

*Proceedings*  
OF THE  
NATIONAL  
GOVERNORS'  
CONFERENCE  
1972

SIXTY-FOURTH ANNUAL MEETING  
SHAMROCK HILTON HOTEL • HOUSTON, TEXAS  
*JUNE 4-7, 1972*

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

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

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THE NATIONAL GOVERNORS' CONFERENCE  
IRON WORKS PIKE  
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## EXECUTIVE COMMITTEE

1971-72

Honorable Arch A. Moore, Jr.  
Governor of West Virginia, *Chairman*

Honorable Wendell R. Anderson, Governor of Minnesota  
Honorable Cecil D. Andrus, Governor of Idaho  
Honorable Winfield Dunn, Governor of Tennessee  
Honorable J. James Exon, Governor of Nebraska  
Honorable Frank Licht, Governor of Rhode Island  
Honorable Thomas J. Meskill, Governor of Connecticut  
Honorable Richard B. Ogilvie, Governor of Illinois  
Honorable John C. West, Governor of South Carolina

## EXECUTIVE COMMITTEE

1972-73\*

Honorable Marvin Mandel  
Governor of Maryland, *Chairman*

Honorable William T. Cahill, Governor of New Jersey  
Honorable Jimmy Carter, Governor of Georgia  
Honorable Winfield Dunn, Governor of Tennessee  
Honorable David Hall, Governor of Oklahoma  
Honorable Richard F. Kneip, Governor of South Dakota  
Honorable Tom McCall, Governor of Oregon  
Honorable Richard B. Ogilvie, Governor of Illinois  
Honorable Walter Peterson, Governor of New Hampshire

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\* As elected June 7, 1972

## OTHER COMMITTEES OF THE NATIONAL GOVERNORS' CONFERENCE, 1972\*

### COMMITTEE ON CRIME REDUCTION AND PUBLIC SAFETY

Governor Russell W. Peterson, Delaware—*Chairman*  
Governor Forrest H. Anderson, Montana—*Vice Chairman*  
Governor John A. Burns, Hawaii  
Governor Carlos G. Camacho, Guam  
Governor Bruce King, New Mexico  
Governor Frank Licht, Rhode Island  
Governor Walter Peterson, New Hampshire  
Governor Jack Williams, Arizona

### COMMITTEE ON EXECUTIVE MANAGEMENT AND FISCAL AFFAIRS

Governor Calvin L. Rampton, Utah—*Chairman*  
Governor Robert D. Ray, Iowa—*Vice Chairman*  
Governor Wendell R. Anderson, Minnesota  
Governor Reubin O'D. Askew, Florida  
Governor Dale Bumpers, Arkansas  
Governor Deane C. Davis, Vermont  
Governor Winfield Dunn, Tennessee  
Governor Stanley K. Hathaway, Wyoming  
Governor Patrick J. Lucey, Wisconsin

### COMMITTEE ON HUMAN RESOURCES

Governor Nelson A. Rockefeller, New York—*Chairman*  
Governor Robert Docking, Kansas—*Vice Chairman*  
Governor Melvin H. Evans, Virgin Islands  
Governor Luis A. Ferré, Puerto Rico  
Governor William L. Guy, North Dakota  
Governor Warren E. Hearnes, Missouri  
Governor John A. Love, Colorado  
Governor Ronald Reagan, California  
Governor Robert W. Scott, North Carolina  
Governor Preston Smith, Texas

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\* As of June, 1972—opening date of Conference

COMMITTEE ON NATURAL RESOURCES  
AND ENVIRONMENTAL MANAGEMENT

Governor Jimmy Carter, Georgia—*Chairman*  
Governor Francis W. Sargent, Massachusetts—*Vice Chairman*  
Governor Cecil D. Andrus, Idaho  
Governor Kenneth M. Curtis, Maine  
Governor William A. Egan, Alaska  
Governor Wendell H. Ford, Kentucky  
Governor John M. Haydon, American Samoa  
Governor Linwood Holton, Virginia  
Governor William G. Milliken, Michigan

COMMITTEE ON RURAL AND URBAN DEVELOPMENT

Governor David Hall, Oklahoma—*Chairman*  
Governor Tom McCall, Oregon—*Vice Chairman*  
Governor William T. Cahill, New Jersey  
Governor Edwin W. Edwards, Louisiana  
Governor J. James Exon, Nebraska  
Governor John J. Gilligan, Ohio  
Governor Richard F. Kneip, South Dakota  
Governor Richard B. Ogilvie, Illinois  
Governor William L. Waller, Mississippi

COMMITTEE ON TRANSPORTATION,  
COMMERCE, AND TECHNOLOGY

Governor Daniel J. Evans, Washington—*Chairman*  
Governor John C. West, South Carolina—*Vice Chairman*  
Governor Marvin Mandel, Maryland  
Governor Thomas J. Meskill, Connecticut  
Governor Mike O'Callaghan, Nevada  
Governor Milton J. Shapp, Pennsylvania  
Governor George C. Wallace, Alabama  
Governor Edgar D. Whitcomb, Indiana

Governor Arch A. Moore, Jr., West Virginia—*Chairman*  
of the National Governors' Conference— is an  
ex-officio member of all committees.

## ATTENDANCE

John M. Haydon, Governor of American Samoa  
Jack Williams, Governor of Arizona  
Dale Bumpers, Governor of Arkansas  
John A. Love, Governor of Colorado  
Thomas J. Meskill, Governor of Connecticut  
Russell W. Peterson, Governor of Delaware  
Reubin O'D. Askew, Governor of Florida  
Jimmy Carter, Governor of Georgia  
Carlos G. Camacho, Governor of Guam  
John A. Burns, Governor of Hawaii  
Cecil D. Andrus, Governor of Idaho  
Richard B. Ogilvie, Governor of Illinois  
Edgar D. Whitcomb, Governor of Indiana  
Robert D. Ray, Governor of Iowa  
Robert Docking, Governor of Kansas  
Wendell H. Ford, 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  
Wendell R. Anderson, Governor of Minnesota  
William L. Waller, Governor of Mississippi  
Warren E. Hearnes, Governor of Missouri  
Forrest H. Anderson, Governor of Montana  
J. James Exon, Governor of Nebraska  
Mike O'Callaghan, Governor of Nevada  
Walter Peterson, Governor of New Hampshire  
William T. Cahill, Governor of New Jersey  
Bruce King, 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  
John J. Gilligan, Governor of Ohio  
David Hall, Governor of Oklahoma  
Tom McCall, Governor of Oregon  
Milton J. Shapp, Governor of Pennsylvania  
Luis A. Ferré, Governor of Puerto Rico  
Frank Licht, Governor of Rhode Island  
John C. West, Governor of South Carolina  
Richard F. Kneip, Governor of South Dakota  
Winfield Dunn, 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 Virgin Islands

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Daniel J. Evans, Governor of Washington  
Arch A. Moore, Jr., Governor of West Virginia  
Patrick J. Lucey, Governor of Wisconsin  
Stanley K. Hathaway, Governor of Wyoming

## GUEST SPEAKERS

Spiro T. Agnew, Vice President of the United States  
Myles J. Ambrose, Special Consultant to the President for Drug Abuse Enforcement, and Special Assistant Attorney General  
William J. Conner, County Executive, New Castle County, Delaware  
Thomas W. Fletcher, President, National Training and Development Service  
Jerome H. Jaffe, Director, Special Action Office for Drug Abuse Prevention, and Special Consultant to the President for Narcotics and Dangerous Drugs  
Jerris Leonard, Administrator, Law Enforcement Assistance Administration  
Richard McCurdy, Associate Administrator for Organization and Management, National Aeronautics and Space Administration  
Robert E. Merriam, Chairman, Advisory Commission on Intergovernmental Relations  
Jennings Randolph, United States Senator from West Virginia  
George Romney, Secretary, United States Department of Housing and Urban Development  
Alan Shepard, National Aeronautics and Space Administration  
Thomas Stafford, National Aeronautics and Space Administration  
John G. Veneman, Under Secretary, United States Department of Health, Education, and Welfare  
John A. Volpe, Secretary, United States Department of Transportation  
Louie Welch, Mayor of Houston, Texas

## **PROGRAM**

### **Sunday, June 4**

- 4:00 P.M.      **Briefing for Governors' Aides**  
*Emerald Room*
- 6:00 P.M.      **Private Reception and Dinner for Governors and Their Wives**  
*River Oaks Country Club*
- 6:30 P.M.      **Reception and Buffet Dinner in Honor of News Media, for All  
Conference Participants**  
*Marriott Inn*

### **Monday, June 5**

- 9:00 A.M.      **Opening Session**  
*Emerald Room*

**Presiding:**

**Governor Arch A. Moore, Jr., West Virginia**

**Call to Order and Invocation:**

**Reverend Harold L. Cooper, St. James Episcopal Church,  
Austin, Texas**

**Welcoming Remarks:**

**Governor Preston Smith, Texas**

**Annual Address of the Chairman and Report of Executive  
Committee:**

**Governor Moore**

**Adoption of Rules of Procedure**

**"Intergovernmental Commitment to Reduce Crime"**

**Presiding:**

**Governor Moore**

**A Federal Overview:**

Jerris Leonard, Administrator  
Law Enforcement Assistance Administration

**Local Response:**

William J. Conner, County Executive  
New Castle County, Delaware

Mayor Louie Welch  
Houston, Texas

**State Response:**

Governor Russell W. Peterson, Delaware  
Commentator Leader  
Governor Marvin Mandel, Maryland  
Governor Richard B. Ogilvie, Illinois

**General Discussion**

11:00 A.M. "National Action for Drug Abuse Control"

**Presiding:**

Governor Moore

**Guest Speakers:**

Myles J. Ambrose, Special Consultant to the President for  
Drug Abuse Enforcement, and Special Assistant Attorney  
General

Dr. Jerome H. Jaffe, Director, Special Action Office for  
Drug Abuse Prevention, and Special Consultant to the  
President for Narcotics and Dangerous Drugs

**Commentator Governors:**

Governor Nelson A. Rockefeller, New York  
Commentator Leader  
Governor Robert Docking, Kansas  
Governor Melvin H. Evans, Virgin Islands  
Governor Tom McCall, Oregon  
Governor Robert W. Scott, North Carolina

**General Discussion**



12:15 P.M.      Executive Luncheon Session  
(Governors and one aide each)  
*Continental Room*

Guest:  
The Vice President of the United States

1:30 P.M.      “NASA: How the States Stand to Benefit”

Presiding:  
Governor Moore

Remarks:  
Richard McCurdy, Associate Administrator for Organization  
and Management, National Aeronautics and Space Ad-  
ministration

Presentations by Astronauts  
Thomas Stafford and Alan Shepard

General Discussion

7:00 P.M.      Texas Buffet Reception, hosted by Governor and Mrs. Smith  
*Shamrock Hilton poolside*

### Tuesday, June 6

7:45 A.M.      Prayer Breakfast for Governors and Their Wives  
*Continental Room*

9:00 A.M.      Business Session  
*Emerald Room*

“The Role of the States in National Growth”

Presiding:  
Governor Moore

Guest Speakers:

Secretary George Romney, Department of Housing and  
Urban Development, and Chairman, Domestic Council  
Committee on National Growth Policy

Senator Jennings Randolph, West Virginia

Commentator Governors (Task Force on National Regional Development Policy):

Governor Jimmy Carter, Georgia

Commentator Leader

Governor Forrest H. Anderson, Montana

Governor Dale Bumpers, Arkansas

Governor Deane C. Davis, Vermont

Governor Linwood Holton, Virginia

Governor Patrick J. Lucey, Wisconsin

Governor Tom McCall, Oregon

General Discussion

10:30 A.M. "Crisis in Elementary and Secondary Education: Financial Reform"

Presiding:

Governor Moore

Guest Speaker:

Robert E. Merriam, Chairman, Advisory Commission on Intergovernmental Relations

Commentator Governors:

Governor Calvin L. Rampton, Utah

Commentator Leader

Governor Wendell R. Anderson, Minnesota

Governor William G. Milliken, Michigan

Governor Robert D. Ray, Iowa

General Discussion

12:00 noon Recess  
Afternoon Open for Optional Host State Events, Special Meetings

7:00 P.M. State Dinner and Ball (Black Tie)  
*Grand Ballroom*

**Wednesday, June 7**

**9:00 A.M.      Closing Business Session  
                    *Emerald Room***

**Presiding:  
                    Governor Moore**

**Invocation:  
                    Dr. Charles Allen, First Methodist  
                    Church, Houston, Texas**

**Reports of All Conference Committees and Adoption of Policy  
Statements**

**Guest Participants:**  
  
                    **Secretary John A. Volpe**  
                    **Department of Transportation**  
  
                    **Under Secretary John G. Veneman**  
                    **Department of Health, Education, and Welfare**  
  
                    **Thomas W. Fletcher, President**  
                    **National Training and Development Service**

**Invitations for Site of 1974 Annual Meeting**

**Election of Officers**

**Other Business**

**Adjournment**

**11:00 A.M.      "Easygoin' " Luncheon for All Conference Participants  
                    *Shamrock Hilton poolside***



# MORNING SESSION

## Monday, June 5

GOVERNOR ARCH A. MOORE, JR.: It is a privilege to call to order the Sixty-fourth National Governors' Conference and, at this time, to present to you the Reverend Harold L. Cooper of St. James Episcopal Church in Austin, Texas, who will provide us with our invocation.

REVEREND HAROLD L. COOPER: Let us pray. Almighty God, Father, Lord and Judge, we stand before Thee this morning addressing our prayers and petitions, asking Thy blessings to be upon our presiding officer, Governor Moore, upon our host, Governor Smith, our other Governors, statesmen, and honored guests, persons of Thy authority; and we ask Thy spirit to be upon this opening session of the Sixty-fourth National Governors' Conference meeting together in friendship and mutual concern for the common and uncommon problems of our age, that, seeking to be better servants of their peoples, searching for answers through discussion and the sharing of insights, these men might well sum up their frustrations and requests of Thee in one word, help.

Let Thy will be made known, that they may assist and so attend upon the coming of Thy kingdom. Give us this day for this Conference, not just daily bread, but particular and enabling gifts of Thy grace. Give light and truth to dispel darkness. Give wisdom that proper priorities be assigned; wisdom, too, that local concerns may be seen in perspective to the greater needs of all mankind. Give sensitivity that matters overlooked or unrecognized may be discovered or revealed before it is too late for the seriousness of consideration they warrant. Give vision that simple or pragmatic answers for the moment may not be accepted if greater problems will result. Give patience and understanding that our intemperances and ignorances may be held checked or alleviated.

And as we pray for ourselves, hear also the same intercessions for the President of these United States, our legislators, judges, all officers in authority, that the welfare and happiness of those who are governed may be fairly determined and wisely administered to the coming of justice and peace, the inception of good will among all men. These things we beg in the name of Thy son, Jesus, for Thine is the kingdom and the power and the glory forever and ever. Amen.

CHAIRMAN MOORE: Thank you very much, Reverend Cooper. We are deeply appreciative of your sharing the opening of our Conference here this morning. At this time I would like to present to you our Host Governor and

ask him to provide us with those matters which may be on his mind. We are deeply appreciative again of being in the great State of Texas and the city of Houston. I would like at this time to present to you our Host Governor, the Honorable Preston Smith.

**GOVERNOR PRESTON SMITH:** Governor Moore, my fellow Governors, and our very distinguished guests: The people of Texas join with me in extending a warm welcome to the Governors of our sister States and Territories and to your personal and official families who have come to Houston for this Sixty-fourth National Governors' Conference. We are extremely honored that you have chosen Texas as the site for this year's meeting, a meeting which we know will have far-reaching effects on our Nation's future policies and progress. This week I might remind you the eyes of the entire Nation will be focused on this influential assemblage, as well as the vital discussions which we are about to undertake.

As your Host State, we hope to evidence our pleasure and pride by extending to you as Governors, to your families, to your staffs, and to the news media representatives a full measure of the hospitality and friendliness for which Texans are noted. It is our desire that your visit to Houston this week will be so interesting and so enjoyable that you will remember our State with kindness and that you will resolve to come and see us again as often as possible. In a sense this is an important anniversary for Texas. Twenty years ago this month the Governors' Conference met here in Houston, and the record reveals that at that time the United States faced a major crisis in higher education. Also the Governors centered a great deal of their discussion on tax and fiscal policies. Today, among the many areas of concern, we are faced with problems of crime, those of drug abuse, and we are faced with the need to reform the financing method for our system of public elementary and secondary schools.

These are heavy responsibilities for the Governors, but the National Governors' Conference has always been a symbol of the unity of our States and of our joint determination to meet those responsibilities by consulting and working together in the public interest. This union of effort on the part of the Governors' Conferences has led to many worthwhile accomplishments by the individual States and by the Nation. I am confident that this historic Conference in Houston will contribute significantly to the growth and progress of our Nation and to the determination of future policies which affect every citizen. As Governor of Texas, it is my extreme pleasure to welcome you to Texas, and it is my hope that these few days will be remembered as a bright, lone star in your galaxy of personal memories.

**CHAIRMAN MOORE:** Thank you very much, Governor Smith, for your warm welcome to the State of Texas, and particularly to Houston, the home city of Texas's independence. I am sure all of us will enjoy our visit here immensely. Gentlemen, you may wish to know that Reverend Cooper's son, Mike, is a very distinguished key assistant to Governor Preston Smith and vitally interested in the affairs of government here in the State of Texas.

I am advised that live television coverage of both 1972 political conventions will focus attention on state medallions and will seek to magnify in every way the symbolism of our state flags. The program which has been put together has been brought to our attention. Our opportunity to share in this commemoration of the various flags of our States is brought to us here this morning with great emphasis by the presence of representatives of the Boy Scouts of America of the Houston area council.

At this time I would like to ask the Scouts to come forth to each of the Governors and to make their presentation of the medallions. Also, each of these Scouts has in his possession a parchment which will be presented to you at the same time. Essentially the parchment reads: "Assembled in Conference in the City of Houston in the State of Texas on the Fifth Day of June 1972, we the Governors of the several States of the United States take cognizance of the flag medallion and program dealing with the elements comprised of our state flags and items of historic interest to the States. We do applaud the program and will evoke and enhance appreciation for our state colors, our history, and our heritage."

Gentlemen, if you would, we would like your signature on this parchment in acknowledgment of the receipt of your State's medallion by the representative of the Boy Scouts of America of the Houston Council. So we will have the young men present to their respective Governors the medallion at this time. (The Boy Scouts' presentation was made.) We desire to thank the Boy Scouts of America and suggest to them that they may now take their leave of the Conference. We are deeply appreciative of their participation.

This is the appropriate time for the Chairman to make some remarks concerning the stewardship of the Conference this past year. Governor Smith, my distinguished fellow Governors of the Sovereign States, the wonderful people of the State of Texas with us today, ladies and gentlemen:

Our Sixty-fourth Annual Meeting of the National Governors' Conference has been launched most auspiciously through the gracious welcome extended to us by Governor Smith on behalf of the warmhearted people of Texas. This meeting marks the end of my tenure as Chairman of the National Governors' Conference. It also marks the end of a Conference year which has seen increased participation by the Governors and the States in the affairs of our Nation. Therefore, I believe today is *not* just the end of another year, but the renewal of a forceful, dynamic role for the States within our federal system.

Governors are more involved with important current issues than you have ever seen before. This is apparent to all of us in three ways.

First, our involvement in international affairs;

Second, our involvement in national issues; and

Third, our leadership in supporting a strong state government system for our people.

Governors do have an important role to play in international affairs. It is

essential that we Governors know the tensions and the problems of the world. And, it is equally important that other countries have the opportunity to meet and talk with these unique American officeholders—the Governors of the States—and to learn how the Governors fit into our federal-state political system.

With this in mind, eight of our members traveled to the Soviet Union and Romania last Fall—as ambassadors of the United States' system of government. Upon their return, these Governors went directly to the White House to brief the President on their experiences. The President had just announced his own plans to visit the Soviet Union and was eager for details of the trip and the Governors' reactions. I cannot help but feel that the Governors' visit and their influence played a role in the decisions reached in Moscow two weeks ago.

Governors also visited Japan this year—continuing our role as ambassadors of our system of government. The impact of these trips can well lead to international understanding, and they must be viewed as important contributions to international goodwill and peace. Governors from Japan have already visited us and we are now looking forward to a visit from Soviet and Romanian officials at a date still to be set. While our participation in international affairs should be one of continual expansion, it will never take precedence over our role within the Nation's federal system.

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

It has been 64 years since Theodore Roosevelt invited all the Governors to meet in Washington, D.C. From that meeting, the National Governors' Conference was founded and began to take its place as a major entity in the government of our country. In those 64 years, we have watched Governors and their States take an ever-increasingly responsible role within the federal system. Attempts to bypass States and relegate them to a lesser position within the system have failed.

The States are indeed vital to the continued success of our form of government. We are heavily involved in all the major national issues now before Congress. For undeniable proof of our involvement and concern, let us look at our own standing and special committees:

*The Committee on Crime Reduction and Public Safety*, chaired by the Honorable Russell Peterson of Delaware. Crime reduction, juvenile delinquency, and drug abuse are of critical concern to the people of this country. In fact, both crime reduction and drug control will be major items of discussion during this meeting. These are two of the most important social and political issues of our time. Solutions to these ever-growing problems must come soon and will come only with the help and through the concerted efforts of men like you.

*The Committee on Executive Management and Fiscal Affairs*, chaired by



the Honorable Calvin Rampton of Utah, has primarily concerned itself with the difficult issue of school finance reform and has prepared for this meeting an excellent special report on "The States and Educational Finance" which covers the problems, the court decisions, and alternative solutions to the problem. This Committee has also taken affirmative action on procedures to simplify the federal grant-in-aid process, has urged pension plan reform, and has called upon me to create a special task force of Governors to deal with the issue of National Regional Development Policies.

*The Committee on Human Resources*, chaired by the Honorable Nelson A. Rockefeller of New York, still has welfare reform at the top of its agenda. The House passed welfare reform legislation just a year ago, and the bill is now before the Senate Finance Committee. Our Committee feels it is essential that the Senate Finance Committee act promptly to report out a bill and that prompt action be taken by the entire Senate.

*The Committee on Natural Resources and Environmental Management*, chaired by the Honorable Jimmy Carter of Georgia, has carried the chief responsibility for our efforts in protecting the environment. Clean air, clean waters and sound ecology have become major issues in the past year and we are critically involved.

*The Committee on Rural and Urban Development*, chaired by the Honorable David Hall of Oklahoma, has called for the development of National Community Development policies whereby federal, state and local elected officials can participate directly in the formation of national policies and goals and the establishment of major strategies for program implementation.

*The Committee on Transportation, Commerce and Technology*, chaired by the Honorable Daniel J. Evans of Washington, has, with the support of the National Governors' Conference Executive Committee, condemned the practice of withholding Highway Trust Fund money. The Committee believes efforts must be made to eliminate the up and down obligational authority of the program and calls on Congress to reaffirm its intent that a yearly obligational level must be the method of allocating Highway Trust Funds. Continuing efforts are being made to give States a strong role in the final resolution of no-fault insurance legislation.

In addition to the standing committees, we have *The Special Subcommittee on Higher Education*, chaired by the Honorable Richard B. Ogilvie of Illinois, and *The Special Committee on Revenue Sharing*, which we have had in existence for some time. In addition—as most of you know—I have just recently appointed a Task Force on National Regional Development Policy. These Committees—all vastly important—are dealing with major bills now before Congress.

However, I am not sure I should couple the revenuesharing proposal with any other issue. Indeed, passage of this program and support of the issue for the past seven years has been almost a full-time job for many of us. The creation of a special committee on this issue serves to emphasize its importance. If I

may digress at this point, I believe we must face the fact that if we are to have *any* general revenue sharing program this year, we—as a united body, the National Governors' Conference—must play a forceful role within the next few days.

We are, very frankly, in danger of losing this bill, and unless within these next few days we maximize our efforts, bringing about as much impact as possible upon the various representatives of our States in the United States House of Representatives, revenue sharing could well fade into oblivion and be a matter of simple discussion at one of our next Conferences.

We now have before Congress a revenue sharing bill which incorporates specific recommendations from the National Governors' Conference, our Executive Committee and our Special Committee on General Revenue Sharing. H.R. 14370, reported by the House Ways and Means Committee and given a closed rule waiving all points of order by the House Rules Committee, is now scheduled for floor action in the House the week of June 12. A similar bill has already been introduced in the Senate with strong bipartisan support, including the White House and every Democratic Senator who is a candidate for President. Senator Long has assured us that this bill will go before the Senate Finance Committee immediately after passage by the House.

This bill does have opposition. I am sure all components of the bill do not satisfy each of you individually. However, it is the unanimous view of your Executive Committee and of the Special Committee on Revenue Sharing that the bill should be passed in the House without amendments. We are asking each of you to contact your delegations calling for a *yes* vote to the previous question and a *yes* vote to the bill. It may well be that only with this direct action from each of you *now* can we expect to see a revenue sharing bill enacted by this session of Congress. Please excuse this digression, but I believe it is imperative that we take all possible action to get this bill passed.

I have commented on each of the National Governors' Conference Committees for a purpose. You will find as you review the issues before them, that you have also reviewed the major issues before this country today—criminal justice, drugs, juvenile delinquency; revenue sharing, school finance, education; manpower; pension reforms, social services, child care; the environment; rural and urban development; transportation, no-fault insurance. The list is long—the subjects critical—bills are pending before Congress and the Governors of the States are involved.

I have talked about issues now before us. I stress the job still to be done. We have a number of extremely important issues before Congress this year and a very short time to see any of them reach fruition. For this reason, I call on you for continued support and for concerted action on these issues.

I now turn to a short report of the activities of the Executive Committee during the past year. You will recall that the President requested an immediate meeting with the Committee after last year's meeting in San Juan for a briefing

on important federal-state issues. In January, the Executive Committee members were guests at a Congressional Leadership Luncheon, co-hosted by Senators Mansfield and Scott, and met later during the day with the Vice President.

These meetings, coupled with meetings with administration officials and members of Congress during the winter meeting in Washington, have been most important to our continuing efforts to solidify a strong federal-state relationship. Add to these meetings the ever-increasing number of Governors who testify before Congress on the major issues we are now facing and you find that the National Governors' Conference has, indeed, had an extremely active year and one which I feel has been most productive.

The job of making representative democracy work in this ever-challenging, swiftly changing world falls in large part on government at the state level. Only through the continued efforts of each of you and the collective efforts of the National Governors' Conference can we assure the States of a strong viable role in the years to come. I am sure that each of you is most willing to make your contribution.

That concludes the observations that I want to make concerning the report of the activities of the Conference this year. We will be in touch with you personally, or with your assistants, to ask that you maximize direct communication with your representatives in the House of Representatives as it relates to the posture and the very, very critical vote on revenue sharing which will take place the first part of next week.

I would like at this time to ask for approval of the Rules of Procedure which have been proposed by the Executive Committee. There is, I suggest to you, no departure from the rules that we have adopted in the past. They are identical to those which were adopted and which prevailed at our February meeting in Washington. At this time I would like to have a motion to adopt those rules as the rules of the Sixty-fourth Conference.

GOVERNOR JOHN C. WEST: Mr. Chairman, I so move.

GOVERNOR J. JAMES EXON: I second it.

CHAIRMAN MOORE: The Governor of Nebraska seconds the motion. All in favor, say aye. The motion carries and the rules are adopted. I would like also at this time to point out that the reports and the proposed policy statements from the standing committees were mailed to each of the Governors one month ago. In accordance with the established policy of the Conference, I respectfully call to your attention that any resolution or policy statement offered by an individual Governor should be typed for distribution to all of the Governors, should be announced and distributed either today, Monday, or tomorrow, Tuesday. You then have the assurance that it would be called for consideration at the final session on Wednesday.

At this time I want to pause and break from the ordinary Conference agenda and introduce to you the newest of our elected Governors who is sharing his first Governors' Conference with us, and have you greet the very distinguished

Governor of the State of Kentucky, the Honorable Wendell Ford. Governor Ford, we are glad to have you with us. I might say that Governor Edwards of Louisiana, having just been inaugurated, is now going through that happy circumstance of his first Legislature, so we all wish him well and look forward to seeing him at the next Conference. We wish he could be with us today.

GOVERNOR ROBERT W. SCOTT: I think we ought to send him a card of sympathy.

CHAIRMAN MOORE: I don't think a card of sympathy is quite appropriate. He might have that first success and we might spoil it. Finally, on another matter which has occupied all of us, I would want you to know that as your Chairman immediately upon the tragic shooting of Governor Wallace of Alabama, one of our distinguished members of the Conference, I transmitted a telegram for and on behalf of all of the Governors to Governor and Mrs. Wallace, expressing our deep concern for his welfare and his well-being. At this time I would like to share with you essentially what the Executive Committee has done in framing a telegram to the Honorable George C. Wallace, the body of which is: "Your colleagues assembled in Houston for the Sixty-fourth Annual Meeting of the National Governors' Conference send our greetings to you and Mrs. Wallace. We look forward to meeting and visiting with you again soon and we extend to you our heartfelt best wishes for a rapid and complete recovery." At this time I would like to recognize Governor Mandel. Is Governor Mandel in the room? I will hold this for just one moment, then, because of some pre-arranged conversation that we had.

At this time I would like to ask the Governor of Puerto Rico to be recognized, holding for a moment the matter for which I want to recognize Governor Mandel. Governor Ferré, please.

GOVERNOR LUIS A. FERRÉ: Mr. Chairman, fellow Governors, distinguished guests: On this day of mourning in Puerto Rico, the home of 16 of our fellow citizens, I wish to thank you very much for your expression of sympathy in the case of the tragedy that befell Puerto Rico. This act of violence cannot be attributed to any nation or to any people, but to human prejudice and ignorance. We hope and pray that this tragedy may not beget more violence, but will instead inspire compassion and understanding to foster well-being, that these innocent dead may not have died in vain. Thank you.

CHAIRMAN MOORE: Thank you very much, Governor Ferré. It is now my pleasure to introduce our first panel this morning; the panel subject is "Intergovernmental Commitment to Reduce Crime." The National Governors' Conference has consistently stated its support for the cooperative intergovernmental approach to the problems facing our Nation, and nowhere is this principle more relevant than in the control of crime and the improvement of America's criminal justice system. I believe we should all be greatly encouraged by the enormous strides that have been made in the past few years to make intergovernmental action to combat crime a reality. For the very first time in our history we have

a comprehensive effort, embracing every State and every level of government, to enhance the safety of every American.

We are fortunate to have with us today six men uniquely qualified to discuss this topic from all viewpoints: Jerris Leonard, the Administrator of the Law Enforcement Assistance Administration, will give us the overview from the federal level of government; William J. Conner, the County Executive of New Castle County, Delaware, and Louie Welch, the Mayor of Houston, Texas, will provide us the local perspective on this issue. The commentator leader for this particular discussion is the Honorable Russell W. Peterson, the Governor of Delaware. Other commentators, Governor Mandel of Maryland and Governor Ogilvie of Illinois, will look to the subject particularly from the States' viewpoint. Governor Peterson, as you know, is the Chairman of our Committee on Crime Reduction and Public Safety and is also Chairman of the National Advisory Commission on Criminal Justice Standards and Goals. Obviously Governors Peterson, Mandel, and Ogilvie will provide in their comments much to encourage us in the discussion of this particular subject matter.

At this time I would like to present Jerris Leonard, who really requires no formal introduction to a National Governors' Conference. He has spoken to us previously, most recently at our winter meeting in February, and we worked closely with him on a day-to-day basis in his capacity as Administrator of the Law Enforcement Assistance Administration. Mr. Leonard, we are delighted to have you with us again and we now invite you to give us a federal overview of our intergovernmental commitment to reduce crime.

**MR. JERRIS LEONARD:** Governor Moore and distinguished attendees at this Governors' Conference: Your Governor host this morning indicated to you that one of the developing issues we have seen over the last decade is a concern by our citizens with the problems of crime and the problems associated with the fear of crime in our public streets, in our public buildings, and in our homes. Your Governor Chairman this morning indicated the need for continued leadership from the States on all of the problems facing our people, and more particularly leadership by the Governors.

It may be that those two points bring into focus the need to spend at least a few minutes this morning to give you some kind of a report—at least a report from my vantage point—as to where we stand with this most unique and most important program represented by the Law Enforcement Assistance Administration. I think its uniqueness lies in the fact that it is responsive to a problem that is evidenced by the fear of our citizens for their safety. A second reason it is unique is that it places responsibility for the development of programs and projects squarely on the States and on their Chief Executives, yourselves. A third reason, I think, is the fact that LEAA and the Governors' Conference as an entity have entered into yet another example of this partnership, in that we are making funds available to provide for a new opportunity to promote this partnership, to make it stronger, to address some of the problems that we have

been finding, and to further this real example of a federal-state partnership. For these reasons I believe we might take a short review this morning of where we have been, where we stand, and where we may be going in the future.

You will recall that through 1971 this Nation experienced 13 straight years of increasing crime rates, beginning in 1960 with an increase in the crime rate of some 6 per cent and culminating in 1968 with a 17 per cent increase in the rate of crime, so that by the end of the 1960s we had endured the most crime-ridden decade in the history of the United States, with almost a 150 per cent increase in the crime rate during that 10-year period. The question, of course, was what was to be done about it, what was an appropriate response to the fact that crime was rampant? I think it was obvious that the two most important ingredients which had to be assembled were funds, on the one hand, and leadership, on the other.

I hope no one will take offense if I give some credit to the man who appointed me to this office, by saying that I think President Nixon did respond to the challenge by clearly indicating that it was necessary for government leaders and political leaders, hence all of our citizens, to give backing to the first line of defense, and that is the policeman on the street. Secondly, the President requested of the Congress a tremendous increase in the funds that flow through LEAA to the States and down to the local units of government, from some \$63 million in 1969 to \$850 million for fiscal 1973. While that combination was coming together at the federal level, there were dramatic things happening at the state level. The Governors were meeting to adopt a very far-reaching report of your Committee on Crime Reduction and Public Safety, headed by Governor Russell Peterson. That report set out a specific objective for you to reduce crime and delinquency, at least serious crime in the United States, by 50 per cent by 1981. At the same time there were specific examples, and so that I don't offend anybody, I would like to pick the three States that are represented on the response panel here this morning.

Governor Mandel and the people he worked with in Maryland were devising specific techniques and methodologies to respond, as an example, to street crime in the city of Baltimore; in realigning the use of police so that more time would be devoted to crime reduction and less of the time of the policemen to doing those things which related to activities other than crime. In the State of Illinois we saw then and see today exciting leadership in the field of correction reform, both institutionally and in the guise of people programs, to put an entirely different emphasis on dealing with the offenders through the leadership of Governor Ogilvie and his associates at the state level. In Delaware, we see through Governor Peterson's leadership two important things coming about, one in the drug detection area, not detection from the pusher and the seller, but on the other side of the coin, on the side of the users. Another important program going on and being sponsored by Governor Peterson is in the area of rehabilitation of offenders, in attempting to bring some of the principles that we have learned from distributive

education and technical education to bear on the potential for rehabilitation of those people who have offended in the hope that we can make productive citizens of them.

At another level we saw a reorganization of the Law Enforcement Assistance Administration to move it more and more out to the state and local units of government, a tremendous dispersing of the authority to approve the grants which cause the money to flow to our regional administrators, and away from Washington. Those are some of the things that were done and the techniques that were employed. Of course the "gut issue" always is, what did you get done, what did you accomplish. I wish I could tell you that we are able to stand here today and say that we had reduced crime. I think we did get some results. We have 53 major cities, including this fine city of Houston, which had an absolute reduction in their crime rate in 1971. The increase dropped to 6 per cent—from 17 per cent in 1968 to 6 per cent in 1971. If this effort continues, and if we continue to keep the pressure on and our feet to the fire and all of the other colloquialisms that indicate we are doing our homework and we are dedicated to this program, I am convinced that 1972 will be the first year in 13 straight years that we will have a reduction, an absolute, over-all reduction throughout the United States in the crime rates.

Let's talk for just a moment about the future. I think the future lies in the building of the strength of the partnership between LEAA and the Governors' Conference, between the federal and state and local governments and, incidentally, I don't want to exclude County Executive Conner or Mayor Welch because in Mr. Conner's county and in this city there are exciting programs going on. This is truly a federal, state, local partnership, with the leadership, of course, coming from the Governors, where it should be. The future, I think, is probably dependent upon whether our commitments are deep and whether they are abiding, or whether our commitments are superficial and political. I think it is now apparent that we can easily reach the goal that the Peterson Committee set, and that you set at your Conference, when you called for a 50 per cent reduction by 1981 if, in fact, our commitments to this program are deep and are abiding.

Let me close with just a few words about our critics. You will notice I haven't said a word about our critics. I think, frankly, we ought to begin to ignore them. I think the credibility of those who have attempted with a broad brush to paint this program as one that is run and administered by a bunch of louts who don't know what they are doing is obviously so far from the truth that it should be ignored. But I think the real credibility gap on the part of our critics has been created by the fact that the House of Representatives had a clear opportunity to judge this program some weeks ago. There were amendments to the appropriations bill to eliminate LEAA's budget. That received four votes. There was another attempt to cut back any increase, and that didn't even get a roll call. So I think that ought to lay to rest, along with a lot of the better part of some TV programs that have wound up on the cutting room floors, the

critics of this program. Let me close, however, with this caution. There will be people in the criminal justice system who, for whatever motivation or for whatever reason, will not design in every case the kinds of techniques and methods that will always be successful. So there will be some failures, and we ought to recognize that fact and be prepared for it.

Part of the thrust of this grant to the Governors' Conference, to bring on board staff, is to build technical assistance capability where it belongs, not in Washington on the banks of the Potomac, but within the structure of those organizations that represent the States: the Governors' Conference and the Council of State Governments. So part of the thrust of that grant is a recognition that in not every situation will we design the specific technique that is going to be successful in meeting each and every problem. Secondly, I think we need to remember that there are, among those who work in this area, some persons whose commitment may not be the deep and abiding one that is called for to get the job done, but may be superficial and political, and in those situations there will be exposures of failures, not because the techniques weren't designed properly but because the motives of those people designing them were bad ones.

So there will be problems and press exposures, and I can only assure you of one thing, on your behalf the No. 1 commitment of this program is fiscal integrity. I have had enough opportunity to talk to you, in some cases individually, to present you with audits to indicate the problems that we do have, and will continue to operate that way, to expose these things first to you, the Governors, so that you can take the corrective steps necessary to ensure that this program does have fiscal integrity and that it is represented by the deep and abiding commitment that is necessary if, in fact, we are to reduce crime and delinquency in the United States. Finally, I should like to indicate to you that I deeply appreciate the attention which we get from you individually, and the attention that your staff gives to us every time we need to make a call and whenever we have a problem in your State. Thank you very much, Mr. Chairman.

CHAIRMAN MOORE: Thank you very much, Jerris Leonard. We are deeply appreciative of your cooperation with the National Governors' Conference, particularly I say to my fellow Governors the approval of an approximately \$450,000 grant to the Conference, relating itself particularly to the delivery system and the staffing system that is necessary to see that this program is carried out. Next on our program for the area identified as "Local Response" is the County Executive of New Castle County, Delaware, Mr. William J. Conner. Mr. Conner is a lawyer and has a very distinguished record of public service. You will wish to know that he is the President of the National Association of Counties and is thus reactive and knowledgeable in intergovernmental programs. At this time I would like to have Mr. William Conner, please.

MR. WILLIAM J. CONNER: Governor Moore, distinguished Governors, ladies and gentlemen: I am very pleased to be given this opportunity to speak



to you a few moments this morning. I feel a little bit like the Chairman of a meeting where the distinguished Governor was to be the speaker and he was embarrassed by the smallness of the crowd. He was explaining to the Governor why the crowd was so small, and he told him about all of the other things that were going on that evening, and the fact that it was snowing didn't help. He finally wound up and said, "We should have realized, Governor, that this would be a very bad evening for a meeting. As a matter of fact, we did, and we tried to find a speaker of lesser caliber, but we couldn't find one." I hope that that wasn't your basis of selection here, Governor.

I would like to make just two or three points. We in county government are very much convinced of the importance of coordinating the various elements of the criminal justice system. We deal a lot in very homely matters, you know, such as the administration of our local sewer systems, which is one of my problems, and we have been very much aware of the fact that where you have a constriction anywhere in the system, it limits the over-all capacity of the whole system. We think that the work that has been done under the guidance of the LEAA to try to work out these constrictions and to make each element of the system carry the same flow as the one before and the one after it is of extreme importance, particularly when you come to realize that often the answer to a problem in any given part of the system lies in the shift in another portion of the system, so that you can get the matters moving. We think that, at least in our case in Delaware and in our neighboring States, LEAA has helped us to do a lot to iron out these inadequacies and irregularities and get the whole system flowing together.

As county officials, of course, we are anxious to play our proper role in this matter. We are very appreciative of the opportunity we have had in our own State to sit on the central committee which administers the LEAA programs for the State and to have our input when the programs are designed. I would like to say on behalf of county governments in each of your States that we would appreciate your consideration in being a part of that planning process in a suitably prominent role so that we can make our contribution while the programs are being planned. In the matter of criticisms of the program which Mr. Leonard mentioned, we in county government are not overly impressed by those criticisms either. We have seen some of the shortcomings of the categorical grant programs, and we are not persuaded that all wisdom or all integrity lies there. Actually, the problems of the law enforcement system have to be solved at the local level where most of the enforcement takes place, and until we get the staff and the competence with the help of the LEAA program we are not going to be able to make any real impact on the solving of these problems.

I don't think we have to fall back on the rather cynical observation of the man who, when he was hearing the taxpayer's complaint about too much money being spent said to him, "Rest easy, friend. Just think of how much worse off

you would be if you were getting all of the government you were paying for." I don't think we are in that position. We are finding good things happening with each expenditure of money in this program, and as we become increasingly sophisticated, we are doing a better and better job with it at the state and local level. I would simply like to say in conclusion that the counties have been cooperating with the League of Cities and the Conference of Mayors, and particularly with your Governors' Conference in the matter of revenue sharing, welfare reform, and these many other programs, including LEAA, in which we all have such a keen interest. We would like to see that cooperation continue, and we will do everything in our power to see that it does. It has been our experience that no one group can really make its weight felt against the overriding federal presence without the cooperation of the other groups, and we pledge ourselves to that further cooperation.

**CHAIRMAN MOORE:** Bill, we are deeply appreciative of your cooperation with the Conference, and we want to pledge our continued good relations with your organization. At this time I would like to call on our Host Governor, Governor Smith, to present for the local response the distinguished Mayor of Houston.

**GOVERNOR SMITH:** Governor Moore, fellow Governors and guests: It is an honor and, of course, a privilege for me now to introduce to you the Host Mayor of the Sixty-fourth National Governors' Conference. I requested this privilege because I wanted you to hear me publicly say to you what tremendous cooperation we have had from the mayor and also the leadership that he and his associates have provided as we brought this Conference to Houston. They have just been tremendous in their assistance. Mayor Welch, the only mayor in the history of Houston to have been elected to five consecutive terms, has served as mayor of this city since 1963. He has previously served as a Houston city councilman, President of the Texas Municipal League and of the Texas Association of Mayors and Councilmen. The mayor is currently First Vice President of the National League of Cities and he is Vice President of the United States Conference of Mayors and will succeed to the presidency of both groups later this year. As the top elected official of the Nation's sixth largest city, Mayor Welch is eminently qualified to represent local governments' concern and commitment to the reduction of crime. It is now my privilege to present to you the Honorable Louie Welch, the mayor of Houston.

**MAYOR LOUIE WELCH:** If I may add a word of welcome to that which has already been given by the Host Governor, as mayor of the host city, I would like to tell you that we are delighted that you have come back after an absence of 20 years. Early in my term as mayor I looked for a proper way to extend greetings and express the warmth of Houston's hospitality and found a story that I liked quite well. The story was that I had been in a hospital and while there I learned how really meaningful greetings could be, receiving literally hundreds of telegrams and postal cards, letters and get well cards, some of which were sincere. Then I received a telegram from the City Council which said,

"The City Council today passed a resolution wishing you a speedy recovery. The vote was 5 to 3." The story worked quite well until the occasion came when I actually went to the hospital. The second day I was there I received a beautiful floral arrangement, resembling a wreath somewhat, with a note from one of the councilmen. It said, "Dear Mr. Mayor, your being in the hospital reminds me of the story you have been telling about the resolution and the 5 to 3 vote, so today, since you actually were in the hospital, I introduced that resolution. It died for lack of a second."

I bring you the unanimous greetings of the Houston City Council today, with no dissent at all, and I believe that I can bring to you also the unanimous welcome of all Houstonians as you meet here to consider problems that are so meaningful and so pressing to the future of our cities, our States, and our Nation. The cities represent the oldest institutional invention of man. They had two things in common from the very inception. I call them the well and the wall. There had to be a common source of water supply, which is still necessary for every city, and there had to be a wall of defense which was built around it. We no longer have the physical wall, but we must have the wall of defense which represents public safety, primarily that thin line of blue. But no longer are we able to exclude the enemy to society by building a wall, because too often he resides inside the wall, and the wall is entirely too flimsy and entirely too small.

I am glad to acknowledge that Mr. Leonard has already pointed out that Houston last year was one of the 50 cities in America which enjoyed an actual crime rate reduction. This is in spite of the fact that we are the fastest growing city of over half a million in the entire Nation. We are adding to our metropolitan area at the rate of about 65,000 persons per year. More than half of them are residing within the city of Houston. Since we have unilateral annexation rights in the State of Texas, we don't encourage those who go to the outskirts to move to Houston. We just say, "Stay where you are. Houston will move to you." We are in the process of doing that in a small way, even at this time, which will actually make us the third largest city in America in area. It is an orderly process of growth which we enjoy. Many cities in other States have wished they had the annexation powers that the cities in Texas do have. We could tell you many things in which we rank first, but we would rather tell you that we are tied with St. Paul, Minnesota, right behind Honolulu, in our crime rate. We are tied for twenty-seventh place on the national index of crime in the cities of America which have over 250,000 population.

So what does this have to do with LEAA since Houston has never used one dime of LEAA funds or Criminal Justice Council funds in the law enforcement operation? Our police department has used no dollars, but there have been LEAA funds spent in the Houston area on things which are innovative, in efforts to determine where the weak links are in the criminal justice chain. We have studies under way at the present time on bail bond procedures as they relate to Houston

and Harris County. We have a program designed to take the revolving-door alcoholic out of the criminal chain entirely. It has been a very successful program. It is known as the Houston Opportunity House, originally funded solely by the Texas Criminal Justice Council and by volunteer agencies in the city of Houston, under the auspices of the corporation court, the municipal court system, where we have seen the same people come by month after month, sometimes as many as 20 and 30 times a year, to be sentenced to the prison farm because they had no way to pay the fine as a result of their alcoholic condition. We have seen a reduction in these arrests as the result of Opportunity House. We have seen not only a reduction in the arrests, but a return to society of hundreds of people who had been lost to society for many, many years. It is not just being done by the volunteer services in our community and could not have been funded had it not been for the original interest of the Criminal Justice Council of the State of Texas.

We have, as a point of criticism, been concerned about the expenditure of LEAA funds for semi-rural police forces and sheriffs' departments for riot equipment and shotguns. We have been concerned about the dissipation of funds for wire recorders and dictating machines and tape recorders and all of the things that we think are normally and should be the responsibility of local government. We have been concerned that the emphasis has not been, in every instance, on the areas of high crime, the cities where the crimes are actually occurring, but have been in the satisfaction of the areas where crime is maybe one-tenth the rate that it is in our urban centers, as funds have been spent to perpetuate ineffective units of government where the crime does not exist, and not enough regard has been given to the urban centers of Texas. This is perhaps because it is in the formative period.

We have learned a great deal, and we hope the experiences that we have had will enable us to direct with a clearer focus on the problems of our ability to live together, because there is no point in having the wall if the wall doesn't work. The wall of defense is one that we at the local level have to live with every day. This is where the crime is. This is where the action is. This is where the problem is. We have something less than one-half of the number of police officers that is recommended. We have approximately 2,000, and 700 of them have been added since the state sales tax was passed, giving the cities the right to levy a one-cent sales tax in Texas. We have the money to provide the manpower, but we don't have all of the tools that are required, in many cases, to revise state criminal codes, many of which are totally obsolete, many of which are designed to favor the criminal rather than the victim, and these are areas in which we had hoped, and we still hope, that from LEAA there might be exchanges of information to make uniform criminal codes which would be designed to protect the people inside the wall, and to rehabilitate those who are capable of rehabilitation, and to remove as a threat to society those who have shown they have no right to the freedom that law-abiding citizens enjoy.

The chain of criminal justice begins with crime prevention. One of our outstanding projects in Houston has been one designed to take the dropout who has no motivation, who has no place in society, and to teach him a trade, to return him to society in a useful way. We are hopeful that more of these innovative programs can come out of the funds of LEAA. We do not believe it is the responsibility of the LEAA fund just to substitute federal dollars for the local dollars that should be spent in law enforcement, and we have not adopted that attitude in Houston at any time. It is a pleasure to be here with you. Your minds, your efforts, your talents are needed by all of us in local government. Thank you very much.

**CHAIRMAN MOORE:** Mayor Welch, we appreciate your sharing your morning with us. It is great to be in the city of Houston. At this time I would like to present the commentator leader of Governors, Governor Peterson of Delaware, who will call upon Governor Mandel and Governor Ogilvie for their response, and encourage the participation of every Governor here at the Conference. Governor Peterson.

**GOVERNOR RUSSELL W. PETERSON:** Thank you, Governor Moore, fellow Governors, and guests. I would like to make a few introductory remarks here, first of all, because I consider this assignment of providing leadership in reducing crime in America to rest most heavily upon us Governors. We have discussed this many times before. We have been concerned about how we can make our federal system work more effectively, and I believe in this particular area we have made more headway in coming up with an ideal system than in any other place where we are operating. Thus I would like to ask you to listen very carefully to the next few minutes, because I think this is a challenge for us Governors to show how we can make our federal system work more effectively and also get more progress in solving this vital crime problem, because no doubt we have a great responsibility to protect life and property in our respective States.

The criminal justice system, as you well know, is made up of many organizations, many individuals, who operate somewhat independently of others. Obviously we have different levels of government involved and different branches of government. Certainly we in the executive branch don't have any authority over the judicial branch, and yet it is necessary that the executive and the judiciary work together if we are going to solve the crime problem. Therefore, it calls for the leadership to get people to work together voluntarily and cooperatively. The Governors, I think, are the people in the key position to provide that leadership, to get the cooperation that is so basic. Local governments have tremendous responsibility here, but to get our cities and our counties and our States all pulling together and the different branches of government pulling together and the federal government bringing its resources to bear most effectively calls for some leadership, and the Governors are the ones who can provide that and who should provide it. We have been saying that as a group for a long time now. In this particular area we decided in Puerto Rico last September that we would pick

a quantitative goal for America and that was to stop the rise in the crime rate and to cut it in half from its peak year within 10 years, which means 1981. We want to sell the federal government and local governments on buying this quantitative goal.

As you well know, it is relatively easy to say we are in favor of reducing crime or providing better living and so on. When it comes right down to picking a quantitative goal and putting a goal date on it, that is something different. That puts the pressure on us to produce. The Law Enforcement Assistance Administration has been working very, very closely with us, and they set up, in part at least, as a result of our leadership, the National Advisory Commission on Criminal Justice Standards and Goals. Because of my chairmanship of our Committee on Crime Reduction and Public Safety they asked me to be Chairman of it and asked the Vice Chairman of our Governors' Conference Committee, Governor Forrest Anderson, to be on the Committee, too. So we both served there, representing the Governors' Conference. That National Advisory Commission has the assignment to develop a blueprint for reducing crime in America. Originally the target was to present that in September of this year, but we decided to get away from any political flak that might come up and picked a date after election, the end of the year, to make the bipartisan presentation to America on what we think should be the blueprint for reducing crime. There are four task forces involved here, one on police, one on courts, one on corrections, and one on the prevention of people getting into the criminal justice system in the first place.

Then, again, LEAA responded to our request, the request of this Conference's Committee on Crime Reduction and Public Safety, and awarded us a grant of \$450,000 to staff an effort to assist all of the States in mounting the right attack to reduce crime. We have the project leaders selected now to carry out this operation. They will report to Charles Byrley, and also to our Conference's Committee on Crime Reduction and Public Safety. They will be steered by a steering committee made up of the Governors on this Committee, plus the following additional Governors: Governors Shapp, Reagan, Ogilvie, Mandel, Cahill, and Rockefeller. I would like to introduce to you now the people who have been employed to head this staff. The project director, Norman Karsh, whom I think many of you know. He has just completed an assignment as the executive director of the President's Commission on School Finance. Norman Karsh, would you mind standing. We appreciate your taking the job and are looking forward to working with you closely. The assistant project director and counsel will be Arthur Focke, former general counsel of the United States Office of Management and Budget. Arthur, would you stand so we can all see you.

In this whole area of crime reduction, we need to give major attention to drug abuse, as you well know, because the statistics available throughout America indicate that the majority of the crimes of violence are being committed by young men who are hooked on heroin and who are stealing in order to get the funds to support their habits. We are greatly concerned about the recycling of criminals,

the people who are apprehended for one offense and then are out on bail for many, many months awaiting disposition of their first offense, committing a second, a third, and a fourth crime in the interval. We have a tremendous interest in reducing this time interval from the time a person is apprehended until he is sentenced. We believe one of the keys to solving our problem is to work hard in getting jobs for the people who are the offenders. I would like now to call upon Governor Mandel to make some comments on this subject.

**GOVERNOR MARVIN MANDEL:** Mr. Chairman, fellow Governors: My remarks will be brief. The federal program and our state program have worked hand in hand and are working extremely well. We think they have been innovative, and we think they have been productive. What I would like to discuss, rather than what is happening in the programs themselves, is just what I see as a future problem, and a problem that is developing very rapidly, which I think I would like to bring to the attention of Mr. Leonard and those who are involved. We have concentrated our major effort on crime reduction in the urban areas, in the big cities, and we have put a lot of money in this. While the federal program is fairly new, we had a state program that preceded the federal program, where we are actually spending more money, for example, in the State than the federal government is, state funds given to the local subdivisions. But this is what I see happening, and this is what bothers me, and this is why I think we ought to try to prevent it as quickly as possible. The concentration of dollars in the big cities has done a magnificent job. We have increased the technology, we have increased the training, we have increased the equipment of our police departments. But—and I use the city of Washington as an example, because we surround the city of Washington on one side—while the crime rate may be reducing in the city of Washington, in our adjoining counties to the city of Washington one increased 30 per cent and the other increased 40 per cent. A review of those statistics indicates that the criminal is moving his base of operation out of the metropolitan area into the rural area, because the great number of crimes that have been committed are by residents of Washington moving over into our suburban counties.

Again, in the city of Baltimore the crime rate is going down because of the training of the police, but again in the rural areas adjacent to the city of Baltimore, there has been an increase in the crime rate. The point I am trying to make is the criminal knows, as well as we know, what we are doing in the big cities as far as helping the policing of those areas, and he is moving his base of operation. We, I think, are not sufficiently concentrating on the rural areas in training the rural law enforcement people, in putting dollars into the rural areas. We have concentrated too much on the metropolitan areas, on the big city areas, and I think we are not looking hard enough at what is happening in the small, rural areas of our country. If you take a good, hard look, you are going to find that the narcotic rate is going up amazingly in those small areas, that the crime rate is going up amazingly in the rural areas, and we have

not concentrated enough of our efforts in those areas. We are spending too much of the money at this point in our urban areas.

That is the comment I would like to make, because it has become increasingly apparent to us in Maryland that this is becoming a real problem. I think we ought to focus on this problem in the future to see that we distribute funds into these rural areas as well, so that they will have the modern technology, the training that we are now giving to our urban areas.

**GOVERNOR RUSSELL W. PETERSON:** Thank you, Governor Mandel. Now I would like to call upon Governor Ogilvie. You have already heard Jerris Leonard and Governor Moore refer to Governor Ogilvie's involvement in this program in Illinois, and the innovative programs they are carrying on there. Governor Ogilvie.

**GOVERNOR RICHARD B. OGILVIE:** Thank you, Mr. Chairman. Governor Moore, Governor Smith, my fellow Governors: First let me say that I am in complete agreement with what Russ Peterson has said about the fact that, as Governors, we have to accept the key responsibility in terms of leadership in this effort to improve the administration of criminal justice. We all share that concern and in my case it is rather special, because I have spent a substantial part of my professional career in law enforcement as an assistant United States attorney, as special assistant to the attorney general of the United States in the criminal division, four years as sheriff of Cook County, a county which includes the city of Chicago.

In Illinois the LEAA program has been a very important component of our over-all state efforts to improve the administration of criminal justice. On the basis of my own background, I have seen the deficiencies in the various aspects of crime prevention, police activity, the court system, and that portion of the whole system which represents our ultimate failure, and that is the prison and the corrections portion. Our efforts in Illinois are succeeding with the cooperation of LEAA, and I would cite one example to prove that in the area of corrections. Illinois had, regrettably, one of the worst records of any major State in the United States in terms of our recidivism rates. In the last three years and some months, we have seen a reduction in recidivism in Illinois which amounts to one third in terms of the adult offenders and 25 per cent, or one fourth, in connection with our juvenile offenders.

I was personally very disappointed in the so-called Monagan Report on the federal-state law enforcement assistance program. Any new program such as this one needs scrutiny during its start-up period to determine what corrections need to be made. In fact, I would say that such a scrutiny could well be made of every federal-state program, new or old, on a periodic basis. The Monagan Report was not such an inquiry, and I doubt that it was ever intended to be of much assistance to those of us given the responsibility of running the federal crime control program. Rather, I think, it was a calculated political hatchet job to cast doubt and suspicion on the capacity of state government to manage federal



bloc-grant programs, including revenue sharing. That report looks only at the start-up flaws which are bound to accompany any new governmental service program. I have read that report. It looks only at the 1969 and 1970 data and not the recent information which demonstrates that in those areas where improvements were needed these improvements are being made.

The only test is crime reduction, and we are experiencing crime reduction. There has been a flat decrease in crime in the city of Chicago, in Rockford, as well as other cities in our State and, in my opinion, throughout the United States. In summary, I think the facts contradict the Monagan Report. The federal-state venture embodied in the Omnibus Crime Control and Safe Streets Act of 1968 is working, and suggestive of the need for even greater reliance, I believe, on the federal system by the Congress. Furthermore, as Governors, I think we should repudiate that report, repudiate it forthwith and emphatically. Thank you.

GOVERNOR RUSSELL W. PETERSON: Thank you, Governor Ogilvie. We have heard now from a representative of the federal government, Jerris Leonard; from the representative of the county executives of America, Bill Conner, the President of that Association; and from a leader among the mayors of America, the outstanding mayor from our host city, Mayor Welch; and you have heard from three of us Governors about this general problem of crime reduction. I want to emphasize once again that most people in all of these levels of government do look to the Governors to provide the leadership, but it has to be leadership to get you working together cooperatively, obviously, because we have no authority over mayors or county executives or the judiciary or the federal government and, therefore, we have to sell people on working together on this important program. I would now like to ask for any questions or comments from any of you Governors about this subject, or, if you have any questions for members of the panel, please give them to me. Governor Shapp.

GOVERNOR MILTON J. SHAPP: Thank you, Governor Peterson. You have just mentioned what I think is a very important point, and that is the need for Governors to furnish leadership in this program. In that connection, I am very much disturbed by recent actions of the Administration regarding the distribution of LEAA funds which threaten the authority of the 50 States represented here at the table. The federal statute says very clearly that 85 per cent of all federal funds for LEAA for updating and renewing criminal justice systems at the state and local levels are to be distributed to the States, and then by allocation within these individual States to local law enforcement agencies. To achieve this objective, the States have established statewide planning commissions to review application for use of funds submitted by planning agencies established at the local levels. Both the state and local planning agencies have as members law enforcement officials, correction officials, judges, citizens representing various public interests in the field of criminal justice, and representation of state and elected officials.

Recently, though, Washington has been attempting to bypass the States. For whatever reason, LEAA has been trying to make arrangements to finance local programs on a direct basis. This is contrary to the federal statute and contrary to the basic reasons why LEAA was established in the first place, because the statute recognizes a regional rather than a local nature of crimes and thus of crime-prevention programs. If these policies of circumventing the statute continue, the very fibre of the LEAA program will be destroyed. I call upon the Administrator of the LEAA to desist in his efforts to undermine the effectiveness of the LEAA program and to operate that federal agency within the statute adopted by the Congress of the United States. Just last Thursday I met in Harrisburg with Mr. Jerris Leonard to discuss this very problem and was told quite bluntly that, regardless of the statute, he was recommending that LEAA funds should be channeled to Philadelphia almost without any state control. Philadelphia does need funds, but these funds should, as by statute, go through the State, the same as it should be in other places.

I think, Governor Mandel, you might be interested to know also that a drug alert program has been set up now for the cities of Philadelphia, Pittsburgh and Baltimore. This is not one of the mandatory programs. It does seem strange that the drug control program, not just for Pittsburgh and Philadelphia, but for Baltimore, should be under the direction and supervision of the Philadelphia district attorney. I just wonder if people in Baltimore are aware of this situation or of your being aware of this situation. I do think the Governors should be made aware of Washington's attitude in handling of this important National Crime Control Program. I recommend that efforts should be made by the Governors to stop these improper procedures in the dilution of state efforts to control crime. I understand what I am saying here about the problems of Pennsylvania are not unique, that this is something going on in many other States in the Nation, and I would like to present a resolution—I don't have it drawn at this time—to have the Governors' Conference go on record opposed to this trend and supporting the fact that the statute should be abided by.

**CHAIRMAN MOORE:** On the question of the resolution, Governor, as I have indicated, pursuant to our rules, that should be typed and in printed form and available for discussion at our Wednesday morning session.

**GOVERNOR WILLIAM T. CAHILL:** I hope this observation will not be interpreted as being any basic disagreement with my friend and brother Governor across the river, but I just don't feel that, in view of the fact a resolution will be presented, we should accept one example, and then generalize from that example. So in order to balance the books, I thought I would give you another example involving the city of Newark in the State of New Jersey where, Milt, the opposite situation took place. The representatives from Washington who came to New Jersey pointed out appropriately, I think, that the city of Newark, a major city in our State, needed help, and that they didn't want to make a basic thrust for the purpose of trying to eliminate street crime in that city. We pointed

out to them, as you did, appropriately, that we felt the State should have a great deal to say about it, we should participate in the planning, our attorney general should be involved in it, our state police should be cued in on what was going on, so that it would really be, in effect, the implementation of the over-all state plan.

I would merely like to say publicly that we did have that cooperation and that we did receive from the LEAA officials in Washington complete cooperation, to the point where a \$20 million grant effective in the city of Newark, seeking to really make an effective war against street crime, I think, will be ultimately successful. So while, as I think Russ Peterson pointed out, there are areas of problems, I think basically all of us as Governors must recognize that, while it is important for us to be leaders, it is also important for us to have followers, and if we don't have followers we are really not leaders. One of the ways to get the followers is to get the cooperation of the mayors and the local officials. I really believe that this is basically a cooperative effort. So I wanted to say respectfully, Milt, that our situation in New Jersey just varies somewhat from that of Pennsylvania.

GOVERNOR MANDEL: I was just wondering, as long as Mr. Leonard is here, whether or not he could respond to what Mr. Shapp has said and give us an idea of just how they are approaching this problem.

GOVERNOR RUSSELL W. PETERSON: Mr. Jerris Leonard, would you mind responding to that, please?

MR. LEONARD: Thank you, Mr. Chairman. The thing that the distinguished Governor of Pennsylvania is talking about is the Special Drug Abuse Law Enforcement Program, which is not a LEAA program at all. LEAA's funds are being used, but they were directed to be diverted and approved by the President and approved by the Congress to a program that Myles Ambrose is going to talk to you about in a few moments. Obviously the state and local units are involved, but not through the LEAA structure. LEAA in this case simply becomes a banker, and the funds that are being used are not part of the bloc-grant program. They are all funds that are given to LEAA for research and demonstration. These funds were never intended by the Congress to be put under the aegis of the bloc grant. They are to be used by LEAA separately from the normal LEAA bloc-grant funding procedure.

The Governor's statement unfortunately also fails to recognize that our discussion with him in Harrisburg the other day referred to the 15 per cent of the money that the Congress has given to LEAA to be used by LEAA as discretionary funds for leadership purposes. Now, let me make just this final observation. This is the one and only example, gentlemen, that I have ever had where I haven't been able to reach an accommodation with the State's Chief Executive, and I think, to some extent, I criticize the Governor for criticizing us. We need plenty of that, as I have indicated. The problem that we have here is that the state agency has not been totally responsive to the needs of the operating criminal

justice agencies in Philadelphia County, which is a city, a county, and a region. It is all one. For that reason, we feel, and I know we have had this discussion—again, Governor Ogilvie, I don't want anybody to get the impression you are my favorite Governor—but Governor Ogilvie bit the bullet in Cook County by reorganizing that Regional Planning Council and giving almost complete domination to local, city, and county people on that Regional Planning Council.

I am trying to get Governor Shapp to do the same thing in Philadelphia so that the people who have the operating responsibility to reduce crime and delinquency in Philadelphia County will have control of the staff. I think I will give you this further little example. The staff doesn't even report to the chairman of the council. The staff reports to a member of the council, who doesn't even hold an executive position on the council. He is a citizen member who has no operating responsibility for any criminal agency within the county. Governor, I will say publicly, as I told you, again, I don't want to tell you how to run your program, but there are certain minimums which this program has to have, and one of the minimums is that the people who control these planning funds that develop the specific techniques and methodologies to reduce crime and delinquency have to be responsive and responsible to the public and elected officials at the local level who are charged with operating the agencies and the programs which carry them on. I thank you for the opportunity to talk about this.

GOVERNOR RUSSELL W. PETERSON: Maybe we can change the subject here. Does anyone else have any items they want to bring up? If not, I will recognize Governor Shapp again.

GOVERNOR SHAPP: I am glad we have this opportunity for this exchange here before the Governors' Conference, because I think this is a very important and crucial item on our agenda, and I think this discussion of the way the LEAA is operating out of Washington is of importance, not just to Pennsylvania, but to all the of the other States. Mr. Leonard just said he doesn't want to tell me how to run my program, but that is exactly what he is trying to do, and I just want to point out that we have just taken over the operation of the Justice Commission in Philadelphia and are making some changes in it. The situation I inherited was set up by the previous administration, and I agree it has not been a good one and we have been working towards this change. But the change recommended out of Washington is not going to solve the problem one iota, because the change recommended in Washington would simply bypass the State and bypass everything we are trying to do in Harrisburg to establish an effective criminal justice system in the entire State.

As Governor Mandel pointed out just a few moments ago, the problems aren't just in the cities, they are in the suburbs. This region that encompasses the Philadelphia area is five counties, and what has to be done is to work out a program in our State that is effective, not just for the city of Philadelphia, but for that region. I also want now to mention the fact that in my statement before I did say the drug program was not part of the LEAA funds, but was

on Washington preferential, and they could do what they want with it. But I think it is important to point out, though, that when the district attorney of one city is put in charge of a drug program that affects another city, and the Governor of that State does not even know about it, that there is certainly some lack of coordination, cooperation, and certainly a lack of communication between LEAA and the Governors who have the main responsibility ultimately for making sure that the criminal justice systems in their States work.

I agree with you, Bill, and perhaps if there were a proposal to me in Pennsylvania to work on a cooperative basis as you have had it in New Jersey I would be very glad to do so. But what I don't think is proper is for LEAA to come into Pennsylvania and try to brush aside state administration and to set up arrangements that they think should be done with the local governments and not to work in cooperation with the State. This is what I object to and this, by the way, I understand is not just unique in Pennsylvania, but has happened in other States as well, and I think it is this type of tactic from Washington that the Governors must resist, and I certainly will continue to resist this type of operation, because I do not want to get involved in the politics of the situation. I think LEAA is too important, the whole area of crime prevention is too important, and I think attempts to bypass the Governors, to go around the statute, not to cooperate with Governors, not to cooperate with the state administrations, is putting politics into LEAA where it does not belong.

GOVERNOR RUSSELL W. PETERSON: Thank you, Governor Shapp. Governor Rampton, we have, according to Governor Moore, about one or two minutes left, and you may make a brief comment. I will accept your request here.

GOVERNOR CALVIN L. RAMPTON: I would like to ask Mr. Leonard a question. Recently we had what you would call an audit, and we got an audit report on the LEAA operation in Utah. It was quite a voluminous document, but it didn't deal very much with finances. I thought that is what an audit was for. Rather this would go into matters of structure on our committees and so forth, and areas that I don't think the auditors are competent to pass upon, and I wonder if that is really within the scope of their duty. Should they be going into this sort of thing on what is designated as an audit?

MR. LEONARD: Governor, I think your criticism is well founded. Unfortunately the audit is more than a fiscal audit. They are program audits, they are civil rights compliance audits, and they are all put into one package. We have now, or are in the process and I hope to have done very quickly, a new audit format which will separate the fiscal audit aspect from the program and the civil rights compliance and all of these other regulatory type of things which really don't bear on the fiscal integrity of the program, so that what you will get, in effect, is two separate documents. One will be an audit, a fiscal audit, of the fiscal integrity of the program, which you are interested in for some obvious different reasons than you are interested in the program side. The auditors are

trained, however, Governor. I don't say they are always right, but they are trained to at least make an observation as to whether or not the programmatic aspects of your Criminal Justice Council are being faithful to the regulations, to the statute, to the over-all thrust of the program. But that will be given to you as more of an information document of a commentary type, for you to deal with in any way you want, while we separate the fiscal aspect, which, of course, is a legal requirement.

GOVERNOR RUSSELL W. PETERSON: Thank you all very much for participating in this discussion. I will turn the Chair back to our good Chairman.

CHAIRMAN MOORE: Governor Peterson, thank you very much for acting as commentator leader. You will recall that during the presentation of the remarks of the Chairman I had asked that the Governor of Maryland be recognized. Unanimous consent is required for the dispatch of a telegram to the Honorable George C. Wallace, the content of which is "Your colleagues assembled in Houston for the Sixty-fourth Annual Meeting of the National Governors' Conference send our greetings to you and Mrs. Wallace. We all look forward to meeting and visiting with you again soon and extend our heartfelt best wishes for a rapid and complete recovery." Signed, the Governors of the United States. Governor Mandel.

GOVERNOR MANDEL: Mr. Chairman, I move for unanimous consent of the Conference to send the telegram to Governor Wallace.

GOVERNOR WINFIELD DUNN: I second it.

CHAIRMAN MOORE: Governor Dunn seconds the motion of the Governor of Maryland. The motion is carried unanimously, and the telegram will be sent. We now want to turn our attention to the next subject matter on our program which is "National Action for Drug Abuse Control." The President has declared that the drug problem is a No. 1 public enemy of our Nation, and we are all aware of just how serious the problem is. As a backdrop to this presentation, I would like to share with you a few facts concerning the same. In the United States today there are estimated to be over 5 million heroin users. In addition to that, abusers of other drugs, such as amphetamines and barbiturates far outnumber that. In some of our large cities drug abuse is the single largest cause of death for people between the ages of 15 and 35. Last year there were 1,259 confirmed drug-related deaths in one major city alone. Addicts spend an estimated \$17 million daily on heroin, \$6 billion annually. The average addict must spend \$30 daily for heroin and some spend over \$100 daily. Most of them support their drug habits through crime. In Southeast Asia the low cost, high quality supply of heroin was found to have caused a severe addiction problem among our Armed Services.

At our meeting in San Juan last September the National Governors' Conference expressed its concern with the proliferation of narcotics and drug abuse problems. We urged the Congress to sanction the Special Action Office for Drug Abuse Prevention, and today we can applaud the efforts of the President and

the Congress for putting statutory authority and funding behind this Special Action Office, which occurred in March of this year. We are indeed fortunate to have as our guest speakers today the two individuals that the President has entrusted to lead this important battle to eradicate the scourge of dangerous drugs in our society. They are Myles J. Ambrose, Special Consultant to the President for Drug Abuse Enforcement; and Dr. Jerome H. Jaffe, who is Director of the Special Action Office for Drug Abuse Prevention. Their credentials, their background and experience, their outstanding accomplishments are well known to all Governors. We look forward to their presentation. Mr. Ambrose has agreed to make the first presentation and at this time I would like to present to you Mr. Myles J. Ambrose.

MR. MYLES J. AMBROSE: Thank you very much, Governor Moore. Distinguished Governors, ladies and gentlemen: I am delighted to have the opportunity of appearing here today to discuss the National Action for Drug Abuse Control, and I feel peculiarly suited to the occasion in view of the fact that I am from New York and worked for Governor Rockefeller at one time. I worked on organized crime programs some years ago with Dick Ogilvie; and Walter Peterson, of New Hampshire, taught me basketball when I was in prep school with him some years ago. I think it is important in view of this subject to hit some of the highlights, and I am going to try and do that in the very short time frame that we have.

First of all, I am going to try and confine most of my remarks on the drug program to heroin abuse, which is the drug that is causing major problems in the United States today, particularly the concomitant criminal problems that you have already heard some discussion about. What I would like to do would be to present an overview of what the federal government is doing, and what some of our plans are. Heroin abuse in the United States is a product of the decade of the '60s. It grew very substantially during that period of time. There is tremendous federal responsibility in this area. In 1969, when President Nixon took office, the total amount of monies expended by the federal government for law enforcement, research, rehabilitation, training and education was under \$75 million. This year, commencing July 1, it will be over \$600 million. The Bureau of Customs, which I had the privilege of heading for two and a half years, had about 8,800 employees. I would like to say that was the same number they had when Calvin Coolidge was the President of the United States. Now they have about 15,000 employees. The Bureau of Narcotics and Dangerous Drugs has been increased about three times in its agent strength during the last two and a half years.

We treat this problem as a kind of a supply and demand equation for the purpose of management. I am responsible for the supply side and Dr. Jaffe for the demand side. The President has demanded that initiatives be taken on the international side, which is clearly the responsibility of the federal government, and I would like to point out some of the things that have been done in this area, and also some of the myths and realities that exist. Sometimes it seems

to those of us who are involved in narcotic enforcement that there are as many experts in the area as there are addicts in the United States, and that everybody has a way of solving it through some simple solution. Well, there isn't any. The federal government has taken strong action with reference to the principal source of opium, and that's the country of Turkey. The Turks have voluntarily agreed to give up growing opium and the last crop that they will have is presently in the ground.

Secretary Rogers has been appointed Chairman of the Cabinet Committee of International Narcotic Control, which has a coordination function of all of the agencies, and to date over 60 American embassies have appointed narcotic coordinators to work with the enforcement efforts of all of those countries. Our narcotics agents stationed overseas have increased six-fold since July of 1969. Last year we hammered out some very significant accords with the French government, which, in the last few months, have resulted in some of the largest seizures in the history of narcotic enforcement. All of these things have been done, and all of them are working now. From a long-range standpoint, we are hopeful that we will be able to do something about eliminating the growth of opium unnecessarily in all areas of the world. But let me point out some things, because it is frequently forgotten by editorial writers. For example, more than 60 per cent of the world's opium grows in the southeast Asian "golden Triangle," in Burma, and in Laos and in Thailand. Most of that area is not under the viable control of any of those governments. Furthermore, in a 10 square mile area, most anyplace in the world, you could grow all of the opium necessary to supply the addict population of the United States. So then our thrust must be in different areas, and we must work at it in different fashions.

Now I would like to mention just some of the things that we are doing. We have evolved a kind of national strategy which is two-pronged from the law enforcement standpoint. One, we are interested in trying to do something about the current addict population, and two, about the potential addict population. As a result of this, we have established a new program—the President established it in February—which I have the privilege of operating, called the Office of Drug Abuse Law Enforcement in the Department of Justice, about which there has been some discussion earlier this morning. We have established, through this program, an attempt to try and do something about breaking the connection and disrupting the traffic in heroin.

I know there are 4 million reasons ascribed why people become heroin addicts. They are sociological, physiological, psychological, everything else. But basically they come down to a couple of simple conclusions. One is that an addict meets someone who is not an addict or who knows one and influences him and, two, he has heroin or there is heroin available for this person to be subjected to. So we are trying to make it difficult for heroin to be available, not just for the current addict population, but for the tremendous number of people who are sitting on the periphery of the current population, and that is one of the principal



purposes of the new drug abuse law enforcement program. We have set this program up as an innovative, experimental program designed to see what new efforts, what new initiatives, can be taken to do something about this tremendous situation. The thrust of it, again, is disruption of availability. We are working in 33 of the largest standard metropolitan area communities in the United States. Our estimates are that 90 per cent of the heroin addicts in the United States live in these 33 areas, selected as initial targets for this program. In the near future we hope to be able to announce, in conjunction with Dr. Jaffe, task force programs which will be set up in some of these cities, because we are hopeful, obviously, that we can drive addicts into treatment centers. This, of course, in the final analysis, can be a very significant contribution to the reduction of crime in any given area. I might also add, so that there is no confusion about it, that in these 33 standard metropolitan areas that you are all familiar with (and they do include the suburban areas), this program is being directed by me and my office and not by any district attorney or any other single law enforcement official in any given city in the United States.

With that, I would like to call your attention to the one key thing that this new program is doing, the one innovative thing that we are now working on, and that is the close interrelationship between the law enforcement community and the research, rehabilitation and treatment communities represented by Dr. Jaffe. We are in virtual daily contact. Next week, as a matter of fact, we will be sharing an office together, and we will be working hand in glove in trying to see that those addicts who are pushed through the criminal justice system into treatment programs will get treatment ultimately. We can, in effect, do something about breaking this connection between street crime and addiction, and do something about these people that are sitting on the periphery. I hope through this program that we can do something about disrupting the traffic and the availability of it. Thank you very much.

**CHAIRMAN MOORE:** Thank you, Myles, so very much. At this time I'd like to call on Dr. Jerome Jaffe, please, for the presentation he might desire to make.

**DR. JEROME H. JAFFE:** Mr. Chairman, thank you. As Mr. Ambrose has indicated, the Special Action Office is concerned with the demand side of the supply-demand equation. In other words, if we could solve either side of that equation, we wouldn't have a problem. If law enforcement completely eliminated the availability of drugs, we wouldn't have to worry about treatment. If we could get everybody to give up their interest in the use of drugs it wouldn't make very much difference whether drugs were around. It is unlikely that we will be totally successful on either side and, thus, the importance of a balanced approach.

When talking about the demand side (treatment, rehabilitation, research, education, prevention), I think it is important that you realize how recently the

federal government has become involved in this. I think you have to realize that the federal government's efforts began in 1914 with the passage of the Harrison Narcotic Act, largely to control availability. It was not until the 1930s that two hospitals were established, and it took another 30 years after that before Congress passed the Narcotic Addict Rehabilitation Act of 1966, and it wasn't until 1968 that some small amounts of money were appropriated for NIMH and the Office of Economic Opportunity to develop community programs. Therefore, the federal concern with treatment is relatively new. Now, this is not entirely negligence. Health care traditionally has been a state, local and private responsibility. This is particularly true for barbiturates and amphetamine users who, at least when I was at Lexington, were not even permitted to be admitted. Also, there are few laws against possession of barbiturates and amphetamines, and they still, for the most part, are in the mainstream of medicine. So I think you have to understand how recently the focus has been on this problem.

The real thrust of the demand side did not begin until 1969, when the President took a personal interest. What we then had was a proliferation of federal agencies trying to fund local treatment, rehabilitation and research problems. If we look at the budgetary figures, I think I would point out to you that the amount allocated for treatment in 1972 exceeds the total combined amounts that the federal government made available in the preceding 50 years. But increases in dollars are not enough. It became clear two years ago that there were just too many agencies and no coordinative mechanism. The President initiated studies that in 1971 led him to create by Executive Order the Special Action Office, to coordinate the many federal agencies involved, and to set priorities. Nine months later the Congress passed legislation creating, by statute, the Special Action Office.

Now, all of these various line agencies are authorized by Congress to deal in this area, with overlapping responsibilities. Congress, in passing the Special Action Office legislation, did not in any way curtail these agencies, but has given us the responsibility of somehow making them work together in some rational way. This is our charge, therefore. The main objectives of the Special Action Office are not to run these agencies, but to set priorities, to mobilize and to coordinate, and ultimately to phase ourselves out and leave a viable, working system behind. I think I ought to be candid and tell you that to mobilize and coordinate are somewhat conflicting directives. To mobilize means maximum independence and maximum autonomy for these agencies to move ahead. Coordinating means getting reports back and making sure there is no overlap. And for the first nine months of our existence, we have, in effect, accentuated the mobilization and the resolution of problems. In fact, we have done a number of these things. The kinds of things we have focused on have involved a treatment program for servicemen in Vietnam, the initiation of treatment programs in most veterans' hospitals, our attention to the major methadone programs, and to the problem of making treatment available—since there are 20,000 people waiting—accelerating research, estimating the actual size of the problem, and filling in gaps.

One of the gaps we will talk about is the problem that has been alluded to many times: the problem of the addict arrested, released on bail, committing other offenses, and having no treatment program to go to even if he wanted to, and very often not wanting to. We have created a pilot program which will, in effect, break that cycle of drug-driven crime, back to jail, and more crime. We call it "treatment alternatives to street crime," and it involves identifying the drug user at the point of arrest and creating and modifying the bail system so that people go preferentially into treatment and not just back on the street to commit more crimes. In addition we have been working very, very closely with Mr. Ambrose's office so that as he begins to disrupt the heroin traffic, driving people into treatment, treatment is there for people to get. That has involved a number of innovative ideas, including special contracts that immediately permit specific agencies of government not merely to create new delivery systems, but to expand the ones that exist. I think, again, we ought to be realistic. There is a lag time between starting programs and feeling their impact in communities; it may range from three months to eighteen months. We are trying to shorten that period of time. But I think I can point out to you that when I began a program in Illinois, starting from scratch, it took us a year to get 300 people into treatment. There was no limitation on funds. The limitation was human resources and community resistance. We were very proud when we actually brought another 600 people into treatment the next year. In the third year we were able to bring a thousand people into treatment. At the present rate, federally supported programs are expanding across the country at the rate of approximately 1,500 treatment slots a month, so we are doing every month what it took a major State two years to do initially, and I think we can accelerate that, because the bigger the base becomes the easier it is to expand, and I think you will be feeling the impact of the programs we have been working on for the past year very shortly. I think that the President has taken a personal interest in reducing the devastating toll that drug addiction has on this society, and I feel confident that with his continued backing we are going to be able to make some progress over the next year and reduce the size of the problem.

CHAIRMAN MOORE: Thank you, Dr. Jaffe, very much. At this time I'd like to call on Governor Rockefeller as commentator leader to lead the participating discussion by various Governors, and then to encourage the discussion of the Governors at large.

GOVERNOR NELSON A. ROCKEFELLER: Mr. Chairman, Governors, ladies and gentlemen: This really is a historic occasion, having two federal representatives come here and speak as forthrightly and as optimistically, with as strong and positive a program back of them, as we have just heard from Dr. Jaffe and Myles Ambrose. As was pointed out, it was during the '60s that drug use really spread in this country. During that period there were a few of us who really felt the impact. New York happened to be one of them. California probably was the principal other one, perhaps followed by Illinois. We were

the three centers. During the previous two administrations I visited the Presidents to try and alert them to the serious nature of this problem from a national point of view. However, as has been pointed out, it was not until 1969 that the present administration really decided to assume a major role of responsibility. I think this is the most important single fact that has happened that can give us hope that there is a chance of dealing with this cancerous growth which is really destroying important segments of our society and terrifying a large percentage of the rest of society.

We have to be optimistic, because these gentlemen and the President and the Congress are now back of this effort. However, I think we also have to be realistic. We have been struggling on our own prior to the time the federal government came in. In 1966 New York set up a Narcotics Addiction Control Commission, and since that time, adding the total amount that we have spent as a State, it comes to just under \$1 billion, and I have to say that we do not have the answers. We have learned a lot, and I think what we have learned is going to be very helpful to the federal government in what they are doing, and to build on and to perhaps avoid some of the mistakes which we made in spending money in certain areas. But, at the present time, we have under direct state treatment and in local communities a total of 86,351 under treatment in New York State. Now, I hate to admit this in front of so many distinguished colleagues here, but I only say it because I think we have to be realistic in facing the fantastic problem that is besetting our country. And I think the figures that Myles Ambrose gave about how you can produce the poppies and where you can produce them, and if you don't get heroin, there are all kinds of synthetic drugs, so that even if they dry up the heroin, we've got the problem of those who move from heroin to synthetics. So let's not be too optimistic, but let's unite as a Nation to do the job.

I think we also have to admit there is no known cure to heroin. You get them on methadone, you can get under some other treatment, and they are on a methadone substitute. Or they may be addicts who are not now using drugs, but you never know when they are going to go back. So I just would like to say that of all of the problems we face, and we have lots of them, this is mixed up, both in terms of human values in the lives that are destroyed directly by the drugs, and in terms of the fear and corrosive effect on the security of our society. Nobody knows who will be next to have their house broken into, or be mugged on the streets by those who have to steal to get the fix. I am delighted that the President has taken the interest he has. I think we can be grateful that Myles Ambrose and Dr. Jaffe are giving their time and leadership to this effort, and I understand Myles is going to stay overtime for those who want to have a chance to talk with him personally. And we are going to have, now, the opportunity of hearing from a number of other Governors as to their experiences in their States and then have a general discussion.

Let's not be discouraged, let's stick together and do the job that has to

be done, and let's find the dimensions, and then the methods by which we can do it. I, personally, happen to feel that we are facing a situation which is comparable to the effort made by President Roosevelt during World War II when he set up the Manhattan Project to develop the atomic bomb. Money was not a problem. They brought the greatest minds from all over the country, and many from abroad, and put them together to develop a breakthrough. I'm not sure we haven't, as a Nation, got to do that now, bring the best minds from all over the world, on all phases of this problem, to see if we can't find some of the basic answers, fundamental answers, to this question so as to prevent the corrosion of our society. Now it is my pleasure to call on first, Bob Docking, of Kansas, to speak, and then there are three other Governors who will speak.

**GOVERNOR ROBERT DOCKING:** Thank you, Governor Rockefeller. In Kansas we have attacked this problem very vigorously. We have an attorney general in Kansas who has pursued the drug pushers, peddlers, and I am sure many of you have read about it, with massive raids. We've got more or less a three-pronged attack. The first would be education on drugs, and we have sent people to schools, they come back and teach others, and we figure that in Kansas, with a population of about 2,300,000, that we have already exposed to our educational program over 300,000 citizens in Kansas. The second part of our program is that of law enforcement, and a hard crackdown upon the violators. The third, of course, is rehabilitation, and here we have had a good many programs. I know that these are present in other States, too, on rehabilitating the drug user. But we are really attacking the problem in Kansas, and I think it is a very serious problem. I don't think we have the magnitude of the drug problem that is present in other sections of the country, but we want to prevent it and we want to attack it. We have used federal funds principally through LEAA funds in the Governors' Committee on Criminal Administration. I think it is a continuing problem and one that all of us need to pay a great deal of attention to.

**GOVERNOR ROCKEFELLER:** Thank you, Bob. Governor Evans of the Virgin Islands is next, and I'd just like to say that at the last Governors' Conference he spoke on this subject, and I thought very eloquently, and as a doctor he introduced some insights that were tremendously helpful, and I hope he may touch on those again today.

**GOVERNOR MELVIN H. EVANS:** Actually, one of the problems that concerns me most greatly in this whole matter is what I consider to be a completely wrong approach. I know that I may seem to be a maverick here, but I think that I am right, and I will try to explain what I mean. First of all, if we are to try to control this drug problem by using the old-fashioned methods of evaluation, namely, how many man hours we put in, how many million dollars we spend, how many offices we open, how many agencies are involved, we are using the same method that was used to evaluate public health services by measuring or counting how many visits the public health nurse made. The only way

we can evaluate this is in terms of the effectiveness. In other words, it isn't how long you spend, it is how fast you go, and the effort you put into it.

Now, this problem is a tremendous one in scope. The total demand for heroin in the United States amounts to 2 per cent of the total world supply. When you realize what this means, stopping Turkey from producing opium does not solve our problem. The supply of heroin will easily be taken up elsewhere. As a matter of fact, as was pointed out earlier, a 10 to 15 square mile area can produce all the opium that's needed to supply all addicts here. When we add to that the fact that there were something like 265,000,000 people who came to the United States last year, that there were about 305,000 planes that came in, that there were perhaps 157,000 ships, and each ship, according to the Bureau of Narcotics and Dangerous Drugs, each ship has approximately 30,000 places where you can hide heroin, you begin to see that this problem is not one that any State or Territory can handle.

There has been a lot of talk about certain aspects of drug abuse. We talk about prevention. We talk about rehabilitation. There are some other things we ought to know. Our problem with heroin today is at least partly due to the fact that it was considered at one time an antidote or a substitute for morphine. So when we embark on methadone, we ought to know what we are doing when we realize that methadone itself is addictive. Secondly, the ties between narcotics addiction and crime which have been so clearly spelled out this morning are perhaps even deeper and wider than we give thought to. So until we handle that, we have no chance whatsoever of handling crime. My feeling here and the real point I want to leave with you is that I concur 100 per cent with Governor Rockefeller when he suggested that we need something of the type of a Manhattan Project. No State or Territory can do it alone. Our borders are open, not only to each other, but to the world. Unless we have the complete control over the whole project, which only the federal government can give, we are lost.

How shall we attack this? Well, of course, whenever you want to change anything you can use one of three approaches. You can use the legislative approach, you can pass all the laws you want. That helps. It helps because it is often the quickest way in which you can effect something. Or you can use a situational approach, where you merely make it difficult to do something. We want you to stop smoking. We remove the ash trays so you'd hesitate to smoke. That also helps. In the final analysis, however, it is the educational approach, because if we are going to leave your youth—and it is the youth that we are chiefly concerned with—if we are going to leave them exposed to their present pressures, whereby John Doe, who is an addict, induces Henry Smith to join him, then we are faced with a losing battle because, in my opinion the recidivism is so high that when a person once becomes an addict I take a dim view of his chances for complete recovery. I know it does occur, but the percentage is small and the relapse is great, and so I feel that if this Conference does one thing in this regard it should again represent to the President, and the entire

administration and Congress, that we are faced with a problem which is destroying our Nation, which no State or Territory can handle.

We must have an all-out effort. May I say one final thing. I was disturbed some time ago when I found that one of the high officials was really not committed to this program. He took the opinion, or took the position, that this was a socialistic phenomenon, that there had been epidemics of addiction before, and they burned themselves out. That may be true, but in the process this country will burn itself out. Thank you.

GOVERNOR ROCKEFELLER: I think that Mel puts this right on the line in a very frank, forthright statement and I must say that our experience in New York coincides with the point that he has made. Next is Tom McCall, of Oregon.

GOVERNOR TOM MCCALL: Governor Rockefeller, fellow Governors, ladies and gentlemen: I want to associate myself enthusiastically with the statements by Governor Rockefeller and Governor Melvin Evans, and give you a brief overview of some of the things we are doing in Oregon, not that they are particularly different, but I think that if we get our ideas out on the table we will find that we can be helpful in filling in each other's vacuums. We only have 280 patients on methadone. We were one of the early States to go into it, and the first year that we were moving into the program substantively, we noted a drop in drugstore robberies and burglaries of between 30 and 50 per cent. And so it is a highly controversial question which we have lived with very intimately for a number of years, giving someone an extension of an addiction, society doing it intentionally. I simply have to answer in response that one addiction destroys and the other addiction employs. But we think that this Conference ought to insist on more research into the chemistry of this thing, the primary objective being the identification of a medication that represents a second step away. The first step away is methadone, but it has its drawbacks. But it is still the best chemical answer available, and so we've got to have, as the second step, a blocking substance like methadone, but totally lacking in methadone's addictive properties, and this combination, methadone and its replacement, acting in decompression chamber sequence, would float the individual from destructive addiction, through benign addiction to no addiction at all and to emancipation.

We also have a grant from the National Institute of Mental Health for providing evaluation and in-patient treatment as well as after care for a period of 36 months for addicts under the National Addicts Rehabilitation Act. This is a 100 per cent federal contract between the federal government and the State of Oregon, and it is operating on the basis that the addict is much better off being close to his family, close to his home, than being in Fort Worth or Lexington. Then about three years ago I went to the Children's Bureau in Washington and said, "We've got to create an allure that is equal to the allure of drugs," because in Oregon, when we treat a drug addict, he may be in a state mental hospital, and his treatment involves very imaginatively something called "shovel therapy,"

so he'd be working on a muddy ditch for eight hours a day, and that is certainly not a competitive allure to the allure of drugs. So we have a three-year, \$600,000 drug treatment and training grant, which is a study project into the young drug-dependent person, and it evaluates three methods of treatment, individual psychotherapy, classical group psychotherapy and mini-marathon group psychotherapy, which lasts eight hours at a time. We do this in institutional versus family settings. Then, of course, we all have the community mental health clinics. We are going to double the state support of those so that we have more striking power at that particular area.

We have an imaginative education program to train teachers about drug problems. Certainly, there should be enough to complement all the other counselors in the schools, with indoctrination in a very imaginative course. Grades 1 through 14, in handling the problems related to drug abuse. I think a further thing at the state level that is very important is consolidating your various social agencies as we have done and many other States have done—Mental Health, Corrections, Employment, Welfare and Children's Supervisory Services—so that you do have a tremendous striking force at the state level. I agree that it is a problem that we are learning a lot about, but I also agree we are not even knowledgeable in what we actually know about the problem. The suggestion for a Manhattan-type project is one, I think, that we ought to get this administration and this Congress to implement as soon as possible.

**GOVERNOR ROCKEFELLER:** Thanks, Tom. I think Tom is showing that a State can, with imagination, open up the avenues and explore them and see what the possibilities are. You are certainly to be congratulated. Next, Bob Scott of North Carolina.

**GOVERNOR ROBERT W. SCOTT:** Thank you, Governor. Mr. Chairman, I, too, would like to associate myself with the remarks of the other Governors who have spoken to this question, and I would like to bring out another aspect of this discussion, or I should say, perhaps, another approach. All of us know that drug abuse cuts across all segments of our life in this country. Regardless of what our station is, it manifests itself in various forms, sometimes subtle and oftentimes not so subtle, but rather coarse and hideous. It would appear that in the large metropolitan areas of the Nation the addiction to heroin is regarded as the most severe problem, and as we all know, it is the proverbial squeaky wheel that gets the grease. But in North Carolina, and in, I think, a number of other States with more rural characteristics, the major problem is something else other than heroin. Marijuana, amphetamines, LSD, barbiturates and, of course, alcohol, seem to be the things that we are more concerned with at the moment. We can thank our lucky stars that heroin addiction has not become a widespread problem for us. Strange as it may seem, the fact that it is not a major problem may really, in one sense, become a liability to us, because I refer to the matter of federal aid to States in community drug programs and to the posture of the National Institute of Mental Health concerning methadone.



Methadone, as we know, a synthetic drug, very similar to heroin, is being used very extensively to treat heroin addicts. We in North Carolina have found that the federal government agencies are striking a "methadone or nothing" attitude when it comes to approving applications for grants to state and local programs. Applications for assistance to establish and operate comprehensive drug treatment programs are not looked upon favorably unless they contain a provision for methadone detoxification and methadone maintenance, and this, I feel, is wrong. The State and the communities should not be penalized in this way. They should not have to push methadone, which is being looked upon with increasing skepticism in the medical fraternity, especially when these communities do not have the heroin problem, as such. These communities and areas need federal support money for their outreach programs, or whatever other programs they may have going. These outreach programs in our State, and in many other States, are working primarily with youngsters who are confused, and those young people who are in need of counseling, additional education, training, or sometimes just plain fellowship and understanding. These youngsters need encouragement to lead a drug-free life, rather than to be maintained on a drug for the rest of their days. The North Carolina Drug Authority, established last year by our Legislature, has advised Dr. Jaffe that we need programs designed to solve the types of problems that beset rural and semi-rural areas. And certainly we don't want to diminish, in any way, the importance of the heroin problem, but we support a broader and more encompassing battle against drugs. To the best of our knowledge, less than half a dozen persons in North Carolina are being maintained on methadone.

An interesting and authoritative insight to this matter was given by Dr. Henry Leonard, a University of California professor of psychiatry, when he warned that the use of methadone reinforces the popular illusion that a drug can be a fast, cheap and logical answer to complex human and social problems. The article that he wrote continues in this manner: "What is required are profound changes in the professional and public understanding of the promotion and the use of all psychoactive drugs. We need to concern ourselves with the entire spectrum of drug abuse, not just the use of heroin. To think that the use of another drug can solve the profound and complex task facing us is, indeed, an illusion." So I just wanted to bring this point out, and to say in conclusion that many authorities point out that methadone, because it keeps addicts dependent on drugs, may actually be contributing to the problem rather than helping to solve it. It may well be a valuable tool in certain limited instances, but the federal government, through its grant specifications, I think, is out of character in pushing this or any other drug. If we are going to have a comprehensive drug program, then let's just make it that way, comprehensive, and don't get ourselves into a position of the tail wagging the dog. Thank you, Mr. Chairman.

**GOVERNOR ROCKEFELLER:** I think the Governor of North Carolina brings out a very good point, namely, that perhaps the focus is on methadone

because of heroin being a major problem in some areas. I can testify as to why the focus is on methadone. The reason is that it costs us \$11,000 a year for residential treatment of an addict not using methadone, and somebody mentioned, I guess it was Myles, that there were 500,000 methadone addicts. If you multiply that by 11,000, it comes out, I would think, around \$5 billion, unless my multiplication was wrong. That's just for the heroin users and the present program is now way up, which is \$600 million, but that's a long way from \$5 billion, so that methadone is a means of treating someone and keeping them from robbing and mugging and stealing and being able to live and work and get them off the street. So it may not be perfect, but it is the best thing that exists today, and you can be critical of it as a doctor because of its collateral problems that it creates, but our problem is we don't have answers.

Now, you have many other problems and so have we, and I think there should be and must be programs for the others, but this is going to involve a lot more money, and that's why I am so pleased the federal government for the first time has come into this field and accepted a responsibility. So that I think that this discussion is bringing out the various aspects, and I just would mention, just for the sake of a look back at history, that there was an opium war in China a great many years ago, when the West fought to preserve the right to sell opium in China against the Chinese government's will, which, as you look back, was about as tragic a thing as the West ever did. When the Communist government came into China, they got rid of drugs just one way. They shot, on the street, every pusher, and they have been the only nation that has successfully cleaned up the use of drugs. I'm not drawing any conclusions here, but I am just saying that this is a rough business we are in. Who else would like to talk on this subject? Governor Peterson of New Hampshire.

**GOVERNOR WALTER PETERSON:** Governor Rockefeller, I think Governor Scott has voiced one of the two concerns that I have, that there be, as part of the Special Action Group, sufficient concern for relatively rural States that may not have the problem of opium dependents, where the problems are somewhat different, and a hope that the priorities will be so restructured that sufficient support can be given to the smaller States and the rural States that are trying to operate educational programs and prevention programs.

The second has to do with the state of urgency with which we face this problem. I think the President recognized it and the Congress recognized it a year ago. One can understand and sympathize, I think, very deeply with the planning that must go on, to work with the Congress to win funds, and we sympathize with that. But we went to work in New Hampshire about the same time that the President issued his Executive Order. We have had a comprehensive plan prepared, and are told constantly that guidelines are not ready yet. We hope, and I just want to state directly to Dr. Jaffe, I hope while he is here that I will have a chance to talk with him, because we do feel a sense of urgency here and want to sit down and want to arrive at a solution. If our plan has

to be modified, we want to know how it has to be modified so that we can move ahead, because we do feel that there is a sense of urgency here.

Governor Mandel earlier mentioned that when you target most of your crime prevention efforts in the cities, many times that crime then moves out to the more rural areas. I would think there is a parallel perhaps here, if we over-emphasize, and I can certainly understand the problems are very great. But if we overemphasize the problem of opium dependency, centered, I would think, mainly in the cities, are we not opening up the possibility that the problem will move into the rural areas and we can't get the help? Until this happens I think it is the case of locking the door after the horse is gone.

GOVERNOR ROCKEFELLER: An excellent point, and I would assume that Dr. Jaffe will be available afterwards, and Myles Ambrose, too. He is going to stay over. Governor Cahill.

GOVERNOR WILLIAM T. CAHILL: I, of course, subscribe to everything that has been said here. The experiences we have, Governor Rockefeller, are basically the same problems that you have in New York. One question concerns me. While I recognize that it is impossible, really, to stop the source because of the availability, I am wondering, however, if the traffic and the distribution is not, as most Americans believe, highly organized, and if there is a sufficient effort being made to uproot the organized crime. I would like to ask Mr. Ambrose if he agrees that the distribution and the traffic in the hard core drugs is organized and, if it is, what investigative agency of the United States Government has primary responsibility in that area, and what is being done. The second question, Governor Rockefeller, I have is to Dr. Jaffe. What can we expect as state governments from the federal government in order to develop clinics in our own institutions to help addicts who are apprehended and sentenced and do need a great deal more treatment than the States are able to give them financially.

MR. AMBROSE: With reference to the organized crime aspect of the heroin traffic, Governor, heroin trafficking has traditionally been organized and run and directed by the French-Corsican underworld. They are the people who have arranged for delivery systems to the United States. They are the people who have arranged to have it manufactured and moved from Turkey, have it delivered to the U.S. after manufacture into heroin. The organization of the criminal groups in the United States has changed radically in the last 10 years, with the tremendous pressures that have been put on established organized criminal groups, and now we have new organized criminal groups that have moved in, still following the ethnic patterns that are historic with American crime.

We have very sophisticated black syndicates, Latin syndicates. There has been a movement from Europe through South America up here. The agency that has the primary jurisdiction, of course, is the Bureau of Narcotics and Dangerous Drugs, as far as the overall view of handling the organized crime problem in relation to the shipment of drugs. Of course, the Bureau of Customs also has responsibility with reference to direct intradiction of the smuggling apparatus.

However, there are other agencies of the government, including the CIA, the Federal Bureau of Investigation, and so forth, who provide intelligence assistance.

GOVERNOR CAHILL: I recognize that your department has the primary responsibility as far as narcotics. My question however is, is there one agency in the federal government that has the primary responsibility as far as organized crime in the United States is concerned?

MR. AMBROSE: Yes. That would be the Department of Justice that has the primary responsibility.

GOVERNOR CAHILL: The investigating arm?

MR. AMBROSE: It would depend on the type of crime, Governor.

GOVERNOR CAHILL: That's my point. There is no agency, therefore, in the government, that has overall responsibility in relation to organized crime per se.

MR. AMBROSE: No, sir. There are a number of organized criminal groups that engage in a number of different violations of law, such as, for example, counterfeiting, which is within the investigative jurisdiction of the Secret Service, or postal fraud, which is in the investigative jurisdiction of the Postal Department, but obviously, the coordinative function is within the Department of Justice.

GOVERNOR CAHILL: Professionally do you think that it would be a good idea if one agency of the United States, one investigating branch of the United States, were given the assignment to rout out organized crime in the United States?

MR. AMBROSE: One agency of the United States has been given the principal assignment for this, and that is the Department of Justice. If you are asking me do I think it is a good idea to have one single federal investigative agency in the United States, my answer is clearly, unequivocally and absolutely no.

GOVERNOR ROCKEFELLER: I would just like to add one point on this. The money is so tremendous, the pressure on law enforcement agencies and individuals is so massive and the corrosive, corruptive influence is so great that this is one of the problems we might as well recognize. I had a town meeting in Harlem about six years ago, and one of the community leaders got up and said that it was great to talk about narcotics and how we are going to stop it. But, he said, "In this police precinct there are no narcotics sold, there is no numbers game going on, there is no prostitution, et cetera, except that carried out with the approval of the captain and the man at the precinct." Now, that was a pretty rough assertion, but there was a good deal of merit in what he said. I think we ought to also say that originally, not, now, but originally, the Federal Bureau of Narcotics was supposedly in this; close to half their people were under tape before they got cleaned out by the present setup. I moved in a group to investigate the state police. There had never been corruption within the state police before, but within a year the top three guys had gone. You have to recognize the money is so big, and the pressure so great, and the ability

to reach law enforcement agencies is so tremendous that this problem is extremely difficult.

**GOVERNOR WINFIELD DUNN:** Governor Rockefeller, my State of Tennessee is attacking this problem just like all of the other States to one degree or another. We have model legislation which is encompassed in a drug control and abuse law. We are spending money even to fight it in our prisons. Through our comprehensive community health centers we are training, allocating our dollars and manpower, but what this problem boils down to essentially is that at some point in the course of the existence of a human being, susceptibility arises, someone takes a chance, someone takes a dare, and there you go.

I wonder if perhaps we are not overlooking a real opportunity, and your reference to the very dramatic disposal of people in China reminds me of this. I wonder if we shouldn't think in terms, speaking from an educational standpoint, of really being brutal about the ultimate consequences. I think in terms of the massive communications capacity of this Nation, the television set, the vivid portrayal of drug addiction in the form of the carnage we see on the highways, a dead body lying in a cold morgue, shot to death because some drug addict went to an extreme. In other words, we are all just human beings. I think our educational process ought to look deeply into shocking people to awareness of the problem.

I go back to my experience in the service in 1945. I was 17 years old. They showed me a few films that scared me to death. I think most of us can remember that. I think, Governor Rockefeller, that we really ought to look at the federal level, at the state level, at every level of public concern at this kind of approach on a basis that reminds us all we are just dealing with people, and shock some sensitivities. We might save a little money if we took that route, among some others.

**GOVERNOR ROCKEFELLER:** That's a very constructive suggestion. And I might say there are films now in existence. We have made some in our State. If you want to use them down in your State they will provide plenty of shock. Governor Williams of Arizona.

**GOVERNOR JACK WILLIAMS:** I have a very brief and somewhat optimistic observation. We are trying an educational program, we are doing all the other things that have been mentioned here, but this I haven't heard being done. We are using young people to teach young people, and we are organizing teenagers to go into the grade schools. These teenagers, high school kids, tell the kids in the grade schools how it is and they warn them and give them all the stories that they can possibly get from the experts. It is very exciting, an imaginative program, and I recommend it to you as part of your drug education structures, because the young people in the grade schools will listen to the high school kids.

**GOVERNOR J. JAMES EXON:** Governor, I have a question I would

like to ask. I am asked this continually, what are we going to do in Nebraska about making marijuana legal? There has been a great controversy about this. We know that marijuana is not habit forming, but some statistics that I have seen would lead me to believe that most hard drug addicts started out with marijuana. Now, we know we haven't cured the problem of alcohol by legalizing alcohol. I would like to ask a question, if there is an expert here who would address himself to the situation, as to how far we should go in the States on legalizing marijuana.

GOVERNOR ROCKEFELLER: Dr. Jaffe, do you want to speak on this subject? We'd like to have you if you are willing.

DR. JAFFE: There are a number of things to clarify, if I can take the liberty of responding to a number of questions that have been asked. First of all, we are fully aware of the limitations of methadone. We think it is a step; it is certainly not an answer. I would agree with Governor McCall about the need for new agents, and those are in the pipeline. Literally we have been working day and night on some of these. I think it is important to clarify that we are not demanding that known heroin users be offered methadone. We are saying that the carnage that results from untreated heroin use is such that we are offering specialized drug treatment programs to those heroin users who can benefit from it. We are saying that we are no longer interested in doctrinaire viewpoints. We are trying to get people to offer a range of options.

Secondly, I think the problems with respect to the prevention issues and with respect to people using LSD and barbiturates and amphetamines are extremely complex, and I alluded to this before. Traditionally, these kinds of problems are in the mainstream of medicine. Historically only the opiate user was excluded from the mainstream of medicine. Now I might point out to you and I am sure that you are all familiar with it, that the current health care system of the United States costs \$75 billion a year, and the federal government contributes to that roughly \$25 billion. For the most part, people with amphetamine and barbiturate problems are covered by health insurance. The group that is excluded is the most severe problem. Nobody's health insurance covers treatment for heroin addiction. If we are setting a priority, it is because we are trying to get to that excluded group, so that several years down the line we can merge all the drug abuse problems into the mainstream of American medicine. So indeed we are emphasizing the heroin user because, in fact, we have \$25 billion worth of federal money in the other areas. Ultimately we have to bring all these mainstreams together so that we have one health system that can take care of a heroin user, a barbiturate user or an amphetamine user so there isn't this categorical kind of situation. Specialized facilities do a better job, often.

Lastly, I ought to get to the issue of marijuana. I am sorry to delay it. One of the difficulties has very well been historical; in the past our myths about it were such that we overreacted to the dangers. Some of the penalties were obviously excessive, given the danger of the situation. We may be in the position

of overreacting in the other direction and saying there are no dangers at all, let's have it on the streets, let's let everybody get as much as they want of it. That probably won't do this country any good, either, and most people believe that it would be a wrong step. Now, in the Drug Abuse Control Law of 1970, the federal government took the step of stating that a first time possession for personal use should not be a felony. In fact, the record can be expunged if the offense does not occur again. Clearly, the laws across the 50 States are very, very different, and the President himself has said that he thinks that we ought to have more uniformity. Exactly what that uniformity should be and what the best balance should be is still not clear. There is no question that we phenomenally accelerated research with marijuana. I can't answer in 30 seconds the very difficult question of linkage between marijuana and the use of other drugs. Suffice it to say it is not pharmacological. The smoking of marijuana as a drug doesn't lead you to take other drugs. There is something about the sociology of using a drug now defined as an illicit drug, that does, in fact correlate highly with moving on to other drugs.

The Canadians have recognized this as well. How we are going to face this I really can't say. This is going to be primarily a social issue. You can lay out all the dangers and all the options and none of them are entirely satisfactory. I can say that we are not going to benefit ourselves, particularly, if we turn marijuana loose in cigarette machines. Neither is it entirely appropriate to say that if somebody has a drug merely for possession we do ourselves any good by locking them up for prolonged periods of time. It is worthy of extended discussion, and I don't think the medical issues, you know, are going to add to it that much more. It is a sociological issue of balancing options, balancing social issues. I'd be happy to talk to you about it at length afterward, but it is much too extensive to try to simplify.

**GOVERNOR ROCKEFELLER:** I am going to add one point. In my opinion, on the best medical judgment I can get, I think marijuana has a very serious impact on the individual who uses it. Not only during the period of use it reduces their initiative, their drive, their willingness to take responsibility, and to be constructive, positive citizens on which our country depends, but I think it also permanently damages the elements of an individual that give a sense of initiative and drive. I think for a society which depends on free citizens for their sense of responsibility and initiative, that it could be extremely dangerous. So for the individual and the society I think this is a dangerous drug. That's just a personal opinion.

**GOVERNOR DALE BUMPERS:** I have just one question. I have seen recently where it said the distinction between alcohol and marijuana for example is that the marijuana user smokes it with the single-minded purpose of getting stoned out of his mind, whereas perhaps 80 per cent of the people in the country who drink, drink socially. Is this correct premise?

**GOVERNOR ROCKEFELLER:** Well, I would perhaps use slightly differ-

ent words, but I think that's a very good description of what I understand. Of course, a lot of law enforcement people don't worry so much about marijuana, because the marijuana user is not going out robbing somebody's house. He is pretty passive and pretty quiet so he is easy to handle and he doesn't cause the trouble; as you say, he goes off by himself and is antisocial. But I can't believe this is the kind of society we want. I can't believe any of the Governors would ever have gotten to be Governors if they had been smoking marijuana, but that's just a personal opinion. Dr. Evans ought to be the man who is talking on this. He is the pro. Do you want to add anything to this? Maybe you can wind it up.

GOVERNOR MELVIN EVANS: Except to plead ignorance on behalf of the medical fraternity, we just don't know, and I do believe that we are making a big mistake legalizing it. I think we need much more research. I think a great deal of harm has resulted by lumping marijuana together with the others. If you have 10 strong points and two weak, and you lump them together, you allow your opponent to beat you on the weak points. I think they should be separated. I think they are all bad, and I think the statement that marijuana is no worse than booze is just completely wrong.

GOVERNOR ROCKEFELLER: On that note shall we close this discussion, and thank you very much, ladies and gentlemen.

CHAIRMAN MOORE: Governor Rockefeller, thank you and your commentators for a very, very constructive program. The Vice President is waiting for us to join him in the Continental Room. Each Governor is entitled to take with him an aide. Your program indicates that we would reconvene at 1:30. We were late in getting off this morning. I ask your sincere effort in reconvening at the hour I am going to set, which would be 2 p.m.



# AFTERNOON SESSION

## Monday, June 5

**CHAIRMAN MOORE:** Gentlemen, if I might have your attention, we will bring to order the Second Session of the Conference, and at this time it is my pleasure to introduce to you NASA's Associate Administrator, Mr. Richard C. McCurdy. Mr. McCurdy's work and his expertise lay in the area of organization and management, and his responsibilities include agency-wide budget and financial management, man power and personnel management programs, together with the construction program and the facility program of NASA, as well as responsibility for its general administration. It is my pleasure at this time to present to you the Associate Administrator of NASA, Mr. Richard C. McCurdy, who will carry the program forth from this point.

**MR. RICHARD C. MCCURDY:** Governor Moore, members and guests of the Governors' Conference: The good invitation that you gave us to come here and talk about our doings has honored all of us in the agency, and we hope that you will enjoy what we have for you this afternoon. In view of the time, we are going to keep moving fast, and I will outline for you now what we propose to do. I am going to run through various features of the NASA program. We are then going to have Tom Stafford and Alan Shepard, who have a very special presentation to make for the Governors, and after that we are going to throw it open for questions. Let me tell you that I am not a space expert; I am a businessman. I have been a businessman for nearly 40 years, and when I came to the age of retirement I decided to come down and see if I could help. I firmly believe that the benefits of the space program are amenable to common sense understanding, and I will try to take a businessman's view of these things, and hope that you will receive it in the same way that it is given.

The subjects that I want to cover are, first, money and employment, where the money goes and what some of the consequences of it are; aeronautics, space work in terms of the weather, in terms of communications, in terms of earth resources, in terms of environment. I want to talk briefly about science and research philosophy, to talk about technology stimulation and transfer and utilization, about productivity in the space program, about the old bugaboo between manned and unmanned flight, and about two sides of that coin that you might call security and international cooperation. First of all, let's look at the facts

about the spending. NASA's program at the present time is about three and a third billion dollars. It is a big sum of money. To put it in perspective, it amounts to about one and a half cents on the taxpayer's dollar, and in case you have, as I am sure you do, figures in your mind as to what other portions of the budget are in the taxpayer's dollar, you can compare it with those. 99 per cent of the money is spent in the U.S., 96 per cent of it is obligated in the year that it is voted; 73 percent is actually spent in that year; and 23 per cent is spent in the next year; and it operates in the R&D field, which is about as job-intensive as any field going. So that approximately 83 per cent of it goes into salaries immediately, and the rest of it follows along the way.

About 79 per cent of the money goes to industry, and of that, 13 per cent goes to small business. Four per cent of our money goes to universities. This is one of the reasons why the NASA program is extraordinarily, in my judgment, well-distributed geographically amongst States. The other 17 per cent of the money that goes to government also finds its way, in part, to business, but I won't try to sort that out for you here. NASA's money makes jobs in three ways. The first is direct, and there is a simple ratio between the money we are voted and the number of direct jobs it creates. It is about 4,500 jobs for \$100 million voted, and those are the direct amounts. Other jobs are caused by the effects of the NASA program. In aeronautics, for example, if the NASA aeronautics program causes or helps to cause the success of some venture in this field, then that, in turn, creates more jobs which I have not counted. Likewise, if our communications satellites, as they do, create more activity, then such people as COMSAT and INTLSAT, NOA, and so on, have activities that are not counted in our own figures. It also creates jobs in terms of spin-off, and this is very difficult to talk about numerically. Industries are driven by the demands that they do things that have not been done before, and when they are so driven by this demand, they learn how to do things that have not been done before and, as a consequence, they produce opportunities that didn't exist.

If you want an example of this, of which there are many, let's consider the driving of the computer world in the Apollo program, in which things were done that have since proved of great benefit to that industry. The money as it divides up among functions is a little bit less than 50 per cent in manned space flight and, at the present time, that is the Apollo program, the sky lab program which is going to follow it, and the beginnings of the shuttle program which I will talk about in a moment. It is about 25 per cent, slightly under that, in science, that is, physics and astronomy, and lunar and planetary exploration. About 10 per cent is in applications, and that doesn't measure the weight of the applications' effort, because once NASA reduces to practice a certain kind of space application, we don't remain operational. We put it over into an operational entity such as the Weather Bureau, COMSAT and INTLSAT. Now, passing to aeronautics. NASA doesn't forget that the first "A" in its name stands for Aeronautics. There are about \$300 million a year spent in aeronautics, and

the United States has for a long time had the leadership in this field. This has caused in the aerospace industry, largely as a result of leadership in aeronautics, a positive trade balance in our favor.

I now want to pass to the benefits of space research and take a look at the subject of weather. Let's consider the weatherman and, if you want to think of something which is going to be rewarding to all the States and to everybody else, think of what would happen if we could produce a prediction of the weather two weeks in advance that would be accurate. I know personally all sorts of people that this would benefit. Let me tell you what is being done about it. The weatherman has always had a basic frustration, and that is that he has been given a little bit of data here and there, and from this he has tried to reason what the weather is doing. Oh, yes, there is theory about the weather and all that other kind of thing, but it is so cockeyed complicated that there is no way on earth that he could figure it out even if he had all the data. Now, these two things have gone away. The first generation of weather satellites produced pictures of where the clouds and the front were, so that instead of guessing at them, he could look at them; and an improvement on that first generation produced something on which he could get the pictures both day and by night, and this has increased the ability of the weatherman simply to see what the weather was. In other words, it supplied him with a lot of real data instead of a bunch of scattered observations for him to guess with.

The next thing that happened in the weather was that certain other satellites started taking pictures from a place up there called synchronous orbit. O.K., you put something up in synchronous orbit and you start taking a whole bunch of pictures, and then you make a time lapse photography of these pictures and you can see the cloud systems rotate and you can see them move and you can actually measure how fast they go, and then you get a picture of what the winds are doing and then you can begin to get a heck of a lot better picture of the weather, and this is where a lot of our severe storm advice comes from. And the weather forecast today, partly because of this and partly because of improvements in the art, is as good now for three days ahead as it used to be for one day ahead. Now, let me go on to the rest of it, because the big game is still to come.

The old fact that there wasn't a big enough computer to figure all this out isn't true any more. Computers have grown to the point where they are beginning to be capable to take on the analytical job of actually analyzing the weather. And so, in order to do that, they need more than just where the clouds are, and that kind of thing. They need a sounding down through the clouds of what the temperature is and what the humidity is, and so you've got experimental satellites coming along now that will, by the combination of optics and infrared and microwave and ultra-violet measurements, actually sound the atmosphere and determine what the composition of it is all the way down. And having done that properly, you are going to put it on a computer, and you are going to begin

to use that computer to say what the weather is going to do, and this is probably where the origin of the two-week prediction is going to come from. Now, gentlemen, anybody who doesn't think that is relevant today, is really a very uninformed person, and I believe that we should accept it in that vein. I really don't think I have to say much more about the weather. In 1975 and '76, there will be four synchronous meteorological satellites up there, two put up by us, one by the Europeans and one by the Japanese, and they are going to try to make a forecast of the sort that I am talking about, and this will open up a series of savings in regard to all of these things, farming and all that sort of business, the like of which I will not engage in flights of fancy about.

Now, in communications. The fact of communication is a funny one and it is technical, but I believe I can explain it to you this way. The radio waves that we have are ones in which the way the world was constructed. If you want to send a little bit of information, you can send it pretty well around the world by ordinary radio. It is not reliable and there are many places where the ionosphere plays tricks on you and it won't work all the time, but as you all know from radio hams and things like that, it will work spectacularly part of the time. The way to get communication over long distance, and particularly across oceans, is to put something up in the air in the same magic place I was talking about awhile ago, and send a signal out that goes right through the atmosphere and hardly interferes with it. This simple idea, extended through some generations of satellites, of which the earliest had perhaps 42 voice channels and the latest one now has 9,000, is something in which routine messages go across the ocean at a lot cheaper cost than before.

Now, this is real big information; it is almost like a pipeline. The information can be thought of as being pumped like fluid. If you want to pump a little information you can do it through a skinny pipeline, whereas the big pipelines are microwaves. You all know that television can't be received except over short distances. By the time you get 40 or 50 miles away you aren't receiving any more because the waves go right out. You can think of it like that big pipe is too big to bend around the earth, but the real thought is if you want to send a lot of information in a hurry you've got to use short waves and short waves won't bend around the earth. Consequently, the effect of all this is that, where there are big volumes of traffic, you can put up enough money to make it economical to build land systems and repeaters and the various things that carry this kind of high information program across the continent and all that sort of thing. It is more difficult to do so across the ocean and that's the reason that satellites are used to send television across the ocean quite a bit. In fact, the only way.

What happens, though, in other places is that when you don't have enough traffic density to justify that sort of thing, you haven't got anything but a satellite; so that if you have a remote area, one that doesn't justify the building of these facilities to it, then you have to go there by satellite. You go there by a different kind of satellite, which is one that you send up a signal to, and it is big enough

and powerful enough to send a signal down that can be received in the remote locality with very little extra equipment. The first experiments will occur in remote places, one will occur in India, in which educational material will be sent by the Indians through one of our satellites to local Indian villages, and they will try to tell them about ways to farm and ways to tend their cattle and ways to cure some of their troubles. So this is what is happening in the world of communication. It is a going business, it has been launched, it is being improved by us and it is a benefit that we are all enjoying today.

Earth resources. In another couple of months, the earth resources technology satellite No. 1 will go up. This idea has come largely from the color photos that were taken by Gemini and Apollo spacecraft. In those, and you have probably all seen them, things could be seen that weren't apparent on the earth before, and this is another instance of getting away from it and looking at it. We really don't know all of the things that we can find out from this kind of satellite, and that's why an experimental one is going to work on it. We are pretty sure that we can find the depth and extent of the snow cover, and we can tell you how much water will run down the rivers next spring. We can tell you what kind of crops are present in what kind of fields. We can tell you what their state of health may be, whether they are infested with certain kinds of pests or not. We can tell you something about the forests and whether the insects are eating up the trees. We can tell a good deal about air contamination. We can tell where the smoke is coming from and where it is going. You can measure the temperature of water. You can probably find plankton and fish in the ocean, and I could go on with another long list. But earth resources technology satellites are almost certainly going to be one of the prime ecological and environmental tools that we will have.

Now, the things that I have told you about space work have all been completely practical, they have been largely reduced to practice, and we know that they are going to be valuable. Let me say something about the longer term research. I believe that you have to have your own personal philosophy about basic research. If you believe that basic research should be judged entirely on what is going to happen next week or next month, or even next year, then you will not do as much basic research as you would do otherwise. On the other hand, basic research is a good deal like sending your children to school. Other generations did basic research for us, and we are living, literally living, on the results of those things. We are eating on the results of them, and we are being sheltered on the results of them. We even have television of things like that on the results of them.

Nor do we know, when we do some of these things, exactly what we are doing. I will mention a few examples. The Apollo program has left three things on the moon called laser ranging retro-reflectors, and these things will shoot a laser beam back to your telescope. You can measure the distance between the telescope and the thing on the moon within something like a foot or so. This

was originally put up as a research tool. We wanted to know what the moon was doing. We are beginning also to find out from it what the earth was doing.

We also can measure the thing called the Chandler wobble now, which is a funny sort of irregularity in the way the earth goes around, and this Chandler wobble and the movement of these plates may very well be related to earthquakes. We don't know how, but we may very well find out some day. We study planetary atmospheres and planetary surfaces and that kind of thing. We send something to orbit Mars, we study the moon, we hope to study Jupiter, and we study Venus and we are going to even try to study Mercury. What is the good of all that? Well, let's think about that for a minute. If we ever do stabilize this planet by all the ecological work and all the other good things that are going on here, it seems like a good question to ask whether the earth is going to stay that way once stabilized. We don't understand our own earth, and I talked about the atmosphere and the weather awhile ago. That will help. Still the earth is not something to experiment with lightly. If we can find out what is happening on other planets, it will aid us in determining what is going to happen on our earth under certain conditions. Personally, as an old geologist, I never forget that the time was not all that long ago when a good share of the northern part of the United States was under two or three hundred feet of ice, and we don't really know why it was, but if you'd like an example of a real ecological change, I suggest you consider that one for a while.

The stimulation of technology. I mentioned a moment ago the Apollo program, I mentioned the space shuttle, and so on. There are many people who believe that the Apollo program has already paid for itself in what it has taught us to do. I can't tell you whether that is true or not, but it is exceedingly shortsighted to believe that it is something that is not returning us a great deal in the things that we can do. There are spin-offs all over the place. They are medical, they are in terms of new materials, they are in terms of computers and they are in terms of many methods like this.

Productivity. As a businessman, we know enough about the space program now that we are quite sure that there are going to be a lot of satellites put up in the future. We also know pretty well what types they are likely to be. It is now the proper time to do what a business would do, and put this down to a program for the least cost. It is a tough thing today to put up a satellite. You have to line yourself up a launch vehicle. You have to find and stand in line for a landing pad. You spend a heck of a lot of money making that thing so that it can withstand almost any sort of problem. And finally you send it up, and if it goes in the ocean, or if it doesn't work after it gets up there, you haven't got anything but a great big piece of orbiting junk that isn't worth anything. You can't recover it, you can't fix it. You can't do anything. This costs a lot of money. The sensible thing to do in that business is, first of all, to have a vehicle that doesn't go in the ocean after you shoot it. You have one that will come back again so that you can reuse it. Then you work

over your pay loads a lot less, and you make them stronger and simpler, and you take them up into orbit, and if they don't work you bring them back again, and then you save an awful lot of money doing that.

Finally, there is one of the greatest hopes that we have, and this is international cooperation in space. This is now beginning, and it should be welcomed and pursued as far as we can. The possibility to join together with other countries, even traditionally unfriendly countries, if you wish, in a common venture against the unknown in space, is something that I consider to be about as hopeful as anything I know. Very well, gentlemen. Let me sum up. I have told you that space is practical; it pays. That is the basic answer to the question, why don't you take this money and spend it on something else? The basic answer is if you did, the money wouldn't be there, and that's the same as any sound investment. I have told you about the scientific promise. I neglected to mention that there are unknown sources of engineering out in space. They occur by some process that we don't comprehend. We would like to know what they are. I think we have almost a duty to find out what they are. There is a defense and security angle of space, and the other side of the coin, the international cooperation and, indeed, to me anyhow and I hope to you, space is inspirational. This concludes my part of the presentation here, except for a question and answer period that we hope we will get to, and I am now going to ask Tom Stafford and Al Shepard if they will now take over here, because they have a presentation to make to you gentlemen that I think you will enjoy very much. Neither one needs any introduction from me.

**MR. THOMAS STAFFORD:** Thank you, Mr. McCurdy. Governor Moore and members of the Conference, it is great to see some friends here who are fellow hunters. Or should I say fellow conservatives, with all the birds and antelope we have missed on several hunts. On behalf of Dr. Chris Craft, the Director of the manned spacecraft center and the center, we would like to welcome you among the many welcomes you have had in Houston. The manned spacecraft center is open and if any of you would like to take part of your busy schedule to go there, Mr. Jack Waite of the Center Protocol Office is here and we can certainly arrange a tour for you at your convenience.

You know, in making presentations and appearing one after another, you feel often like you are playing the role of Barbara Hutton's sixth husband. You know what you are supposed to do but it is going to be darned hard to make it interesting. Very quickly, we have a presentation for you. It was suggested by the Vice President that we present to the people of the Sovereign States an item that has been carried on the flight, and to make the presentation along with me, I want to introduce to you a golfer who is nearly as famous as the Vice President for his golfing game. The only difference about it was when Al Shepard made that slice on the moon, he was very fortunate, his partner was standing in back of him. Al.

**MR. ALAN SHEPARD:** Thank you, Tom. Actually, I am a little surprised

that you mentioned the slice, because those of you here that are scientifically inclined in the audience really know that with the lack of atmosphere that there is on the moon, that regardless of how much spin the ball has it is going to go straight, it doesn't need a hook or slice, but you can shank the hell out of it, I can tell you that. We hope that you all will be able to participate in coming down to visit the manned spacecraft center here in Houston, and we certainly welcome you Governors here and those of your staff who are here with you. We have a pretty good bunch of scientists down there. My job today only is to present these little mementoes to you, which I will do here momentarily, and I do think that we'd like to take the advantage of the remaining time for some questions and answers from you gentlemen to try to find out what is on your mind. Let me just say briefly that what we have here is a state flag for each of you that was carried to the moon by the crew of Apollo 14, with the Apollo 14 patch, and appropriately inscribed and autographed on the bottom. What we would suggest is that we realize that even those of you who are Governors have to justify your existence from time to time, and those of you who would like photographic evidence of your being here at Houston, that after we finish with the question and answer period, if you will come up here to the front, Tom and I will be glad to present these to you individually and have the photographic documentation that you were, in fact, here working in Houston. And kind of line up alphabetically, if you would, please. That's the way they are stacked, by States. So we can do that after we finish the question and answer period. Perhaps we will take a few minutes just for some questions. What is on your mind? Perhaps Tom, Dick and I can answer it for you. Anybody want to open it up?

GOVERNOR STANLEY K. HATHAWAY: Can you give us any more detail on the agreement with the Soviet Union and how those joint missions might work?

MR. STAFFORD: This is an area that I have been working on for the flight crew director. Basically, the proposed mission will include an Apollo spacecraft and a Soviet spacecraft, and this mission will be a flight space combination of a rendezvous and docking interphase, which will then be a standard docking mechanism for our shuttle spacecraft, for the Soviets to follow on. We are envisioning right now the summer of 1975 as the launch date. Right now it is a one-mission flight test demonstration.

GOVERNOR MIKE O'CALLAGHAN: Can you give me an idea on the administration's priority of the funding of the NERVA project and maybe some dollars and cents?

MR. McCURDY: The NERVA project has been reduced in size, as you probably know, and it is believed now that an application might well be missions to the outer planets. With an advanced nuclear engine, which would not have to be anything as big as NERVA, we could get there straight, developing the



engine first and then shooting it, and arrive at those outer planets at the same time the grand tour would without going to all of the fuss of doing the grand tour. We are sorry that the grand tour is out because we liked it, but, nevertheless, this is an acceptable substitute and it does develop a nuclear engine.

CHAIRMAN MOORE: Are there any other questions, gentlemen? Governor Dunn of Tennessee.

GOVERNOR WINFIELD DUNN: This is just a question to ask your personal observation on, and I address it to Alan Shepard, if I may. Do you have any personal feeling about whether or not, from a conjectural standpoint, there is intelligent life outside the realm of the earth? I'd just appreciate your comment on that.

MR. SHEPARD: Did you all hear the question? Sometimes I wonder if there is intelligent life anywhere. I personally haven't really thought too much about it, but I have read several articles. I think perhaps the one that means the most to me along those lines is the one done by an astronomer in London who studied a section of the sky with his telescope, using a spectroscope so that he could analyze the light frequencies coming back, and from this tried to judge what stars, not only in our own galaxy, but those that he could see beyond that, would have the right combinations of elements of hydrogen and oxygen and could possibly have the right temperature conditions and so on to support life.

Now, Bernard Loveall actually made the study, and then he enlarged the thing to include the entire sphere, celestial sphere, and then to be conservative he divided by 10 and came up with 100,000 possibilities of the right combinations of water and temperature so that we could find some kind of intelligence. So, in view of that, I certainly think that the overwhelming odds are that there must be something out there, even though we haven't seen any real valid indications of the presence of any other civilizations yet. Of course, we may be measuring things at the wrong frequency. You know, we may be at the wrong frequency level to measure things, but I would think that certainly there must be some existence out there somewhere that perhaps is not quite as developed as we are. Intelligent to that degree, at least.

CHAIRMAN MOORE: Are there any other Governors who desire to be heard? Governor Hall, Oklahoma.

GOVERNOR DAVID HALL: I just want to say we are very proud to have both of you gentlemen here, but Oklahoma is particularly proud of its favorite son, Tom Stafford. I just want to take a moment to throw that in. He is our greatest contribution to the space effort and we are very proud, Tom, to have you address us today.

MR. STAFFORD: Thank you, Governor. I hope sometime in the near future we can forecast some rain with a satellite down in southwestern Oklahoma instead of dust storms.

**CHAIRMAN MOORE:** Are there any other real intelligent questions that we want to present to our distinguished guests today? Yes, Governor Williams, of Arizona.

**GOVERNOR JACK WILLIAMS:** I simply would like to express the gratitude of the State of Arizona for the cooperation of NASA in an over-flight that we are arranging there. We managed to get in on an early experiment, and I don't know if you gentlemen are familiar with it, but NASA is helping us. We are mapping the State at about 65,000 feet. We are going to make about five flights, and then get the films, and six of our departments are going to use them, working with the computer. We can get a lot of information from not only mapping, but we are getting the delineation of detail down so we can even count buildings, new buildings and old buildings, we can count cattle, we can tell about the drought situation, we can tell about the forests, we can tell the geological structure of the land and the estimation of possible oil or gas, the salt domes, the amount of information that is going to be available is, we believe, fantastic, and we are doing the pioneer experiment in it in Arizona. If it works out, why, all States can share in it.

**MR. STAFFORD:** I would like to just amplify on that, sir. Thank you for the comments. We do have the earth resources satellites flying. We have two big wing B-57's that will go underneath the satellite and low altitude aircraft P-3, so they will be flying over most of your States and the data will be available for your resource development. We think it is a real good program in celestial service.

**CHAIRMAN MOORE:** Are there any other questions at this time? Dr. McCurdy and Colonel Stafford and, Alan, I shook your hand when you came down out of that tin can the last time, and the only thing that's aged has been you. I guess the tin can is in pretty good shape. We might ask your indulgence for about five minutes until we wrap up the session and then the individual Governors could come up, if you will just be seated right here, and for those of you that desire documentation of your presence, why, we will have it for you. At this time I'd like to recognize the Governor of Indiana, Governor Whitcomb.

**GOVERNOR EDGAR D. WHITCOMB:** Mr. Chairman, fellow Governors. At this time, in accordance with the Rules of Procedure, I hereby give notice of a motion for suspension to consider a resolution on Wednesday, and the subject matter is Educational Benefits for Dependents of Prisoners of War and Missing in Action Personnel, and I am asking that this resolution be distributed at this time, and I am also requesting the distribution of a document on property tax relief which I feel you all will find very interesting. Thank you, Mr. Chairman.

**CHAIRMAN MOORE:** Thank you very much, Ed. The particular resolution you make reference to has been made available to all the Governors.

At this time I would like to announce the composition of the Nominating Committee. Under our rules of procedure, the Nominating Committee is made up of five individual Governors. The Chairmanship of the Committee is left

to the political identity having the least number of members on the Committee. I would like Governor Love, Governor Williams, Governor Ogilvie, Governor Ford and Governor O'Callaghan as being the composition of the Nominating Committee, and ask Governor O'Callaghan to serve as Chairman of the Nominating Committee. You will receive, Mike, the information from respective caucuses to present to your Nominating Committee very shortly.

Our next session will take place very promptly in the morning at 9 a.m. in this same room. I would like very much to thank you for the effort that you have made this afternoon to share in this very exciting recital of NASA's program, and to greet our very distinguished guests, and those that have in a very particular way advanced for our consideration the total NASA program, rather than simply the exciting portion which we view almost on a day-to-day basis. Drawing to your attention the fact that our distinguished guests are here to make a personal presentation to you, if you would present yourself now for that presentation, I declare the session now adjourned.

# MORNING SESSION

## Tuesday, June 6

CHAIRMAN MOORE: This morning we are pleased to begin a discussion of importance to all of the Governors, and may I simply say we are deeply appreciative of having Secretary Romney and Senator Randolph with us as participating members of the panel. Congresswoman Edith Green, who had anticipated being with us this morning, has wired the Governors to the effect that matters related to discussion of higher education legislation compel her to remain in Washington.

My fellow Governors, ladies and gentlemen, the subject of this session of the National Governors' Conference is one of historic dimension and importance. It concerns us both as citizens of this Great Nation and as leaders of its principal parts, the States. It is projected that the population of our country will reach 300 million persons by the year 2000. In order to accommodate that increase and to replace what is no longer useful, we will have to build within this span of one generation as much as that which has been built in all of the years behind us since the founding of our Nation. The manner in which we plan and execute this undertaking will determine the quality of life for all the people of our Nation, and it will serve as a model, good and bad, for other nations whose problems we share. The problems of poverty and pollution, the problems of urban woes and the rural woes of our Nation. We must set about molding a new destiny for our society, worthy of the manifest destiny which created this great land of ours. We must create the institutional means for applying thoughtful solutions to these most complex questions.

In recent years, we have witnessed the establishment of one of the means for achieving balanced growth and rational development policies and programs, and I refer in that regard to the Appalachian Regional Commission, a dynamic partnership of federal, state and local governments, working together to achieve national goals. I would share with you my own experience with the Commission, which has taught me several very, very important things. One of these is that the States can indeed be effective partners in a tripartite effort to improve the quality of life in our society but, most important, that no such effort can really succeed without state participation. They alone, in many, many instances, possess the constitutional authority to take certain actions. They, the States, add relevance to the setting of the priorities in accordance with needs, and in providing the

guidance and the assistance to support local activities. I suggest that we meet the challenge of growth as the architects of a new America. If I might turn now this morning to our first speaker, a former Governor of his State, the distinguished member of the Cabinet of the President of the United States, the Honorable George Romney, Secretary of Housing and Urban Development. Secretary Romney.

**SECRETARY GEORGE ROMNEY:** Thank you very much. I appreciate your making it possible for me to be here, because it is always good to be with you. As you know, Congress in 1970 asked for the first National Growth Policy Report, and in asking for that report, they enumerated areas they wanted the President to cover in his report, and if he had covered all of those areas, he would have had to discuss the total domestic situation because of the comprehensiveness of the specifications. This first report that he submitted was quite limited, and undertook to deal with fundamental aspects and more or less established the groundwork for future considerations. By way of background for my remarks, I would like to read the concluding words of a book by David Broder of the *Washington Post*. "The party is over," he said in his concluding paragraphs. "If this nation is to survive and meet its responsibilities, many of us will have to sacrifice some of our personal luxuries to help pay for the society's neglected needs. What is more, we will have to give up the idea that we can escape from the consequences of our civic responsibilities by purchasing private passage for our families to the segregated suburbs, to the private schools, and to the protected professions. Our choice is simple. Either we become partakers in the government, or we forsake the American future."

One other point by way of background for my remarks. I think the American people are concerned about government, because they realize the results have not been commensurate with the amount of money they are paying to take care of the problems. Let me remind you that the federal government's financial assistance to state and local units of government through the grant-in-aid programs has increased from \$7 billion in 1960 to about \$38 billion this year, and it is scheduled around \$43 billion next year. In 1969 it was \$20 billion, so in a four-year period the amount of money flowing to state and local units of government will have more than doubled, but the results are just simply not commensurate with that expenditure.

I believe, on the basis of my background and participation in this Conference, that we are approaching the culmination of years of efforts by Governors to reassert leadership. I well recall the first National Governors' Conference I attended in Miami in 1963, and while that Conference was almost disrupted by a fight over civil rights, I found the predominant concern on the part of Governors was to get at some of their common problems, regardless of party affiliations. This began to express itself following the '63 Conference, and by the time of the Minneapolis Conference in 1965 the Governors' Conference adopted a resolution calling for revenue sharing.

During the 1960s the Governors said we are fed up with all the money going to Washington and all the problems staying at home. We are fed up with the proliferation of piecemeal federal agencies and programs that make executive management impossible, with glamour programs that overpromise, but don't deliver. As a result of these efforts led by Governors, broad bipartisan agreement developed that fundamental national efforts were necessary, such efforts as executive reorganization of the national government, revenue sharing, and particularly decentralization of decision-making. The President has moved decisively to adopt such administrative reforms and legislative reforms. On the administrative side, he ultimately reached the point of creating, for the purpose of formulating national domestic policy, a structure within the Cabinet similar to the one that exists to formulate foreign policy. The National Security Council has been operating for some years, bringing together those agencies responsible for foreign affairs. On the other hand, there was no comparable means within the federal structure to get a coordinated development of policy by those departments concerned with domestic affairs. Well, the President has created a Domestic Council. Also, the President through administrative action created uniform regional organizations of the federal domestic departments. More recently, in February, he appointed chairmen of these federal regional councils, the administrators of the various programs in the 10 regions throughout the country, and he directed the chairman and the members of each regional council to work closely with the States and local units of government in a coordinated use of these many federal programs.

Of course, on the legislative side, he proposed executive reorganization, and I just want to say to you as one who has been down there in that maze of the federal executive structure, that there is just as great a need for simplification and reorganization of the federal executive structure as there is in the case of most state governments. The proposal for the creation of a Department of Community Development, a Department of Natural Resources, a Department of Economic Affairs, and the Department of Human Resources is just as fundamental to a President operating effectively as the creation of a limited manageable number of executive departments in state government is essential. This depends upon Congressional action, but such Congressional action is imminent with respect to the Department of Community Development, and I think should be encouraged as a part of this national growth picture. The President also recommended revenue sharing and land use legislation where the States are made the key to it, of course, and welfare reform and other things. With sufficient help from you Governors and local officials, key elements of what the President has recommended could be enacted this year.

It seems to me it is impossible to talk about national growth apart from these fundamental national reforms, because without them, national growth is just a planner's dream, and the President pointed this out in his first report.

But national action is only the beginning. The federal government can help restore fiscal balance. The federal government can get its house in order organizationally. The federal government can adopt national policies that will encourage needed public and private action, but the States must also act. I think it is to the credit of the States that they are acting. You haven't waited for revenue sharing. You have laid on increasing taxes to meet the social environmental needs of your citizens, and some of you have moved on your own with state government modernization and reorganization, and with substate regional planning and development. This whole area of state planning has occurred within the last 10 years. You also moved with land use reform and with the beginnings of local government reform. I think it is clear that Governors should not wait for a final comprehensive national growth policy. I personally think that a national growth policy will continue to evolve and to be fully effective it must be built from the ground up. The States, in my opinion, must be the main building blocks, because they hold the keys to reforms in both our metropolitan areas and our rural areas. In other words, the role of the States in national growth is one of indispensable leadership.

The States, led by Governors from both parties, have been fighting for national reforms which will unleash their capacity for such leadership, and because many of these reforms are within sight, we are about to enter a period, in my opinion, of tremendous potential for state action. There is greater opportunity for the States to play a much more important role in national growth developments in the '70s than was true in the '60s. We are also entering a period of intensified competition worldwide and domestically, and I think that our Nation is confronted with competition all along the line. And as we face a more intense competitive period, I think we need to weigh the extent to which technological progress, particularly in the field of communication and transportation, has increased the competitive attraction of those States and communities offering the more attractive economic, social and physical environments. It is not necessary today, in connection with the major sources of jobs and employment, to locate them where there are natural resources and other considerations that used to apply. The bulk of the jobs today are in service industries, and a vast percentage of those can be located almost anywhere in the country in light of the present means of communication and transportation.

Those States, in my opinion, will win out in this competition that excel in the efficient and the economical use of available resources through stimulating their state development around dynamic growth centers. What I mean is that those States which continue to dissipate their resources over the whole State without regard to the fact that there are certain communities in areas that show growth potential, and concentrating their efforts on those growth centers, are going to tend to lose out in this competition. I also think that those States who fail to recognize that we have a city situation that will not lend itself to the solution of city problems under the present governmental structures are going

to lose out, because the hard facts are that the old central cities are no longer the real cities. The old central cities in our metropolitan areas are just a segment of the real city, the real city consisting of all the surrounding population in the surrounding communities and suburbs. In my opinion, it will be as impossible to work out the solutions for these city problems, the real city problems, within a balkanized governmental structure such as exists in these real city areas, as it would have been for this country to have continued under the old Articles of Confederation; the situation is very similar. After all, there were originally 13 independent sovereign States. They were jealous of their sovereignty, jealous of their independence, and they did not want a national government that could threaten their sovereignty and independence.

The Nation was saved by the Constitution that created a national government that could develop national solutions for national problems. In my opinion, cities such as Chicago, with 1,113 separate autonomous local units of government with taxing power, Seattle with almost 3,000, can't possibly work out their problems, unless they develop some mechanism to deal with their real city problems on a real city basis. I do not think this requires the creation of metropolitan government, although that may be one alternative. In any event, I think there has to be such an approach. To win out in this competition will require facing problems, the thorny problems of declining rural areas, antiquated state governments, balkanized local governments in metropolitan areas, deteriorating central cities, environmental degradation caused by uncontrolled land use, and tax policies which drain the central cities of their resources and duplicate their costly public facilities in multiplying suburbs. Fundamental to the solution of these problems and national growth is the structure of regional government, and I refer to regional government both substate and interstate.

As the Advisory Commission on Intergovernmental Relations has already recognized, the nature of substate regional structures, that is, what sort of structure you are going to create in these real city areas, in these metropolitan areas, in these rural areas, is the key to the nature of a sound interstate regional structure. One thing that has to be resolved, if we are going to make real progress in dealing with these problems, is the question of whether the Governors will represent the State, including the local units of government, in dealing with these matters of an interstate character the way a president does the country, or whether we have to have a proliferation of representation in all of these interregional, interstate activities. In my opinion, the creation of interstate regional structures as a fourth level of government will impede, not advance, sound national growth. I think a sound interstate regional structure should enable Governors to play an effective advisory role both regionally and nationally, because I think the States need to have an effective voice in helping to shape not only their own policies, but national growth policies. I think there is an interstate regional structure that can be developed that will accomplish those objectives without creating a fourth level of government, and without creating a more complicated grant-in-aid structure as a result of doing it.



This is a large agenda, but it is increasingly urgent as people lose confidence in government. My principal concern is whether or not these needed reforms can be achieved without a national crisis. I want to say to you honestly I don't know whether they can or can't, because my experience has been that it appears to be impossible up to this point in this country in a free society to get fundamental reform until you have a crisis. I think what the Governors have done in the last 10 years in focusing attention on the need for revenue sharing and some of these other things is evidence of the type of support that can help to get reform before we reach the point of tremendous crisis. Whether we get all of these in time is my real concern.

**CHAIRMAN MOORE:** Thank you very much, Mr. Secretary. The Secretary will remain for your questioning at the appropriate time. Our next guest this morning is the very distinguished Chairman of the Senate Committee on Public Works, a native of my State of West Virginia, who has had a distinguished career in the political life of our State, and who has, both as a member of the House of Representatives and then as a member of the United States Senate, contributed greatly to a legislative fabric seeking to touch upon the manner in which we Governors can utilize some of the best instruments available through the federal establishment. I am pleased to present to you the senior senator from the State of West Virginia, the Honorable Jennings Randolph.

**SENATOR JENNINGS RANDOLPH:** A pleasant good morning to the Governors who are assembled, not in a round table, but I'm sure in close communion. The Governor of the State of West Virginia, of course, is the very diligent Chairman of your National Governors' Conference. He introduced me as being somewhat senior, and I recall, Governor Moore, that a few weeks ago I was dedicating a public building in one of our counties, and the state senator in that district, wishing to be very gracious, was to make certain remarks, and then, as he said, present me as the senior senator of West Virginia. He became so enthusiastic that he introduced me as the senior citizen of West Virginia. And so I do come, in a sense, today, not talking at you, but counseling with you, after some 28 years of working in the Congress of the United States. I am appreciative that you call upon one of your national legislators to go over some of these matters which are of extreme importance as you plan for the continued growth patterns of your States, and the understanding and participation of your constituencies in these challenging days ahead.

Governor Moore, the very title of this program implies strongly that States have a vital role, not a secondary role, in formulating and implementing the growth plans. Of course, this could be an assumption that would be expected from the Governors who sit in this important Conference. It is more than an assumption. I think it is a conviction, a conviction in which I fully agree. The dominant questions being raised by Secretary Romney and by your present speaker are those that relate to the extent and form of state involvement in growth activities. But there are issues on which there is no unanimity of opinion on the correct

approach. It is essential for the States to be involved, deeply involved in these activities, for there is no approach to growth that applies on a universal basis throughout this country. Your State is different, in a sense, from another State, and sometimes our very differences are our strengths, and yet there is this opportunity to have a unity. We can move forward as one, but we can do it without a straitjacketed formula, or adding as has been indicated by the Secretary, a matter on which we disagree, another layer of federal government.

It is essential for the States to be involved in these activities, for there is no approach to growth, as I have said, that is universal. Growth must be managed on a more restricted basis, because the needs of your States and the communities within your States vary widely from place to place. It is the responsibility of the federal government to provide the necessary tools for planned and orderly growth, and to assist by focusing those resources of the many and varied programs which are available or can come into being. In our approach within the Senate Committee on Public Works, we have considered growth only in its positive and its beneficial sense. We have attempted to provide procedures by which communities can control their growth, and direct it into what we believe to be not only desirable, but determined channels. As Governors, you are currently riding a crest of a wave that has carried more and more authority away from Washington and returned it to the state capitols. This is good. The movement toward federal supremacy that started under the conditions of crisis more than 40 years ago has now come, as you know, full circle. We know that although a strong federal government is, of course, essential, there are many activities that can be carried forward better on a level that is physically and politically closer to the people and to their needs.

Gentlemen, the ability to respond with sensitivity and with reasonable dispatch to local requirements is critical to the survival of government. I think you know that our people are increasingly restless in mind and body as you meet here in conference. I find that no longer are they always interested in the explanations that we attempt to give. The people want to have more direct and definitive replies. They see what is accomplished in such remote fields as space science, and they ask you, the Governors, they ask those of us in the Congress, why we cannot achieve similar success in activities that more directly affect their lives—jobs, health care, education, housing, as Secretary Romney would well realize. Gentlemen, these are valid questions. Our answers, although I'm sure they are sincere and from varying viewpoints, are not always satisfactory. It is time, therefore, to consider how we can best marshal the vast resources of the United States. These vast resources must be directed toward providing not so much just a better life for our citizens, but one in which there is meaning, meaning for more people. We must devise ways to assure that the people of one community are not less advantaged than their neighbors, because of circumstances over which they have little or no control, severe economic fluctuations

could usually, not always, be avoided, and every community would have, insofar as possible, the public facilities and services with which to strengthen, to develop a sound economy.

Very factually, very earnestly, these are the goals of the legislation pending in the Public Works Committee. As you know, the Public Works Development Act of '72 approaches old problems in a new way, but new only in the sense that it has never been applied on a nationwide basis. For the past seven years, as Governor Moore has indicated, I have made considerable legislative efforts with a unique approach to governmental relationships. It has, I believe, proved to be a valid approach and one which can effectively apply to helping facilitate proper development, not in a certain number of regions of the country, but by the development of all of the parts of this republic of which you are important leaders. This developmental measure directs that public works investments be made on the basis of regional planning. The concept, as you know, was first set down in the Appalachian Regional Development Act of 1965. It was not just another bill which had been dropped in the hopper and pulled out. There was a period of study and two years of intensive effort to look into problems and to see how best they might at least be partially solved through the cooperative effort of state and federal levels of government, with the initiative moving upward from the communities themselves. And so there was a partnership, not a senior partnership, not a junior partnership, but a real partnership. I say very strongly that there was no imposition of a level of government in-between. This is very important, certainly to Governors.

Thirteen members of the National Governors' Conference, from Governor Rockefeller in the North, to Governor Moore of my own home State, to the Governors of Mississippi and Alabama, these Governors are actively involved in the effort of which I speak, an effort which works and works well. While all of the goals established for the program have not been reached, there has been an underlying significant progress, to the extent that those of us who participate have realized that the regional approach has very much to recommend it. With this experience, our Committee, gentlemen, last year held hearings throughout the United States. We wanted to assess the local needs, to obtain the recommendations of the officials most concerned with meeting those needs. We learned about the conditions in communities of all sizes and compositions, and we were not disappointed in our quest for suggestions from local officials. We were convinced that a program to establish a national policy, balanced and rational in its development, was essential and that its time had come. And so the bill that we are considering is a measure that is intended to generate orderly economic and socially desirable development through a sound public works policy of broad range. This spring, Governors of the Conference, we held six days of hearings during which we explored in depth the relationship between state and local governments. The program proposed in this bill would place the initiative at the local

level and would help state and local governments adapt the resources of many national programs to local requirements. To be effective in meeting the needs of our people, it must, of course, have substantial financial support. The bill authorizes \$7.5 billion over three years for the grant programs which are central to the total effort. Grants would be for up to 50 per cent of a project, but like Appalachia, the federal portion could be raised to a maximum of 80 per cent.

It is inevitable that this program be discussed and reviewed in relationship to the revenue sharing proposals of the President of the United States. The two are not necessarily contradictory and, in fact, I think they could be complementary. Revenue sharing is one response to the problems of state and local governments. The Public Works Development Act is an extension of revenue sharing that does more than just make additional funds available to hard-pressed governmental bodies. I am appreciative of your counseling and allowing me to counsel with you. In addition to channeling funds away from Washington with great flexibility as to the use of these funds, we propose to authorize an administrative structure to handle expenditures that are consistent with both locally developed and national priorities. It is a structure, I believe, that is workable and appropriate and will give us a utilization of redistributed resources.

The role of the States is critical every step of the way. The composition of the regional commissions would be determined by the Governors, and you or your representatives would be members of the commissions. As equal partners with the federal government, you would help to administer the program consistent with state and local plans and needs. I believe the Public Works Development Act sets down an exciting new approach to solving some, perhaps many of our most serious and persistent problems. It is a program which I believe Governors would eagerly embrace as an opportunity to bring their own energy and imagination to bear upon the needs of the people they lead. And, finally, for those who in our Committee are active in this development, this measure is an affirmation of our belief in the ability of government which is closest to the people to effectively serve the people. We believe, gentlemen, in you and your leadership, and we want very much to give you the tools to do the job.

CHAIRMAN MOORE: Thank you, Senator Randolph. I would share with my fellow Governors that at the beginning of the year I followed through with the development of a National Governors' Conference Task Force on National Regional Development Policy. Appointed to that task force were Governor Anderson of Montana, Governor Bumpers of Arkansas, Governor Davis of Vermont, Governor Holton of Virginia, Governor King of New Mexico, Governor Lucey of Wisconsin and Governor McCall of Oregon, and as Chairman the Governor of Georgia, Mr. Jimmy Carter. At this time, as commentators on this subject, I would ask Governor Jimmy Carter of Georgia to be the commentator leader, to call upon the participating Governor commentators, and then your individual input would certainly be appreciated. Governor Carter.

GOVERNOR JIMMY CARTER: As a new Governor last year, I think I shared the experience with many of you in discovering very quickly that the interrelationships between the federal and local governments in my own State was one of the most challenging and difficult questions to resolve. During this past year, I have had an analysis system set up within my Planning and Budgeting Bureau to analyze for me ahead of time the major provisions of proposed Congressional legislation that would affect my State and, of course, would affect the other States in the Nation. I have been to Washington to appear before Congressional committees on rural development, on water pollution control, on land use planning, on crime control, and have tried to emphasize in these appearances the proper relationship between the States and the federal government as I discerned it. We prepared in our State a state investment plan which lays out for years to come the orders of priority and the needs in social and economic development. I have been the state co-chairman of the Coastal Plains Regional Commission during this year, and at the end of this month I will also be the state co-chairman of the Appalachian Regional Commission. I have 86 counties in the Coastal Plains Regional Commission, a part of the Department of Commerce; 35 counties in Appalachian Regional Commission dealing directly with the President's office; and 38 counties in the heart of my State that are not in any commission. There is a great deal of difference between the original concept of Appalachia which was so gratifying to everyone, and which has been so successful, and the present concept for regional commissions.

In Appalachia, the Governor and the President are on an equal basis in determining what is best for the development of a particular region. The President has as his representative a federal co-chairman and the States collectively, the 13 of us, have a state co-chairman, who are supposed to work in harmony. This arrangement has changed somewhat, so that now the general concept is that the federal co-chairman is on the same level with the State, and that's the man that we deal with, and the state co-chairman is really struggling to carve out for himself a permanent, equal relationship with the federal co-chairman. Under the Coastal Plains Regional Commission and in others, the federal co-chairman works under the Secretary of Commerce, and the States' Governors have no access to the central decision-making office of the federal government, which is the President. This makes it very difficult administratively, and at least in the Coastal Plains, and I think in many others, this relationship has not been adequately resolved.

There has been for years, and I think still, a tendency for federal government agencies to bypass the States and deal directly with local governments. I don't consider that I have 159 different communities among my counties, or 600 or 700 different communities among my cities. I have one State, one plan for development, one common purpose, one common series of problems. They are completely interrelated, and whether we are dealing with water pollution or early childhood

development, it is almost impossible for me as a Governor, or for you as a Governor, to evolve an effective statewide plan working through our respective agencies, either natural resources, education and so forth, if, at the same time, and parallel to us, the federal government is arranging unilateral relationships with 600 different cities or 159 different counties.

We are now forming in our own southern portion of the Nation a Southern Growth Policies Board, and I would like to emphasize the word "policies." Governor Holton from Virginia is the first Chairman of this group, and we are not just trying to grow, we are supposed to and are beginning to analyze what type of growth we want. Growth in itself is nothing to be proud of. For instance, I don't want any new industry to come into my State if it is dependent on its choice of Georgia for cheap labor, for special tax privileges or for derogation of our environmental quality. Some States already have enough heavy industry in certain regions. Some States perhaps have a maximum number of people living within them. The point I am making is that the one who can judge this best is the Governor of a State. It is not the secretary of a federal agency, it is not an individual mayor or county commissioner.

One of the most difficult relationships that we have, not really touched upon by regional commissions, is adequate planning for the future, say in highway construction. We pay our own tax funds into the federal treasury each time we buy a gallon of gasoline on a completely spasmodic and unpredictable schedule. We have no way to lay out for interstate highway construction an orderly, progressive plan for design, for right-of-way acquisition and for construction. We do this for 20 years in the future on state projects or county projects or federal-state projects, but we work on a monthly or quarterly basis on interstate highways. We have a long way to go in a proper relationship being evolved so that the state plans as devised by us Governors are adequately correlated with plans agreed to by the federal agencies in the regional commissions, Appalachia or the more recent ones envisioned.

This morning we have a series of Governors who will speak to us on this subject from almost every region of our Nation, who have peculiar problems because of their geography and the nature of the development of their own States. The first Governor that I will call on to comment is Governor Dale Bumpers of Arkansas.

**GOVERNOR DALE BUMPERS:** Thank you. You know, Phyllis Diller said one time she could go around the house with nothing on and it didn't do a thing for old Fang. She said at least when they first got married he'd get nauseated. The thing works in reverse for me, and like Governor Carter, I came in at the same time, rather apathetic about the regional concept. As time went on, and we studied the plan, and studied the original purpose of the regional concept, I became nauseated at our lack of funds to implement it. I think it is imperative that we all recognize that the concept of whole States being in the regional commissions is no panacea and, in many instances, it will have a deterrent effect upon

the plan. Our original purpose in the Ozarks Commission was to close the income gap, and to also stop the out-migration from rural areas to urban communities. In the Ozarks Commission area, if the per capita income of all the people in that area reached the national average, the federal government would benefit by several hundred million dollars annually in increased income tax collections. We are spending approximately \$7 million annually in that commission. There are those who believe that the migration in the decade of the '70s is going to be from the urban and the northern areas back to the rural areas. I am one of those who believe that. Therefore, I think it is absolutely imperative that we strengthen our communities, the rural communities, and that we do so in a very orderly manner.

I subscribe to almost everything Jimmy just got through saying about a plan for the whole State, and while that would work for my home State, and perhaps Governor Carter's home State, it might not work for every State. I think that it ought to be left to the discretion of the Governors as to whether or not they want the whole State in, and whether or not taking the whole State in really complies with the original purpose for which the regional commissions were set up. I also want to comment on a thing that Governor Carter mentioned, and, of course, he has the best of two worlds—he is in both Appalachia and Coastal Plains. Our complaint is that the regional commissions have been funded at approximately \$5 per capita, while Appalachia has been funded at the rate of \$95 per capita. We feel that with adequate funding our commission could implement the original purposes. We also feel that all Title V commissions ought to have a direct line to the President, that there should be a federal co-chairman at that level, and that it should not go through the Secretary of Commerce, who is inclined, I think, to be more concerned about his own line item projects than he is about the regional commissions. I don't say that disparagingly; I say it as a fact. But we do not have sufficient input at the level we need it in order to get our funding.

I am not one who believes Governors sit down and divide up the take, a criticism which has been leveled at us. In our commission, for example, the Arkansas River runs through the States of Oklahoma and Arkansas, and we have entered into a compact, Governor Hall and I, to try to make certain that responsibilities placed upon us are met, and that an orderly growth along the banks of that river is provided for. When it comes to closing the income gap, we found within the three States comprising the Ozarks Region that we were importing vast amounts of fruits and vegetables from outside our area that could have been grown and used by the freezers, processors and canners within that area, and that we were losing \$110 million in annual income as a result. The cost of transportation along to import that volume of fruits and vegetables was \$52 million. We have instituted a pilot project designed to establish three 10,000-acre modules to raise fruits and vegetables to be irrigated from the Beaver Reservoir, and if this pilot project should prove as beneficial as we think, by the

year 1980 we will be producing our own needs and thereby increasing the income by over \$110 million in this region.

When it comes to planned growth, I was interested, as were the other Governors who toured the Soviet Union last year, when the mayor of Moscow told us the population of Moscow was 7,200,000, and they had not yet decided whether by the year 1980 they would allow it to reach 7,500,000. This is most impressive but, of course, they have a regimented society. But if we are going to have an orderly growth in the regions, indeed nationally, it is going to be necessary to all of us occasionally to vote against our own selfish interests. I champion the regional commissions if they are properly funded, if we have a direct line to the President, and if the regions are designed, not necessarily on geographical bases, but on the basis of mutual problems. I think that the problems of closing the income gap in certain areas of my State are more critical than in others and therefore it is not imperative that my whole State be taken in. Also, it is absolutely essential that we have help in the planning of an orderly growth and finally it is essential that we balance rural and urban growth. In the past two decades, you have seen a tremendous out-migration from the South to the North. Had we spent the time and the money to strengthen rural communities of the South, then what came to be known as urban blight might never have occurred. It was interesting that once people left the rural areas and became a part of that urban problem, Washington couldn't get money to them fast enough to try to help solve it. It was a problem that could have been prevented and can still be prevented.

GOVERNOR CARTER: I think the important point that Dale made is the opportunity for two or three States to form their own compact or arrangement or planning commission to solve peculiar local problems that happen across state lines. One of the additional points that should be made is the necessity of forming multi-county districts within the States. Georgia is, I guess you'd say, blessed with 159 counties. Texas is the only State that has more. It is almost impossible administratively to deal with so many small units of local government. But we pioneered in the development of the multi-county districts. We have 18 area planning and development commissions, each one with a highly developed professional staff. They have been adopted by our Legislature now as a mandatory legal entity, and our state government agencies are orienting their service delivery system through these 18 planning commissions. The federal government, under a directive issued several years ago, is also recognizing these 18 planning commissions in the administration of federal programs, and I think this in itself will tend to orient the thrust of the state and federal programs through a common channel to our people and require closer coordination. The next speaker will be Governor Deane C. Davis of Vermont.

GOVERNOR DEANE C. DAVIS: Mr. Chairman and gentlemen. I speak not only as a witness to what can happen by a regional approach to problems,



but also a converted witness, because at the beginning of my experience in this area four years ago I had some very sincere doubts concerning the question of whether this was anything of real profit to our area, other than another way to divide up the money. I am converted completely. I am not a bit worried about the idea of the interposition of another level of government between the States and the federal government, or between towns and cities, and I am not a bit worried that we are there simply in the New England Regional Commission for the purpose of sitting down and dividing up some money that in one way or another we got from Washington. I speak as one from a completely rural State. It is often said that we have more cows than people, and that's a distinction that we didn't share with anybody until recently when I understand the State of Texas now claims that they have more cows than people, but their cows are beef cows and ours are more intelligent cows because they give milk for the people to drink.

But this year I have had the opportunity to serve as co-chairman. During the last three years I have increasingly come to see that it is indispensable to the solution of our northern rural sections of New England that we somehow find the mechanism, and I believe we have it in the New England Regional Commission, to approach our problems in partnership with the federal government and perhaps more importantly in partnership with our other States. During this period of time, for the most part, we have had three Republican Governors and three Democratic Governors. We have had three major areas—rural States, Maine, New Hampshire and Vermont—and then below that we have had the more sophisticated States of Rhode Island, Massachusetts and Connecticut, and we have worked in complete harmony. I wouldn't try here to tell you all of the areas in which we have approached our problems, but just let me point out a few.

In the field of highways we studied the problem of to what extent we could improve the transportation situation by east-west highway construction, and while we were entirely in disagreement to begin with, as a result of that study we now have a unified position, which all six States have taken. We are working on the subject of the restoration of railroad service into the northern section of New England. We have had some very happy results in the matter of considering the needs of water supply, particularly in the rural areas. We have had help from the federal government and from the New England Commission in establishing several hospitals on the line between Vermont and New Hampshire, which have contributed to the growth that has taken place there because those areas have now become interesting areas for people to develop in, for small industry to come into. Sewage disposal, we have an exciting project going on. Growth centers, we had an argument to begin with with the federal government over the selection of where the growth center should be. The federal government took the position that it ought to be in a place because it was already growing

fast, and I said no, let's put it in a place where there is still potential, but where they need growth, and I won that argument after a little while.

I had the privilege of being up in Saint Albans last week to dedicate two new municipal parks, to dedicate the beginning of a sewage disposal system which covers six towns, six towns which have fought each other like tigers for the last 25 years. They are together today, not in a layer of government, but in a voluntary development corporation which they have put together by themselves, using the funds created by the New England Regional Commission through the federal government. We are on our way to a real solution in that area, and that happens to be the area that has the highest unemployment rate in our whole State of 14 per cent. We will have it down to something more near the average very shortly. The areas of conservation, rivers and waters, flood control, supplying electric power, all of those things we are working on happily together. We haven't solved all of the problems yet, but is there any Governor here that represents a State that has solved all the problems in his State? So you look at me today as one converted, sir, to the faith.

**GOVERNOR CARTER:** The next speaker this morning is one who is a fine leader in his own State. I have already mentioned him as the first Chairman of our new Southern Growth Policies Board. He is a very sagacious politician, having played tennis yesterday with the Vice President and having lost. Governor Linwood Holton.

**GOVERNOR LINWOOD HOLTON:** Thank you, Jim. Fellow Governors, ladies and gentlemen. I can do this in about three minutes. In this matter of growth and development, it is true that we can do it in a partnership situation without creating a fourth level of government. In our Southern Region we happen to have had some very significant successes in this area. The first was an entirely voluntary regional board, the Southern Regional Education Board, in which the Southern States pooled their resources and with assistance from Washington, but particularly on a partnership basis among themselves, solved at minimum expense some of the real problems that we had in the area of higher education. We have also had a very fine experience with the Appalachian Regional Commission which has been referred to many times here, and I won't go into it additionally, except to identify the two significant characteristics of the Appalachian Regional Commission which, in my judgment, have made it successful. One, the Appalachian Regional Commission has had the active participation of the Governors of each of the States. It is pretty easy for the Governors in something of a self-serving declaration to say, as we did say in a policy statement dated September 1971, that federal agencies should recognize the Governor as the chief state policy-maker and planner responsible for the coordination of all statewide and multijurisdictional substate planning. We say we want all the attention to come on us. Well, what we have to do is get into these things and participate. Dale, I agree with you that the best way to get the attention of the Governor is to put money in it. If we have had \$95 per capita in the Appalachian Regional

Commission as opposed to \$5 in the Title V commissions, it worked. It got the active participation of the Governors of those 13 States and, in my judgment, that participation was essential. The Governors, not HEW or a regional office of something in Philadelphia, but the State.

On the other hand, a very significant characteristic of the commission is the presence of a federal co-chairman in the President's office. That enabled us to have the coordination among the various departments. The Appalachian Regional Commission has used resources from the Department of Commerce, HUD, TVA, Department of Agriculture, HEW, OEO, Department of Labor, at least those, and the federal co-chairman has been able to require coordination among those agencies. Perhaps, George, the coordination that you mentioned through the Domestic Council is a way to do it. On the other hand, it seems to me such alternatives as a Department of Community Development, which would enable this coordination to take place, gets up high enough in the federal hierarchy to reach all of those areas and bring in those resources with proper coordination and in partnership with the States. The important part is that the Chief Executive of the State participate, and that there be coordination among the federal agencies that supply the ideas, the planning and, most importantly, the funds. With those two elements, top level federal participation, top level state participation, development policies can be made on a partnership basis successfully, not destroying, but rather enhancing each of the three participants, federal, state and local government.

**GOVERNOR CARTER:** The next speaker is a political compatriot of mine, Governor Pat Lucey of Wisconsin.

**GOVERNOR PATRICK J. LUCEY:** I really think that much of what I had planned to say has been said. I notice that we are typically running behind schedule, and we do have a session yet this morning on financing of elementary and secondary education which I think is certainly an equally important subject. Much of what I had planned to say was said by Dale Bumpers. We are a part of the Upper Great Lakes Regional Commission. I do have rather strong feelings about the whole-state versus the part-state commission. I think that when the regions were set up, it was with a view toward recognizing that there are some sections of the country that have not been caught up in the general growth of the country, and it was intended that we would discriminate in their favor, and I recognize that the whole-state concept provides sort of a delivery system for rural development, urban development, and so on.

I believe that the new proposal that the senator talked about does not change the Appalachian arrangement, and that seems to me to support the validity of this kind of discriminatory attention to some of these areas that deserve it in order that you can bring up the per capita income in those areas and make them productive in terms not only of quality of life there, but even in terms of revenue to the federal government. I think that our Upper Great Lakes Commission, which covers some 191 counties in the northern part of Michigan, Minnesota

and Wisconsin, is nothing more or less than a miniature Appalachia, and I think we ought to be entitled to the same kind of consideration that those States and part States that are in the Appalachian Commission have been entitled to. I would hope that whatever device is provided for a nationwide regional planning system or delivery system for various programs will preserve the integrity of these special Title V regions. I think it would be very difficult for three Governors participating with the federal co-chairman in Michigan, Minnesota and Wisconsin to make the proper allocations I think we are now making within the limits of the funds available for the rather destitute areas of our three States. If, in fact, this money came in on a whole-state basis, and we had to concern ourselves with the fact that these areas have very little prosperity, also very little population, I am afraid that all of us would be pressured to be concerned about some of that money going to Detroit or to Milwaukee or to the Twin Cities that perhaps ought to be going into those 191 counties that were properly identified as economically distressed. So this is one area of concern that I feel strongly about, and I believe that the other two Governors of the Upper Great Lakes Region perhaps share my concern in this area.

GOVERNOR CARTER: Thank you very much. We have two more commentators this morning, then we will have a brief discussion, and we will be finished with this panel. The next commentator will be Governor McCall of Oregon, and then Governor Forrest Anderson, who will be our concluding commentator.

GOVERNOR TOM MCCALL: I am co-chairman of the infant of the regional commissions. Our approval came on May 25th, and will be operating about the 1st of July, but I would like to associate myself on the basis of my experience in testifying before Senator Randolph and his committee twice in favor of that legislation, and I subscribe to all the principles enunciated by the Governors before me. I would hope that rather than creating new bills of expenditures under this law, we might use bills that have already been proposed in vertical revenue sharing, and use these as devices for the distribution of these funds to fuel regional growth. Growth means different things to different Governors, depending on where their States are located, and what their States produce, but to all of us when we talk about growth, growth and transportation are inseparable. This is especially true, gentlemen, regarding our State, and the Coastal States to whom transportation means movement of produce and goods overseas, as well as movement domestically. We in the Pacific Northwest, in particular, feel that our destiny for centuries to come is joined with that of the 29 Pacific countries, and our export-import business to those countries last year topped \$1 billion alone. That is why I have been on five missions to Japan, the last a mammoth one in February, where we found an alarming reaction to the United States West Coast dock strike. We had an advance team out there for six weeks. In six Asian countries they reported consternation, resentment and disbelief everywhere over America's unwillingness to come to grips with this tragedy of commerce.

We can't now recover the \$1.5 billion in lost markets that we lost due to this particular strike, but we do want to call to your attention, as a matter of national growth policy, the need for legislation to prevent a similar paralysis occurring in the transportation system of the United States. In particular, I would like to suggest to you that you discuss with your senators S.3232, which provides for an extension of the cooling-off period in a region where a strike was severely impactive on transportation. The Labor Committee has produced a bill, but it only covers the areas of rail and airlines. I may sound to you like an old union buster, but I have been president of my union and a member of it for 20 years. We discussed whether to bring this up on a formal basis by resolution. It was thought that it would cause a partisan flap.

But I do ask you gentlemen if you would please contact your senators regarding the bill I mentioned. We have about 48 votes on the floor of the Senate. It will be up on the floor of the Senate about June 15. Contact them without delay, asking them to forge a permanent barrier to the recurrence of any trade paralysis of this type. If we could, gentlemen, say, make a 10-year guarantee to the effect that a key part of American international and national policy would be the putting off of these strikes for that decade, we could start up the road back to a favorable U.S. trade balance and to restoration of confidence, persuading people-to-people relations as well as commercial relations, not to mention the strength of every regional commission by achieving a strengthening in the foreign and domestic commerce of the United States.

**GOVERNOR CARTER:** The final speaker will be Governor Forrest Anderson of Montana.

**GOVERNOR FORREST ANDERSON:** We have formed the Old West Regional Commission in the States of Montana, North and South Dakota, Wyoming and Nebraska. Our concept, I think, probably differs considerably from those which have been formed in the past. We don't necessarily think of ourselves as an area where poverty is the total problem. We feel that we have a great deal in common. We have many interests that are the same in these five States, and we feel that by working with one another we can do more toward the development of our region than we have done in the past where we have worked individually as States. Basically, our five States are so composed that they are extractive in nature from the standpoint of our economy. As we see it in the not too distant future in this country, there are going to be many changes, and we feel that there is going to be great population growth in our areas. This is one of our great concerns. We would like, if we can, to not make the mistakes that have been made in other areas where population growth has haphazardly taken place. We do expect a lot of growth. We think this will come in spite of us, and necessarily in order to do a good job, five States can probably solve our problems better than has been done in the past.

To give you an example, we in Montana have heard for years the old cliché of "Montana water for Montana people." This sounds great. It sells well with the

average fellow who doesn't understand the problem, but I say the waters in the area of our five States should be shared amongst us, in that by doing this we can do a better job of creating an economy in our region than we have in the past. I feel that many of the problems that are in the Nation today have been brought about because of the fact that everyone has seemed to think that industry must be along the waterways of the Nation, and billions of dollars have been spent by the federal government on the waterways of the Nation, and we are hopeful that we might be able to change this a little bit to where we in our region can produce things and get them to the marketplace favorably. If we can do this, we have a great region of this Nation that can be developed and developed without making the mistakes that have been made in the past. We are new, and we expect a great deal to occur in the next few years because of the fact that the Old West Regional Commission has been formed. We are going to have an organizational meeting today, and that's about as far as we have gotten so far. We do have Mr. McCoy from South Dakota who has been appointed by the President to be the director from the federal standpoint, and I, in turn, am the Chairman of the five Governors that belong to this region. We expect a lot out of it. We are going to work at it.

GOVERNOR CARTER: Thank you very much. I think with two speakers and seven commentators, most of the questions have been answered, but Senator Randolph and Secretary Romney are here. If there are any quick comments we can have them. Governor Guy of North Dakota.

GOVERNOR WILLIAM L. GUY: It is interesting to me to hear the suggestion that the States should coordinate their planning with the federal government in these regional commissions. It is interesting to me because the federal government does not have any goals to coordinate with. In other words, we as States are expected to establish goals and comprehensive planning to mesh in with nonexistent federal planning and federal goals. It seems to me that the most basic thing that Congress and the federal executive branch need to recognize is that in order to know where we are going, in order to know what our national growth policy is, we need to have some articulated goals as to the direction in which we are trying to move, and so the regional commissions are without any goals. And so each federal agency conducts its own individual fragmented planning, absolutely not part of any national comprehensive planning or national goals. It seems to me that we as Governors ought to demand that the Nation soon establish the direction in which it wants to move in national growth so that we at the state level can mesh our local government and state government and regional government planning with the national planning goals.

GOVERNOR CARTER: Thank you very much, Governor Guy. Governor John Love of Colorado.

GOVERNOR JOHN A. LOVE: I realize that there is a pressure of time here involved, and I will be very brief. I have a somewhat negative, different view on the regional commissions that I think at least needs to be expressed

in view of all of the support that has been given here at this Conference. First let me say that the Chairman very properly and eloquently to begin with indicated the importance of revenue sharing to this group. It is my opinion that revenue sharing and wall-to-wall regional commissions are probably not compatible, if for no other reason than the pure fiscal problem that faces the federal government as well as the States. The survey done by the Brookings Institution would indicate a deficit for the future that leaves serious doubt whether you can have \$7.5 billion for regional commissions plus the \$5 billion plus for revenue sharing.

If I were forced to choose I have no doubt that I would pick revenue sharing, because the regional commissions, at least in my experience, are a somewhat clumsy way simply to channel money into the state-local need areas. Our experience is that under the direction of the federal government we have had a fairly substantial staff, expended rather substantial sums of money, to devise a so-called regional plan, but the net result has been that, in all honesty, we have not been able to identify regional projects of any consequence and, as a result, we do meet periodically and divide into four pieces, the four States' share of a rather small amount of money that is presently used to fund the regional commission. I don't know in detail, but I have a strong feeling that the same thing is true in other regional commissions.

In Appalachia, I think the large percentage of the money has been spent on highways. It is another form of highway financing almost, plus the fact that compared to revenue sharing per se, the regional commission money comes as supplemental grants, and you simply have to go through a rather clumsy procedure with the regional commissions. I don't think that we are going to be able to secure both these programs. I would say that we are faced with the rather stubborn fact that by virtue of long tradition and many other things, the State is the essential and the necessary administrative body, rather than any region that we are going to be able to develop.

GOVERNOR CARTER: Thank you very much. Governor Licht of Rhode Island.

GOVERNOR FRANK LICHT: I look at the regional commission in New England somewhat differently. I think what Governor Love has said is perhaps accurate, that it is a supplemental way of getting funding for States, but we shouldn't give up something that at least in our case has some merit. We coordinate the New England Commission with the New England Governors' Conference, and we always meet at the same time, the Governors dealing both with matters of the Commission as well as matters involving funding. When I first became Governor I was somewhat concerned about the Commission because essentially most of the time was spent in planning grants, and it seemed to me that many of the plans after they were already prepared by outside experts, never did become action programs. I think the six New England Governors, though we are of different parties, nonetheless have been unanimous at all times with respect to programs we have adopted. We as Governors know that action is more important

for us than studies and we have moved away from overemphasis of studies and into action programs. The advantage of the Commission is that it does give each of us an opportunity to have an interchange of ideas with respect to regional matters. While we have not had the benefit of solving these regional problems because of underfunding, nonetheless I see continued benefit in maintaining the New England Regional Commission. I think it has had some beneficial effect in the New England area.

**GOVERNOR CARTER:** Thank you, Frank. I certainly agree. We have had different experiences between Appalachia, which has been heavily funded, and our Plains Commission, which hasn't been, but it gives us a chance to work on common problems. Governor Curtis from Maine.

**GOVERNOR KENNETH M. CURTIS:** I don't want to take any time, but I would also like to just add my voice to defending the regional commissions. I have never been particularly happy with the exact way they have been structured. I think we could make some big improvement there, but I do feel they have provided some very valuable seed money, very small indeed, but we have been able to get some things started, which I think has been a great benefit, that we wouldn't have been able to do if we hadn't had this particular program. We heard Secretary Romney speak a great deal about growth centers. I agree with his concept particularly in rural States like Maine, and the only chance we have had to develop the growth concept is through the seed money we have been able to get through the Commission. I hope that some form of regional commissions will be continued, and revenue sharing also. I think there are some other places we can cut federal spending a lot more than we could in the area of regional commissions.

**GOVERNOR CARTER:** We will have one more comment. Governor Jack Williams.

**GOVERNOR JACK WILLIAMS:** I notice in the bill that the Indians are supposed to be put into a separate category. I know we have difficulty in rationalizing the reservation structure, but I would certainly have a strong caveat against moving Indians into a separate category when we are trying our best to make them citizens of our State. It is very difficult to be both citizens of a State and citizens of a Nation, and have the State exercise any influence in connection with them. It is almost as if you took the Mexican-Americans and made a separate commission for them, the blacks a separate commission for them. I think that's going the wrong way.

**GOVERNOR CARTER:** We have this morning present the general counsel for the Public Works Committee, and I am sure he took note of your comments. Gentlemen, thank you very much.

**CHAIRMAN MOORE:** Secretary Romney and Senator Randolph, we are deeply appreciative of your presentations, and Governor Carter for your commentator leadership. I would like at this time to move to the next subject matter of discussion. As your program would relate, it is the "Crisis in Elementary



and Secondary Education: Financial Reform." We had anticipated having Congresswoman Edith Green with us this morning. We received a telegram advising that her requirement to be on the House floor made it impossible for her to share the morning with us. I believe few people dispute that the national crisis in the funding of elementary and secondary education exists. The exact nature of that crisis, however, is not so clearly understood. The fundamental problem, it seems, grows out of the fact that in practically every State of the Nation, wide variations exist in the amount of resources that are spent on each student, therefore, bringing about a disparity and a variation in the qualitative aspects of education. The Supreme Court of California responded to this situation by declaring in the famous Serrano case that the quality of a child's public education, defined by the level of expenditures, should not depend upon the wealth of the child's school district or the child's family. Since that decision in California last August, similar challenges of the inequities in public educational financing systems have been made in various States before various of our courts. It must be understood that to date none of the court cases have suggested, (1) that the use of property tax as a tax source for public education is unconstitutional, or that, (2) the same amount of dollars must be spent on each child within the State, or (3) that the State must adopt any specific school financing system. Although it has been accepted that the responsibility for education is reserved to the States, in reality, no level of government, federal, state or local, can escape involvement in the educational process. The acceleration of change in American society, the vast mobility of its people, and the extent to which gross disparities in education can reflect adversely on the quality of individuals' lives and in the well-being of the national economy, have combined to make education a matter of concern, extending beyond the borders of our respective States. The present trend at the state level appears to be toward greater state assumption of the full funding and the distribution responsibilities which have heretofore been delegated to local school districts. A greater role for the States in financing education, however, cannot be effected without substantial tax increases.

Some surveys have concluded that the average State would be required to increase its revenue collections by more than 30 per cent if it wished to assume 90 per cent of the cost of public education. Recognizing the heavy financial constraints on most States, it is probable that increased federal assistance to these units of government may be necessary if equal educational opportunity is to become a reality. Without a doubt, the next few years will bring significant changes in the way elementary and secondary education is financed. The similarity of interest of the States and the federal government in furthering these goals of equal educational opportunity, of quality education for all, in our judgment, signifies the need for a continuing dialogue between these two levels of government. That dialogue should address itself initially to the following issues. What does equal educational opportunity really mean; how should the cost of public education be distributed among federal, state and local governments; does the federal govern-

ment have a responsibility to help redress the physical inequities in public education among the States; and what really can be done about the urban fiscal crisis in education.

We have with us this morning a very distinguished individual who is well known to most of us for his service in government. Mr. Robert E. Merriam is a Chicago businessman and President of University Patents, Inc. He has held numerous positions at both federal and local governmental levels. He served in the Eisenhower Administration as Deputy Assistant to the President from 1956 to 1961, and prior to that served as Deputy Director of the United States Bureau of the Budget. Mr. Merriam is presently the Chairman of the Advisory Commission on Intergovernmental Relations. As you know, the National Governors' Conference presently has four Governors serving on this important Commission—Governors Dale Bumpers of Arkansas, Richard Kneip of South Dakota, Richard Ogilvie of Illinois, and Ronald Reagan of California. The Commission most recently undertook a major study of school finance reform, and the numerous alternative solutions to that enormous problem. Thus we have invited Mr. Merriam here today to discuss the Commission's progress on that study to the extent that he may wish to do so here this morning, to otherwise address himself to the whole issue of educational financial reform. At this time I would like to welcome to the Governors' Conference Mr. Robert E. Merriam, Chairman of the Advisory Commission on Intergovernmental Relations.

**MR. ROBERT E. MERRIAM:** Thank you very much, Mr. Chairman and gentlemen. The Advisory Commission, as I am sure all of you are aware, is a permanent body created by the Congress in 1959 as a continuing review mechanism of the operations of our federal system. Your four Governors currently participating, and others in the past, have offered a very important contribution in the dialogue which this Commission has established with representatives of all levels of government. I want to share with you today, if I may, some of our thinking with reference to this whole question of school financing, and the crisis which indeed has, in my opinion, arisen as a result of certain court actions to which your Chairman has referred. Let me say why I think it is a crisis for more reasons than one. We have witnessed twice in the last decade situations where our judicial system has intervened, if you will, into the mandating of actions which are and should be essentially legislative and executive in nature. I refer, needless to say, to the question of bussing and the question of reapportionment, and in neither instance do I wish to get into the merits, but I do point out that the problems which arise when mandating by the judiciary occurs are indeed staggering.

Let me now, if I may, share with you a few observations on this whole problem of school financing. My remarks will be addressed primarily to the financing side, with full recognition that dollars alone are never going to solve our educational problem. Consider with me, if you will, first of all, these facts. In 1971, the combined federal, state and local tax bite out of our gross national

product was 31 per cent, of which 14 per cent was in federal taxes, 10 per cent in state and local taxes, 7 per cent largely in Social Security payments. Of the total government expenditures of \$323 billion, 14 per cent, or \$47 billion went for schools, which by coincidence is also 47 per cent of total local government expenditures. Of this \$47 billion for schools, 52 per cent, or \$24 billion came from local taxes, 41 per cent, or \$19 billion came from state taxes, and 7 per cent, or about \$4 billion came from federal taxes. Of the \$24 billion in local spending for schools, 88 per cent, or \$21 billion came from the property tax. This local property tax share of school financing represents almost 8 per cent of all government taxes collected, and is interestingly and surprisingly enough to many of us perhaps, four times the state expenditure for welfare. Federal grants-in-aid totaled over \$30 billion, of which \$9 billion is for welfare. Finally in the factual side, and we have just completed a public opinion survey in this area, in case there was any doubt in any of your minds, which I know there wasn't, the property tax is indeed a highly unpopular tax. Our recent surveys showed, if you will, that it was two and a half times more unpopular than the federal income tax, and three and a half times more unpopular than state sales taxes.

Unique happenings have occurred in the last few months. First, as your Chairman mentioned, there have been not only in California, but in three other States, separate court decisions by both state and federal courts, drawing essentially the same judicial conclusion, namely, that the current use of local property taxes as the primary source of school financing is discriminatory and, therefore, unconstitutional. Second in the happenings, the President of the United States has asked our Commission to study and consider the possibility of a new federal tax to aid the States in meeting the emerging challenge of the courts to our present school financing system, and to provide relief for residential property owners. Third, the likelihood of significant, direct revenue sharing to States and local governments appears approaching reality. Fourth, while no means assured, federal assumption of at least a greater share of welfare financing is now for the first time at least a possibility. I submit this array of facts and happenings and philosophy to you to indicate that there is perhaps a situation that has developed which may never occur again. It might be likened, in the context of yesterday afternoon's session, to one of those rare occasions when planets appear in the line behind the moon. Let me elaborate what I have in mind with particular reference to school financing and the property tax, and give you some indication of how our Commission is trying to unravel the string.

In our consideration of the proposal which was submitted to us by the President for study, we have separated our analysis into three parts. First, a consideration of equalization of school financing, with emphasis on intrastate disparities. This is, in essence, the problem of the Serrano type decisions. Second, and we are just into this now, an analysis of the property tax in theory and in practice. Third, a study of the value added tax and its alternatives. I know that some

of you have urged that we keep these matters separate. I respectfully would like to disagree for four compelling reasons. Reason No. 1 is, in my opinion, the courts most likely will be telling us what to do with reference to school financing and the property tax if we don't get together first on a program on which we might unite. Secondly, it is clear to me that sense can be made out of government taxing policy only when we develop a national fiscal policy which interrelates all major fiscal actions, and takes into account the effects of federal government action on the States and localities and vice versa. For example, in my opinion, we can no longer tolerate the unilateral reduction by Congress of federal income taxes without reference to its massive effect on state and local governments. Third, quite frankly, the state governments are suspect, and while many of you have forcefully bitten the tax bullet at great political risk, we are all aware of the growing and frightening resistance to unilateral state and local tax increases. Fourth, if we cannot unite on a mechanism to achieve these objectives in the school financing field, I fear one of two alternatives, either one of which I personally feel is nightmarish.

One alternative would be a massive, direct federal financing program for public education, with limitations on state and local control over educational policy and practice, and I do not think that those are theoretical objectives. I do believe we have had, we can continue to have, even with assistance, largely state and locally directed educational programs. The other nightmarish alternative I have already mentioned would be the possibility of court mandating of new school financing arrangements. Either of these alternatives, in my humble judgment, would be disastrous to the balance of the federal system which all of us still cherish. Certainly the administrative chaos caused by the 535 or whatever number you care to use categorical grant programs of the 1960s, and the specter of judicial mandating of bussing and reapportionment should be sufficient reminder of these twin dangers. You might well then say, Mr. Merriam, what is your suggestion with reference to school financing, and let me say that any chairman of a 26-man, tri-level, bipartisan body of sovereign political leaders, who suggests he knows what his peers will decide, is either a fool or a knave, and I will now attempt, Mr. Chairman, to prove that I am both. I would like to simply throw out for consideration some thoughts, which I should hasten to add are, in the parlance of the television and radio stations, not necessarily those of the station from which they are emanating. These are my own personal observations which I would like to share with you as one possible way we might proceed.

First, I would not attempt to solve so complex a problem in the midst of a presidential election. Second, I would, nonetheless, strive for legislation early next year, if possible, whereby the federal government would offer special aid to States enabling them to assume the added costs of equalizing expenditures between school districts. This action would, in my opinion, substantially meet requirements of the Serrano type decisions. Third, I would require that any such federal assistance be temporary—and I am not naive enough to think this is

easily achieved. Fourth, I would not tie this new temporary federal assistance for school financing to federally mandated property tax reduction. Fifth, I would provide a separate federal incentive program to stimulate those States desiring to assume substantially all of the cost of financing public education, thus allowing state action resulting in the reduction of local property taxes. I would like to emphasize I am suggesting that longer range programs, as separate from the temporary assistance for intrastate disparities to meet the Serrano problem, should allow the States to make whatever decisions they care to make with reference to the use of property taxes in the future.

Such a program might include enactment of a low-rate federal value added tax, with a 100 per cent credit feature for those States enacting their own state value added tax, perhaps dedicated in part to school financing equalization and in part to property and/or should they desire, sales tax reduction. The exemptions in such a tax would therefore apply uniformly to all those States desiring to take advantage of the credit feature. This new tax program, like the temporary aid suggested earlier, also possibly could be phased down or out as the federal government assumes, if it ever does, a greater share of the total welfare burden. Sixth and finally, I would establish a mechanism whereby other future major tax proposals at all levels of government, including the recent Mills-Mansfield proposal to drop all special tax treatment for federal income taxpayers, could be reviewed for their impact on all levels of government as the first step in developing a national fiscal policy. By this I do not imply for one moment that there should be any mandatory review of individual actions by States or localities in the tax area, but a general review of the total impact of state and local, as well as federal taxes on the growth and development of our national economy, a subject which you have just this morning been discussing.

Such a program as I have suggested here for your consideration has a two-pronged effort. A quick, temporary assistance to States to solve their intrastate disparities as indicated in the Serrano type judicial decisions, with the possibility of a longer range program in which the federal government would provide incentives for the States to take over substantially all of the costs of financing public schools, could perhaps be realizable in a period, in a time frame which would be consistent with the judicial actions now under way. Finally, above all else, I would certainly urge this distinguished body, and all of the rest of us who are so deeply concerned with these problems, to avoid the election year temptation to jockey this issue for any partisan position. The issue of schools and their financing most certainly is too important to all of us, and the spectre of judicial intervention is too real.

CHAIRMAN MOORE: Thank you very much, Mr. Merriam. At this time I designate as commentator leader for the Governors, the Governor of Utah, Calvin Rampton, and ask that he share with us his thoughts concerning this, and then moving to other participating Governors, Governor Wendell Anderson of Minnesota, Governor William Milliken of Michigan, and Governor Robert

Ray of Iowa, and then any questions you want to pose as participating Governors to the panel of commentator Governors or to Mr. Merriam, we will be happy to receive them. Governor Rampton, will you take the Chair.

GOVERNOR CALVIN L. RAMPTON: Mr. Chairman, Gentlemen. There are many of the points that are raised by Mr. Merriam with which I am in complete agreement. There are, however, some areas where I have to qualify my agreement. I think under the Serrano case and other cases that have followed that the property tax is not nearly the villain that most of us would make it. The property tax is the subject of attack simply because it is the tax that is being used, but the attack is basically on inequality in terms of dollars within a given school district, and not an attack on the property tax per se. So I think we shouldn't hurry too rapidly to scuttle the property tax. I had a little study made in my State on what the effect would be if we went to the sales tax for the support of schools, and made it collectible and expendable in a given school district, and we came up with a greater disparity in terms of dollars per school child than would be true with the use of property tax. So I think we should go rather slowly before we decide that the property tax here is the villain. Secondly, so far as the federal government's aid to the States, I see no logical connection between educational financing and the value added tax, except that one of them costs money and the other one raises money. We could just as logically approach the question of raising money from the standpoint of plugging up the loopholes in the federal income tax, as we can by devising some new method of federal taxation which would become competitive with the state sales taxes.

Tomorrow when the Committee on Fiscal Affairs and Management makes its report, there will be a recommended position paper which criticizes, to some extent, the value added tax as a federal tax for raising money for this or any other purpose. We will attempt to have an opportunity at that time for a complete debate, and I know that there are several Governors, principally Governor Rockefeller, who feel that we should not out-of-hand reject the concept of a value added tax. You have had distributed to you, and I think you will find on your desk, several documents that touch this problem. The green document which you will find is mostly a review of what is going on in the various States in regard to the study of educational financing, and as you will see from this, everybody is getting into the act, and so there is going to be no scarcity of studies to be prepared. The yellow document, I believe, is as good a report as I have yet seen on the general question. It was prepared by the National Governors' Conference Committee on Executive Management and Fiscal Affairs, with most of the staff work being done by the Education Commission of the States. In here are explored a number of possible alternatives, about 12 or 13 possible alternatives, any one of which would probably meet the requirements of the Serrano case. We don't propose these as the only alternatives. I suppose you could come up with an endless number of proposed educational financing plans

that would meet the requirements of the Serrano case, because the basic requirement is that there be afforded equal educational opportunity.

I would like to criticize the Serrano case and the other cases in one regard. They seem to assume without actually saying so, that equality of dollars automatically means equality of educational opportunity, and we all know that it is just not so. There are certain school districts which because of their characteristics require more money per child to give equal opportunity. Generally we know that in the sparsely settled rural areas of any State, you must spend more dollars per child to get the equal opportunity because of two facts; the greater cost of transportation of the child and, secondly, the fact that the class load is generally smaller, meaning that your unit cost in terms of instructional personnel becomes higher. In those areas where we have a concentration of disadvantaged people, the need for remedial courses is so great that here again we must expend more per child. In attempting to come up with some kind of an educational fund distribution formula, this problem of equalizing education through unequal dollars is going to be very, very difficult, because without dollars, we are going to have that theory attacked many, many times, and yet I think it is basically sound. One other area not touched by the courts, and I think it wasn't touched by Bob here today, is the question of how far may a local school district go in extra financing without upsetting the formula, and I believe your commission came up with a figure of maybe 10 per cent. Am I right or was that another committee that the President appointed?

MR. MERRIAM: I think that figure came from another source. We are looking at it, though.

GOVERNOR RAMPTON: At any rate, most of our school districts are permitted at the present time to make an extra effort in terms of tax dollars, and I would not like to see an educational formula adopted, particularly in the State of Utah, that would not permit this to some degree, although admittedly you can't permit it to the degree which will mean greatly disproportionate levels of expenditures, because that of course is what we are trying to get at in the Serrano case. The commentators Governors are Wendell Anderson, Bill Milliken and Bob Ray, and I have asked them to comment in that order.

GOVERNOR WARREN E. HEARNES: Let me ask a question.

GOVERNOR RAMPTON: Yes, Warren.

GOVERNOR HEARNES: Governor Rampton, before the commentary begins, so I can better understand the other Governors that are going to speak, I will ask you a question. If School District A had a tax rate of four fifty a hundred, and B three fifty a hundred, and the State subsidized B to the amount equivalent to one dollar, does that comply with equal education, or do they strike down the fact that A taxes more than B? If I could understand that, I believe I could enjoy the commentary a little better.

GOVERNOR RAMPTON: I can't answer that, and I don't think any of the cases really address themselves to that question. But, Warren, it would be

my opinion from reading these cases, and I have read them all quite carefully, that this question of whether or not we are being unfair to the individual taxpayers is not basic in these cases. The basic question is are we being fair to the children, and in your State and in mine there are certain requirements of the school districts in the terms of a levy, and I suppose that's true in all of these other States, or in most of them, but that's not where the attack comes, not whether Taxpayer A is being asked to do more than Taxpayer B. The question that these turn on is whether Student A is getting the same break as Student B.

GOVERNOR HEARNES: I meant Tax District A, rather than Taxpayer A. Tax District A has a levy of four fifty. Tax School District B has a levy of three fifty. The State, we'll say, makes up the difference of one dollar, so that means that both school districts receive the equivalent of four fifty a hundred.

GOVERNOR RAMPTON: I think that was not really a basic problem in any of these cases. Governor Anderson of Minnesota.

GOVERNOR WENDELL ANDERSON: When I was first elected to the Legislature back in 1958, the Governor was Orville Freeman, a Democrat. He raised taxes in 1959, and so in '60 we threw him out. We elected a Republican then, Elmer Anderson. He raised taxes in '61, we threw him out in '62. We amended our constitution to a four-year term for Governor and got Karl Rolvaag, but he raised taxes, and we threw him out. We tried a Republican, Harold LeVander, he had a four-year term and got involved with raising taxes and he decided not to run for re-election. It was with that background that I presented my budget address in which I recommended that we raise taxes by \$762 million. I suggested that we raise the tax on liquor 25 per cent, the tax on a pack of cigarettes 9 cents, raise the income tax on both individuals and on corporations. You might ask why I did that. I did it for several reasons. No. 1, real estate taxes in Minnesota in many cases were almost confiscatory. There were thousands of people that organized and were avowing that they would not pay their real estate tax. In addition, I had read several articles and editorials discussing Governor Milliken's education program in Michigan, and it made sense to me and I basically claim them as my own. In addition to that, the examples of the Serrano case were almost identical to the examples that I used in my budget address which I delivered six months before the Serrano case came down.

We had a 120-day regular session, couldn't pass the tax bill. We were in special session an additional five months, and finally I was able to get a tax bill though my Legislature which I signed. We did raise the tax on liquor 25 per cent, we raised the tax on cigarettes a nickle a pack, we raised the income tax on both corporations and individuals, the sales tax was increased from three cents to four cents. It is my position we raised it one penny. My opponents say we raised it 33-1/3 per cent. I think you fellows would support me on my position there. But the real question is that we ended up raising some \$600 million. What did we do with it? When I was elected, the State was furnishing 43 per cent of the maintenance costs for education. The goal of all education groups



in both political parties had been 50 per cent for years and years. By the second year of the biennium, we are getting it from 43 per cent up to 70 per cent and, in addition, we are reducing real estate taxes this year on the average throughout the State of Minnesota 11-½ per cent. By the most conservative estimates, if we had just continued to maintain education at the 43 per cent level, there is no question but that real estate taxes in Minnesota would have gone up at least 10 per cent.

As far as I am concerned, the critical problem we had was guaranteeing that there would be real estate tax relief. In 1967, the sales tax was adopted for the first time in Minnesota. Real estate tax relief was promised: folks got it for one year then it was gone. So in my budget address, I recommended restrictions for the spending on education. I did that because in the five years before I was elected, the rate of increase had been 15 per cent per year, and the year immediately before being elected it was 20 per cent. For municipal spending it was averaging about 5-½ per cent. So in my budget address I recommended that local school districts not be allowed to raise the real estate tax to fund public education beyond 6 per cent without putting it to a vote of the people, and the Legislature not only adopted it for education spending, but also for municipal spending. I might say that I felt this was the key to it. School superintendents and teachers, although there was some reluctance, I think generally were agreeable to accepting those kinds of restrictions because of the tremendous amount of additional money we were furnishing to them. I must say that as a Democrat, I have a Legislature where both houses are Republican. I received generally bipartisan support for trying to raise substantial amounts of money. There were serious differences as to how to raise it. As my tax program became more and more controversial I gave the Republicans more and more credit for their help.

In addition, a federal suit was started in Minnesota after the Serrano decision came down. The federal judge, Judge Miles Lord, made it very clear in his opinion, in which he rejected a motion for dismissal, that he would be following, at least in a general way, the decision in the Serrano case, the Texas case, and the New Jersey case. The biggest problem that I face is not so much from individual taxpayers, although obviously there is some reaction against any increase in taxes, but on the part of the business community. They take the position that I am the only Governor in America that has ever raised the tax on business and they all will be fleeing to your States and I am sure your economy will grow and prosper when that happens. I have had a very difficult time explaining to them that in Ohio and Michigan and New Jersey and California and New York on occasion they raise taxes, too, but so far I haven't been able to be very successful in getting that point of view across.

I think there are some encouraging signs. The real estate taxpayer is beginning to understand that if the State Legislature and the Governor fail to live up to their responsibility to fund some of these local programs, that their real estate taxes are going to go up. I think it was significant that the tax protesters

I mentioned came to the capitol, they wanted to see the Governor and the Legislature, because they understood if we didn't increase nonproperty state taxes local real estate taxes would go up. I think it is more significant that these people are beginning to understand that when the federal Congress reduced taxes five times in the last 10 years, that all we really had was a shift away from, I think, a fair, progressive form of federal income taxes, on to more regressive taxes at the local level. I think when they fully understand and hold the local Congressman and local U.S. Senator more responsible when real estate taxes go up, or when local services deteriorate even more, then I think we are going to have an easier time getting revenue sharing and the kind of cooperation I think we need in Washington.

**CHAIRMAN MOORE:** I know that you would permit me to interrupt the panel. Earlier in our deliberations collectively as Governors we sent our best wishes to Governor and Mrs. Wallace, and expressed our deep hope for his recovery, and I know that you would at this time like to personally join me as Chairman of the Nation's Governors in acknowledging Mrs. Wallace's presence here at the Conference and have her come up to the podium here to receive the acknowledgment of the Governors.

**MRS. CORNELIA WALLACE:** Thank you very much. If my husband had known I was going to get an opportunity to speak here today, he'd have probably kept me at the hospital. I do want to thank all of the Governors for their telegrams and their expressions of sympathy and condolences and their good wishes for my husband's recovery. They have really meant very much to him, and he enjoyed hearing from each of you, and once again I would like to thank you for, as of yesterday, your vote to send another expression to him. He is doing well and he expects to be at the convention in Miami. Thank you.

**CHAIRMAN MOORE:** It is very nice to have you with us, Mrs. Wallace. Governor Rampton, would you proceed with the panel, please.

**GOVERNOR RAMPTON:** Governor Milliken is recognized.

**GOVERNOR WILLIAM G. MILLIKEN:** Thank you very much, Cal, and my fellow Governors. I would just like to know, Governor Anderson, in light of the very bold tax moves that you have taken over the last year or two, whether you are planning to leave in midterm or are you going to wait until the end? My remarks are going to be very brief, because I am much aware of the shortage of time and how time has gone by in this very stimulating session in which we are now engaged. I doubt if there is anyone in this room who would dispute the idea that every child, wherever he may live, is entitled as a matter of right to be educated in a classroom unit of reasonable size by a competent, adequately paid teacher, with instructional materials which are suitable to do the job properly. No one, I believe, will dispute that fact and that right, and yet the fact of the matter is in my State, and I suspect in all of the other States, that such a situation does not prevail, and that there is a wide disparity in educational offering, depending upon many factors, not the least of which may be

the economic status of the parents of a child, the geographical location and other factors, the wealth of a particular school district.

In the State of Michigan we range in our support, depending upon many of these factors, from a low of some \$450 per student per year to as high as about \$1,500 per student per year, and the inevitable result is a great disparity in educational offering and opportunity. I agree with the several sentiments that have been expressed here today that money alone is not the sole factor in educational quality and equality. But I think no one can dispute the fact that money is a very important, a very essential ingredient in determining whether, in fact, all of the children in our society are going to be having a genuine equal educational opportunity. In my State of Michigan we are in a severe financial crisis, depending upon the district and various factors. The Detroit School District, for example, is facing right now a deficit within the district of some \$70 million, brought about largely by failure on the people in that particular district to be willing to support the school system. The children in that school district are paying the price of that neglect and of that carelessness and that failure to support the school district. And school districts up and down the State of Michigan are facing the same crisis of failure though the property tax and millage votes to support education in those districts.

The court decisions which have been referred to this morning are an indication that our time is running out. The California decision, the Texas decision, the New Jersey decision, and now I suspect within another two to three months at the latest, the Michigan decision, because that case is pending, are telling us as Governors and other public officials that we have to move, that the property tax per se does not necessarily have to be ruled out, but the yield produced by that property tax and the inequality which results from that yield have got to be corrected. We have, in Michigan, undertaken such a program. It has been a bitter and long struggle. It began some two and a half years ago when I recommended to the State Legislature and to the people of Michigan that we eliminate the property tax for school operating purposes entirely. I am in the process of seeking to push through a campaign in Michigan which, if successful, will reduce property taxes over-all on individuals and on businesses by \$1,120,000,000. I am proposing that we make up for the loss in that revenue as an offset by increasing the personal income tax on individuals, and we are actively considering the value added tax at the state level. I am well aware the question of the value added tax is a very controversial one, but I suggest that we might all consider whether the property tax is a better tax, and whether as an offset to business, whether the corporate income tax with its instability and with its problems of competition with States is a better alternative. We have explored in great detail the alternatives, the offsets to the reduction of property tax.

Let me conclude my remarks by saying that because the Legislature has failed to act in this area, and because the courts are now pushing us from every

direction, I have decided to bypass the Legislature, and I have taken this battle directly to the people of Michigan. It is a tough campaign. It involves the obtaining of some 300,000 signatures on petitions by July 10, next month, in order to place this issue on the ballot in November for the people themselves to decide. The issue basically is the movement away from what I consider to be the excessive reliance on the property tax, and the state assumption of the primary responsibility for financing education, with the option of local enrichment by vote of the people in the school districts with the State equalizing the yield that comes from the property tax produced through that enrichment approach. I am convinced this is the way we must go. I am convinced it is the only way we can achieve an equality of educational opportunity. I am convinced that it is possible through the distribution formula which I am proposing to the Legislature to level up and not level down, to dramatically improve at least 60 per cent of the school districts in our State, and to hold the balance at least as high as they are, and perhaps even a little higher. I am convinced finally that it is possible under the process not only to maintain the tradition of local control, but to expand and to even extend that concept.

GOVERNOR RAMPTON: Governor Ray.

GOVERNOR ROBERT D. RAY: It was toward the end of last October that Governor Anderson got his tax package passed. Since that time I have been greeting Minnesota businessmen in the State of Iowa. Eventually that is going to help us with our tax problems. I think it was particularly good planning this morning, Arch, that you had the prayer breakfast just before this session, because I think most of us realize we are just about to that place. I have listened yesterday and today to much discussion about the problem of crime, the problem of drug abuse, national growth and the many elements that are involved here as we talk about pollution and congestion and population and the distribution of population, and in each case I listened to someone talk about education. So I have to draw the conclusion that while these are items that are of primary concern today because there is a crisis, education is something that has been with us since the beginning of time, and we are really talking about that today not because education itself is a crisis, but because the financing of education is a crisis. I think it is important that we recognize that in all of these discussions we have talked about education as a way to live, or to teach people a way to live, as well as just to teach them how to make a living. We know and our people know that it costs a great deal of money for education, but it costs a lot more if we have bad teachers and we do not have necessary facilities.

We faced the same problem that Governor Anderson talked about a moment ago. As a matter of fact, a year and a half ago we did have a tax revolt. We had many of our people who would actually not pay their taxes because of the property tax problem. If we had continued to allow property taxes or property to carry the burden of school financing, and had we shifted that to sales tax alone, we would have had to increase our sales tax one cent every year. That's

how fast property taxes were increasing. In other words, in 10 years we would have had to have added another 10 cent sales tax on top of our 3 cents that we already have. We reduced our school districts from 4,000 to 1,500 in five years. We are now down to 452. We are twenty-fifth in size in this Nation, we are twenty-fifth in population, but we are thirteenth in the amount of cost for our education or per pupil spending. Next year we will be spending \$965 per pupil, which is relatively high. In 1967 our Legislature raised virtually every tax. They added a bracket on our income tax, they increased the sales tax, they increased the corporate tax, the liquor tax and all of the other taxes, and most of that money was to go to relieve property tax. In fact, over the years nearly every tax that was raised was for the purpose of relieving property tax. The truth of the matter, though, is it caused more spending. There was a pause in 1967, but there were no limits on school spending. Consequently, last year and the year before we were faced with exactly the same problem they faced in 1967. It is for this reason that I am firmly convinced that if you are going for more money in the school system or any other system, there has to be some way to safeguard the unlimited spending without results and without checking the tax base for these expenditures.

I think that Cal Rampton has done an outstanding job as Chairman of the Committee on Executive Management and Fiscal Affairs. You will note in that report, that it points out there is no simple solution that will satisfy all of the problems that we face in our respective States, but there are alternatives. For that reason, Bob Merriam, I am happy that you are going to be researching the value added tax and other alternatives. I don't think there is anyone here that is excited about a value added tax, but I think it is important that we look ahead and we start the research today before the crisis gets so drastic that we then cannot handle it, as the courts continue to press for a change in our structure. I was pleased that the President has recognized that the property tax has more than doubled in the last 10 years. He recognized that it is the most regressive tax, the heaviest burden on our senior citizens, on our low-income families, on our families of fixed income, and particularly on our farmers. He also recognized that it is inelastic, that it is not a sufficient basis for the majority of school financing, and also it presents some real problems when it comes to assessment. If we were to shift all of our property tax burden for school financing today, we would have to add 5 per cent sales tax immediately if it all went there. We have to recognize that while we have gone into a new plan and a new program, we have to be prepared for the shift or the change if our program will not hold up under the Supreme Court or any court decision, and we are under attack the same as you are in many other States.

We didn't feel we could wait for revenue sharing, we didn't feel we could wait for the federal government to take over welfare, we didn't feel we could wait for a value added tax or any other tax, so we froze school spending for a year. Then we provided \$45 per pupil as extra cost for our school districts

this last year. We then provided, as Governor Anderson mentioned they provided in Minnesota, that the school districts cannot exceed what they were spending last year when it comes to property tax and add to that the normal or natural growth which we figure will be about 5 per cent. As a result, in two years, the burden on the local level has dropped from 56 per cent to 52 per cent, and in eight years it will be down to 40 per cent. It is not as drastic as in Minnesota, but we raised far less new money than they did in the State of Minnesota. Raising taxes, I can tell you new Governors who have not had the experience, is a very painful process, and it should be. I don't think there should be anything more difficult for a Governor or for a Legislature or for a Congress to do than to raise a tax, and when that tax is raised, I think it is important that it solves a problem. We boosted the income tax, feeling it is the most fair of all taxes and, as a result, we solved a problem. It doesn't mean that our property taxes have gone down enough, but it does mean that over this last year and a half they have dropped, on the average, 5 mills across our State.

I think that since time is so limited, let me just say that one of our basic problems has been the federal government which pumps about 3-½ per cent of our school aid money into our State, but which also tries to tell us exactly what we can do. They now accuse us of supplanting the federal funds with the new money that we are sending to the local level from the State. This, of course, is not true. But for the 3-½ per cent of our money that we get, they take an awful lot of time to tell us how we have to run our program. Sometimes all of us question whether or not it is worth it. They have actually increased the amount of money they have given us in the State of Iowa by just \$500,000 in a period of nearly five years, and so the amount of money we are getting from the federal government is hardly worth the effort and the difficulty that arise as a result of those funds. I just think it is important that we not foreclose or bar the research that can be done on alternatives as we seek different answers for the many problems that we have in financing our schools.

**GOVERNOR RAMPTON:** Gentlemen, we have already gone by the appointed hour for quitting, and some of the Governors have appointments elsewhere. However, we will have an opportunity to debate the controversial parts of this problem tomorrow. Bob Merriam will not be here tomorrow, and I think we should take just five or six minutes if any of the Governors have a question of Mr. Merriam. I'd ask you to limit yourself to questions and not to comments. Governor Mandel.

**GOVERNOR MARVIN MANDEL:** I have heard of all the studies that are going on. Mr. Merriam, is there any study being made or is your group planning any study to find out whether or not the dollar spent or the dollar impact means an increase in the quality of education? Are you making any study to see that if we increase that dollar input, or equalize the dollars spent, are we going to equalize the quality of education? And the reason I ask that is we did a slight study in our State and found that dollars aren't necessarily the

answer to quality education. For example, we had an increase of 8 per cent in pupils and found out that we had a 108 per cent increase in administrators in the school system, and a 107 per cent increase in the costs for those administrators, and a good part of them were hired for the purpose of filing reports to the federal government, 150 separate reports we have to file on the 6 per cent of dollars that we get from the federal government. This didn't help the quality of education one bit. So if we are going to equalize the dollars, is this going to help the quality of education? Is anybody studying that?

**MR. MERRIAM:** Governor, I think the nearest to a really definite study of that was done by the so-called McElroy Commission, the President's Commission on Educational Financing. They came closest to saying what you have said of any official group so far. They said, in effect, that dollars certainly do not represent the sole measure. They did go into some of the means by which achievement could be measured. We are looking not only at the work they have done, but are initiating some other activity of our own in conjunction with some of the other organizations. I need not say it is an extremely delicate subject, but it is one that has to be looked at, how you measure achievement and how you really measure results. If I could just comment on Governor Hearn's earlier question so there is no misunderstanding. Happily, so far at least, the courts in their decisions have been silent on this question of equality and as to whether it has to be a dollar equality. They have not addressed themselves, happily, I think, Governor, to that question.

**GOVERNOR MANDEL:** Mr. Merriam, we took our highest per pupil expenditure area and a median per pupil expenditure area, took the achievement test given on a national basis and found out that the lower per dollar expenditure area was getting higher marks on their achievement tests, so it kind of made us concerned as to whether or not dollars are really what is contributing to quality education.

**GOVERNOR RAMPTON:** Governor Exon.

**GOVERNOR J. JAMES EXON:** Mr. Merriam, I would like to make a brief statement and then to ask a question. It seems to me that we should take an overview on this matter, because we haven't addressed ourselves to this in the past. The Texas decision, as I understand it, said that there could not be more value behind a student in one district as against a student in another district in Texas. It seems to me if the court said that, that the next logical step is for the court to say nor can you have less value between a school district in Texas as against a school district across the line in Oklahoma. I wonder if that is not a logical extension of our discussion, and if that is so, then I think we should not foreclose the possibility of aid to elementary and secondary education from the federal government. I have often thought that just as a rule of thumb we might be working towards the situation where elementary and secondary education might eventually be financed one-third by local governments from their resources, one-third by state governments from their resources, and possibly

one-third from the federal government. Do you think it is a possibility that the courts might take this additional step in the near future, that not only must we equalize between districts in a State, but also interstate? If so, I don't see how that can be done unless the federal government is involved.

**MR. MERRIAM:** Governor, just two answers. First of all, surprisingly the biggest disparities our studies and others show, are within States rather than between States. Of course you are dealing with averages here when you get to looking at state expenditures. So that must first be borne in mind. The disparities within the State of New York, for example, are greater than the disparities between New York and Mississippi. Secondly, I don't know that anyone can predict what the courts are next going to do. Your suggestion that they might very well look at interstate disparities is a valid possibility, but right now the attention is all on the disparities within the States. It seems to me and it seems to our Commission, I believe, that we should start looking at the problem the courts are addressing themselves to, looking at ways by which a consensus could be drawn to meet the problem now so that the courts don't do any mandating. It is possible, even if they do eventually get to the interstate disparities, to talk in terms of financing programs that would not require the large amount of federal expenditure which you suggested, which I personally think would be a very serious detriment to state and local control of educational facilities.

**GOVERNOR RAMPTON:** I might point out one logical extension of the court cases. So far these cases apply themselves only to operating budgets and there is no logical reason why the same principle shouldn't apply to capital expenditure. There just hasn't been a case on it yet. Are there other questions of Mr. Merriam? If not, we will continue the general discussion tomorrow during the committee report period.

**CHAIRMAN MOORE:** Thank you very much, Governor Rampton. We are deeply appreciative of your report. At this time I would like to recognize Governor Waller of Mississippi, if he would raise his hand so that his mike might be put on.

**GOVERNOR WILLIAM L. WALLER:** Mr. Chairman, I would like to give notice under Rule 1 that I am filing a resolution on no-fault insurance and I'd like to have the resolution passed out at this time.

**CHAIRMAN MOORE:** Governor Waller indicates that pursuant to Rule 1 of the Rules of Procedure of the Conference, he is indicating notice to the Governors to seek suspension of the rules so that the Governors may act upon his resolution regarding no-fault insurance legislation, and he will see that a copy of that notice is at the desk of each of the Governors. In that light, I also would like to file pursuant to Rule 1 of our Rules of Procedure, likewise an indication to seek suspension of the rules for the express purpose of the consideration of a resolution endorsing the concept of bicentennial parks as having a very significant contribution to our Nation's 200th anniversary.

Chairman Peterson of our Crime and Delinquency Committee asks that these



of you that are on the steering committee of the National Governors' Conference Criminal Justice Action Program, if you would take a few moments at the conclusion of this morning's session for a brief meeting so that that program might move forward.

I would like to suggest that it is necessary for the Executive Committee to give consideration to the location for the National Governors' Conference Annual Meeting in 1974. It is Conference procedure that we plan these conferences two years in advance. The Executive Committee and the staff of the Conference would encourage any Governor that desires to entertain us in 1974 to speak up. We would be pleased to receive your invitations so that we might make a selection. In that regard, a meeting of the Conference Executive Committee will be held at 8:15 in the morning in the Castilian Room, and I would like to have present a majority of the membership of the Executive Committee. I would hope that you would make every effort, because we do have some budgetary matters that must be discussed, and matters which are of the highest importance to the Conference deliberations. We conclude the morning session and look forward to our State Dinner this evening and, in regard to the detail of that, I would like to have the Secretary, Mr. Carihfield, acquaint you with any details.

GOVERNOR RAMPTON: What about our papers?

CHAIRMAN MOORE: You can leave your papers here. We are going into the Grand Ballroom for the State Dinner. Mr. Carihfield.

SECRETARY-TREASURER CRIHFIELD: We have passed out this morning the State Dinner tickets for members of official parties of the Governors. The Governors and their wives do not need tickets, since they will march in. Let us know if the number of tickets in the envelope was not correct. Tickets for guest speakers and other invited guests may be picked up at our office. The Governors and their wives will assemble promptly at 6:30 p.m. in the Embassy Room. From the Embassy Room the line will proceed to the Grand Ballroom. Each couple will enter the hall to the strain of their state song. This should occur at 7 p.m. If any Governor and/or his wife will not be present at the State Dinner, notify our office since it affects the head table.

CHAIRMAN MOORE: We stand adjourned, gentlemen.

## **State Dinner**

The Annual State Dinner of the National Governors' Conference was held in the Grand Ballroom of the Shamrock Hilton Hotel on Tuesday evening, June 6. Governor Arch A. Moore, Jr., of West Virginia presided as Conference Chairman. All of the Governors and their ladies were introduced to the assemblage as they entered the ballroom couple by couple. State songs and music for the State Dinner were played by the 236th Texas Army National Guard Band.

Following the Pledge of Allegiance and the National Anthem, the invocation was pronounced by Dr. Mark Williams, Pastor of the First Methodist Church, Plainview, Texas. Chairman Moore, on behalf of the entire membership of the Conference, expressed deep appreciation to Governor and Mrs. Preston Smith for the splendid hospitality that had been extended to every visiting Governor and First Lady. Governor Smith then presented brief remarks, including a tribute to the many persons in Texas who had contributed so much to the success of the Annual Meeting.

At the conclusion of the State Dinner, a concert was presented by Duke Ellington and his orchestra, followed by dancing for the remainder of the evening.

# WEDNESDAY SESSION

## June 7

**CHAIRMAN MOORE:** The meeting will please come to order. We are pleased to have with us this morning Dr. Charles Allen of the First Methodist Church of Houston, Texas, who will provide us with our invocation.

**DR. CHARLES ALLEN:** O God, our Father, we pause at this moment to recognize Thee. We thank Thee for Thy mercies. We pray Thy blessings upon our country, upon all the leaders of our Nation. May they be guided by Thy wisdom; may they be protected by Thy providence. We pray especially Thy blessings upon each one of these leaders of our several States. Give to them, O God, understanding; give to them support; give to them a clear mind and good heart. Bless each one of our States. We pray for peace on earth and good will toward all men. Amen.

**CHAIRMAN MOORE:** Thank you very much, Dr. Allen. We now approach the time for reports by all of the Conference committees. I am hopeful that we can move as expeditiously as possible. We have cleared the agenda this morning for the express purpose of receiving the Conference reports so that they might receive our very mature and careful consideration. To begin this morning I would like at this time to ask for the report of the Committee on Executive Management and Fiscal Affairs, and ask its Chairman, Governor Calvin Rampton, to the microphone.\*

**GOVERNOR CALVIN L. RAMPTON:** There are a number of suggested changes in the policy statements heretofore adopted that have been suggested by the Committee on Executive Management and Fiscal Affairs. We have proposed an addition to the position paper on state and local bonds, which, in effect, recognizes the fact that there must be some limitation on the right of state and local governments to issue bonds and then to reinvest the proceeds at a higher rate of interest. There are pending in Congress quite a number of measures in this regard, some of which give us considerable concern. The suggestion that we make in the addition to our policy statement here is that the Treasury Department be given authority by means of regulation to limit the amount of earnings that state or local governments may have on reinvestment of funds from sale

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\* For text of all approved policy statements and resolutions, see Appendices to these Proceedings.

of municipal bonds, so that while they may be permitted to reinvest it and may retain some of the differences in earnings for the administration of the program, they may not have such unlimited earnings as to encourage a state or a local government to issue bonds solely for the purpose of reinvestment.

We have suggested a new statement on education finance reform. We have also proposed a policy statement in regard to the proposed national value-added tax. I might say in regard to this particular proposal, which was the one that generated the most interest in the Committee, there were a number of the Committee members, and I am among them, who were prepared to take a stand at this time adamantly opposed to any national value-added tax. There were other members of the Committee who thought we should defer taking any position until the Advisory Commission on Intergovernmental Relations has had an opportunity to study this matter and make a report. The position the Committee has adopted is sort of a mid-way point between those two. We don't take a position adamantly against the federal value-added tax, but we do raise a number of questions, four questions, which we think should be answered before any such thing is adopted. Mr. Chairman, I suppose there will be some comments on this. How do you want to proceed? Do you want me to ask for comments from the floor or comments from other members of our Committee on these matters at this time?

**CHAIRMAN MOORE:** I think the format we should follow is that in receiving your report, Mr. Chairman, you should immediately move for the adoption of any of the positions or recommendations, and we will do that within the same subject matter frame as your Committee has considered it. So when you are ready to move on any of the recommendations, if you will just tap me on the shoulder, then we will put it properly before the body.

**GOVERNOR RAMPTON:** In view of the fact that probably the value-added tax is going to be the one that is going to require the most time, I will move the others first. I move the adoption of Position Statement B.-2, having to do with state and local bonds.

**CHAIRMAN MOORE:** You have heard the motion of the Governor of Utah with respect to Recommendation B.-2 relative to state and local bonds. Is there a second to that motion?

**GOVERNOR WILLIAM G. MILLIKEN:** I will second it.

**CHAIRMAN MOORE:** It has been seconded. Is there any discussion? The recommendation is adopted.

**GOVERNOR RAMPTON:** Mr. Chairman, I will move the adoption of Recommendation B.-15, entitled "Education Finance Reform." I might say here that this does not contain any reference at all to the source of federal funds that might be used for additional aid to the States, but merely states the policy on educational aid separate and apart from the source of funds. I move the adoption of that statement.

CHAIRMAN MOORE: You have heard the motion of the Governor of Utah. Is there a second to that motion?

GOVERNOR STANLEY K. HATHAWAY: I second it.

CHAIRMAN MOORE: It has been seconded by Governor Hathaway of Wyoming. Is there any discussion on the education finance reform recommendation? For those of you who might not have it, it is in the green folder. It is adopted.

GOVERNOR RAMPTON: I move the adoption of Statement B.-16, entitled "National Value-Added Tax," and I think I will read, if I may, the pertinent portions of this. It reads:

"Moreover, the National Governors' Conference questions the adoption of a federal value-added tax because:

"(1) The federal government has already usurped control over an increasing number of revenue sources;

"(2) Federal income taxes have been cut five times in the last 10 years while state and local government units have drastically increased taxes;

"(3) A national value-added tax would provide direct competition for the 45 States that now rely on the general sales tax as a major source of revenue;

"(4) The principle of basing federal taxation on ability to pay as measured by income has been gradually eroded in the past decade, and the proposed value-added tax would further accelerate the shifting of federal taxation away from graduated income levies."

CHAIRMAN MOORE: Mr. Chairman, the general tenor of Recommendation B.-16, national value-added tax, is similar in context and form to the comment and recommendation which was transmitted to us on May 4, is that correct?

GOVERNOR RAMPTON: Very close. I think it is, I don't like to use the word "watered down," although I don't know how else to preface it. It is a considerably less strong statement than the previous one.

CHAIRMAN MOORE: I want to rule that B.-16, the national value-added tax recommendation, is properly before the Conference, and I so rule. Is there a second to your motion that Recommendation B.-16, national value-added tax, a recommendation of the Committee on Executive Management and Fiscal Affairs, is there a second to the adoption of that recommendation?

GOVERNOR JOHN A. BURNS: I second the motion.

CHAIRMAN MOORE: Is there any discussion? Apparently it is watered down.

GOVERNOR RAMPTON: Mr. Chairman, I would like to speak in support of the motion.

CHAIRMAN MOORE: You don't want to lose it, Mr. Chairman.

GOVERNOR RAMPTON: Really, I don't care whether we do or not. My position in regard to the value-added tax is that it is a direct competitor with the state sales tax and, as such, would diminish the ability of those States which rely very heavily on the sales tax, as does the State of Utah, to finance

state government operation. Furthermore, quite obviously the value-added tax is a regressive tax in that it gives no weight to the ability of the taxpayer to pay. If, in fact, the federal government, in its proposal for a value-added tax, intends to add some provision, such as credit on federal income tax, to make it less regressive in nature, I would like to point out that this same thing could be accomplished directly and not by indirection merely by an overhaul of the federal income tax: first, the elimination of loopholes that currently permit large amounts of income to escape taxation and, secondly, if necessary, by an increase in the federal income tax rate. It does not appear logical to me to continue reducing the rate on federal income taxes, thus creating a deficit in the federal treasury, then attempt to restore this with a value-added tax which is regressive, and then attempt to make the value-added tax less regressive by giving credit on the federal income tax. It seems to me that we are going a long way around to arrive at the position where the federal government could have the revenues to aid the States in educational finance.

**CHAIRMAN MOORE:** Thank you, Mr. Chairman. The Recommendation B.-16, national value-added tax, of our Committee on Executive Management and Fiscal Affairs has been moved and seconded.

**GOVERNOR BURNS:** Question.

**CHAIRMAN MOORE:** The recommendation of the Committee is adopted.

**GOVERNOR RAMPTON:** Mr. Chairman, I am going to move the adoption of both B.-17 and B.-18 together. The first one, B.-17, is entitled "National Legislation for Pension Plan Reform." The final paragraph is the one that would state the position:

"If the Congress decides that federal regulation of private pension plans is necessary, such legislation should not preempt existing state regulation of private plans and should provide for full coordination of federal and state regulatory policies for private pension plans."

**CHAIRMAN MOORE:** So the record might show, is there a second to B.-17, the "National Legislation for Pension Plan Reform"?

**GOVERNOR ROBERT W. SCOTT:** I will second it.

**GOVERNOR RAMPTON:** "Federal Merit Systems" is B.-18. The final paragraph here again states the position proposed:

"The Conference urges that future federal activities in this area"—that is, in the merit system area—"emphasize the adoption of broad guidelines based upon career service principles by the Civil Service Commission which will strengthen the State's traditional role of establishing and maintaining their own personnel management systems. Specific merit system standards or further expansion of the present inconsistent assortment of specific personnel requirements to grant-in-aid programs by federal agencies should be prohibited."

**CHAIRMAN MOORE:** Is there a second to B.-18?

**GOVERNOR MELVIN H. EVANS:** I second it.

**CHAIRMAN MOORE:** Governor Evans of the Virgin Islands. It has been

regularly moved and seconded on B.-17, "National Legislation for Pension Plan Reform," and B.-18, "Federal Merit Systems," both recommendations coming from our Committee on Executive Management and Fiscal Affairs. The recommendations of the Committee, B.-17 and B.-18, are adopted.

GOVERNOR RAMPTON: Mr. Chairman, I was asked by the staff if we would reserve about three minutes at the end of our presentation of this committee report to allow Mr. Fletcher to tell the Governors of a service available in the field of management and training. I understand that both Mr. Byrley and Mr. Carihfield are concerned in the preparation of this program, and I think it appropriate that it be presented at this time.

CHAIRMAN MOORE: You are recognized, Mr. Fletcher.

MR. THOMAS W. FLETCHER: Thank you, Governor. Governor Ramp-ton has asked me to talk about something that all of us have been talking about for some time, and to do all of this in two and a half minutes. We have heard the question asked frequently whether or not state and local governments have the capacity to be good administrators, particularly with all the new programs and priorities of today. Those of us on the firing line know that we have that capacity and have been proving it and improving it for some time, but that doesn't mean we shouldn't find new ways to improve it even more. We all know the many successes in the private sector with their programs of management and executive training. We also know that the largest part of our budgets each year go to manpower. Taking another page of the business world, I believe the key word has to be "production." If we can develop the management strategy through training and development of our human resources, we can tap the increase in production at all levels of government for more production and administrative ability for everyone's benefit, particularly those receiving our services and the taxpayer.

I think that is what executive management is all about and is the reason the decision was made two years ago to create the National Training and Development Service for State and Local Government. The prime movers behind the creation of this service were the executive directors of such national public interest groups as the National Governors' Conference, the Council of State Governments, the National League of Cities, U.S. Conference of Mayors, National Association of Counties, and the International City Management Association. The proposal was completed last summer, funding was received last fall, we were incorporated this May.

Just a brief outline of our program as developed so far. We will be working at all levels within government and with the academic and business community to improve our training and development capabilities. We will be working with top appointed executive leadership in improving their administrative, organizational, and decision-making capacities. Our contact with elected officials will be to work with you, to determine what your needs are, and primarily to get feedback from you on the results of our work. Our service will be regional, so it will come to you. It will be intergovernmental and interdisciplinary, so that we can

work as teams, not as separate units, and it will be continuous and not just a few one-shot attempts to do band-aid type treatment. We are now in existence for your use, and our first programs will start this summer. Gentlemen, I appreciate this chance of telling you about our service.

GOVERNOR RAMPTON: Arch, I believe that completes everything we have.

GOVERNOR SCOTT: Mr. Chairman, I think it is appropriate at this time, following the report of Governor Rampton's Committee, to again remind the Governors of the importance of contacting the members of Congress from your respective States with respect to the revenue sharing bill, H.R. 14370, which is to come up on June 13. I would again urge each of you to not merely send a telegram or to have a staff person contact your Congressmen but to make a personal call yourself to your Congressmen to urge them to vote yes on the previous question. This is a very critical point, as has been discussed by others, but I think if we are going to have any form of revenue sharing this year it is going to be decided within the next few days. Now, June 13 is when Congressman Mills has this scheduled, but the nature of the Congress being what it is, if he counts votes and finds out he doesn't have them, he is not going to let it come up and he will put it off before June 13. That is why I think it is necessary that you personally contact your Congressmen to urge their vote of yes on the previous question this week, and the sooner this week the better. I am sure that all of us can find some things in this bill we don't care for, but the principle is there, and I think if we are going to have any revenue sharing it is going to be decided within the next few days, and if there ever was a time when the Governors need to get with it and work together on something that we have fought for for a long time, now is the time to do it.

CHAIRMAN MOORE: Governor Scott, I am deeply appreciative of that re-affirmation on your part about the status of revenue sharing. Very, very frankly, I think it would be very tragic if we had a withdrawal of revenue sharing from the Congress's agenda. That would be a message, in my judgment, that would go throughout the country that essentially the votes aren't there, that we have not been able to convince the Congress of the fact that we as Governors are vitally interested in it. Now, when you get into a parliamentary situation in the House, there are people who are opposed to the general subject matter who can use the parliamentary situation to gain their best ends. So I would really want to urge closer adherence to the observations that you have made, Governor Scott, and I am hopeful that the Governors now present who have not already done so will follow through.

At this time we will go to the report of our Committee on Transportation, Commerce, and Technology, and I ask Governor Dan Evans of Washington, the Chairman of that Committee, to preside. It is my understanding that Governor Evans will call upon Secretary Volpe for a presentation during the Committee's presentation.



GOVERNOR DANIEL J. EVANS: Thank you, Mr. Chairman. The Committee on Transportation, Commerce, and Technology over the last couple of years has emphasized the transportation end of things, particularly the development of greater flexibility in transportation management by the Governors and by the individual States. This year we have emphasized several other areas of importance. I would like to go through at least two or three of them, then call on Secretary Volpe, who has a short message that I think will be of exceptional importance to those gathered here. Under Amtrak, the third policy statement on railroads, the Committee calls for the creation of regional gubernatorial advisory councils to meet periodically with Amtrak officials. I think one of the problems, certainly in our State and in a good many others, has been inadequate communications between the various States, the Governors of those States, and Amtrak officials. This is a crucial time in the transferral from the railroads to the federal government of passenger rail transportation. If Amtrak is to succeed, it does need this kind of communication and we call for it in the policy statement.

In the commerce end, I think it is pretty self-explanatory. We call for an aggressive and expanding role of the Department of Commerce in international trade activities rather than the previous dependence, in too many instances, on the State Department for those international relationships. Under the technology field, the Committee calls for, I think, a very important new relationship. Let me read just one paragraph of Policy Statement F.-12: "To this end, the National Governors' Conference requests that the administration immediately establish an independent National Energy Commission with a large proportion of state membership and without representation by special interest agencies or organizations. The Commission should objectively evaluate energy reserves and real energy needs and assist in developing state, regional, and national energy policies and recommendations for utilization and conservation of resources."

I can think of few things more important today than adequate measurement and planning for future energy needs in all of our energy capacity. The President, I know, has mentioned this but I, frankly, do not see, and in our Committee's deliberations we did not see, a movement fast enough, definitive enough, or broad enough at the national or even regional level to insure that future generations would have the use of adequate energy and at the same time maintain the high quality environment which we all desire. I think this concept is one which is most important and we feel is one of the more important elements of the policy statements presented to you this morning.

Now let me turn to highways, which continues to be of major importance to the various States. Let me read just one paragraph of the short policy statement on highways, and I know it is one to which all States, I hope, at least can ascribe: "The continued practice of using the Highway Trust Fund as a stop-gap effort to adjust the economy must be stopped. Congress should reaffirm its intent that the yearly obligational level rather than the current quarterly basis be the method of allocating Highway Trust Funds." That is a statement that was very

strongly supported by members of the Committee. I am sure it is strongly supported by members of this Conference. Before making a motion to adopt these various statements, I would like to bring the Secretary of Transportation up here. But prior to that, I would like to call on our Chairman, who, I know, has some comments on activities that have been carried out by the National Governors' Conference in this field over the last few months.

CHAIRMAN MOORE: Thank you, Dan. In order that I might report to the Governors as a whole, the Executive Committee has very aggressively pursued the question which is again embodied in the resolution regarding highways designated as F.-3 in the report. There has been a considerable amount of conversation between the Conference Chairman and the Secretary of Transportation, Mr. Volpe, over the past 10 days urging and, if it might be fair to say, politely insisting that we Governors be given yearly obligational authority for the development and the use of the Highway Trust Funds that are available to us. I am pleased that Secretary Volpe is with us, and I hope that he can tell us whether or not we have been successful in pursuing a yearly obligation authority and request. Dan, you, perhaps, want to present the Secretary at this time.

GOVERNOR DANIEL EVANS: Thank you, Mr. Chairman, indeed I do. It is always nice to invite back a colleague of ours, a man who served as an effective member and a Chairman of this National Governors' Conference in the past, and who has aggressively promoted the interests of the States in his present responsibility as Secretary of Transportation. He has a short message on several of the items which are of great importance to this Conference and which are subjects of action by this Committee. I would like to introduce to this Conference and to the guests, the Secretary of Transportation, the Honorable John Volpe.

MR. JOHN VOLPE: Thank you very much, Dan. Chairman Moore, Governor Smith, my former Colleagues, and Governors Who Have Been Elected Since Then: I certainly appreciate this opportunity to be with you this morning to say a few words about problems which concern us both. As Arch just indicated to you, he has talked to me several times during recent weeks especially about the manner in which our highway obligations are made, and that is on a quarterly basis, which means that your highway officials, and you as Governors, are not sure what you might get the next quarter and whether it will be cut or not. He asked for administration approval of the granting of the total obligation on an annual basis, as Governor Evans just reported in his policy statement, before the beginning of the fiscal year. I told Arch and Dan it wouldn't be very easy, and reminded them that sometimes in Washington the wheels of change turn rather slowly.

So we went to work, and I can only say to you that it took a little doing, but I am delighted to report that I have received approval both from the Office of Management and Budget and from the President himself to have the entire annual obligation, the \$4.4 billion, made on or about the 15th of June for the

whole year rather than on a quarter-by-quarter basis. I know this will help you greatly in your planning and implementation of your projects. Having served both as a Commissioner of Public Works and as a Governor, I know how much this means to you. You know what you will be receiving. You will have assurance that no changes will be made from these obligational levels. Of course I know you realize also that if you should spend all the money in the first six months, don't come back and say, well, we spent all of our money, we want more. We are doing this because it gives you an opportunity to spread that money out over the year, to plan your projects on an efficient basis and over-all do a better job of providing the highway mobility that this Nation needs.

Just a couple of other items that I would like to touch on, if I may. The first is our proposed new single category of funding for urban surface transportation. I suppose there is no proposal I have made that has engendered as much, well, shall I say, controversy as this particular one. I think generally you are acquainted with the general facts of the proposal. The one fact that I would like to emphasize here today is that except for 20 per cent that would be used only for transit, and this is only a portion and a rather small portion of the total Highway Trust Fund package, that all of these funds will be available for any and all forms of transportation, and when I say any and all that is exactly what I mean. If every one of the States wants to use every one of those dollars for highways, then you will have a right to do so. On the other hand, I am sure there will be some States who will want to use some of these funds for transit purposes, and they will have that flexibility to do exactly that. Half of the money would go directly to the States for use in urban areas at your discretion. The other half would go to the urban areas, provided your governments are formed within the consorts of SMSA's, otherwise the highway departments will still do the job. Some have indicated this might be a bypass of state government. Well, the fact is that in the past all transit funds have gone straight to the cities. So under our proposal the state government will have direct control over half of these urban funds and you will have an advisory review over the balance. I think this is a major step in the right direction.

You have fought for and passed a policy statement regarding the single transportation fund. This starts to approach that. It starts to approach special revenue sharing. I know that some of you also have felt that this would mean an over-all cutback in federal highway money. Let me just give you a quick look at the figures over the past four years. For Fiscal Year '68, the total obligation was \$4.169 billion; in 1969, '70, and '71 they were \$4.57 billion, \$4.6 billion, and \$4.49 billion, respectively, for an average of over \$4.5 billion on an annual basis per fiscal year. That is an increase on the average of about \$371 million a year. I would hardly call that cutting back from the pre-'69 levels. For Fiscal Year '72 to date, through June 1, with a full month yet to go, the figure is \$4.36 billion, and there is no question that we will substantially exceed the average of the past three years.

Our new proposal, once in full swing in Fiscal Year '76, would provide more than \$1 billion additional and will be available for obligation, and will be obligated and not just authorized. So even deducting the 20 per cent set aside for transit, excluding the approximately \$700 million that would go to the SMSA's if they formed the consortia, the amounts made available directly to the States would be approximately \$500 million more than the average of the past three years. To me this proves conclusively that we aren't declaring a moratorium on either highways or transportation. As a matter of fact, it proves conclusively that we want to provide the flexibility in federal aid transportation funding that all of us have been seeking for so many years. You will be able to use those dollars as you see fit as you work to solve your total transportation problems. Let me say that our proposal isn't locked up tight. You may have suggestions. We are ready to compromise. We don't want to compromise on principle, and the principle is the provision of a balanced transportation system, one that brings mobility to all Americans, not just to some of them, and also the goods that people need.

Let me just say a word about highway safety, because I think you will agree, after I mention these couple of facts, how important it is. I have been very pleased that all of you have been making some genuine efforts. You are all totally sincere in the efforts to cut our appalling death toll, and over the last three or four years working together we have made substantial progress. We are working, as you know, in all three phases, the road, the vehicle, and the driver. The death rate per hundred million miles has been reduced, but for a variety of reasons, so far in Calendar Year 1972 there seems to be a slight upward trend rather than a downward trend in the number of fatalities. The time to stop it is now when we have more than six months more to go in this year and can reverse it. So that I hope that each of you works closely with your highway safety representative. I need not remind you that 50 of the 150 deaths that occur each day are caused by drunken drivers. I didn't say a fellow who had had a few drinks, I said drunken drivers. And 75 of the 150, that is half of them, occur in crashes in which alcohol is the factor. Through state and community safety grants, through our new alcohol safety action projects, we are working closely with your people across the Nation. But more needs to be done if we are to reverse the trend that now prevails. So with the first five months not looking good, we can change it if we go to work now with proper law enforcement, conscientious judicial procedures, and if each of us makes a personal commitment we can reverse the trend during the balance of this year.

Just one other matter that I believe deserves your continuing attention, the matter of no-fault insurance. I believe, perhaps, the Chairman has read the President's statement; if he hasn't, I am sure he will. This administration believes that the States ought to be given the opportunity to adopt state no-fault systems. I am sure that many of you read in this morning's newspapers about the successes

of the auto insurance reform in Massachusetts, which I was pleased to start to fight for and which my successor, Governor Sargent, was able to get through our Legislature with a great deal of hard work. The Massachusetts' no-fault bill may not be the best for your particular State, but we do favor state-by-state adoption to permit the flexibility needed to serve your respective citizens. My department, working with a special committee of the National Conference of Commissioners on Uniform State Laws, has almost finished drafting a uniform motor vehicle accident reparations act, and that draft or model will be available for you to take from it those things that you think fit your particular State.

I am sure you all recognize that reform is necessary. I can only suggest to you that I hope the States act. Some have. Many of you have tried to get reform and your Legislatures did not respond. I hope you will continue to fight for it, because all I can tell you is while I served as Governor, when we didn't do it, somebody down in Washington did. So my advice is if you want to get the job done yourselves, do it in your own States and you won't get an act out of the Congress. I am telling you I know enough about the sentiment of the Congress so that if you don't act, the Congress is going to act. As a matter of fact, they might even act this year. My guess would be that it probably won't come until next year. And if enough of you get no-fault legislation passed in your respective States, it probably won't happen at all.

In closing, let me just say that we have tried in this responsibility which I hold to make funds available for transportation. We had a billion dollars available in the past 18 months for mass transportation, which is as much as was made available in the previous five years. We have doubled the amount of airport and airways funds coming into your respective States. We would like to be able to continue to do this, but remember that I can use only so much clout. If I am backed up by you men and others across this Nation, we can continue to fight for better transportation for all of our peoples, and I solicit your earnest support. Thank you very much.

GOVERNOR DANIEL EVANS: Thank you very much, Mr. Secretary.

GOVERNOR MIKE O'CALLAGHAN: Mr. Chairman.

CHAIRMAN MOORE: For what purpose does the gentleman from Nevada desire to be heard?

GOVERNOR O'CALLAGHAN: Comments on the Secretary's talk.

CHAIRMAN MOORE: The gentleman is recognized.

GOVERNOR O'CALLAGHAN: I think it is excellent that we are now going to have yearly appropriations. I am looking at what I should be getting this next year, \$31.6 million, and there are now, according to the instructional memoranda I received from the Federal Highway Administration, \$23.4 million. It is excellent that I get a notice a year ahead of time, but I would just as soon have the money and go on quarters if I have to. I am simply saying, Mr. Chairman, that the Secretary came here today with a nice message but not the

money. I am still \$37 million behind over the last several years. This is Republican and Democratic administrations both, and to be talking about yearly appropriations means nothing to me unless we have the dollars.

CHAIRMAN MOORE: I would like to ask the Secretary if he might want to respond to your question, Governor.

MR. VOLPE: All I can say is that last year, Fiscal '72, which is what you are comparing this with, we obligated \$400 million more last fall and many States utilized those funds. When you compare it with that additional \$400 million, yes, your funds this year will be less. But I think if you compare it with the preceding four years, I think it will rate favorably. Some States are completing their interstate system, and as you complete the interstate system, of course, your allotment goes down because you are completing it. All I can say is that we can continue to fight for these funds and will continue to fight for them. I think the plan we suggested, as I indicated, will provide the additional money and before I started out on this reform I received approval that not only would these funds be authorized, the totals I mentioned, but they would be obligated, because I wasn't going to start fighting for a program in which we wouldn't get the obligations and just get authorizations.

GOVERNOR O'CALLAGHAN: Mr. Secretary, I have a very strong gut reaction when I see my State with 110,000 square miles receiving \$23.4 million and \$50 million going to the District of Columbia.

MR. VOLPE: I didn't make up the formulas. The formulas were made by my predecessors. I didn't have anything to do with the formulas.

GOVERNOR O'CALLAGHAN: Could you make up a new one for us, please?

MR. VOLPE: I wish I had that authority.

CHAIRMAN MOORE: The Governor of Wyoming.

GOVERNOR HATHAWAY: A question, if I may, to the Secretary. In the proposal for urban transit, as I understand it, the 20 per cent that would be available to States with the cities of population of over fifty thousand, this is discriminatory to the rural States, in my judgment. We have no cities over fifty thousand and would not be eligible for any of the funds, despite not having adequate air transportation or rail passenger service. This leaves us in a terrible bind if we are not able to extend our highway system.

MR. VOLPE: Governor Hathaway, Stan, let me say that some of your highway officials have told you the whole story, some have not. The fact is that we make available a brand new fund starting with \$200 million per year, increasing to \$400 million per year, for a general rural transportation fund, which is all new money. We do not reduce in any way the other rural funds now being made available, so your State will not suffer at all. The fact is that what this does is provide, whether it is one city or 14 cities in any given State that have urban populations where the congestion is high, an opportunity to use a part of those funds if they so desire, except for the 20 per cent which must be used for transit, for purposes other than highways, or they can use it entirely for

highways. I don't believe if you look at the figures that any State is going to be penalized, and I would be glad to give you your figure for your State and indicate to you and show you exactly what your State would be receiving.

**GOVERNOR DAVID HALL:** Mr. Secretary, I would like to know what the department's position, in view of your remarks, has been on Senator Russell Long's turnpike bill that is now before the Senate.

**MR. VOLPE:** Yes, I am familiar with it. Senator Long has talked to me about it. What we have said is that it is far superior to any previous bill that we have had regarding the possibility of aid for turnpike construction. We are not in a position to endorse it, but I can say that it is probably, without a doubt, the best thought-out bill along these lines of any I have seen. I have to be somewhat neutral on it. All I can say is that it is a well-thought-out bill and the Congress, I suppose, will make the judgment.

**CHAIRMAN MOORE:** Thank you very much, Mr. Secretary. I would then ask the Chairman of the Committee, Governor Evans, to take over.

**GOVERNOR DANIEL EVANS:** Mr. Chairman, I wonder if it would be possible, in order to speed things up, to move the adoption of all of the policy statements at one time.

**CHAIRMAN MOORE:** May I inquire as to whether or not any of the Governors desire amendments to any of the policy statements which are presented for our consideration today? Governor Williams.

**GOVERNOR JACK WILLIAMS:** I will vote for the recommendations, but I would like this to show in the minutes, that Arizona cannot use highway user revenues to plan or develop mass transit systems. It is unconstitutional in that State.

**CHAIRMAN MOORE:** You want that noted in the record rather than an amendment?

**GOVERNOR WILLIAMS:** Yes, I just want it noted in the record, since I will vote yes for this.

**CHAIRMAN MOORE:** Does any Governor desire to offer an amendment to any of the Policy Statements F.-3, F.-6, F.-7, F.-10, or F.-12, which are presently suggested to be before us in total? If not, Governor Evans, I would accept your motion that they be considered in their entirety.

**GOVERNOR O'CALLAGHAN:** I second the motion.

**GOVERNOR WARREN E. HEARNES:** Question is moved.

**CHAIRMAN MOORE:** The policy statements of the Committee, Governor Evans, are the policy statements of the Conference. They have been adopted.

**GOVERNOR DANIEL EVANS:** I understand that there is a proposed amendment to an existing policy statement of last year which is in your large blue-covered book. It is on Page 58, Section F.-11, on insurance. I understand Governor Sargent of Massachusetts has a proposed amendment to that existing policy statement.

**CHAIRMAN MOORE:** Governor Sargent.

**GOVERNOR FRANCIS W. SARGENT:** Mr. Chairman, as Secretary

Volpe has indicated, the Massachusetts' record in relation to no-fault insurance has been truly remarkable, and I want to share with you just a couple of comments regarding the success of it because I think it would be significant to some States that are now considering it. In the first place, when we adopted the legislation, which was over a year ago, there was a 15 per cent rate reduction ordered at that time. As a result of the year's experience our State Commissioner of Insurance was then later able to mandate another 27 per cent rate reduction, and then yesterday in our State Supreme Court, the court upheld a 15 per cent premium rebate to drivers based on the 1971 no-fault experience. So I feel that our record has really surpassed even what we hoped it would when we originally started fighting for it.

Now, as respects the federal government in the over-all field, I think personally that it would be a mistake if the federal government were to preempt the States in this area for several reasons: one, it would penalize those who have already moved to adopt no-fault plans and, secondarily, I think it might restrict the flexibility of the no-fault concept to States that are now getting ready to or are investigating the feasibility of adopting such a program. Therefore, I propose that this Conference go on record supporting individual state action in the area of automobile insurance and the amendment would read somewhat as follows:

"The best possible solutions to the problems of auto insurance lie in continued state regulation and experimentation. We urge Congress not to take any action that would preempt state action in effectively bringing about meaningful reform in our auto reparations systems. The adoption of national no-fault or federal standards is not an acceptable option to individual state action."

That is the amendment that I would offer, Mr. Chairman. It seems to me the federal government can play a very important role in terms of prodding, advising, suggesting, recommending, and comparing state programs, but I think the States ought to take the action and I think that our experience in Massachusetts would indicate that our State can do it and it can be effective. It might well be that appropriate actions would not be the same in other States. Therefore, I propose this amendment, Mr. Chairman.

CHAIRMAN MOORE: If I might ask the indulgence of the Chairman of the Transportation Committee, in reviewing this as an amendment to an existing policy statement of the Conference, the Chair rules that the suggested amendment as being an amendment to F-11, entitled "Insurance," of the policy positions of the National Governors' Conference to be in order, and now is desirous of a second.

GOVERNOR THOMAS J. MESKILL: I will second.

CHAIRMAN MOORE: It is seconded by the Governor of Connecticut. Is there any discussion on this amendment to our policy statement?

GOVERNOR MESKILL: Question.

CHAIRMAN MOORE: The amendment is adopted.

GOVERNOR DANIEL EVANS: Mr. Chairman, I believe that concludes the formal policy statements of this Committee. I do have one final thing to



say which, I suppose, has to be presented to this Conference as not coming from the Committee itself. It is a suggestion that was not adopted by the Committee because of potential controversy and because it needs considerable work, but I think it is an idea that deserves to be brought to the attention of this Conference and is going to be distributed as a letter from me to individual members of the Conference very shortly. Amtrak has had its problems during its first year of operation. Congress is now considering major operating subsidies as well as moneys for rolling stock and capital equipment for that system. The operating subsidies, however, represent a taxpayer allocation to Amtrak for which there is no direct real benefit to individual American citizens. This proposal is a change in the way we handle some subsidies, and I fully recognize many of the problems which may come from a proposal of this type. It is merely to offer a subsidy in a rather indirect form, and that is to give vouchers to people, on some sort of an allocation basis, for long-distance vacation travel, not commuter travel, and primarily for family travel. The vouchers could cover a major share of their transportation cost. In doing so, those vouchers could then be turned in by Amtrak for the subsidy that they otherwise would receive directly. Amtrak would ultimately receive the subsidy, but the major difference would be that American citizens could utilize Amtrak at a greatly reduced fare. This would encourage the filling of empty seats which now plague the railroad system of this country, and could bring additional citizen interest in the railroad system of this Nation. Without going into any further detail, I do commend this to your attention. The details and further discussion will be in the letter which will be distributed to you shortly.

**CHAIRMAN MOORE:** Thank you very much, Dan. And thank you, Mr. Secretary Volpe, for the good news that you were able to share with us about our annual obligation in Highway Trust Funds. This is something that Governors have been fighting for for a long period of time, Mr. Secretary, as you well know, and we are deeply appreciative of your help. We will now move to the report of the Committee on Human Resources. I would recognize the Chairman of that Committee, Governor Nelson Rockefeller of New York. It is my understanding that during his presentation Governor Rockefeller will yield some of his time to the Under Secretary of the Department of Health, Education, and Welfare, Mr. John Veneman.

**GOVERNOR NELSON A. ROCKEFELLER:** Thank you, Mr. Chairman. The Committee on Human Resources deals with the most urgent human problems relating to those who have a rightful claim on government assistance, and it is also the largest area of dollar consumption—taxpayers' dollars—so that from both points of view this area is of tremendous importance to the future of our country. I would like to express to the members of our Committee my very sincere appreciation for their diligence, and I would like particularly to express this to members of the staffs of the Governors who have done an extraordinary job.

This Committee has been in operation a number of years so that we have

the resolutions of previous years and these have been carefully gone over and brought up to date in the light of changing conditions. I think you will see in the statement that was sent out and the one that has been slightly modified that is before you today a very comprehensive coverage of these key areas affecting the future well-being of the citizens of our country. There is one area that is particularly important that I would like to mention, and that relates to the Talmadge amendments which are now pending in the Departments of Labor and HEW for issuance of regulations. This material is new in the report because it came up and has been much discussed since the first version went out. I call your special attention to that.

I would like to express very sincere appreciation to the two Under Secretaries who came down from Washington yesterday to join with members of the Committee and the Commissioners of Welfare from three of the States (Texas, California, and Michigan) who were here and who have been most helpful in these discussions with the Committee. They are Under Secretary Veneman and Under Secretary Larry Silberman of Labor. Secretary Veneman is here with us this morning and is going to speak as soon as the Governors have acted on this report. They were very understanding in these discussions yesterday afternoon of the problems of the Governors, and I think it was one of the most sophisticated discussions between the Governors and the Washington structure that has taken place. They understood our problems relating to their regulations which are about to be issued. I think we are going to see an open-minded exchange which can result in modifications of these regulations which have to go into effect as of July 1. So they will go into effect, but there will probably be a month's period of transition during which all of you will have a chance to study them. I would like to recommend very strongly that you have your Commissioners of Welfare review these when you go back home, if you haven't already done so.

While every one of these areas is important from our points of view as Governors and as States trying to serve their people, I would like to support very strongly the statements which were made by Governor Scott and others on revenue sharing. This, I think, is perhaps the most crucial single item which we have. I understand the controversial character of this concept because it is direct money going to States rather than the Congress going over each item and prescribing exactly how the money will be spent. I think it is a very major step forward in terms of federal-state relations. The Mills Bill is an excellent bill; the administration is supporting it. As you all know very well, there are these discussions between Mr. Mills and the Appropriations Committee, because this is a slightly new procedure, and there are those who are a little worried about it. I would like to say that I understand the point of view, but if we are going to get the money, I think we are going to be far better off to have it go through as proposed by Mr. Mills without change. I am very grateful, as all of us are, to those Governors who are going to Washington tomorrow to talk with Russ Long to encourage him to carry out his commitment which

he made to us last year that he would bring out immediately onto the floor of the Senate a bill that came over from the House. And then I understand you are going to meet with members of the House, which is tremendously important, in order to get this bill voted on, and that vote is coming next week. This could be the milestone.

Some States are not in financial difficulties, and I certainly would like to take my hat off to them, but there are other States which have problems and there are many local governments that have very serious fiscal problems. The revenue sharing program can be a life-saver not only from the fiscal point of view, but in terms of preserving social programs which have been in a transition period, which are tremendously important and which would have to be seriously cut back and, in some cases, actually destroyed if we don't get this assistance. So I would just like to add my support to what has been said on revenue sharing. Now, Mr. Chairman, because this is a very long and comprehensive report, I would like to move that the policy statements of the Committee on Human Resources be adopted, and if you want to go into detailed discussion of any phase, fine, but maybe I could just make a motion on the whole thing. I so move.

CHAIRMAN MOORE: May I inquire as to whether or not any Governor desires to amend any of the position papers of the Committee on Human Resources, which are referred to as C.-1 through to C.-7?

GOVERNOR JOHN A. LOVE: I second the Governor's motion.

CHAIRMAN MOORE: It has been moved by the Governor of New York that the recommendations of the Committee on Human Resources be adopted, and there is a second. The motion is adopted and the recommendations of the Committee on Human Resources are the policies of the National Governors' Conference. Governor Rampton is recognized.

GOVERNOR RAMPTON: In regard to Recommendation No. 10 on the early childhood development program, I am in complete accord with the statement as made here and therefore I made no motion to amend. However, I believe the task force has come up with some more definitive statements as to state prime sponsorship and it is contained in the bill here. I feel very strongly that if this bill reaches the House for debate that representatives of the Governors' Conference should appear before the House Committee and urge the specific provisions that the task force has considered be put into the bill. Basically, the provision is that the States should be designated as the prime sponsor, with a period of time, say 90 days, to indicate a desire on the part of the State to become the prime sponsor, and then an additional six months, perhaps, to submit their plan. If the State failed to meet any of these deadlines, then and only then would a secondary sponsor in the form of a local government or a private nonprofit organization be eligible to apply.

CHAIRMAN MOORE: I think the observations of the Governor from Utah are well taken. I would like to recognize the Governor of Tennessee, Governor Dunn.

GOVERNOR WINFIELD DUNN: Mr. Chairman, I would like to come to the rostrum to make a statement briefly, if I may, please.

CHAIRMAN MOORE: The Governor from Tennessee is recognized.

GOVERNOR DUNN: Mr. Chairman, I come in my role as Chairman of the Education Commission of the States, also one among many who is vitally interested in the development of our children. I should like to comment briefly on the proposed child development legislation which has been reported from the Senate Labor and Public Welfare Committee for floor action. I think it is extremely important. The Committee on Human Resources has recommended that the present policy statement on early childhood development be maintained. That statement says: "We support enactment of a federal program for early childhood development which would provide adequate federal financing and with provisions for a central state role and comprehensive state plan, and which would not bypass States in the administration of such programs and would permit maximum flexibility for States to determine standards and requirements." You will recall that last year the Congress enacted child development legislation which was in substantial conflict with the policy of this National Governors' Conference. It did not contain any significant role for the States, and that bill was subsequently vetoed.

The Committee report on the new child development legislation suggests that the new bill contains a more significant role for state governments, a more significant role, that is, than was included in the bill which the President vetoed. While there have been some changes, these alterations do not go far enough to meet the objectives of the stated and established policy of this Conference. There are still major flaws in that proposed legislation. The bill still makes it possible to by-pass the States in the administration of such programs. It would give preference over the State to communities of 25,000 or more for designation as prime sponsors, a critically important designation under the statute. This by-pass is directly contrary to our policy. Because of its provisions structuring local policy councils, the proposed legislation would dilute the responsibility of elected officials not only at the state level but at the local level as well. It would additionally place an excessive disproportionate measure of authority and control for the planning and implementation of child development programs in the hands of persons who are outside the government and not accountable to the electorate.

In my view, this legislation would tend to complicate the planning and coordination of comprehensive state child development programs and services. The provisions of the legislation will make coordination with other States and local programs providing similar complementary services most difficult. I believe that our policy in this area is sound and that it should be continued. Because of the claims that the policy's objectives have been satisfied by the proposed legislation, I urge every Governor to contact his legislative delegation to emphasize in strong and in unmistakable terms our objections, and to urge the bill be amended in accordance with our stated policy. Thank you, sir.

**CHAIRMAN MOORE:** Thank you, Governor Dunn. Governor Sargent.

**GOVERNOR SARGENT:** Mr. Chairman, I would like to underline the importance that you, Mr. Chairman, that Governor Rockefeller, Governor Scott, Governor Milliken, and others, have made on the matter of revenue sharing. I personally have been much involved in this. I have met with all of my Congressional delegation and I have been in almost daily contact with them. I would like, frankly, to be in Washington tomorrow, but I am not able to do that. I would also like to point out that there is a companion piece that we mustn't lose sight of, and that is the national welfare reform legislation, H.R. 1. There are vast differences of opinion among the 50 Governors on this matter. Senator Long has put certain amendments on it that are not agreeable to some of us. In concert with 15 members of this Governors' Conference, Senator Ribicoff and I have been working on another amendment. But I think the important thing is that we get H.R. 1 on the floor of the Senate so that it can be debated. I think as we fight and struggle for revenue sharing, which has to be the centerpiece of our effort, we must not lose sight of the importance of urging action on H.R. 1.

**CHAIRMAN MOORE:** Thank you, Governor Sargent. Are there any other comments relative to the recommendations of the Committee on Human Resources? Those recommendations have been adopted and are now the recommendations of the National Governors' Conference. Governor Rockefeller.

**GOVERNOR ROCKEFELLER:** I would like to thank all of the Governors for the approval of this report. I share very strongly the sentiments just expressed by the Governor of Massachusetts that H.R. 1 and revenue sharing together would accomplish a tremendous step forward for all of us who are trying to wrestle with these problems. One of the happy relationships for those of us who have been dealing with these problems in the social area has been working with the Secretary and the Under Secretary of HEW. We are fortunate that these two men come from state government, understand our problems, and are fully aware of what is happening and what is taking place.

Under Secretary Jack Veneman is going to speak to us about a subject which a number of us have visited about with the Department Secretary and Under Secretary, namely, the Allied Services legislation on which they are working and which has tremendous significance for the future. I would like to thank Jack for coming here today and say how fortunate we are that he is in this key position in the administration and in HEW. We would like to welcome you and thank you. I would turn the rostrum over to you.

**MR. JOHN VENEMAN:** After watching the way Governor Rockefeller just moved the Human Resources report out, I think the less I say the better off I am. You know, I think yesterday demonstrated something to us. The fact that Larry Silberman, the Under Secretary of Labor, and myself came down and talked about the Talmadge problems that we have demonstrated that a lot of the problems that you have at the state level that appear to be big can be

solved if we have communication. I am very grateful that yesterday we were able to solve some of those kinds of problems. I also appreciate that I am talking to you today about a subject that I don't think is going to be that controversial. Having spent a few years at the state level and recognizing the fact that the federal government does impose upon state governments an awful lot of programs and that they aren't too well coordinated, I think that when the President announced the Allied Services legislation in April, he was trying to accomplish one of the objectives that most of you have been trying to do for some time.

When we came to Washington, one of the first things we recognized was that the Congress was very generous with legislation. There are very few programs, very few subject areas, that there isn't a bill to cover. We have about 200 categorical programs right now that we deal with for which you have the responsibility. When Elliot Richardson became the Secretary, one of the first things he tried was to figure out how to make these things work, make things happen with what we have, as opposed to putting in new legislation. I believe that the Allied Services legislation now before Congress will not be acted upon this year. But we have opened the debate, moved in the direction in which you are attempting to move. All I can say is that I do appreciate that many of you have worked with us in developing this legislation. I commend your staffs; I commend the Governors' Conference staff in Washington for what they have done.

I think we have opened up a public debate that will take probably a year or two before we get all of the ingredients put together, but I am looking forward to the point in time when we do divide the responsibility appropriately between state and federal government. There is little more that I can say except, thank you. I think Allied Services legislation is a move in our direction.

CHAIRMAN MOORE: Are there any questions that the Governors would like to submit to the Under Secretary at this time? If not, Mr. Secretary, thank you so very much for sharing the morning with us. Governor Rockefeller, is there anything further required by the Committee on Human Resources?

GOVERNOR ROCKEFELLER: Just to thank the Chairman.

CHAIRMAN MOORE: At this time I would like to call for the Committee report on Natural Resources and Environmental Management, Governor Jimmy Carter of Georgia, and for the consideration of any policy questions that the Committee may submit.

GOVERNOR JIMMY CARTER: Thank you, Mr. Chairman. I think my report will be very brief. I think all of you Governors know that the States have taken leadership in environmental and pollution matters for many years before the federal government became deeply involved in it. We now have reached the point where the federal-state relationship on this matter has become of increasing importance to us. I have spent a great deal of my time this past year testifying before Congressional committees on environmental legislation and representing the Governors as best I could as Chairman of this Committee. I think the importance of this

kind of legislation is demonstrated by the fact that, in the Ninety-first Congress there were 121 bills passed in the environmental field, which was one fifth of the total legislation passed by the national Congress.

One of the most important being considered now, and which hasn't yet been passed, is the water pollution legislation. I think along with the civil rights bill and other major legislation, this will have as far-reaching an impact on the future of our people as any ever passed. There have been two primary points on which there has been a constant argument. One is the preemption feature which is a matter of some discussion in almost every one of these bills proposed, that is, who takes pre-eminence in the final decision about quality of environment and the standards to be maintained, the federal government or the States? The general thrust has been that either the state or the federal government, whichever is the more stringent in enforcement of environmental quality standards, will take precedence. But this is not always the case because it is the tendency in the Congress quite often to say that we will pass a certain standard for air, water pollution control, strip-mining and so forth, and that no State could go further than this.

Another item which is of constant concern is the matter of permits. I feel, and I am sure the Governors feel, that the States' permit system ought to be the one that prevails. We worked very closely with many groups. One is the Interstate Conference on Environment which is made up of the professionals who enforce pollution matters in our own States. We have had a lot of input from them and it has been very helpful. One of the things that has been discussed by me personally with Congressman Blatnik, with the members of his Committee and the equivalent Committees in the Senate has been the transitional period after the Water Pollution Control Act passes, and whether or not the state permit system will be continued. The preference is that during this interim period, before the State's permit system can be assessed, that it continue in operation, and that once the State's permit system is adequately assessed, if it is a proper system, that it be given pre-eminence, and would not be delayed in its applications permit by permit because of individual considerations of those requests for pollution alleviation by the federal government.

We have major legislation now being considered. We have legislation concerning land use, coastal zone management, solid waste disposal, power plant sites, pesticide control regulations, toxic waste disposal, surface mining, and so forth. I think you all can see that these are major proposals in federal-state relationships and we had better be on our toes. We had better understand the detailed provisions of these federal acts if we want to retain responsibility for environmental quality in our own States. The States have served as experimental laboratories, because of the wide diversity of situations in our own States, and I think this is an inevitable continuation. There is a lot of difference between the environmental problems in Georgia, Florida, Colorado, California, New Mexico, and so forth. I think

here, with national legislation having to be uniform in its application, there is a great need for and an almost inevitable requirement that the States deal with these matters individually.

I think it might be good to refresh your memories about the status of legislation. The Interstate Environment Compact has passed the Senate and is now being considered by the House. This compact would facilitate agreements between the States for taking joint action to solve environmental problems. Georgia has already ratified this compact based on the understanding of what it will be and many other States have done the same thing. The Senate has also passed the National Coastal Zone Management Act, a bill to assist the States in developing and carrying out programs to protect their marine resources. The House version has been reported for action but will not go to the floor until the land use policy measure is considered. There are some conflicts between the land use bill and the Coastal Zone Management Act, but the House Rules Committee has said that the land use bill would be considered first, and following that the Coastal Zone Management Act. The land use legislation to assist the state planning efforts is moving toward enactment. The House version is nearing final Interior Committee approval, but with reduced funding of federal shares. The Senate Interior Committee took action earlier this week on their version by reporting for final consideration by the full Senate.

Legislation passed by the House to control noise preempts state programs for that program, but the Senate version now in executive markup preserves state authority while offering programs as well. State authority to regulate pesticides is retained in new federal legislation, passed by the House with an even-stronger measure nearing final action in the Senate Committee on Agriculture. Surface mining legislation, which provides for state regulation of strip-mining operations, is in executive markup in both the House and the Senate Interior Committees. The House Commerce Executive Committee's consideration of power plant siting awaits return of the bill's prime sponsor. The measure calls for coordinated long-range, regional planning for construction of power facilities with one-stop siting procedures at the state level. The Senate Commerce Committee has not yet begun its own markup sessions on the latest proposals.

I give you this up-to-date report on the status of this legislation that is included in my report to you. You might want to look it over and, if any of these bills are particularly important to you, then you can contact your Congressmen accordingly. I might say that these bills that have already gone to this stage of development have been heavily influenced by our Committee. I have also served this past year as the Governors' representative on the U.S. Advisory Committee to the United Nations Stockholm Conference. I have met at the United Nations several times to draft the position paper for our own government. The President has now asked Governor John Love to represent the Governors on this Conference, and I presume that Governor Love will be going to Stockholm very shortly. I believe that Conference convenes on the ninth of this month. So the Governors



will be represented at the International Conference on Human Environment by Governor Love.

The amendments to the policy statement are very brief. They are non-controversial and not very substantive. They bring us up to date on the matters that I have just discussed. Mr. Chairman, I move the adoption of this report of our Committee and the detailed changes in the policy statements as presented to every Governor in written form.

**CHAIRMAN MOORE:** Governor Carter, thank you very much. May I inquire whether or not any Governor desires to amend any of the Policy Statements D.-3, D.-5, D.-7, D.-8, D.-9, and D.-10 of the Committee on Natural Resources and Environmental Management and ask that they be considered separately? If not, the motion of the Committee Chairman will be received. Is there a second?

**GOVERNOR WILLIAM L. WALLER:** I second the motion.

**CHAIRMAN MOORE:** It is seconded by Governor Waller of Mississippi that the policy statements of the Committee on Natural Resources and Environmental Management be considered in toto.

**GOVERNOR ROCKEFELLER:** Question is moved.

**CHAIRMAN MOORE:** The policy statements of the Committee on Natural Resources and Environmental Management are the policies of the National Governors' Conference. They are adopted. Thank you very much, Governor Carter. Governor Rockefeller.

**GOVERNOR ROCKEFELLER:** I would just like to make one comment, and that is that I am deeply concerned that this country is overpromising to the American people and that we have now gotten to the point where there is no chance of delivering the promises that we are making. I think that many of the legislative programs now being enacted are unrealistic in terms of our capacity to finance the goals. I think this is very serious because I think the American people are losing confidence in government because we are overpromising and, therefore, underdelivering. I don't see how we can get into this in detail, but I remember getting a letter from the Chairman of the Committee, after the Muskie bill went through in the Senate on the Pure Waters Program, which we figure would cost between \$2 and 3 trillion, in our State \$223 billion, saying that this is a tremendously important step we in Congress are taking and are looking to you Governors to implement this program. That is what the public is looking at. They are looking to us to implement the programs, but the Congress hasn't the money, and they haven't even paid for the programs which they have already passed. So I just want to raise this because I believe it is a very, very serious trend, and it is going to catch up with us as a Nation, and I think that the Congress has to look with a little more reality at the promises they make to the American people.

**GOVERNOR CARTER:** Governor, that is a very good point. We have spent a lot of time with Congressman Blatnik and with Senator Muskie's staff and with him and I think your point is very well taken. There has been one

estimate made, for instance, that for each percentage point of reduction in water pollution above 97 per cent of the present effluents, it would cost 100 times more than to reduce 1 percentage point below 85 per cent. In other words, the closer you get to achieving absolutely pure water and zero effluents, the cost goes up in an unbelievable way. Now, that figure is based on present technology, and I think there are ones who are saying we are sure something is coming along that will let us treat water in a cheaper fashion.

This is an extremely important Committee. I think that during this coming year, the Committee on Natural Resources must stay constantly on its toes to understand the detailed provisions of this enormous amount of legislation that is in prospect, because, when you start talking about coastal zone management, land use, pesticides, noise, air pollution, water pollution, solid waste disposal, those provisions either violate or correlate with or circumvent laws that we have labored on in our States and, as I say, every one of the 50 States is different.

GOVERNOR ROCKEFELLER: Would it be possible for the Committee to undertake the task between now and our next meeting of trying to get some estimates as to what these programs that we are all recommending are going to cost if carried out? I am sure that the different States would be glad to contribute estimates as to what the program would cost in their State, and maybe at the next meeting we would have some figures that would show how many trillion or how many hundred billion dollars we are talking about, that it is going to cost the American people.

CHAIRMAN MOORE: Your suggestion is a fiscal note from the federal standpoint, from the staff when they review legislation?

GOVERNOR ROCKEFELLER: No; just that our Committee, Mr. Chairman, undertake to put a dollar figure on these programs that we are all so enthusiastically endorsing.

GOVERNOR CARTER: I think that would be fine. As you know, the makeup of the Committee changes each year, but the staff of the National Governors' Conference, I am sure, would undertake this and do the best they can with it. It would be good to break it down between local, state, and federal costs, because we have already loaned the federal government about \$2 billion that we haven't been paid for, as you know, in solving some of the water pollution problems that are so crucial.

CHAIRMAN MOORE: Governor Exon of Nebraska.

GOVERNOR J. JAMES EXON: Governor Carter, in addition to what Governor Rockefeller has said about the fiscal problems that we have in this area, there are also technical problems that we are having in our continuing battle with the federal bureaucracy. I hope that your Committee will continue to attempt to urge the administration officials to hold back their bureaucracy and becoming overenthusiastic at times. As a case in point, we inherited, when our administration took office, a previous agreement that the State of Nebraska had entered into with the federal government to clean up all feedlot pollution

in Nebraska by December of this year, 1972. That was a totally unrealistic goal that we could not accomplish, although we are moving rapidly in this area.

The Legislature and I agreed on this particular thing, that we should have an extension of this program for at least two years to get the job done under realistic standards, from the practical standpoint of construction necessary and funding available. It wasn't a means of delay, it was a means of getting something done and not misleading the people, as Governor Rockefeller said. The federal bureaucracy said no, despite the fact that it was passed unanimously in the Legislature of Nebraska and endorsed by the administration. I think what we have to do is bring what influence we can on the bureaucracy to work with us and not to get in the position of being adversaries on one side or the other on any particular problem.

**GOVERNOR FRANK LICHT:** I would like to address a comment to Governor Carter that goes along with what Governor Exon has said. We have the same problem with quality control of the air and the permit system involved. It would seem to me, if it were possible in these matters, that the Governors' Conference staff, particularly on matters that touch all of the States, would be in touch with us to indicate what some of the problems are with respect to coordinated effort by the States in avoiding the direct pressure upon individual States. I am not suggesting this as criticism, but it is all part of the method of bureaucracy that seems to single out particular States, and then we are in the position where it appears if we don't act we will be the ones who will be in some way penalized. I am convinced that, if it is happening in Rhode Island and it is happening in any neighboring States, we should have some coordinated action to deal with some of these problems.

**CHAIRMAN MOORE:** At this time I would like to call on Governor Hall, the Chairman of the Committee on Rural and Urban Development, for the receipt of the policy positions that are to be offered by the Committee on Rural and Urban Development. Governor Hall.

**GOVERNOR HALL:** Thank you, Mr. Chairman. First, the Rural and Urban Development Committee would like to thank you for the input that has been given not only by the Governors on the Committee, but by other Governors who have taken time to express their interest and enthusiasm for some of these proposals. I would also like to thank the staff of the Governors' Conference for the work they have done in the past 12 months in helping prepare these items. The policy statements that were adopted by the Conference last year in San Juan and which are not recommended for amendment by this report are offered as continuing policy of the National Governors' Conference. No policy statements made then or before are recommended for deletion today. Specifically, however, the Committee is recommending additional amendments to the four existing policy positions and additions to three new ones.

I would like to cover these all briefly first and then discuss any one or all of them that you wish. The first amendment would add to our current policy

on national community development by recognizing both the interrelationships and the differences between our rural and urban communities and by calling for programs and policies which recognize the need for specifically tailored programs for rural America. The second amendment adds to our policy on national economic development a section dealing with the unique problems of unemployment and underemployment in rural areas, and calls for expanded programs to increase rural employment. The final two amendments support greater private financial involvement in the development of new communities and call for expanding the experimental housing allowance program currently under way on a modest scale within the U.S. Department of Housing and Urban Development.

Those are the amendments to the presently existing policies. There are three completely new policy positions which are recommended for your consideration and approval. The first takes note of the particular problem of declining educational opportunities in our Nation's small towns and rural areas, and urges expansion of federal programs to deal with this problem. A second new policy recommends an improvement in the delivery of health care services to the rural areas of America and calls for increased support for state and regional comprehensive health planning and service delivery. Finally, the Committee recommends a new statement of policy suggesting greater emphasis and improvement in research and education for rural development. These are the seven items that I ask the Conference to consider, and I will be glad to answer any questions that you might have about the additions and the three new policy statements.

CHAIRMAN MOORE: Are there any questions that the Governors want to pose to Chairman Hall respecting any of these seven suggested amended policy statements or new policy statements at this time? Governor Williams of Arizona.

GOVERNOR WILLIAMS: I want to talk briefly concerning the new policy statement on research for rural development. Instead of the money going directly to the institutions, the money should go to the Governor's office for research in the various areas. To elaborate, it concerns me that as we go to the campuses where we have the knowledge for research and support programs, we create little dynasties on our university campuses. These dynasties become agitators in the social welfare schools, for example; they then become advocates of the particular social welfare program. It is a dangerous thing that we are creating, and there must be some control placed on it. We must use the wisdom that we have in our universities but they should give us the options and then we make the decisions. When they become advocates for any particular philosophy or ideology, we then are creating at our universities a core of hard dissent, a core of advocacy which is dangerous in the long run for our democracy.

GOVERNOR HALL: I appreciate the suggestion and I will ask the Committee to investigate that, and we would also appreciate any specific input or examples that you might have that would help to point up the problem.

CHAIRMAN MOORE: May I inquire as to whether or not any Governor

desires to be recognized in reference to the report of the Committee on Rural and Urban Development? If not, if the Chairman of that Committee would move that they be considered as a group, the Chair will receive it.

GOVERNOR HALL: I will so move.

CHAIRMAN MOORE: Is there a second to that motion?

GOVERNOR HEARNES: I second it.

CHAIRMAN MOORE: It has been seconded. The policy positions are regularly before us.

GOVERNOR LICHT: Question.

CHAIRMAN MOORE: The policy statements are the positions of the National Governors' Conference. They are adopted. Governor Hall, I would like to thank you very much for serving as Chairman of the Committee on Rural and Urban Development, and for the efforts of your Committee in bringing this to the floor for our consideration at this time. At this time I would like the report of the Committee on Crime Reduction and Public Safety and I call on the Chairman of that Committee, Governor Russell Peterson of Delaware.

GOVERNOR RUSSELL PETERSON: Mr. Chairman, the members of the Committee for which I am reporting are Governors Forrest Anderson, John Burns, Carlos Camacho, Bruce King, Frank Licht, Walter Peterson, and Jack Williams. I want to thank them for their efforts throughout the year and also want to commend the task force which has worked so hard throughout the year on many aspects of this program. Since we had a meeting here on Monday discussing this area of crime reduction, I think I can be very brief today. As you all remember, we have selected a goal for America of cutting the rate of violent crime in half by 1981 and as a result of that effort, the Law Enforcement Assistance Administration (LEAA) formed a National Advisory Commission on Criminal Justice Standards and Goals to develop a blueprint for reaching this big goal which we have established, and they will be reported by the end of this year. Then on Monday I introduced to you Mr. Norman Karsh who will head the staff that LEAA is funding to help us in the Governors' Conference implement the programs necessary to reach the goal which we have set.

You have before you several policy statements, additions to the ones which you approved previously. Let me very briefly refer to them. One of them calls for asking the Congress to appropriate the full amount of funds authorized for the Safe Streets Act so that we can have the additional resources to move toward the goal we have established. It also emphasizes that the major portion of these funds should be allocated for bloc grants to the States so that we can use them in a manner which we consider to be most advantageous for our particular state problem. Another policy statement deals with the prevention and control of juvenile delinquency. Obviously, it is very important to us to keep young people from getting into the criminal justice system in the first place, and so prevention of delinquency is basic. There are seventy-some programs in the federal govern-

ment involving this area. We are recommending they be pulled together so we have more of a bloc-grant approach in this area as we have in the area of the criminal justice system.

We call for more planning, establishing of priorities in the Office of Drug Abuse Control. Although we recognize that the Committee on Human Resources has the key responsibility in this drug abuse control area, we also know that drug abuse is so important to crime, or, to say it a little differently, we know that more than half of the crimes of violence committed in America today are committed by young men who are hooked on heroin and who are stealing in order to support their habit. Thus our Committee is very anxious to do all we can to promote the proper approach to the drug abuse problem. We give a lot of attention to reducing crime, but we pay, in most of our States, anyway, little attention to the victims. We are recommending that the National Governors' Conference endorse the concept of compensation to innocent victims of crime and recommend that the Omnibus Crime Control and Safe Streets Act be amended to provide funds on a line-item basis to the States which would allow them to compensate the innocent victim of crime for his out-of-pocket medical costs and his loss of earnings. We also have recommended to you some model disaster legislation. We thought that you might see fit to study that in connection with your existing laws, to see if there is some way you might be able to upgrade your program. We think this model legislation is one that merits your serious consideration.

We have also a policy statement endorsing the activities of the National Advisory Commission on Criminal Justice Standards and Goals, and another one dealing with the offender rehabilitation effort, and finally one dealing with summons in lieu of arrest. One of the primary causes of overcrowding in detention centers across the country is the large number of persons charged with minor offenses awaiting trial for the setting of bail. The time consumed in booking procedures, transportation to and from court, and awaiting arraignment and re-appearance of these misdemeanants, diminishes the policeman's effectiveness as a deterrent to crime by keeping him off of his beat and reducing his community visibility. Some communities have effectively been using the summons in lieu of arrest, and we are recommending that the States consider its implementation to the maximum extent consistent with the effective enforcement of the law.

In addition to those policy statements, we have placed at each of your places a copy of a report on the National Guard, and since we are all commanders-in-chief of our State National Guards, I think it is important that we find the time to at least scan this. It points out the increasing dependence of our Nation on our National Guard, the problem which arises because of the very desirable move to a no-draft situation in the country, and recommends how we can increase enlistment in the Guard. It shows some interesting statistics, pointing out a tremendous reduction, as we know, in the number of incidents in America that called for the use of the National Guard, going down from 100 in fiscal year

1968 to 21 during the first 10 months of this year; going down from the use of 165,000 troops in '68 to the use of 5,600 this year. Obviously that is a very healthy and desirable trend. Mr. Chairman, unless there is some objection, I would like to move that all of these position statements as presented to you be approved.

**CHAIRMAN MOORE:** Does any Governor desire any of the position statements to be considered singly? Governor Meskill.

**GOVERNOR MESKILL:** I would like to have the statement on compensation to victims of crime considered separately.

**CHAIRMAN MOORE:** Are there any others of this submission that you desire to be considered separately? If not, all of the positions and recommendations and policy statements of the Committee will be voted as a group, with the exception of the statement on compensation for victims of crime, and the Chairman moves that they be considered at this time. Is there a second to that motion?

**GOVERNOR RICHARD B. OGILVIE:** I second it.

**CHAIRMAN MOORE:** Governor Ogilvie seconds it. The vote will be on the policy positions being considered as a group.

**GOVERNOR HEARNES:** Question.

**CHAIRMAN MOORE:** The motion has carried. They are the policy positions of the National Governors' Conference. Now as it relates to the proposed separate policy statement. It has been moved by the Chairman that it be considered by the Conference. Is there a second to that motion?

**GOVERNOR BURNS:** I second it.

**CHAIRMAN MOORE:** It is seconded by the Governor of Hawaii. Now for the discussion by the Governor of Connecticut.

**GOVERNOR MESKILL:** Mr. Chairman, a few moments ago we heard Governor Rockefeller talk about the problems that are being created by over-promising on the part of government. This proposal contains a section which concerns me, that is, it suggests that the Conference endorse the concept of compensation to innocent victims of crime. I think this is a laudable idea. I think we should be compassionate and concerned about the victims of crime, and certainly government has such a responsibility to provide the kind of protection that would result in a person not becoming a victim. We may have an obligation to compensate victims of crime. Most States, or at least I believe most States, do not presently have this kind of legislation. If we are to endorse the concept as Governors and the federal government does not amend the Safe Streets Act, I think we are thereby placing an obligation on ourselves to do something state-statutewise.

The question is whether or not the federal government should become an insurer or indemnifier. I think it is worthy of greater debate, obviously, than we are going to have an opportunity to do today. However, I think I would suggest that, if the Congress amends the Omnibus Crime Control and Safe Streets Act to provide for funds on a line basis in this area, it is going to run contrary

to our other position that we should have full funding on and should be on a bloc-grant basis. I also think we are missing the mark. As laudable as this goal may be, we are not, by this step, contributing to our aim of reducing crime by 50 per cent, because we are dealing after the fact with the victim of crime. I don't think that we should diminish the funds from the Safe Streets Act which really should be used in the many areas which will reduce crime. I have very serious reservations about this and, for that reason, I cannot support the proposal.

**CHAIRMAN MOORE:** Governor Mandel of Maryland, please.

**GOVERNOR MARVIN MANDEL:** I might say on this particular item we have had a program in my State now for approximately three years. Before the program was enacted, when I was in the General Assembly, I was very concerned about the possibility of the cost of this type of program. None of our fears have been justified. The program has worked well; the cost has not gotten out of hand. We have financed it ourselves out of the State. We have had remarkable results from it. For example, and I point this out as an example, with Governor Wallace's shooting, which took place in our State, there were several innocent victims of that shooting who will be beneficiaries of our program. Their medical expenses, because they were victims of crime, can be reimbursed by the State if they demonstrate need.

We have had other instances where people who have gone to the aid of victims of a crime have been injured in helping people who are being held up or being robbed and the State is helping pay their medical bills and expenses. I think that is an excellent program. It encourages people to try to prevent crime from happening, and I think it has worked well. The fears that we had on the financial aspect of it have never materialized. It is well within the bounds of ability of the State to handle it, and we have been handling it, and I think it is a good program.

**CHAIRMAN MOORE:** Thank you, Governor Mandel. Does any other Governor wish to speak? Governor Peterson of Delaware.

**GOVERNOR RUSSELL W. PETERSON:** I might say, Mr. Chairman, that the arguments presented by Governor Mandel were the ones considered at great length by our Committee, and there are seven States in total that have such programs today. They all consider it helpful. As you note, the policy statement also says the amount of the award should be based on his financial need. It should be conditioned upon his cooperation with law enforcement authorities, and we believe that, by allocating a modest amount of money in this direction, we will highlight the problem much more than it is highlighted today.

**CHAIRMAN MOORE:** Does any other Governor wish to speak? Governor Williams of Arizona.

**GOVERNOR WILLIAMS:** I should like to join with Governor Meskill in his concern. I, too, recognize the laudatory motive behind these activities. It gets almost into the point where you pay the ransom, pay the blackmail, take



care of the problem by paying off in every possible way those who are criminally inclined. We have come a long way with a rich country, and I think the emphasis has to be either one way or the other. We are going to stop crime or we are going to pay off the victims of crime. One time a great President said, "Millions for defense but not one cent for tribute." We are going to have to face this thing some day, that we can't always ransom, we can't always pay off. Some day we will have to stand up and say, "This far and no farther." So I do concur with what Governor Meskill says, realizing at the same time the fine, humanitarian spirit behind this.

**CHAIRMAN MOORE:** Governor Ogilvie of Illinois.

**GOVERNOR OGILVIE:** Let me say that I heartily endorse the idea of compensation for crime victims. In fact, we have a measure introduced in the Illinois Legislature in which we recommend that the program be administered by our State Industrial Commission on the basis of need. However, I share Governor Meskill's concern about involving the federal government and in a way diluting the financial support that we are getting in the bloc-grant programs. I would say that I cannot support the proposal, not because I am opposed to the idea, but because I think the States ought to do it themselves.

**CHAIRMAN MOORE:** I inquire whether or not there is any further discussion on the motion of the Chairman of the Committee that the Conference approve its recommendation.

**GOVERNOR HEARNES:** Question.

**CHAIRMAN MOORE:** The question has been called for.

**SECRETARY-TREASURER CRIHFIELD:** It fails. It required a three quarters vote.

**CHAIRMAN MOORE:** The motion, in order to prevail, required three quarters. Those in favor were 12; those opposed were 8. The motion fails. Governor Peterson, do you have any other comment for your Committee at this time?

**GOVERNOR RUSSELL W. PETERSON:** No, I have no other comment, other than I hope that we can really get behind this national effort to bring our resources to bear to reach the goal which we established, and we Governors have the prime responsibility, I think, for coordinating the effort in our States among the various branches of government and among the various levels of government. Maybe we can demonstrate here how the federal process works and how the bloc-grant approach works through this particular program.

**CHAIRMAN MOORE:** Thank you, Governor Peterson. May I personally say thanks to you for chairing this Committee. I think all of us recognize Governor Peterson's great commitment in this area. He has served the Conference well and with great dedication and we are deeply appreciative of it. At this time I might share with the Governors that in order for the National Governors' Conference to touch more directly upon the subject matters involved in many, many different areas which come to our attention, this year I put together a

number of task forces to deal in a selective way with a specific subject. At this time I would like to have Governor Ogilvie report for the task force of the Subcommittee on Higher Education.

GOVERNOR OGILVIE: Thank you, Mr. Chairman. In March Governor Moore asked me to serve as Chairman of a Special Subcommittee on Higher Education of our Conference. Very briefly, the following events have taken place since I accepted that position. Our Committee has developed a policy statement urging quick Congressional action, discussing important federal-state considerations in setting forth 13 specific recommendations. In March during our winter meeting I, with other Governors, had a meeting with the Chairman and the senior minority members of the Senate Labor and Public Welfare Committee, the House Education and Labor Committee, and the Subcommittees responsible for the Higher Education Amendments of 1972. The Senate shortly thereafter passed the bill and sent it to conference. I then sent our policy statement to all the conferees and I have also corresponded with the Congressional leaders as a follow-up of the earlier meeting. A long and sometimes bitter conference finally adopted a compromise bill and on May 26 the Senate agreed to the Conference report. The House is expected to vote this week and, in fact, probably tomorrow, and a very close vote is to be expected.

To some extent the history of this higher education legislation has been marred by the inclusion of non-related controversial issues. An example is bussing. Conferees responded strongly to the concern that we all have regarding the bussing issue. I am personally opposed to the bussing of school children for the purpose of achieving racial integration, and I can support the anti-bussing provisions of this bill. The Conference report specifically prohibits the transportation of students or teachers in order to overcome racial imbalance. It prohibits the use of federal funds for this purpose, and it prohibits the United States Department of Health, Education, and Welfare from requiring bussing as a part of our school desegregation plan. Moreover, HEW is specifically prohibited from urging or inducing in any way a local school district to bus students as a condition for receiving any federal school aid program. Finally, it puts a stay on all court-ordered bussing until all appeals have been exhausted or until January 1, 1974.

That the outcome of the legislation is still in doubt does not detract from the advancement of a federal higher education program or the National Governors' Conference's role in helping to bring about those advances. I think it is fair to say our involvement is timely and has been effective. Twelve of the 13 recommendations that were made by our Special Subcommittee were accepted in whole or in part in the bill reported by the Conference Committee. These include matters such as these: A balanced student assistance program which not only continues existing federal efforts but also creates a new basic opportunity grant program; direct institutional aid based on enrollment of low-income students, graduate students, and veterans; emergency assistance to institutions faced with imminent

extinction; federal assistance for state scholarship incentive programs; a Student Loan Mortgage Association which will help make loans to students available in tight-money markets; support for comprehensive state planning of post-secondary education, and that was extremely important; a work-study program which will provide students with relevant work connected with community programs; eligibility for part-time students in all financial aid programs; two new programs of assistance for community colleges and for occupational education; and finally, eligibility for insured loan interest subsidies, expanded to include any student who can demonstrate need without respect to family income.

It should be remembered that the changes I have proposed in the Conference report are not yet logged. Also the authorization levels are not guarantees of funding. Should this bill become law, appropriations are going to be an important concern. The role of the State in higher education is in no sense secondary to the federal role. We are the senior partners, not only in terms of dollars, but in developing a broad range of post-secondary educational opportunities. This legislation takes a first step in federal recognition that effective utilization of higher education funds must involve state planning and state coordination. I have one final comment and a request for your help. As I said, the House is likely to vote on this bill tomorrow. I have been in direct contact with the House education leadership on the expected vote, and, let me tell you, passage is by no means assured. So I would appreciate your contacting members of your delegations in support of the Conference report on this all-important higher education bill. Let me remind you, should it fail to pass, not only will much needed new federal aid be lost, but all current student and college aid programs expire on June 30 of this year.

**CHAIRMAN MOORE:** Thank you very much, Governor Ogilvie, for accepting the responsibility of chairing this Subcommittee. Are there any comments that any of the Governors might want to make concerning the submission of Governor Ogilvie? We have arrived at that time in which there would be the consideration of policy positions or resolutions which have been offered under the procedural devices suspending the rules for the Conference. Notice has been previously given relating to three such requests to suspend the rules. As you will recall, yesterday Governor Whitcomb of Indiana announced his intent to suspend the rules for the purpose of introducing a resolution on educational benefits for dependents of POW's and MIA's. Without objection, the rules are hereby suspended for the purposes of receiving that resolution. The Governor from Oregon, Governor McCall, is recognized at this time.

**GOVERNOR TOM MCCALL:** Mr. Chairman and fellow Governors: The resolution which I carry today for Ed Whitcomb says this, in brief: Over 1,700 U.S. military personnel and some 50 U.S. civilians are prisoners of war or missing in action in southeast Asia. The National Governors' Conference expresses its support for state programs to assist the dependents of our prisoners of war and

missing in action personnel, military and civilian, and specifically urges enactment of appropriate legislation by States to provide free tuition at state-supported institutions of higher education for such dependents.

In Oregon such legislation is among the top priority bills that we are having drawn for the 1973 Legislature. Mr. Chairman, members of the Conference, I move the adoption of this resolution. My colleague from Nevada, I believe, would like to have a short message seconding this motion.

GOVERNOR O'CALLAGHAN: Mr. Chairman.

CHAIRMAN MOORE: The Governor from Nevada.

GOVERNOR O'CALLAGHAN: I would like to vigorously support and second this motion offered by the distinguished Governor from Indiana and the distinguished Governor of Oregon, and at the same time make one brief comment. It may be, as in the case of Nevada, that legislation is not required in some of our States to provide tuition-free education to the dependents of military personnel who are prisoners of war or who are missing in action. Some of you may recall at our midwinter meeting in Washington, D.C., I explained that Nevada was able to achieve this objective through action by the University Board of Regents. Accordingly, no legislation was required. On the assumption, however, that legislative action may be necessary in a great many States, I will take the liberty of providing each Governor with a copy of suggested language to provide dependent benefits. This was brought to my attention by the Veterans of Foreign Wars of the United States.

CHAIRMAN MOORE: Does the Governor from Nevada second the motion of the Governor from Oregon?

GOVERNOR O'CALLAGHAN: That is my second, sir.

CHAIRMAN MOORE: Is there any further discussion of the resolution of the Governor of Indiana as presented to us by the Governor of Oregon?

GOVERNOR HEARNES: Question.

CHAIRMAN MOORE: The question has been called for. The motion has carried. The resolution of Governor Whitcomb is the resolution of the National Governors' Conference. In addition to the notice of Governor Whitcomb, Governor William Waller of Mississippi had announced his intention to suspend the rules for the purposes of introducing a resolution on no-fault insurance. Since the Committee on Transportation and Commerce has amended the policy position on insurance of the National Governors' Conference, Governor Waller advises me that he desires to withdraw that notice of intention to seek suspension of the rules. Without objection, that will be done.

At this time I would like to read a telegram transmitted to us from the President of the United States, relative to this subject matter:

"It is a pleasure to send my greetings and my high regards to the Governors of our States. Each of you is a full and vital partner in our common effort to provide better, more effective, and more responsive government for all our people. I know the Governors share my abiding interest in preserving and strengthening

a truly federal system in the United States, in which all levels of government—federal, state, and local—share this responsibility.

“This results in problems being solved on the level of government which can be most effective on each particular issue. Some problems clearly require federal remedies and we have moved to provide them. Many other matters, however, can be handled more effectively by state and local governments, with Washington acting in a supporting role.

“I believe that the States—and not the federal government—can best respond to one of the most pressing consumer needs in the Nation today: The urgent question of reform for the present system of automobile insurance. I oppose involving the federal government in this insurance reform and I urge the States to act. Despite ever-increasing premiums for automobile insurance, the victims of accidents frequently receive inadequate compensation and usually experience harmful delays in the courts.

“The best known alternative to this inefficient and inequitable reparation system is the ‘no-fault’ automobile insurance concept—which provides, in general, that an accident victim’s losses are covered by his own insuring company no matter who caused the accident. I have endorsed this system because I consider it to be a vast improvement and genuine reform for the benefit of the consuming public.

“No-fault insurance is an idea whose time has come. The concept has been gaining wide acceptance, despite the fact that some powerful groups—with a special interest in maintaining the present system—have arrayed themselves against reform. The achievement of real automobile insurance reform through adoption of the no-fault principle would be a particularly effective way of demonstrating the responsiveness and far-sightedness of state government. I commend those States which already have moved on this important question. I urge that the other States, building on the experience gained so far, make the enactment of no-fault automobile insurance a matter of top consumer priority.” Signed, Richard Nixon, President of the United States. Without objection, that will be included in the remarks concerning no-fault insurance, the subject of some consideration by the Conference.

In addition to the resolutions for suspension of the rules, the Chairman announced his intention to seek suspension of the rules for the purpose of introducing a resolution on bicentennial parks. If there is no objection the suspension of the rules has occurred and would place in order this resolution, essentially referring to Public Law 89-491 passed by the Eighty-ninth Congress, which stated that, “The commemoration of the bicentennial of our Nation’s birth should include local, state, national, and international activities.” You have the full text in front of you. Is there a second to that resolution?

GOVERNOR McCALL: I second it.

CHAIRMAN MOORE: It has been seconded by the Governor from Oregon. Is there a call for question?

GOVERNOR HEARNES: Question.

CHAIRMAN MOORE: The motion has carried, and the resolution is adopted. At this time I would like to call for the receipt of any invitations from any Governors now present for the purposes of consideration of the holding of the Governors' Conference meeting for 1974. Governor Smith, this gives you an idea of how many people really are interested in our sharing our Conference with them. I would like at this time to call on Governor O'Callaghan for the report of the Nominating Committee which is now in order.

GOVERNOR O'CALLAGHAN: Mr. Chairman, the Nominating Committee offers as its nominee for the office of Secretary-Treasurer, the name of Brevard Crihfield. The Nominating Committee further offers as its nominees for eight memberships on the Executive Committee the names of Governor McCall of Oregon, Governor Dunn of Tennessee, Governor Peterson of New Hampshire, Governor Ogilvie of Illinois, Governor Cahill of New Jersey, Governor Hall of Oklahoma, Governor Kneip of South Dakota, and Governor Carter of Georgia. The Nominating Committee offers as its nominee for the chairmanship of the National Governors' Conference the name of Governor Mandel of Maryland. We move the adoption of this report, respectfully submitted by myself, Governor Wendell Ford of Kentucky, Governor John Love of Colorado, Governor Richard Ogilvie of Illinois, and Governor Jack Williams of Arizona.

CHAIRMAN MOORE: Thank you, Mr. Chairman.

GOVERNOR LOVE: I second it.

CHAIRMAN MOORE: It has been seconded by Governor Love of Colorado.

[The report of the Nominating Committee was thereupon adopted, and the above named officers were elected.]

CHAIRMAN MOORE: At this time I would like the new nominees who are present here for the Executive Committee to please stand. Governor McCall, Governor Dunn, Governor Peterson of New Hampshire, Governor Ogilvie, Governor Cahill, Governor Hall, Governor Kneip, and Governor Carter.

At this time I would like to invite the new Chairman, Governor Mandel, to offer any comments that he would like to make.

GOVERNOR MANDEL: Governor Moore, my fellow Governors; I will be very brief. I certainly cherish the honor that you have given to me by electing me Chairman of this Conference. I think we are at a crucial stage now, where the value of the Governors' Conference is going to be put to the test in the coming year as to the input that we can have, and the effect that we can have on what is taking place in Washington as far as the States are concerned. I intend to vigorously pursue the policies that have been set to give us more of a voice in the affairs of this country.

But I think it would be right at this point, apropos, for me to say to all of you, and particularly to Governor Moore on behalf of all of you, how deeply we appreciate the service that he has rendered to the Governors' Conference

in the past year. I think that all of us owe him a round of applause for the service that he has rendered, for what he has done to make it an effective Conference, and for what we have here now as concluding this Conference.

**CHAIRMAN MOORE:** Thank you very much, Governor Mandel, and thank you very much, my fellow Governors. At this time we approach that point in our deliberations in which it is an unhappy moment, because there are a number of our Governors who will not be, for any one of a number of reasons, joining us at our next meeting. I would like very much to take cognizance of the fact that there are a number of Governors in attendance who will not be returning next year for reasons of constitutional succession limitation and many other considerations. The Conference would like very much at this time to say, collectively, how deeply appreciative we have been of your very, very generous contributions to the programs of the Conference and the manner in which you have supported it, and the manner in which you have offered us your very, very warm hand of friendship. There may be a circumstance or case of any one of those Governors who are here today who might like to be heard, and I would first suggest Governor Scott of North Carolina.

**GOVERNOR SCOTT:** Thank you, Mr. Chairman. This will be my last session because of a constitutional prohibition of the State of North Carolina. Twenty years ago when this Conference met in Houston, Governor Smith, my father was here as a member of this Conference, having served as the Governor of North Carolina 20 years ago, as, indeed, Governor Love, he was at Colorado Springs when the roll was called there. So I have met in two cities where he has been, and it has some personal feeling for me. I simply wanted to say thanks to all of you for your associations, your help, your guidance, and a special word of appreciation to some of the senior members of the Conference, and especially to my good friend, the late Buford Ellington, the Governor of Tennessee, and to Warren Hearnese, to Bill Guy, to some of those fellows who kind of took me by the hand and guided me along during those early days. I am very grateful for it.

Then, too, on the other side of the aisle, for instance, Russ Peterson who was my seat mate at the orientation for new Governors when we met in Tennessee, and who came to North Carolina at my request in a bipartisan effort, a successful effort, to restructure our state government, the executive branch. He came and assisted me in that effort. These and many others have just been wonderful people, all of you, and I thank you for it. My major effort here has been in the area of revenue sharing. It looks like it might now become a reality. I think it will with a little final push, and I feel very good about having this role as a major thing that I have done with this Conference. Just a word of thanks. All of you come to North Carolina, spend some tourist dollars with us. We like that, too, and I hope that I will have the chance to see many of you as time goes on. Thank you very much, Mr. Chairman.

**CHAIRMAN MOORE:** Governor Davis of Vermont.

GOVERNOR DEANE C. DAVIS: Mr. Chairman and fellow Governors: I am a member of the graduating class, too, and as I become a member of the alumni I shall look back with great memories of my four years serving here as a member of this Conference. You have been uniformly gracious to a country boy from the northern section of northern New England, and I have been greatly impressed with the generosity of your help, the big States to the little States, because we probably need that help more than you can sometimes imagine. I want to say that I have learned many things by being Governor, and I have learned a good part of it right here from you. After January 3, when I make some profound remarks to the Legislature of the State of Vermont, once again I shall be ungainfully unemployed, and at that time I shall think of you with greatest sympathy as you approach these problems that are increasing with such a tremendous pace. If you need any help, call me. Thank you.

CHAIRMAN MOORE: Are there any of the other Governors? Governor Smith.

GOVERNOR PRESTON SMITH: Governor Moore and my fellow Governors: You know, serving as Governor of any State, I think, perhaps is the highest honor that the people of that State might confer upon that particular individual and, of course, with these honors, you do have many responsibilities. You do have many enjoyable occasions such as this that you could look back to. I recall just a day or so ago I learned something here that I didn't know when Governor Davis advised me that, while we had more cows in Texas than he did, his were more intelligent. Perhaps it is, Governor, that we should allow these cows to vote.

But it is my belief that those of you who are privileged to continue serving and those who are now serving, I hope you realize the tremendous responsibilities that will be yours in the future. My experience has been that the Governor's office and the work that it does is more and more important to our States. My wife is here and my daughter, and I would say that perhaps the greatest enjoyment that we have had has been that of serving as your host State for this Conference.

I did note that no one seemed to be interested in 1974. We will have a new Governor here and I feel quite sure he will extend you an invitation to come back to Texas. We would love to have you any time.

CHAIRMAN MOORE: Governor Rampton.

GOVERNOR RAMPTON: Just a point of information. You weren't soliciting conditional farewell statements, were you?

CHAIRMAN MOORE: If you want to make one, it will be fine. No; we would sort of like to hold that for a while, because it would require everybody to speak, I am sure. Governor Dunn.

GOVERNOR DUNN: Governor Moore, if I may just for a moment acknowledge the very kind words of the Vice President on Monday evening and the words of Governor Scott a few moments ago concerning the loss that we



in Tennessee feel in the recent death of Buford Ellington. He was a Democratic Governor; I am a Republican Governor. I never noticed one iota of anything but love for his State and deep concern for my being launched to serve my State, which is characteristic of Buford Ellington, as you all knew him.

In case you didn't know, he had his last few seconds of life walking out of a sand trap in Florida, which I think is completely appropriate for him, because he loved the game, probably second only to this Conference and his family. I thank you for the acknowledgments that have been made, and I will convey to Mrs. Ellington on behalf of those here your profound sense of regret in his passing.

CHAIRMAN MOORE: Thank you very much, Governor Dunn. Governor Love of Colorado.

GOVERNOR LOVE: Mr. Chairman, I would like unanimous consent to propose the following resolution:

"The National Governors' Conference expresses its deep gratitude to Governor Preston Smith and his gracious First Lady for their efforts in making this Sixty-fourth Annual Meeting, from June 4 to June 7, 1972, in Houston, Texas, a rewarding and enjoyable experience.

"The Governors' 1972 Annual Meeting has been particularly outstanding, both substantively and socially—a result of unequalled Conference planning and coordinating efforts on the part of the Texas Host Committee and numerous other individuals and organizations. The Shamrock Hilton has provided magnificent accommodations for our comfort and for our working sessions.

"To the guests from Texas, and from the United States, the Conference offers its sincere thanks for their outstanding contributions. To all those who participated in the program sessions, the Conference expresses special gratitude. And to all others who helped plan and who carried out the official and social activities, the Conference extends its thanks for the cooperation as well as the congenial attitude exhibited by the people of Texas in making this annual meeting so productive. We also recognize the special pressures placed on law enforcement officials in Texas and on the National Guard during recent days, and thank them for the highly professional manner in which they carried out their duties.

"We are especially indebted to the Vice President of the United States for taking time from his busy schedule to meet with the Governors in executive session.

"We express appreciation to the staff of the National Governors' Conference for their fine service during the past year and for the efficient and orderly manner in which this Conference has been handled.

"We convey thanks to our news media friends for their fine work and attention to the Sixty-fourth Annual Meeting of the National Governors' Conference."

CHAIRMAN MOORE: Is there a second to the resolution?

GOVERNOR EXON: I second it.

**CHAIRMAN MOORE:** The motion has carried. Thank you very much, Governor Smith, again. We are deeply appreciative. Governor Scott of North Carolina.

**GOVERNOR SCOTT:** Mr. Chairman, I also ask unanimous consent to offer a resolution of appreciation which reads as follows:

"The National Governors' Conference salutes its retiring Chairman, Governor Arch A. Moore, Jr., and his Executive Committee for their outstanding leadership and guidance during the Conference year 1971-72. We especially recognize the continuing efforts of the Chairman to further the interests of all the Governors by bringing to action the goals expressed by the Conference. There is no better example of his success in these endeavors than the new statement of policy announced today by Secretary of Transportation John A. Volpe. This new authorization for the annual obligation of highway funds beginning in fiscal year 1973 resulted from numerous and intense meetings between the Chairman and the Secretary.

"To this must be added the outstanding work done by the Special Committee on Revenue Sharing and the influence it has had in moving this historic legislation forward in the Congress.

"These facts testify to the strength of the National Governors' Conference and the leadership of the Chairman and his Executive Committee. We are sure that the special task force appointed by the Chairman to address the problems of regional development will serve equally well in the coming year to achieve the goals of the Conference and of our individual States.

"We also express our appreciation to Mrs. Arch A. Moore, Jr., the wife of our Chairman, for the contribution she has made through the support of her husband in the added responsibilities he has assumed as Conference Chairman. We recognize this has also placed additional demands upon Mrs. Moore and we commend her for her interest and support." Mr. Chairman, I move the adoption of this resolution.

**CHAIRMAN MOORE:** You have heard the resolution. Is there a second?

**GOVERNOR MESKILL:** I second it.

**CHAIRMAN MOORE:** The motion has carried. Thank you very much, gentlemen, and may I simply say that in chairing the National Governors' Conference it paid far greater honor to my State of West Virginia than any previous assembly of Governors in the history of this Nation has done. I am deeply appreciative of it and hopefully, by working together, we have in some way made a better contribution collectively as Governors so that each of our respective tasks and so many of our diverse challenges might be better met in our respective States. I am deeply appreciative of your resolution. Is there any other business that would come before the Conference at this time? Are there any announcements? "Crihf," please.

**SECRETARY-TREASURER CRIHFELD:** The newly elected Executive Committee will meet immediately upon adjournment in the Columbia Room.

It is off the lobby through the Marco Polo Lounge to your left as you go out. Regarding departure, Governors and their families will use official cars. All others should utilize the transportation desk in the lobby for travel to the airport. Finally, the Texas-style "Easygoin' " Luncheon is provided for all Conference members, admittance by badge. The buffet consists of selected Texas agricultural products and is hosted by the Texas Department of Agriculture.

CHAIRMAN MOORE: There has been added to the many, many papers that you have before you an appreciation list which is an acknowledgment of those who have, in one way or another, showed their appreciation to the Governors in coming to Texas by a various number of different gift items. If you would add to that the name of the Franklin Mint also. We are the recipients this morning of the silver medallion commemorating the Conference here, together with a gold medallion for each of the wives of the Governors.

Beyond that, may I say that it is now time to entertain a motion to adjourn sine die. If someone will suggest that, the Chair would be happy to receive it. The Governor of Missouri.

GOVERNOR HEARNES: I so move.

CHAIRMAN MOORE: The Governor of Missouri now moves that this Conference adjourn sine die, and without objection, we are adjourned.

# Appendices

# APPENDIX I

## THE GOVERNORS, JUNE, 1972

<i>State or other Jurisdiction</i>	<i>Governor (D) Democrat (R) Republican (PNP) New Progressive Party</i>	<i>Length of Present Regular Term Term in Began Years January</i>	<i>Number of Previous Terms</i>	<i>Max. Consecutive Terms Allowed by Constitution</i>
Alabama	George C. Wallace (D)	4	1971	1(a) 2
Alaska	William A. Egan (D)	4	1970(b)	2(c) 2
American Samoa	John M. Haydon (R)	(d)	1969(e)	— —
Arizona	Jack Williams (R)	4	1971	2 —
Arkansas	Dale Bumpers (D)	2	1971	— —
California	Ronald Reagan (R)	4	1971	1 —
Colorado	John A. Love (R)	4	1971	2 —
Connecticut	Thomas J. Meskill (R)	4	1971	— —
Delaware	Russell W. Peterson (R)	4	1969	— 2(f)
Florida	Reubin O'D. Askew (D)	4	1971	— 2
Georgia	Jimmy Carter (D)	4	1971	— (g)
Guam	Carlos G. Camacho (R)	4	1971	(h) 2
Hawaii	John A. Burns (D)	4	1970(i)	2 —
Idaho	Cecil D. Andrus (D)	4	1971	— —
Illinois	Richard B. Ogilvie (R)	4	1969	— —
Indiana	Edgar D. Whitcomb (R)	4	1969	— (g)
Iowa	Robert D. Ray (R)	2	1971	1 —
Kansas	Robert Docking (D)	2	1971	2 —
Kentucky	Wendell H. Ford (D)	4	1971(j)	— (g)
Louisiana	Edwin W. Edwards (D)	4	1972(k)	— 2
Maine	Kenneth M. Curtis (D)	4	1971	1 2
Maryland	Marvin Mandel (D)	4	1971	(l) 2
Massachusetts	Francis W. Sargent (R)	4	1971	(m) —
Michigan	William G. Milliken (R)	4	1971	(n) —
Minnesota	Wendell R. Anderson (D)	4	1971	— —
Mississippi	William L. Waller (D)	4	1972	— (g)
Missouri	Warren E. Hearnes (D)	4	1969	1 2(f)
Montana	Forrest H. Anderson (D)	4	1969	— —
Nebraska	J. James Exon (D)	4	1971	— 2
Nevada	Mike O'Callaghan (D)	4	1971	— 2
New Hampshire	Walter Peterson (R)	2	1971	1 —
New Jersey	William T. Cahill (R)	4	1970	— 2
New Mexico	Bruce King (D)	4	1971	— (g)
New York	Nelson A. Rockefeller (R)	4	1971	3 —
North Carolina	Robert W. Scott (D)	4	1969	— (g)
North Dakota	William L. Guy (D)	4	1969	3 —
Ohio	John J. Gilligan (D)	4	1971	— 2
Oklahoma	David Hall (D)	4	1971	— 2
Oregon	Tom McCall (R)	4	1971	1 2
Pennsylvania	Milton J. Shapp (D)	4	1971	— 2
Puerto Rico	Luis A. Ferré (PNP)	4	1969	— —
Rhode Island	Frank Licht (D)	2	1971	1 —
South Carolina	John C. West (D)	4	1971	— (g)
South Dakota	Richard F. Kneip (D)	2	1971	— 2(o)
Tennessee	Winfield Dunn (R)	4	1971	— (g)
Texas	Preston Smith (D)	2	1971	1 —
Utah	Calvin L. Rampton (D)	4	1969	1 —
Vermont	Deane C. Davis (R)	2	1971	1 —
Virginia	Linwood Holton (R)	4	1970	— (g)
Virgin Islands	Melvin H. Evans (R)	4	1971	(p) 2
Washington	Daniel J. Evans (R)	4	1969	1 —
West Virginia	Arch A. Moore, Jr. (R)	4	1969	— 2
Wisconsin	Patrick J. Lucey (D)	4	1971	— —
Wyoming	Stanley K. Hathaway (R)	4	1971	1 —

## FOOTNOTES

- (a) Previous term 1963–67.
- (b) Alaska Constitution specifies first Monday in December as Inauguration Day.
- (c) Previous terms 1959–62, 1962–66.
- (d) Indefinite term.
- (e) August, 1969.
- (f) Absolute two-term limitation.
- (g) Governor cannot serve immediate successive term.
- (h) Governor Comacho appointed July, 1969; became first elected Governor in November, 1970.
- (i) Hawaii Constitution specifies first Monday in December as Inauguration Day.
- (j) December, 1971.
- (k) May, 1972.
- (l) 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. Elected to full four-year term in November, 1970.
- (m) 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. Elected to full four-year term in November, 1970.
- (n) 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. Elected to full four-year term in November, 1970.
- (o) Nomination for third “successive” term prohibited by state law.
- (p) Governor Evans appointed July, 1969; became first elected Governor in November, 1970.

## APPENDIX II

### ARTICLES OF ORGANIZATION

#### ARTICLE I

##### NAME AND MEMBERSHIP

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

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

#### ARTICLE II

##### FUNCTIONS

The functions of the Conference shall be to provide a medium for the exchange of views and experiences on subjects of general importance to the people of the several States; to foster interstate cooperation; to promote greater uniformity of state laws; to attain greater efficiency in state administration; and to facilitate and improve state-local and state-federal relationships.

#### ARTICLE III

##### MEETINGS

The Conference shall meet annually at a time and place selected by the Executive Committee. The agenda as announced and printed in the official program for the Annual Meeting shall be the official agenda. The Proceedings of the Annual Meetings shall be fully reported and published.

Special meetings of the Conference may be held at the call of the Executive Committee.

Twenty-five members present at the Annual Meeting or a special meeting shall constitute a quorum.

## ARTICLE IV

### EXECUTIVE COMMITTEE

The Executive Committee of the Conference shall consist of the Chairman of the Conference and eight other members elected 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. The motion to suspend is not debatable. 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-fourth Annual Meeting, Houston, Texas, June 5, 1972.

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, 1971-JUNE 30, 1972

<b>Receipts</b>	
Dues Received from States .....	\$356,500.00
Interest .....	15,422.64
Contributions to Reimburse Cost .....	5,838.78
Total Receipts .....	\$377,761.42
<b>Disbursements</b>	
Salaries .....	\$181,514.91
Supplies .....	5,384.33
Equipment .....	16,087.98
Postage, Express & Delivery .....	11,162.18
Telephone & Telegraph .....	12,922.93
Rent .....	10,642.50
Travel & Conference .....	33,524.64
Printing .....	15,882.60
Books & Periodicals .....	1,082.62
Miscellaneous .....	2,751.84
Winter Meeting .....	19,184.84
Contingency Fund for Expenses of Chairman .....	3,935.22
Total Disbursements .....	314,076.59
Excess of Receipts over Disbursements .....	\$ 63,684.83

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#### STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD JULY 1, 1971-JUNE 30, 1972

Net Assets July 1, 1971 .....	\$209,073.87
Add: Excess of Receipts over Disbursements (above) .....	63,684.83
Net Assets June 30, 1972 .....	\$272,758.70

#### COMPOSITION OF NET ASSETS JUNE 30, 1972

Cash in Bank .....	\$ (16,497.99)
U.S. Treasury Bills .....	281,031.69
Petty Cash .....	500.00
Expense Advance .....	7,725.00
Net Assets June 30, 1972 .....	\$272,758.70

## 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
63rd	San Juan, Puerto Rico	September 12-15	1971
64th	Houston, Texas	June 4-7	1972

APPENDIX VI

CHAIRMEN OF THE  
NATIONAL GOVERNORS' CONFERENCE.  
1908-1972\*

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
Governor Arch A. Moore, Jr., West Virginia	1971-72
Governor Marvin Mandel, Maryland	1972-73

## APPENDIX VII

### APPROVED POLICY STATEMENTS BASED ON RECOMMENDATIONS OF THE COMMITTEE ON CRIME REDUCTION AND PUBLIC SAFETY

#### ADMINISTRATION AND IMPLEMENTATION OF THE OMNIBUS CRIME CONTROL AND SAFE STREETS ACT

##### (a) Administration and Implementation of the Omnibus Crime Control and Safe Streets Act.

The National Governors' Conference commends the Law Enforcement Assistance Administration for its extensive and helpful cooperation with the States in implementing the Omnibus Crime Control and Safe Streets Act of 1968. Its 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, promoting a spirit of cooperation between the various criminal justice disciplines, and generally supporting the state partnership required in a block grant program sets an outstanding example that could well be emulated by other federal departments. Its efforts to insure the success of this first program embodying a true block grant approach to an intergovernmental problem are noteworthy. The National Governors' Conference further commends the LEAA for its reorganization plan designed to facilitate project review and decentralization by expanding the authority and responsibility of the regional offices.

Therefore, the National Governors' Conference expressly reaffirms its confidence in the LEAA program and urges the Congress to form a partnership with the Governors in working to strengthen the LEAA to assure effective intergovernmental action to deal with one of the Nation's most serious domestic problems.

##### (b) Fiscal Policies

The Omnibus Crime Control and Safe Streets Act was enacted in order to provide additional public funds to prevent and control crime. In passing the law, the Congress took notice of the fact that crime is essentially a local problem over which the States have basic supervising authority through their systems of criminal laws and the administration of justice. Pursuant to this law, all the States, territories and the District of Columbia have established state agencies to assist the State and its communities in their effort to reduce crime and increase justice by providing comprehensive planning and grant administration for the development and management of projects to this end.

The National Governors' Conference recognizes the needs and shares the concerns of large cities and counties for additional crime control funds and as a means of meeting these needs by making additional funds available through

state planning agencies, we urge the Administration to request the Congress to appropriate the full amount authorized by the Act. The major portion thereof should be for the specific purpose of funding block grants to the States.

Insofar as it would contribute toward freeing state and local governments from onerous federal administrative and fiscal restrictions, we endorse those principles of special revenue sharing for law enforcement which would eliminate grantee matching requirements and dispense with the requirement of prior federal approval of state comprehensive plans as a condition precedent to allocation of funds.

#### STATE-CITY COOPERATION

The National Governors' Conference restates and reemphasizes its commitment to vigorous and effective action to control the burgeoning crime problems 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 in the revision, modernization and simplification of the criminal code, including a model sentencing code with emphasis on dealing with the offender as an individual rather than treating the crime. 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 support, encourage and will pursue the following steps to aid law enforcement officials:
  - 1. Personnel
    - a. Development of minimum statewide professional standards for 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 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
    - Create unified systems with specialized branches where appropriate.
  - 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 fair sentencing procedures consistent with policy of dealing with offenders as individuals.
    - d. Institute procedures to require counsel for a parole violator.
- C. To this end, the Governors 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 for 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 correction programs.
- e. Adoption of the Interstate Correctional Compact providing for regional and interstate cooperation for the development of correctional institutions and programs.
- f. Support the Comprehensive Offender Program Effort (COPE) which concentrates available resources and acts as focal point for the integration of state and local programs for the rehabilitation of criminal offenders.
- g. Set up qualifications for and implement to the maximum extent consistent with the effective enforcement of the law of a "Summons in Lieu of Arrest" in the case of persons charged with low-hazard, minor offenses.

**D. Total system needs:**

- 1. 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.
- 2. Development of a philosophy and treatment program whereby the offender is treated as an individual according to his needs and motivations.

#### **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 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.

Through the joint efforts of States, localities, and the Law Enforcement Assistance Administration, major strides have been made in improving the juvenile justice system. Nonetheless, in the final analysis, the solution to the problem of juvenile delinquency lies in its prevention rather than treatment. Congress first addressed this problem by enacting the Juvenile Delinquency Prevention and Control Act of 1968, as a companion measure to the Omnibus Crime Control and Safe Streets Act. Unfortunately, the Juvenile Delinquency Act has not lived up to its mandate. It has been hampered by delayed and overly stringent guidelines and a severe lack of funds.

It is the position of the National Governors' Conference that an effective federal juvenile delinquency prevention program is so essential to the goal of reducing violent crime in this decade that it deserves the personal attention of the President. We, therefore, urge the Congress to enact new legislation establishing a Special Action Office within the Executive Office of the President.

The Special Action Office should have a mandate for implementing an active partnership with state governments and to coordinate the more than seventy programs affecting youth scattered over at least sixteen federal agencies. The office should also be directed to mobilize action programs to prevent juvenile delinquency through community efforts in vocational education, family counseling, group homes, runaway counseling centers, outreach programs and others.

Such legislation should be adequately funded and should focus on the following objectives:

1. Broaden the planning structure and capabilities at the local and state level with increased mechanisms to interface multiple prevention systems.
2. Increase substantially the funds available to local communities for action projects and special impact programs in limited geographical areas. A portion of the federal funds under the act should be available for the matching requirements of other federal funds, thus increasing the scope of the funding.
3. Provide direct focus on establishing a system of delinquency prevention

and diversion programs as a viable alternative to the juvenile justice system.

4. Provide increased emphasis on career development and training at all levels, applied research, and model program techniques.
5. Provide an ongoing capability for legislative and staff monitoring and evaluation of all programs and activities funded under this Act as a basis for developing hard data for making decisions on long range needs.

#### 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 the 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. Enactment of the Model Criminally Operated Business Act as drafted by the Suggested State Legislation Committee of the Council of State Governments to prevent infiltration and takeover of legitimate business by the forces of organized crime.
- 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 of 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 recommend the following urgent efforts:

1. The Special Action Office for Drug Abuse Prevention created by the Drug Abuse and Treatment Act of 1972 has been directed by Congress and the President to coordinate federal drug abuse programs, develop goals, objectives and priorities for those programs and cooperate with the States in a concerted attack on the narcotic and dangerous substance problem. We endorse this effort.
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. In line with the objectives set forth by the Cabinet Committee on International Narcotics Control, the federal government should intensify its diplomatic efforts to halt the illegal importation of narcotic substances and promote international programs to reduce the production of such substances.
5. The enactment of interstate compacts to further cooperation among the States in the control of drug and narcotics abuses.
6. Public drunkenness should not in itself be a criminal offense. Disorderly and other criminal conduct accompanied by drunkenness should remain punishable as separate crimes.

#### 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-keeper in the discharge of his responsibility to use such force as may be necessary for his 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 disturbances, and persons convicted of felonies, from buying, owning, or possessing firearms.

#### NATIONAL CRIME REDUCTION GOALS

Using 1971 as the national base year, the National Governors' Conference calls upon the Congress and the federal government to join with Governors and local government leaders to give crime reduction priority attention and to commit the resources necessary to stop the growth of violent crime and reduce it by 50 percent of the peak year by 1981. In this context, violent crime refers to murder, non-negligent manslaughter, rape, robbery and aggravated assault.

In furtherance of these goals, the National Governors' Conference recommends that the national crime reporting procedures be revised to report the number of persons committing crimes.

#### RENAMING LEAA

In recognition of the Law Enforcement Assistance Administration's broadened scope and mission, the National Governors' Conference recommends that it be renamed the National Crime Reduction Administration, thus relating it to the quantifiable national goal of reducing crime.

#### EXTRADITION REFORM

The National Governors' Conference expresses its concern with the ever increasing number of extradition requests which pass through Governors' offices and the bewildering variety of forms and procedures utilized by the various States in the extradition process. The resulting delay serves neither justice nor efficiency.

We, therefore, request that the National Association of Extradition Officials study the problem and the various solutions that have been offered and propose model legislation if deemed desirable for adoption by the States.

#### THE NATIONAL GUARD

The National Governors' Conference recognizes the unique role of the National Guard as the primary reserve force for both the Army and the Air Force in our Nation's defense and as our emergency law enforcement and disaster backup for state civil authorities. We reaffirm our belief in the National Guard militia system which has supported and sustained the United States throughout its history as the most fitting, economical and effective method of providing military support to both State and Nation.

We are, therefore, concerned over the ability of the National Guard to maintain authorized strength as reliance upon the draft is lessened. Greater emphasis and support must be given to incentives to enlist and retain members in adequate numbers with a proper balance of experience and leadership.

The National Governors' Conference further endorses the recommendations set out in the accompanying report by the Subcommittee on the National Guard.

#### MODEL DISASTER LEGISLATION

The National Governors' Conference commends the Office of Emergency Preparedness in the Executive Office of the President and The Council of State Governments for their effort to revise and up-date state legislation covering disaster prevention, assistance, and response. This is desirable because our vulnerability to disaster is steadily increasing. From 1969 through 1971, major disasters

have occurred in 43 States and 4 territories resulting in hundreds of deaths and billions in property damage. Over \$480,000,000 in federal funds has been allocated to the States by OEP from the President's Disaster Fund for certain types of disaster assistance and the cost to States and local governments, individuals and private business is estimated to exceed \$3 billion. Because of the efforts of OEP, federal disaster legislation was completely updated in 1969-70.

All of the States have statutes dealing with disasters. Most were enacted in the 1950's. Few States have revised their disaster acts during the past 20 years. Thus, there are many inadequacies in state disaster legislation. New emphasis should therefore be placed on disaster response, state and local disaster organizations should be strengthened and state laws should be broadened to grant greater recognition to the phases of prevention, preparedness, and recovery.

With the cooperation of OEP, The Council of State Governments has developed an example State Disaster Act as an aid to state officials in considering possible legislative action to strengthen their disaster legislation to meet the growing vulnerability to the impact of such events. The Act was drafted with the assistance of the Committee on Suggested State Legislation of The Council of State Governments composed of representatives from the States.

The National Governors' Conference endorses this effort of The Council of State Governments and OEP and strongly recommends that the Governors study the proposed example State Disaster Act with a view to recommending its provisions to the next session of their state legislature with the idea that sections, language or purposes in the example act may prove helpful to the state legislature in considering any revision and up-dating of its disaster legislation.

#### NATIONAL ADVISORY COMMISSION ON CRIMINAL JUSTICE STANDARDS AND GOALS

At its 63rd Annual Meeting, the National Governors' Conference adopted quantifiable national crime reduction goals. That policy calls "upon Congress and the federal government to join with Governors and local government leaders to give crime reduction priority attention and to commit the resources necessary to stop the growth of the violent crime and reduce it by fifty percent of the peak year by 1981." With the hundreds of state, regional and local planning agencies set up in the last several years to channel Law Enforcement Assistance Administration funds to community agencies and programs, and with the huge pool of professional criminal justice planning capability which these groups represent, we now have the machinery to mount an increasingly effective national war on crime. What we have lacked is a clear statement of performance standards and priorities, which will enable criminal justice planners at all levels to translate the billions of dollars invested into effective crime reduction programs.

A National Advisory Commission on Criminal Justice Standards and Goals made up of criminal justice officials, experts in police, courts and corrections,

state and local officials and representatives of citizens' groups has been appointed to undertake that task. The National Governors' Conference applauds the objectives of the Commission and urges the Commission to formulate realistic, concrete standards, goals and a timetable to help criminal justice planners assure the most productive return on every federal, state and local dollar committed to the reduction of crime.

## APPENDIX VIII

### 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.

#### STATE AND LOCAL BONDS

The municipal bond market is a vital source of funds for financing the capital expenditure requirements of state and local governments. In order to meet the strong and growing demand for new and expanded capital facilities faced by these governments, it is imperative that this market provide a dependable source of funds at reasonable rates of interest. To this end we recognize the desirability of broadening the market for state and local bonds.

Specifically, at the federal level we urge Congress to enact legislation: (1) to permit mutual funds holding municipal bonds to pass the exemption through to their stockholders; and (2) to require a portion of the reserves of the Unemployment Trust Fund to be invested in municipal securities.

At the state level we encourage where feasible and relevant the examination of state initiatives such as: (1) the state bond bank; (2) constitutional and/or statutory changes in debt and interest rate limitations; (3) collateral deposit requirements in municipal bonds for insurance companies; (4) direct issuance of low denomination bonds; and (5) public finance assistance departments.

During the last several years, we have witnessed a growing number of bills introduced in the Congress which would shift state and local borrowing from the tax-exempt to the taxable market. In most cases, federal agencies would act as intermediaries between state and local governments and the public in marketing municipal bonds. Regarding further Congressional action in this area, we recommend the following criteria:

1. Use of any federal credit assistance programs by state and local governments should be entirely voluntary.
2. Such assistance should be free of federal interference and intervention in matters of state and local concern.
3. Such assistance should be simple, dependable, and free of delay.
4. Such assistance should not be viewed as an alternative to federal grant assistance where the latter is appropriate and necessary.

The Conference reasserts that any proposal 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 or repeal or limit the exemption of State and local government bond interest from federal taxation.

The National Governors' Conference calls upon the Secretary of the Treasury to provide in the implementation of the Tax Reform Act of 1969 opportunity for state and local governments to make reasonable investments and derive reason-

able returns on proceeds of tax exempt bonds. The National Governors' Conference opposes the use of tax exempt bonds to earn unreasonable "arbitrage" profits through investment in taxable obligations. However, we urge the Secretary of the Treasury to recognize the necessity to cover legitimate administrative costs associated with certain kinds of important revenue-producing public improvements, including student loans and lower income housing. The Conference calls upon the Secretary to provide through administrative regulations for a permissible yield sufficient to cover reasonable costs incurred in the operation of these and similar programs.

#### 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 block grants.

Although legislative authorization for the Appalachian Regional Commission and regional commissions authorized under Title V of the Public Works and Economic Development Act has been extended, there is need for a thorough 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 multistate 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 employees to carry out their responsibilities.

The National Governors' Conference commends the Council of State Governments for strengthening its training activities: the Conference notes the successful seminar held in 1968 and 1970 for newly elected Governors and their aides, the continuing work of the Council in providing policy-oriented training for Governors' personnel, the newly established training program for legislators and legislative staff, and the recent collaboration with organizations of local officials to provide training on matters of intergovernmental concern. The Conference urges further intensification of these efforts.

The Intergovernmental Personnel Act of 1970 will help to strengthen state and local training programs. This legislation provides a major opportunity to establish statewide personnel training and development programs in cooperation with local officials. However, the opportunity directly depends upon prompt and affirmative submission of state plans for training to the U.S. Civil Service Commission.

#### 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 commends the Council of State Governments on the establishment of the Interstate Consulting Clearinghouse which will 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 SYSTEMS

There is a critical need for a better exchange of information between levels of government as a result of the continuing growth of federal assistance programs. Great progress has been made by the States in creating information systems for their decision makers. Additional progress has been made by the federal government under the Intergovernmental Cooperation Act of 1968 and subsequent implementation guidelines.

However, it is increasingly clear that further progress could be greatly enhanced by developments at the federal level which are unifying and coordinating in effect. It seems evident that clear commitment from the Office of Management and Budget, with strong support from the States, could result in substantial progress in the following areas:

1. Early involvement of the States in federal spending decisions directly affecting state budgeting, through continuing information flow to policy levels.
2. Action toward uniform data requirements and formats among federal agencies.
3. Technical assistance to state and local governments in developing uniform information systems and more effective management techniques. Vigorous assistance from the federal level would implement the States' desire for information systems which are compatible both among the States and between States and the federal government.
4. Sustained funding for model projects whose purpose is to develop techniques and systems for effective management in many areas of government.
5. A continued emphasis on the elimination of federal agency policies requiring single purpose or designated use of federally supported data processing facilities. At present, state central management staff may be denied the use of state functional agency equipment because of regulations promulgated by counterpart federal agencies.

The National Governors' Conference requests of OMB that the "standard application" attachment to Circular A-102 provide that the face sheet on each application for a federal grant-in-aid should include the requirement that the Governor and OMB receive a copy of the face sheet with an annotation indicating receipt, award, or denial.

## FEDERAL GRANT-IN-AID OMNIBUS

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 1,000 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:

1. Utilization of the block grant approach for new aid programs in support of broad national purposes.
2. Fundamental reorganization of a large number of existing programs into several broad areas on a permanent basis. Grouped programs would be those that share a consistent pattern of purpose. The following provisions represent concepts embodied in this type of proposal:
  - Automatic allocation of grant funds by careful and meaningful formulas rather than narrow project specifications.
  - Flexible and dependable formulas for passing certain funds directly to local governments.
  - Deletion of matching and maintenance of effort requirements as a pre-requisite to receiving aid.
  - Clear definition of the State as critical to program coordination, planning and evaluation, with gubernatorial review replacing cumbersome federal approval processes.
  - Reasonable transitional stipulations such as hold harmless clauses, which would guarantee state and local jurisdictions at least as much revenue from each new program as from the total of the old programs being consolidated.
3. Joint funding simplification, to allow federal agencies to cooperate with state requests to combine several grants in the administration of one state program.
4. Appropriations consonant with authorizations, to provide a greater degree of certainty in the amount of funding to be expected.
5. Advance funding for at least two years, especially for construction projects, so that the necessary contracts can be let with assurance of fulfillment.

6. Annual appropriations prior to start of fiscal year, to provide the States sufficient lead time for planning the program and hiring the staff.
7. Resolution by the President and Congress of their divergent policies on appropriations and expenditures by procedural or structural means.
8. Full consideration of the special needs of Puerto Rico, the Virgin Islands, American Samoa and Guam be given by Congress in the distribution of fiscal aid funds.

The National Governors' Conference asserts that any changes in the grant-in-aid system must be directed toward the simplification of the machine. The mechanisms of federal assistance must not be allowed to impede the intent of that assistance. The National Governors' Conference supports the President's special federal assistance review program for the streamlining of the administrative mechanisms used to process and distribute federal funds. Further, the National Governors' Conference asserts that economic, social and ecological challenges can be grasped and grappled with at state and local levels, and that operational changes in aid programs must allow and encourage problem-solving ability at these levels.

#### 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.

#### SUB-STATE DISTRICT DEVELOPMENT

Sub-state districting is an issue of growing concern to state and local elected officials. The essence of the concept is the creation of a statewide system of multi-jurisdictional planning units, composed of elected officials or appointed representatives, and provided with a professional staff. The concept is basically an organizational one. It proposes a structure which cuts across the array of substantive programs, enabling elected officials to effectively coordinate the use of federal, state and local resources in solving statewide problems.

Although the sub-state district is essentially an aggregate of local governments, the critical catalyst must be applied by state government, since the ability to

designate district boundaries, enact enabling legislation, and provide needed financial and technical support lies at the state level.

At the federal level, two Office of Management and Budget Circulars have been specifically addressed to this problem (Circulars A-95 and A-98). However, further progress at all levels is virtually prohibited by the uncoordinated and competing array of federal aid programs operating at the sub-state level and having their own rules, regulations, and guidelines for organizational structure, policy board representation, program coverage, and staffing arrangement. The following actions should be undertaken to assure progress:

1. The Office of Management and Budget should give more serious attention and staffing to the implementation by federal agencies of Office of Management and Budget Circular A-80 and A-95 concerning sub-state district organizations.
2. Each State should give serious consideration to the enactment of state legislation that would better enable local, general purpose governments to cooperate in the solution of areawide problems.
3. State agencies should use these sub-state districts for the administration of state programs to the greatest extent possible.
4. Federally supported sub-state district organizations should be made responsible to those organizations authorized by the State and established and operated by local officials.

#### FEDERAL EXECUTIVE REORGANIZATION

The National Governors' Conference, in taking notice of current proposals to reorganize the Executive Branch of the federal government, supports the general concept of restructuring the mechanism of government in ways which better meet the needs of the people and facilitate inter-action between the levels of government—federal, state, and local.

The Conference has long argued for clearing away the proliferation and confusion of federal grant-in-aid programs and is on record supporting actions to simplify their administration. Reorganization of the Federal Executive Branch can contribute to that objective if properly carried out.

The National Governors' Conference is concerned that certain specific concepts be followed in the consideration and enactment of any federal reorganization:

1. Existing departments, agencies, and commissions should be grouped into single new departments, structured according to broad but similar purposes.
2. To facilitate accountability and proper coordination of the diverse but related programs within such departments, the departmental secretaries must have full authority for all of the department's functions including power to delegate and transfer responsibility both among programs and to the field.

3. To facilitate better interaction between state and local officials with federal agencies, decentralization of both authority and accountability to regional offices must be accomplished.

The Conference strongly supports the basic purposes of the reorganization proposals of 1971 consistent with the above principles and urges the Congress to enact legislation which supports and implements these concepts.

#### EDUCATION FINANCE REFORM

The state role in financing elementary and secondary education is the most vital issue currently facing the States. Education is and must continue to be a state responsibility. State action to achieve equal educational opportunity must begin immediately, progress rapidly, and have the aggressive leadership of elected officials in State Government.

The National Governors' Conference urges all States to undertake immediate action toward equalizing educational opportunity. There is great variety in educational finance systems available to States as they seek to achieve this objective. Review of the issues and approaches underscores one critical point—the wide variety of alternatives prevents a “best solution.” Nevertheless, States must focus on one prime objective—elimination of local wealth as the major determinant in educational opportunity.

Rapidly rising education costs, requirements for equal educational opportunity, and increased demand for all local services have combined to bring heavy pressure upon the education financing systems of many States. Recent state and federal court decisions have further dramatized the education finance dilemma. Since August 1971, state courts in Arizona, California, and New Jersey, and federal district courts in Texas and Minnesota have declared unconstitutional those financing systems which allow local disparities in property-based wealth to be reflected in unequal educational opportunity. Today more than 30 similar cases are pending in state and federal courts.

In order to meet the States' responsibilities for providing equal educational opportunity and at the same time to avoid serious financial and administrative disruptions and the potential misuse of resources involved in immediate full equalization, it is recommended that each State develop plans, programs and a specific timetable to accomplish this reform with all deliberate speed.

Recent studies of the education finance problem in individual States indicate the state examination of any current system should include study of such alternative elements as the following:

- State versus local responsibility for raising education revenues from a variety of taxes;
- Property tax reform;
- Property tax relief;



- State assumption of selective education costs such as special education and capital outlays;
- State imposed equalization formulas to insure equal educational opportunities regardless of local district wealth;
- Local control options, such as enrichment programs, curriculum development, staffing, innovation, transportation and personnel;
- School system organization and administration.

The National Governors' Conference has existing policy with regard to the federal role in education. Paragraphs one and three of Policy Statement C.—4 declare the Governors' support for:

“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.

“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.”

While achieving educational equality is primarily the responsibility of individual States, new federal assistance will be necessary to assist States in doing this. Federal programs developed to provide such assistance should include the following principles:

1. New assistance should not be aimed at encouraging a single, federally prescribed approach to educational equalization. Differing state political traditions and fiscal situations must be recognized, since an attempt to impose a national structure which violates these variations will hinder rather than advance equalization.
2. The States should not be by-passed in federal education legislation, directives or policy decisions since States have constitutionally and historically maintained ultimate responsibility for education.
3. Federal assistance toward equal educational opportunity should not be tied to other objectives such as property tax relief. Local tax relief and reform is a state concern and must ultimately depend upon state action.
4. Federal financial assistance for education should continue to be appropriated from the general revenues of the U.S. Treasury to assure flexibility in the face of changing needs.

## NATIONAL VALUE ADDED TAX

The Committee has examined the recent Administration concept of providing to States a substantial increase in federal funds for education through a national value added tax which would require relief of local residential property taxes.

The Committee unanimously agrees that the issues of education finance, property tax relief and reform, and a national value added tax are related, but separate issues, which must be reviewed individually. The Committee also believes that discussion of a national value added tax should not delay immediate action toward education finance reform in the individual States. Moreover, the National Governors' Conference questions the adoption of a federal value added tax because:

- The federal government has already usurped control over an increasing number of revenue sources;
- Federal income taxes have been cut five times in the last ten years while state and local governmental units have drastically increased taxes;
- A national value added tax would provide direct competition for the 45 States that now rely on the general sales tax as a major source of revenue;
- The principle of basing federal taxation on ability to pay as measured by income has been gradually eroded in the past decade, and the proposed value added tax would further accelerate the shifting of federal taxation away from graduated income levies.

Finally, the Committee reiterates its strong support for the existing National Governors' Conference policies calling for revenue sharing and the federal assumption of all welfare costs. The Committee believes passage of these measures, combined with a restructuring of state and local education finance systems, should be accomplished before decisions are made on a national value added tax.

## NATIONAL LEGISLATION FOR PENSION PLAN REFORM

The Committee recognizes the vital importance of adequate and assured pension plans for employees of both the private and public sectors.

Since the regulation of public pension plans is the sole responsibility of state government and since most States already provide regulations for public pension plans, the Committee agrees that national legislation should not regulate public pension plans. The Committee urges each State to reexamine its regulations to provide for adequate and assured pension plans for both the public and private sectors.

If the Congress decides that federal regulation of private pension plans is necessary, such legislation should not preempt existing state regulation of private plans and should provide for full coordination of federal and state regulatory policies for private pension plans.

## FEDERAL MERIT SYSTEMS

The National Governors' Conference applauds recent federal efforts directed toward improving intergovernmental personnel relations as embodied in the concept of New Federalism and the Intergovernmental Personnel Act of 1970.

Accordingly, the Conference urges that future federal activities in this area emphasize the adoption of broad guidelines based upon Career Service principles by the Civil Service Commission which will strengthen the States' traditional role of establishing and maintaining their own personnel management systems. Specific merit system standards or further expansion of the present inconsistent assortment of specific personnel requirements to grant-in-aid programs by federal agencies should be prohibited.

## APPENDIX IX

### APPROVED POLICY STATEMENTS BASED ON RECOMMENDATIONS OF THE COMMITTEE ON HUMAN RESOURCES

#### PREAMBLE

The Committee on Human Resources, while recommending adoption of separate policy statements in welfare and social services, health, manpower, education, and drug abuse control, wishes to emphasize the importance of recognizing the interrelationships between these areas. Needs and problems of people often times defy categorization. For example, the need for welfare assistance may well be the result of inadequate education or health services. It is essential therefore that specific policies and programs within the human resources area be constantly reviewed to assure that the total needs of people are being met and that individual programs complement and not conflict with each other.

The Committee on Human Resources of the National Governors' Conference has become increasingly concerned that in the areas for which it is responsible as well as in other functional areas, our federal system of government is not adequately meeting the needs of the people.

Each of the three levels of government is in a sense trying to run its own competing programs with the result that we have overlapping and duplication of functions. This is not only confusing and costly, but worst of all it is failing to get the job done for the people and people are therefore losing confidence in government.

The Committee on Human Resources feels a basic restructuring of the federal system is needed to eliminate the overlapping and duplication among the three levels of government and restore efficiency and economy to the delivery of services. This requires that the primary responsibility for the delivery of a service must be allocated to that level of government that can most effectively deliver the service; and the primary responsibility for financing a service must be allocated to that level or levels of government that can most efficiently finance it. At the same time, the Committee recognizes that the progress in accomplishing these objectives depends upon the fiscal limitations facing all levels of government.

To help accomplish needed basic structural change, where more than one level of government should be involved, the Committee on Human Resources believes that the following basic system should be adopted for federal grant-in-aid programs: consolidation of narrow categorical grant programs into block grants, combined with the development of a state plan, consistent with federal statutes, for the use of these funds at the state and local level.

The Committee on Human Resources has reviewed the policy statement

adopted by the National Governors' Conference in 1971. The Committee reaffirms these basic policies and urges prompt action to implement them.

Because federal legislation is now pending before Congress which will, if enacted, have a major impact on the existing welfare programs and on state and local government, the Committee on Human Resources wishes to comment specifically regarding this pending federal legislation.

The House of Representatives passed welfare reform legislation in June of 1971. It is essential that the Senate Finance Committee act promptly to report out a bill and that prompt action is taken by the entire United States Senate with needed welfare reform legislation enacted in this session of Congress. States and localities have had severe problems regarding planning and budgeting for welfare programs because of the uncertainty accompanying the extended period of time since the initial introduction and consideration of welfare reform in the United States Congress.

The Committee believes that H.R. 1 represents significant progress toward bringing about an improved welfare system. The Committee on Human Resources believes that the following concepts should be incorporated into the pending federal welfare reform legislation to be enacted in 1972.

1. Increased recognition of the responsibility of the Federal Government for welfare and of the fiscal crisis of state and local governments caused in large part by increased expenditures for welfare.
2. The establishment of federally financed minimum national benefit levels and uniform national eligibility standards for the fully federally financed program.
3. Increased efforts to require employment of employable welfare recipients and action to correct any disincentives to work including removal of inequities in the present system which result in it being financially advantageous not to work and which therefore discourage those who are working.
4. Requirements for registering for and accepting private employment, job training, or participation in a program of public service employment.
5. Increased federal financing of programs of cash assistance for the aged, blind, and disabled.
6. Extension of Medicare benefits to recipients of disability benefits under the Social Security Program.
7. Increase in Social Security benefits.
8. Recognize the necessity for benefit levels to be adjusted for cost-of-living increases and therefore provide for full federal financing of these increases.
9. Extend the basic program to childless single persons and childless couples which are now included in general assistance programs.
10. Recognize the greater fiscal burden of those States which are providing a benefit level higher than the national minimum and provide for federal

financial participation in the cost of financing supplementary payments.

11. Provide immediate fiscal relief for state and local governments from welfare costs. Such relief should be provided for costs beginning fiscal year 1971-1972.
12. Include in the Medicaid program a fiscal hold harmless provision to protect States against increased costs of Medicaid.
13. Provide equitable treatment for the people of the Commonwealth of Puerto Rico and the Territories in all federal welfare legislation.
14. Give States and localities the option to establish public service work programs under which recipients of public assistance not otherwise employed in private jobs, enrolled in training programs, or participating in a public service employment program, would be required as a condition of eligibility to perform public service work to improve the quality of community services in areas such as conservation, sanitation, day care, hospital care, etc. Such work would be performed at a rate not less than the applicable minimum wage.
15. Assure that the accounting period for determining eligibility is based on actual needs, and therefore avoid shifting costs resulting from immediate needs of recipients to state and local general assistance programs.
16. Continuation of adequate federal funds for comprehensive social service including such services for present, former, and potential welfare recipients.
17. States should be provided the option of administering the cash assistance program without financial penalties.

The Committee on Human Resources wishes to make clear that its support for the prompt passage of federal legislation incorporating these concepts does not alter the basic position previously adopted by the National Governors' Conference calling for federal assumption of all costs of welfare on a phased basis. The Committee believes this is critical and will continue to work toward the achievement of this goal.

The Committee also wishes to make clear that it does not view the attainment of this goal as a substitute for general revenue sharing. The magnitude of the fiscal crisis of state and local government is so great that 100 percent federal financing of the welfare programs would not provide sufficient fiscal relief for state and local governments to be able to meet urgent needs.

Although revenue sharing is not within the specific responsibility of the Committee for Human Resources, the Committee, as it did at the 1972 Winter Meeting of the National Governors' Conference, wishes to express its support for a general revenue sharing program and specifically for H.R. 14370 which is now before the House of Representatives. It is essential that such a program provide funds to the States as well as to local governments as does H.R. 14370. The fact that the proposed federal welfare legislation would provide some fiscal relief

to some States is no reason for excluding States from a revenue sharing program. In the first place, many States, particularly those which now bear a large proportion of the cost of the welfare program, will receive little or no relief. But of greater importance is the fact that exclusion of the States could have a disastrous effect on the future of our federal system. It could have a very real effect on reversing one of the healthiest recent trends in state and local relations, the increasing willingness of state government to help solve urban problems.

The Committee on Human Resources wishes to express its appreciation to the President and the Chairman of the House Ways and Means Committee for the leadership roles they have played in working to bring about enactment of a revenue sharing program. The Committee urges that the House of Representatives act immediately to pass H.R. 14370; that the Senate Finance Committee promptly report out this legislation and that Senate passage follow shortly thereafter.

The Committee on Human Resources wishes to express itself on two issues of immediate concern: 1. Federal regulations to implement the Talmadge Amendments; and, 2. Proposed new federal regulations regarding social services programs.

1. *Talmadge Amendments*

The Talmadge Amendments as embodied in Public Law 92-223 are designed to substantially improve the effectiveness of the WIN program and to provide States with increased flexibility in the administration and operation of WIN. However, draft guidelines circulated by the Department of Health, Education, and Welfare and the Department of Labor would inhibit the States' role in planning, designing and administering the WIN program. Furthermore, despite a statutory requirement to implement the amendments by July 1, 1972, States had not, as of June 1, 1972, received copies of the final regulations and guidelines. Clearly, it will be difficult to have full implementation by July 1, 1972.

The Committee on Human Resources, therefore, urges that:

- the proposed guidelines and regulations be reviewed in detail with each State; and

- in the meantime the implementation of the program on July 1, 1972, should be based upon the minimal changes necessary to adapt the existing WIN guidelines and regulations to carry out the provisions of the Talmadge Amendments. Any further changes in the guidelines and regulations should be developed in close cooperation with the States and should provide maximum flexibility to adapt the program to the needs of the individual States.

2. *New HEW Regulations Regarding Social Services*

Proposed regulations by the Department of Health, Education, and Welfare would result in major program and organizational changes involving the delivery of social services. While the Committee fully endorses the

basic concepts of these regulations, we are concerned about the major impact these revisions will have on States and localities. We urge that HEW work in close cooperation with the States in the development of these regulations and that particular emphasis be given to assuring that States are given adequate time for planning and implementation. Also, that the maintenance of effort provision be reviewed so that it does not discriminate against any States in its efforts to provide a better system of social services, and not make the additional federal funds dependent on an expansion of state and local services or expenditures.

As a result of its review of the 1971 Policy Statements, the Committee on Human Resources submits for adoption by the 1972 Annual Meeting of the National Governors' Conference the following indicated revisions and additions which are required in the light of current developments.

#### WELFARE REFORM

1. Substitution, on a planned 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. A rational system should:

- a. Take into account the full impact of the total range of direct and indirect aid to the poor.
- b. Include national eligibility policies which take into account all sources of income and provide for a workable work incentive.
- c. Establish reasonable national standards of assistance with reasonable regional or geographic differentials.
- d. Provide for expanded job training and adequate public service employment programs with adequate federal funds.
- e. Provide for adequate day care programs for children of parents who are working or in training programs with provisions for a central state role and a comprehensive state plan, and which would not by pass States in the administration of such programs.
- f. Allow for state administration without financial penalties if the State chooses to administer the program.

2. Increase in the present levels for all payment under the Old Age Survivors Disability Insurance Program.

3. Transfer the present Old Age Assistance, Aid to the Permanently and Totally Disabled, and Aid to the Blind programs to the Social Security Administration, with payments being made from federal general revenues to cover the increased cost.

4. The Secretary of HEW should:

- a. Not mandate the use of the declaration system for determining eligibility. Any use of this system should be optional to the States.



- b. Immediately revise its directive regarding the continuation of welfare payments pending appeal to the state level in cases of reduced or terminated aid payments. Such revision should allow latitude to the States in providing evidentiary hearings at the local level in accordance with the *Goldberg v. Kelly* decision.
- 5. Urge that federal legislation and programs contain provisions for increased experimentation among the various States and allowances for differing approaches in implementation and administration of these programs, so that different needs and situations of the States can be met.
- 6. We support improved federal and state efforts to combat hunger and malnutrition, including the improved administration and coordination of present food programs involving:
  - a. Development and federal assistance in implementing state plans to combat hunger and malnutrition, especially as related to the most vulnerable groups such as infants, pre-school children, and pregnant and nursing mothers.
  - b. The development of effective state and local delivery systems and organizations for food programs.
  - c. Adequate funding by the federal government to provide free or reduced price lunches and breakfasts to schools, summer recreational programs, and day care centers.

#### *Social Services*

- 7. The federal government should continue to assist States in funding and developing social services authorized under the Social Security Act for present and potential welfare recipients, children and adults in need of protective services, families and individuals with social and behavioral problems and the handicapped and the disabled. Such social services programs should involve:
  - a. The continuation of the primary responsibility for planning and administration of such programs by States without by-passing state governments, and reserving to the States decision-making authority as to the level of social services to be provided.
  - b. Federal funding for administration of cash assistance, social services, and related staff training under the Social Security Act not being arbitrarily limited to some percentage of a previous year's federal expenditures in a State.
- 8. Support basic purposes of pending federal proposals which would remove some barriers to States planning and administering a broad range of allied human services programs in a coordinated manner and in a manner which more adequately reflects the state priorities. Such action would be an important first step toward accomplishment of needed basic reforms including consolidation of existing categorical programs and a strong leadership role for the States. Provisions of the pending federal proposal which should be supported include:
  - a. State designated sub-state service areas recognized as the common

geographic areas for planning and administering local coordinated human services programs.

- b. Options available to States to transfer a portion of funds available to a certain program to other federal programs included in a state or sub-state human services plan.
- c. Options available to States to have certain statutory requirements and administrative regulations waived if they impede the development of a coordinated services program.
- d. Authorized special funds for state and sub-state service area comprehensive human services planning activities, and administrative start-up costs for the implementation of such plans.
- e. Provisions which would allow States to consolidate HEW funds available for planning under various programs.

9. The federal government should administer the Social Security Act programs on the federal Indian reservations, or if the States are to discharge this function, the federal government should first grant adequate jurisdictional authority to the States thereby enabling them to properly discharge this function. A number of States have federal Indian reservations within their boundaries and review of national policy is necessary in this area since some States' authority to provide protective services, license foster homes or deal with youth problems on the reservations has been challenged. There is also the problem of lack of uniform reimbursement formula for welfare cash assistance granted on the various Indian reservations.

#### HEALTH

1. Adoption by the Federal Government of a national universal health insurance program 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. 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.

3. 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.

4. 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.

5. 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.

6. We oppose cuts in federal funds in mental hospitals and skilled nursing homes under the Medicaid program.

7. Removal of ceilings on the amount of federal expenditures for Medicaid in the Commonwealth of Puerto Rico and the Territories.

8. To enable citizens to have a choice as to the type of health care systems they may utilize and to provide the opportunity for government to develop various means to control health costs, the States should make possible the provision of health care through prepaid group practice Health Maintenance Organizations (HMO), and the federal and state governments should consider steps which would encourage the development of such Health Maintenance Organizations and other alternative health care systems in addition to the traditional fee-for-service, private practice system.

9. Prompt federal action to provide federal funding of programs for alcoholism prevention, treatment, and rehabilitation. Such funds should be available for:

- a. Formula grants for States on the basis of population and need.
- b. Project grants for demonstration, service, and evaluation projects, education training programs, and a wide range of services in the community.
- c. Coordination of project grant applications from within any State through the single agency designated by the State as the alcoholism authority.
- d. Federal grants for persons seeking training in alcoholism treatment and rehabilitation and for programs in professional schools.
- e. Incentives for increased utilization of existing health resources (hospitals, health nurses, etc.) in alcoholism treatment programs and for providing services within traditional helping systems—public health, public welfare, vocational rehabilitation, and social agencies.

10. The federal government should study and take further action to meet the problem of the distribution and availability of medical manpower, a problem which is particularly acute for the disadvantaged and for those who live in rural areas. The federal government should give consideration to the provision of federal funds for the establishment of public health service training centers or programs to train those who are motivated to serve the disadvantaged and those who live in rural areas.

11. The development and implementation of national health policy must involve the roles and division of responsibility between all levels of government

and the public and private sectors. A major effort is needed by the National Governors' Conference to determine and assess current state programs and initiatives in health policy development, planning, and health services resource development, and to relate these to a national health policy. Special attention should be given to determining optimum federal and state roles and division of responsibility in regulating, administering, financing, organizing, and delivering health care services. Adequate resources to support such an effort should be sought by the National Governors' Conference.

#### EDUCATION

1. Recognizing the major responsibility the States have for education and in light of questions raised by present court decisions regarding the financing of elementary and secondary education, all Governors are urged to review the present system of financing elementary and secondary education in their States. Such a review should examine all present and potential sources of school revenue including possible shifts to relieve overburdening of the local property taxpayer, and should consider ways in which differing educational needs can be met so that the principle of equal educational opportunity will be a reality. In addition, it is urged that Governors not limit this review to the fiscal aspects of education, but utilize this opportunity to also undertake a study of needed basic educational reform.

2. 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.

3. Adequate advance funding of existing federal programs commensurate with critical educational needs.

4. 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.

5. 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.

6. Recognition by federal and state governments of their responsibility to help preserve the contributions of private education.

7. Continued actions by the States to meet their responsibility to develop a comprehensive plan for higher education opportunities—both public and private. Such a state plan is essential if higher education opportunities are to be provided in the most effective and efficient manner possible. In order for such plans to be effective, it is essential that narrow categorical federal grant-in-aid programs be consolidated and that federal higher education programs be in conformance with state plans and not by-pass the States.

8. Recognition by the federal government of its responsibility to assist States in achieving equal higher educational opportunities including provision of student aid programs based on financial need, and programs to aid institutions of higher education. Such programs should be fully funded and should be provided on a basis that is consistent with state comprehensive plans. Federal support of higher education should be on a scale consistent with the vastly increased state efforts to support and expand higher education opportunities.

9. Provision by the federal government of funds to encourage research and innovation in education at all levels. Such federal programs should be in cooperation with similar state and local programs.

10. Steps should be taken to provide for continual review by local, state and federal officials and educational personnel of the goals, quality and cost of our educational system.

11. 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 urge the Administration to provide 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.

12. 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.

13. We support enactment of a federal program for early childhood development which would provide adequate federal financing and with provisions for a central state role and comprehensive state plan, and which would not by-pass States in the administration of such programs and would permit maximum flexibility for States to determine standards and requirements.

14. Removal of "set-asides" on the amount of federal expenditures for education in the Commonwealth of Puerto Rico and the Territories.

#### MANPOWER TRAINING AND DEVELOPMENT

1. Development of a new system for the provision of manpower services. This is needed because present federal manpower programs are severely fragmented and there is no unified manpower system. There is a plethora of agencies and groups involved—public and private, state and local. The result is widespread confusion. Some programs duplicate each other, while in other instances needed programs are not available.

To correct this situation, federal grant-in-aid programs for manpower should be consolidated and provision made for the development of statewide plans which would set priorities for spending and provide for the manner in which services would be delivered. A strong state role in manpower programs is essential so that they can be effectively coordinated. When, however, a State is given a major responsibility in the area of manpower, it must also be given adequate authority to meet this responsibility.

2. Enactment of comprehensive manpower reform legislation which will:
  - a. consolidate the legislative and funding authority for federal manpower activities in order to allow integrated and flexible planning and funding of manpower programs and services;
  - b. provide authority for the Governor to:
    - (1) develop and provide for the implementation of a comprehensive statewide manpower plan;
    - (2) exercise options in the process of integrating any of a broad range of federal manpower and related human resource programs;
    - (3) develop, in close cooperation with local government officials, the most effective administrative mechanism possible for the formulation of comprehensive statewide manpower plans and delivery systems;
  - c. provide for such manpower activities as:
    - (1) programs designed to establish linkages with the private sector for the specific purpose of increasing job opportunities for the disadvantaged;
    - (2) establishment of a federal financed national computerized job bank program which would provide information regarding available jobs and job applicants;
    - (3) federal financial support for the establishment of State Manpower Staff Training Centers to assure an adequate supply of trained personnel to plan and administer manpower programs;
    - (4) a federally financed public service employment program designed

- to lead participants into regular private or public employment, which would: be an optional component of a comprehensive listing of manpower activities; be integrated into regular manpower planning processes, statewide plan requirements, and state administrative structures; provide States with coordinating and operating authority—including the option of a single statewide delegation of program authority; and provide a long range federal commitment to absorb enrollees from lapsed manpower projects.
- d. assure a higher degree of integration or coordination of effort at the federal level among and within those departments or agencies responsible for the funding and general guidance of manpower-related programs or services;
  - e. assure systematic review and assessment of the effectiveness of manpower programs.
3. Review by Governors of 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 or provide for the administration of a unified system of manpower services.
4. Development of special effort by the States and the federal government to assist veterans of the Vietnam conflict in finding jobs. Such efforts should include programs to encourage business and civic leaders to help these veterans find employment.

#### NARCOTICS AND DANGEROUS SUBSTANCES

1. Development of a total national commitment—an all-out mobilization of the best minds and of all the resources necessary—to eradicate the curse of narcotic addiction and drug abuse. This problem has grown beyond the capacity of any single State to master not only because of limited fiscal resources but, more importantly, because research has not yet found an effective way to deal with drug abuse and addiction. A total national commitment is required.
2. Federal and state governments 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.
3. Continued diplomatic action should be taken by the federal government to reduce the illegal importation of narcotics and other drugs.
4. 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.

5. Prompt and full funding for both federal fiscal years 1972 and 1973 of the recently enacted federal antidrug legislation which provides the first steps toward a national commitment to combat the drug problem. Additional action by the federal government will be required to provide support, on a scale commensurate with the need for research and for a full range of treatment resources for all addicts and drug abusers who can benefit from it. Such funds should be made available on a flexible basis and in accordance with state established priorities so that state and local governments can use them in the most effective manner possible.

6. The States should join with the Federal Government in an effort to determine the basic underlying causes of, and possible solutions to, 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.

7. We urge cooperative efforts among the States in developing regional programs to increase the effectiveness of efforts to combat addiction. Special potential is seen for coordination of administration, communication, laboratory facilities, and treatment programs.

8. We urge the federal government to meet its responsibility to develop programs to help rehabilitate and restore to a useful life members of the Armed Forces who are addicted. The discharge of an addict after a brief detoxification period and without more adequate federal support of civilian programs imposes a severe and unjust burden on the States and localities. The federal government should contract with the States to provide the rehabilitative services.

#### THE AGE OF MAJORITY

The National Governors' Conference commends Congress for the enactment of the Voting Rights Act Amendments of 1970 granting 18-year-olds the right to vote in federal elections.

The National Governors' Conference also commends Congress and the States which ratified the 26th Amendment of the United States Constitution for their roles in securing this Amendment to the Constitution which grants 18-year-olds the right to vote in state elections.

In furtherance of this goal of extending to our young citizens, 18 years of age or older, their full rights and responsibilities and the opportunity to participate fully in our society, we urge that each State consider lowering the legal age of majority for purposes in addition to voting to 18 years of age.



## APPENDIX X

### 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 halcyards of our ship of state so that all could see them and understand them.

#### STRONG STATES IN THE FEDERAL SYSTEM

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 governments 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 bloc grant approach to federal planning and action funds disbursement is preferred over categorical grants.

#### EDUCATIONAL EFFORTS IN ENVIRONMENT, CONSERVATION, AND POPULATION

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. Environmental education should be viewed as an essential component of a comprehensive attack on ecological problems.

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 matters. 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. Specifically, curricula need to be reviewed in the light of relevance to topics such as:

- (a) State resource outlook: quality and quantity
- (b) Environmental effects of economic development
- (c) Decaying inner cities
- (d) The changing field of conservation
- (e) Pollution abatement.

#### NATIONAL VOLUNTARY POPULATION DISTRIBUTION POLICY

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 the 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.

The coastal zone presents one of the most perplexing environmental management challenges. The thirty-one States which border 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. It is clear that coastal pressures are signs of even more pervasive pressures that will soon occur in our inland areas as well.

To resolve these pressures, two actions are required. First, a reordering of our administrative and legal framework is needed to facilitate cooperative and coordinated activities affecting coastal resources.

Second, efforts must be made to gain additional knowledge of the nature of coastal zoning and the multiple effects that different uses would have upon our environment.

Planning and management activities for the coastal zone must be only the essential first step in a comprehensive statewide land use policy plan. Effective planning and management must also be more closely associated with land evaluation and assessment undertaken on a regional basis. Costs and benefits derived from land use allocations must be distributed throughout the region affected rather than accruing to just one municipality. 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 judgement 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 zone management program are the funds necessary to plan and take action. The requirements for coastal zone 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.

#### NATIONAL ATTITUDES TOWARD NONREPLACEABLE NATURAL RESOURCES

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 living.

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 nonreplaceable coal in the thermogeneration 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 1 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 nonreplaceable crude oil resources 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

There is a need to face the issue of national and statewide land use planning and decision-making in this decade. 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 pattern of development in local communities. The substance and nature of a national land use policy should 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 programs should recognize that the long-range resolution of land use matters lies in a significantly increased participation of state government in land management policies and programs.

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 in a manner which is compatible with a quality environment and consistent with other public and private rights;
- (2) Favor patterns of land use planning, management and development 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 of life while providing the material means necessary to improve the national standard of living.

#### STATE COMPREHENSIVE OUTDOOR RECREATION PLANS

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 piecemeal 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. Overcrowding and overuse of park land is posing a serious threat. Serious consideration is being given to limiting visitations. Additional funding for the development of more scenic and recreational lands is needed for federal, state and local use. Skillful planning properly integrated into man's environmental needs must be implemented. Such planning to be effective in meeting the needs of the people must be long-range. It must further carefully consider long-range benefits as opposed to stop-gap, short-range approaches.

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 megalopolis.

#### FORESTRY

There is an urgent need to revitalize forestry efforts nationally by all owner-ships. The timber supply problem has pointed up the need for strong direction by the Administration.

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 many 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. Serious study should be directed to requiring the cutters of timber to reseed or reforest private lands.

Existing programs need to be strengthened to offer greater inducements for private landowners to reforest their lands with special emphasis on poor land that may be unsuited for other purposes. 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 and would immeasurably enhance the landscape beautification of the country.

#### INTERSTATE ENVIRONMENT COMPACT

The National Governors' Conference urges House passage of the Interstate Environment Compact. This bill, introduced by Sen. John L. McClellan of Arkansas and passed by the Senate, was introduced in the House by Rep. William Colmer of Mississippi. It asks the consent of the Congress to an interstate compact which would facilitate the subsequent establishment of "supplementary agreements" between the States for the purpose of taking joint action to abate pollution problems which affect more than one State. It would strengthen the ability of States to deal effectively with environmental pollution problems which ultimately affect the health and welfare of all the peoples of this Nation.

#### FEDERAL SUPPORT FOR STATE WATER POLLUTION CONTROL PROGRAMS

States are deeply committed to ending the pollution of our Nation's waters. To accomplish this purpose they are expanding their water pollution abatement programs and vastly increasing fiscal expenditures. In fact, States have already advanced over one and one-half billion dollars of the federal share for assisting municipalities to construct waste treatment facilities.

Only through full cooperation between federal, state and local governments with adequate funding and support for primary state planning, enforcement and standard-setting programs, will we succeed in cleaning our Nation's environment.

The National Governors' Conference, therefore, calls upon the Congress and the Administration to increase authorizations under the Federal Water Pollution Control Act and to appropriate the full amount so authorized. This should include provisions to reimburse States which have prefinanced the federal share of municipal plants.

#### STATE RESPONSIBILITY FOR RESOURCE MANAGEMENT

The States are in a unique position of responsibility for coordinating the development of our resources. There is a prime responsibility for both planning and the commitment necessary for the judicious utilization of all resources.

Our society can no longer afford to allow the various agencies and organizations within the States to develop their programs without a strong commitment to the general welfare of all.

We the Governors call upon the States to undertake the development and implementation of comprehensive planning. State Governments must exert the leadership required to insure the protection of our environment as we search for a balance between environmental quality and needed economic development.

#### PROCESSING ENVIRONMENTAL IMPACT STATEMENTS

We, the Governors of the States, recognize and endorse the concept of environmental impact studies on projects using federal monies, as a necessary and effective means to insure the preservation of environmental quality.

By law the federal government requires the States to have a clearinghouse to handle Environmental Impact Statements. We call upon the federal government to adopt a clearinghouse to process the statements which interested departments are required to examine.

Furthermore, there should be an office at the regional level which has the responsibility to handle routine impact studies as well as act as a clearinghouse to expedite the processing of statements. If the responsibility cannot be delegated to the regional bodies, then the Council on Environmental Quality must develop the ability to handle Impact Studies in an expeditious manner to prevent unnecessary delay.



## APPENDIX XI

### APPROVED POLICY STATEMENTS BASED ON RECOMMENDATIONS OF THE COMMITTEE ON RURAL AND URBAN DEVELOPMENT

#### COMPREHENSIVE NATIONAL COMMUNITY DEVELOPMENT

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 formation 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.

Rural (non-metropolitan) development and urban (metropolitan) development are interrelated. Programs which are optimal for urban areas cannot be effective in rural areas and vice versa. A distinct set of policies and programs tailored to the needs, resources, and structure of rural areas must be developed to permit rural areas to make a maximum contribution to the Nation's economic growth and to allow rural people to share equitably in the productivity of the Nation's economy.

#### 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 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.

#### NEW COMMUNITIES DEVELOPMENT

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. In addition to federal and state activities in fostering new community development, vigorous efforts should be made to stimulate greater participation by the private sector, particularly the financial community, in the development, financing and construction of new communities.

#### NATIONAL ECONOMIC DEVELOPMENT

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. Congress should adopt a system of tax incentives to encourage business and industry to locate in non-metropolitan areas.

Unemployment and underemployment in rural areas continue below those in urban areas. Programs to increase off-farm employment in rural areas should be initiated. Rural job creation programs should include financial incentive systems. Underemployment should be included as a criteria for individual program eligibility.

#### NATIONAL AGRICULTURAL DEVELOPMENT

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 a 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.

Congress and the Administration should adopt the concept of stability and parity of resource earnings as the long-term policy goals for modern agriculture and then establish an appropriate vehicle such as a National Food and Fiber Board to develop the detailed production management programs necessary to insure an adequate supply of food and fiber for the future.

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.

The National Governors' Conference urges the federal government to take whatever steps are necessary to insure that sufficient public works funds are available under the Economic Development Act of 1965 so that rural areas will not receive less in the coming years than they did in the past as a result of the "special impact" provision of the recently passed amendments to that Act.

#### 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.

#### 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.

#### NATIONAL HOUSING

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. Such a policy should support positive efforts at the national, state and local levels to remove all racial discrimination practices which may impede the construction, sale or rental of housing. The problem of the availability of subsidized housing for low- and moderate-income families must be attacked on a housing market area basis.

Congress and the Administration should give careful consideration to an overall housing program which provides a balance between subsidies to "producers" of housing and housing "consumers." To this end, the experimental housing allowance program currently underway in HUD should be greatly expanded, and the results of such broadened experiment should be carefully weighed as future housing programs are designed and current programs are revised.

#### 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.

#### COMMUNITY DEVELOPMENT GRANTS

The Congress and the Administration should adopt a program of Community Development Grants for all communities in need of assistance whether located inside or outside metropolitan areas. These grants should be:

- (1) Allocated to large metropolitan cities and counties by means of a statutory formula, and funded according to statewide comprehensive plans;
- (2) Allocated to smaller cities and counties by state administrative discretion based on local need;
- (3) Free of local matching requirements;
- (4) Allocated to cities and counties so as to assure that no jurisdiction receives less bloc grant funds than it has been receiving for the same purpose in previous years; and
- (5) Statutorily free of requirements for the submission of detailed plans except for a post-audit review;
- (6) Entrusted to elected officials of general purpose governmental units.

Cities and counties should be able to use Community Development Grant funds to carry out any of the activities now authorized under:

- (1) Title I of the Housing Act of 1949—urban renewal, rehabilitation loans and grants, demolition, code enforcement and interim assistance;
- (2) Title I of the Demonstration Cities and Metropolitan Act of 1966—model cities supplemental grants;
- (3) Title VII of the Housing Act of 1965—water and sewer, neighborhood facilities, and advance acquisition of land; and
- (4) Title VII of the Housing Act of 1961—open space, urban beautification and historic preservation.

The funding level for Community Development Grants should be guaranteed to the cities for at least a three-year period in advance of appropriations. Cities located outside metropolitan areas should be reserved a percentage of the total appropriated for Community Development Grants in the same proportion as they currently receive for the programs to be consolidated.

States should be eligible to receive Community Development Grants if:

- (1) A state agency directly responsible to the Governor exists which is legally empowered by the State Legislature to undertake the activities authorized under the programs to be consolidated; or
- (2) The Governor develops an acceptable plan for providing community development assistance to cities and counties outside metropolitan areas which would otherwise be eligible to receive Community Development Grants from the federal government.

#### REHABILITATION OPPORTUNITIES

Congress and the Administration should establish as part of a comprehensive Community Development Grant program a program to make better use of the existing housing stock. Such a program should:

- (1) Include a home counseling service for prospective homeowners and home improvers;
- (2) Authorize below-market rehabilitation loans for families living in designated "improvement districts;"
- (3) Authorize a Presidential Commission to study the impact present federal, state and local taxes have on housing maintenance;
- (4) Encourage States to develop their own housing redevelopment programs; and
- (5) Provide grants to States and cities for rehabilitation purposes.

#### HOUSING MANAGEMENT

The federal and state governments are currently building public housing units at the rate of approximately 500,000 units per year. The training of professional

housing managers for these units has not kept pace with the rate of construction. Additional emphasis should be placed on encouraging the development of housing management training programs. States should make available the facilities and expertise of state universities, departments of community affairs and housing finance agencies to assist in this effort.

#### UNIFORM FEDERAL RELOCATION AND LAND ACQUISITION POLICIES

The Uniform Relocation Policy and Real Property Acquisition Act of 1970 (P.L. 91-646) should be amended so as to delete all cut-off dates for the federal funding of the first \$25,000 of relocation expenses.

#### POLICY FORMATION 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 the 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.

#### RURAL SERVICES AND FACILITIES—PUBLIC EDUCATION

Talented and capable human resources, reared and educated in rural areas, must have more attractive opportunities to remain in rural areas. The quality of life in rural areas deteriorates and economic opportunities decline when the investment in human resource is not maintained.

Rural people have traditionally been educationally disadvantaged. Better educational opportunities must be provided to make rural areas a more attractive place to live and work. Providing a better quality education, including general and vocational education, is an essential element of rural area development. Special federal grants should be made to the States for improving the quality and quantity of rural education. Consideration should be given for basing it on the level of per capita income and the migration rate within a designated geographic area.

#### RURAL SERVICES AND FACILITIES—HEALTH

Economic delivery of health services is a national problem. It is much more severe in rural than in urban areas due to the sparsity of population, low incomes, and current structure of medical facilities which characterize rural areas. The increasing share of the Nation's gross national product devoted to health services accentuates the importance of improving health service facilities as a means of making rural areas more productive places to live and work and to stimulate economic development. It is essential that federal support for comprehensive health planning, both at the state and sub-state planning region level, be increased.

#### RURAL SERVICES AND FACILITIES—RESEARCH AND EDUCATION

A necessary condition for a viable rural development program is a coordinated program of research and education. Rural development research must include the derivation of principles, facts, and relationships considering human, natural, and institutional resources. Results of such research need to be interpreted in terms of local conditions and dispensed to state and local leadership. Further, there is a need for the establishment of a limited number of centers to educate individuals to staff state and local development programs. These same centers



could provide short courses to update and supplement the educational base of university graduates who wish to prepare themselves to serve development agencies.

A major share of the research relevant to rural development which is currently underway is being carried out in the various Land Grant Universities. For this reason, given appropriate financial support through federal grants, these institutions, through their Agricultural Experimental Stations and Resident and Extension teaching programs, have the capacity to develop both research and educational programs in support of rural development efforts. Special grants should be given these institutions to permit them to develop appropriate research and education efforts in rural development.

## APPENDIX XII

### 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. Department of Transportation for relying on the States in the development of the National Transportation Needs Study. We urge the federal government to continue this cooperation by consulting fully with the States in development of a National Transportation Policy. We recommend full use of data contained in the Needs Study as a basis for setting continuing priorities in the National Transportation Policy.
2. We express appreciation to the Department of Transportation for its generally excellent communication with States. We urge that any consolidation of federal departments which would place the DOT in a larger agency should preserve the working integrity of existing federal transportation activities. We endorse the view that the transportation system is a primary factor in the development of our social, economic, and environmental conditions. For this reason, we support the concept that federal transportation programs be fully coordinated with these other concerns. However, we believe the existing functional agencies within the DOT should remain in one department.
3. We call upon all States to develop administrative and legal structures equal to the challenge of balanced, integrated transportation systems required by the citizens of our States. Many States responding to the need for a central agency have created departments of transportation to coordinate all modal programs.
4. We endorse in principle the program of transportation revenue sharing proposed by the national administration. Specifically, we believe the following provisions are vital: that each State is guaranteed its share of funds from each trust fund will not be reduced, either by a diminished allocation to any State or by an automatic pass-through to local government which is greater than the existing amount now passed through by the State; that the federal government not be permitted to withhold trust funds or divert them from transportation purposes; that each trust fund which is part of transportation revenue sharing continue to be identified; that the interstate highway fund be made a part of transportation revenue sharing upon completion of the interstate system.

5. The Governor, as elected chief executive, is best able to determine the transportation needs and priorities of his State. Under revenue sharing or any other program which permits flexibility in expending federal transportation revenue, the Governor is the key decision-maker. He should have the ability to transfer funds among various programs to meet his own State's priority transportation needs. Therefore, in addition to transportation revenue sharing, we call for the creation of a single unified Transportation Trust Fund incorporating existing transportation revenues earmarked for use within a specific mode of transportation or by beginning a phased program of percentage transfers from the highway and aviation trust funds and other funds made available for transportation into the proposed unified National Transportation Trust Fund. Also, with the Governor being best able to determine the transportation needs and priorities of his State, the distribution of the National Transportation Trust Fund should be allocated through the Governor.

#### TRANSPORTATION AND THE ENVIRONMENT

The Governors pledge full cooperation in providing environmental impact statements on transportation construction. We also endorse the A-95 program which permits Governors to comment on the effect of any proposed public construction so duplication and waste, as well as environmental damage, may be minimized.

The Governors pledge 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, and by heavy construction associated with transportation. Particular emphasis should be given to abating jet aircraft noise.

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 the 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 also recognize that federal, state and local governments have often been leading causes of pollution in forms such as sewage discharges, strip mines for aggregates, and inadequate exhaust controls on government vehicles. We pledge to reverse this situation so state government may set an example in the area of pollution control.

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. We oppose any federal penalties where Congress has failed to appropriate funds which have been authorized to aid States in carrying out these programs.

#### 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.

The Governors urge the following action as part of the partnership between state and federal governments in highway construction:

1. The management of the federal Highway Trust Fund during fiscal year 1972 continues to exemplify the problems which have persisted since 1967 by severely hampering the capital planning and programming capability of the States. If we are to attain and retain any stability in constructing the Nation's highway system, efforts must be made to eliminate the up and down obligational authority of the highway program. The continued practice of using the Highway Trust Fund as a stop-gap effort to adjust the economy must be ended. Congress should reaffirm its intent that the yearly obligational level rather than the current quarterly basis be the method of allocating Highway Trust Funds.

The National Governors' Conference supports Congressional action that would provide for suspension of all federal motor fuel and related taxes during any period when the apportioned amount of the Highway Trust Funds are impounded or otherwise withheld from expenditures.

2. Apportionments from the Highway Trust Funds should be made as soon as possible after the 1st of July for the following fiscal year to enable the States to adequately implement 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. An unbiased study should be made to determine the sufficiency of the planned 42,500 mile Interstate System in fulfilling the intent of the system as described in the 1956 act and developed since that time.
7. 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 links 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 systems that are outdated and inadequate.
8. We endorse the concept of developing a system of scenic highways to allow access to national and state parks and improved recreation areas.
9. 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.
10. Transportation systems have a major role in implementing economic development and growth policies. Economic growth center highways can help reverse the depopulation of rural America and the overburdening of megalopolis, and we commend the federal government for its new program to construct such highways. However, the appropriation is totally inadequate and will be spent with little impact if limited funds are divided among all States. Instead, we urge these funds be spent on a small number of carefully selected demonstration projects.

## HIGHWAY AND MOTOR VEHICLE SAFETY

The National Governors' Conference views with alarm the tragic number of preventable highway and traffic crashes and casualties. We urge the following action to strengthen the intergovernmental effort to make our streets and highways safe.

1. Congress, with the passage of the Highway Safety Act of 1966 and its amendments, has called for a comprehensive and coordinated attack upon the problem of highway safety. While Congress has mandated comprehensive action, sufficient funds have not been provided to meet the requirements of the Act. Action should be taken to bring the authorization and appropriations up to a level to meet the mandates of the Act, unless highway safety activities can be funded from transportation revenue sharing or another flexible source.
2. We commend the National Highway Traffic Safety Administration for its efforts in moving toward a programmed approach for highway safety funds by adopting flexibility in administering the Highway Safety Program. We recommend that Congress amend the Highway Safety Act to allow for a true block grant approach.
3. The present ten percent penalty clause in the Highway Safety Act should be replaced by a more positive incentive program to reward States with progressive highway safety programs.
4. In view of the preemption provision of the National Motor Vehicle and Traffic Safety Act of 1966 and in view of recent conflicts that have occurred in the setting of minimum vehicle equipment safety standards between the States and the National Highway Traffic Safety Administration, we strongly suggest more positive attempts by the NHTSA to involve the States in the setting of these standards. Such action would fulfill the original intent of the Congress that national as opposed to federal standards for vehicle safety equipment be established and conflicts between NHTSA and the States be avoided. This can be accomplished through the Vehicle Equipment Safety Commission, consisting of 44 States and charged with the responsibility of establishing vehicle equipment safety standards, and through regional conferences between officials of the NHTSA and the States.
5. We commend the President for seeking the advice and consent of the Governors when selecting representation from individual States for his National Highway Safety Advisory Committee and recommend this procedure be continued.
6. There should be greater coordination of research conducted by the National Highway Safety Administration, the States and private industry. The National Highway Safety Administration should act as a clearing-

house and information source for such an exchange of information and should provide this information to the States. The Administration should consult 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. We recognize that over fifty percent of the highway fatalities are alcohol related and commend the National Highway Traffic Safety Administration for its efforts in developing new alcohol countermeasures and recommend the early implementation of these countermeasures, including use of the implied consent law.
8. Congress and the National Highway Traffic Safety Administration should evaluate the effectiveness of the current highway safety standards and determine if these standards should be modified, eliminated, or if new standards should be promulgated.

#### AERONAUTICS

The Governors express concern over the increasing load placed on our airport/airways system. We commend Congress for enacting a major new program of financial assistance for airport development and we support the requirement contained in that program that each State develop an airport system plan. The concept of a state-wide plan does not preclude local and regional plans, but considers these as integrated parts of the state plan. The National Airport Systems plan must reflect essential elements of component state plans.

The Airport/Airways Development Act of 1970, by imposing new or increased taxes and user charges, particularly taxes on fuel, has preempted the collection of appropriate taxes and fees to support the state share of cost for airport development and improvement. Because of this, we urge Congress to increase federal aid to state and local sponsors for airport development, either through revenue sharing or block grants.

All States should join the 27 States which have adopted the "Uniform State Channeling of Federal Airport Funds Act", drafted by the FAA in cooperation with The Council of State Governments. We urge all States to broaden their financial and technical assistance in airport development thus strengthening their aeronautics function. We ask Congress to recognize the state role in the development of our aviation system and reflect this within the Airport/Airways Act.

The Governors are concerned by the inadequate pace of federal regulation to reduce aircraft noise. In some localized areas, this noise level is so high that the States may be forced to act in protection of the health and welfare of their citizens. Unless decisive federal action is taken to reduce noise, state action may include a limitation on airport activity to the point where a tolerable noise level is achieved. Additionally, all States are urged to make every effort to encour-

age local communities to zone the land around airports to achieve land use compatible with noise. Further, the FAA should expand the aircraft noise certification program to include all aircraft. The FAA also should work directly with airport authorities on noise abatement.

The Governors endorse a policy of joint use of military airport facilities by civil aviation where feasible. This policy must be implemented at the highest federal level. We also call upon the federal government to join States in recognizing airports as a vital asset which must be protected from incompatible encroachment in urban areas. In some cases, the "land bank" concept must be used to preserve future sites. And privately-owned, public-use airports should be eligible on the same basis as publicly-owned facilities for federal assistance grants.

Many smaller communities are dependent on one carrier for commercial airline service. When that carrier is affected by a strike or other limitation, these communities can be left without vital service. Therefore, we urge the Civil Aeronautics Board to obtain greater assurance of continued service by the single carrier before granting route authority.

There is need to set priorities and expend each of our aviation dollars in such a way that is most responsive to the total social demand. When establishing these priorities, every consideration must be given to equipping our Nation's busiest airports, including the 530+ having air carrier service with the proper safety facilities, control towers, crash and rescue equipment, ILS glide scope, etc., to best insure the safety of the Nation's air traveler.

#### URBAN PUBLIC TRANSPORTATION

States are employing broad and varied tools to aid public transportation systems. Every State has exercised its authority to form areawide public transit districts, and to grant them taxing authority and bonding powers. Several States 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 assistance 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. Adequate funding of the Urban Mass Transportation Act of 1970 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. We endorse the provisions made for urban public transportation as part of revenue sharing. However, it is recognized that the proposed transportation revenue sharing plan is not a substitute for a more adequately funded federal program for urban public transportation.
3. To achieve meaningful input, each State must be involved in all mass transit planning endeavors at the most preliminary stage. The assurance of proper implementation of these transit plans would require that the federal assistance program be channeled through appropriate state agencies. To receive approval, applications for assistance under this Act should be consistent with the existing statewide and regional comprehensive transportation plan. As the States broaden their role in the public transportation program, they should make available, at the request of the local unit of government, both technical and financial assistance in developing transit programs. In providing this assistance, States wishing to broaden their involvement in public transportation should develop a full-time transit staff, and provide a substantial amount of the local share for approved mass transportation grant projects. To assist the States in establishing technical assistance programs and expertise, funds for technical assistance should be made available for UMTA. Each State would then make this assistance available to the smaller units of local government. Establishment of this level of state involvement would eliminate many of the intergovernmental relations issues presently existing.
4. 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.
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 movement of persons and the vital flow of goods.

1. We are concerned with reduced rail passenger service. We urge a reassessment of basic passenger needs and adequate federal funding to meet these needs. In addition, there should be a more significant role for the States in the determination of necessary services and facilities for a balanced rail transportation system. We strongly urge the federal Congress to review

possible expansions of the Amtrak route system at an early date, before 1973 as provided in present law, and we further urge Congress to provide adequate procedures and administrative mechanisms for independent review of Amtrak decisions as they affect the various States.

2. We urge the National Railroad Passenger Corporation (Amtrak) to re-evaluate its current approach to the problem of declining rail passenger service in the Nation. Amtrak must define long range goals for rail passenger programs in consultation with the States in addition to its current emphasis upon operational problems. The Governors urge Amtrak to place more emphasis in its planning and thinking upon new and creative technologies and systems that will lead to an increase in rail passenger programs throughout the United States. In addition, Amtrak must strengthen its communications with state governments in order that Governors can play an important role in shaping the rail passenger systems of the future. We call for the creation of regional gubernatorial advisory councils to meet periodically with Amtrak officials to discuss problems of mutual concern. In the past, Amtrak's liaison with the States has been inadequate, leading to suspicion, hostility and a lack of follow-through when decisions have been reached.
3. We urge the Executive and Congressional branches of government to increase the funds made available to those agencies of government concerned with the development of viable railroad freight and passenger programs. We are concerned that not enough funds are being made available for research and demonstration projects in the railroad industry; rights-of-way acquisition programs to preserve valuable rights-of-way that have been or are about to be abandoned; and long-range planning efforts needed to assure the preservation and growth of the railroads as a major element in the American transportation system.
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.

#### WATERWAYS

The National Governors' Conference supports the establishment of national, uniform standards for safety in the manufacture and maintenance of boats. We 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 create a Marine Highway System which will aid those parts of the Nation in need of 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 service. A special frequency, common across 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. Regulation is vital where only one operator serves an area, or where only one mode is available. However, where greater competition exists, close study should be made of the "zone of reasonableness" method as contrasted with detailed rate setting.

We call for new and aggressive programs aimed at increasing export trade to expand the economy of the individual States. To this end, we support the concepts of 1) strengthening the role of the United States Department of Commerce in international trade negotiations; and 2) expanding trade center activity abroad and 3) making federal funds available to the States for use in promoting the export of their respective manufactured products and agricultural commodities.

The National Governors' Conference views the promotion of interstate tourism as a unique opportunity to strengthen national and state economies. We endorse the concept of a United States Travel Data Center and call upon the United States Travel Service and Bureau of the Census to assist in this effort. We also believe that federal matching funds should be available for promotion of interstate tourism, just as such funds are presently available for attracting foreign tourism.

#### INSURANCE

States have historically had the basic responsibility for regulating the insurance industry. In response to an increasingly felt need, some forty-seven States have

enacted auto insurance insolvency fund guarantee laws, providing consumer protection with no loss of state regulatory powers. State response to this problem has again demonstrated insurance regulation need not pass to the federal level.

A subject of growing interest is the establishment of a "no-fault" system of automobile insurance. Again, some have argued a uniform national system must be imposed from the federal level. However, we believe if "no-fault" is to be adopted, that individual state action and interstate cooperation could produce a "no-fault" system which is uniform enough to meet the needs of interstate vehicle accidents and flexible enough to suit the conditions in each State.

States have many automobile accident insurance systems available for study. We urge each State to make an early examination of options available and to achieve maximum interstate coordination in any actions they may take. We note the extensive research and drafting done by the National Conference of Uniform State Laws Commissioners and by the Council of State Governments and urge each State to consider this model legislation.

The best possible solutions to the problems of auto insurance lie in continued state regulation and experimentation. We urge Congress not to take any action that would preempt state action in effectively bringing about meaningful reform in our auto reparations system. The adoption of national no-fault or federal standards is not an acceptable option to individual state action.

#### TECHNOLOGY

As the leading technological Nation, the United States generates tremendous new discoveries in many fields including medicine, communication, transportation, and data processing. Federal investment in programs such as space exploration and the supersonic transport involve large sums. Because of this public investment, technical discoveries should become available for maximum public benefit.

The federal government is the major supporter of programs which generate new technologies. There should be a program at the federal level to identify and document the opportunities and problems created by these developments. A vital part of this information system is channels of direct communication between those creating new technology and those seeking to adapt and apply it to public purposes.

To fully complement a federal technology information system, States must act either independently or through regional organizations. Using technically competent people, they must identify and describe problems of importance which could be favorably affected by application of technology.

Data processing has received the greatest attention to date of any new technology applied to government. A good program requires trained personnel employing specialized equipment within a fully analyzed system. Governments are hampered by the concentration of technicians in industry, by attempts to

use non-specialized equipment for specific tasks, and by a tendency to make poor systems move faster instead of establishing superior systems.

There is a need for cooperation among federal, state and local governments to produce the large market required by certain types of technology. Orders from many jurisdictions will reduce unit costs in each, and will make possible the manufacture of highly specialized equipment.

There is an urgent need for a factual and unbiased review of all of the energy resources within or available to this Nation prepared by the highest levels of competency available and without regard to special interests. There is, with the same sense of urgency, a need to project and evaluate the "real" energy needs of the Nation with regard to energy waste and without regard to commercialism. From this effort, the Nation and States must establish realistic energy policies giving full consideration to the availability of all forms of energy and to protect the environment. To this end, the National Governors' Conference requests that the Administration immediately establish an independent National Energy Commission with a large proportion of state membership and without representation by special interest agencies or organizations. The Commission should objectively evaluate energy reserves and real energy needs and assist in developing state, regional and national energy policies and recommendations for utilization and conservation of resources.

We commend those States that have established a leadership role in guiding the development of the cable television (CATV) industry. We believe that expected large-scale expansion of TV as a result of recent FCC rulings will provide the States and Nation a new and powerful information distribution system beyond just entertainment. It is essential that the States provide a leadership role in nurturing cable television growth to realize its full potential and at the same time control its application to protect the privacy of our citizens. The National Governors' Conference recommends the establishment of a National Study Commission on telecommunications composed of representatives of education, industry and federal and local governments to coordinate the development of state and national goals and policies.

The Governors object to any action by Congress or federal agencies requiring the development of single purpose, single agency computer systems within the States. The States are effectively managing computer utilization and costs through multi-agency utilization of computer resources, thus there should be no requirements for federal guidelines and regulations in this field. Joint utilization of computers has been customary for highly classified material in corporate business system for many years.

## APPENDIX XIII

### MISCELLANEOUS RESOLUTIONS ADOPTED BY THE NATIONAL GOVERNORS' CONFERENCE

#### EDUCATIONAL BENEFITS FOR DEPENDENTS OF POW'S AND MIA'S

Over 1700 U. S. military personnel and some 50 U. S. civilians are prisoners of war or missing in action in Southeast Asia. Some are in their eighth year of captivity, the majority have been missing or captured over four years, longer than any prisoners of war in American history. The plight of these men and the anguish of their families have been widely documented and are matters of deep national concern, a concern which is fully shared by every Governor and by the National Governors' Conference.

In recognition of the hardship endured by these men and their families, a number of States have enacted legislation to provide educational and other benefits for the dependents of prisoners of war and missing in action personnel, and for those killed in action, in particular exemption from tuition at state supported institutions of higher education. Other States have such legislation under consideration.

The National Governors' Conference expresses its support for state programs to assist the dependents of our prisoners of war and missing in action personnel, military and civilian, and specifically urges enactment of appropriate legislation by States to provide free tuition at state supported institutions of higher education for such dependents.

#### BICENTENNIAL PARKS

WHEREAS, Public Law 89-491 passed by the 89th Congress on July 4, 1970, stated that the commemoration of the Bicentennial of our Nation's birth should include local, state, national and international activities; and

WHEREAS, the President of the United States, in his message to Congress dated September 11, 1970, strongly endorsed the American Revolution Bicentennial Commission's recommendation that the Bicentennial Commemoration be national in scope, seeking to involve every State, city and community; and

WHEREAS, the American Revolution Bicentennial Commission in its resolution dated February 21, 1972, unanimously agreed that the concept of a nationwide network of Bicentennial Parks is exciting and constructive and should be studied further and that the Chairman of the American Revolution Bicentennial Commis-

sion should present this concept to the National Governors' Conference on February 24, 1972; and

WHEREAS, the Chairman of the American Revolution Bicentennial Commission did present this concept to the National Governors' Conference at the Winter Meeting on February 24, 1972:

NOW THEREFORE BE IT RESOLVED that the National Governors' Conference endorses the concept of Bicentennial Parks as having a significant potential for enhancing a truly nationwide participation in a meaningful commemoration of our Nation's 200th Anniversary and looks forward to receiving at an early date a report of the results of the feasibility study now underway.

#### RESOLUTION OF APPRECIATION

The National Governors' Conference expresses its deep gratitude to Governor Preston Smith and his gracious First Lady for their efforts in making this 64th Annual Meeting, from June 4 to June 7, 1972, in Houston, Texas, a rewarding and enjoyable experience.

The Governors' 1972 Annual Meeting has been particularly outstanding, both substantively and socially—a result of unequalled Conference planning and coordinating efforts on the part of the Texas Host Committee and numerous other individuals and organizations. The Shamrock Hilton has provided magnificent accommodations for our comfort and for our working sessions.

To the guests from Texas, and from the United States, the Conference offers its sincere thanks for their outstanding contributions. To all those who participated in the program sessions, the Conference expresses special gratitude. And to all others who helped plan and who carried out the official and social activities, the Conference extends its thanks for the cooperation as well as the congenial attitude exhibited by the people of Texas in making this Annual Meeting so productive. We also recognize the special pressures placed on law enforcement officials in Texas and on the National Guard during recent days, and thank them for the highly professional manner in which they carried out their duties.

We are especially indebted to the Vice President of the United States for taking time from his busy schedule to meet with the Governors in Executive Session.

We express appreciation to the staff of the National Governors' Conference for their fine service during the past year and for the efficient and orderly manner in which this Conference has been handled.

And we convey thanks to our news media friends for their fine work and attention to the 64th Annual Meeting of the National Governors' Conference.

## RESOLUTION OF APPRECIATION

The National Governors' Conference salutes its retiring Chairman, Governor Arch A. Moore, Jr., and his Executive Committee for their outstanding leadership and guidance during the Conference year 1971-72.

We especially recognize the continuing efforts of the Chairman to further the interests of all the Governors by bringing to action the goals expressed by the Conference.

There is no better example of his success in these endeavors than the new statement of policy announced today by Secretary of Transportation John A. Volpe. This new authorization for the annual obligation of highway funds beginning in fiscal year 1973 resulted from numerous and intense meetings between the Chairman and the Secretary.

To this must be added the outstanding work done by the Special Committee on Revenue Sharing and the influence it has had in moving this historic legislation forward in the Congress.

These facts testify to the strength of the National Governors' Conference and the leadership of the Chairman and his Executive Committee.

We are sure that the special Task Force appointed by the Chairman to address the problems of regional development will serve equally well in the coming year to achieve the goals of the Conference and of our individual States.

We also express our appreciation to Mrs. Arch A. Moore, Jr., the wife of our Chairman, for the contribution she has made through the support of her husband in the added responsibilities he has assumed as Conference Chairman. We recognize this has also placed additional demands upon Mrs. Moore and we commend her for her interest and support.