to remind you that the guidelines enunciated by Governor Love are to be followed when the Chief Justice is introduced. Because of his appearance, and because of the appearance of another distinguished former member of this conference, Governor Hughes of New Jersey, our report to the conference will be limited. What we will do is to discuss briefly the highlights of our Committee activities this year, then discuss the policy statements which we hope the conference will adopt, and this will be followed by addresses from both Governor Hughes and the Chief Justice.

I have done a little research, and I am informed that this is the first time in the history of the National Governors' Conference that the Chief Justice of the United States has appeared in person, and I think that we are extremely honored by his presence. Each committee chairman has stated the critical importance of the problems faced by that committee and faced by all of us as Governors. But I don't think I have to do more than mention that the unprecedented increase in crime is the No. 1 crisis facing the citizens of this nation. The first responsibility of government, at all levels, is to establish justice and to insure domestic tranquility, and if governments fail in this primary task, all other efforts to promote the general welfare are meaningless.

With that in mind, our Committee on Law Enforcement, Justice and Public Safety has been active in a great many areas, and I want to pay tribute to

the members of this committee, and the excellent members of their various staffs, who have worked so hard. I want to pay a special tribute to the vice-chairman of my committee, Governor Burns of Hawaii, and the other distinguished members. One of the things that I would like to mention is that we have been especially active with the Congress on matters of critical importance during the year, and several members of the committee testified before the House Judiciary Committee concerning the Omnibus Crime Control Act. Governor Licht, Governor Rampton and Governor Williams joined me in presenting the recommendations of the Governors' Conference with reference to the new Act. Governor Cahill, although not a member of the committee, was really the chief sponsor of the original Act with reference to the bloc grant approach, and he also appeared and gave some very eloquent testimony on our behalf. In addition to that, Governor Richard Ogilvie and Governor Nelson Rockefeller appeared at the hearings to talk about problems of higher crime rates in urban areas.

In the problem of law enforcement, we constantly hear about prevention and prosecution and enforcement of rules of conduct that we call the law. All too seldom do we discuss the third major area in law enforcement, and that is corrections. This is glossed over and ignored by not only individuals in the law enforcement field but by citizens of our communities, and for that reason your committee made diligent efforts to bring before the Governors the problems of corrections. It is in this particular field that we asked the Chief Justice and Governor Hughes to come and address us. The reason for that is simple. The nation's critical crime problems will not be solved until the States take revolutionary action to correct the abysmal failure of the prison system. The very nature of the present system invites failure, and evidence is all around us. The purpose of our corrections system is to protect society by deterring crime and by correcting the offender. It does neither successfully. The F.B.I. reports that of persons arrested in 1967-68 for all criminal violations 82 per cent had prior arrests, 70 per cent had a prior conviction; 46 per cent of these offenders had been imprisoned on a prior sentence of 90 days or more.

The statistics that I just read, why is this happening? I believe, along with many others, that corrections in this country is nothing more than retaliation to satisfy society's indignation at those who offend it, and recidivism is the price that we pay for this revengefulness. Then we turn around and wonder why the crime rate increases and our streets are so unsafe. That is why I say there must be revolutionary changes in our thinking and our laws. We must stop acting as though repression, legislative fulmination and long prison sentences will solve the crime problem. The leaders of this change must be the Governors, because crime and its treatment are almost exclusively the responsibility of the States and their subdivisions. Together they employ over 93 per cent of all correctional employees and annually spend over one billion dollars in their correctional

budgets. I am happy to report that some States are beginning to make significant changes in their systems, but we need new initiatives in at least five major areas.

First, penal codes should be purged of irrationally punitive sentences. Second, crimes without victims and crimes against public order, such as drunkenness, vagrancy and gambling should be expunged from the criminal statutes. Third, the basic objective of corrections should not be punishment, treatment and deterrence, but the successful reintegration of the offender into the society of free men. Fourth, the basic principle of parole should be changed from one of grace to one of process, in which release to the community is but one step in the process of reintegration. Fifth, most States should establish centralized authority for the entire operation of the correctional services, including probation, detention, confinement, after care, community based corrections, and research.

With those few preliminary remarks, I would now like to remind the Conference that we have had a paper prepared highlighting the significance of corrections. Our task force has done an outstanding job, as I view it, in setting forth the problems, and in delineating some of the ways that we can meet those problems. Mr. Chairman, I move that this particular paper, this corrections report which has been prepared for the Conference, be received and filed.

GOVERNOR DEMPSEY: I second that motion.

GOVERNOR LOVE: You have heard the motion and it has been seconded by Governor Dempsey. Is there any discussion? The motion has carried.

GOVERNOR SHAFER: Thank you, Governor Love. One of the members of our committee is the distinguished Governor from Delaware. He helped us in the formulation of our policy statements and in addition to that he has spent a major portion of his adult life working in the field of corrections. I would like to call on Governor Peterson of Delaware at this time.

GOVERNOR RUSSELL PETERSON: Thank you, Governor Shafer. Chairman Love and fellow Governors: As Ray pointed out, reducing the crime rate is a top priority job for us Governors. In fact, if we are going to improve substantially the quality of life in our country, we will have to reduce crime. There is probably no better single index of the quality of life in America than the frequency of crime and delinquency. It is a measure of the failure of our society, failures in the home and in the neighborhoods and in the schools, in the churches and in government. We have established a statewide goal in Delaware to cut our crime rate in half by 1980. By doing so, a major improvement in the quality of life will certainly result. As you well know, there are many causes of crime, but one of them is government, in which you and I are involved and responsible. I am referring now to the way government handles the offender, how it helps make sure that people who commit minor violations will go on to a life of ever more serious offenses against our laws, and, as you know, it is the repeater who contributes, in a major way, to our escalating crime rate.

Let me cite three new programs that we are carrying out in Delaware to reduce government's contribution to the crime problem. Now, I know that some of you are already implementing two of them. The third, I think, is unique. I strongly recommend that all of you initiate similar programs in these three areas as soon as possible. The first is our so-called anti-debtors prison legislation. As you probably know, throughout America when someone is found guilty of an offense and fined, if he or she cannot pay that fine, they go to prison. The only difference is the ability to pay. If you and I were fined the average amount, we would reach into our pocket, lay it down and walk away a free man, with very little problem as a result of it. But if you could not pay, you would go to prison and would be associating with hardened criminals, attending a college of criminal knowledge. While you were there, your family would probably be on welfare. When you came out, there would be the difficulty of getting a job because of your prison record. We have passed legislation which now makes it illegal to send anyone to prison because of failure to pay a fine. It is necessary to get the money from him some other way. Through the installment plan, through garnisheeing his wages, through putting him to work for the State on a job so he can earn the money to pay the debt. We can withhold the driver's license, if necessary, to make sure they pay up, and this system is working very effectively. One-third of the people who in the past went to prison in Delaware went there because they couldn't pay a fine. I understand this is standard throughout our country. I say by the old procedure we were using, we have been contributing in a major way to the problem.

The second program is in work release, which some of you, I know, are carrying out. As of today, 23 per cent of all the people committed to our prisons in Delaware are now on work release. This means they sleep in the prison at night, they go out on a full-time job in the daytime, they pay their room and board in the prison, they pay their court costs, support their families, and they end up with a job which they can move into directly when they are released from prison. This is a potent, effective way of dealing with the problem. The third program is one we have just launched, and that is to treat drunks as patients rather than as criminals. Here 20 per cent of our population last year in our prisons resulted from people who were there from excessive drinking. As of today, when a person is found drunk, he is taken to a hospital to find out, first, whether he is drunk, and if he is, he goes to an alcoholic detoxification center where he is dried out and helped in various ways to correct his problem. I am convinced by these three procedures, which can be readily implemented in any State, that we can cut our prison population in half, and we can put up to half of the remainder who are still there on the work release program. This, of course, will reduce the number of victims in America, will salvage the lives of offenders, and will save us many dollars. Thank you.

GOVERNOR SHAFER: As I said at the outset, maintaining a stable



society, a society that can live peacefully, is really the most critical problem facing all of us as citizens of a free society today. If we are unable to enjoy our educational facilities, our highways, in peace, if we build the finest hospitals, but still have individuals within our society who feel that they don't have to obey the laws—and, after all, the laws are nothing more than the rules of conduct that we ourselves make for each other—then all society itself will tend to be dissolved. That has been the principal goal behind all of the policy statements that this committee has been working on, not just during the current year but throughout the years. With that in mind, I would like to now proceed to the consideration of these policy statements, one by one, and we'll take up E.-1. First, the recommendation of the committee initially, in addition to the policy statement adopted previously, would add the following language: "We urge uniform matching requirements for all of the programs under the Omnibus Crime Control Act, including discretionary money, at a ratio of 90 per cent federal and 10 per cent nonfederal matching." I understand that there is an amendment to be offered to this statement, and I recognize Governor Williams of Arizona.

**GOVERNOR JACK WILLIAMS:** The amendment suggested reads thusly. "We oppose the mandating by Congress of bloc grant funds for any specific program purpose, thus limiting the State's flexibility. We also oppose any action by the Congress which would mandate a specific percentage of state appropriated funds to match local crime control programs. We support the waiver of the present 75 per cent pass-through requirement in those States bearing a substantial responsibility for the funding of the criminal justice system." I move this amendment.

**GOVERNOR RUSSELL PETERSON:** I second it.

**GOVERNOR LOVE:** It has been moved and seconded that the first policy statement of the Law Enforcement Committee be adopted, and then you have made a motion to amend. Is there any discussion on the motion to amend? Governor LeVander.

**GOVERNOR LEVANDER:** I think there are two things on which we have to speak. One is the mandating by Congress of the bloc grant approach by, in effect, making it a categorical fund of mandating certain uses of the fund. Secondly, I think we also have to be careful that in the *administration* of the fund, if it is a bloc grant fund, that it is not administered in such a fashion as to make it, in effect, a categorical fund. Our experience in Minnesota has been that we have devised a state plan, as required, that is about three inches thick like a telephone book, but now when we have once presented the plan, in order to get any money for any particular facet of that plan, we have to spell out the details, we have to go through as much red tape as if we had a categorical grant. It seems to me that we should strengthen this to say that we oppose the mandating by Congress of bloc grant funds for a specific program, and then I think we ought

to add another sentence, that we oppose the administration of bloc grant funds in so restrictive a manner as to, in effect, make them a categorical program. Thus we direct ourselves both to the Congress in changing the bloc grant concept and to the administration.

GOVERNOR LOVE: Do you so move, or would Governor Williams accept that addition to his amendment?

GOVERNOR JACK WILLIAMS: I will accept it.

GOVERNOR LOVE: Is there further discussion on the move to amend?

GOVERNOR HEARNES: Question.

GOVERNOR LOVE: The question has been called for. All in favor of the amendment so signify. It has carried. Is there now discussion on the adoption of the policy statement, as amended?

GOVERNOR HEARNES: Question.

GOVERNOR LOVE: The question has been called for. All favoring adoption of the policy statement, so signify. It is adopted.

GOVERNOR SHAFER: Thank you very much. Position E.-2, the only language that has been added to the previous statement is the last sentence which reads, "We support and encourage voluntary state assistance to local governments for criminal justice programs." Mr. Chairman, I move the adoption of policy statement E.-2.

GOVERNOR JACK WILLIAMS: I second it.

GOVERNOR LOVE: It has been moved and seconded that policy statement E.-2 be adopted as a policy of this Conference. Is there discussion? If not, all in favor say aye. The motion carries.

GOVERNOR SHAFER: Policy statement E.-3, the language in the first paragraph, the only addition is the words "including a model sentencing code". In the second paragraph, "We urge careful consideration by all States of the American Bar Association Standards for the administration of criminal justice." Mr. Chairman, I move the adoption of policy statement E.-3.

GOVERNOR RUSSELL PETERSON: I second it.

GOVERNOR LOVE: It has been moved and seconded that policy statement E.-3 be adopted. Is there discussion?

GOVERNOR HEARNES: Question.

GOVERNOR LOVE: The question has been called for. The motion is adopted.

GOVERNOR SHAFER: Policy statement E.-4, really housekeeping changes. Under Paragraph 1. a, we add the word "minimum". Under 2, we add a second sentence under b, "Development of statewide or regional crime laboratories." Under B.2 a, we substitute the following sentence for the original one, "Create unified systems with specialized branches where appropriate." Under 2. b, we substitute the following sentence, "Urge the Congress to ratify the Interstate Agreement on Detainers on behalf of the federal government."

Under C. 1 a, we substitute the words "field services" for "individual casework". Under 1. c, we substitute the word "ex-offenders" for "parolees and probationers themselves". Under 1. d, we substitute the word "improved" for "statewide". Under 2. a, we add the words "and enforce" after "Establish". Under 3. d, a new sentence, "The consolidation of the administration of state correctional programs." There is a new addition, e, "Adoption of the Interstate Correctional Compact providing for regional and interstate cooperation for the development of correctional institutions and programs." And then a new Paragraph D, "Total System Needs." Mr. Chairman, I move adoption of policy statement E.-4.

GOVERNOR LOVE: It has been moved that E.-4. be adopted. Is there a second? It has been seconded by Governor Scott. Is there discussion on the motion? If not, all in favor so signify. The motion is adopted.

GOVERNOR SHAFER: We now move to policy statement E.-5, which is a new policy statement for the Conference, and because it is a new statement, please take a moment to read it in toto. You have it before you, entitled "The Prevention and Control of Juvenile Delinquency." I move its adoption.

GOVERNOR HOLTON: I second it.

GOVERNOR LOVE: It has been moved and seconded that policy statement E.-5 be adopted. I recognize Governor Scott of North Carolina.

GOVERNOR SCOTT: Mr. Chairman, first of all, I would inquire about the last sentence of this policy statement, where it recommends the Congress amend the Crime Control Act to provide for the transfer of the administration of this program to the Law Enforcement Assistance Administration. I would assume that this is moving it from HEW, as it now is, into the Justice Department.

GOVERNOR SHAFER: Right.

GOVERNOR SCOTT: Mr. Chairman, as I understand the effort of the Juvenile Delinquency program, the whole thrust of it is education and prevention. I wonder if the movement of this, if it should be moved into the Justice Department, would cause a stigma to be placed upon the whole thrust of the juvenile program, and particularly those who may be subjected to the program itself. I know in North Carolina we are now undergoing a reorganization of the state government, much as the State of Delaware has just done. In our proposals, we do not plan to remove the juvenile program into the Justice Department, but rather we are keeping it in the Department of Human Resources. These kids, in my opinion, who would be under this Act should not be placed in the category of criminals. I agree that the act has not been administered probably like it should be, but I question the wisdom of putting it into the Justice Department. I am not going to quarrel with it, because in our State we aren't going to do it, but I think we ought to give some thought to that.

GOVERNOR LOVE: The Chair recognizes Governor Rhodes of Ohio.

GOVERNOR RHODES: Mr. Chairman, I have an amendment. I want to

add: "Establishment of vocational schools without severe standards and criteria, to give every boy and every girl an equal education in the area of high rate unemployment." I offer that as an amendment.

GOVERNOR RUSSELL PETERSON: I will second it.

GOVERNOR RHODES: I want to say a couple of words on this. All we are doing is treating the disease, as far as crime is concerned, and not the cause. The federal and state and local governments have hundreds of programs for treating and correcting young people, and yet the same people who say that they want to do something along the social welfare line will not advocate education and job opportunity for young people. I have heard some statistics from the podium, and I would like to recite some more and bring you in focus. Twenty-eight per cent of our young people of working age have never had a job in their life. They are unskilled, untrained, unemployable and crime prone. Seventy-five per cent of all the crime in America is by persons in the younger age groups. The only answer to delinquency, and we do not have juvenile delinquency, we have adult delinquency, the only answer is to give every boy and every girl an equal opportunity. Unless we establish vocational institutes and centers aimed at the high rate of unemployment, the problem we have today will be five-fold in the next six or seven years. I urge that we adopt this resolution.

I want to make one observation. A boy stealing a pocketbook is stealing for money. The way to get money in America is to work. We have almost eliminated this word "work" in the curriculum of all our schools. I say every boy and every girl in America is motivated if they are given an opportunity. A young boy stealing a pocketbook is not attempting to outrun a policeman, to make the track team, he is attempting to get money. If you can give him a job, he will give the pocketbook back. You are either going to train these young people and give them some skills and an opportunity for a job, or we are going to spend another billion dollars retreading something that we started years ago. I urge that you recognize this and adopt my amendment to give the young people an equal opportunity.

GOVERNOR LOVE: Thank you. The Chair recognizes Governor Licht of Rhode Island.

GOVERNOR LICHT: Mr. Chairman, I would like to go on record this year, as I did last year, in opposing the transfer of the Juvenile Delinquency Control Act of 1968 to the Justice Department and urge that it remain in HEW. I think it is important that we know what this resolution really says. It is a commitment for long-term research and development adequate to cope with the complexity of the delinquency problem, a broadening of the framework within which the problems are analyzed. It involves the community's effort to understand and to prevent juvenile delinquency, coordination of private and public services to youth, focusing attention and efforts on youth at an earlier age than we have previously, a careful re-evaluation of the unique role of the family,

and realism about the cost of the long-range preventive efforts.

These are matters which are peculiarly within HEW. Justice is a prosecutive agency, an enforcement agency. It seems to me that the very purpose of this policy statement is to provide long-range planning and immediate action with respect to the social consciousness in programs as they affect youth. My own feeling, Mr. Chairman, is that while the Act needs strengthening, and I am not here to defend it, it ought to be strengthened in HEW. I think we defeat the very purpose of this policy statement by this transfer. It is not that it has failed in HEW because it has been given the full opportunity. It has failed because the Act is vague and poorly drafted and not funded. What we need to do is not to transfer it to Justice, where it does not belong. It belongs in HEW. Mr. Chairman, I urge strongly that we do not adopt this transfer because I think it is self-defeating.

GOVERNOR LOVE: I would like to ask now if there is further discussion on the amendment. We will come back to discussion of Governor Rhodes' amendment first, and then we will discuss the basic adoption of this entire policy statement. Is there further discussion on Governor Rhodes' amendment?

GOVERNOR HEARNES: Question.

GOVERNOR LOVE: If not, the question has been called for. All in favor of the amendment say aye. It carries. Governor Ogilvie of Illinois.

GOVERNOR OGILVIE: I would like to speak in support of the resolution and against the transfer of this program to the Justice Department. I have had our people in Illinois prepare a short memorandum for me. I would like to give you some of the information. This Juvenile Delinquency Act, through its three-year life span, has never been properly funded. The authorization is for 75 million dollars per year, the appropriation has only been 10 million, and in the final year this budget has been 15 million dollars. For almost two years the office of juvenile delinquency in HEW has been without a director. These two circumstances have greatly interfered with the objectives of the Juvenile Delinquency Act. The kind of leadership needed in development of innovative and quality programs has been minimal or lacking. There is currently a reorganization taking place with an effort to decentralize the office to the regions. It is unrealistic because there isn't the staff to give the service. The transfer of these same impediments to the Department of Justice will not improve the situation. It will add another reason for failure by putting the administration in a department whose responsibility is oriented to law enforcement rather than sound programs of rehabilitation and prevention.

A considerable number of some 360 projects submitted for funding under this Act had to be turned down because of the limited appropriation, and it is our understanding that only 140 out of the 360 proposals could be budgeted. The amounts are so niggardly that they promote limited projects. On the other hand, the Omnibus Crime bill has had generous funding. The major attention in

most States for these funds has been on law enforcement rather than delinquency prevention and rehabilitation. I can say this, in Illinois we are putting a very large portion of our safe streets and crime fund into juvenile programs. Programs which are desperately needed are those which tie in with related services in the Department of Health, Education, and Welfare, such as programs for school dropouts, emotionally disturbed children, early school failures, parent-child conflicts, group homes, early attention to acting out behavior or antisocial social services. Let me make this clear. I share Governor Scott's point of view. In Illinois we have just reorganized, and we have taken corrections out of what has been our Public Safety Department and we put it into a new department, because there are two completely different philosophies. We should not take a step backward and put this over in Justice.

GOVERNOR LICHT: In order that we may have proper discussion, I would move to substitute the alternative proposal which will keep the Act in HEW and not transfer it to Justice.

GOVERNOR OGILIVE: I will second that.

GOVERNOR LOVE: We will ask Governor Shafer to read Alternative B.

GOVERNOR SHAFER: The committee had prepared two alternatives, A and B, and then, by majority vote, chose A to recommend to the Conference. Alternative B. reads as follows: "The National Governors' Conference expresses its concern with the Juvenile Delinquency Prevention and Control Act of 1968. Two years' experience has shown that the law was poorly drafted and fails to accomplish its urgent intent. The growing seriousness of juvenile delinquency demands that the Congress enact new legislation to cope with this problem.

"We urge the following action by the Congress and the Administration:

"(1) The reorganization and elevation of the Office of Juvenile Delinquency and Youth Development in the Department of Health, Education, and Welfare into a comprehensive administration for the coordination of all programs within the federal establishment dealing with or related to the problem of juvenile delinquency prevention and control, with powers to act as the single granting agency for all federal programs in this field.

"(2) The enactment of a new law providing for a bloc grant to States for the prevention and control of juvenile delinquency," and so forth. You have before you the added details.

GOVERNOR LOVE: The motion, then, is to substitute Alternative B for the latter portion of proposed policy statement E-5. Governor Williams of Arizona.

GOVERNOR JACK WILLIAMS: What I am going to say will probably not be very popular, but I start out by using the cliché, "There is no such thing as a bad boy." This isn't true. There are some monsters that are created. We also forget that the life of a thief is an exciting life, far better sometimes than hoeing cotton or picking up garbage. It is a life of pursuit, of escape and a life of feast

and famine. We also have the fact that some people simply are thieves, that some people steal regardless. I'm with Governor Rhodes on vocational education and technical training, but there are some people to whom the essence of being a sneak thief brings to him a thrill that's better than any dope you can take. We've got a psychological problem that's involved in this whole juvenile delinquency situation and in the crime element of the adults.

We are talking about new legislation in Alternative B. In Alternative A, which was supported by a majority of the committee, we simply are transferring the function over to the same agency that is handling adult criminals. I think Alternative A has a better chance of doing something. I think Alternative B is simply a stopgap procedure, that would not get anything done, so I will urge that we defeat Alternative B, the substitute now pending.

GOVERNOR LOVE: Governor Farrar of South Dakota.

GOVERNOR FARRAR: Under recent Supreme Court rulings, the juvenile delinquent is entitled to an attorney, and those attorneys are not assigned to them to teach them to read and write and do arithmetic, so I support Alternative A and oppose the amendment.

GOVERNOR LOVE: Governor Mandel of Maryland.

GOVERNOR MANDEL: Mr. Chairman, I think what the Governor from Arizona said is true, there are such things as bad boys, but I think under our laws the department has the right to select those who are habitually bad boys and to treat them as adult offenders. I think it would be wrong to put all of these youngsters into the same category because there are a few who are bad. I support the amendment.

GOVERNOR LOVE: Governor Peterson of Delaware.

GOVERNOR RUSSELL PETERSON: I want to speak in favor of the A form, not for the same reason that Governor Williams cited, but along the reasoning that Governors Licht and Ogilvie followed in supporting proposal B. I think one of the big problems we have today in doing something about reducing crime is that we treat each of these areas by police and courts and correctional agencies in prevention as separate operations. We have interfaces between these various lines of activity, and very little communication and crossover between them. I think that the community needs to look at it as one problem, all the way from prevention on up to the correctional system, and to put this in one organization, I believe, is very important.

We already, through the law enforcement planning agency, have developed comprehensive plans in each of our States, as I understand it, covering the whole range of activities, and especially preventive measures, and we have given the assignment not only for planning, but for action in reducing crime rates, to our law enforcement planning agency. So I am in favor of A because it pulls all of these things together in one place, and it may go a long way to educate people in the law enforcement business, as well as many other Americans who believe in

the "get tough" attitude and don't look at the broad picture, that there are some other aspects to this job than just police, courts and corrections.

GOVERNOR LOVE: The Chair recognizes Governor Bartlett of Oklahoma.

GOVERNOR BARTLETT: Mr. Chairman, I support Alternative B for the reason that it would provide, in our State at least, more breadth to approaches to the problem. I think there would be a more comprehensive attack made in this way to a problem that requires approaches from education, as well as planning, as well as action, and as well as law enforcement, so I favor strongly B. Also for the reason of financing in our State, I believe we would have much greater difficulty in financing a good program with Alternative A.

GOVERNOR LOVE: Thank you, Governor Bartlett. Governor Knowles, I believe, was next.

GOVERNOR KNOWLES: Thank you very much. Those of us who have had a little trouble on campus with disorders, and more recently with the phenomena of rock fests, I think are all convinced that what we do need is a strong, coordinated effort for law enforcement. It just seems to me that unless you develop a standard operating procedure, where you have coordination of all of your state agencies within the Department of Justice, you are just not going to be able to cope with the problem of the juveniles in these various levels. The thing that we have succeeded in doing in our State is to make it known that we are going to utilize every single effective law enforcement tool, including the National Guard, wherever and whenever these disorders result and it therefore seems to me that the Alternative A does have a great deal of merit in consolidating and centralizing the enforcement activities.

GOVERNOR LOVE: Governor Ogilvie of Illinois.

GOVERNOR OGILVIE: I would just like to add one thing to what I mentioned before. We are not transferring a badly run program or merging into one that is being well run. Let me point out that the adult correction picture in the United States is just about as dismal as the juvenile program, and the Administration has recognized this. There is presently, I believe, a 14-member committee that is examining all the deficiencies and problems in adult corrections in the federal system, so we are not going to improve anything by taking something bad and adding it to something bad. I quite agree with the conclusions that Jack Williams has mentioned. I am certainly not advocating giving them a tap on the wrist, but each of us has the opportunity to take the hardened offender and handle him. We have indicted eleven-year-old youngsters in our State and handled them on the adult basis if this is indicated, but that is the exception. Most of the juvenile problems I think get into the area of the family, into the community, and the only way we can handle it is with an agency that is totally involved in those programs, and the Justice Department is not.



**GOVERNOR LOVE:** Governor Evans from Washington.

**GOVERNOR EVANS:** Mr. Chairman, it seems to me that the needs, especially as brought out by Governor Rhodes in the area of vocational education, for getting the youngsters away from crime, and away from the problems that result in the adult corrections field, is exceedingly important. The coordination is important, but I agree with Governor Ogilvie that the agency that will have all of the resources available to do this is HEW. I suggest that one of the important elements in Alternative B is the recommendation that administrative guidelines for the new Juvenile Delinquency Act and those of the Omnibus Crime Control and Safe Streets Act be identical in all practical respects. I think that's really what we are trying to get at, that we have a coordinated, single approach at the state level, but I still think that we have some additional strength, if we bring in the resources of HEW, along with the resources of the Justice Department.

**GOVERNOR LOVE:** Thank you. Governor LeVander of Minnesota.

**GOVERNOR LEVANDER:** I support proposition A for the reason that if we are going to have a comprehensive criminal justice plan for the States, and first submit it to the Department of Justice, and then submit it to the Department of Health, Education, and Welfare, you are going to have that much delay and you are going to have that much confusion and difficulty, and I think it would be much better to have it in one department. When you get on the state level you can have flexibility because in your Governor's Crime Commission you can have a section on enforcement, you can have a section on corrections, you can have a section on prevention, and you can have a section on juvenile delinquency. But when you are dealing with Washington, I think it is much better to deal with one agency and then you can have the flexibility when you get home.

**GOVERNOR LOVE:** Governor Rampton of Utah, and then I think we probably need to limit the debate on this so we can get on to another area.

**GOVERNOR RAMPTON:** I think there is not as much difference between A and B as we have been indicating here. About the only difference that I can see is in whose appropriation bill the money is appropriated by the Congress. The reason for Alternative B, as I understand it, and I have been a member of the committee, is that from a practical standpoint we believe we'd never get Alternative A by the Congress, and I think that's still true. Last year we passed the substance, I believe, of Alternative A but it got much opposition on the same ground that it is getting opposition here. I think Alternative B takes care of the problems that have been raised by Governor Williams and by others. We are not having really two programs under Alternate B. We are just having two sources of money administered within the State by a single law enforcement planning agency. I would favor Alternate B on the practical ground that I think we can get it and I don't think we can ever get Alternate A.

GOVERNOR HEARNES: Question.

GOVERNOR LOVE: The question has been called for. We will now vote on the motion. The motion is to substitute Alternative B in lieu of Alternative A. The motion is lost by, I believe, a vote of 18 to 15. We will now, then, vote on the adoption of the policy statement as amended previously by Governor Rhodes' motion.

GOVERNOR HEARNES: Question.

GOVERNOR LOVE: The question has been called for. All those in favor so signify. The policy statement is adopted.

GOVERNOR SHAFER: I think that Governor Rampton pointed out the significance of this particular policy statement, namely, that we are dissatisfied with the Juvenile Delinquency Prevention and Control Act of 1968, and the importance of our policy statement will be that we urge the Congress to redraft this law, so that we can get on with the important problem of dealing with the young people. With reference to policy statement E.-6, the only amendments are where we say, "The continuation of federal technical assistance and training", and add the following to the paragraph, "and the funding of federal assistance for development of state intelligence systems." There are some other minor additions and I won't read them all in the interest of time, but move, Mr. Chairman, the adoption of policy E.-6.

GOVERNOR LOVE: It has been moved that policy statement E.-6 be adopted as a policy of this conference.

GOVERNOR CAHILL: I second it.

GOVERNOR LOVE: It has been moved and seconded, and the question has been called for. All in favor say aye. The motion is adopted.

GOVERNOR SHAFER: The next item is policy statement E.-7, Drug Abuse. You have the revised policy statement with your papers, and you see in italics the additions that we have recommended. The primary additions are those that would bring our recommendation in line with the recommendation which was made for the first time by the Committee on Human Resources. I move, Mr. Chairman, the adoption of this policy statement.

GOVERNOR LOVE: It has been moved that E.-7 be adopted as policy of this conference. Is there a second?

GOVERNOR BARTLETT: I second it.

GOVERNOR LEVANDER: May I inquire what the reason was for dropping Item 2 from the report that was first sent out. It seems to me that we lost something if we don't include what was originally stated, that an effort be made to increase state and local effort to educate the public and the younger persons. To me those were valuable suggestions.

GOVERNOR SHAFER: These items were included in the Committee report on Human Resources, and we felt that they were not necessary to add to ours. They were a part of the Committee on Human Resources recommenda-

tions and have already been adopted. I would now like to move that we amend by adding the words "and dangerous substances", as we included in the Human Resources statement.

GOVERNOR LOVE: You have heard the motion to amend, to designate, go beyond the word narcotics and drugs and include "dangerous substances".

GOVERNOR DEMPSEY: I second it.

GOVERNOR HEARNES: Question.

GOVERNOR LOVE: All in favor so indicate. The amendment is adopted. We are now ready to vote on policy statement E.-7 as amended. All in favor say aye—opposed nay. The statement is adopted.

GOVERNOR LEVANDER: Mr. Chairman, may I be permitted a statement at this time?

GOVERNOR LOVE: Yes.

GOVERNOR LEVANDER: I laid on each Governor's desk yesterday a kit, and I appreciate that you get too much reading material and I don't expect you to read it, but I figure that your staff people can look at it and give you a memorandum. I do agree with what Governor Rockefeller said yesterday that we will never do anything on the drug abuse problem unless we get down to the local level. We can talk about it and pass resolutions and coordinate at the federal and state level, but unless we get every community involved I don't think we are ever going to solve the problem. Therefore, a program of trying to get local citizens councils, which combines the delinquency matter along with the drug abuse problem, is one approach that is outlined in that material. We now have 77 local action councils going in Minnesota. We hope to have 200. They represent the community and include the youth, and they deal with both the environment to prevent delinquency and with the drug abuse problem.

GOVERNOR SHAFER: The next item is a new policy statement of our committee. It was originally entitled "The Crisis of Campus Unrest". We have had several impromptu meetings of members of our committee since we have been at the conference, and we suggest a substitute policy statement for E.-8 entitled "The Crisis of Unrest". In conferences with Governor Burns, Governor Licht and Governor Peterson of the committee, we have suggested new language as a substitute. It has been distributed to you, but I would like to read it for the purpose of emphasizing the initial thrust and the minor changes in language.

"The National Governors' Conference recognizes and supports the historic and constitutional right of all citizens to dissent from public policies, and to seek to change such policies through public assembly, and through the peaceful expression and exchange of views."

"Violence and disorder are not justified in a democratic society. We condemn the excesses of lawlessness on all sides, be it by those who dissent from public policies, those who support them, or those who are called upon to keep or restore the peace. We affirm that the first responsibility of the peacekeepers is to protect the safety and lives of all those involved.

"We believe that change in a democratic society must be achieved through the calm and reasonable exchange of views. And to that end we urge greater dialogue and understanding among all segments of our society so that we might prevent the polarization of views, and the escalation of differences to the point of violence.

"On the campus, we believe that the faculty and administration have the primary responsibility for the prevention of disorder and the preservation of the tranquility of the learning community. But we also affirm the right and responsibility of the State to act to restore peace both on the campus and in the larger community when other means have been tried and have failed.

"We also pledge our efforts toward the constant renewal and revitalization of the institutions of our society, not only in education but in government and business as well, to prevent them from becoming impersonal toward the citizen, neglectful of the society, and brittle or unresponsive to each generation of Americans."

Mr. Chairman, I move the adoption of the substitute statement E.-8.

GOVERNOR JOHN BELL WILLIAMS: I second the motion.

GOVERNOR LOVE: It has been moved and seconded that the substitute for E.-8 be adopted as the policy of this conference. The Chair recognizes Governor Holton of Virginia.

GOVERNOR HOLTON: Mr. Chairman, I suggest a very minor revision in the draftsmanship, because I believe it did not come out exactly as intended. In the first line of the second paragraph, at the end of that line, there is the language "We condemn the excesses of lawlessness on all sides", and I suggest and move the deletion of the words "the excesses of", in order that the line would then read, "We condemn lawlessness on all sides."

GOVERNOR LOVE: Is there a second to that motion? Governor Dempsey seconds. All in favor so signify. The amendment carries.

GOVERNOR JOHN BELL WILLIAMS: Mr. Chairman, I would like to offer another amendment which would express, on the part of this conference, support for those who are charged with responsibility for maintaining the peace, who on occasion must face mobs throwing brick bats, bottles, even, in some cases, face sniper fire, and I don't believe that the amendment that I shall offer is inconsistent with the purpose of this policy statement. I would, therefore, offer an amendment at the end of Paragraph 2. Substitute for the period a semicolon and add the following language: "however, we recognize also the correlative right of the peacekeepers in the discharge of this responsibility to use such force as may be necessary for their own self-protection." I so move.

GOVERNOR LOVE: You have heard the motion to amend. Is there a second to that motion?

GOVERNOR FARRAR: I second it.

GOVERNOR LOVE: It has been moved and seconded. We will have it

read again so that you understand the import of the amendment.

SECRETARY-TREASURER CRIHFIELD: At the end of the second paragraph, insert a semicolon and continue, "however, we recognize also the correlative right of the peacekeepers in the discharge of this responsibility to use such force as may be necessary for their own self-protection."

GOVERNOR LOVE: Is there any discussion on this amendment? If not, all in favor say aye. The amendment is adopted.

GOVERNOR LOVE: Is there further discussion on E.-8? If not, I put the question. The vote is favorable and the statement is adopted as amended.

GOVERNOR SHAFER: The next policy statement is E.-9 on Firearms Control, and that is the same policy statement we approved last year. Under our rules it is not necessary to re-adopt, and the statement remains in force. I have two housekeeping motions, Mr. Chairman. One, that the previous policy statements recommended for deletion be deleted from the policy of the Conference, and I so move.

GOVERNOR DEMPSEY: I second it.

GOVERNOR LOVE: It has been moved and seconded that the previous policy statements that are listed in the material in front of you be deleted from the policy statements of the Governors' Conference. All in favor so indicate. It carries.

GOVERNOR SHAFER: In addition to that, our committee has a report which I would like to have filed with the conference, plus a report to the Governors from the Department of the Army on Civil Defense, plus a report submitted by the National Guard Association. Mr. Chairman, I move that these reports be received and filed.

GOVERNOR LOVE: I don't believe a motion is really necessary in that regard. We will put it that the reports be received and filed.

GOVERNOR SHAFER: That completes the administrative work of our committee. We are now awaiting the arrival of the Chief Justice and Governor Hughes. I wish to thank the conference for the approval of these policy statements, and again the members of the committee and their staff for the excellent work done.

GOVERNOR LOVE: I will ask that you remain seated. I believe that the Chief Justice is on the way and it will be just a moment, I believe. Governor Shafer will assume the chair.

GOVERNOR SHAFER: My Fellow Governors, as I said initially with reference to reporting the progress of our Committee, we are favored this morning and highly honored by the presence of the Chief Justice of the United States; and also by one of our distinguished former colleagues of this Conference. I am going to present to you at this time the former Governor of New Jersey, the Honorable Richard Hughes.

MR. HUGHES: Thank you very much, Governor Shafer, Governor Love,

and all the rest of the Governors. Your reception is very heartwarming under any circumstances, and particularly today. When I left the governorship of New Jersey after eight years in January and was succeeded by my friend Governor Bill Cahill, I had no idea that I would be coming back, even briefly, to a Governors' Conference. I made it my business to reassure Governor Cahill immediately so he wouldn't be nervous that I had no illusions that I was still Governor of New Jersey, that I didn't want him to move over. He greeted me and welcomed me very warmly. It is just a happy coincidence that I am here. The American Bar Association was appealed to by two great speeches, at least two and possibly a third, by Chief Justice Burger, who earlier this year told the American public, through the Bar Association, that there was a continuing breakdown or laggardly progress, whatever you want to call it, in the corrections system of the United States at every level; and that there was great waste, not only from the throwing away of human resources in this, but in actual taxpayers' money.

We must consider the enormous rate of recidivism and crime committed by recidivists who emerge from our institutions; one must consider the underfinancing of probation and parole systems and diagnostic facilities and the many, many other things we could do in these days of Twentieth Century pressures on society. A man who comes out of prison or a correctional institution must not go back to his old associates and pick up the gun and the knife, but he must come out with a trade or a vocational skill, with a sense of hope, with a knowledge, let's say, that the age-old restriction against any offender with any criminal record having any kind of a public position will be eliminated. We want to encourage employers to understand that when the offender comes back—and he always comes back except for the rare cases where a prisoner dies in jail—he has an opportunity for a job. They might be coming back in four and a half years or twelve years or whenever it is, but they are coming back, and they are coming back in one of two postures. It depends on what we do now about our correctional system as to what kind of men they are when they come back to the community.

This Commission of which the A.B.A. has appointed me Chairman, with perhaps myself excepted, is a very distinguished commission with great people on it. They are not all lawyers, but are people of great learning. Dr. Karl Menninger is one, and there are many others whom I could mention. It is our mission to try to awaken the public consciousness and the public conscience to this corrections problem. I know from my time as Governor how easy it is to put this on a low-priority shelf. No one underestimates the pressures on a Governor, but we must not put corrections in the background, as it is so easy to do, as though we don't care and as though we need not foresee the return of these people, particularly the younger offender. We intend to inventory and evaluate and tell the public of America what these conditions are. We intend to

recommend programs, work with these programs, and present model correctional laws. We will hope to have the support of every Governor because, just as the buck stops at your desk, so does the chance of originating a great reform in correctional techniques to fit the pressures of the Twentieth Century.

We have behind us, as I say, a great commission. We have the prestige of the American Bar Association in the most unselfish way. We are not looking for publicity or anything of the kind. There are lawyers, countless thousands of them throughout the country, anxious and willing to help with this correctional reform in all of its broad aspects. This is not an organization which is oriented so much to sympathy for the offender but to an awareness that that offender is coming back, and that we are pouring uncounted millions of dollars into cold storage and, in many places, corrupt places. We are making a young offender or a middle-aged offender much worse when they come out than then they went in. In a sense we are cutting our own throat, because it is our society and our community to whom these men will return. There are such glaring instances. There is one northern State where the cost per capita of having a boy in a training school is twelve and a half thousand dollars a year, and the recidivism rate of that particular training school is 75 per cent. Is that an investment that militates toward the good society?

We will be back to you. The work of this Commission is not just another study. This matter has been studied to death. It is a matter now of action. In addition to the good will of the Governors, I think, and of the legislators, I hope, we have behind us people who are professionals and who understand the enormous proliferating waste of our money and our people. We have behind us the moral leadership of the Chief Justice of the United States. I am grateful that Governor Ray Shafer called on me to speak first because I have noticed that the Chief Justice is a man of some humility and would not say these things concerning himself. I hope he is not embarrassed if I say them concerning him. I believe that in the history of these times, many, many years from now when we look back at what we hope to be the beginning of correctional reform in a massive way, people will note that Chief Justice Warren Burger was the man who first commenced this agitation for correctional reform. If our Commission is to be, you might say, the movers and shakers, we are going to be shaking the establishment, not fighting it, but alerting it, and we are really shaking ourselves, pushing ourselves to this reform which is so valuable and so necessary in the context of today's society.

My judgment is, and some of you may know that I don't make a particular habit of praising people who are registered in the Republican Party but, because this is one of those things like our foreign problems and so forth that transcends the political factor, my belief is that this is a very great Chief Justice. I am pleased, indeed, to be working in some manner under his direction and with his encouragement. I am more than delighted, Governor Love, that you permitted

me to have these few minutes with my former colleagues. Thank you very much for having me.

GOVERNOR SHAFER: Ladies and Gentlemen, the Chief Justice of the United States.

MR. CHIEF JUSTICE BURGER: Mr. Chairman, distinguished Governors and guests:

I am well aware that the Governors of the States have an abundance of problems and that the executive branch of the state governments needs no counsel from the federal judiciary. Nevertheless you invited me here to discuss informally some of the problems common to all branches of all governments.

In essence our common problems are those of all free people for we are again in a period of testing, which will determine whether men can govern themselves under the democratic process.

The two things which are central to my responsibility—and that of all judges—are but parts of your broad, overall burdens. They are:

First, the maintenance and strengthening of all judicial systems by having them served by professionally competent and independent judges, and by adequate supporting personnel. By adequate personnel I mean not only the traditional staffs of clerks, reporters and others but the “new breed” pioneered by the States: the Court Administrator or Executive. Here the federal courts have lagged behind the States.

Last year when I urged the creation of a school to train court administrators I turned to the States which had pioneered in this field for counsel and guidance. The American Bar Association responded and by vigorous leadership developed the Institute of Court Management in the space of less than six months, and it is now in operation at the University of Denver. The States will be the large beneficiaries of the new program because, of course, the state courts in total vastly outnumber federal courts.

Those States which do not now use court administrators will do well to consult the experience of the States that pioneered this development—New Jersey, New York, California and Colorado, to mention only a few.

The judicial branch of any government is small but crucial to public confidence in government as a whole. At the moment we must acknowledge that the assaults on government and on our institutions—including the courts—have shaken public confidence in our system. I have confidence in its basic soundness and in its resiliency, but our common responsibility is to strengthen the judicial system at every level.

The second point—and it is very crucial—is that we must stop being “Sunday Christians,” as the clergy sadly describe many people, on the subject of correctional institutions. In round figures, 85 percent of all the prisoners now confined in this country are in your charge. With few exceptions they are in institutions and systems which we call “correctional” but which do not correct.



To change this will cost a very large amount added to the back-breaking burdens the States now carry. But the correctional system at the third stage of the system of justice is at least as important as the police at the first stage and the courts in the center. Correctional systems which do not correct aggravate the problem of crime and public safety.

The protection of homes and persons is one of the prime responsibilities of all governments. This basic function of government cannot be fulfilled unless we change our correctional systems drastically. Whatever else we do, long range, we should at once take several elementary steps.

(1) See to it that institutions are fit for human habitation even if at the moment this means costly repair of the century old structures now in wide use.

(2) See to it that there are recreational facilities to channel the energies and drives of men behind walls.

(3) See to it that, so long as we use walls and bars, there are libraries and educational resources and specialists to guide the inmates.

(4) See to it that no prisoner leaves the institution without having been trained in a gainful occupation. This plus efforts to motivate him toward a new life are indispensable unless we want correctional systems to be revolving doors leading in and out of the criminal courts.

For the long range there is much more: research into all aspects of penology, new kinds of institutions, new kinds of treatment and new methods of integrating ex-prisoners into society. This will call for the best brains and the best efforts of government, industry, labor unions and the public.

GOVERNOR SHAFER: Mr. Chief Justice and ex-Governor Hughes, I know that I speak for everyone in attendance at this Conference. We are deeply grateful for your attendance and for your very wise counsel. We are delighted that you have honored us with your presence. In fact, as I told the Conference early this morning, we did a little research and it is our finding that you are the first Chief Justice to ever have honored the National Governors' Conference, and we are proud that you are here. Thank you very much.

GOVERNOR LOVE: Thank you, Governor Shafer, and all of your Committee, for this excellent report. Particular thanks, again, to the Chief Justice and to you, Mr. Hughes. The remaining portion of the so-called business portion of this Governors' Conference will be in Executive Session. I would, therefore, like to request now that all of our guests, with the exception of the Governors, their immediate staff, and members of the Conference staff, of course, leave.

GOVERNOR SMITH: Mr. Chairman, I have not had an opportunity to discuss this with Governor Evans who is head of the Transportation, Commerce, and Technology Committee, but on the issue that was sent back to the Committee, the flexibility of the highway trust fund, I am going to ask unanimous consent that this be discussed in open session. If there is objection to

that, then I am going to move that the issue be discussed in open session and, under the rules, I request a roll call vote.

GOVERNOR LOVE: Let me first say, I have no objection, certainly, to discussion of that portion of the proceedings in open session. Actually, I believe the rules of the organization provide for the Executive Session, and the portion of the meeting that has to do with the election of the officers, but I would like to request that we do go into Executive Session briefly now. We may open it again, depending upon what your desires and wishes are, but at this time I would like to ask our guests to leave. It may well be that the media and the guests will be asked back again as we get along in the discussion of the highway trust fund or other problems. Governor Knowles.

GOVERNOR KNOWLES: We also have the report on revenue-sharing which we deferred and I am sure that there is no objection to having this in public.

GOVERNOR LOVE: At the moment we would ask that you leave. Will the members of the Conference staff aid and assist the Chairman in carrying out the order. May we expedite this movement, if you please.

#### EXECUTIVE SESSION

GOVERNOR LOVE: I believe the Governors, their immediate staff, and the Governors' Conference staff are the only ones left. Will someone secure the door and the Governors take their seats. I would like to call now on Governor Shafer of Pennsylvania.

GOVERNOR SHAFER: My Fellow Governors, the Chief Justice has a number of other items that he wished to discuss with the Governors in Executive Session. Like all of us, he realizes that when he says "off the record", it is only potentially true, but he would request that these remarks be classified as off the record. They are of vital concern to all of us as Governors and they are of vital concern to him. That is the reason he has requested this opportunity to again speak to us. Ladies and gentlemen, the Chief Justice.

[At this time Chief Justice Warren Burger addressed  
the Conference in Executive Session.]

GOVERNOR LOVE: Thank you very much, Mr. Chief Justice, for counseling with us. The points made certainly seem very relevant to me and very important. You may rest assured that we will be discussing some of the suggestions you have made. If someone would like to notify the media and our guests, we can now return to open session to proceed to consider, first, the items of the policy reports which were resubmitted to the committees. If you would like to wait a moment until those who wish to return can do so, I am first going to call on Governor Evans as Chairman of the Committee on Transportation, Commerce, and Technology, for the completion of the policy statements.

## OPEN BUSINESS SESSION

**GOVERNOR DANIEL EVANS:** Mr. Chairman and Members of the Conference, you have before you the revised report on Policy Matter D.-1 of the Committee on Transportation, Commerce, and Technology. Taking into account the concerns expressed on Monday by the Governors, we have boiled down the statement and made more emphatic the various elements of the statement and still get at the heart of the matter. I don't believe it is necessary to read the statement, you have it before you. Let me only say that the concern I have, and I am sure it is the concern expressed Monday by many Governors, is that moneys set aside for transportation be utilized for transportation. There is a growing demand in the Congress of the United States, among some members, to utilize a portion of today's highway trust funds for general affairs of government. I think this is a very real threat and to counteract it and give to each of us, as Governors, a full opportunity for some limited flexibility, without tampering or destroying a trust fund concept, we need the best protection we can have in assuring transportation moneys for transportation purposes.

The statement basically calls for the continuation of the highway trust fund as a source of revenue to the States; the completion of the interstate system and the continuation, then, of the trust fund for necessary highway purposes; the creation of an airport/airways development trust fund; the creation of an urban mass transportation trust fund; and the continuation of federal financial assistance programs. The Secretary pointed out Monday the desirability and the likelihood of moneys being made available for support of our rail systems. We advocate that the proportionate share of funds under each trust fund should not be reduced to each State and, finally, that the chief elected officers have an opportunity to initiate limited transferability to take care of the regional and state problems most difficult in his own State. I was struck this morning, in speaking of an entirely different field, the field of crime and crime prevention, with Governor LeVander's suggestion that a single federal agency in that field was highly desirable, rather than dual federal agencies, and that this should allow flexibility at the state level to meet priorities of the individual States in the field of crime control and law enforcement. I suggest that this is precisely what is being suggested through this policy statement and, Mr. Chairman, I move the adoption of Policy Statement D.-1. I understand there are two amendments being suggested by Committee members. They have talked them over with me and I think both of those amendments by Governor Peterson and Governor Moore are well taken, and I do support them.

**GOVERNOR LOVE:** You have heard the motion. Is there a second?

**GOVERNOR WALTER PETERSON:** I second it.

**GOVERNOR LOVE:** It has been moved and seconded. The Chair will recognize Governor Peterson of New Hampshire.

**GOVERNOR WALTER PETERSON:** Mr. Chairman, I have, I think, just a brief housekeeping amendment to Section 3 that adds five words at the end of the section, to wit: "as well as urban systems." The reason for this addition is that this is how the legislation actually reads in the Congress. It is not of great importance in New Hampshire, frankly, but it is of great importance to many of the urban States with large cities, and I think it would give us a stronger resolution if it could be added. I move this amendment.

**GOVERNOR MANDEL:** I second it.

**GOVERNOR LOVE:** You have heard the motion and the second. Do you all understand what the amendment is? It simply adds an urban system to other designated highway programs that we are speaking to in this amendment. Is there any discussion? Are you ready for the question? All in favor so indicate. The amendment carries. The Chair recognizes Governor Moore of West Virginia.

**GOVERNOR MOORE:** Mr. Chairman, with respect to the Committee's substitute, I have an amendment to numerical No. 5. The amendment would be the addition of these words: "supported by a separate fund source and not from the highway trust fund".

**GOVERNOR LICHT:** I second that.

**GOVERNOR LOVE:** It has been moved and seconded. Are you familiar now with the amendment? Are you ready for the question? All in favor say aye. The motion has carried. Are there other proposed amendments to the substitute policy statement? Governor Anderson of Montana.

**GOVERNOR ANDERSON:** Mr. Chairman, in view of Governor Moore's amendment to Section No. 5, I would suggest that the same amendment be attached to Section No. 4.

**GOVERNOR LOVE:** Can you enlighten me, Governor Evans, about whether Section 4 has that language or not?

**GOVERNOR DANIEL EVANS:** Section 4 does not have that language. Governor Moore was dealing with Section 5.

**GOVERNOR LOVE:** In order to bring it to a head, Governor Anderson, do you want to move?

**GOVERNOR ANDERSON:** I would move that the same amendment be attached to Section No. 4 as that attached to Section No. 5.

**GOVERNOR WHITCOMB:** I second it.

**GOVERNOR LOVE:** It has been moved and seconded that the Moore amendment be added to Section 4 as well as Section 5. Are you ready for the question on that? All in favor so indicate. The amendment is adopted. Is there further discussion?

**GOVERNOR LEVANDER:** I have another amendment I would like to suggest on No. 8. My very deep concern is that if we adopt No. 8, until we have a mass transit fund, we are going to weaken the pressure for a mass transit fund, plus the fact we are going to be in a position where we invade the highway fund

for two purposes and it is not adequate now to do the one purpose. Therefore, it seems to me that the Governors should be permitted to exercise executive prerogative. I think we should insert language like "after the creation of a mass transit fund," because until we do that, I think we are just getting into a position where we weaken and subvert the highway trust fund for other purposes. After we have these separate funds, I agree we Governors should have authority for some limited transfer among them, but until we do that I have serious doubts that we are moving in the right direction.

GOVERNOR LOVE: You have heard the motion to amend. Is there a second?

GOVERNOR MOORE: I second it.

GOVERNOR DANIEL EVANS: I appreciate Governor LeVander's concern. I think quite to the contrary, that to delay a policy statement of this kind will make it more difficult on the basis I mentioned earlier, that these transportation funds are under attack now and will continue to be under attack. I think that the concept of flexibility will not deter, but rather help us in the advancement of the trust fund concept for urban mass transit, as well as the airport and airways, as we have enjoyed for some time in the field of highways. I certainly advocate voting down this amendment, because I think that it would do quite the opposite of its intended purpose.

GOVERNOR HEARNES: Question.

GOVERNOR LOVE: The question has been called for. As I understand the proposed amendment, it basically delays the flexibility sought until there is an urban mass transit fund, trust or otherwise, established at the federal level.

GOVERNOR LEVANDER: It does that, but, if you say that it delays it, then you are just supporting my argument that you are going to use the highway trust fund for a variety of purposes and for other transportation needs for which it was not originally directed. So if we are going to be consistent and if we are going to be really doing what we say, in that we keep this fund for highway purposes, then we ought not to start transferring funds until we have a mass transit fund of its own so that we don't invade the highway fund for that purpose.

GOVERNOR LOVE: The question has been called for. All favoring the amendment say aye. Those opposing so signify. The amendment fails. Are you now ready for the question on the main motion? Governor Smith of Texas.

GOVERNOR SMITH: Mr. Chairman, I have a short statement that I would like to make and then I have a motion. I want to say this to each of the Governors in the beginning, that I am certainly not attempting to tell them what they need in their own States, because I have enough business of my own to occupy all of my attention. I would like for just a moment to put this highway trust fund matter in a little broader context than the problems of the individual States. When we talk about highway trust funds, we are talking about the

financing and we are talking about the building of a national highway system. We are not talking about a series of connecting state systems. Therefore, I think we should try to lay aside our localized viewpoints. I can understand why many States are looking harder for mass transit money than for highway money. In a sense, then, the issue seems to be one of highways versus mass transit. If this is the real question we are discussing, should the automobile users of America, as a class, have to pay for both? I am sure you know without my telling you that we had a sizeable withholding from this trust fund last year, and that we are facing a greater cutback this fiscal year. Let me remind you, not because the money is not available but because the Administration is borrowing this money for other purposes—this is my interpretation of the fact—that at the close of fiscal year 1970 the trust fund was holding United States certificates of investment of over 2.3 billion dollars.

We just approved an amendment on the policy statement a day or so ago prohibiting this very thing or, at least, getting a constitutional legal clearing on it. The States are not getting money dedicated to the completion of the interstate highway system. The hopefully conceived completion date of 1972 has been moved forward to 1977, and you will find few optimistic souls who argue that even that date can be met. It now seems to me that any tampering is premature, so, Mr. Chairman, I respectfully move that we postpone any further consideration of this resolution until the next general meeting.

GOVERNOR LOVE: You have heard the motion. Is there a second?

GOVERNOR JOHN BELL WILLIAMS: I will second it.

GOVERNOR LOVE: It has been moved and seconded. Is there any discussion? Are you ready for the question?

GOVERNOR HEARNES: Question.

GOVERNOR LOVE: The question has been called for. All who support Governor Smith's motion say aye—opposed nay. The motion fails to carry. We are now ready for a vote on the substitute policy statement as amended. Governor Bartlett.

GOVERNOR BARTLETT: Mr. Chairman, I move to delete Section 8.

GOVERNOR LOVE: Is there a second?

GOVERNOR SMITH: I second the motion and ask for a roll call vote, Mr. Chairman.

GOVERNOR HEARNES: Point of order.

GOVERNOR LOVE: Point of order by Governor Hearn.

GOVERNOR HEARNES: Isn't that the subject of the amendment from Governor LeVander of Minnesota, already voted upon?

GOVERNOR BARTLETT: His amendment altered Section 8, but this is a motion to delete completely all the language.

GOVERNOR LOVE: I believe that the motion to amend is in order. A roll call vote has been requested. It requires ten Governors joining in that request.

GOVERNOR SMITH: Mr. Chairman, I will withdraw that and ask for a division vote.

GOVERNOR DANIEL EVANS: Let me suggest, Governor Bartlett, that, since Section 8 is perhaps the most important part of this resolution in terms of concepts, why don't we deal with the whole resolution and vote on that?

GOVERNOR LOVE: I think rather than seek to go through another parliamentary process that we can vote on this and still vote on the total. In regard to division, if the Chair is in doubt on a voice vote, it will seek to clarify it. You have heard the motion of Governor Bartlett that Section 8 be deleted. It has been moved and seconded.

GOVERNOR SMITH: I call for a division vote, Mr. Chairman.

GOVERNOR LOVE: To clarify it, those in favor of deleting Section 8, the Bartlett amendment, please raise your hands. Seven.

Those opposed to the motion please raise your hands. The motion is lost. I now call for a vote on the substitute policy statement as amended. All in favor say aye, opposed no. The Chair rules that the "ayes" have it and the motion is carried. It becomes the policy of the Conference. Thank you, Governor Evans and your Committee. I now call on Governor Knowles.

GOVERNOR KNOWLES: Governor Ellington had to leave and, therefore, he asked me to present the report of the Committee on Executive Management and Fiscal Affairs relative to revenue-sharing. We met and discussed the matter and, while there were varying viewpoints, we finally arrived at an amendment with this very simple language:

"The Executive Committee is directed to employ every means available toward the immediate and favorable enactment of revenue-sharing."

This was unanimously adopted by the members of the Committee and I move its adoption.

GOVERNOR LOVE: It has been moved that the substitute policy statement be adopted. Is there a second?

GOVERNOR OGILVIE: I second it.

GOVERNOR LOVE: It is seconded by Governor Ogilvie. Governor Ogilvie wishes to comment.

GOVERNOR OGILVIE: Thank you, Mr. Chairman. I am very pleased to second the motion for the adoption of this amendment and I am gratified that, after two Conferences of Governors' meetings, we are going to get the Congress to take some action. I was informed by Governor Ellington that he has been assured by Congressman Mills that he is already to call the Administration's revenue-sharing bill for a hearing. I have also been informed that the Administration is ready to proceed immediately. I think the States have their backs to the wall financially. If federal revenue-sharing can be established, the role and responsibility of the States will be tremendously strengthened.

GOVERNOR McNAIR: Question.

GOVERNOR LOVE: The question has been called for. All those in favor so signify. Opposed? The motion has carried. We now come, and I am sure we must move along swiftly, to the consideration of those policy positions offered under the procedural device of suspending the rules of the Conference. Notices were properly given for several, and I am going to call them up in the order they were presented to the Conference.

First, you will recall that Governor Milliken announced his intent to ask to have the rules suspended for the purpose of introducing a resolution on a national clearinghouse for registration of chemicals. I believe Governor Milliken indicated that Governor Guy might wish to handle this matter. Is that your desire, Governor Guy?

GOVERNOR GUY: I move the rules be suspended so that we might consider a resolution having to do with the national clearinghouse and registration of chemicals.

GOVERNOR HEARNES: I second the motion.

GOVERNOR LOVE: It has been moved and seconded that the rules be suspended so that the resolution on the clearinghouse on chemicals and other substances may be considered. This requires a three-quarters vote.

GOVERNOR SCOTT: Mr. Chairman, may I inquire, would it be in order to have a motion on the suspension of the rules to consider all of these resolutions?

GOVERNOR LOVE: I think not. I think we should consider them separately, Governor Scott. The rules have been suspended for consideration of this first resolution. Do you now wish to present the motion on the resolution?

GOVERNOR GUY: Mr. Chairman, I move the resolution titled "National Clearinghouse and Registration of Chemicals," stating:

"WHEREAS, over 6,000 chemicals are released into our air, water, and land; and

"WHEREAS, there is a need to study and analyze all chemicals before they are introduced into our environment; and

"WHEREAS, there is a need to continuously monitor all chemicals in the environment:

"NOW, THEREFORE, BE IT RESOLVED that the National Governors' Conference urges that a national clearinghouse be established to:

"(1) Register all chemical compounds released into our environment;

"(2) Pre-screen each chemical as to its ecological effects prior to its introduction; and

"(3) Continuously monitor these chemicals in our environment and that this action by the member Governors be transmitted to the President as evidence of our sincere and genuine concern."

I move that be adopted.

GOVERNOR HOLTON: Question.



GOVERNOR LOVE: The question has been called for. All in favor so indicate. The resolution is adopted. Governor Maddox, who has also left the meeting, submitted three, I believe. I understand Governor Williams is going to act in his behalf.

GOVERNOR JOHN BELL WILLIAMS: Mr. Chairman, at the request of and on behalf of Governor Maddox, I ask that the rules be suspended for the consideration of Resolution No. 2 which is entitled "Vietnam Prisoners".

GOVERNOR LOVE: You have heard the motion. Is there a second?

GOVERNOR BARTLETT: I second it.

GOVERNOR LOVE: We will now vote on suspending the rules to consider a resolution on Vietnam prisoners. The vote is more than three-quarters in the affirmative and the rules are suspended. Do you wish to present it?

GOVERNOR JOHN BELL WILLIAMS: I believe, Mr. Chairman, that everyone has a copy in front of him.

GOVERNOR SCOTT: Question.

GOVERNOR LOVE: It has been suggested that each of you have had a chance to read it and there is a call for the question. All in favor say aye. The resolution has carried.

GOVERNOR JOHN BELL WILLIAMS: Mr. Chairman, at the request of Governor Maddox and on his behalf, I move to suspend the rules to consider Policy Statement No. 3, entitled "Appreciation to the Youth of America".

GOVERNOR LOVE: You have heard the motion. Is there a second? Hearing none, the motion fails for want of a second.

GOVERNOR JOHN BELL WILLIAMS: Mr. Chairman, on behalf of Governor Maddox and at his request, I move to suspend the rules for the consideration of Policy Statement No. 4, entitled "Appropriation of U.S. Department of Health, Education, and Welfare Funds".

GOVERNOR LOVE: Governor Williams has moved that the rules be suspended to consider this resolution. Is there a second? Hearing none, the motion fails for want of a second. Thank you, Governor Williams. I now recognize Governor John Haydon of American Samoa with regard to his proposed resolution.

GOVERNOR HAYDON: I would like to ask that the rules be suspended to consider a brief policy statement concerning the Territories.

GOVERNOR JACK WILLIAMS: I second it.

GOVERNOR LOVE: It has been moved and seconded that the rules be suspended for this purpose. The motion has passed and the rules are suspended. Would you proceed.

GOVERNOR HAYDON: Mr. Chairman, I'd like to ask, as we did at the 1969 Conference, that we pass a brief amendment, "That all policy statements of the 1970 National Governors' Conference, wherever reference is made to 'the States' or 'the fifty States', et cetera, that these phrases shall also include, where

relevant, the additional words 'and the Territories and the Commonwealth of Puerto Rico'." That is the motion and I would like to make this comment. If the motion carries, could the Committees in their work in the ensuing year remember that the Territories would like to be included and then the three of us wouldn't have to make this motion next year? Thank you.

GOVERNOR LOVE: It is so noted. Is there a second to that motion?

GOVERNOR RHODES: I second it.

GOVERNOR LOVE: You have heard the motion. All in favor so signify. The motion has carried. The Chair now recognizes Governor Rhodes, who I understand, is to represent Governor Ferré in his statement in support of a Presidential vote for Puerto Rico.

GOVERNOR RHODES: I move that the rules be suspended.

GOVERNOR HEARNES: I second it.

GOVERNOR LOVE: It has been moved and seconded that the rules be suspended for this purpose. The Chair rules that there are at least three-quarters. The rules are suspended. Will you proceed with your resolution.

GOVERNOR RHODES: The resolution speaks for itself, and I think it is a very simple resolution as to justification for voting in Puerto Rico. I move the passage of the resolution.

GOVERNOR SCOTT: I second it.

GOVERNOR LOVE: It has been moved and seconded that the "Statement in Support of Presidential Vote for Puerto Rico" be passed. The motion has carried. The Chair now recognizes Governor Guy of North Dakota.

GOVERNOR GUY: I move that the rules be suspended to consider Resolution No. 7.

GOVERNOR LOVE: Is there a second to the motion?

GOVERNOR SMITH: I second the motion.

GOVERNOR LOVE: It has been moved and seconded that the rules be suspended for the purpose of the proposed resolution. I believe of those present and voting three-quarters did vote in favor of the suspension of the rules. Proceed with your motion, Governor Guy.

GOVERNOR GUY: This resolution is titled "Earth Week":

"WHEREAS, there is an urgent need to promote a broader awareness and understanding of the environmental crisis facing each and every State in the United States; and

"WHEREAS, there is a compelling need to encourage a continuing commitment by all interests, including education, agriculture, business, labor, and civic and private organizations, to work to solve these fundamental environmental problems:

"NOW, THEREFORE, BE IT RESOLVED that we as Governors assist in focusing the nation's attention on environmental problems and their solutions by declaring the third week in April "Earth Week" in our respective States and seek the broadest participation in its activities."

I move the approval of that resolution.

GOVERNOR SMITH: I second it.

GOVERNOR LOVE: It has been moved and seconded. All in favor so vote. The motion carries. The Chair takes note that Governor Brewer did announce his intent to submit a resolution on mercury contamination standards. It is my understanding that Governor Williams of Mississippi is to speak in his behalf.

GOVERNOR JOHN BELL WILLIAMS: Mr. Chairman, on behalf of the Governor of Alabama, Mr. Brewer, and at his request, I move to suspend the rules for the consideration of a policy statement entitled "Mercury Contamination Standards".

GOVERNOR LOVE: You have heard the motion. Is there a second?

GOVERNOR RHODES: Second.

GOVERNOR LOVE: It has been moved and seconded that the rules be suspended for this purpose. The Chair rules that three-quarters or more having voted in favor of the motion, the rules are suspended. Do you wish to proceed, Governor Williams?

GOVERNOR JOHN BELL WILLIAMS: Mr. Chairman, the policy statement speaks for itself. Everyone has a copy. I would very strongly urge the adoption of this. It seeks the setting of minimum standards for mercury emissions into water. This has become quite a problem in some parts of the country. Governor Brewer and I have a common problem in a lake that borders on Mississippi and Alabama, and I would urge that this statement be adopted.

GOVERNOR LOVE: You have heard the motion. Is there a second?

GOVERNOR MANDEL: I second it.

GOVERNOR KNOWLES: There is one problem with reference to this resolution. We in Wisconsin likewise have a problem with mercury and we have held a series of hearings through the Department of Natural Resources in connection with amending our standards for water quality. Actually, the limitation of the mercury outflow is not a relevant measurement for this particular metal. Mercury is a cumulative poison and we have found that the problem we are being confronted with is that the source of mercury can easily be ascertained and you can limit the outflow of mercury, but unless the federal government takes some action in connection with this whole problem on a uniform basis, it really isn't going to answer the entire problem, because there are so many other hard metals that are involved in the contamination and pollution of our streams. I am not opposed to the resolution, I believe there is merit in it, and certainly I have urged Secretary Hickel and the Department of the Interior to release funds not only for the study of mercury but of many other hard metals that I think are going to be found to be contaminants.

GOVERNOR JOHN BELL WILLIAMS: I will say that I agree with the gentleman from Wisconsin, but this, of course, is Governor Brewer's resolution. I still feel this should be adopted.

**GOVERNOR LOVE:** Governor Peterson of New Hampshire.

**GOVERNOR WALTER PETERSON:** Mr. Chairman, I'd also like to support this resolution and point out that it directly affects us in New Hampshire. We have a problem with mercury contamination on the Vermont-New Hampshire border. I particularly call your attention to the last part of this resolution where it says:

"The National Governors' Conference urges the Federal Water Quality Administration to immediately initiate action for the determination of a minimum amount of mercury outflow which would not constitute a hazard to public health." It is the determination of that minimum that is important to us now, if we could find a uniform way to attack this problem.

**GOVERNOR RUSSELL PETERSON:** Question.

**GOVERNOR LOVE:** The question has been called for. All in favor please indicate. The motion has carried. The Chair recognizes Governor Tiemann of Nebraska.

**GOVERNOR TIEMANN:** Mr. Chairman, I move suspension of the rules for the purpose of adoption of resolution No. 9.

**GOVERNOR LOVE:** Is there a second to the motion?

**GOVERNOR WHITCOMB:** I second it.

**GOVERNOR LOVE:** It has been moved and seconded that the rules be suspended for the consideration of the resolution. The Chair rules that three-quarters or more have so voted. Would you proceed with your motion.

**GOVERNOR TIEMANN:** Mr. Chairman, the resolution is self-explanatory. The American Red Cross, being one of the very few private agencies to assist in disaster relief, had its funds severely depleted last year with Hurricane Camille in Mississippi and then followed this year by the tornado in Lubbock, Texas, and then Hurricane Celia in the southern part of Texas. I think it is entirely appropriate that the Conference go on record urging all citizens of this nation to strongly support their Red Cross chapters for purposes of relief in these areas and others. I move adoption of the resolution.

**GOVERNOR LOVE:** You have heard the motion. Is there a second?

**GOVERNOR OGILVIE:** I second the motion.

**GOVERNOR HEARNES:** Question.

**GOVERNOR LOVE:** The question has been called for. All in favor say aye. The motion has carried. The next item is the proposed amendment to the Articles of Organization, which does not require a suspension of the rules, since it has been adopted in the past by the Executive Committee and appropriate notice was given. For this purpose, the Chair calls on Governor Moore of West Virginia.

**GOVERNOR MOORE:** Mr. Chairman, the Executive Committee considered, at quite some length, the matter of financing certain aspects of our operations as a National Governors' Conference. At our meeting at Hilton Head,

Mr. Chairman, you appointed a subcommittee which reviewed the financial structure and the direction that certain aspects of Conference work was taking, and the subcommittee reported to the Executive Committee. The Executive Committee adopted the subcommittee's suggestion that we amend Article VIII with respect to the dues that are now paid by the members to the National Governors' Conference. As Article VIII now reads, there is a dollar limitation as to what would be collected from the members. Simply put, it indicates that "each member shall contribute such amounts, not to exceed a maximum total aggregate of \$260,000 per year".

This amendment proposes to change the Articles of Organization so as to delete the words "not to exceed a maximum total aggregate of \$260,000 per year", and Article VIII would then read: "Each member shall contribute such amounts as may be necessary to finance the programs and operations of the Conference in accordance with contributions schedules approved by 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."

Actually, what is proposed here is for the ensuing year that the National Governors' Conference would receive additional contributions, based upon schedules approved by the Executive Committee, in the amount of \$103,500. This would permit us to upgrade the office that we are presently staffing in Washington and permit us to better handle the office of federal-state relations under Charlie Byrley in Washington. If it meets the requirement of the member Governors, it puts us in a position to adequately respond, in many areas of inquiry, to that which comes to the National Governors' Conference from the various committees on the Hill.

There is attached to this notice the schedule of contribution that each of the States would be called upon to make. This proposed revision of annual contributions is based upon the 1960 census, and you will find that the increases have been allocated proportionately to population. The total amounts that this particular amendment would produce, upon recommendation of the Executive Committee, is \$360,500 annually. There would be a change next year, as soon as the new 1970 census is available to us.

Mr. Chairman, I move the adoption of this proposed amendment to the Articles of Organization of the National Governors' Conference, as it applies to the dues of the member States and Territories.

GOVERNOR LOVE: Thank you, Governor. Is there a second to that motion?

GOVERNOR McNAIR: I second it.

GOVERNOR LOVE: Do you require further discussion or are you prepared for the question?

GOVERNOR HEARNES: Question.

GOVERNOR LOVE: The question has been called for. All in favor so signify. Opposed? The ayes have it, the motion has carried, and Article VIII is amended. I think, Governor Moore, that we can't very well adopt both of those together. I think there needs to be a further motion to adopt the proposed schedule of annual contributions.

GOVERNOR MOORE: I would so move, Mr. Chairman, that we adopt the schedule of contributions attached to the proposed amendment.

GOVERNOR LOVE: You have heard the motion. Is there a second?

GOVERNOR HOLTON: I second it.

GOVERNOR LOVE: The motion has carried unanimously. The report of the Nominating Committee is now in order and I call on Governor Dempsey for that purpose.

GOVERNOR JOHN BELL WILLIAMS: Mr. Chairman.

GOVERNOR LOVE: Governor Williams.

GOVERNOR JOHN BELL WILLIAMS: I would like to be recognized, Mr. Chairman, on a point of personal privilege. I was unable to attend—and this won't take but a minute—last year's Governors' Conference because of a visitor that we had in Mississippi by the name of Camille. Camille, by all standards, was the most destructive, the most vicious natural disaster of its type ever to strike this country. The people of America responded by opening their hearts and their pocketbooks to the suffering victims of Hurricane Camille.

I had an opportunity in Williamsburg last year to express appreciation to the Southern Governors for the wonderful help that they gave to the people of Mississippi following that terrible disaster and I wish to take this time to express appreciation to all of the Governors of America. I don't think I failed to receive a message, a wire, an expression of sympathy, or aid in some form from any State in this Union. The people of Mississippi are profoundly grateful and I want the Governors here to know that we are grateful.

Another hurricane has now struck another part of the country, almost as vicious and destructive as Camille and, of course, the people of Mississippi are already doing the best they can, digging down deep to help these victims of Hurricane Celia in Texas. The purpose of my taking this time is to express our gratitude to all America for helping us in our time of need. That is all, Mr. Chairman.

GOVERNOR DEMPSEY: Mr. Chairman and my Fellow Governors:

The Nominating Committee offers as its nominee, first of all, for the Office of Secretary-Treasurer, the name of Brevard Carihfield, and I would hope that it would be included in the motion to you, "Carih", and to your staff, the deep appreciation, once again, for all that you do to make this Conference what it is today. I so move.

GOVERNOR LOVE: You have heard the motion. Is there a second?

GOVERNOR WHITCOMB: I second it.

GOVERNOR SCOTT: Question.

GOVERNOR LOVE: The motion carries and it is so ordered.

GOVERNOR DEMPSEY: Mr. Chairman, your Nominating Committee offers as its members for the eight memberships on the Executive Committee, the names of:

Governor Robert D. Ray, Iowa; Governor Frank L. Farrar, South Dakota; Governor Jack Williams, Arizona; Governor Linwood Holton, Virginia; Governor William T. Cahill, New Jersey; Governor Marvin Mandel, Maryland; Governor Robert W. Scott, North Carolina; and Governor Forrest H. Anderson from Montana. I so move, Mr. Chairman.

GOVERNOR SMITH: I second the motion.

GOVERNOR LOVE: You have heard the motion and the second. The motion has carried. It is so ordered. Will the newly elected members of the Executive Committee please stand a moment.

GOVERNOR DEMPSEY: Mr. Chairman and my Fellow Governors:

Your Nominating Committee now offers as its nominee for the Chairmanship of the National Governors' Conference the name of the distinguished Governor of our Host State, Governor Warren E. Hearnes of Missouri.

GOVERNOR LOVE: Governor Dempsey has moved the adoption of that report. Is there a second?

GOVERNOR WHITCOMB: I second it.

GOVERNOR LOVE: It has been moved and seconded. The motion has carried. Congratulations, Governor Hearnes.

GOVERNOR HEARNES: I suppose that to every Governor there is a time of his life he remembers most, and that is the day he was elected by his people to the office of Governor of his respective State. Second to that has to be when your colleagues give you a position such as you have just given me. I want to say to all of you that, in my now sixth conference, many times I have been in the minority on many questions. In accepting this position, I realize that it is my job to carry out the wishes of the majority, and not to espouse my views, which perhaps could be in the minority. Accordingly, at our first Executive Committee meeting, so that Governor LeVander, my very good friend from Minnesota, can lay his feelings to rest, we will start carrying out the mandate on revenue-sharing.

GOVERNOR LOVE: Thank you very much. The Chair now recognizes Governor Rockefeller of Arkansas for a report.

GOVERNOR WINTHROP ROCKEFELLER: Mr. Chairman, we have distributed a copy of the report relating to the mission of the Governors to France in May of 1970. It is a three-page report and I know the time is running out.\* Therefore, I might suggest, unless you would feel differently, that I call to your attention the last paragraph, in which we state, in referring to the mission

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\*For text, see Appendix XV.

to France, and, of course, we have had other missions to other countries so I would include them in this thinking: "In summary, it would appear that we have all the elements, on a quasi-official basis, working to promote a tremendously meaningful international relationship. It would be our feeling that the National Governors' Conference urge the State Department not only to accept the objectives but also recognize the tremendous potential of the program, both officially and financially."

GOVERNOR LOVE: Thank you very much, Governor Rockefeller. Again, in the interest of time, I have two communications or portions thereof that indicate the importance that the State Department and the National Administration and others assign to this kind of activity. Rather than read them at this time, I am going to ask that they be included as part of the record.\* Governor Rhodes.

GOVERNOR RHODES: Mr. Chairman, as my last act as a member of this fine group I want to apologize to my good friend, Cal Rampton. I want to say that Cal is a gentleman and his handicap is 18. I tried to make a better golfer out of him but he wouldn't let me. I enjoyed every hour on the green grass chasing that little white sphere and caddying for him. Cal, I hope you have many, many happy days on the golf course.

GOVERNOR LOVE: This kind of nostalgic talk brings us to this point. There are Governors here present who are ending, as far as we can now foresee, their last Governors' Conference. They will not be returning next year for reasons of constitutional limitations or sometimes other considerations. I am sure I speak in behalf of all of your fellow Governors, our very great gratitude for the tremendous contributions you each have made in the way of time, effort, dedication and competence in these various Conferences. I also wish to state that I consider it one of the greatest privileges of my life that I have been allowed to serve with each of you. Going around the room, to my left, Governor Shafer is limited in term. Governor Shafer, we are going to miss you.

GOVERNOR SHAFER: Mr. Chairman, I think that I speak for every person who has ever been a member of this Conference that it has been one of the most rewarding experiences of my life and I want to thank you and every other Governor with whom I have been associated in the four years that I have been a member of the Conference. I have been especially grateful for the lectures on vocational education from the Governor of Ohio, the lessons in revenue-sharing from Governor LeVander of Minnesota, and I could go around and mention all of the specifics, but to me this Conference is one of the greatest things we have in America, and the members of it are doing an outstanding job on behalf of all our citizens. Thank you.

GOVERNOR LOVE: Thank you. Another great Governor retiring, for the moment, anyway, Governor McNair from South Carolina.

GOVERNOR MCNAIR: No speeches, because we will never get away and

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\*For text, see Appendix XV.



make that time schedule. But it has been a real pleasure, John.

GOVERNOR LOVE: Governor Knowles, who has served with us faithfully.

GOVERNOR KNOWLES: Thank you very much, John. I thank all of you Governors for the many kindnesses which have been extended to me, not only as a member of the Governors' Conference, but on our various trade missions and people-to-people missions which we have conducted throughout the years. It is going to be a traumatic experience for me to be out of politics after thirty years, but there comes a time when, from your own standpoint and the best welfare of your health, retirement is good. We have to continue the organization but on an upward basis, with new faces, new ideas, in order to be a vital and effective organization. Thank you.

GOVERNOR LOVE: We take due note of that advice, and there are some of us who need it badly, I am sure. Governor LeVander, our expert on revenue-sharing.

GOVERNOR LEVANDER: First of all, let me thank Governor Hearnese for his assurance that he is going to continue what I have been trying to promote for quite some time. May I say that it has been a real inspiration and a real education to have the opportunity of meeting with this great Governors' Conference, something that I will long remember. I want to thank every member for the cooperation and the friendship that I have learned to know from all of the Governors. Thank you.

GOVERNOR LOVE: "Big Jim", the great Governor of Ohio.

GOVERNOR RHODES: Thank you, "Big John". Let me say this. I think, in my observation over a period of eight years, this Conference is probably the best organization in America. I would say the most knowledgeable men have graced these tables and over the years we have watched Governors come and go. I think that each and every one has imparted something that has made an indelible imprint upon our minds. I think the hardest workers are among the Governors because it is more than a job, and you must be all things to all people. The most controversial sector of public life lies in a Governor's office because it is the decision-making, rapid decision-making, that you must make. It is not being a judge or legislator, it is not deliberation, it is action within the office and I want to say for myself and my family, especially the four conventions we have had, my thanks. You have been wonderful.

GOVERNOR LOVE: Finally, Governor Dempsey, Connecticut.

GOVERNOR DEMPSEY: Mr. Chairman, my Fellow Governors, after ten long years as a member of this Conference, a family decision has been made to retire. I knew when this moment came I would feel like the rest of us and just a little bit lonesome but, Mr. Chairman, to you and to my fellow Governors for all these years, may I just say good luck to you and God bless each and every one of you.

GOVERNOR LOVE: The Chair recognizes Governor Knowles.

GOVERNOR KNOWLES: I ask unanimous consent to introduce a resolution of appreciation in behalf of all of the Governors.\* I move its adoption.

GOVERNOR LOVE: You have heard the motion.

GOVERNOR DEMPSEY: I second it.

GOVERNOR LOVE: It has been moved and seconded. The resolution is adopted unanimously. There will be a meeting of the new Executive Committee. Where and when, "Crihf"?

SECRETARY-TREASURER CRIHFELD: Immediately through the doors, in the next room. Take your name plates and will the aides please pick up your telegrams and mail in the lobby. There is a bar-b-que still going outside in the parking lot for all of you.

GOVERNOR LOVE: Gentlemen, before we adjourn, will you please wait just a moment and we will retire the colors and have the benediction by Reverend Maas.

REVEREND MAAS: Let us bow. Thy Heavenly Father, as we end this Sixty-second Governors' Conference, we should usher unto Thee Thy ideals in the words that we have used, in coordination, cooperation, comprehensive planning, environmental control, health, education and welfare, law enforcement, drug abuse control, federalism and equal opportunities. Oh, Heavenly Father, as we take this moment to ponder over the things that have been said, help us to realize that in these words, in these ideals, we not only understand our opportunities and the challenges that are before us, but also that we are humans and that we need Thy help. We ask that this day and in the days ahead America may become a place where the rich extend their hand to the poor, where the rejected may be accepted by those of society; that the young and old may try to understand the things before them and, indeed, dear Lord, we leave this place asking that the officials of this government may know Thou hast given us a great nation and a great responsibility. In Thy name we pray, Amen.

GOVERNOR LOVE: The meeting now stands adjourned.

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\*For text, see Appendix XIV.

# Appendices

# Appendix I

## THE GOVERNORS, AUGUST, 1970

State or other Jurisdiction	Governor (D) Democrat (R) Republican (PNP) New Progressive Party	Length of Regular Term in Years	Present Term Began January	Number of Previous Terms	Max. Consecu- tive Terms Allowed by Constitution
Alabama	Albert P. Brewer (D)	4	1968(a)	—	2
Alaska	Keith H. Miller (R)	4	1969(b)	—	2
Arizona	Jack Williams (R)	2(c)	1969	1	—
Arkansas	Winthrop Rockefeller (R)	2	1969	1	—
California	Ronald Reagan (R)	4	1967	—	—
Colorado	John A. Love (R)	4	1967	1	—
Connecticut	John Dempsey (D)	4	1967	(d)	—
Delaware	Russell W. Peterson (R)	4	1969	—	2(e)
Florida	Claude R. Kirk, Jr. (R)	4	1967	—	2
Georgia	Lester G. Maddox (D)	4	1967	—	(*)
Hawaii	John A. Burns (D)	4	1966(f)	1	—
Idaho	Don Samuelson (R)	4	1967	—	—
Illinois	Richard B. Ogilvie (R)	4	1969	—	—
Indiana	Edgar D. Whitcomb (R)	4	1969	—	(*)
Iowa	Robert D. Ray (R)	2	1969	—	—
Kansas	Robert Docking (D)	2	1969	1	—
Kentucky	Louie B. Nunn (R)	4	1967(g)	—	(*)
Louisiana	John J. McKeithen (D)	4	1968(h)	1	2
Maine	Kenneth M. Curtis (D)	4	1967	—	2
Maryland	Marvin Mandel (D)	4	1969(i)	—	2
Massachusetts	Francis W. Sargent (R)	4	1969(j)	—	—
Michigan	William G. Milliken (R)	4	1969(k)	—	—
Minnesota	Harold LeVander (R)	4	1967	—	—
Mississippi	John Bell Williams (D)	4	1968	—	(*)
Missouri	Warren E. Hearnes (D)	4	1969	1	2(e)
Montana	Forrest H. Anderson (D)	4	1969	—	—
Nebraska	Norbert T. Tiemann (R)	4	1967	—	2
Nevada	Paul Laxalt (R)	4	1967	—	—
New Hampshire	Walter Peterson (R)	2	1969	—	—
New Jersey	William T. Cahill (R)	4	1970	—	2
New Mexico	David F. Cargo (R)	2	1969	1	2
New York	Nelson A. Rockefeller (R)	4	1967	2	—
North Carolina	Robert W. Scott (D)	4	1969	—	(*)
North Dakota	William L. Guy (D)	4	1969	3	—
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	—	†
Rhode Island	Frank Licht (D)	2	1969	—	—
South Carolina	Robert E. McNair (D)	4	1967	(m)	(*)
South Dakota	Frank L. Farrar (R)	2	1969	—	2(n)
Tennessee	Buford Ellington (D)	4	1967	1(o)	(*)
Texas	Preston Smith (D)	2	1969	—	—
Utah	Calvin L. Rampton (D)	4	1969	1	—
Vermont	Deane C. Davis (R)	2	1969	—	—
Virginia	Linwood Holton (R)	4	1970	—	(*)
Washington	Daniel J. Evans (R)	4	1969	1	—
West Virginia	Arch A. Moore, Jr. (R)	4	1969	—	(*)
Wisconsin	Warren P. Knowles (R)	2(c)	1969	2	—
Wyoming	Stanley K. Hathaway (R)	4	1967	—	—
American Samoa	John M. Haydon (R)	(p)	1969(q)	—	—
Guam	Carlos G. Camacho (R)	4(r)	1969(s)	—	—
Puerto Rico	Luis A. Ferré (PNP)	4	1969	—	—
Virgin Islands	Melvin H. Evans (R)	(p)(r)	1969(s)	—	—

## FOOTNOTES

- (a) Governor Brewer, formerly Lieutenant Governor, succeeded to office in May, 1968, upon the death of Governor Lurleen B. Wallace, to fill unexpired four-year term, which began January, 1967.
- (b) Governor Miller, formerly Secretary of State, succeeded to office in January, 1969, to fill unexpired four-year term of Governor Walter J. Hickel (resigned), which began December, 1966. In regular elections, Alaska Constitution specifies first Monday in December as Inauguration Day.
- (c) Four-year term effective January, 1971.
- (d) Governor Dempsey, formerly Lieutenant Governor, succeeded to office in January, 1961, to fill unexpired four-year term of Governor Abraham A. Ribicoff (resigned), which began in January, 1959. Elected to full four-year term in November, 1962, Re-elected in November, 1966.
- (e) Absolute two-term limitation.
- (\*) Governor cannot serve immediate successive term.
- (f) Hawaii Constitution specifies first Monday in December as Inauguration Day.
- (g) December, 1967.
- (h) May, 1968.
- (i) Governor Mandel, formerly House Speaker, was elected to office by the General Assembly in January, 1969, to fill unexpired four-year term of Governor Spiro T. Agnew (resigned), which began January, 1967.
- (j) Governor Sargent, formerly Lieutenant Governor, succeeded to office in January, 1969, to fill unexpired four-year term of Governor John A. Volpe (resigned), which began January, 1967.
- (k) Governor Milliken, formerly Lieutenant Governor, succeeded to office in January, 1969, to fill unexpired four-year term of Governor George Romney (resigned), which began January, 1967.
- † Except for present Governor, Governor shall be eligible to succeed himself for one additional term.

- (m) Governor McNair, formerly Lieutenant Governor, succeeded to office in April, 1965, to fill unexpired four-year term of Governor Donald S. Russell (resigned), which began in January, 1963. Elected to full four-year term in November, 1966.
- (n) Nomination for third "successive" term prohibited by state law.
- (o) Previous term 1959-1963.
- (p) Indefinite term.
- (q) August, 1969.
- (r) In 1970, Office of Governor will become elective.
- (s) July, 1969.

## 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.

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\*As amended at Sixty-second Annual Meeting, Lake of the Ozarks, Missouri, August 12, 1970.

## ARTICLE IV

### EXECUTIVE COMMITTEE

The Executive Committee of the Conference shall consist of the Chairman of the Conference and eight other members elected at the final business session of the Annual Meeting.

Not more than five members of the Executive Committee shall be representative of a single political party. To the extent practicable, the members of the Executive Committee shall be widely representative of the various areas and regions of the United States.

Members of the Executive Committee shall hold office until the adjournment of the succeeding Annual Meeting and until their successors are chosen. Vacancies in the Executive Committee may be filled by the Chairman subject to ratification by the remaining members of the Committee by mail ballot or by vote at the next subsequent meeting of the Committee.

The Executive Committee shall meet not less than three times each year. It shall have authority to act for the Conference in the interim between Annual Meetings.

The Executive Committee is empowered to authorize the creation of standing, special project or study committees of the Conference, and to assign and reassign to such committees the studies authorized by the Conference.

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 balance on hand; and shall furnish a bond with sufficient sureties conditioned for the faithful performance of his duties.

## ARTICLE VII

### POLICY STATEMENTS

Statements reflecting policy positions of the Conference shall be in the form of summary statements prepared by Conference committees as an adjunct to their committee reports. Such statements shall be submitted to the Executive Committee and to all Governors not less than one month prior to an annual or special meeting of the Conference. The Executive Committee is authorized to

submit such statements, with or without amendments, to the Conference for consideration. Policy statements shall be deemed adopted upon obtaining a three-fourths favorable vote of the Conference. Floor amendments shall require the same majority vote. Any Governor desiring to submit a policy statement for consideration shall do so by transmitting the substance thereof to an appropriate committee chairman not less than two months prior to an annual or special meeting of the Conference.

## ARTICLE VIII

### DUES

Each member shall contribute such amounts as may be necessary to finance the programs and operations of the Conference, in accordance with contributions schedules approved by 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\*

#### 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—Policy Statements And Resolutions

1. By action of the Conference at its 1969 Winter Meeting, the Articles of Organization were amended to abolish resolutions and to establish a regular procedure for preparation of policy statements by Conference committees as an adjunct to their committee reports. Such policy statements shall come before the Conference in the manner set forth by Article VII of the Articles of Organization. Policy statements adopted by the Conference shall remain in force and effect until rescinded or superseded by the Conference.

2. In order to consider any policy statement or resolution that has not been prepared and presented in accordance with Article VII, the Conference may suspend the Articles of Organization by a three-fourths majority vote. Under such suspension, the proposed policy statement or resolution may be debated, amended and adopted upon a similar majority vote of the Conference.

3. Any member intending to offer a motion for suspension of the Articles of Organization to consider a policy statement or resolution shall give notice of such intention and shall distribute to all members present a copy of such proposal at least one session before such motion is put to a vote.

#### 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.

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\*Adopted at Sixty-second Annual Meeting, Lake of the Ozarks, Missouri, August 10, 1970.

2. If there be separate majority and minority reports from a committee, the following motions shall be in order: (a) a motion to approve the majority report (by a majority member of the committee); (b) a motion to approve the minority report in lieu of the majority report (by a minority member of the committee); (c) a motion to receive and file both reports (by any member from the floor); and (d) a motion to refer both reports back to committee for further study (by any member from the floor). Voting on any of these motions shall be in reverse order of the above. A motion to table is not in order.

3. Action on the motions described above shall be by a simple majority vote.

4. No individual amendments to a committee report, a separate majority report, or a separate minority report may be offered from the floor.

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. This Rule II shall not apply to policy statements developed as an adjunct to Conference committee reports, and such policy statements shall be governed by Article VII of the Articles of Organization.

### Rule III—Ordinary Business

1. Any proposition 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 And Other Matters**

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 adoption of any motion, as set forth in these Rules of Procedure, refers to the number of members voting Yea or Nay on the motion, a quorum being present. Members are entitled to indicate that they are present but not voting, or to explain their vote.

#### **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, 1969 - June 30, 1970

##### Receipts

Dues Received from States .....	\$279,000.00
Interest .....	18,688.15
Total Receipts .....	\$297,688.15

##### Disbursements

Salaries and Fringe Benefits .....	\$143,228.36
Supplies .....	7,598.10
Equipment .....	1,516.42
Postage, Express, Delivery .....	9,712.81
Telephone & Telegraph .....	10,766.13
Rent .....	9,628.13
Travel and Conference .....	21,050.83
Printing .....	26,321.93
Books and Periodicals .....	1,436.90
Miscellaneous .....	824.96
Winter Meeting .....	17,856.59
Total Disbursements .....	249,941.16
Excess of Receipts Over Disbursements .....	\$47,746.99

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#### Statement of Changes in Current Assets For the Year Ended June 30, 1970

Current Assets July 1, 1969 .....	\$172,762.11
Add: Excess of Receipts Over Disbursements (above) .....	47,746.99
Current Assets June 30, 1970 .....	\$220,509.10

##### Composition of Current Assets June 30, 1970:

Cash in Bank .....	\$(17,356.80)
U. S. Treasury Bills .....	235,365.90
Petty Cash .....	500.00
Expense Advance .....	2,000.00
Current Assets June 30, 1970 .....	\$220,509.10

## 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
60th	Cincinnati, Ohio	July 21-24	1968
61st	Colorado Springs, Colorado	Aug. 31-Sept. 3	1969
62nd	Lake of the Ozarks, Missouri	August 9-12	1970

## Appendix VI

### CHAIRMEN OF THE NATIONAL GOVERNORS' CONFERENCE, 1908-1970\*

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

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\*At the initial meeting in 1908, President Theodore Roosevelt presided.



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
Governor Buford Ellington, Tennessee	1968-69
Governor John A. Love, Colorado	1969-70
Governor Warren E. Hearnes, Missouri	1970-71

## Appendix VII

### REPORT TO THE NATIONAL GOVERNORS' CONFERENCE BY THE EXECUTIVE COMMITTEE

The 1969-70 Executive Committee of the National Governors' Conference held its initial meeting on September 3, 1969, immediately following adjournment of the Conference's 61st Annual Meeting at Colorado Springs, Colorado. Your Committee convened on four additional occasions during the Conference year: December 10, 1969, at Winrock Farm in Arkansas; February 25 and 27, 1970, in Washington, D.C.; April 25 at Hilton Head, South Carolina; and today, August 9, at Lake of the Ozarks in Missouri. The following brief report highlights the 1969-70 interim activities of the Executive Committee.

#### FUNDING AND SPECIAL ARRANGEMENTS FOR ANNUAL MEETINGS

Your Executive Committee turned its attention to the problem of financing Annual Meetings of the Conference, and expressed particular concern about the ability of many smaller States ever being able to serve as Host because of the increasing financial burden. Numerous alternative solutions to this problem were considered at the close of the Colorado Springs meeting and at subsequent meetings of the Executive Committee. Following considerable analyses of prior Host State budgets, it was concluded that primary out-of-pocket costs were associated with lodging and meal costs of the visiting "official parties." Thus, it was concluded that the tradition of the Host State paying hotel room and restaurant charges for an official party of six persons should be eliminated. It was agreed that each visiting Governor would be entitled to a complimentary suite for himself and his immediate family, each suite not to exceed two bedrooms. All other members of a Governor's party would pay for their own rooms and other expenses. No visiting party should exceed a maximum of ten persons. The Host State would continue to be responsible for official functions involving meals, but not for room service or meals taken in hotel restaurants. By cutting costs below the traditional pattern, the Executive Committee believes that it is not necessary at this time to consider more drastic measures.

## STANDING COMMITTEE STRUCTURE AND ASSIGNMENTS

Based upon the success of the 1969 Annual Meeting at Colorado Springs and the fine work accomplished by the Conference's six Standing Committees during the preceding year, a decision was reached to continue the existing structural format with one exception. A recommendation had been made that a separate committee be established on agriculture and agricultural problems. The unanimous view of the Executive Committee, however, was that fragmentation should be avoided, and that the request should be handled by including the subject of agriculture within the Committee on Community Development and Urban Relations. To reflect the addition of agriculture to this Committee, it was redesignated as the Committee on Rural and Urban Development. Thus, the Conference has continued to operate during the past year with six Standing Committees, and it is our unanimous opinion that this structure is manageable.

It should be noted that the Executive Committee has arranged on at least two occasions during the year to involve the Chairmen of the Conference's six Standing Committees in the deliberations of the Executive Committee. There is considerable value to this arrangement, and it is recommended that a close liaison between the Executive Committee and the Conference's six Standing Committees be continued.

## FINANCING OF CONFERENCE OPERATIONS

The Executive Committee gave in-depth consideration to the Conference's financial operations and to a need for increased financial support to continue federal-state and other activities at a high level of efficiency and performance. Action taken at a special meeting of the National Governors' Conference in December, 1966, was reviewed. At that time, the Articles of Organization were amended to provide a financial base for staffing and funding an Office of Federal-State Relations in Washington, D. C. The 1966 meeting resulted in the Conference's approval of a "Schedule of Annual Contributions" which provided a maximum annual income of \$257,000. This Schedule was ample for the Fiscal Years 1967, 1968, and 1969. However, a small deficit in Fiscal 1970 was realized, and a more substantial deficit in Fiscal 1971 is projected. Surplus funds from prior years will accommodate the deficits through Fiscal 1971, but the Executive Committee deemed it necessary to adopt a new "Schedule of Annual Contributions" beginning with Fiscal 1972. Since action along these lines requires an amendment to the Articles of Organization at this 62nd Annual Meeting, the Executive Committee plans to offer an amendment to the Articles which will remove the income limitation of \$257,000. A companion proposal will call for the adoption of a new "Schedule of Annual Contributions" which

will increase income by approximately \$100,000. The Executive Committee recommends support of this proposal.

It should be noted also that your 1969-70 Executive Committee at its August 9 meeting amended the current Conference budget to provide an additional \$30,000 to support increased efforts on the "war on crime." Specifically, it was agreed that an additional staff person in the field of criminal justice would be employed, along with appropriate staff support.

#### INTERGOVERNMENTAL RELATIONS

Governors who attended the 1969 Annual Meeting will recall the presence and participation of the elected heads of major organizations representing local governments. That was the beginning of a very important dialogue, and your Executive Committee has done much to foster this state-local relationship during the year. There were two particularly significant developments: 1) At our Hilton Head meeting, we invited the same group of local leaders to meet with us as were present at Colorado Springs, i.e., principals and staff of the International City Management Association, the National Association of Counties, the National League of Cities, and the United States Conference of Mayors. There was an excellent turnout, and some very fine discussions were held on revenue sharing, law enforcement and the Omnibus Crime Control Act, national growth policies and regional commissions, and numerous other matters of concern to Mayors, County Executives and Governors alike; 2) The other significant activity was a special news conference on revenue sharing held in Washington, D. C. Each of the major organizations representing state and local governments participated in that conference, and we do believe it resulted in giving additional national attention to the important issue of revenue sharing. The National Governors' Conference is now being invited to participate in the Annual Meeting programs and other activities of these various organizations, so it is increasingly apparent that a fine interorganizational relationship has been established. Such cooperation should continue.

#### WINTER MEETING ON FEDERAL-STATE RELATIONS

The third Winter Meeting of the National Governors' Conference was held in Washington late in February. Over forty Governors were in attendance, and your Executive Committee believes that this particular meeting on federal-state relations was of considerable value. Most of our attention was devoted to relationships with the Congress. Our committees met with appropriate Congressional committees—mostly on an informal basis. Discussions were

meaningful and productive. The Executive Committee and the Chairmen of our Standing Committees met in a separate luncheon with the Congressional Leadership. This was an especially fine session, and we heartily recommend that meetings of this nature be repeated on a frequent basis.

#### SPECIAL SEMINAR FOR GOVERNORS-ELECT

Your Executive Committee has approved the idea of conducting a special Seminar for Governors-Elect following the November elections. The Conference's first effort in this kind of effort took place following the 1968 elections. Programs of this nature can be extremely useful, and we urge their continuation.

#### INTERNATIONAL RELATIONS

The National Governors' Conference during 1969-70 continued an excellent program of international relations. Visits by various Governors were made to France, Israel and Japan. A visit to Ireland is planned in the near future, and it appears that arrangements will develop for additional travel to foreign countries during the coming year. The Executive Committee wishes to emphasize that the State Department places exceptional value on these visits. They are viewed as extremely helpful in our overall international relationships.

#### FUTURE ANNUAL MEETING SITES

Members of the Conference will recall certain past difficulties in allowing sufficient lead time for a Host State to prepare for an Annual Meeting. Thus, it was decided last year to work on a two-year basis for advance selection of Annual Meeting sites. The Commonwealth of Puerto Rico has been selected to host the 63rd Annual Meeting in 1971. Your Executive Committee this year has selected Houston, Texas, as the site of the 1972 Annual Meeting.

#### NATIONAL ADMINISTRATION RELATIONS

This report would not be complete without paying tribute to the key officials of the National Administration who have worked so cooperatively with the National Governors' Conference during the past year. Two of our former colleagues—Vice President Spiro T. Agnew and former Governor Nils A.

Boe—deserve special recognition, as they have continued to devote their personal time and energies to the efforts and concerns of the Governors of the several States. On behalf of the entire Conference, the Executive Committee expresses its gratitude to the Vice President and to Governor Boe for their untiring efforts.

#### SUMMARY

This brief report merely highlights the activities of your Executive Committee during the past year. Many issues have surfaced and have been appropriately dealt with. Reports on such issues as construction cutbacks, welfare regulations and related matters have been reported to you from time to time. Also communicated on a timely basis have been the various resolutions adopted by the Executive Committee during the interim.

Finally, let me express my deep appreciation to members of the Executive Committee, to the Chairman of our six Standing Committees, to all members of Committee Advisory Task Forces, and to our staff, particularly Brevard Carihfield and Charles Byrley, for the very excellent work they have done during the year. The 1969-70 Conference theme has been "The States in the '70s—Catalyst for Action". The States have indeed been the catalyst, and the National Governors' Conference has continued to play a leading role in bringing about desired action at all levels of government. Members of your retiring Executive Committee join me in pledging our continuing support of all activities of the National Governors' Conference. We urge each of the Governors to become ever more diligent to assure and secure the proper role of state government in our federal system.

## Appendix VIII

### APPROVED POLICY STATEMENTS, BASED ON RECOMMENDATIONS OF THE COMMITTEE ON TRANSPORTATION, COMMERCE, AND TECHNOLOGY

#### THE STATE ROLE IN BALANCED TRANSPORTATION PLANNING AND DEVELOPMENT

The Governors of the States pledge their continued action to deal with the expanding and changing transportation needs in the decade of the seventies.

1. We commend the U.S. Transportation Department for its development of a National Transportation Policy which centers the responsibility and power for priority decision-making in the chief executives of the States.

2. We call upon all States to study the need to develop administrative and legal mechanisms to plan, develop, finance, construct, administer and regulate the comprehensive transportation system which the citizens of our States deserve. Many States have taken such action by creating state departments of transportation.

3. We strongly endorse the continuation of the Highway Trust Fund as an inviolate source of revenues to the States. We strongly urge the early completion of the Interstate System, with funds thereafter being available to the States for the updating and renewal of our primary and secondary highways, as well as urban systems.

4. We endorse the creation of the Airport/Airways Development Trust Fund, supported by a separate fund source and not from the Highway Trust Fund.

5. We urge the creation of an Urban Mass Transportation Trust Fund, supported by a separate fund source and not from the Highway Trust Fund.

6. We urge the continuation of federal financial assistance programs dealing with railroads, waterways, and highway safety.

7. Each State should be guaranteed that its proportionate share of funds under each trust fund will not be reduced. Furthermore, the Federal Government should not be permitted to divert any trust funds.

8. The Governor, as the elected chief executive of his State, is in the best position to determine the transportation needs and priorities of his own State. Therefore, the Governor must be free from federally imposed restrictions in determining transportation priorities. Federal legislation should be amended to allow each state chief executive the flexibility to carry out the state-determined priorities and needs for transportation development. The Governor should be permitted to exercise his executive prerogatives in meeting the needs of his State

by having the ability to transfer, upon a limited basis, funds among the various federal transportation trust funds and grant programs to meet his own State's priority transportation needs.

## TRANSPORTATION AND THE ENVIRONMENT

The National Governors' Conference pledges a continued fight against the pollution of our environment by the wastes and by-products of our growing transportation system.

The Governors believe the following problems should be the subject of a sustained anti-pollution effort by the States and the Federal Government:

1- air pollution caused by gasoline powered automobiles, diesel trucks, locomotives and ships, and aircraft fueled with kerosene and gasoline;

2- water pollution caused by the spillage from vessels of untreated sewage, oil from machinery and bilges, and crude petroleum spills from tankers;

3- land pollution caused by sewage discharge from railroad trains, by abandoned automobiles, by litter, and the scarring of landscape from removal of coal and other fuel sources;

4- noise pollution and nuisance caused by aircraft, autos, trucks, railroad trains, and ships, any by heavy construction associated with transportation.

Perhaps in no other aspect of transportation is there a greater need for States to be free from restrictive federal preemption. The Governors call upon the federal government to provide effective minimum standards to protect the basic health and safety of every citizen, while leaving state governments free to deal with problems that have reached extraordinary severity, or to respond to citizen demands for a higher level of environmental quality than that which would be supported nationwide.

The Governors pledge a sustained effort to develop a combination of laws and programs which will punish polluters of the environment, while providing incentives where necessary to those whose efforts can combat environmental decline. The Governors call upon the Federal Government to join with the States in a vast research effort to measure pollution and to apply innovative technology in discovering new sources of energy and new techniques of reducing and disposing of wastes produced by our transportation system.

The Governors pledge increased emphasis in the design of highways and other transportation systems so that these facilities complement rather than conflict with the total environment in both its natural and man-made aspects. Further, programs for the preservation and development of historic and scenic vistas along transportation corridors should be encouraged by the reward of additional federal financial assistance for increased state and local action, rather than by the present threat contained in the Highway Beautification Act, of a ten percent penalty in highway funds.



## HIGHWAYS

The National Governors' Conference supports continued development of a national, state and local network of highways, streets and roads which are well planned, coordinated, and safe. Highways will continue to be the principal mode in America's transportation system even as it becomes more flexible and balanced in the future.

The Governors urge the following action as part of the partnership between State and Federal Governments in highway construction:

1- Funds from the Highway Trust Fund should not be suspended or withheld; and we hereby request the Executive Committee to take necessary steps to provide that court action be undertaken to challenge the authority of the Executive Branch of the Federal Government to withhold distribution of Highway Trust Funds.

2- Apportionments from the Highway Trust Fund should be made as soon as possible after the 1st of July for the following fiscal year to enable the States to adequately plan their highway construction program.

3- The revolving fund within the Highway Trust Fund, set aside for the advance purchase of right-of-way, should be made available as soon as possible, and continued as a measure of economy and planning.

4- Federal fuel taxes should not be increased to the detriment of the States' ability to use the fuel tax as a source of revenue for the construction and maintenance of the highway system.

5- Primary authority for coordination, planning and flexible distribution of trust funds within the States should continue to be at the State Government level.

6- After completion of the present Interstate System, the Highway Trust Fund should be continued as part of the flexible fund described above. The basic purpose of the Highway Trust Fund in the post-Interstate period should be to strengthen the primary and secondary system, as well as urban systems. Completion of the Interstate System has linked the Nation together as never before, thereby encouraging additional travel which has placed a heavy burden on those portions of the urban primary and secondary streets and road system that are outdated and inadequate.

7- We endorse the concept of developing a system of scenic highways to allow access to national and state parks and improved recreation areas.

8- We recommend that further study be given for methods by which States can implement the provisions of the Relocation Assistance Program contained in the Federal Highway Act of 1968. Intergovernmental cooperation is needed to overcome the many legal and administrative problems created by this program.

## HIGHWAY AND MOTOR VEHICLE SAFETY

The National Governors' Conference views with alarm the tragic number of preventable highway and traffic accidents. We urge the following action to strengthen the intergovernmental effort to make our streets and highways safe:

1- We support the National Highway Safety Administration and commend its creation as recognition of the severity of this problem, and the need for a coordinated attack upon the causes of highway deaths and injuries.

2- The Congress should give its full support to the highway safety program by appropriating the funds necessary to accomplish the mandate of the National Highway Safety Act.

3- The Congress should amend the Act so that funds for highway safety will be allocated in a bloc grant directly to the appropriate state agency designated by the Governor.

4- An incentive program should be developed to reward States with progressive highway safety programs. This would replace the present ten percent penalty clause in the Act.

5- The President should seek the advice and consent of the Governors when selecting representation from individual States for his National Highway Safety Advisory Committee.

6- There should be greater coordination of research conducted by the National Highway Safety Administration, the States and private industry. The Bureau should act as a clearinghouse and information source for such an exchange of information. The Administration should consult with the vehicle equipment safety commissioners of the States when determining minimum standards for vehicle equipment, and should design standards which are sufficiently flexible to permit States to impose additional requirements where conditions warrant.

7- The Bureau should work with the Governors in encouraging the efforts of the private sector in each State to develop public awareness of highway safety.

## AIRPORT DEVELOPMENT

The States pioneered in the development of comprehensive airport plans and construction of aviation facilities. Following World War II, cities, counties, and public authorities began the construction of large airport facilities, using excess military airports. In 1946 the Federal Government for the first time began a program of limited financial assistance for airport construction. Forty-eight States have state aviation agencies with varying responsibilities. Twenty-five States own and operate more than 700 airports. Forty-three States have budgeted nearly \$180 million for fiscal year 1970 for airport development.

Despite this considerable effort, the National Governors' Conference expresses its great concern over the growing over-loading of our national airways and airport system to meet the air transportation needs of the United States. We commend the Congress for enacting a major new program of financial assistance for airport development. However, this initial step must be supported by the following additional action:

1- Federal legislation imposing new or increased taxes and user charges, particularly taxes on aircraft fuel and terminal use fees, must not preempt but rather preserve the power of States and localities to collect appropriate taxes and fees to support their share of costs for airport development and improvement.

2- The development of a comprehensive National Airport System Plan should be based upon individual State Airport Systems Plans, developed in cooperation with federal and local governments.

3- Sufficient funds must be made available from the new federal legislation for airport planning activities at the state government level. We urge the Secretary of Transportation to set aside not less than one-third of all planning funds in the new Act for use solely by state aviation and planning agencies.

4- We urge all States to join the twenty-seven States which have adopted the "Uniform State Channeling of Federal Airport Funds Act" as drafted by the Federal Aviation Administration in cooperation with the Council of State Governments.

5- We urge all States to consider provisions for connecting ground transportation when preparing airport plans.

#### URBAN MASS TRANSPORTATION\*

States are employing broad and varied tools to aid public transportation systems. Every State has exercised its authority to form areawide mass transit districts, and to grant them taxing authority and bonding powers. Several States

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\*Scheduled for consideration on August 10, this policy position was referred back to the Committee on Transportation, Commerce, and Technology, at the request of the Committee Chairman, to be considered in the context of revisions to policy position D.-1 which had been previously referred back to the Committee for further study and final action on August 12. Although not brought to the floor as a separate policy proposal in the Conference's final actions on August 12, it was the Committee's intent that this policy position be considered in conjunction with policy position D.-1 which was approved by the Conference. Technically, this policy position (D.-6) may be considered as policy of the Committee on Transportation, Commerce, and Technology.

are now providing direct capital grants for the construction of mass transit facilities. States are involved in providing operating subsidies, and States have used their powers of taxation and tax exemption to stimulate the development of transit service.

State action is a must because of the nature of mass transit problems. The State has the responsibility to give each urban region the attention it requires, but also a responsibility to coordinate among the individual units in that region. The State can usually help resolve conflicts between city and suburban political subdivisions.

The development of adequate, modern systems of urban mass transit is essential to the continued life of the urban areas within our States. To accomplish this purpose, the National Governors' Conference urges the following action:

- 1- The establishment of a National Public Transportation Trust Fund. The program should be adequately funded by the Federal Government to meet the needs of both the large urban areas requiring subway or rail transit systems, and the growing urban areas requiring bus transportation facilities.
- 2- The federal assistance program should provide for channeling of transportation assistance funds through an appropriate state agency. The applicant for assistance under the Act should first receive state approval certifying his proposed project as part of or consistent with a statewide or regional comprehensive transportation plan.
- 3- The Governor or his designee should have authority to set priorities for the funding of public transportation projects within the State, and these priorities should be honored by the Federal Department of Transportation.
- 4- The establishment of a major federal grant program to States for public transportation planning and development should require recipient States to have a program of tax exemption or financial assistance to public and private transit systems, a specific statewide agency responsible for public transportation development, and a statewide transportation program in progress.
- 5- The Congress should act to exempt public and private transit systems from the federal gasoline tax, thereby providing these systems with a form of badly needed financial relief that has already been provided at the state level in several cases.

## RAILROADS

The National Governors' Conference is concerned about the decline of the railroads as a major element in the American transportation system. The railroads are essential to the continued economic role to fill in the movement of persons. To strengthen our Nation's rail system, we urge the following:

1- Federal legislation which would provide for the establishment of a national rail passenger system, with financial assistance from the Federal Government and private industry, and a significant role for the States in the determination of necessary services and facilities for a balanced rail transportation system.

2- Federal legislation to create a federal-state partnership in regulating the safety of our railroad system. We urge legislation providing for State regulation of all stationary railroad facilities including roadbeds, grade crossings, and station installation, and for federal financial assistance in this intergovernmental effort.

3- The Congress should conduct a complete investigation of present federal laws, regulations and policies now governing the railroad industry to determine what unnecessary burdens and impediments are placed upon the industry, inhibiting its adequate maintenance and development. This study should include an examination of the role and policies of the Interstate Commerce Commission and the Department of Transportation, and it should study methods for maintaining inter-city service.

4- State and local governments should completely review their laws and regulations affecting taxation of railroad property and imposition of unneeded manpower requirements. A careful study should be made of the cost burden paid by railroads for construction and maintenance of grade separations and crossings to determine an equitable method of sharing the costs between the beneficiaries.

5- We commend the Congress for its far-sighted action in creating the research and development programs for railroads and high-speed ground transportation. We urge continued, adequate funding for these programs.

6- We call upon the railroad industry to recognize its responsibility to the American people to use new initiative and energy in improving passenger service. Better management techniques and creative investment of resources can strengthen this vital component of the nation's transportation network.

#### WATERWAYS

The National Governors' Conference supports the establishment of national, uniform standards for safety in the manufacture and maintenance of boats. We can support continued state licensing and regulation of boat operators and operations.

We recognize the growing need for ferry boat and water surface transportation systems where these are the least expensive and most practical way of extending transportation connections. We call upon the Federal Department of Transportation to initiate an action program to give aid to those parts of the Nation in need of such water transportation development.

## COMMUNICATIONS

The National Governors' Conference recommends to the Congress and to the Federal Communications Commission the full re-examination of the present allocation of the frequency spectrum.

Special attention should be given to the increasing need to allocate radio frequencies for emergency and public services. A special frequency, common throughout the Nation, should be established for emergency medical services to facilitate communications between ambulances and hospitals.

## COMMERCE

The National Governors' Conference endorses development of a commercial freight rate structure which is non-discriminatory and does not promote inefficiency, and we urge Congress to undertake a study to this end.

## Appendix IX

### APPROVED POLICY STATEMENTS, BASED ON RECOMMENDATIONS OF THE COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENTAL MANAGEMENT

#### NATIONAL GOALS ARE NEEDED

There is a need for the President and Congress to set national goals in the fields of ecology, environment, conservation, and population. It would simplify the direction of state and local efforts if they could mesh their goals with national goals. These goals should stand out as signal flags on the halcyons of our ship of state so that all could see them and understand them.

#### STRONG STATES IN THE FEDERAL SYSTEM ARE NEEDED

There must be a constant recognition of the need to place as much responsibility as possible in planning and action at the state and local levels, including such action that might necessitate interstate compacts. The unique abilities of state and local government to recognize priorities at the grass roots level should be respected and understood by the Federal Government. State governments should be permitted to set higher minimum standards than the Federal Government in the fields of environmental management and conservation.

The States need as much flexibility as possible in adjusting state and local programs to those needs unique to the area, economy, etc. Therefore, the block grant approach to federal planning and action funds disbursement is preferred over categorical grants.

#### MORE RELEVANT EDUCATIONAL EFFORTS IN ENVIRONMENT, CONSERVATION, AND POPULATION ARE NEEDED

We must recognize the urgent need for the teaching of environment, conservation, and population as a major basic educational requirement in primary, secondary, and higher education. Curricula of traditional offerings at all levels of education need to be examined for their relevance to the rapidly changing conditions of environment, natural resources, and population.

The competition for students' attention to a wide range of study matter should not be allowed to prevent a full understanding of the natural forces at play on this planet. Too often in the past, students have not been adequately taught the subjects of environment, conservation, and population, and have not

learned the interrelationship of these subjects. Yet failure to understand this relationship could possibly spell mankind's doom if informed action based on knowledge is not taken by the public.

States should require a constant updating of educational curricula in order to strengthen the offerings in environment, conservation, and population.

#### A NATIONAL VOLUNTARY POPULATION DISTRIBUTION POLICY IS NEEDED

The United States needs to develop a national policy on voluntary population distribution. It is now projected that the population of the United States will rise from 200 million people at present to more than 300 million people by the year 2000.

Our Nation has practiced population distribution incentives in the past through such devices as the Homestead Act. A new and fresh approach to population distribution at the present time is needed.

The social and economic problems of overpopulated areas include ghettos; poverty; mass transit demands; overloaded educational, health, and recreational services; pollution of air and water; increased crime; and a growing level of individual frustration and nervous tensions.

On the other hand, underpopulated areas are suffering high economic and social costs as well. These costs are brought on by an inadequate tax base and too few people to support necessary institutions on a community basis such as schools, churches, hospitals, recreational areas, etc.

Environmental management and conservation become excessively costly because of the severe population imbalance between the overpopulated States and those which are underpopulated.

The Federal Government, through its inadvertent and uncoordinated planning and programs, is one of the major factors in creating population imbalance.

There are remedies that should be attempted to alleviate population imbalance. Subsidized low interest rates could be offered on loans for industrial expansion in underpopulated areas. Manpower training programs to assure an employee supply to industries which would expand outside of congested areas could be implemented. A revamping of the Interstate Commerce Commission freight rates, which now make economic expansion virtually impossible in some underpopulated areas, could be adjusted to permit industrial expansion in underdeveloped areas.

Federal tax incentives might be given to industries that locate away from overpopulated areas. Special federal grant programs to strengthen the desirability of living in underpopulated areas might be made. Grants for educational, health and recreational services necessary in order to attract people to live in areas now



considered underpopulated would lessen the cost and burden of trying to provide these same services to the same people if these people are attracted to densely populated areas.

## NATIONAL AND STATE COASTAL ZONE POLICY PLANNING AND MANAGEMENT ARE NEEDED

### A. National Coastal Zone Management

The coastal zone presents one of the most perplexing environmental management challenges. The thirty-one States which border on the oceans and the Great Lakes contain seventy-five percent of our Nation's population. The pressures of population and economic development threaten to overwhelm the balanced and best use of the invaluable and irreplaceable coastal resources in natural, economic, and aesthetic terms.

To resolve these pressures, two actions are required. First, an administrative and legal framework must be developed to promote balance among coastal activities based on scientific, economic, and social considerations. This would entail mediating the differences between conflicting uses and overlapping political jurisdictions.

Second, efforts must be made to gain additional knowledge of the nature of the coastal zoning and the multiple effects that different uses would have upon our environment.

States must assume primary responsibility for assuring that the public interest is served in the multiple use of the land and water of the coastal zone. Local government cannot be expected to cope with the broad spectrum of interrelated coastal problems, nor can local political subdivisions be expected to make their judgments consistent with those of many interlocking political jurisdictions.

Coastal States, because of unique conditions existing along their shorelines, have advantages in coping with coastal zone planning and management that the Federal Government does not have. The Federal Government, however, should establish incentives and assistance to help the coastal States prepare plans and action.

The ultimate success of a coastal management program will depend on the effective cooperation of federal, state, regional, and local agencies. At the federal level, this would require the development of goals and an administrative framework which would avoid the existing duplication, conflict, and piecemeal approach that is too often typical of federal planning assistance programs. Any federal legislation which attempts to establish a coastal program must allow States the necessary flexibility for creating management instruments most suited to their specific conditions.

Basic to a coastal management program are the funds necessary to plan and take action. The requirements for coastal zoning management are so urgently needed in the Nation's interest that federal monies must be made available to the States at a level which will not only provide incentive, but will allow an adequate program to be developed based on federal, state and local participation.

Any attempt to diminish the federal financial participation or to shift the burden to the States will result in irreparable delay and inadequacy in bringing under control the serious coastal environment and natural resource conservation problems.

#### B. Coastal States Organization

In recognition of the need for preserving the invaluable and irreplaceable marine resources of the Nation, and in response to the National Governors' Conference policy statement calling for the formation of a maritime states organization to pursue those ends, the Coastal States Organization was established.

Among its responsibilities, the Organization will:

- (a) contribute to the development of common policy regarding national coastal zone management legislation and programs, and serve as spokesman for the maritime States, territories, and trust territories on marine and coastal affairs;
- (b) provide mutual assistance in solving common state and intermarine resource problems; and
- (c) serve as a clearinghouse for information relative to marine activities of the member States.

In affirmation of the responsibilities and powers of the States in the management of marine and coastal affairs, and in recognition of the purpose of the Coastal States Organization to further these goals, the Governors urge all eligible States to become members of the Organization, and encourage the full cooperation of all States, inland as well as coastal, in the efforts of the Organization.

#### A CHANGE IN NATIONAL ATTITUDES TOWARD NON-REPLACEABLE NATURAL RESOURCES IS NEEDED

There is a growing need to establish a new attitude in America among consumers which differentiates between quality of living and standards of living, as well as quantitative consumption and quality of life.

For example, we should examine the wisdom of our present system of reduced electric power rates as a reward for heavy consumption when that consumption might be beyond the electric consumption needed for a specific business or residence.

A flat rate for an adequate amount of electric energy based on the size of family or industrial need could be established. Sharply rising rates for electric consumption above the adequate standard set would provide a penalty for that waste which does not contribute to our economy or to the quality of living.

The consumption of non-replaceable coal in the thermo-generation of electricity which is wasted does not add to the quality of life and is an example of squandering natural resources without significant benefits to mankind.

Waste of fresh water cannot be tolerated indefinitely. Less than one percent of the water on the face of the earth is potable. In the face of rising populations and per capita water use, we are faced with the need to conserve our precious water resources by eliminating unnecessary waste. Wasted water adds nothing to our quality of living.

The same principle which applies to the wasteful use of electric energy and potable water can be applied to the use of petroleum products in our automobile engines. States should consider a policy of encouraging smaller but adequate engines through sharply graduated license fees which discourage larger than necessary engines that do not contribute to the quality of living. There are far too many vehicles in use today which wastefully consume the non-replaceable crude oil resource and add unnecessary pollutants to the air.

The national attitude which equates some forms of waste with a high quality of life needs to be changed. Waste does not add to the quality of life, but in fact denies a high quality of life to future generations.

#### STATE LAND USE PLANNING IS NEEDED

There is an interest and need for a more efficient and comprehensive system of national and statewide land use planning and decision-making. The proliferating transportation systems, large-scale industrial and economic growth, conflicts in emerging patterns of land use, the fragmentation of governmental entities exercising land use planning powers, and the increased size, scale and impact of private actions have created a situation in which land use management decisions of national, regional and statewide concern are being made on the basis of expediency, tradition, short-term economic considerations, and other factors which are often unrelated to the real concerns of a sound land use policy.

Across the Nation, a failure to conduct sound land use planning has required public and private enterprise to delay, litigate, and cancel proposed public utility and industrial and commercial developments because of unresolved land use questions, thereby causing an unnecessary waste of human and economic resources and a threat to public services, often resulting in decisions to locate utilities and industrial and commercial activities in the area of least public and political resistance, but without regard to relevant environmental and economic considerations.

The land use decisions of the Federal Government often have a tremendous impact upon the environment and the patterns of development in local communities; that the substance and the nature of a national land use policy ought to be formulated upon an expression of the needs and interests of state, regional, and local government, as well as those of the Federal Government. Federal land use decisions require greater participation by state and local government to insure that they are in accord with the highest and best standards of land use management and the desires and aspirations of state and local government.

The promotion of the general welfare, and to provide for the full and wise application of the resources of the Federal Government in strengthening the environmental, economic and social well-being of the people of the United States, we believe, is a continuing responsibility of the Federal Government, but should be consistent with and recognize the responsibility of state and local government for land use planning and management.

There should be undertaken the development of a national policy, to be known as the National Land Use Policy, which shall incorporate environmental, economic, social and other appropriate factors. Such policy shall serve as a guide in making specific decisions at the national level which affect the pattern of environmental and industrial growth and development on the federal lands, and shall provide a framework for development of interstate, state and local land use policy.

The National Land Use Policy should:

1. Foster the continued economic growth of all States and regions of the United States;
2. Favor patterns of land use planning, management and development which are in accord with sound environmental principles and which offer a range of alternative locations for specific activities and encourage the wise and balanced use of the Nation's land and water resources;
3. Favorably influence patterns of population distribution in a manner such that a wide range of scenic, environmental and cultural amenities are available to the American people;
4. Contribute to carrying out the federal responsibility for revitalizing existing rural communities and encourage, where appropriate, new communities which offer diverse opportunities and diversity of living styles;
5. Assist State Government to assume responsibility for major land use planning and management decisions which are of regional, interstate, and national concern;
6. Facilitate increased coordination in the administration of federal programs so as to encourage desirable patterns of environmental, recreational, and industrial land use planning; and
7. Systematize methods for the exchange of land use, environmental and

economic information in order to assist all levels of government in the development and implementation of the National Land Use Policy.

Intelligent land use planning and management provides the single most important institutional device for preserving and enhancing the environment and for maintaining conditions capable of supporting a quality life while providing the material means necessary to improve the national standard of living.

#### **FULL FUNDING AND IMPLEMENTATION OF STATE COMPREHENSIVE OUTDOOR RECREATION PLANS IS NEEDED**

Remaining undespoiled natural areas of wetlands, forests, plains, deserts, and mountains are being exploited and despoiled at an alarming rate. The expenditure of outdoor recreational funds should not be diverted from the urgent need to acquire and protect these natural areas.

Crash funding programs that seek to carve urban parks in the midst of urban glut are dramatic examples of inadequate planning. The overcoming of inadequate planning in the past through crash programs should not be allowed, through the monopoly of limited funds, to perpetuate inadequate planning, insufficient preservation, and too little and too late acquisition for future generations.

Meanwhile, however, we must also recognize that these long range plans are being eroded by present and increasing pollution of our water resources.

The National Governors' Conference, therefore, calls upon the Congress and the Administration to support also the appropriation of the full 1.25 billion dollars authorized by the Congress for the construction of waste water treatment plants. Any retreat from this promised federal commitment will further delay the day when American citizens will have access to adequate supplies of unpolluted water for recreational and other uses. Further delay will also increase the construction costs involved in bringing about clean waters, and it will represent a betrayal of those States which have, through prefunding, relied on past federal promises that funds would be forthcoming by now.

Full funding and implementation of state comprehensive outdoor recreation plans and national sewage treatment plant construction programs is the best means of solving both short-run and long-run recreational problems of megalopolis.

#### **A REVITALIZATION OF FORESTRY BY ALL OWNERSHIPS IS NEEDED**

There is an urgent need to revitalize forestry efforts nationally on all

ownerships. The timber supply situation has pointed up the need for strong direction by the Administration.

The future demands for lumber and forest products will provide increased competition between the many uses of a shrinking forest land base. There are presently substantial acreages of state, private and federal lands potentially capable of producing forest products, but are in need of reforestation.

Proven timber management practices could be instituted by the Forest Service and the Bureau of Land Management and other public and private forest management agencies to promote increased or high yield timber growth on existing timber-producing lands, provided funds were made available for this purpose.

The Federal and State Governments need to establish a policy to encourage reforestation of denuded publicly-owned commercial forest lands.

Existing programs need to be strengthened to offer greater inducements of private landowners to reforest their lands. A great number of public values would thus accrue, beyond those to the landowner individually. Such benefits as establishing and improving watersheds and water quality, arresting soil erosion, improving flood control and stream sedimentation, wildlife habitat and recreational opportunities would result. The increased fiber would contribute to the housing needs of a growing Nation.

## Appendix X

### APPROVED POLICY STATEMENTS, BASED ON RECOMMENDATIONS OF THE COMMITTEE ON EXECUTIVE MANAGEMENT AND FISCAL AFFAIRS

#### REVENUE SHARING

The National Governors' Conference went on record in 1965 in support of the principle that the Federal Government share a portion of its revenue with the States, unfettered as to functions for which it is to be used. The Conference reiterates its stand on this matter, and further recommends, consistent with the criteria approved by the Conference in 1968, that a revenue sharing plan be formulated on the following basis:

(1) Congressional appropriations for revenue sharing should be made on the basis of the federal individual income tax base.

(2) Congressional appropriations for revenue sharing should be made to a trust fund established in the Treasury of the United States.

(3) The sums appropriated should be allocated among the States, based primarily on population adjusted by relative state and local tax effort. The relationship between the taxing ability and the percentage of federally-held and administered land acreage in each State should also be considered.

(4) Congress in its appropriations to the States should specify a pass-through formula to local governments. Eighty percent of the monies which are for distribution to local governments should be passed through automatically according to formula to eligible local governments; twenty percent should be passed through to eligible local governments on application of these units to the States, and should be available for programs at the local level which encourage cooperative or joint efforts of local governmental units to solve a common problem.

(5) The federal pass-through formula should provide for sharing revenue only with general purpose units of government.

(6) The allocation by formula should be made to relatively populous cities and counties based on population and the ratio between the total receipts from all taxes imposed by eligible cities or counties and the total receipts from all taxes imposed by the State and its political subdivisions. The portion of any State's allocation which would be available for local governments within the State would depend upon the portion of total tax revenue raised by the State and that raised by the eligible local units in the State. An alternative state allocation plan of distribution should be accepted if (a) each city and county receive an amount equal to or greater than that allocated by formula, or (b) city

and county councils or governing bodies representing fifty percent of those entities entitled to receive at least fifty percent of payments by formula concur in the State's alternative plan.

(7) No functions should be excluded from expenditures made from shared funds.

The Executive Committee is directed to employ every means available toward the immediate and favorable enactment of revenue sharing.

## TAXATION OF STATE AND LOCAL BONDS

The National Governors' Conference affirms the basic constitutional principle that neither the federal nor state governments without mutual agreement has the authority to tax the other. The Conference therefore asserts that state and local bonds issued for general governmental purposes must remain tax exempt. The Conference commends the Congress for deleting provisions from the final version of the Tax Reform Act of 1969 which would have subjected their bonds to indirect federal income taxation.

We believe that the municipal bond market will and should continue to be an important source of the capital needs of state and local governments. However, the volume of new bond issues by state and local governments will likely grow substantially in the years ahead in order to finance the increasing demands for new and expanded capital facilities. At the same time, events of the last several years show that these bond issues are particularly vulnerable to anti-inflationary monetary policies and interest rate changes. Based on these facts, the National Governors' Conference recognizes the desirability of developing constructive proposals for broadening the market for state and local bonds. Such proposals should not in any way impair the access of state and local governments to the tax-exempt market or infringe upon these governments' independence in debt financing.

## INTERSTATE TAXATION OF BUSINESS

For a number of years the National Governors' Conference has expressed opposition to federal legislation which would restrict the taxing jurisdiction of the State and provide preferential tax immunity to favored multistate businesses, and has expressed full support for legislation which would give congressional approval to the enactment of the Multistate Tax Compact by the States.

This Conference now goes one step further in supporting an expanded and/or specific version of a congressional consent bill for the Multistate Tax Compact to allay expressions of concern in the Congress that the original



consent bill set out only a broad statement of purpose, and to counter claims that the States were seeking a sort of blank check in the area of multistate taxation.

The Conference therefore urges Congress to enact legislation, drafted by the Advisory Commission on Intergovernmental Relations in collaboration with the Council of State Governments, which incorporates the Multistate Tax Compact and expresses congressional consent to enactment by the States of a compact substantially the same thereto, plus the following additional provisions:

(1) The three-factor formula (Uniform Division of Income for Tax Purposes Act), developed by the National Conference of Commissioners on Uniform State Laws, is made mandatory for net income taxes upon States which have not enacted the Compact by July 1, 1971;

(2) States are given jurisdiction to require collection of sales tax by sellers making interstate deliveries into a State if the seller makes regular household deliveries there; and

(3) Income taxes may be imposed on congressional salaries only by the district and State represented by the Congressman.

#### TAXATION OF INDUSTRIAL DEVELOPMENT BONDS

The Conference recognizes that so-called industrial development bonds have been used for non-governmental purposes. Unfortunately, federal legislation adopted in 1968 to remove the tax-exempt status of industrial development bonds erroneously included in its definition some traditional governmental functions and thus made them taxable under this legislation. The Conference reiterates its 1968 resolution urging legislation properly to redefine industrial development bonds.

#### NEW APPROACHES TO FEDERAL-STATE PARTNERSHIP

Since social and economic problems transcend state boundaries, States have long worked together in efforts to solve them. Most major problems today, however, also require federal cooperation and assistance.

Federal-state partnership in regional problems has taken the form of the interstate compact and the regional commission. The Appalachian Regional Commission has successfully brought thirteen States and the Federal Government together to plan and administer programs in health, education and transportation, assisted by substantial federal bloc grants.

The expiration date in 1971 of current legislative authorization for the Appalachian Regional Commission and five other regional commissions will necessitate a review of the regional concept. As problems of underdeveloped

areas and interstate-metropolitan areas become more complex, it is certain there will be an increased demand for an extension of multi-state administration of programs dealing with these and other problems. The National Governors' Conference recognizes the vital need of effective mechanisms for solving such problems. Any new national legislation should include the following basic points:

- Allow the establishment of regional commissions as agreed upon by the Federal Government and the States involved;
- Provide for Governors to share decision-making authority equally with federal representatives;
- Make federal participation directly responsible to the President, and state participation to the Governor;
- Provide adequate funds for initial planning and policy development, and adequate authorization for the future appropriations after the priorities of each commission have been determined; and
- Should not be used as a substitute for revenue sharing.

#### FEDERAL ROLE IN STATE PLANNING

Planning has always been a vital element in the decision-making process, and in recent years much effort has been made at the federal and state levels to improve the methods by which it is done. The Federal Government has shown its concern and interest by many programs of assistance to state and local governments for planning. However, many problems have arisen: a multiplicity of planning grants with different federal requirements; uncertain funding; and no integration of plans, especially at the federal level.

The National Governors' Conference urges that:

The Congress and the Administration should take immediate action to correct the confusing, contradictory, duplicative and overlapping mass of federal requirements and definitions concerning both long-range and annual operational plans. Federal agencies should recognize the Governor as the chief state policymaker and planner responsible for the coordination of all statewide and multi-jurisdictional sub-state planning. The elected heads of local government should be recognized in the same capacity for all state and federal programs operating within their jurisdictions.

An appropriate share of the funds of each functional federal grant program should be made available to the Governor for the purpose of relating functional plans to each other, to statewide goals and policies and to local development policies. This effort should begin with HEW which has thirty-nine programs, each requiring a statewide long-range or annual operating plan.

Major federal planning assistance programs should provide for forward

funding on a two- or three-year basis; minimum annual funding for each State; interprogram service agreements; evaluation machinery; technical assistance, training and tuition fees as eligible project costs; and minimum standardization and coordination of federal planning definitions and requirements.

## INTERGOVERNMENTAL COOPERATION ACT

The National Governors' Conference commends the Congress for passage of the Intergovernmental Cooperation Act of 1968, which among other things, provides for keeping Governors and Legislatures informed of federal grant-in-aid rules and regulations, provides a means to obtain flexibility in administration of the "single state agency" requirement, provides flexibility in state banking of federal funds, authorizes federal agencies to render technical assistance and training services to state and local governments on a reimbursable basis, and provides for federal coordination with local authorities regarding land use.

The Conference is gratified at the action of the U.S. Bureau of the Budget in providing directives for implementation of this Act through Circulars A-95, A-96 and A-97. Governors should especially note Circular A-95, which encourages the establishment of clearinghouses and review procedures through which federally aided local and regional planning and development projects can be coordinated with state activities, and projects of different state agencies can be coordinated with one another. This Circular may potentially be used to enhance the ability of the Governor to coordinate the management of state programs.

The Conference urges Congress now to extend the principles of intergovernmental cooperation by enacting legislation which would establish procedures to allow the simplification of accounting, auditing and reporting of federal assistance funds; authorize the President, subject to congressional veto, to consolidate federal assistance programs within agencies; allow joint funding simplification for the packaging of grants for the same or related programs; and provide for periodic congressional and executive review of grant programs to determine their effectiveness.

## TRAINING

The growing complexity of state government programs, and of the many intergovernmental programs in which States are involved, is placing an enormous burden upon state officials and employees responsible for the over-all management and unity of state operations. Training is a necessary part of equipping these officials and these employees to carry their burdens.

The National Governors' Conference commends the Council of State Governments for strengthening its training activities: the Conference notes the successful seminar held in December of 1968 for newly-elected Governors and their aides, the continuing work of the Council and the National Association of State Budget Officers in providing policy-oriented training for budget personnel, the newly established training program for legislators and legislative staff, the recent collaboration with organizations of local officials to provide training on matters of intergovernmental concern, and the scheduled 1970 seminar for Governors-elect and their aides. The Conference urges further intensification of these efforts.

The Intergovernmental Personnel Act now before Congress should help to strengthen state and local training programs. The Conference endorses the objectives of this Act.

#### **CLEARINGHOUSE FOR STATE CONSULTING HELP**

All Governors have on occasion needed the temporary assistance of persons from outside their state governments to bring a different perspective to policy issues as well as to bring to bear technical knowledge and experience in various fields of state government. Although private consulting firms and universities have been used to help provide this assistance, a major reservoir of talent, largely untapped, is the State Governments of the Nation. The use of this talent would be of benefit both to the State receiving help and, through broadening the experience of the personnel involved, to the State supplying the expertise.

The National Governors' Conference requests that its Secretariat establish a clearinghouse to enable States to draw upon the experience and talents in the State Governments by helping States define their problems with precision and clarity, and identifying employees in state governments who are qualified to provide effective assistance.

#### **FEDERAL AID INFORMATION SYSTEM**

The National Governors' Conference has followed with interest the development of federal aid information systems in the States. States require such a system so that detailed information on federal aid program availability, plans and performance applicable to the State can be ascertained in response to the inquiries and needs of local governments, state officials and congressmen.

The development of information systems on the availability of federal grants-in-aid points up the fact that aggressive "grantsmanship" is required to obtain all funds to which a jurisdiction is entitled. This should not be necessary.

Grants should be made on the basis of need, not on the basis of ability to obtain the grant. The Federal Government should provide each State the detailed information necessary for state and local governments to make and receive approval for grant applications.

The States in turn have an obligation to plan for effective use of funds and to report periodically on financial status and program accomplishments.

#### FEDERAL GRANT-IN-AID APPROPRIATIONS

The National Governors' Conference acknowledges the importance of federal grants-in-aid in the financing of state and local programs. These aids now amount to nearly one-fifth the total federal domestic budget and one-fifth of total state expenditures. Aid programs have proliferated in the past several years, and now number over 1000 separately funded activities.

The number of programs and the large amounts of dollars involved make imperative the proper administration of these programs so that the national objectives toward which they are aimed can be achieved. Many of the policy statements of this Conference deal with this issue with respect to individual programs. The Federal Government—the President, Congress, and the administering agencies—should work closely with state officials in developing appropriation and administrative procedures to provide maximum flexibility in carrying out program objectives and maximum certainty of federal action. Specifically, the Conference endorses the following concepts:

- bloc grant legislation to bring together all grants relating to broad functional areas;
- grant consolidation, to allow the President to combine grant programs, subject to legislative veto;
- joint funding simplification, to allow federal agencies to cooperate with state requests to combine several grants in the administration of one state program
- appropriations consonant with authorizations, to provide a greater degree of certainty in the amount of funding to be expected;
- advance funding for at least two years, especially for construction projects, so that the necessary contracts can be let with assurance of fulfillment; and
- annual appropriations prior to start of fiscal year, to provide the States sufficient lead time for planning the program and hiring staff.

#### REGULATION OF INSURANCE

It is long established national policy to leave to the States the basic task of regulating the insurance industry. The States have demonstrated an ability to do

a creditable job of regulation, and in the aggregate the insurance industry is well regulated.

The National Governors' Conference opposes federal legislation which would create a federal bureaucracy for the regulation of insurance, and Congress should be ever-mindful of the States' role in this important area. If corrective national legislation is necessary, the National Governors' Conference stands ready to work with Congress to achieve positive results.

## Appendix XI

### APPROVED POLICY STATEMENTS, BASED ON RECOMMENDATIONS OF THE COMMITTEE ON HUMAN RESOURCES

#### PREAMBLE

At the request of the Executive Committee, the Committee on Human Resources has reviewed the Policy Statements adopted by the Conference in 1969 in the areas of Welfare, Manpower, Health and Education.

Based on this review and on our assessment of the current domestic problems, the Committee on Human Resources reaffirms the 1969 Policy Statements. In the Committee's view those statements continue to express the priorities for domestic action which we, as Governors, believe should guide the Federal Government in the development of domestic programs.

The continuing fiscal crisis faced by the States and their localities grows more urgent and the demand for the basic human services continues to mount. Thus, prompt and effective action remains a most urgent goal of the Committee on Human Resources.

In order to keep the Human Resources policy statements attuned to current developments, the Human Resources Committee submits for adoption by the 1970 Annual Meeting of the National Governors' Conference the following indicated amendments and additions to the policy statements on human resources.

#### WELFARE REFORM

1. Substitution, on a phased basis, of a federally financed system of welfare payments for the current federal-state program for the aged, blind, disabled and dependent children, and including also the general assistance programs now financed by the States themselves. Eligibility and grants would be determined by the Federal Government; the system would be state administered under federal guidelines. The system should include realistic income exemptions to provide incentives for persons to seek employment. Adequate day care for children of working mothers and an expanded federal job training program should also be assured.

2. Increase in the present levels for all payments under the Old Age Survivors Disability Insurance Program, with a minimum payment of \$100 per month.

3. Transfer of the present Old Age Assistance, Aid to the Permanently and

Totally Disabled and Aid to the Blind programs to the Social Security Program, with payments being made from federal general revenues to the Social Security Trust Fund to cover the increased cost.

4. Review by the Secretary of Health, Education, and Welfare of Federal regulations as to their adverse effect with respect to the following:

- a. The use of the declaration system for determining welfare eligibility. Any such system, if mandated by the Federal Government, should provide the States with appropriate options and flexibility as to form and content.
- b. The continuation of welfare payments during the pendency of appeal to persons whose grants are reduced or who are determined ineligible.

5. To combat hunger and malnutrition:

- a. Increased federal funds for the Food Stamp Program so that welfare recipients and low-income persons in all States could be covered by the Food Stamp Program. We commend the Administration and the Congress for the action taken to date and continue to urge full funding for the Food Stamp Program.
- b. Removal of existing provisions prohibiting counties and cities from participating in both the Food Stamp Program and the Federal Commodities Distribution Program.
- c. Reduction of the purchase requirements for food stamps and, where necessary, provision of free stamps to welfare recipients.
- d. Consideration of providing food stamps in lieu of a portion of welfare payments, subject to the approval of the recipient. We commend the Administration for its proposed amendments to the Family Assistance Act in regard to food stamps and urge their adoption.
- e. Transfer of the Food Stamp Program, programs under the School Lunch Act and the Commodity Distribution Program from the Department of Agriculture to the Department of Health, Education, and Welfare. We support the Administration's proposal in regard to Food Stamps and urge its adoption by Congress. We also urge that flexibility be provided for unified state administration where desired.
- f. Expansion of federal, state and local programs to provide nutrition education.

6. The Federal Government, in cooperation with the States, should work toward the development of a rational assistance system which takes into account the full impact of the total range of direct and indirect aid to the poor. Such a system should include a national eligibility policy which takes into account all sources of income and which provides for a workable work incentive.



7. The Federal Government should establish reasonable national standards of assistance with required regional or geographic differentials.

## HEALTH

1. Adoption by the Federal Government of a national universal health insurance program coupled with hospital cost controls as the primary method of keeping rising health costs from preventing all people from receiving the medical care they need. Such a program should utilize the existing private enterprise medical system. Publicly paid programs such as Medicaid should be used only as a secondary program for those who have used up their insurance benefits. Medicaid should be 100 percent federally financed.

2. Adequate funding by the Federal Government of (a) the Federal Supplementary Food Program for low-income groups vulnerable to malnutrition to make selected nutritious foods available to infants, pre-school children, pregnant women and nursing mothers, and (b) programs to provide free or reduced-price lunches and breakfasts through schools, summer recreational programs and day-care centers to assure all children from low-income families one or two nutritious meals per day. We strongly urge that attempts to curtail the Supplementary Food Program be stopped and that instead it be further expanded to include adolescent children.

3. Expansion of federal and state programs of grants and loan payments to encourage the development and rehabilitation of health facilities particularly in low-income areas where maternal and child health care is inadequate.

4. Review of the formula for the allocation of federal funds for the construction and modernization of health facilities to assure that the funds are being devoted to meeting the Nation's most urgent needs.

5. Assurance that the allocation within a State of federal funds for the construction and modernization of the various types of health facilities be based on priorities developed by the State and be in accordance with plans developed through state comprehensive health planning.

6. Placement of responsibility for comprehensive health planning in the Office of the Assistant Secretary of Health and Scientific Affairs of the U.S. Department of Health, Education, and Welfare. Such a designation by the Secretary of HEW would be complementary to the major responsibility and reliance placed on such efforts by Governors and enhance the possibilities of achieving a federal-state "partnership" for the improvement of health services.

7. We support restoration of proposed cuts in federal funds for the Medicaid Program or assurance that steps will be taken to insure that these cuts are not merely passed back to state and local governments in the form of increased expenditures or result in reduced services for recipients.

8. Removal of ceilings on the amount of federal expenditures for Medicaid in Puerto Rico.

## EDUCATION

1. Assumption by the Federal Government of far greater responsibility for the financing of education. Such increased federal financial participation should take the form of general grants to the States for educational purposes. Both the legislation and federal regulations for such a program should leave maximum flexibility to States and localities to develop programs to meet their most urgent needs. The basic purpose of such a program would be to help meet the rapidly rising basic cost of education, not to stimulate new supplementary programs. Such programs should not mandate the creation of any new state or local administrative mechanisms.

2. Adequate advance funding of existing federal programs commensurate with critical educational needs.

3. Consolidation of existing federal grant-in-aid programs for education into broad functional categories, thereby increasing the ability of States and localities to design programs within broad federal policy guidelines to meet critical needs in individual States and localities.

4. Maximum administrative simplification of planning, application, allocation, accounting and reporting procedures for all consolidated grant-in-aid programs to assure that the intended purpose of consolidation of grants is not subverted through detailed administrative requirements.

5. We support the President's proposal to establish an intergovernmental commission on education broadly representative of local, state and federal officials and educational personnel to furnish guidance to the Congress, the executive branch of the Federal Government and the States, for most effective educational programs, and to continually review the goals, quality and cost of our educational system.

6. Provision in federal programs for joint federal-state-local development of standardized statistical data and other information necessary for sound analysis of educational needs and programs. Such standardized and comparable data is essential for educational planning at all levels of government. We commend the Administration for its support of this position and continue to urge adequate funding for the National Center for Educational Statistics and for state efforts to redesign and clarify state and local inputs into the National Center.

7. Immediate funding of student loan program by guarantying interest at the prime rate on student loans.

8. The Federal Government should not cut back the funding of the National Defense Education Loan.

9. We support enactment of a comprehensive program of federal support for community colleges, vocational-technical schools, and comprehensive community colleges or their equivalents. Such legislation should assure:

- That any such legislation take into account the diversity of state higher and post-secondary education structures.
- That community colleges be an integral part of the total higher and post-secondary education programs of the States.
- That programs be administered through state agencies designated as responsible for post-secondary and higher educational planning.
- That such legislation not call for the creation of new and additional competing state higher educational agencies.

## MANPOWER TRAINING AND DEVELOPMENT

1. Enactment of federal legislation which would consolidate federal manpower programs, provide for flexible funding of these programs, and enable the States to coordinate all manpower training and development activities within a State.

2. Review by Governors of the state administrative structure for manpower programs to assure that each State has (a) an effective mechanism to develop a comprehensive statewide manpower plan, and (b) an agency which has the capability to administer a unified system of manpower services.

3. Establishment of a national computerized job bank which would provide information regarding available jobs and job applicants.

4. Provision for systematic review and assessment of the effectiveness of manpower programs.

5. Establishment of State Manpower Training Staffing Centers with federal financial support to assure an adequate supply of trained personnel to plan and administer manpower programs.

6. Increased efforts by States to work with private business to increase job opportunities for the disadvantaged. Specifically, Governors should work with the National Alliance of Businessmen in the development of a statewide "JOBS" program.

7. The National Governors' Conference has called for the enactment of comprehensive federal manpower legislation which would coordinate federal manpower programs. The Conference also endorses a strong state role in manpower programs so that they can be effectively coordinated. If, however, the State is to be given a major responsibility in the area of manpower, it must also be given adequate authority to meet this responsibility. Federal legislation must assure that States are allowed sufficient flexibility to develop, in close cooperation with local officials, the most effective administrative structures possible.

8. We urge an additional federal program for creating new federally financed job opportunities and related employability development and training.

## NARCOTICS AND DANGEROUS SUBSTANCES

1. The National Governors' Conference recognizes the growing epidemic of drug abuse and addiction and the need for consideration of this problem by this Committee as well as the Committee on Law Enforcement, Justice, and Public Safety. It further recognizes that this problem is a national crisis and not limited to any geographic, social or economic group. Therefore, the following steps are recommended:

- Federal and state government should cooperate in the development of a coordinated attack on the narcotics and dangerous substances problem. Such an effort should include law enforcement, prevention and treatment. Toward this end, a joint federal-state coordinating committee should be established.
- Prompt diplomatic action should be taken by the Federal Government to reduce the illegal importation of narcotics and other drugs.
- States, in cooperation with local governments, should undertake a major public preventive education campaign involving a broad range of community resources including local schools to assure that the true nature of drugs and addiction is well-known.
- A full range of treatment resources should be made available to all addicts who can benefit from it. Substantial federal financial resources should be devoted to the funding of a broad range of flexible state and local programs.
- The States should join with the Federal Government in an effort to determine the basic underlying causes of the growing drug abuse problem. Such a study should examine the underlying social issues which may lead to addiction as well as the causal processes which promote initiation, continuance, termination, and relapse in drug usage.

## **Appendix XII**

### **APPROVED POLICY STATEMENTS, BASED ON RECOMMENDATIONS OF THE COMMITTEE ON RURAL AND URBAN DEVELOPMENT**

#### **ADOPTION OF A COMPREHENSIVE NATIONAL COMMUNITY DEVELOPMENT POLICY**

Congress and the Administration should develop a comprehensive National Community Development Policy with the effectuating funds, agencies and programs. The Policy should provide the means whereby federal, state and local elected officials should participate directly in the formulation of national policies and goals and the establishment of major strategies and programs for implementation of such policies and goals. The formulation and implementation of such national community development policies in coordination and consonance with state development policies is essential to achieve the objectives of balanced growth.

A National Community Development Policy should embrace the major areas and issues of concern for the quality of life within the United States. The most basic components for consideration in the formulation of this policy are policies relating to population growth and distribution and to economic development. Other components are policies relating to allocation of natural resources, agriculture, transportation, housing, human resource development, and financing and administration—all established in a manner that will support policies concerning these two basic components.

#### **ADOPTION OF A NATIONAL POPULATION GROWTH AND DISTRIBUTION POLICY**

There should be an adoption of a National Population Growth and Distribution Policy, developed in concert with state and local planning policies, to lessen the congestion, and reduce pressure, on the already overburdened resources of our cities, to offer opportunities for the free movement of all of our citizens to realize their maximum personal potential, to match manpower and job training programs with the needs for community development and to lessen the problems of transportation, environmental decay and social service delivery that are not being adequately dealt with for today's population. Such a policy shall be consonant with a rural-urban balance of needs and regional potentials.

## ADOPTION OF A NEW COMMUNITIES DEVELOPMENT POLICY

To effectuate a population growth and distribution policy, there should be the adoption of a comprehensive New Communities Development Program which would include expanded communities, new-towns-in-towns and new towns as major components of a national policy designed to relieve growth stresses upon existing metropolitan areas and to promote growth in appropriate areas which have growth potential.

## ADOPTION OF A NATIONAL ECONOMIC DEVELOPMENT POLICY

A National Economic Development Policy should be adopted to coordinate economic assistance measures with a national population growth and distribution policy, thereby providing the employment concentrations and economic base that will make such a policy workable, offering more efficient operating environments for industry and concentrated employment centers accessible to workers in either rural or urban areas. Such policy should provide additional incentives to private business and look to new ways that public and private interests can be combined to meet public needs.

## ADOPTION OF A NATIONAL AGRICULTURAL DEVELOPMENT POLICY

There should be a National Agricultural Development Policy as an integral part of a National Community Development Policy to assure the Nation it can feed itself and meet its responsibilities to other people in the world. Such a policy should reflect the importance of and a system for the preservation and maintenance of agricultural land for future supplies and as necessary habitat for wildlife, water resources and hunting and fishing, all of which are a necessary part of providing quality environment in consonance with a population growth and distribution policy. Further, this Policy should focus attention on improving agricultural production capabilities, transportation, foreign market development, processing agricultural products near the source of production and efforts aimed at developing rural America.

In addition, Congress must act on a viable farm program to assure rural America "parity of opportunity" with the rest of the Nation.

A new farm bill by Congress should be shaped to give rural producers an equal opportunity to share in the Nation's prosperity and growth as all other areas. A federal farm program should be continued by the Federal Government until the market can maintain an adequate price for producers.

A strong farm program is recognized as a deterrent to further out-migration from rural areas to crowded metropolitan centers, a necessary element for a growing economy, and vital to providing reasonable food prices for consumers while assuring a fair return for all agriculture producers.

#### JOINT FEDERAL-STATE EVALUATION OF RURAL DEVELOPMENT PROGRAMS

The new Office of Intergovernmental Relations, in cooperation with the appropriate federal offices and the National Governors' Conference and local government groups, should evaluate the possibilities and mechanisms for better coordination and delivery of federal and State programs in rural areas. The joint evaluation should examine and make recommendations for action on the following issues:

a. Avenues of cooperation between existing HEW, Agriculture, Commerce and HUD programs and state community development programs.

b. Restructuring of federal field operations to support and complement emerging State and local efforts for comprehensive rural development. As federal departments decentralize, they should utilize to the fullest extent possible the personnel, administrative and technical services of state and local government rather than building up federal field staff to handle delegated authorities for decision-making accompanying the federal field office reorganization.

c. Recognition of state designated multi-county planning and development districts, primarily composed of local officials, as the primary delivery system for most state and federal programs in rural areas.

d. Recognition and support of several States as pilot projects for the purpose of coordinating federal and state programs into a package of rural development services.

#### ADOPTION OF A NATIONAL LAND DEVELOPMENT POLICY

There should be an adoption of a National Land Development Policy providing guidance as to what lands are appropriate for urban development, agricultural production, conservation and open space and recreation. Such national policies must be related to the allocation and conservation of water, air, minerals and other natural resources and be an integral part of a National Community Development Policy.

## **ADOPTION OF A NATIONAL HOUSING POLICY**

There should be an adoption of a National Housing Policy to coordinate housing investment and construction programs with a National Community Development Policy to carry out social objectives of making a place for all social and economic groups, to take advantage of the environmental and efficiency advantages of such a policy, to provide needed governmental aids for supporting housing construction and marketing, with special support programs to assist those who cannot secure decent housing through normal channels, to make maximum use of new technologies, and to stimulate additional investment by private industry and home property owners, thus adding to the overall housing supply, and to insure the availability of sufficient long-term mortgage financing.

## **EXPANDING THE HOUSING MARKET**

All levels of government, in cooperation with private industry, should take action to expand the market for housing production. Special attention should be given to new methods of production, technological innovation, and marketing institutions in the private sectors and to simplified and flexible state housing codes, increased subsidies for low-income housing, land aggregation and tenant relation programs in the public sector. States should assist in the aggregation of public and private land for housing purposes.

## **CONSOLIDATION AND COORDINATION OF FEDERAL HOUSING PROGRAMS**

The Administration and Congress should undertake the immediate streamlining and coordination of federal housing programs: (1) provide for full cooperation with emerging State housing instruments; (2) phase out, merge, and consolidate the numerous federal low- and moderate-income housing programs and provide incentives and illustrations for program packaging and mixing; (3) substitute State certification of federal program requirements with only a post audit by HUD; and (4) provide federal operating subsidies, as are now provided to federal housing projects, to state public housing projects.

## **SUFFICIENT FUNDING OF THE HOUSING AND URBAN DEVELOPMENT ACT**

Congress should provide sufficient funding for the Housing and Urban Development Act, especially for Section 236 Interest Reduction, Section 235 Home Ownership, Rent Supplement, Public Housing Programs, and Urban Renewal.



## **ADOPTION OF A POLICY ON THE MODEL CITIES PROGRAM**

For a National Community Development Policy to be effective, it should include concepts for the coordinated delivery of services and financial assistance by both state and federal governments, as conceived in the Model Cities legislation. The entire effort must be a coordinated one which focuses the attention of agencies at all levels of government on specific problem areas within our municipalities.

Congress should amend the Model Cities legislation to provide for a legitimate and positive role for State Government in the operation of the program. Specifically, Section 105 of the "Model Cities and Metropolitan Development Act of 1966" should be amended to authorize the Secretary of Housing and Urban Development to make matching grants to the States to provide continuing planning, coordination, programming and technical assistance services to Model City Agencies.

In those States where the State contributes a substantial portion of the local non-federal financial share, the program should provide for state concurrence in the approval of the selection, program development and funding of all Model Cities applications.

HUD should immediately provide for state review and comment on Model City work programs and supplemental grants.

To assure balanced urban-rural growth, consideration should be given to a Model Rural Area Development program patterned after the Model Cities concept.

It is noted most of the poverty in America lies in the very urban and very rural areas of our Nation. Unless immediate steps are taken to develop the delivery system of federal, state, local, and private resources through the concept of model development areas, this gap will widen at the expense of all Americans in both the urban and rural areas of the Nation.

## **COMPREHENSIVE STATE PLANNING AND COMMUNITY DEVELOPMENT PROGRAMS**

Federal agencies should support the efforts of Governors and the appropriate state agencies designated by the Governors to begin coordinated planning of community development programs. The following specific measures should be undertaken by all federal agencies:

- a. Federal administrative procedures and new legislation, where necessary, should be developed to provide financial incentives on a continuing basis to the States to "buy-in" to community development programs, specifically model cities and urban renewal. There should be increased federal provision for joint funding to encourage state efforts for the packaging of community development programs.

b. Both federal and state executives should seek sources of flexible funds for use as "glue money" in putting together and implementing coordinated development programs. At the federal level, these funds could come from Section 701 of the Housing Act of 1954, Title VIII of the Housing Act of 1964, Title IX of the Demonstration Cities Act, from existing funds for state planning for federal programs in functional areas, or from new legislation.

c. States demonstrating a readiness to act in implementing a package of community development programs and to commit state funds should receive priority attention from federal agencies. Federal funds should also be available to encourage States to develop their own competence in community development planning and programming.

#### STATE PARTICIPATION IN THE RENEWAL AND NEIGHBORHOOD DEVELOPMENT PROGRAM

HUD should immediately issue an addendum to the Urban Renewal and Neighborhood Development Program Regulations that clearly recognizes the role of positive state participation in this program for: (1) local NDP conformity to state renewal policies; (2) State services to NDP's for application preparation, planning, and implementation measures as eligible project costs; and (3) whenever State laws and requirements for renewal exceed federal requirements, that HUD will accept state certification of local compliance without any further review by HUD.

#### UNIFORM FEDERAL RELOCATION AND LAND ACQUISITION POLICIES

The Uniform Relocation and Land Acquisition Act of 1969 (S.1) should be enacted as soon as possible, but with the following amendments: (1) deletion of all cut-off dates for the federal funding of the first \$25,000 of relocation expenses; (2) retention of shared funding for all costs above \$25,000; and (3) provision of matching grant funds to all States that create uniform statewide relocation and land acquisition policies and programs covering all public programs. The July 1, 1970, cut-off date in the Highway Act of 1968 for federal assumption of the first \$25,000 in relocation costs should be deleted.

#### POLICY FORMULATION MECHANISMS

In order that formulation of a meaningful National Community Development Policy may be undertaken, the procedures of the Domestic Council should

provide formal means for bringing the President, the Governors and local elected chief executives together on a regular basis to secure an exchange of views and information on National Domestic Policy and priorities. Further, the Council should give due consideration to the inclusion of the Governors and chief local elected officials in the regular meetings of the Council.

Representation of state and local interests among the staff must be assured.

The President will transmit to Congress his annual report and such supplementary reports as he deems necessary to advise as to progress in formulating a National Community Development Policy and suggested implementing actions.

In addition a joint congressional committee on National Community Development Policy should be instituted. It shall make a continuing study of the annual report on National Community Development and its supplements, and study ways of coordinating programs in order to further the National Policy. The legislation shall require the committee to file a report annually containing the committee's findings and recommendations. The committee may make such other reports from the time as it deems advisable. To maximize citizen participation, the committee is encouraged to hold extensive hearings.

#### GRANTS FOR COMPREHENSIVE PLANNING AND COORDINATION

Assistance should be provided to plan comprehensively at the interstate, regional, metropolitan and local levels; to encourage local governments to cooperate in solving area-wide problems through comprehensive planning, review, and coordination; to foster intergovernmental attacks on problems of national urban and rural development; and to establish a method for exchange of development information among local, state and federal government.

Any legislation should provide that the grants be administered through the Executive Office of the President for distribution to the States, and through them to regions, metropolitan areas, counties and localities.

## Appendix XIII

### APPROVED POLICY STATEMENTS, BASED ON RECOMMENDATIONS OF THE COMMITTEE ON LAW ENFORCEMENT, JUSTICE, AND PUBLIC SAFETY

#### ADMINISTRATION AND IMPLEMENTATION OF THE OMNIBUS CRIME CONTROL AND SAFE STREETS ACT

##### a) Commendation of LEAA

The National Governors' Conference commends the administrators and staff of the Law Enforcement Assistance Administration for their extensive and helpful cooperation with the States in implementing the Omnibus Crime Control and Safe Streets Act of 1968. Their actions in fostering the development of qualified staff at the state level, providing wide latitude to the States in developing plans for improving the entire criminal justice system, and generally supporting the general state partnership required in a bloc grant program set an outstanding example that could well be emulated by other federal departments. Their efforts to insure the success of this first program embodying a true bloc grant approach to an intergovernmental problem are noteworthy.

##### b) Fiscal Policies

The National Governors' Conference strongly urges the Congress of the United States to provide full funding for the Omnibus Crime Control Act to insure the effective accomplishment of intergovernmental crime control action in dealing with one of the Nation's most serious domestic problems. We urge uniform matching requirements for all of the programs under the Omnibus Crime Control Act, including discretionary money, at a ratio of ninety percent federal and ten percent nonfederal matching.

We oppose the mandating by Congress of bloc grant funds for any specific program purpose thus limiting the States' flexibility.

We oppose the administration of bloc grant funds in so restrictive a manner as to, in effect, make them into a categorical program.

We also oppose any action by the Congress which would mandate a specific percentage of State appropriated funds to match local crime control programs.

We support the waiver of the present seventy-five percent pass-through requirement in those States bearing a substantial responsibility for the funding of the criminal justice system.

## STATE-CITY COOPERATION

The National Governors' Conference restates and reemphasizes its commitment to vigorous and effective action to control the burdening crime problem in the urban areas of our States. Recognizing that the plague of crime knows no jurisdictional boundaries, the Governors of the States pledge their active support to the comprehensive planning and intergovernmental action called for in the Omnibus Crime Control Act of 1968. The Governors are firmly committed to the need for a working partnership with elected and other policy-making officials in the counties and municipalities of our States to accelerate efforts in developing comprehensive metropolitan crime control programs and facilities. We support and encourage voluntary state assistance to local governments for criminal justice programs.

## CRIMINAL CODE REVISION

The National Governors' Conference finds that one of the most critical needs in the improvement of many States' criminal justice systems is the revision, modernization and simplification of the criminal code, including a model sentencing code. The Governors of the States pledge their commitment to request the State Legislatures, in cooperation with the appropriate state and local criminal justice officials and members of the bar, to review and, where necessary, revise the state criminal code immediately, and at least once each decade thereafter.

The National Governors' Conference requests that the American Bar Association, together with other national organizations of the criminal justice bar and bench, provide professional leadership by assisting the States in this code revision effort. We urge careful consideration by all States of the American Bar Association Standards for the administration of Criminal Justice.

The Governors urge the United States Department of Justice to establish a clearinghouse for state criminal code revision efforts. This office should serve only as a source of advice and information-sharing among the States.

## CRIMINAL JUSTICE SYSTEMS IMPROVEMENTS

The National Governors' Conference expresses its strong commitment to the integration and cooperation of all state and local crime control efforts into a streamlined efficient system of criminal justice administration:

- A. To this end, the Governors of the States support, encourage and will pursue the following steps to aid law enforcement officials:

1. Personnel
    - a. Development of minimum statewide professional standards for police recruitment, training and performance, and improvement in law enforcement officers' salaries.
    - b. Development of incentive or merit systems to insure recognition and advancement of those who excel.
    - c. Recruitment and training of staff and auxiliary service personnel to relieve the law enforcement officers from clerical and support duties.
    - d. Development of comprehensive law enforcement officer training programs to include operations, public administration, law, technology, available social services and human relations.
    - e. Encouragement of educational advancement to work-study programs, in-service training, and scholarships for full- and part-time professional study.
  2. Resources
    - a. Development of a statewide, integrated information and communications system to facilitate intergovernmental cooperation in crime control.
    - b. Development of statewide or regional crime laboratories.
  3. Relationship to the community
    - a. Programs of public support and education to improve understanding and cooperation between the citizen and the law enforcement officer, including education programs at the junior and senior high school levels, to develop understanding of the criminal justice system.
    - b. Increased recruitment for police service careers from among persons of all races and economic situations.
- B. To this end, the Governors of the States support, encourage and will pursue the following steps to improve the judicial process:
1. Personnel
    - a. Request legislation establishing statewide professional and educational standards for all judges and court administrative officials, elected or appointed, to state or local courts.
    - b. Establish statewide minimum salaries for all judges and court administrative officials.
    - c. Establish procedures for the administration of judicial conduct, discipline and retirement.
    - d. Institute statewide assigned counsel or defender systems, financed by the jurisdiction which has the responsibility for prosecution.
  2. Organization
    - a. Create unified systems with specialized branches where appropriate.
    - b. Urge the Congress to ratify the Interstate Agreement on Detainers on behalf of the Federal Government.

### 3. Procedures

- a. Improve jury selection systems by modernizing criteria for exclusion from duty, instituting better record-keeping, and increasing compensation for public service.
- b. Modernize archaic court procedures in areas such as providing expanded pre-trial discovery, extending prosecution's right to appeal from pre-trial rulings suppressing evidence, and providing simple state post-conviction procedure.
- c. Institute statewide procedures for promoting just and uniform sentencing.
- d. Institute procedures to require counsel for a parole violator.

C. To this end, the Governors of the States encourage, support and will pursue the following steps to aid and improve the corrections system:

#### 1. Personnel

- a. Commit additional resources to probation and parole sources to reduce the existing imbalance between institutional maintenance and field services.
- b. Improve recruitment, training and retention of correctional personnel by increases in salary, scholarships for professional training and intensive in-service training programs.
- c. Institute probation and parole services which make use of volunteers and some professional aides, including ex-offenders.
- d. Develop improved standards and procedures for parole decision-making.

#### 2. Institutions

- a. Establish and enforce statewide standards for jails and detention institutions.
- b. Provide separate detention facilities for juveniles and women.
- c. House and process persons awaiting trial separately from convicted offenders.
- d. Provide separate treatment for individuals requiring specialized rehabilitation, such as narcotics addicts or alcoholics, on a regional or statewide basis.

#### 3. Programs

- a. Development of more intensive community treatment programs as alternatives to institutionalization.
- b. Upgrade basic education and vocational training for inmates, and institute programs for job development, placement, and follow-up.
- c. Design all rehabilitation programs so that they improve the re-entry of offenders into the community.
- d. The consolidation of the administration of state correctional programs.

- e. Adoption of the Interstate Correctional Compact providing for regional and interstate cooperation for the development of correctional institutions and programs.

D. Total system needs:

Development of mandatory statistical data collection and analysis for all components of the criminal justice system including police administration, court caseload, correctional data, and expenditures by state and local governments for criminal justice institutions.

## THE PREVENTION AND CONTROL OF JUVENILE DELINQUENCY

The National Governors' Conference believes that any attempt to comprehensively prevent and control juvenile delinquency calls for bold, broad, basic and new approaches including redeployment of personnel and resources.

Commitment to the task of preventing juvenile delinquency requires:

- a. Commitment to long-term research and development adequate to cope with the complexity of the delinquency problem.

- b. A conscious broadening of the framework within which the problems are analyzed and remedies sought. There must be a willingness to examine and challenge all traditional operations.

- c. The significant involvement of youth in any community's effort to understand and prevent juvenile delinquency.

- d. Coordination of private and public services to youth including character building efforts and those geared to correction and rehabilitation.

- e. Focusing attention and efforts on youth at an earlier age than we have previously.

- f. A careful reevaluation of the unique role of the family in American societies.

- g. Realism about the cost of long-range preventive efforts.

- h. Establishment of vocational schools without severe standards and criteria to give every boy and every girl an equal education in the area of high rate unemployment.

In recognition of the key role which State Governments play in the intergovernmental effort to prevent and control juvenile delinquency, the Governors of the States urge that each State undertake to provide leadership and funding for the coordination of planning and services of all state agencies which contribute to the prevention, control, and treatment of juvenile delinquency. Such coordination should encompass the States' effort under the Omnibus Crime Control and Safe Streets Act. Each State should emphasize and strengthen its commitment to programs designed to prevent delinquency, giving particular emphasis to home and school-centered programs aimed at youth who are in danger of becoming delinquent.



Because of the seriousness of the problem of juvenile delinquency and the need for major governmental action, the National Governors' Conference expresses its concern with the Juvenile Delinquency Prevention and Control Act of 1968. We find that it is poorly drafted as enacted, that it is inadequately funded, and that its administration is not properly coordinated with that of the Omnibus Crime Control Act. We urge that the Congress of the United States amend the Crime Control Act to provide for the transfer of the responsibility for administration of Title I of the Juvenile Delinquency Prevention and Control Act to the Law Enforcement Assistance Administration.

#### ORGANIZED CRIME

The National Governors' Conference pledges full support and cooperation in the intergovernmental war on organized crime. To this end, the Governors of the States recommend the following actions by federal, state and local authorities:

- a. Enactment of general witness immunity statutes at federal and state levels.
- b. Formation of organized crime intelligence units in the offices of appropriate state agencies designated by the Governor and in local law enforcement agencies.
- c. The continuation of federal technical assistance and training programs designed to assist in the development of competent staff for state and local jurisdictions, and the funding of federal assistance for development of state intelligence systems.
- d. The creation and financing of state level programs to investigate the problems of organized crime, including the infiltration by crime syndicates into legitimate businesses and state and local governments, by focusing public attention upon the problem by means of crime commissions and grand jury investigations.
- e. The drafting and publication by the Suggested State Legislation Committee of the Council of State Governments of a Model State Corrupt Business Practices Act to aid States in preventing the infiltration and takeover of legitimate businesses by organized crime forces. Such proposed law should include provisions for cancelling the State charters and licenses for any businesses so undermined.
- f. The drafting and publication by the same Committee of A Model State statute to implement appropriate procedures for wiretapping and electronic surveillance and investigation by authorized law enforcement agencies, and to implement the provisions to Title III of the Omnibus Crime Control and Safe Streets Act of 1968.

## DRUG ABUSE

The National Governors' Conference is concerned with the extensive proliferation of the narcotics and drug abuse problem. Because of its multi-faceted nature and complexity, it is both proper and necessary that the problem be addressed by this Committee as well as the Committee On Human Resources. To combat the pervasive problem of narcotics and drug abuse, the Governors of the States recommend the following urgent efforts:

1. Federal and State Government should cooperate in the development of a coordinated attack on the narcotics and dangerous substances problem. Such an effort should include law enforcement, prevention, and treatment. Toward this end, a joint federal-state coordinating committee should be established.

2. Enactment by the States of the Uniform Controlled Dangerous Substances Act, as well as other drug control legislation which:

- a. Grants courts and correctional authorities sufficient flexibility with user to permit individualized sentencing and treatment, and the imposition of appropriately severe sentences for pushers and sellers.
- b. Requires prompt disposition of the offender's case.
- c. Effectively unifies all state drug control programs and coordinates all private and public efforts to control drug abuse.

3. Development of state programs for the rehabilitation and treatment of offenders requiring close supervision and control while correcting problems of drug abuse by providing alternative methods for disposition of drug users by the establishment of adequate facilities for both voluntary and involuntary admissions and for out-patient treatment programs.

4. Development of more aggressive efforts in customs and law enforcement by the Federal Government in cooperation with state officials in the border States to halt the illegal importation and smuggling of drugs, narcotics, and other dangerous substances. The Federal Government should simultaneously undertake efforts at the diplomatic level to achieve this purpose.

5. The enactment by the Congress of the proposed Controlled Dangerous Substances Act of 1970, as proposed by the U. S. Department of Justice.

6. The enactment of interstate compacts to further cooperation among the States in the control of drug and narcotics abuses.

## THE CRISIS OF UNREST

The National Governors' Conference recognizes and supports the historic and constitutional right of all citizens to dissent from public policies, and to seek to change such policies through public assembly, and through the peaceful expression and exchange of views.

Violence and disorder are not justified in a democratic society. We condemn lawlessness on all sides, be it by those who dissent from public policies, those who support them, or those who are called upon to keep or restore the peace. We affirm that the first responsibility of the peace-keepers is to protect the safety and lives of all those involved; however, we recognize also the correlative right of the peace-keepers in the discharge of this responsibility to use such force as may be necessary for their own self-protection.

We believe that change in a democratic society must be achieved through the calm and reasonable exchange of views. And to that end we urge greater dialogue and understanding among all segments of our society so that we might prevent the polarization of views, and the escalation of differences to the point of violence.

On the campus, we believe that the faculty and administration have the primary responsibility for the prevention of disorder and the preservation of the tranquility of the learning community. But we also affirm the right and responsibility of the State to act to restore peace both on the campus and in the larger community when other means have been tried and have failed.

We also pledge our efforts toward the constant renewal and revitalization of the institutions of our society. . . not only in education but in government and business as well. . . to prevent them from becoming impersonal toward the citizen, neglectful of the society, and brittle or unresponsive to each generation of Americans.

#### FIREARMS CONTROL

The National Governors' Conference, recognizing the varying requirements for firearms legislation in each State, recommends and will pursue legislative enactment of:

1. Federal and state laws controlling the transportation and possession of military-type firearms and ordnance, other than small arms.
2. State laws prohibiting certain categories of persons, such as habitual alcoholics, drug addicts, mental incompetents, persons with a history of substantial mental disturbance, and persons convicted of felonies, from buying, owning, or possessing firearms.

## Appendix XIV

### MISCELLANEOUS RESOLUTIONS AND POLICY STATEMENTS ADOPTED BY THE NATIONAL GOVERNORS' CONFERENCE

#### NATIONAL CLEARINGHOUSE AND REGISTRATION OF CHEMICALS

WHEREAS, over 6,000 chemicals are released into our air, water and land;  
and

WHEREAS, there is a need to study and analyze all chemicals before they are introduced into our environment; and

WHEREAS, there is a need to continuously monitor all chemicals in the environment:

NOW, THEREFORE, BE IT RESOLVED that the National Governors' Conference urges that a national clearinghouse be established to 1) register all chemical compounds released into our environment, 2) pre-screen each chemical as to its ecological effects prior to its introduction, and 3) continuously monitor these chemicals in our environment, and that this action by the member Governors be transmitted to the President as evidence of our sincere and genuine concern.

#### VIETNAM PRISONERS

The National Governors' Conference is united in expressing outraged indignation at the consistently inhumane treatment of United States soldiers held captive in North Vietnam.

Identities of prisoners are kept secret. Mail from relatives is not delivered. Representatives of internationally recognized agencies are not permitted access to prisoners. All these things are in blatant violation of the Geneva and Laos agreements.

We condemn this despicable circumstance which causes unnecessary anguish to the men, their families and friends. And we urge United States authorities and those in other civilized nations to mobilize all agencies at their disposal to correct these abominable conditions.

#### UNITED STATES TERRITORIES AND COMMONWEALTH OF PUERTO RICO

All policy statements of the National Governors' Conference, wherever reference is made to "The States," or "The Fifty States," etc., shall also include where relevant the additional words "and the Territories and the Commonwealth of Puerto Rico".

## PRESIDENTIAL VOTE FOR PUERTO RICO

Section 5 of the Organic Act of 1917, an Act to provide a civil government for Puerto Rico, extended American citizenship to the people of Puerto Rico. However, United States citizens residing in the Commonwealth of Puerto Rico who are eligible to vote cannot do so for President and Vice President of the United States.

Equally, residents of Puerto Rico who move to the States and who otherwise qualify as voters become eligible to vote for President and Vice President of the United States. Residents of the several States who are otherwise qualified to vote become ineligible to vote for President and Vice President of the United States if they move to Puerto Rico. Purely geographical considerations should not control the right of American citizens to vote for their President and Vice President.

Since 1917 the people of Puerto Rico, under the same obligation as citizens of a State, have served in the Armed Forces of the United States with distinction.

Considering that effective participation in the political process of the government is an integral part of American citizenship, the President of the United States and the Governor of Puerto Rico have appointed a Joint Committee to study the Presidential vote for Puerto Rico.

In view of the above, the National Governors' Conference assembled in Lake of the Ozarks, Missouri, in recognition of the contributions made to our Nation by the U.S. citizens of Puerto Rico, recommends that should they request it, the people of Puerto Rico be granted the right to vote for President and Vice President of the United States.

A copy of this statement should be transmitted to the President of the United States, the Speaker of the House of Representatives, the President of the Senate, and the Chairman of the Ad Hoc Committee on the Presidential Vote for Puerto Rico.

## EARTH WEEK

WHEREAS, there is an urgent need to promote a broader awareness and understanding of the environmental crisis facing each and every State in the United States; and

WHEREAS, there is compelling need to encourage a continuing commitment by all interests including education, agriculture, business, labor and civic and private organizations, to work to solve these fundamental environmental problems:

NOW, THEREFORE, BE IT RESOLVED that we as Governors assist in focusing the Nation's attention on environmental problems and their solutions by declaring the third week in April "Earth Week" in our respective States and seek the broadest participation in its activities.

#### MERCURY CONTAMINATION STANDARDS

Mercury contamination of the Nation's streams poses danger to the health and well-being of our people and has brought forth expressions of protests and dismay from all parts of our Nation.

Approximately one-third of the States have streams which are involved with mercury contamination, thus indicating a need for corrective activity on the federal level.

The States directly involved with this grave problem have, by their respective separate actions, diligently pursued diverse courses of remedial and corrective measures, all well intentioned but lacking in uniformity so essential in interstate matters. Thus, due to the interstate nature of our streams, any corrective activity involving regulatory measures should emanate on the federal level and should afford just and equal criteria for all of the States involved.

It is imperative that certain measurable minimum amounts of allowable mercury outflow should be established which would not constitute a health hazard to the people of America. The Federal Water Quality Administration is the appropriate agency to initiate corrective measures which would be effective and binding throughout the several States; therefore, the National Governors' Conference urges the Federal Water Quality Administration to immediately initiate action for the determination of minimum amount of mercury outflow which would not constitute a hazard to public health, and upon such determination promulgate regulations having equal application throughout the Nation sufficient to insure that such minimum mercury outflow is not exceeded and that such regulations contain appropriate enforcement provisions.

#### RED CROSS DISASTER RELIEF NEEDS

WHEREAS, the American Red Cross is the established agency for the provision of family relief in the event of disaster and catastrophe, providing assistance that is not duplicated by any public or private program; and

WHEREAS, the emergency relief funds of the American Red Cross have been seriously depleted by the provision of disaster relief to the victims of Hurricane Camille in Mississippi one year ago and to those who suffered in the great tornado that struck Lubbock, Texas, in May, 1970; and

WHEREAS, the people of Corpus Christi and of the Central Texas Gulf Coast were devastated by Hurricane Celia on Monday, August 4, 1970; and

WHEREAS, more than 65,000 families in this area suffered loss, 8,950 homes being destroyed, and 55,650 homes being damaged; and

WHEREAS, 30,000 of our fellow citizens have received emergency assistance from the American Red Cross in the form of food, clothing, temporary housing, and medical care; and

WHEREAS the need is very great for additional funds to permit the American Red Cross to carry out its mission of mercy for the victims of Hurricane Celia with a minimum of \$6 million being needed at once:

NOW, THEREFORE, BE IT RESOLVED by the National Governors' Conference that all citizens of the United States are urged to assist the victims of Celia by making generous voluntary contributions through their local Red Cross chapters to sustain the disaster relief program thereby showing their sincere and genuine concern for their fellow men.

#### RESOLUTION OF APPRECIATION

The National Governors' Conference expresses its sincere gratitude to Governor and Mrs. Warren E. Hearnes, Mr. and Mrs. Gene Sally, and Mr. and Mrs. Frank J. Iuen III, for their untiring efforts in making its 62nd Annual Meeting, August 9 to August 12, at Lake of the Ozarks, Missouri, an inspiring and memorable experience. To the very special guests, the Conference offers its heartfelt thanks for their excellent contribution and participation. To all those who took part in the thoughtful and beneficial program session, the Conference expresses deep gratitude. And to all others who helped plan and carry out the myriad array of activities, the Conference extends its appreciation and thanks for cooperation and friendly attitude exhibited by everyone involved in presenting the Annual Meeting.

The National Governors' Conference also expresses its appreciation to Governor John A. Love for his tremendous job and great leadership as Chairman.

We are grateful to Governor and Mrs. Hearnes and Governor and Mrs. Love for making this a productive and thoroughly enjoyable Conference.

We express appreciation to Charles Byrley and the staff of the National Governors' Conference and to Brevard Carihfield and his staff for the efficient and orderly manner in which this Conference has been handled.

The "Red Carpet" hospitality that was rolled out for the Governors, their families and staffs beautifully demonstrated that "Missouri *does* love company" — and we love Missouri hospitality and the Missourians who have made this Conference possible.

We further express our appreciation to the members of the news media for their extensive coverage of our deliberations and the courtesy they have shown to the Governors and their families. We appreciate their professional efforts to inform the public regarding the matters of serious concern which have been the subject of our discussions.



## Appendix XV

### REPORTS AND STATEMENTS CONCERNING THE INTERNATIONAL ACTIVITIES OF THE NATIONAL GOVERNORS' CONFERENCE

#### REPORT BY GOVERNOR WINTHROP ROCKEFELLER

Two years ago, the American Ambassador to France proposed to the National Governors' Conference the concept of visits between the French Prefects and the American counterpart, the Governors. The concept was accepted by the National Governors' Conference and since then, two missions have been welcomed in the United States from France, and one mission to France. In 1969, the Prefects attended the National Governors' Conference in Colorado Springs and the Southern Governors' Conference at Williamsburg, Virginia.

The American-French mission in May of this year, with the cooperation and assistance of the State Department, was composed of Governors Winthrop Rockefeller of Arkansas, Linwood Holton of Virginia, Robert Scott of North Carolina, and Paul Laxalt of Nevada. Initially, the mission also included Governor John Love of Colorado and Governor Raymond P. Shafer of Pennsylvania, who had to cancel due to the pressure of state affairs. The favorable reaction of the French Government to the Governors' visit was clearly evident, in that the Secretary of Internal Affairs, the Honorable Raymond Marcellin, took unto himself personally the direction, coordination and implementation of the program for the stay in France. The French Government left nothing to conjecture in terms of providing for the Governors' orientation, in arranging the opportunity to meet with an impressive cross-section of French Governmental leadership, and in providing bounteously for the comfort, as well as the person-to-person contact with distinguished French citizens in and out of government.

The consensus of the Governors who participated in the French mission was unanimous in support of the value of such a reciprocal exchange. It is understandable that each Governor found particular satisfaction in terms of the all important personal relationships which we, as Governors, found in the opportunity to meet with our counterparts. The Prefect-Governor relationship resulted in a new dimension in Franco-American relations. It is anticipated that four French Prefects will be coming to the United States this Fall, and will attend the Southern Governors' Conference. That they have wanted to attend a Governors' Conference indicates their interest in the political phenomenon that is experienced by the American Governors.

In contrast, the Prefect is a Civil Servant, appointed by the Central Government, responsible to the Central Government, but at the same time, thanks to the very nature of the system, they are highly sensitive to the needs, desires and attitudes of the people over whom they have amazing influence. We, who were a part of the mission to France are, again, unanimously agreed that this program has extraordinary merit, potential and should be continued. Because the program has not been consistently established as a State Department project, such missions are financially the responsibility of the individual Governors. This regrettably could eliminate some Governors, who would be outstanding representatives of our country, from participating in such a mission—a situation that is unfortunate and even deplorable.

The current American Ambassador to France has expressed his whole-hearted support of the level of diplomacy, which was the product of the mission. In taking note of his reaction, we, the Governors, who were fortunate enough to be a part of this rare experience, would be derelict if we did not recognize the tremendous part that was played by the Ambassador and his staff in supporting the efforts of the Governors to fulfill their mission. Even though the exchange of Governors and Prefects in France, and similar exchanges in other countries, has not yet been sufficiently funded by the State Department, we, the Governors, are extremely grateful to the State Department for the participation of Mr. Manell in his role of stimulator and coordinator of the total exchange program.

In summary, it would appear that we have all the elements, on a quasi-official basis, working to promote a tremendously meaningful international relationship. It would be our feeling that the National Governors' Conference, who initially accepted this concept, urge the State Department to *not only accept* the objectives, but also, *recognize* the tremendous potential of the program — both officially and financially.

#### STATEMENT BY GOVERNOR LOVE

At this time I would like to put on the record two messages from official sources that I think speak well for the foreign visits by members of the National Governors' Conference during the past year. The first is the telegraphic text of a letter to me from William P. Rogers, Secretary of State.

*"Dear Governor Love:* I would be grateful if you would convey my warm appreciation to Governors Rampton, Rhodes, Knowles, Hearnese, Tiemann, Nunn, Anderson, Moore, and Ferré for the success of their recent mission to Japan. I had the personal pleasure of meeting several members of the delegation in Tokyo and understand from Ambassador Meyer and Mr. Manell, who accompanied the delegation, that the Governors were greeted with warmth and interest throughout their tour. Governor Rampton and all the members of his

delegation deserve a special tribute for the value of their contribution in achieving a larger measure of understanding and friendship with both their counterparts and the Japanese people they met. I believe that stability and peace in Asia will continue to hinge largely on the strength of our partnership with Japan. Again, on the occasion of the 62nd Annual Meeting of the National Governors' Conference, I congratulate the delegation for their successful tour and offer every possible assistance from the department in the continuation of this important contribution to our relations with Japan.

Sincerely

William P. Rogers  
Secretary of State"

Let me add that in a previous communication the Secretary of State, responding to a message of warm appreciation from Ambassador Watson in Paris about the Governors' visit to France admirably led by Governor Winthrop Rockefeller last May, said: "We share your conviction regarding the value of the Governors' and Prefects' exchange of visits and the desirability of its continuance as an important contribution to increased Franco-American understanding. The experience has been very useful and has presented fresh perspectives on both sides in assessing parallel problems about the environment and intergovernmental relations and in establishing constructive personal relationships."

On a personal basis I just want to pay a deserved tribute to Governor Winthrop Rockefeller for the outstanding job he did for our Conference and our country in connection with the visit to France. Thank you so much, Win.