

**PROCEEDINGS
OF THE
NATIONAL
GOVERNORS'
ASSOCIATION
ANNUAL MEETING
1982**

SEVENTY-FOURTH ANNUAL MEETING
Afton, Oklahoma
August 8–10, 1982

National Governors' Association
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Washington, D C 20001

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EXECUTIVE COMMITTEE, 1982*

Richard A. Snelling, Governor of Vermont, *Chairman*
Richard D. Lamm, Governor of Colorado
George Busbee, Governor of Georgia
John V. Evans, Governor of Idaho
James R. Thompson, Governor of Illinois
Robert D. Ray, Governor of Iowa
John Carlin, Governor of Kansas
Joseph E. Brennan, Governor of Maine
William C. Milliken, Governor of Michigan

EXECUTIVE COMMITTEE, 1982-83

Scott M. Matheson, Governor of Utah, *Chairman*
George Busbee, Governor of Georgia
James R. Thompson, Governor of Illinois
Robert D. Ray, Governor of Iowa
John Carlin, Governor of Kansas
Joseph E. Brennan, Governor of Maine
William G. Milliken, Governor of Michigan
Lamar Alexander, Governor of Tennessee
Richard A. Snelling, Governor of Vermont

* As of August 8, 1982, the opening day of the conference

STANDING COMMITTEES*

AGRICULTURE

Charles Thone, Governor of Nebraska, *Chairman*
Ted Schwinden, Governor of Montana, *Vice Chairman*
Forrest H. James, Jr., Governor of Alabama
Jay S. Hammond, Governor of Alaska
Edmund G. Brown, Jr., Governor of California
John V. Evans, Governor of Idaho
Robert D. Ray, Governor of Iowa
John Carlin, Governor of Kansas
Bruce King, Governor of New Mexico
Allen I. Olson, Governor of North Dakota
William J. Janklow, Governor of South Dakota

COMMUNITY AND ECONOMIC DEVELOPMENT

Christopher S. Bond, Governor of Missouri, *Chairman*
William F. Winter, Governor of Mississippi, *Vice Chairman*
Frank White, Governor of Arkansas
Pierre S. du Pont IV, Governor of Delaware
Paul Calvo, Governor of Guam
James R. Thompson, Governor of Illinois
John Y. Brown, Jr., Governor of Kentucky
James A. Rhodes, Governor of Ohio
Carlos Romero-Barcelo, Governor of Puerto Rico
Juan F. Luis, Governor of the Virgin Islands

CRIMINAL JUSTICE AND PUBLIC PROTECTION

Robert F. List, Governor of Nevada, *Chairman*
Bruce King, Governor of New Mexico, *Vice Chairman*
Bob Graham, Governor of Florida
Robert D. Ray, Governor of Iowa
Charles Thone, Governor of Nebraska
Hugh Gallen, Governor of New Hampshire
James B. Hunt, Jr., Governor of North Carolina
Allen I. Olson, Governor of North Dakota
Dick Thornburgh, Governor of Pennsylvania

ENERGY AND ENVIRONMENT

John D. Rockefeller IV, Governor of West Virginia, *Chairman*
William P. Clements, Jr., Governor of Texas, *Vice Chairman*
Jay S. Hammond, Governor of Alaska

* As of August 8, 1982, the opening day of the conference

Frank White, Governor of Arkansas
Richard D. Lamm, Governor of Colorado
William A. O'Neill, Governor of Connecticut
Bob Graham, Governor of Florida
John V. Evans, Governor of Idaho
John Carlin, Governor of Kansas
John Y. Brown, Jr., Governor of Kentucky
David C. Treen, Governor of Louisiana
Joseph E. Brennan, Governor of Maine
Edward J. King, Governor of Massachusetts
Ted Schwinden, Governor of Montana
Thomas H. Kean, Governor of New Jersey
Hugh L. Carey, Governor of New York
James A. Rhodes, Governor of Ohio
George Nigh, Governor of Oklahoma
Victor Atiyeh, Governor of Oregon
William J. Janklow, Governor of South Dakota
Scott M. Matheson, Governor of Utah
Charles S. Robb, Governor of Virginia
Lee S. Dreyfus, Governor of Wisconsin
Ed Herschler, Governor of Wyoming

EXECUTIVE MANAGEMENT AND FISCAL AFFAIRS

Lamar Alexander, Governor of Tennessee, *Chairman*
George R. Ariyoshi, Governor of Hawaii, *Vice Chairman*
Bruce Babbitt, Governor of Arizona
Frank White, Governor of Arkansas
William A. O'Neill, Governor of Connecticut
Robert D. Orr, Governor of Indiana
Harry Hughes, Governor of Maryland
Albert H. Quie, Governor of Minnesota
Robert List, Governor of Nevada
James B. Hunt, Jr., Governor of North Carolina
Richard W. Riley, Governor of South Carolina
Charles S. Robb, Governor of Virginia
Juan F. Luis, Governor of the Virgin Islands

HUMAN RESOURCES

James B. Hunt, Jr., Governor of North Carolina, *Chairman*
Albert H. Quie, Governor of Minnesota, *Vice Chairman*
Peter T. Coleman, Governor of American Samoa
Bruce Babbitt, Governor of Arizona
Pierre S. du Pont IV, Governor of Delaware

Bob Graham, Governor of Florida
Robert D. Ray, Governor of Iowa
Joseph E. Brennan, Governor of Maine
Christopher S. Bond, Governor of Missouri
Hugh Gallen, Governor of New Hampshire
Thomas H. Kean, Governor of New Jersey
Hugh L. Carey, Governor of New York
Richard W. Riley, Governor of South Carolina
Lamar Alexander, Governor of Tennessee
Scott M. Matheson, Governor of Utah
Juan F. Luis, Governor of the Virgin Islands

INTERNATIONAL TRADE AND FOREIGN RELATIONS

Bob Graham, Governor of Florida, *Chairman*
Lee S. Dreyfus, Governor of Wisconsin, *Vice Chairman*
Forrest H. James, Jr., Governor of Alabama
Peter T. Coleman, Governor of American Samoa
Frank White, Governor of Arkansas
Pierre S. du Pont IV, Governor of Delaware
George R. Ariyoshi, Governor of Hawaii
John Y. Brown, Jr., Governor of Kentucky
Edward J. King, Governor of Massachusetts
William G. Milliken, Governor of Michigan
William F. Winter, Governor of Mississippi
Charles Thone, Governor of Nebraska
Hugh L. Carey, Governor of New York
Pedro P. Tenorio, Governor of the Northern Mariana Islands
Victor Atiyeh, Governor of Oregon
Dick Thornburgh, Governor of Pennsylvania
Carlos Romero-Barcelo, Governor of Puerto Rico
J. Joseph Garrahy, Governor of Rhode Island
William P. Clements, Jr., Governor of Texas
Juan F. Luis, Governor of the Virgin Islands
John Spellman, Governor of Washington

STATE-LOCAL RELATIONS

Richard W. Riley, Governor of South Carolina, *Chairman*
Scott M. Matheson, Governor of Utah, *Vice Chairman*
William A. O'Neill, Governor of Connecticut
Robert D. Orr, Governor of Indiana
James B. Hunt, Jr., Governor of North Carolina
John Spellman, Governor of Washington
Lee S. Dreyfus, Governor of Wisconsin

TRANSPORTATION, COMMERCE AND TECHNOLOGY

Harry Hughes, Governor of Maryland, *Chairman*

Robert D. Orr, Governor of Indiana, *Vice Chairman*

Edmund G. Brown, Jr., Governor of California

James R. Thompson, Governor of Illinois

David C. Treen, Governor of Louisiana

William G. Milliken, Governor of Michigan

Ted Schwinden, Governor of Montana

Hugh Gallen, Governor of New Hampshire

George Nigh, Governor of Oklahoma

Dick Thornburgh, Governor of Pennsylvania

Charles S. Robb, Governor of Virginia

John Spellman, Governor of Washington

ATTENDANCE

Jay S. Hammond, Governor of Alaska
Peter D. Coleman, Governor of American Samoa
Bruce Babbitt, Governor of Arizona
Frank White, Governor of Arkansas
Edmund G. Brown, Jr., Governor of California
Richard D. Lamm, Governor of Colorado
William A. O'Neill, Governor of Connecticut
Pierre S. du Pont IV, Governor of Delaware
Bob Graham, Governor of Florida
George Busbee, Governor of Georgia
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J. Joseph Garrahy, Governor of Rhode Island
Richard W. Riley, Governor of South Carolina
William J. Janklow, Governor of South Dakota
Lamar Alexander, Governor of Tennessee
William P. Clements, Jr., Governor of Texas
Scott M. Matheson, Governor of Utah
Richard A. Snelling, Governor of Vermont
Charles S. Robb, Governor of Virginia

Juan F Luis, Governor of the Virgin Islands
John Spellman, Governor of Washington
John D. Rockefeller IV, Governor of West Virginia
Lee S. Dreyfus, Governor of Wisconsin
Ed Herschler, Governor of Wyoming

PROGRAM
Sunday, August 8

- 1:00 p.m **Press briefing**
Wyandotte Room, Conference Center
Governor Richard A. Snelling, Chairman
Governor George Nigh, Host
- 1.30 p.m.- **Special Governors' work session: Education for a high**
3.30 p.m **technology economy**
Salon A, Conference Center
Moderators Governor James B. Hunt Jr., Chairman, Com-
mittee on Human Resources
Governor Edmund G. Brown, Jr., Co-Chairman
Governor William G. Milliken, Co-Chairman, Task Force
on Technological innovation
Discussion by the Governors of exemplary programs to pro-
duce high school graduates with solid backgrounds in sci-
ence and mathematics
- 3.30 p.m - **Meeting of the NGA Executive Committee and Standing**
4.30 p.m **Committee Chairmen**
Salon D, Conference Center
Governor Richard A. Snelling, Chairman
Discussion of the status of the federalism initiative
Report of the Task Force on the NGA Agenda for the
Eighties
Governor Scott M. Matheson, Chairman

Meetings of NGA Standing Committees:

- 4.30 p.m - **COMMITTEE ON CRIMINAL JUSTICE AND PUBLIC**
6:00 p.m **PROTECTION**
Salon A, Conference Center
Governor Robert F. List, Chairman
Discussion of the private sector and prison industry
Moderator: Governor John Carlin
Guest R. T. Mulcrone, General Manager, City Venture
Corporation
Discussion of the "victim" in the criminal justice process
Moderator: Governor James B. Hunt, Jr

Guest: Lois Herrington, Chairman, President's Task Force on Victims of Crime

Discussion of systemic planning and coordination in handling prison problems

Moderator: Governor Dick Thornburgh

Guest: George F. Grode, Executive Director, Pennsylvania Commission on Crime and Delinquency

Discussion of the President's civil defense initiative

Moderator: Governor Robert F. List

Guests: Lee Thomas, Associate Director, Federal Emergency Management Agency

Charles A. Ott, Jr., Director, Division of Emergency Services, State of Arizona

Discussion of new and revised policy positions

4:30 p.m.-
6:00 p.m.

JOINT MEETING OF THE COMMITTEE ON COMMUNITY AND ECONOMIC DEVELOPMENT AND THE COMMITTEE ON STATE-LOCAL RELATIONS
Salon C, Conference Center

Governor Christopher S. Bond, Chairman, Committee on Community and Economic Development

Governor Richard W. Riley, Chairman, Committee on State-Local Relations

Review of trends in fiscal federalism. The impact of federal budget and tax changes on states and communities

Guests: Congressman James R. Jones, Chairman, House Budget Committee

Richard S. Williamson, Assistant to the President for Intergovernmental Affairs

John E. Dever, Chairman, Network on State-Local Relations, International City Management Association

Consideration of pending community and economic development policy positions

Governor Christopher S. Bond

5:00 p.m.-
6:00 p.m.

Meeting of the staff advisory council of the Committee on Agriculture and the Subcommittee on Range Resource Management

Large Island Room, First Floor, Main Lodge

**Meeting of the staff advisory council of the Committee
on Energy and Environment**

Royal Hawaiian Room, Second Floor, Main Lodge

**Meeting of the staff advisory council of the Committee
on International Trade and Foreign Relations**

Quapaw Room, Conference Center

**Meeting of the staff advisory council of the Committee
on Transportation, Commerce and Technology**

Tahitian Room, Second Floor, Main Lodge

7:00 p.m.- Western reception and dinner for all meeting participants at
11:00 p.m the Hogan, adjacent to the Conference Center

Monday, August 9

8 00 a m.- **Special Governors-only work session**

10:00 a.m *Salon C, Conference Center*

8.30 a m - **Special work session for other meeting participants: The
10:00 a.m press and the state house**

Salon B, Conference Center

Moderator. David S Broder, Syndicated Columnist, The
Washington Post

8.30 a.m.- **Meeting of the staff advisory council of the Committee
10:00 a m on Community and Economic Development**

Tahitian Room, Second Floor, Main Lodge

Meetings of NGA Standing Committees:

10.15 a.m.- **COMMITTEE ON HUMAN RESOURCES**

11:45 a.m *Salon D, Conference Center*

Governor James B Hunt, Jr , Chairman

Discussion of the status of the Committee work plan and
federal action on policy positions

Overview of state opportunities to expand private sector and
local government roles in human services

Guest: Quentin Lawson, Vice President, Public Technology,
Inc

Discussion of innovative approaches for mobilizing public
and private resources for improved human services

Panelists: Governor Pierre S. du Pont IV
Governor Charles S. Robb
Manuel Deese, City Manager, Richmond, Virginia

10:15 a m - **COMMITTEE ON TRANSPORTATION, COMMERCE**
11.45 a.m. **AND TECHNOLOGY**
Salon A, Conference Center
Governor Robert D. Orr, Vice-Chairman
Report on Amtrak
Governor Robert D. Orr, Lead Governor, Rail Passenger
Transportation
Review of revisions to NGA water transportation policy
Report on the special Governors' work session on education
for a high technology economy
Governor Edmund G. Brown, Jr., Co-Chairman, Task Force
on Technological Innovation
Discussion of transportation programs in an era of turnback
Guests. Congressman Don Clausen, Ranking Minority Mem-
ber, Committee on Public Works and Transporta-
tion, U S House of Representatives
Ray A Barnhart, Federal Highway Administrator

Luncheon meetings of NGA Standing Committees

12:00 noon- **COMMITTEE ON AGRICULTURE**
1.30 p m *Salon C, Conference Center*
Governor Charles Thone, Chairman
Discussion of agriculture in a period of stress
Guests John R Block, Secretary of Agriculture
Congressman Thomas S Foley, Majority Whip,
U.S. House of Representatives
Report of the Subcommittee on Range Resource
Management
Governor John V Evans, Co-Chairman
Governor Bruce King, Co-Chairman
Report of the Task Force on Agricultural Exports
Governor John Carlin, Chairman
Report of the Task Force on Soil Conservation
Governor Robert D. Ray, Chairman

12:00 noon- **COMMITTEE ON INTERNATIONAL TRADE AND**
1 30 p.m. **FOREIGN RELATIONS**

Salon B, Conference Center

Governor Bob Graham, Chairman

Report of the Task Force on Tourism

Governor George R. Ariyoshi, Chairman

Report of the Task Force on Congressional Initiatives

Governor Dick Thornburgh, Chairman

Report of the Task Force on North American Cooperation

Governor William P. Clements, Jr., Chairman

Report of the Task Force on Immigration and Refugee
Issues

Governor Bob Graham, Chairman

Report of the Task Force on Export Finance

Governor John Spellman, Chairman

Report of the Task Force on State-Federal Cooperation on
Trade Development

Governor William F. Winter, Chairman

Discussion of policy on state trade promotion

Governor George Busbee

Discussion of critical issues in international trade policy

Guest. William E. Brock, U.S. Trade Representative

Meetings of NGA Standing Committees.

1:45 p.m. - **COMMITTEE ON EXECUTIVE MANAGEMENT AND**
3:15 p.m. **FISCAL AFFAIRS**

Salon A, Conference Center

Governor Lamar Alexander, Chairman

The Governor: The state's chief planner

Discussion of methods for setting state priorities using
strategic planning techniques

Guests: Terry Sanford, President, Duke University

Thomas F. Frist, Jr., M.D., President and Chief

Operating Officer, Hospital Corporation of America

Report of the Subcommittee on Public Retirement Systems

Governor George R. Ariyoshi, Chairman

Report of the Subcommittee on Management Improvement

Governor Robert D. Orr, Chairman

- 1:45 p.m.- **COMMITTEE ON ENERGY AND ENVIRONMENT**
 3:00 p.m. *Royal Hawaiian Room, Second Floor, Main Lodge*
 Governor John D. Rockefeller IV, Chairman
 Review and discussion of NGA clean air policy and Congressional action to date
 Report on acid rain resolution by New England Governors and Eastern Canadian Premiers
 Governor Joseph E. Brennan, Co-Chairman, New England Governors and Eastern Canadian Premiers
 Governor Richard A. Snelling
 Consideration of amendments to NGA natural gas policy
 Governor David Treen, Chairman, Subcommittee on Oil and Gas
 Governor John Carlin
 Consideration of pending policy positions on federal lands issues and uranium imports
 Governor Ed Herschler
 Consideration of amendments to NGA policy dealing with energy emergency preparedness and petroleum over-charge issues
 Governor Joseph E. Brennan, Chairman, Subcommittee on Renewable Resources and Conservation
 Consideration of Committee resolution on outer continental shelf revenue sharing
 Governor Jay Hammond
 Discussion of federal lands leasing policy and other natural resources issues
 Guest James G. Watt, Secretary of the Interior
- 3.00 p.m - **Special session of the Committee on Energy and Environment on electric utility and energy conservation issues**
 4.30 p.m. *Royal Hawaiian Room, Second Floor, Main Lodge*
 Panel I Industrial energy conservation: Key factor in the success of state economic development efforts
 Moderator. Governor Joseph E. Brennan, Chairman, Subcommittee on Renewable Resources and Conservation
 Guests Ronald S. Wishart, Director, Energy and Transportation Policy, Union Carbide
 Charles W. Schmidt, President and Chief Executive

Officer, S D Warren Division, Scott Paper Company

Report on Vermont Industrial Energy Conservation Advisors Program

Governor Richard A Snelling

Panel II Energy imports. A focus of electric utility policy

Moderator Governor John D Rockefeller IV, Chairman

Guests Marc Lalonde, Minister of Energy, Minerals and Resources, Canada

Guy Nichols, Chairman, President and Chief Executive Officer, New England Electric

Panel III. Financial health of the electric utility industry
Point-Counterpoint

Guests Edward Burke, President, National Association of Regulatory Utility Commissioners

Charles J Dougherty, Chief Executive Officer,
Union Electric Company

3:13 p m - **Meeting of the Committee on Legal Affairs**

4:15 p m *Quapaw Room, Conference Center*

Governor Allen I Olson, Chairman

3:15 p m - **Meeting of the Task Force on Immigration and Refugee Issues**

4:15 p m *Salon B, Conference Center*

Governor Bob Graham, Chairman

5:00 p m - **Meeting of the Task Force on North American Cooperation**

6:00 p m *Large Island Room, First Floor, Main Lodge*

Governor William P Clements, Jr , Chairman

Guests Ambassador Thomas O Enders, Assistant Secretary of State for Inter-American Affairs

Mary Ann T Knauss, Deputy Assistant Secretary for Intergovernmental Affairs, U.S Department of Commerce

Frank Jackman, Consul-General of Canada, Dallas, Texas

6:30 p.m.- Reception for Governors and spouses hosted by Governor
7:30 p.m. and Mrs. Nigh
Quapaw Room, Conference Center

6.30 p.m.- Reception and state dinner for all meeting participants
10:00 p.m.

Tuesday, August 10

8 00 a.m. - Breakfast meetings of the Democratic Governor's Confer-
9 15 a.m. ence and Republican Governors Association

9 30 a.m. - PLENARY SESSION

12:00 noon *Salon C, Conference Center*

Moderator Governor Richard A. Snelling, Chairman

Restoring balance to the federal system Next steps on the
Governors' agenda

Report of the NGA federalism negotiating team

Governor Richard A. Snelling, Chairman

Governor Lamar Alexander

Governor Bruce Babbitt

Governor George Busbee

Governor Scott M. Matheson

Governor James R. Thompson

Discussion by the Governors

Voting on proposed policy positions and the report of the
Task Force on the NGA Agenda for the Eighties

Special salute to Governors completing their term of office

Election of the 1982-83 Chairman and Executive Committee

Remarks by the new Chairman

Adjournment

12.00 noon- **Meeting of the 1982-83 Executive Committee and Stand-**
12.30 p.m. **ing Committee Chairmen**
Salon A, Conference Center

12:30 p.m.- Time available for luncheon meetings of regional
2:00 p.m. organizations

PLENARY SESSION

Tuesday, August 10, 1982

Chairman Richard A. Snelling: The plenary session of the National Governors' Association will now be in order.

The National Governors' Association is in full stride. We have undertaken a greater number of projects of importance, I think, to the nation and the people of our states than we ever have before. It is appropriate that we give each of those items serious consideration. The nation is, I think, looking more to the states for leadership and for guidance and for a sense of direction than they perhaps ever have before.

Before we get to the first item on the agenda, I certainly want to express my great appreciation to our host, Governor Nigh, to his wife, Donna, and to the people of Oklahoma for their hospitality to us here at Afton, Oklahoma. They have provided an environment and a circumstance which I think certainly has been conducive to our deliberations.

RESTORING BALANCE TO THE FEDERAL SYSTEM: NEXT STEPS ON THE GOVERNORS' AGENDA

Chairman Snelling: The first item on the agenda is the topic "Restoring Balance to the Federal System." Our goal is to establish an action plan. We must decide what our next steps will be in pursuit of our long-sought goal of a restoration of the balance in the federal system, a decentralization of government, a bringing back home, if you will, of the powers and responsibilities of government.

All of the governors who have been acting to implement your charge of last February in negotiations with the White House are not present. In a moment, I am going to ask those who are here to join me in making a brief report to you on the status of those efforts.

But let me begin by saying all of us of both parties who have been working these many years to achieve a better balance in the federal system, to regain, if you will, the lawful authority of the states, to reestablish the primacy of the will of the people back home, owe a great debt of gratitude to President Ronald Reagan for his initiative and for his leadership on the

federalism issue. We have long sought a larger role for state legislators, for county commissioners, for mayors, and for city councils. This president presented to the Congress of the United States an indication that he would introduce legislation in sufficient detail to help us to achieve such a goal.

So it was natural, and it was appropriate, that last February the governors responded positively to that initiative. Even though the broad outlines of the plan that the president presented were not totally in conformity with our long-held and very carefully established policies, you authorized a negotiating team to see if our two points of view could be reconciled. And the president for his part offered to negotiate. He did not present us with a fixed agenda. He presented us with a goal, a goal that we shared.

So we have been working these many months to see if the result could be something that we could go forward to support together. We have come a long way, as you know, from our deliberations and from the reports which we have submitted to you. There are still some very significant issues to be addressed.

I would now like to ask three of the five governors who participated in those negotiations to give you a summary of their findings, their viewpoints, and a summary of their analyses of where we are.

But before we do that, I do want to tell you that in these months since February, I have over and over again been immensely proud to represent this association and to work with these five governors. We have not been partisan on this issue, and I pray we will not be partisan on this issue. Our determination to have a better balance in the federal system is too strong, too important to us, for that.

Over and over again, the negotiating team reached unanimous conclusions about what you, our colleagues, the people whom we were charged with serving, would or would not accept, would or would not be able to go before the Congress with and support.

I do not recall a single time on an issue of any lasting importance where there was any discord among the six governors on the negotiating team. Over and over again, each of those governors spoke to colleagues back home and gave us the strength and unanimity which I think stood us in good stead and gave us a great capacity to deal with the White House.

I would like now to ask Governor Lamar Alexander of Tennessee, one of the key members of that negotiating team, to give us a summary of his views of these deliberations.

Governor Alexander

Governor Lamar Alexander: Thank you, Governor Snelling.

I won't attempt to get into the specifics of how far we got on what items. That takes a while, and most governors are aware of it. But I would like to make these four points.

First, we made significant progress that has to be measured when you consider the size of the undertaking. When you are working with a \$40 or \$50 billion problem, some progress is a lot of progress on a national scale.

In terms of the governors' position during the discussions, the president seemed to understand the importance of maintaining the food stamp program at the national level. The president and the administration got deeply into the president's proposal that the national government take over Medicaid.

The swaps and turnbacks were relatively easy to agree on in concept. The trust fund structure was a very ingenious idea which, to my way of thinking, was a little better and more ingenious and more likely to work than anything that we have seen for a while.

Other points of progress, I think, are that the legislators and the governors began to work more actively together and often thought about the same on the major issues. That was interesting to me. It suggests that we may work together more closely in the future on that and other issues. Our ability to work together may be as important as anything else during the last six months.

I think this is especially due to the president putting the issue on the forefront as only a president can. There is more understanding of the issue in the Congress now. Frankly, there are so many other things going on in Congress that not many congressmen and senators take much time to understand exactly how federally collected dollars are spent by state and local government.

So those are all points of progress.

Second, we have gone in that stance about as far as we could go. I think everybody on both sides of the table generally agrees with that. That was one way to go about trying to come to a conclusion. We have gone about as far as we can there. We reduced our differences of opinion to some specific points, and we narrowed the differences on many other points.

Third, it would be a big mistake to quit the effort—not just because it is not likely to solve a big problem like that in six months, but because there is a growing reservoir of political support for it and because it is not just a political issue.

I still am convinced there is a powerful voice in communities all over America from people who want more control over everyday decisions. That is not a political issue necessarily, it is more a social issue. It is almost a worldwide phenomenon, and it is an irresistible point that will pull our political structures over the next ten years.

Finally, I think that while it is right for us to address these issues on our own to see what we as governors can do—taking the lead in consultation with the president and legislators and cities and counties—our chances of success on this issue will ultimately be greatly enhanced by the number of those other persons who we can get in support of our ideas. That would be especially true of the president.

Chairman Snelling: Thank you very much, Governor Alexander.

I also would now like to ask Governor Babbitt of Arizona for his comments and impressions of our tour of duty.

Governor Babbitt: Mr. Chairman, I would essentially second the comments of Governor Alexander.

It is really analogous to climbing a mountain. You measure your progress by looking down to where you have come from or up to where you have to go. I prefer to look down at how far we have come in the last six months.

I think there is an emerging consensus about the principles that must guide this discussion—the emerging consensus on how it is we devise a litmus test that everybody can agree on about what programs are properly a federal responsibility and what programs are properly the province of state and local governments.

I would say that that emerging consensus, driven by a national debate and a lot of press attention, is separating in this way: an increasing acceptance of the fact that entitlement programs, income-maintenance programs, the president's safety net are uniquely federal responsibilities because they talk about the relationship of government to the basic needs of individuals because those needs are driven in such large measure by the state and nature of the national economy. Conversely, there is an increasingly broad consensus as a result of this national debate.

But there are many local programs not tied so directly to the national economy, but uniquely and historically local programs, that are now poised to be devolved from the federal to the local governments. I think that adds up to the beginnings of a remarkable national consensus, a potential for enormous and fundamental restructuring of American government.

To view it that way, I think it is inevitable that we must continue this process; we must continue to debate it among ourselves, to negotiate with anybody and everybody, and see if we can't keep the momentum up that will enable us to make it to the top.

Chairman Snelling: Thank you, Governor.

Now, I would like to call on Governor Matheson, one of the co-authors of the resolution that authorized the negotiations which have been going on these six months.

Governor Matheson of Utah

Governor Scott M. Matheson: Thank you, Mr. Chairman.

The experiment which we undertook at our mid-winter meeting in our federalism negotiations has been almost a historic one in a sense. When the president in his State of the Union address in late January suggested that the subject of federalism should become a part of the national debate and a sorting-out process and a discussion should be undertaken, he provided an opportunity to all of us.

I felt that the resolution adopted at our mid-winter meeting in Washington setting a process in motion was a major step forward. Having the opportunity to participate with the negotiating team of governors has provided me with greater insight into the breadth and the depth of the subject of which we speak, and the progress which has been described by Governors Alexander and Babbitt has been real.

I think all of us should recognize that the success of the negotiation was primarily due to the commitment and the skill of our chairman. We owe you a great debt for the leadership which you have shown.

We now arrive at the opportunity to continue with our commitment to sorting out intergovernmental relations. Today, while we recognize the progress we have made, we also have reached the point where we need a continued action plan in order to address this intergovernmental relations problem.

I am convinced that the governors must continue this as one of the primary issues for the next year. Our opportunity to negotiate with the White House and the commitment of the president has made this a great opportunity. He has suggested that we should meet again. That is an excellent idea.

Turning the responsibility of the action plan over to our Executive Committee, which will include within the scope of the proposal the opportunity to utilize our prior negotiating team, will expand it to others and will give us the skill and the experience in that body to pursue our action plan. It will consist basically of broadening the scope of what new federalism is to some additional intergovernmental relations issues.

The parameter will be determined by the Executive Committee in the proposal which I will move for adoption in a moment. It basically moves us forward on a dual track.

First of all, it provides that we continue our discussions with the president regarding the federalism initiative. That track is one which all of us will continue to work solidly for and support. We will reconstitute the NGA federalism negotiating team by placing that responsibility with our new Executive Committee and others. We will develop an NGA federalism proposal which will consider those items within the scope of the concept important to governors. We will then secure Executive Committee approval for that proposal and present the final recommendations to the president and to our NGA plenary session next February in Washington, D.C.

Basically, Mr. Chairman, we are continuing the National Governors' Association commitment to the new federalism by utilizing all of the processes of the past, retaining our strong negotiating opportunities with the president, and involving all of the other locally elected officials who have a vital interest in this as well.

That is the essence of the governors' federalism action plan which is before us. I would move its adoption, Mr. Chairman.

Governor Babbitt: Second.

Chairman Snelling: Subject to your pleasure. Governor Matheson, would you hold that motion in abeyance until I make my own brief report on the subject?

Governor Matheson: I would be very pleased to hold that in abeyance for a short period of time.

Chairman Snelling: Thank you.

I do also want to express my appreciation and I know that of the other members of the team to Governors Busbee and Thompson, who cannot be with us today, but who were unflagging in their own efforts.

At this time, I would like to combine two or three chores which would bring me separately to this podium. It is customary for me to make some report on the action and work of the NGA. I also want to contribute to the comments of the members of the negotiating team, and I want to put in my own word for the plan of action which will be put before you in a moment.

But just a second of perspective. NGA has come a very long way in the last seven or eight years. We have had, I think, a succession of leaders who had high aspirations for the states and for the governors as representatives of the states. We have had a steadily increasing role in defining national standards for the environment, for the economy, for human services, for each of the areas which are important to the people in our state. But I think that there are very few issues which are more important to us and on which our capacity to deliver the goods back home hinges than that of federalism, than that of the proper relationship between the states and the federal government.

But before I follow up on that, let me say that federalism is only one of two very great, present domestic issues before this country which have claimed a great deal of time and attention from all of the governors this last year. The other is fiscal restraint. These are different issues. I doubt if there is a governor here who hasn't been frustrated over and over again when he was faced with questions that assumed that fiscal restraint and federalism were one and the same thing. They are different. But the certainty of one, the certainty of fiscal restraint, does determine the essentiality of the other—decentralization of government, grant reform, and a greater role in deciding priorities and designing programs for state and local jurisdictions.

I want to restate here that NGA believes in and supports a thoughtful fiscal policy and reduced spending. We have been very effective in this last year in assisting the Congress as it grappled with that very serious problem so that it could both look toward restraint and have a legitimate claim that it recognized and understood the needs of the people back home. Our task has been to help do that while protecting those programs which serve people,

which are essential and which properly belong on anyone's list of safety-net programs.

Outlays to support state and local governments in 1981 were \$94.8 billion. The president's proposal for 1983 would have reduced those to \$81.4 billion. After cooperating fully in the first budget resolution, NGA went on record as saying, "Although we believe strongly in restraint, we believe that that restraint should be fairly distributed across all the items in the budget agenda in the United States," and that it could not continue to concentrate on the programs that serve the people in our states.

I do think that all of your efforts had some distinct effect on the first budget resolution of some \$90 billion, which did give us some comfort. Our goal is a proper share in the restraint.

But the question I want to ask you as we consider an agenda on federalism for this next year is whether there is any doubt among us about the permanence of the pressure on budgets—the permanence of the bipartisan, essential nature of the determination of the people of this country to end deficits and to free themselves of the pressure of either deficits or tax increases.

I think the lesson clearly is that there is going to be steady erosion of constant-dollar purchasing power for state and local governments, and that we will be left more and more on our own. That will be true whether there is or is not any revision in the federal system.

So the real question is: How do we avoid drifting towards the worst of both worlds—constant erosion of federal support and of stabilization, but the continuation of the attempts by Congress to decide priorities for all of us, to determine program plans with a shrinking share of federal support?

Federal regulation, federal design, federal targeting cannot coexist with the notion that the states must be financially aloof from federal funds. It has always been said with, I think, considerable justice that as funding increased, the role in decision making increased. And it must be true that the reverse also applies.

So now we must bring government back home. The people of this country are determined to bring government under their control again. They will not turn their backs on the needy or on a national sense of justice, but they also will not tolerate either ruinous taxation or paralyzing federal deficits.

Federalism describes a larger role for people in setting realistic priorities appropriate to their state and community. Federalism does not seek increases or decreases in spending. It seeks an end to the waste and neglect which result from decisions made too far away from accountability.

We have moved a long way towards a wholesome federalism, one which the governors of this country of both parties can support, one which would justify equal support from legislators, county commissioners, mayors, and, for that matter, those who have for a very long time believed that the only security for their worthy causes was the folks in Washington.

But the status quo is very powerful. We will not succeed with that which has been our goal for a very long time unless we can enlist all those who naturally should be our allies. Nor will we succeed if we abandon the principles which we have always believed justified the support of the American people in the Congress.

And so our task, which is a difficult one, is to earn and maintain the support, the leadership, of the president of the United States to properly and fairly deal with the questions and the concerns of the constituents back home and of the members of Congress. Our task is to bring these together so that we have action at last where we have long needed it. I think every single one of us recognizes how far the president's initiative has carried us.

Simultaneously, no one that I know among us is willing to proceed by abandoning principles that we think will need to be present in any legislation that emerges from Congress. And thus, the proposal, which in a moment Governor Matheson will put before you, is not a resolution; it is not a proposed policy statement, because it does not deviate in any way from the policy statements established by this group. It is a plan of action for the next year that recognizes where we are, what we have accomplished, and our great need to be assured that we will be of the maximum possible help to the president and to the Congress.

The plan really calls for doing whatever more we can to follow up on the initiative of the president, but not to duck our own responsibility to initiate and put forth a cohesive plan, one which on its own merits should deserve the support of the president and of the Congress.

I hope, having come this far, that the governors would be determined once again to make a restoration of federal balance a prime goal for the next year in the work plan of the National Governors' Association.

Governor Matheson, do you have a motion?

Governor Matheson: Mr. Chairman, I will incorporate by reference my earlier remarks and move the adoption of the action plan.

Governor Robert List: I second the motion, Mr. Chairman.

Chairman Snelling: Moved and seconded that the action plan which is before you will be accepted. Is there further discussion?

Yes, Governor List.

Governor List: Thank you, Mr. Chairman.

I want to be the first to congratulate the members of the negotiating team for the outstanding job that they have been doing in working toward this accord with the White House and with the administration as we drive toward a solution and a real reform on this issue of federalism.

I think we all recognize the tremendous amount of progress that has been made in those negotiations during the past year. I think we have come

further in the past ten months than we did in the previous ten years on the subject of federalism. That progress really is the result of the personal commitment of you, Mr. Chairman, of all the members of the negotiating team, of all the nation's governors, and certainly of President Reagan to make federalism become a reality.

I am personally committed to it; I think most governors are, because it is worth fighting for. We are dealing with a subject that is complex and controversial.

When we talk about the realignment of responsibilities of government, certainly certain difficulties and disagreements are bound to arise. But those disagreements and those difficulties should not be allowed to derail or to abort the progress. We simply can't allow the controversy that invariably attends negotiations on something that is difficult, that has been magnified in the glare of television lights, to divert us from our ultimate goal, which, of course, is a leaner, more effective, more responsible government that operates closer to home with the wishes of all the people and their dreams and their desires and their needs and their pocketbooks first and foremost in our minds. Nor can we retreat from the progress that has already been made. The fact is that there are more points of agreement, in my judgment, with the White House and among the governors than disagreement, a greater sense of cooperation than diversity.

In a very real sense, I think we have reached a crossroads. The decisions that we make in the coming months regarding the federalism initiative will have a lasting impact on all the citizens of this nation long after we leave office. Because of the significance of those continuing negotiations, I feel it is absolutely essential that all the governors play a greater and more direct role.

The federalism action plan that we consider today calls for an NGA negotiating team to include the members of the Executive Committee, the standing committee chairmen, and the lead governors on federalism. It also calls for a direct personal involvement on the part of the president in those negotiations. I think with that kind of approach, the chief executive officers of each of the states and the chief executive officer of this nation can break loose; we can overcome the difficulties.

Mr. Chairman, I am proud of the work that has been done, and I am very optimistic about the success of the work that can be done in the future. I urge the approval of this body.

Chairman Snelling: Would any other governor like to be heard?
Governor Dreyfus.

Governor Lee S. Dreyfus: As I listen to the accolades for our negotiating team, I think they are well placed. I want, however, to question whether we should have added a press officer to the negotiating team, because what is

being said here is not what I have been reading or what I am being told as reporters call me. As you know, that is now a rather common experience around this table

While, as Governor List says, there are more points of agreement than disagreement and negotiations are continuing, even as recently as yesterday a headline read, "Governors Break with President." A phrase in that article says that "after five months of inconclusive negotiations" we have decided to "start from scratch." Is that true?

I am not talking about irresponsible press. Understand that. What counts in communication is reception, not transmission, and something is not being transmitted appropriately.

First of all, on the issue of new federalism, this is a return to our status as a republic. This is a critical issue for this nation.

Second, I hear talk about going to the Congress I don't understand that. The president is the only key friend the governors of these states have now or will have next year in terms of getting this back to the way it belongs. If we wind up with the current administration burned by all of this Niagara of verbiage coming out as it is being interpreted, I tell you no future president or administration is going to help a future NGA on such an issue. They'll decide it isn't worth it.

Starting over, doing our new thing, and going to the Congress, Governor Snelling, isn't the option, it seems to me. If the first team can't score, then you put them back on the bench and pull the second team off. You don't get a new opponent and start a new game

That is what is critical here. And I'd like to add that I am delighted at the shift where you have now moved the Executive Committee and added it to this team, because the whole issue here is what is being presented publicly.

I guess I would like to know, first, have you been or are you at an impasse? That kind of terminology has been used, and it isn't getting used here this morning. Are you saying or have you said there is no value in continuing negotiations? That is the kind of terminology being used, but it is not being used this morning. And the third question: Are you saying go to Congress and don't deal with the White House anymore?

I simply want to make sure I am giving you the platform to answer the questions on, even if you don't like the way I nailed it together.

Chairman Snelling: I will make a deal with you. If I don't answer all three of the questions, call me on it, and on the other side of the coin, if I answer a question that you didn't ask, let it pass.

First, there is no impasse. On the other hand, there is also no conclusion. So a story that says that the negotiations have not reached a conclusion is correct. For myself, I will simply say that I have not yet read a story that incorrectly reported what the Executive Committee discussed or what the

negotiating committee has said or what I have said. I won't say there aren't any, but I haven't read it. I have read lots of headlines that would lead me to different conclusions than the stories, but what else is new?

If Governor Dreyfus is suggesting to me that the negotiating team has a responsibility to manage the headlines, I am going to come to his school of journalism forthwith because I don't know how to do that.

Governor Dreyfus: No, but you know how to respond to them. Dick.

Chairman Snelling: Let me answer your question of whether or not there is an impasse. No. On the other hand, for a considerable period of time, there has been no decision on areas that were key, that the negotiating team unanimously felt needed to be resolved for there to be any likelihood of the National Governors' Association voting by the majority, which would require two-thirds minimum, to adopt a plan or position of support.

Our task was defined in February by the resolution of the governors. We were told specifically not to accept a transfer of welfare to the states without good and sufficient reason. I think that we have been reasonably conscientious in trying to determine whether or not, at a particular level of negotiations, there was a reasonable chance of support by the governors. There would be no act of friendship to the president of the United States, to this president or any president, if anyone purporting to represent the governors were to agree to something that could not subsequently be adopted by the National Governors' Association.

So in answer to your first question, there is no impasse because no one has said it is all over. As a matter of fact, as recently as Friday, the president did talk personally with a number of us, and he did say he would like to meet again at the end of the month.

On the other hand, it is equally true and fair to say that we had asked for and had been led to believe we would have some resolution in ample time before this meeting so we could present to our colleagues, whom we were seeking to represent, a full and accurate report on the status and likelihood of success.

Second, you asked whether we were going to the Congress at some point in time. Of course. As I understand it and as all of us understand it in our states, we do have a separation of power. The president proposes, and so any group such as ours will seek needs. We recognize and appreciate the value of having the support of the president of the United States.

Governor Dreyfus: No, I meant as an alternative—to stop negotiation with the White House.

Chairman Snelling: Never has any document suggested stopping negotiations with the president. It has suggested a dual track. That dual track, it seems to me, can be of immense value also to the White House in that it affords

the greatest possible likelihood that we will be able to address the questions that sooner or later we must address before the Congress.

Let us not ignore the power of the status quo. Let us not for one moment believe we would be home free if we and the president were to agree fully. The Congress is apt to be, to a very considerable extent, hostile. Their hostility is justified to the extent that they have a right to expect that we will answer affirmatively some very basic questions about whether or not this federalism is or is not good for America.

Federalism may be a little bit like the institution of marriage. One can make a very strong case for the institution, which does not mean that one has to accept any given proposition. We are entitled to seek a federalism that is harmonious to our beliefs—the states' beliefs—about what will work and what will not work.

The final question: Have we said we would begin over again? No, I don't think we have ever said that in any statement. We have said that if we were going to have a dual track that it would be perfectly appropriate for us to restate our fundamental principles.

We have always said that the end result of such a cohesive plan would be an attempt to elicit the support of the president of the United States and, in the final analysis, that of the Congress, without whose support there would be no change in the status quo.

Have I answered your questions?

Governor Dreyfus: I will just call you on one chunk. It has nothing to do with headlines; it has to do with the phraseology. From the team's point of view, have we decided to "start from scratch"? I hear you saying that is not what you are saying; clearly not what you are saying; the article is wrong on that.

Second, I question the phrase "after five months of inconclusive negotiations." Not to arrive at conclusions—the final determination—is one thing. "Inconclusive" implies that there was not enough progress.

Chairman Snelling: Every report, Governor Dreyfus, has made it quite clear that we feel we have achieved a great deal; also that there is more to be achieved. Our belief is that the optimum likelihood of achieving a plan that has the support of the president and is likely to pass the Congress, in part because we can bring to it faithful and honest recommendations together with the legislators, county commissioners and other local partners, requires that simultaneously we develop a plan that contains the elements that we think are required for final passage.

If any other members of the negotiating team would like to alter, correct, change or fortify any of those statements, please feel free.

If not, is there another governor who wishes to be heard?

Are you ready for the question?

All those in favor indicate by saying "Aye "

[Chorus of "Ayes."]

Any opposed?

[No response.]

The item is adopted.

The next business is to proceed with the proposed policy changes.

I call upon Governor Robert List of the Committee on Criminal Justice and Public Protection for a report and for recommendations

REPORTS OF THE STANDING COMMITTEES AND VOTING ON PROPOSED POLICY POSITIONS

Governor List: Mr Chairman, the Committee on Criminal Justice and Public Protection convened on Sunday afternoon and devoted the session to discussions of the private sector and prison industry, the role of the victim in the criminal justice process, systemic planning in handling prison problems, attacking the problem of illegal drugs, and the president's civil defense initiative

The committee considered and reports without objection eight policy positions for consideration by this body

Unless there are objections, I will move for the adoption of the following policy positions.

Strike old policies A -1, A.-8, and A -9 and substitute in lieu thereof the new policy A.-1, entitled "A Comprehensive Criminal Justice Program for Attacking Violent Crime," which incorporates all three old policies

Second, strike policies A.-2 and A.-11 and substitute in lieu thereof new policy A.-2, entitled "Developing Programs in Delinquency Prevention," which combines both of the old policies under one title.

Third, A -11 is a new policy concerning "Managing Career Criminals "

Next, we would strike old policy A -5 and substitute in lieu thereof a new policy A.-5, entitled "Standards of Fair Treatment for Crime Victims and Witnesses."

Next, A.-6 is a new policy concerning "Controlling Illegal Traffic in Narcotics."

Next, A.-17 is a new policy concerning the "Federal Role in Violent Crime Control."

Next, we would strike old policy A.-6 and substitute in lieu thereof A.-8, entitled "Comprehensive State Emergency Management," which updates our policy on this issue.

Finally, A.-9 is a new policy concerning "Comprehensive Emergency Management, or CEM, Information Systems."

Mr Chairman, I move the adoption of these policy changes

Governor Bruce King: Second.

Chairman Snelling: Governor List moves and Governor King seconds the proposals for changes in policy of A.-1, A.-2, A.-5, A.-6, A.-8, A.-9 and A.-11. Does any governor wish to be heard?

[No response.]

Are you ready for the question?

All those in favor of the motion indicate by saying "Aye."

[Chorus of "Ayes."]

Any contrary?

[No response.]

The policy changes are adopted.

Governor Lamar Alexander for the Committee on Executive Management and Fiscal Affairs.

Governor Alexander: Mr. Chairman, this policy would amend B.-5. B.-5 speaks generally to avoiding federal preemption of state laws and policies. The change is the last paragraph, which makes it clear that it is our position that the federal government ought not to preempt either directly or indirectly sources of tax revenues, tax bases, or state taxation methods. I don't think that requires much explanation. It is a definition of strongly held views of long-existing policies.

I so move the resolution.

Chairman Snelling: Governor Alexander moves on behalf of the committee the proposed policy change B.-5.

Governor Hunt.

Governor James B. Hunt, Jr.: Mr. Chairman, I second the resolution.

If I may, let me simply say I think you represented our association very ably to the president last January when the administration was considering a whole host of invasions of traditional tax sources and bases.

I think that is the position this association has long held. If we are going to take over more responsibilities, we have to have funds to do it with. Recent legislation runs contrary to that. I think it is time we reassert this very definitely here. I hope very much it will pass.

Chairman Snelling: Any further comments? Any governor who wishes to be heard?

[No response.]

Ready for the question? The question is on a motion made by Governor Alexander, seconded by Governor Hunt.

All those in favor signify by saying "Aye."

[Chorus of "Ayes."]

Any opposed?

[No response.]

It stands adopted.

The Committee on Energy and Environment, Governor Rockefeller.

Governor John D. Rockefeller IV: Thank you, Mr. Chairman.

I would like to thank Governor Clements and the members of the Energy and Environment Committee for their good work. Governor Clements is vice chairman.

I would like to move all but one of the policies as a block. I will describe them just briefly.

D.-2 has to do with overcharges that have been made in the past by oil companies. They are not being distributed to the states now. In cases where individuals are involved, they should obviously get that money. Otherwise, the money should go to the states to be used basically for energy-related programs.

Amendment D.-6 has to do with strategic petroleum reserves. We have a national strategic petroleum reserve now, but it is felt that in a crisis that might not necessarily be effective all across the country immediately. So we would like to move to regional petroleum reserves—full sources available to all states, so to speak.

D.-13, the new natural gas policy, I would ask to be separated, Mr. Chairman, if that's all right.

D.-15, "Uranium Imports," is a relatively simple policy that says that the federal government should limit imports of uranium to the extent that they threaten national security.

D.-39 has to do with consulting with governors before disposal of federal real property. President Reagan is now actively doing this. The policy asks that the administration continue the practice of making federal properties available to states and local governments at low or no cost as has been the case in the past and that governors be consulted before this process.

D.-40 is federal oil and gas leasing in wilderness areas. The proposal suggests that governors be very much involved. In fact, it asks that governors not only be consulted, but they have sixty days to review and comment on surface leasing of oil and gas. It asks that the administration respond to the governors in writing before any final decision is made. Obviously, leasing of oil and gas in wilderness areas can really affect the state.

So, Mr. Chairman, with respect to D.-2, D.-6, D.-15, D.-39, D.-40, there was no particular argument. I would move that those be accepted as a block.

Chairman Snelling: Governor Rockefeller moves the adoption of the proposed changes in D.-2, D.-6, D.-15, D.-39 and D.-40 and expressly eliminates D.-13 from his motion.

Is there a second?

Governor Ed Herschler: Second

Chairman Snelling: It is seconded.

Is there discussion?

Governor Riley of South Carolina.

Governor Richard W. Riley: Mr. Chairman, I have no objection to any of the proposals. I do want to make a comment in the area of nuclear energy policy under D.-15 that is not pertinent to the specific subject matter.

Congress has before it now the comprehensive nuclear waste bill. I strongly support a comprehensive nuclear waste program. However, I am very much opposed to—and the Southern Governors' Association recently passed a resolution opposing—the inclusion of an away-from-reactor [AFR] proviso in the comprehensive nuclear waste bill. I think that we in this nation ought to stay on the track of moving toward a permanent disposal site for high-level nuclear waste and not get off on a rabbit track of some temporary storage mechanism.

I just wanted to voice my opposition to the AFR proviso. I think the governors responded well to low-level nuclear waste, and I hope compacts are moving well. We are certainly working in the southeast region on our compact. But I wanted to express my personal feeling that the AFR proviso is the wrong move. I hope that Congress will kill it

Chairman Snelling: Governor Spellman.

Governor John Spellman: Mr. Chairman, with regard to D.-39, I would like to propose an amendment. I support the policy, but I would like to propose an amendment. The amendment would be to line 7, after the word "education," adding the word "corrections."

I would make such amendment, Mr. Chairman, because there is a tendency for separate committees to pass similar resolutions, and it seems to me they should be consistent.

We name a number of uses for which federal property may be turned over to the state on a no-cost basis and with consultation. Washington and a number of other states have a strong present concern about the permanent acquisition by the states of certain federal correctional institutions. We are leasing one now, and the lease rate keeps going up. We would like to be able to make some capital improvements.

So, Mr. Chairman, I move the amendment adding that word

Chairman Snelling: Before considering the amendment, I would ask Governor Rockefeller if he wishes to incorporate the amendment.

Governor Rockefeller: Yes.

Chairman Snelling: The amendment is acceptable. So the amendment, if

we have common consensus, will be accepted as having been offered by the originator.

You have before you now policy changes D.-2, D.-6, D.-15, D.-39 and D.-40.

Does any other governor wish to be heard?

[No response.]

Are you ready for the question?

All those in favor signify by saying "Aye."

[Chorus of "Ayes."]

Any opposed?

[No response.]

Those policies are adopted.

Governor Rockefeller, do you have a proposal with respect to D.-13?

Governor Rockefeller: Yes D -13 was a matter of some discussion. It carried substantially, but nevertheless was a matter of some discussion. Therefore, I think in all fairness, it should be reviewed in more detail.

Essentially, we urge the Congress to prohibit or restrict the use of take-or-pay contracts and contracts with indefinite price escalators. We also urge the Congress to consider measures to give equal access to all natural gas suppliers to both intra- and interstate pipelines, primarily so they could get outer continental shelf products and matters of that sort.

I should say that the chairman of the Subcommittee on Natural Gas, Governor Treen, had some difficulty with the amendment as it came out. I spoke to him beforehand. He indicated that he wanted to reserve the right to speak against it and said that it would be acceptable to him if Governor Carlin, who was the sponsor of the bulk of the amendments, spoke to the amendment.

So I ask Governor Carlin to do that.

Chairman Snelling: Governor Carlin? May I just inquire whether you intend to make a motion on the subject?

Governor John Carlin: Yes, I do. If you want the motion first, I will move that the resolution be adopted.

Chairman Snelling: Governor Carlin moves the resolution be adopted. Is there a second?

Governor Herschler: Second.

Chairman Snelling: Governor Herschler seconds, so it is a matter of discussion.

Governor Carlin.

Governor Carlin: Mr. Chairman, fellow governors, D.-13 on natural gas.

tries to address two specific problems that I personally feel, and the committee endorsed yesterday, would bring a little more balance into the implementation of deregulation in this country.

We are on record in support of deregulation. I don't intend to amend or change that. The committee agreed yesterday, though, that this amendment would be a refinement that would bring some balance in a couple of key areas in favor of the consumer. This in no way is going to suddenly lift the burden of deregulation from the consumer. It will only alleviate and ease the pain to a degree, so to speak.

When deregulation is made final in 1985, automatic escalator clauses in contracts today will provide immediate burdens in addition to what has already been experienced for consumers, whether those consumers be residential customers, businessmen, or farmers. The take-or-pay contracts that exist today literally force consumers to pay higher prices when cheaper, less expensive, alternative sources are available. But because of those take-or-pay clauses, there is no choice.

This resolution is an effort to do something positive for the consumer and at the same time recognize that the producer has to have some incentive to explore or we won't have the supply. The specifics of this resolution have been studied since February. It was passed by the staff advisory council in July by a vote of 14 to 0 with four abstentions. The resolution was discussed at length yesterday. It passed the committee by a vote of 11 to 5, understandably with opposition from heavy producing states. But there was bipartisan support for the resolution.

I think it is important that you see all aspects of it. The last sentence, dealing with access, is one specifically included as a plus for the producing side of this coin.

I would point out to you that we couldn't find a better time to get involved on an issue—both the Congress and the administration are looking at this. It is, therefore, most appropriate that we establish our policy at this conference, so that we can be a part of implementing this at the national level. It is not going to happen overnight. It is going to take time. But it is most important that we start now and proceed.

I am sure that in your individual states, you have consumers that are quite concerned—as I say, be it farmers, businessmen, women, or residential customers. We cannot magically relieve their burden, but in this resolution we are addressing two or three specific solutions that will, if implemented, assist that consumer and at the same time not destroy the intent of deregulation to provide the incentive for production to take place.

I consider it a balanced resolution, a positive addition to our policy, and I would urge your support.

Chairman Snelling: Governor Treen of Louisiana.

Governor David C. Treen: Thank you, Mr. Chairman.

First of all, I would like to dispel one notion if I can, and that is that this is an issue between producing and consuming states. Louisiana's industries consume ten times the average in the United States. The per capita consumption of gas in Louisiana is the highest in the United States. The state of Louisiana has a great stake, not only in an assured supply of gas, but in affordable prices. Eighty-three percent of our electricity, for example, is generated by gas, compared to 1 percent or less in many of the large states—Pennsylvania, for example. So we have a big stake in affordable prices for gas in Louisiana.

Second, the business of where prices are going. Section 102 gas, which is new gas, still under control, will be phased out January 1, 1985. The price right now is \$3.18 per thousand cubic feet under the Natural Gas Policy Act. In a study by the FERC [Federal Energy Regulatory Commission] a couple of months ago, the equivalent price on a Btu basis for oil was estimated at \$3.38. So there is a very small difference now.

The amendment is contrary to NGA policy. Let me refer you to several sentences that express the policy of the NGA. We talked about discovery of new gas fields needed to provide lead time while alternate energy resources are developed and said, specifically, federal price policies historically undervalued interstate gas in relation to other fuels. This resulted in lowered incentives for exploration, an artificially high demand, and few incentives for conservation. The National Governors' Association has supported the deregulation of new gas wellhead prices.

The reason that I oppose this resolution is that I want to see consumers have gas, and I want to see them have it at affordable prices.

I direct your attention to the second of the three sentences in the bold-face type of this resolution. That is my target. This would be our position if adopted: "NGA supports legislation to prohibit or more tightly restrict the use of take-or-pay and indefinite price escalator clauses in natural gas purchase contracts."

Parenthetically, let me say the last sentence is fine. I agree with Governor Carlin that there ought to be access by both interstate and intrastate pipelines to all gas, including the gas produced in the outer continental shelf. We produce more gas in the OCS off the coast of Louisiana than any other state. Intrastate pipelines cannot get access to that gas produced right off the shore of Louisiana. So I agree with the last sentence. But the second sentence of this resolution is so contrary to what we are trying to do that it causes me to oppose the entire resolution.

The Natural Gas Policy Act was worked out painstakingly by the Congress and supported by President Carter and by people on both sides of the political aisle in order to give us a predictability that would provide incentives for production of gas, to give us an assured supply in this country. This resolution, and particularly this sentence attacking these two mechanisms,

in effect attacks the free-market principles which we recognize in this country by act of Congress would provide us additional gas.

The take-or-pay provision is similar to what we have in commercial industrial contracts in lots of other sectors. That is, if you are going to go out and produce something—in this case, a natural resource—you have to be assured that you are going to be able to sell it. If a producer expects to get financing either through bank loans or equity participation to drill an expensive well—and some of them cost as much as \$5 million to drill to the deep depths to get this gas—he has got to be able to use this mechanism of a purchase contract which says, “If I drill this well here next to you, Mr. Pipeline, and I bring on this gas, you will take it,” and not later on be told, “I don’t need it any more,” or “I can find it at a better price.”

You won’t get any wells drilled if you destroy that incentive. The producer has to be assured he is going to be able to sell his gas and that there will be a take or pay. “If you can’t take it, Mr. Pipeline, you have got to pay me something because I have to meet the payments at the bank; I have got to pay my operating expenses; and I have got to pay the leaseholder, because, after all, I have an obligation to him to make lease payments ”

The same thing is true with the escalator clause. I know that sounds bad. Escalator—where is it going to go? First of all, as I have indicated, I don’t think the prices are going to fly up two and one-half years from now. The price of oil has come down, and we may not have very much increase at all in gas prices at that particular time.

But again, this is a mechanism that was recognized as important to the production of gas in this country. A producer would know that under the Natural Gas Policy Act for this particular type of gas in this strata, he would be able to get a price set by the Natural Gas Policy Act with the increments each year plus the inflation factor all built into the statute, and that on January 1, 1985, this new gas—not the old gas—would be freed from price regulation.

He, his lenders, and his equity participants made the decision to drill thousands and thousands of wells all over this country, not just in Louisiana, Texas and elsewhere, based upon the expectation that on January 1, 1985, there would be a free market system for gas and that he would be able to get whatever price the competitive market would afford at that time.

So I ask you to consider carefully what you are doing here. It has been argued that in the first sentence we simply urge Congress to consider these mechanisms. But I think the sentence itself is contradictory because it talks about artificiality and undermining market forces—exactly what we want to protect. But the second sentence is very specific. We governors go on record as asking Congress to prohibit these free-market principles that have permitted us to produce more gas and that, if they are stopped, will be a disincentive for production of gas in this country.

Thank you.

Chairman Snelling: Governor Clements and Governor Nigh have both asked to be recognized

The chair would simply like to observe that the length of debate on any subject is to be decided entirely by the members. We do have a very long agenda. If we should cease to have a quorum before some of the other juicy and yeasty items on the agenda have been reached, some of the people who wish to speak on these items might be disadvantaged.

I recognize Governor Clements.

Governor William P. Clements, Jr: I would yield to Governor Nigh and speak after Governor Nigh.

Chairman Snelling: Governor Nigh.

Governor George Nigh: Mr. Chairman, gentlemen of the conference, I want to point out that we just celebrated our bicentennial of two hundred years of independence. Actions that took place in the Middle East a couple of years ago almost brought us to our knees because of our dependency on foreign oil. There were near riots in gas lines at service stations; citizens in the North went to bed cold. We decided to have an energy policy and energy independence in this country because we needed to encourage exploration.

There was an assumption that we didn't have very much natural gas in this country, and that was the wrong assumption. It is there. We are finding it. In the western part of Oklahoma, we are going farther below the earth's surface than man has ever been before. It has cost as much as \$15 million to find that gas. Someone told me that on an average, you can look at any rig in western Oklahoma and just say, "\$10 million, \$10 million, \$10 million." That is the cost of trying to deliver natural gas.

Trying to become energy independent, we have turned to gasohol, we have been doing weatherization, we have lifelines, we are trying to encourage people to conserve.

The resolution on natural gas before us is a step backwards in trying to provide the energy independence we must have to assure national security and the economic well-being of the country. It is a negative position, and it is a disruption, in my opinion, of the free market.

It is in the national interest, and it is in the consumer's interest, to produce as much gas as possible. We can displace foreign oil with American coal and natural gas, as well as our own oil.

The take-or-pay clauses are merely insurance clauses that guarantee a cash flow in the field of doing business. This resolution really calls on us to abrogate contracts that have been entered into based on the Natural Gas Policy Act. Are we going to change the rules again? If you are in favor of the consumer, you are in favor of the consumer having energy. He wants to know that when he turns the light switch on, the lights come on. He wants

to know when he turns the heat on that the house gets warm. He wants to know that when he goes to his work place, he doesn't have to wear extra clothing. He wants to know that when he gets into his car to go to work or go to the store and turns on the key that the ignition starts the gasoline.

We need to do whatever we can to encourage the production of energy in America. I urge you as a consumer vote that we, of course, try to keep the price of energy at a minimum level, but no energy at a cheap price doesn't do anyone any good. Energy to do the consumer any good must be here.

If we change our policy as the National Governors' Association, we are taking a step backward in energy independence.

Chairman Snelling: Governor Clements.

Governor Clements: Mr. Chairman, let me say first of all that I vigorously disagree with Governor Carlin in his motion. I associate myself with Governor Treen and Governor Nigh.

I want to dispel a misunderstanding across the country. We in Texas produce more natural gas, but we also consume more natural gas. We in Texas consume 60 percent of all the natural gas produced in Texas. So Texas is a principal consuming state.

This amendment is contrary to what, in my judgment, will in fact happen. I don't think there is any question whatsoever that it is against the consumer interest to do what this amendment says. What will happen is that we will, as a matter of integrity, abrogate the contracts that have been entered into in good faith. You will see a further, significant fall-off in exploration and production. And the consumer will suffer accordingly.

I will further make the point that I have been told by both the leadership in the House and the Senate as well as by President Reagan that this issue of complete deregulation will be before the Congress in January 1983.

We do have an established policy that was vigorously debated in our meetings. This amendment confuses the issue and makes a substantial and significant change to that policy. I think that we are addressing a very complex issue in a simplistic manner. I move that we table the motion.

Chairman Snelling: The motion offered by Governor Clements is to table the motion.

Does any other governor wish to be heard?

[No response.]

The debate now ceases, and the motion is to table

All those in favor indicate by saying "Aye."

[A few "Ayes."]

Those opposed?

[Chorus of "Noes."]

The chair will rule that the “Nays” have it, unless someone asks for a show of hands.

The “Noes” have it.

Now, the motion recurring is the motion by Governor Carlin on the adoption of D.-13. Is there further debate?

Governor Dreyfus.

Governor Dreyfus: Maybe it would help to focus this. There are three sentences in this amendment. I would assume that there isn't much difficulty with the first sentence that deals with eliminating inflating prices artificially and assuring equal access to all gas supplies, particularly for those of us who are non-producers.

So I would like to move a substitute amendment that includes sentence one and sentence three and holds off sentence two. Sentence two appears to be the key, controversial issue.

I move that as a substitute amendment, Mr Chairman.

Chairman Snelling: If I understand the motion, Governor Dreyfus moves that sentence two of the first paragraph—

Governor Clements: I second, Mr. Chairman.

Chairman Snelling: —be deleted. Is that correct?

Governor Dreyfus: Yes.

Chairman Snelling: That motion has been made and seconded.

Governor Treen

Governor Treen: A point of information Does that require a majority vote at this point? Would this motion be carried by a majority vote?

Chairman Snelling: Two-thirds.

Governor Treen: Two-thirds to make this change?

Chairman Snelling: Yes. All amendments and all adoptions of policy when they have been properly drawn is two-thirds.

Governor Dreyfus: Just a question of the parliamentarian. I would assume that for the substitutes to become the amendment would require the majority vote finally; on whether or not we go on would take two-thirds.

Don't you have to first decide whether you are going to accept the substitute?

Chairman Snelling: We are operating by our own rules rather than by Robert's.

Governor Dreyfus: Okay.

Chairman Snelling: Do you wish me to read the rule?

Governor Dreyfus: No, if that is what it says.

Chairman Snelling: A motion is before the house to remove the second sentence. Let me read the material which is proposed to be deleted. The deletion would be the sentence which is: "In particular, the NGA supports legislation to prohibit or more tightly restrict the use of take-or-pay and indefinite price escalator clauses in natural gas purchase contracts."

If this motion is successful, then the remaining motion would have to do with the remaining material in D -13.

Are you ready for the vote?

Governor Treen: No, Mr. Chairman. I am sorry. If the motion is adopted, does that mean sentences one and three then are adopted, or have we simply divided the question?

Chairman Snelling: No. As I understand the way we operate, it would mean that the motion would be simultaneously deleting sentence two and adopting the remainder of the resolution by substitution, provided, however, that it requires two-thirds to do that.

Governor Treen: Okay.

Chairman Snelling: Are you ready for the motion?

Governor Rockefeller.

Governor Rockefeller: I would just point out as we vote on this that this is the key sentence in the amendment and that if this motion is adopted—and I would hope it would not be—it would more or less remove the point of most of the rest of the amendment.

Chairman Snelling: Are you ready for the question?

Governor Dreyfus

Governor Dreyfus: It is my intention, Governor Rockefeller, to take the key sentence and focus our vote on that. Let's vote on that separately.

Chairman Snelling: The chair must advise that that would not be the effect of your motion. If you wish to separate, that would be a different motion. The motion as I understood it was to amend by deletion. Under our rules, if you were to succeed in doing that, you would also be taking action on the balance of the proposal.

Governor Dreyfus: And this couldn't be proposed?

Chairman Snelling: You may, if you wish, withdraw the motion and move to separate. What is your pleasure?

Governor Dreyfus: It is my intention to move to separate. But when you restated it as a deletion, I accepted on the assumption that somebody was going to push the second part.

If it is clear to move this as a motion to separate, then so be it.

Chairman Snelling: Okay The motion now is not to delete; the motion is to separate; that is, to deal separately. At this point, you are dealing only with the question of the motion, excepting that sentence. In other words, the motion now would be to deal with everything except that sentence. That sentence would then be separately dealt with

Governor Rockefeller: Mr. Chairman, that is not the way I understand it. I understand what Governor Dreyfus is proposing is only procedural at this point. That is, he would move to make a separation so there then would be two subsequent votes—one upon the second sentence and one upon the first and third sentences.

So I understand this motion to be just procedural.

Chairman Snelling: Governor Rockefeller is correct. The question is whether or not to separate. If the body wishes to consider the two items separately, it would vote "Aye." If it wishes to consider them simultaneously, it would vote "Nay" on this particular motion.

Are you ready for the question on the motion of separation?

Governor Carlin.

Governor Carlin: I just want to indicate my opposition to the motion. I can understand the intent. Those who do not want to do anything about these escalator clauses and take or pay obviously would like to separate. I understand that objective.

In terms of all this talk about the free-market system, if there is so much interest in the free market, then why not allow someone who has cheaper gas to sell that gas instead of being beaten out by somebody who has a take-or-pay contract and forces the consumers to pay more? The free-market system works both ways, and the consumer benefits by having free access. If you want access in terms of interstate markets, why not allow the supplier that has the cheaper gas to also participate in the process?

So on behalf of the consumers and a fair policy, I vigorously oppose this motion.

Chairman Snelling: Before you vote, the chair wants to make clear that the question is procedural only: whether or not to separate. It is procedural, requiring only a majority vote.

So now the question is whether or not to separate. Are you ready for that vote?

If so, all those in favor of separating indicate by saying "Aye."

[Chorus of "Ayes."]

Those contrary?

[Chorus of "Noes."]

The chair believes the "Nays" have it. Do you wish a show of hands?

Governor Treen: Record vote.

Chairman Snelling: Governor Treen asks for a record vote.

All those in favor of separating please raise their hands so the tellers can count. Keep them up, please.

[Hands were raised.]

Those opposed?

[Hands were raised.]

The motion fails. The vote is fourteen to nineteen.

So now you have before you the original motion of Governor Carlin for adoption of D.-13 as it is presented. Are you ready for that vote?

Governor Treen.

Governor Treen: Mr. Chairman, does it take a two-thirds vote to adopt this in its entirety?

Chairman Snelling: That is correct

Governor Treen: If I could just make one other observation on the merits and demerits. I hope all of the governors here understand that under the Natural Gas Policy Act, 50 percent of the gas produced in this country will still be under price controls and will be indefinitely unless that act is changed, and that virtually all of this gas that is subject to continuing control is dedicated to interstate pipelines. So we are only talking about new gas here when we are talking about decontrol and when we are talking about January 1, 1985, phase out.

Chairman Snelling: Are you ready for the question?

Governor Carlin.

Governor Carlin: In regard to this, I want you to know that this is not something that is unique, that has never been tried. In fact, when the Congress in December 1979 passed deregulation, they gave the producing states the option to do what we are trying to do in this resolution as it relates to automatic escalator clauses for those states on the intrastate market to restrict that type of clause.

Oklahoma and Kansas have passed that legislation. So the concept is not unique or new. It has certainly been tried and, to this point, been upheld. Therefore, I certainly urge your support on behalf of this resolution, which in my judgment has not only been studied, but is most timely in terms of what we might do.

I suspect, Mr. Chairman, that for timing and everything, we may be where nobody has a two-thirds vote to do anything. May I suggest to my good friends from Oklahoma, Texas and Louisiana a friendly amendment consistent with what you suggested on sentences one and three? But the amendment would include in sentence one at least specific reference to indefinite price escalators and take or pay so that we are at least referring to it in the first sentence. Could we insert something like "such as"? Then we would at least move forward.

Governor Treen, yesterday in committee you seemed to indicate that it was the strong language in the second sentence that you felt was too specific. Why not just include that in the first sentence? I would accept that, and we can move on.

Chairman Snelling: What is the motion, Governor Carlin?

Governor Carlin: I would offer that. I would like to hear a little response to my amendment so we can quickly move on. I will move it just to get it on the table.

Chairman Snelling: Governor Rockefeller?

Governor Rockefeller: The amendment would soften the intent to the degree that instead of saying to "support legislation to prohibit or more tightly restrict," it would say "the NGA urges Congress to consider restrictions." And then what it says in the first sentence with a comma at the end and then "such as take-or-pay and indefinite price escalator clauses."

The amendment would ask Congress "to consider" rather than ask for a prohibition.

Governor Dreyfus: If that is Governor Carlin's motion, I will second that.

Chairman Snelling: Governor Rockefeller, can you read the specific language?

Governor Rockefeller: "The NGA urges Congress to consider restrictions on industry practices which tend to inflate prices artificially by undermining market forces which would otherwise be at work, such as take-or-pay and indefinite price escalator clauses in natural gas purchase contracts."

Chairman Snelling: Motion to amend requires a two-thirds vote. The action then is on the motion.

All those in favor indicate by saying "Aye."

[Chorus of "Ayes."]

Any contrary?

[No response.]

The "Ayes" have it. So D.-13 is approved as amended.

Governor Treen: Mr. Chairman, I think Governor Nigh of Oklahoma and I both have questions about what happened procedurally. I know the substance. Procedurally, did you adopt the amendment or the entire resolution?

Chairman Snelling: The chair stands corrected. We missed a step. Time is going on here; we are going at double time. We are now ready to consider the motion as amended.

Governor Treen: I just want to say that the subcommittee had such a recommendation.

I understand, then, that the third sentence of the resolution would be included. Is that correct?

Chairman Snelling: That is correct.

Governor Treen: So sentence two is out, but some language is developed into sentence one. Sentence three remains in the resolution?

Governor Rockefeller: But softer language

Governor Treen: Yes.

On the spirit of compromise, I will accept it

Chairman Snelling: Is there any doubt? Would anyone like to have the revision read again?

Governor Clements: Question.

Chairman Snelling: Are you ready for the question?

All those in favor of D.-13 as amended indicate by saying "Aye "

[Chorus of "Ayes."]

Those contrary?

[No response.]

We get to the same end.

Does that complete your report, Governor?

Governor Rockefeller: Yes.

Chairman Snelling: Governor Bond of the Committee on Community and Economic Development.

Governor Christopher S. Bond: Mr. Chairman, the Committee on Community and Economic Development has two recommended policy changes, both dealing with E.-3, "Economic Development Challenges of the 1980s."

The current NGA policy assumes the continued support by the federal government of both the Appalachian Regional Commission and the Title V regional commissions. With the cut off of funding of the Title V regional commissions, some of these have been reconstituted into successor organizations. This amendment would urge the continued funding of the successful successor organizations and the Appalachian Regional Commission.

The second amendment deals with existing NGA policy that calls for the consolidation of existing economic development programs and adds what is implied, but not expressed, in the existing policy—that there should be federal assistance in economic development and that there should be a strong state role.

I move the adoption of these two policy amendments

Chairman Snelling: Governor Bond moves the adoption. Is there a second?

Governor Frank White: Second

Governor Clements: Second.

Chairman Snelling: Governor Clements seconds.

Is there any further discussion?

[No response]

Are you ready for the vote?

All those in favor of the adoption indicate by saying "Aye "

[Chorus of "Ayes."]

To the contrary?

[No response]

Motion is adopted.

Governor Orr for the Committee on Transportation, Commerce and Technology.

Governor Robert D. Orr: Governor Hughes was unable to be at the meeting, but as vice chairman, I am reporting on the Committee on Transportation, Commerce and Technology. We are offering an amendment to the policy position on water transportation that deals with shallow draft improvements.

It is simply a companion piece to the deep draft policy adopted in February. There was need for further discussion and analysis on the shallow draft policy. The policy says that user charges should not exceed the 25 percent level of cost recovery for operations and maintenance. User charges will produce revenues of some \$67 million per year in 1985.

The committee believes that this is wholly in accord with the policy of the National Governors' Association. I move the adoption of this policy amendment.

Chairman Snelling: Governor Orr moves on behalf of the Committee on Transportation, Commerce and Technology the adoption of policy F.-5.

Governor Spellman: Mr. Chairman, I second the motion.

Chairman Snelling: The motion is seconded by Governor Spellman.

Does anyone else wish to speak on the motion?

Governor Graham.

Governor Bob Graham: Mr. Chairman, I have a question about the statement that it is planned that "such legislation should include measures to speed up the approval and implementation of shallow-draft navigation projects." That would not interfere with or denigrate existing state responsibilities as it relates to environmental approval of such projects?

Governor Orr: The question has to do with fast-tracking situations?

Governor Graham: And the relationships of that fast tracking to state environmental reviews of such projects.

Governor Orr: Well, the concept of the policy is that it does not indicate any support for preemption of state or local authority requirements for the protection of the environment or for public safety

Chairman Snelling: Satisfied?

Governor Graham: Yes.

Chairman Snelling: Further questions? Anyone wish to be heard?

[No response.]

Ready for the question?

All those in favor indicate by saying "Aye."

[Chorus of "Ayes."]

Any opposed?

[No response.]

You have adopted F -5.

Governor Thone of Nebraska for the Committee on Agriculture.

Governor Charles Thone: Mr. Chairman and fellow governors, it is a privilege to report for the Committee on Agriculture. At its session yesterday, the committee explored the critical theme "American Agriculture in a Period of Stress" with Secretary of Agriculture John R. Block and Majority Whip of the U. S. House of Representatives Thomas S. Foley. Secretary Block and Congressman Foley recognized that restoring health to the farm economy, especially through increased exports, will be an important ingredient in our overall economic recovery.

Today, the committee is offering three policy proposals. One, again, will require suspension of the rules. So we will just take up the first two at this time.

First, we offer today "National Agriculture Export Policy," G.-14. This particular policy is the outcome of work by our Agricultural Export Task Force chaired so well by Governor John Carlin of Kansas.

Second, we offer today as policy G.-15, "Public Lands Consultation, Cooperation and Coordination," the product of our Subcommittee on Range Resource Management

Mr. Chairman, I move the adoption of these two policy positions in block.

Governor Allen I. Olson: Second.

Chairman Snelling: You have heard the motion of Governor Thone and a second by Governor Olson of North Dakota

Does any governor wish to be heard?

[No response.]

Are you ready for the question?

All those in favor indicate by saying "Aye."

[Chorus of "Ayes."]

Any contrary?

[No response]

The positions are adopted.

I would like to report on behalf of the Executive Committee on Resolution H.-1 regarding the Equal Rights Amendment. The proposal is not a new policy. It is an update of a policy established in 1976.

The Executive Committee presents Policy H -1 to you and asks its adoption. Would someone second the motion?

Governor John Y. Brown, Jr.: Second.

Chairman Snelling: Governor Brown of Kentucky offers the motion

Is there a second?

Governor Spellman: Second.

Chairman Snelling: Governor Spellman seconds.

Any discussion?

[No response.]

All those in favor indicate by saying "Aye."

[Chorus of "Ayes."]

Any contrary?

[No response.]

The motion is adopted.

For the Committee on International Trade and Foreign Relations, Governor Graham of Florida.

Governor Graham: Mr. Chairman, the committee offers three items, which I will move as a block.

The first represents a change of position by consolidating various previous policy positions in the area of promotion of international trade, with particular attention to sorting out the responsibilities of the federal government, the state government, and the private sector.

The second and third, which are positions R and S, are new positions R relates to encouragement of a free market in international investment. And

S draws specific attention to the importance of trade in services as part of our international economy. Both R and S were reviewed with Trade Ambassador Brock and were supported by him as they were by the committee.

I move the adoption of these two.

Chairman Snelling: Governor Graham moves the adoption of the policy positions before you. Is there a second?

Governor Spellman: Second.

Chairman Snelling: Governor Spellman seconded the motion.

Does any governor wish to be heard?

[No response.]

Are you ready for the vote?

All those in favor of the proposed changes of policy please indicate by saying "Aye."

[Chorus of "Ayes."]

Any contrary?

[No response.]

The policies are adopted.

We come now to proposals for policy statements proposed under suspension of the rules. Each of these requires a three-fourths vote to suspend the rules, following which, should the rules be suspended to permit the introduction and debate of the item, adoption would require three-fourths vote of the body

First, for a proposal from the Committee on Agriculture under suspension of the rules, Governor Thone of Nebraska

Governor Thone: Mr. Chairman, this policy position was developed basically by Governor Ray of Iowa. It concerns the critical topic of soil conservation. This particular policy position represents the marriage of existing National Governors' Association policy with a resolution on soil conservation recently passed by the Midwest Governors' Conference and is a product of our Soil Conservation Task Force.

Mr. Chairman, I would move that the rules be suspended

Chairman Snelling: Governor Thone moves that the rules be suspended for the purpose of considering a policy statement on soil conservation.

Governor Nigh: Second.

Chairman Snelling: All those in favor of suspension of the rules please indicate by saying "Aye."

[Chorus of "Ayes."]

The rules are suspended.

Governor Thone: Mr. Chairman, I move the adoption of the policy changes.

Chairman Snelling: Governor Thone moves the adoption of the policy changes.

Governor Olson: Second.

Chairman Snelling: Any discussion?

[No response.]

All those in favor please indicate by saying "Aye."

[Chorus of "Ayes."]

Any contrary?

[No response.]

The policy is adopted.

Governor Alexander of Tennessee and Governor Babbitt of Arizona ask for permission to suspend the rules for the purpose of introducing a statement of policy regarding constitutional requirements for a balanced budget.

Governor Babbitt.

Governor Babbitt: Mr. Chairman, I move for suspension of the rules for consideration of a policy statement on constitutional requirements for a balanced budget

Chairman Snelling: The motion is for suspension of the rules and is nondebatable.

Governor Nigh: Second

Chairman Snelling: Are you ready for the question?

Moved and seconded that the rules be suspended. It is a nondebatable motion, requiring three-fourths vote of the majority

All those in favor of suspending the rules for the purpose so indicated please say "Aye."

[Chorus of "Ayes."]

Contrary?

[Some "Noes."]

The "Ayes" have it; the rules stand suspended

Governor Babbitt.

Governor Babbitt: Mr. Chairman, I move the adoption of the "Constitutional Requirement for a Balanced Budget" resolution under suspension of the rules.

This statement and amendment are drafted in a conscious attempt to keep members of this association on board in opposition to the specific language, if not the intent, of Senate Joint Resolution 58, a highly complex resolution, involving not only balanced budgets, but many other items—limitations on spending as a percentage of gross national product, limitations on the absolute dollar amount of the federal budget, a variety of other items

involving complex procedural rules that properly ought to be the subject of legislation—all adding up to a very intricate, serpentine statement that probably invites governance by the Supreme Court.

Those of us who favor a balanced budget amendment believe that the essence of Senate Joint Resolution 58 can be stated in one simple sentence embodied in Section 1, followed with the typical mandating constitutional amendments for the Congress that implement the basic principles set forth in the Constitution.

It is with that conscious effort to draft to please many different factions, for the support of a basic constitutional principle, that we offer this resolution.

Governor Clements: Second.

Chairman Snelling: Governor Alexander of Tennessee.

Governor Alexander: Mr. Chairman, I second the motion and join with Governor Babbitt in offering this as an aid to the effort in Congress now to provide more discipline in the matters of money.

I think it is important to emphasize that this is not a golden arrow; this is not the only thing that will restore the national economy. But every farmer in the field who tries to buy equipment, every plant worker, seems to understand very well that spending so much more than is taken in is one of the main reasons we are in trouble.

Second, I think it is important to understand the size of the problem. We toss around billions of dollars easily, but there has been talk, for example, of an increase in the federal deficit in one year of as much as \$150 billion. That would be as much money as all the states collect and spend on everything they do. I don't think that is widely understood. One hundred fifty billion dollars is all we collect and spend on everything we do. That is an enormous amount of money.

Third, a sophisticated body of opinion has developed over the years that says it is okay to spend that much more than you take in. I think it is important for us to suggest that it is not, because it increases the costs of money too much. That is ruining small businesses and families.

Finally, I think the most legitimate objection to any such amendment like this is that it is kind of like asking a child to spank itself. But the Congress is wrestling itself with this problem, and I don't think it is so unusual to help Congress introduce more discipline into the democratic system. No one says our system is perfect; it is simply the best. And this will make it better.

Chairman Snelling: Governor Hunt.

Governor Hunt: Mr. Chairman, I will be very brief.

I served as chairman of the Human Resources Committee of this

organization for the past two years and had the opportunity to work with many of you. Governors, probably more than anybody else, are involved in trying to improve their human resources.

I support this resolution and a constitutional amendment of this kind that is done in the proper way because I think it is essential to get the economy of this country back the way it ought to be. We can have strong, vigorous, prosperous growth again in America; we can do it. But we have got to have some fiscal discipline.

I support the resolution because I want more money for human resources and a better opportunity for every man, woman, and child in this land, now and in the future. I hope it will pass. I hope the country will take this step in a wise, careful kind of way, as I think Bruce Babbitt proposes here.

Chairman Snelling: Governor Riley of South Carolina.

Governor Riley: Mr. Chairman, I, too, want to join in support of this resolution. But I want to hasten to say that I think the reason perhaps that the attention has not been given the issue of federalism that some of us think should be given it is that this country and the economy is faced with such a tough, tough situation. I think that really is the main issue—the recession, the unemployment, the deep federal deficit. Before we can redistribute functions of various levels of government, those governments have to be capable of functioning. And you can't redistribute something that is in default.

I think if we vote for this rather simple statement that all of us must realize that we are voting for pain and suffering in terms of federal dollars. I for one would support, along with this concept, an equal distribution of the pain and suffering.

I think all of us need to realize that simply by making the simple statement supporting a balanced budget—we all support that—we are also making a statement that we are willing to share in the concept of spreading the pain and suffering in order to achieve that balanced budget.

Chairman Snelling: Governor Clements of Texas, followed by Governor Kean of New Jersey and Governor Janklow of South Dakota.

Governor Clements: Mr. Chairman, I would merely like to compliment Governor Babbitt on his proposal.

Governor Babbitt: Bill, if you compliment me too much, I will withdraw it.

Governor Clements: He knew that if he kept at it long enough, I would finally agree with one of his positions. But I do. I want to compliment you, Bruce. It is a fine statement. I totally endorse it.

Chairman Snelling: Governor Kean of New Jersey.

Governor Thomas H. Kean: I shouldn't add any compliments for fear of withdrawal. But I do feel there is no mystery as to what is wrong with the economy. Every economist I have talked to says the same thing: Unless we get the debt down, we are not going to get interest rates down, we are not going to get the economy pumping again and create the kind of jobs that everyone of us as governors need. The only way we are going to do it is for Congress to exercise self-restraint. I think one of the most encouraging things I have seen in this nation in recent history is a recognition by the United States Congress that it does not have the ability at the moment to exercise that kind of self-restraint and that it needs this kind of an amendment.

So I think the resolution is very appropriate. If we get this economy pumping again and those interest rates down, we are going to have more money from our sales taxes, more money from our income taxes, more money from our business taxes, because people will be working again. Then we can implement those programs we all want in education and human resources and meet the kind of needs that we as governors want to meet.

I think this is an excellent proposal. I think it is a better proposal than the Senate made. I would like to congratulate the sponsors for doing it.

Chairman Snelling: Governor Janklow of South Dakota, followed by Governors Garrahy, Matheson, White, and Orr.

Governor Janklow.

Governor William J. Janklow: Mr. Chairman, I would like to speak very briefly in support of this proposed resolution. The Constitution of this country generally defines rights, responsibilities, and duties. As an additional safeguard, every now and then—going back to the Bill of Rights—we have found it necessary to put into our Constitution protections for our citizenry from fears of abuses by government. We can go back to the First Amendment and look at the clause that starts out with "Congress can make no laws." It goes on to talk about protecting the freedom of the press, the freedom of speech, and the free exercise of religion.

We are not discussing the correction of an abuse that has been visited upon us for the last two or three years. We are talking about a fundamental inability of the people of this country for the last several decades to get their fiscal affairs and fiscal house in order.

It is kind of like some of us who are overweight. We go on a diet every Monday morning, but somehow, for various reasons, we don't have the resolve to get through the diet. It is like our Congress' passing resolutions all the time. They can't even figure out how to pass an annual budget. They can't figure out how to pass any programs that bring any fiscal sense to anything. The political process in America won't let them.

So we are frankly coming to the time when in order to safeguard the citizenry of this country—saving our soil for future generations, saving the air and waters of this country for future generations—we must put in some safeguards for the economic well-being of the future people of this country. We have got to take these steps.

Agriculture Secretary Block yesterday stated an astounding fact. If we start paying off the national debt today at the rate of \$1 million a day and every day pay an additional \$1 million, it will not be until the year 4022 that we pay off the national debt.

The Fifth Amendment to the Constitution of this great country talks about our right to not lose life, liberty, or property without due process of law. I say that if we all add up our per capita share of the national debt and subtract it from our assets, most of us in this country are bankrupt and don't even know it. We have already lost our property without due process of law.

We cannot trust these people that we have elected to represent us. So just like the First Amendment, the Second Amendment, the Third Amendment and the various other amendments embodied in the Bill of Rights, the time has truly come for the people of America to stand up and say that we must have an additional protection and safeguard from our government. The government can no longer be fiscally irresponsible by strictly a majority vote.

We are not talking about something that is profound and significant; we are talking about increasing the requirements to the United States Senate of ten additional irresponsible votes to waste money, going from a simple majority up to the number of sixty. That is all we are talking about. This is the type of thing in its great simplicity that will give the people of this country the opportunity to be protected in the future.

The final thing I will say is there are an awful lot of people in America that would like the opportunity for once to start working for themselves. They are sick and tired of working for the government.

Chairman Snelling: Governor Garrahy, followed by Governor Matheson, Governor White, Governor Orr, Governor Schwinden, Governor Rockefeller, and if you have not caught my eye, try again

Governor Garrahy.

Governor J. Joseph Garrahy: Mr. Chairman, I may be one of the few voices that will be raised in opposition to this particular amendment. However, I know it is a very attractive thing to be in favor of. And all of us, of course, are for balanced budgets. We have to balance the budgets in our own states. But I am not so sure this is the way in which we are going to accomplish all of the kinds of economic goals we are all talking about.

Most of the people I have talked to have indicated that it would take at least four to five years to enact this kind of an amendment to the Constitution. That is certainly not going to bring us the instant prosperity that we are all looking for.

The last time that this was debated at our annual meeting not too many years ago, we had the same kind of fiscal problems. Much debate took place among the governors about a balanced budget and an amendment to the Constitution. I would remind you the first thing that was cut in the Congress following that debate was revenue sharing to the states, the only program perhaps that the governors strongly supported and felt was their kind of program.

It seems to me it is the responsibility of the Congress and the White House to develop the financial affairs of the federal government in a responsible and fair way. There is no question that you can't spend more money than you take in. You have to have some discipline in the spending that takes place. On the other hand, if you cut the amount of dollars that you are taking in by hundreds of billions of dollars with an overgenerous tax cut, naturally, you are not going to have the kind of dollars needed to support the government.

So I am going to vote against this because I don't think it is going to accomplish the goals that we want. I don't pretend to be a constitutional lawyer. As a matter of fact, I am not a lawyer. We hear voices around the country all the time shouting that this should not be legislated in the Constitution. I am going to vote against this measure.

Chairman Snelling: Governor Matheson of Utah.

Governor Matheson: Mr. Chairman, I certainly would take no back seat to any governor who is committed to balancing the budget. I mentioned earlier that whenever I go to a budget hearing, I wear my kilts. That is a message that I carry with me wherever I go.

But I also happen to be a constitutional purist in a sense and believe that the Constitution should only solve problems when it is used in a more traditional way. I do not believe the economic problems of the type we are addressing are appropriate for a constitutional amendment.

I am also concerned about the nature of the amendment that we are addressing. It is true that it is stripped of the verbiage of the Senate proposal, but its language allows the Congress to drive through at least a dozen loopholes and a big enough loophole to take a \$160 billion deficit with it.

I am interested in the diet idea, but the problem with this proposal is that we don't have to start dieting for at least four years. It is also very apparent to me that the hemorrhage is going on now. Hemorrhaging and waiting for a tourniquet four years from now I don't believe is facing up to balancing the federal budget in a responsible way.

I have tried to find out the answers to so many questions. The Judiciary Committee's research on the question leaves many unanswered questions, particularly the impact on the states.

Finally, I do not believe that we have faced up to infrastructure investment, the capital type budget, which is critical for the future. While I

certainly agree with balancing the budget, I believe that we are charting a course that will create more mischief.

I sense the will here, and that is something that we will all abide by. But from a personal perspective, I am going to vote against this proposal.

Chairman Snelling: Governor White of Arkansas.

Governor White: Mr. Chairman, I think it is important to point out that we have never offered the type of freedom in the states that we offer in the Congress and in the administration. To my knowledge, forty-nine out of the fifty states have either constitutional or statutory requirements for balanced budgets.

The record is very clear. The federal government has been in deficit twenty-four of the last twenty-six years. We project the deficit this year to be between \$100 billion and \$120 billion, depending on whose figures you want to use.

My point is this: I don't think the Congress or any administration, Republican or Democratic, is ever going to show discipline and self-restraint when it comes to trying to set a budget. I think it is very appropriate that we send them a very clear message that we expect them to show restraint and demonstrate fiscal responsibility to the people of this country. The amendment will take away any opportunity for them to deficit spend in the future. I strongly support this amendment.

Chairman Snelling: Governor Orr of Indiana.

Governor Orr: Mr. Chairman, I speak as a governor of a state that has operated now for 131 years under terms that prevent the state from borrowing.

There are three ways by which one can balance a budget: Hold expenses in line, borrow the money to come out even or raise taxes to make it come out even. We cannot borrow even for capital purposes in the state of Indiana and haven't been able to do so since 1851, having suffered for a number of years after having engaged in an excess of borrowings in the 1830s.

There are those that disbelieve that we can function on that kind of a basis. I think we are one of maybe two states that have prohibitions on going into debt of any kind, save for insurrection or invasion. And up to this point, the good people of the Commonwealth of Kentucky have not seen fit to invade us from across the Ohio River. I will discuss this matter with Governor Brown when I finish my remarks.

The point I am making is that this has provided for an unbelievable degree of discipline in the handling of our fiscal affairs. But I grant there is a great deal of difference between the operation of state government and the complexities of the operation of the federal government. But nonetheless, over a span of time of 131 years when the complexity of government has increased many times at the state level, we are still able successfully to handle our affairs on that kind of a basis.

I am voting strongly in favor of this resolution simply because it will provide, in my opinion, discipline. It will take a while; it may take four years. But we better start now in order to prevent further holocaust.

Chairman Snelling: Governor Schwinden.

Governor Ted Schwinden: Mr. Chairman, I can't claim the constitutional purity as a layman that my colleague from Utah can. But I can say I am impressed by the explosion of fiscal righteousness on the part of my colleagues around the table this morning. I guess I am taken aback by the fact that after really months of discussion and hearings at the congressional level that on August 10 we are now going to redraft Senate Joint Resolution 58.

I would submit that the growing lack of confidence and trust that the people of this country have in their system of government is due to their perception that there is a growing gap between the rhetoric of its leadership and the realities and decisions that need to be made. I would submit that as chief executives of the states, which do have balanced budget requirements, that we should exercise that same self-restraint we are criticizing the Congress for lacking and let them respond to their constituencies as we must to ours.

Chairman Snelling: Governor Rockefeller of West Virginia.

Governor Rockefeller: I find it hard to believe that a group of governors is about to vote to do something that will preside over the reasonably prompt annihilation of the states over which we are elected by our constituencies to have stewardship.

I understand perfectly well the theoretical and conceptual arguments for a balanced budget at the federal level. I also do not brush off so lightly as do some others the difference between the function of the states and the function of the United States government as mandated through its federal budget. It is not even possible to talk about the two things in the same sentence.

One consulting group, Data Resources, Inc., says that state and local governments would lose \$49 billion tomorrow, that 2.6 million people would become unemployed almost immediately, that the inflation rate would be affected a total of three-tenths of 1 percent downward, which means that for each one-tenth of 1 percent downtrend in the inflation rate, you would be throwing 1 million people out of work.

This balanced budget amendment would force extraordinary cuts in the federal budget. Assuming that the defense budget is not going to be subject to enormous cuts, Data Resources estimates a cut of \$116 billion in fiscal 1985, \$125 billion in 1986, and \$163 billion in 1987—in other words, about 14 percent of the total federal budget would be cut.

You and I know politics plays a part in how congressmen and senators vote. You and I also know for the first time in a long time, there is a genuine

bubbling up in Congress of the reality of what deficit spending is doing to this country. And you and I know that whereas not all congressmen are geniuses, and neither are all of us, they are of a mind that they have to face up to this problem. I believe that they are going to have to do it because I think it is going to be a bloody political liability if they don't do it.

But to do it by constitutional amendment, which in my judgment, if it were passed by both houses, would probably clear the states in a year or two years, would be asking for the most total devastation of human services for the people of this country.

I am talking about everything from Medicaid to Medicare to education to programs for the handicapped. If major cuts are not made in defense and in some of the truly untouchable entitlements, then it is all going to come out of the states; it is all going to come out of the human services budgets. There is no other way of looking at it.

I can't accept that in conscience I can accept working towards a balanced budget; I can accept not undergoing the tax-cut policies that we have undergone in the last two years. That is a \$700 billion accumulation over several years, incidentally. I can accept those things. I can accept a gradual approach because I think that our congressmen and our senators are going to do that, they are going to have to.

But if we have this constitutional amendment, it is going to go to court. You are going to have enhanced presidential power and vastly decreased congressional power. And they are the people's court. The courts are not the people's court. It will end up in the courts. The courts will be deciding budgets and priorities. That is wrong.

I think it is just great to sit around here and talk about balancing the budget. It makes it so easy. It is like telling a kid that he has got to turn the television off at 11:00. Knowing that is three hours off, he catches the full measure of television between 8:00 and 11:00 because punishment is out there in the future.

But we have responsibilities today to the people over whom we have constitutional stewardship, who are dependent upon services which cannot be cut all at once. If you think that if this constitutional amendment passes that Congress will phase itself down towards the day of ratification and the day of reckoning, you are quite wrong. If we do not pass the amendment and the Congress has to face the increasing public pressure for a balanced budget, because deficit spending is hurting the lives of our people, we can balance the budget in a gradual manner.

But you don't put 2.6 million people out of work; you don't only decrease inflation by three-tenths of 1 percent; you don't fool around with the most fundamental document in our country; you don't preclude proper economic policy intervention in distressed times. There are lots more times of distress in this country than simply war. There are times of huge economic deprivation—some say we are in such a time now.

We passed a resolution yesterday calling for more money from the federal treasury for unemployment compensation. Fine. That is a proper and humane thing to do. I voted for it. The Feds are going to have to pay for it.

The discipline begins with all of us and all of them. You don't bring about that discipline by creating a constitutional amendment that certainly would pass the states and then, I think, would proceed to wreck the people in the states. I think it should be done more gradually. I would vigorously oppose this motion.

Chairman Snelling: The chair wants to advise that two more people have asked to be heard, Governor O'Neill and Governor Ariyoshi. I simply want to remind the body it is 12:12. We still have to act on a major item, the Task Force Report on the Eighties, Governor Clements has asked for some time on another matter, and we have the Report of the Nominating Committee and other business still to come before the body.

I recognize now Governor O'Neill of Connecticut.

Governor William A. O'Neill: Mr. Chairman, thank you. I shall be very brief.

I, too, oppose this resolution. When almost 11 million Americans are out of work, 31 million Americans are below the poverty level, and the general interest rate is at 18 percent, is that the time for us with clear conscience to talk about cutting the federal budget? Is it the time for us to talk about balancing the federal budget?

I totally concur with Governor Rockefeller. There are times, other than times of war, when dire emergencies co-exist. I hope that we shall never see again the days of the 1930s when we actually had to create jobs. But that may come to pass in this country.

I think it is our responsibility as governors to speak for the constituents we represent in each one of these fifty states. To walk away from that obligation for political expediency, to me, is the shirking of our responsibilities. I, therefore, definitely oppose this proposed resolution.

Chairman Snelling: Governor Ariyoshi, followed by Governors Quie, List, Dreyfus and Babbitt.

Governor Ariyoshi of Hawaii.

Governor George R. Ariyoshi: Mr. Chairman, forty-nine states have limitations on whether or not they can go into deficit spending. Hawaii happens to be one of those that has a constitutional spending limitation, but it was imposed only during the last two years. I have been governor for a much longer period of time and I did not need a requirement in our constitution for Hawaii to remain a very healthy state fiscally.

Hawaii has a surplus, and we have been talking about returning some of the taxpayers' money. So we in Hawaii have been acting fiscally responsible without having this kind of restriction placed on us.

I, too, want to see more fiscal responsibility at the federal level, but how much are we helping them? I think we are being very hypocritical in many instances when we start talking to them about balancing the budget and yet we make more and more requests for them to spend money on various kinds of programs. We tell Washington, "Don't cut back on certain kinds of programs." I think we are talking out of two sides of our mouths.

I feel also that we are looking at this thing very hastily. The fact that we are doing this under suspension of the rules indicates we haven't really given it the kind of thought that is required. We are talking about altering a very basic document, our Constitution. Have we really considered the alternatives?

I don't particularly like the way in which we look at our federal government and the way in which we look at balancing the budget. The states have the capital budget and operating budget. Many of us have mortgages and other long-term debts. Businesses have capital costs and operating costs. I believe it is time for us to look at the federal government and find ways in which we can more clearly delineate its capital and its operating expenditures. Perhaps then we can get a clearer picture of the financial status of our country.

I, therefore, feel that without a more thorough study of the fiscal situation at the federal level that it would be wrong to act on this resolution. And for that reason I feel very strongly that we ought not to adopt it.

Chairman Snelling: Governor Quie from Minnesota

Governor Albert H. Quie: Mr. Chairman, I can tell you that in Minnesota, where we suffered some pretty substantial fiscal difficulties in the last two years, if it had not been for the constitutional requirement, we would not have balanced the budget. In fact, we found every way possible to shift into other bienniums. So, it is absolutely essential there.

When I heard Congressman James Jones's predictions of what the debt would be in the next five years and added those up, I found an additional \$1.5 trillion debt added to the little over \$1 trillion debt that the country has now. I don't see how the country can survive it. We are talking about something that is five to six times Minnesota's problems. I believe we have to come to a constitutional amendment in order to protect the whole nation.

But we aren't talking about absolutes. What we are talking about requires a 60 percent vote in the Congress in order to unbalance the budget. If it is necessary, they will go ahead and do it.

I imagine congressmen are filled with concern for the needs of the people, as we all are. But as far as shifting this burden back to the states—and we are worried about that—let me also tell you about Minnesota. Three dollars out of every four that the state of Minnesota collects is handed back in local government aid, local school aid, and local property tax relief. So all the local schools and local governments have a great deal at stake. If the

state didn't stay solvent, they could not have survived. And if the nation doesn't stay solvent, the states cannot stay solvent.

I believe that a Congress that has demonstrated it has the inability to handle the problems it is facing right now—both the president's pushing for greater defense expenditures than we can stand right now and the unwillingness to face up to the question on the increases in entitlements—needs the added support of a constitutional requirement such as we have proposed here.

Chairman Snelling: Governor List of Nevada.

Governor List: Mr. Chairman, it strikes me that the opponents of this particular resolution and this amendment are engaging in some rather circular reasoning. If this amendment were to be adopted by the Congress and put out to the people for a vote at the state level, two-thirds of the states would have to ratify it. It strikes me that the effort to short-stop it in this room or to short-stop it in the United States Congress ignores the fact that the states themselves, which we represent, are the forums in which the issue will ultimately be decided. To suggest that this amendment is bad policy and that, therefore, it should not be put before the states is, in my judgment, to say that the states don't have the common sense to debate it and decide it on the merits.

I hear an awful lot of fear being expressed here that the amendment might be passed by the states, which I think shows a rather surprising lack of confidence in the people if, in fact, you think that would be a mistake on the part of the individual states.

It seems to me with that line of reasoning, we meet ourselves coming around the corner. I believe it would be passed by the states because I happen to think it is a good amendment and it makes sense.

I am also struck by the rather interesting fact that a few moments ago, we approved another resolution calling for ratification by resubmission of the Equal Rights Amendment, which was just rejected by the states because the necessary numbers were not there. And so to say that the people were wrong when a sufficient number did not ratify that amendment and, therefore, we want to send it back to the states and, at the same time, in this context to say that we don't trust the people to exercise good judgment and, therefore, we don't want to submit a balanced budget resolution is, in my judgment, an ironic conclusion.

I suggest that the people of this country do want a balanced budget, and we should give them an opportunity to get it through the process that involves our states.

Chairman Snelling: Governor Dreyfus, followed by Governor Babbitt, followed by Governor Thone.

Governor Dreyfus: As I listen to some of the discussion, it appears to me

we are divided on something other than whether we are for or against this resolution.

I wonder if we aren't dividing on whether we consider this situation to threaten the very existence of the republic. I gather that many of us think it does threaten the continued existence of these United States, and others do not see it as being of that magnitude, that seriousness, or that far out of control.

It seems to me that the history of what nations have done with their money, particularly paper money, is clear. It also seems to me that we in this country still have this belief that we are somehow immune from history, that we are not capable of self-destruction. I don't believe that

The devastation is already here. If we had passed this amendment twenty years ago, I submit to you we wouldn't have the problem that we have today.

We get down to the question: Does this threaten the existence of the republic? Does representative government federally have the right to dissolve this Union through economic bankruptcy? Those are fundamental questions.

Governor Matheson has said that economic problems of this kind should not be in the Constitution. But the Constitution, Governor, does and should contain restrictions on congressional decisions in areas that are considered fatal to democracy. Some of them were listed by Governor Janklow.

The economic situation in this country is so far out of control and is different than anything else in our history. What we are deciding here, it seems to me, is whether we need what amounts to an anti-economic-suicide clause in our Constitution. It seems to me that the people need to participate directly in that decision.

Chairman Snelling: Governor Babbitt, followed by Governor Thone.

Governor Babbitt: Mr. Chairman, I would like to remind the opponents of two facts.

First, the doomsday scenario is a fantasy. This proposal doesn't require a balanced budget. It is a procedural rule. It says that on your way to an unbalanced budget, you need to pick up 60 percent rather than 50 percent.

Second, I would remind the opponents of what is going on in our own state legislatures and invite them to reflect upon the consequences of what will happen if we do not act. We are now three states short of convening the first constitutional convention since 1787.

Thank you.

Chairman Snelling: Governor Thone of Nebraska

Governor Thone: Mr. Chairman, it seems we have fully aerated the issue, and I call the question.

Chairman Snelling: The question is called. The motion is nondebatable. Two-thirds vote is required.

All those in favor of hearing the question please indicate by saying "Aye."

[Chorus of "Ayes."]

Contrary?

[No response.]

The question has been moved.

Now, the motion is on the proposal. A three-fourths vote is required.

All those in favor of the proposal please indicate by saying "Aye."

[Chorus of "Ayes."]

Those contrary say "Nay."

[Chorus of "Noes."]

The chair does not hear a three-fourths vote, and I ask for a show of hands.

All those in favor please raise their hands.

[Hands were raised.]

All those opposed raise their hands.

[Hands were raised.]

The vote is 26 to 10.

Having failed to achieve a three-fourths majority, the motion is lost. That is the last of the motions before us.

Governor White has brought a committee resolution before us, but the resolution was not presented the night before and, therefore, is not subject to a suspension of the rules. However, the motion has been presented to the body and duly noted as having been passed by the committee.

Governor White, is that disposition satisfactory to you?

Governor White: That is correct. I would like to speak to it, though, even though it won't be for a vote.

Let me just say that some twenty-five of the fifty states have now appointed a task force on drunk driving. Drunk driving is a very serious problem in the country. I have visited with governors and have heard that significant progress has been made in California, Tennessee, and other states that have passed very tough laws this year regarding drunk driving. I would hope that all governors would appoint a task force to address this issue over the next twelve months.

Chairman Snelling: The next item is consideration of the Report on the Task Force on the NGA Agenda for the Eighties. It has already been adopted by the Executive Committee.

Governor Matheson has the floor.

Governor Matheson: Mr. Chairman, at the risk of using up too much time at this late hour, I move the adoption of the report.

Governor Thone: Second.

Chairman Snelling: Governor Matheson moves the adoption of the report of the Task Force on the NGA Agenda for the Eighties. It is seconded by Governor Thone.

Is there any further discussion?

[No response.]

If not, are you ready for the vote?

All those in favor indicate by saying "Aye."

[Chorus of "Ayes."]

Any contrary?

[No response.]

The motion is adopted.

Governor Clements of Texas on a point of personal privilege has asked to bring to our attention a Texas plan to combat drug-related crimes. Governor Clements has the floor.

Governor Clements: Mr. Chairman, I appreciate very much your allowing me to make a very brief presentation, which I'm doing at the request of President Reagan.

I received the following telegram from President Reagan:

"On June 24 in the Rose Garden, I called for a new campaign against drug abuse in the United States. As I said then, we are taking down the surrender flag that has flown over so many drug efforts. We are running up a battle flag. Your personal efforts in setting up and leading the Texans' War on Drugs Program has set an example for other states in dealing with drugs. Nancy and I both appreciate your efforts.

"Would it be possible for you to put your concept on the agenda of the upcoming governors' conference in Oklahoma? I believe that your grass roots approach can serve as a model for other states to follow and should certainly stimulate their thinking and involvement in attacking the drug problems in their respective states."

Signed by Ronald Reagan.

In explanation of this, let me give you a very brief background. Two and one-half years ago, we evaluated the drug problem in Texas and determined that we had approximately a thriving \$3 billion a year drug problem in the state.

Under those circumstances, we looked at our 600-mile coastline and our 1,200-mile border with Mexico, and we felt that we had to address this in a very thoughtful, prudent, and careful manner. We determined that the best way to approach it was through a task force. I recommend this procedure to you other governors.

We appointed a person of outstanding ability in the state of Texas named Mr. Ross Perot. He then recruited fourteen people for his task force. They then established three subcommittees—one on education, one on law enforcement, and one on legislative action.

The important aspect of this whole program was to mobilize the public. In that process, the tools were used that are available to all of us governors—the Parent-Teacher Associations, the service clubs, the law enforcement associations, the Junior Leagues all across Texas, the Chambers of Commerce, and other kinds of public bodies. With this kind of mobilization, we passed fourteen out of sixteen very tough anti-drug laws.

How can we measure the results? How can you be satisfied that progress is indeed being made? One of the ways is that your criminal justice systems can measure the cases and the kinds of sentences that are being assessed. You can evaluate the drugs that are seized, the money and the fines that are paid, and the property that is being seized.

Second, you can listen to the other governors. In the last few weeks, I have had extensive conversations with Governor Graham of Florida, Governor Brown of Kentucky, and Governor Lamar Alexander of Tennessee. In each instance, we have shared experiences with respect to the drug problem.

Each of you have before you the legislative acts that were passed in Texas. You also have the organizational structure that we used in Texas and the way in which we use the educational process through the public school system and the Parent-Teacher Associations. I would highly recommend this to you.

Mr. Chairman, let me close by saying that at our winter meeting, I will present to the chairman of the Committee on Criminal Justice and Public Protection a resolution that will call for a liaison between the individual governors, the possibility of their establishing a private sector chairman, and a liaison between that person and Nancy Reagan, who will head up the national effort.

I thank you for your time. I hope that the governors will push forward with their plans. I highly recommend it to you. I don't know of a single problem that this country has that is as cancerous, as invidious, as the drug problem.

SALUTE TO GOVERNORS COMPLETING THEIR TERMS OF OFFICE

Chairman Snelling: Thank you, Governor Clements

We now come to the appropriate moment to express our salute to those governors who are completing their terms of office. They are close friends and colleagues, and we are bound to each and all of them regardless of party, regional or other differences, because they have shared with us the immense joys as well as the sorrows and frustrations of serving as governor.

Last night, we had the opportunity to express our feelings to Bill Milliken and Bob Ray, neither of whom were able to be with us today. Last

night, we also made reference, but I certainly want to refer again, to Governor George Busbee, the great governor of Georgia and our immediate past chairman, who is also unfortunately not able to be here today.

Also not with us today, but completing soon their terms of office as governors and as colleagues of ours are: Governor Fob James of Alabama, who in a very short period of time earned, I think, the respect of all of his colleagues; Governor Jerry Brown of California, who has become increasingly interested and increasingly constructive in the affairs of the National Governors' Association; Governor James Rhodes of Ohio, who has been on and off governor of Ohio for longer than most people can remember and has been a vigorous governor; and Governor Hugh Carey of New York, who has made substantial contributions to NGA.

With us today are also some governors of whom we are all fond. I want to recognize them and to give you all the opportunity to do the same.

Governor Al Quie of Minnesota. The National Governors' Association was truly enriched four years ago when Al became a member. Al's innate warmth and decency have guided his actions as governor. I personally remember those qualities in Al when we traveled together to the Cambodian refugee camps in Thailand. He and Gretchen returned home and redoubled their outstanding efforts on behalf of the refugees. Within NGA, Al has been an effective leader on education and human resources issues. At home in Minnesota, his achievements are many: gaining enactment of a tough drunk driving bill; installing a merit selection process for county, municipal, and supreme court judges; indexing the personal income tax; and restraining state spending increases while retaining a compassionate approach to human needs. Al, the nation's governors salute you for your distinguished service as governor of Minnesota and as a member of the National Governors' Association. We all wish you and Gretchen well.

Governor Quie: I shall not use the congressional privilege and speak too long. Thank you for the opportunity to serve with you in these four years. This is really an outstanding organization, and I truly respect the quality of the individuals who I have served with in the NGA.

Chairman Snelling: If instead of mentioning his name, I were simply to refer to the gentleman in the red vest, everyone in Wisconsin, everyone here and many others in the nation would know I was referring to Lee Dreyfus of Wisconsin. Lee has been a valued friend and colleague during his service as governor of Wisconsin. His intellect, his wit, his vocabulary, and his colorful approach have been very welcome indeed. Lee's leadership on energy, trade, and other issues has been a great asset to NGA. At home in Wisconsin, his achievements have had a tremendous impact on the state: approving tax reform proposals, including indexing, restoration of the progressive income tax, elimination of inheritance tax between spouses,

capital gains reform, direct property tax relief, removal of the sales tax on home heating oil, and special property tax relief for the elderly; providing adequate funding for vital transportation programs; resolving the Milwaukee sewer crisis; promoting open government; improving the business climate in the state through such actions as promoting high technology industry, seeking greater cooperation between business, government, and labor, establishing overseas trade missions, and encouraging small business growth. Lee, the nation's governors salute you for your distinguished service as governor of Wisconsin and as a member of the National Governors' Association. We wish you and Joyce the very best.

Governor Dreyfus: Thank you all. Like you, I feel it is an incredible privilege to be selected by the people as the head of a state. My family came to Wisconsin in territorial days. They were German draft-dodgers in the 1840s. I don't think any of them ever drank enough to ever think that someone in their family would get to be governor. The other privilege is to serve with all of you. This association is meaningful, influential, and important. I have really enjoyed the privilege of getting to know each and every one of you. Thank you very much.

Chairman Snelling: Bruce King of New Mexico. Now completing his second term as governor of New Mexico, Bruce has been a tremendous asset to the National Governors' Association as vice chairman of the Committee on Criminal Justice and Public Protection, as co-chairman of the Subcommittee on Range Resource Management, and in many other ways. His warmth, good humor and modesty are deeply valued and appreciated by all of his colleagues. At home in New Mexico, his achievements in many fields are extremely important. In education, he developed a capital improvements package to upgrade facilities in an effort to help prepare the education system for high tech training of students. In corrections, he undertook a total rebuilding of the penal system that was ravaged by the 1980 riot, and has already achieved impressive results. He also has finished a sound fiscal policy for New Mexico. Bruce, the nation's governors salute you for your distinguished service as governor of New Mexico and as a member of the National Governors' Association. We wish you and Alice happy trails.

Governor King: Thank you, Mr. Chairman. It is a great honor. I accept this plaque, and I will certainly hang it where I can see it often. I am only sorry that I will not be here to work with the incoming chairman, Scott Matheson. He and I always sit back there and try to get our signals somewhere near straight. I have total confidence that under his leadership you fine governors will keep together until I can get back in 1987.

Chairman Snelling: Jay Hammond is now of Alaska, but I hope he won't be distressed if I mention with pride that he was once of Rupert, Vermont.

Jay Hammond, now completing his second term as governor of Alaska, has won the respect and affection of the nation's governors for the skill, courage, and personal warmth he has brought to the task of governing the nation's largest state. His actions during a critical period in Alaska's history have dramatically shaped the state's future. Jay proposed and won voter approval for the Alaska permanent fund—a resource trust fund created in 1976 under which 25 percent of the oil and gas revenues go into a savings account to support government and the economy when oil revenues ebb. He proposed and won approval for creation of a permanent fund dividend program under which one-half of the interest earned on the permanent fund goes back to residents. This provision was helpful in convincing the legislature to deposit \$2.7 billion in the fund over the last few years. Jay also proposed a constitutional amendment which will be on the ballot in this November's election to limit future government spending increases to inflation and population growth rates. He has promoted balanced growth without harming the environment. For example, 100,000 acres of farmland are under development just south of the Arctic Circle, and fourteen state hatcheries have been started. His criminal code revisions have eliminated plea bargaining, and he has fought successfully for oil tanker safety legislation. Jay, the nation's governors salute you for your distinguished service as governor of Alaska and as a member of the National Governors' Association. We wish you and Bella well.

Governor Jay S. Hammond: Thank you very much. When I first ran for governor, I was once on a program that had us all lined up. I sometimes was asked how many people were running against me. And I just said, "Look through the Anchorage telephone directory; they are all there." But I had the occasion to respond as all the other candidates at that time to a question: Why do you think you are the most qualified to be governor?

Everybody gave their presentation. It came down to me. I said, "I don't think for a moment I am the most qualified to be governor. Isn't it a shame there are a multitude of other folk out there who are more qualified than I to be governor? Isn't it a shame none of them is running?" But I find in fact they were running; they were running in your respective states.

I must say the experience has been a deeply meaningful one for me to serve in this august body, a very humbling one. While I have never admitted it publicly, I have been certainly impressed by the quality of persons that have served in the governors' conference. I have found few of you that have failed to persuade me you are more qualified by far than I would be to fill your position in your respective states, but I have the disquieting thought virtually any one of you may have done a better job in mine. But again, I never would admit that publicly.

I want to tell you how much it has meant to me, the personal associations,

friendships, the warmth you people have conveyed to me and my wife, Bella. I want to invite you all the next time you are through Naknek to look me up. Thank you.

Chairman Snelling: If your name was not called and we have not saluted you, it is because we have reason to believe that you are expecting to be back next year.

At this time, I would like to call upon Governor Kit Bond to report for the Nominating Committee.

Governor Bond.

REPORT OF THE NOMINATING COMMITTEE AND ELECTION OF THE NEW CHAIRMAN AND EXECUTIVE COMMITTEE

Governor Bond: Mr. Chairman, your Nominating Committee met in spirit and has come forth with the following slate: for chairman of the National Governors' Association, Governor Scott Matheson of Utah; for the Executive Committee, Governors John Carlin, Joseph Brennan, George Busbee, Richard Snelling, Robert Ray, William Milliken, James Thompson, and Lamar Alexander. Because three of these governors will be retiring in January, we also have future draft choices. We nominate to fill those three slots Governors James Hunt, Bill Clements, and Bill Janklow.

Mr. Chairman, I move the nomination of the above slate.

Governor Dreyfus: Second.

Chairman Snelling: You have heard the nominations. The nominations are seconded. Are there any further nominations?

[No response.]

Hearing none, are you ready to act upon the slate as proposed?

If so, all those in favor of the nominations as entered indicate by saying "Aye."

[Chorus of "Ayes."]

Any opposed?

[No response.]

You have elected your Executive Committee and your chairman for the next year.

Before I call upon Scott Matheson to present his remarks, let me just say to you that I have enjoyed this year more than I could have imagined. It has taken, as Governor Busbee indicated it would, more time than I could possibly have imagined. But I have been immensely proud to represent you all.

The pride, I think, that comes from serving as the chairman of any

organization is totally a question of the quality, integrity, and the mission of the people represented. I could not ask for a group more dedicated to its task, to the opportunities to meet together and to work together than the members of the National Governors' Association.

I feel that I have followed in a proud tradition. I feel that the chairmen who have been elected in the past have moved us forward each year in our resolve and in our influence on the affairs of this nation. I know that will continue to be true under the leadership that you have just elected for next year.

I also want to make very clear my great respect for the staff of the National Governors' Association. We succeed only to the extent that we prepare a solid testimony, that we are able to answer the questions which should be asked of us by the Congress and by the members of the administration. I think that the capacity of the staff to prepare each of us when we are called to present testimony and to prepare us properly and adequately for these meetings and for Executive Committee meetings and standing committee meetings is outstanding and has contributed mightily to the increasing capacity of this organization.

I also want to say that it is with great pleasure that I turn over the chair at this time to Scott Matheson. I have enjoyed working with him very much this last year. I am confident that his leadership of the National Governors' Association will bring it to new levels of influence and responsibility as stewards of the public policy.

Governor Matheson.

REMARKS BY THE NEW CHAIRMAN

Governor Matheson: Thank you.

As the first order of business, may I at this time make a brief presentation to Richard A. Snelling. This is a small token, Governor Snelling, for your outstanding leadership of the National Governors' Association, 1981–1982. Thank you.

Chairman Snelling: Thank you very much.

Governor Matheson: As I assume the chairmanship of the National Governors' Association, I wish to thank my colleagues for their confidence in my ability to lead this organization through a more challenging period of its history. The example set for me by Dick Snelling, whose vigorous bipartisan leadership of the governors is in the finest tradition of public service, is one I plan to follow. His name shall be among those great leaders who have served as chairman of the National Governors' Association—in the category of a Dan Evans or a Cal Rampton.

I would also like to thank Dick for fully involving me as chairman-elect. I would also like to express my appreciation to George Busbee as past chairman for also including me in the business of the NGA. Dick has set a precedent which I believe has been extremely valuable to NGA. It is one I also intend to follow.

Most important, Dick Snelling deserves our thanks for his exemplary leadership on the question of federalism. The proposals and the counterproposals, the debate, and the compromise that have marked the governors' negotiations with the administration on this issue have required an exhaustive commitment from him. I am proud to say the governors have been well served by his able leadership.

This year, NGA will complete a decade as a strong, independent organization, representing the collective interests of the nation's governors. The tenor of the times and mature state governments have made the governors a force to be reckoned with in the decade of the eighties.

But the times we face have never been more difficult or more different. We must grapple with a sick economy at a time when intergovernmental relations have convulsed with change. While our own economies are racked with recession, we have sustained deep cuts in federal assistance, and many federal programs have been either terminated or have been devolved to the states.

Clearly, discussion of the nature of the federal system has created enormous leadership and government challenges at the state and all other levels of government. The governors have resolved not to be swept along with the tides, however. Through our actions on the agenda for the eighties report, we have undertaken key steps to set our own course, to improve our performance as leaders and managers of our state governments. We have also moved to take a leadership role in specifying what the federal system should look like, which is as it should be, for the states really are the fulcrum of the federal system.

My agenda will be guided by the agenda for the eighties. My aim is to help us keep ourselves in a place to discharge our responsibilities effectively as well as successfully. Of course, central to achieving that goal will be a recognition by the Congress and by the administration that federalism requires us to forge a philosophical partnership as well as a fiscal partnership.

The federalism debate that concerns us did not begin with the notion of swaps, trust funds, and turn-backs so prominent today in the literature of intergovernmental relations. The governors of the American states have been concerned about restoring balance to the federal system for many, many years.

If we are to attain the balance we seek, each of the partners must recognize that our federal system really does consist of sovereign states as well as a sovereign nation. Any meaningful dialogue about restoring balance

requires us to balance joint sovereignties as well. That means federalism cannot be compartmentalized into a single bill or package divorced from other items which are relevant. Rather, it must pervade the discussion of veritably every domestic issue that comes before the administration and the Congress. The implications of the federal system must be earnestly considered. To isolate federalism in the next years from other deliberations is to explicitly endanger the progress we might otherwise make and to ensure that the momentum that has cast the federal system into such misshapen proportions will continue. But our action today with our plan and our commitment and our resolve and the support that the governors of America have given to that action plan ensure that we will be partners in negotiations to solutions.

The nation's governors are anxious to become responsible and responsive partners in that system. I intend to devote my efforts as chairman of this association to helping the states assume the role intended for them by the Founding Fathers and look forward to working very closely with each of you in the upcoming important year.

Thank you very much.

Before we conclude, it would be appropriate for each of us to express our appreciation to the governor of the Great State of Oklahoma and his wife, Donna, for a delightful occasion. We should stand up, I believe, and express that.

Governor Nigh: Thank you.

Governor Matheson: George, this is the only state in which I am a vice admiral. I want to thank you for giving me that title.

There will be a very brief—assuming that we can get a quorum—meeting of the new Executive Committee as soon as we adjourn in Salon A. It will last, I assure you, five minutes. But I would like the members of the Executive Committee and Standing Committee chairmen to meet there briefly if we can. I assure you that meeting will be prompt, and we will get the business done.

Is there any further business?

[No response.]

The 74th meeting, gentlemen, is adjourned.

APPENDIXES

Appendix I

THE GOVERNORS, 1982

State or Jurisdiction	Governor	Regular Term, in Years	Present Term began January	Number of Pre- vious Terms	Max. Con- secutive Terms Al- lowed by Constitution
Alabama	Forrest H. James, Jr. (D)	4	1979	—	2
Alaska	Jay S. Hammond (R)	4	1978(a)	1	2
American Samoa	Peter T. Coleman	4	1981	2(b)	2
Arizona	Bruce Babbitt (D)	4	1979	(c)	—
Arkansas	Frank White (R)	2	1981	—	—
California	Edmund G. Brown, Jr. (D)	4	1979	1	—
Colorado	Richard D. Lamm (D)	4	1979	1	—
Connecticut	William A. O'Neill (D)	4	1980(d)	—	—
Delaware	Pierre S. du Pont IV (R)	4	1981	1	2(e)
Florida	D. Robert Graham (D)	4	1979	—	2
Georgia	George Busbee (D)	4	1979	1	2
Guam	Paul Calvo (R)	4	1979	—	2
Hawaii	George R. Ariyoshi (D)	4	1978(f)	1	2
Idaho	John V. Evans (D)	4	1979	(g)	—
Illinois	James R. Thompson, Jr. (R)	4	1979	1(h)	—
Indiana	Robert D. Orr (R)	4	1981	—	2
Iowa	Robert D. Ray (R)	4	1979	4(i)	—
Kansas	John Carlin (D)	4	1979	—	2
Kentucky	John Y. Brown, Jr. (D)	4	1979(j)	—	(k)
Louisiana	David C. Treen (R)	4	1980(l)	—	2
Maine	Joseph E. Brennan (D)	4	1979	—	2
Maryland	Harry Hughes (D)	4	1979	—	2
Massachusetts	Edward J. King (D)	4	1979	—	—
Michigan	William G. Milliken (R)	4	1979	3(m)	—
Minnesota	Albert H. Quie (R)	4	1979	—	—
Mississippi	William F. Winter (D)	4	1980	—	(k)
Missouri	Christopher (Kit) Bond (R)	4	1981	1(n)	2(e)
Montana	Ted Schwenden (D)	4	1981	—	—
Nebraska	Charles Thone (R)	4	1979	—	2
Nevada	Robert List (R)	4	1979	—	2
New Hampshire	Hugh Gallen (D)	2	1981	1	—
New Jersey	Thomas H. Kean (R)	4	1982	—	2
New Mexico	Bruce King (D)	4	1979	1(o)	(k)
New York	Hugh L. Carey (D)	4	1979	1	—
North Carolina	James B. Hunt, Jr. (D)	4	1981	1	2(e)
North Dakota	Allen I. Olson (R)	4	1981	—	—
Northern Mariana Is.	Pedro P. Tenorio (R)	4	1982	—	3(p)
Ohio	James A. Rhodes (R)	4	1979	3(q)	2
Oklahoma	George Nigh (D)	4	1979	2(r)	2
Oregon	Victor Atiyeh (R)	4	1979	—	2
Pennsylvania	Dick Thornburgh (R)	4	1979	—	2
Puerto Rico	Carlos Romero-Barceló (NPP)	4	1981	1	—
Rhode Island	J. Joseph Garrahy (D)	2	1981	2	—
South Carolina	Richard W. Riley (D)	4	1979	—	2
South Dakota	William J. Janklow (R)	4	1979	—	2
Tennessee	Lamar Alexander (R)	4	1979	—	2
Texas	William P. Clements, Jr. (R)	4	1979	—	—
Utah	Scott M. Matheson (D)	4	1981	1	—
Vermont	Richard A. Snelling (R)	2	1981	2	—
Virginia	Charles S. Robb (D)	4	1982	—	(k)
Virgin Islands	Juan F. Luis (I)	4	1979	(s)	2
Washington	John Spellman (R)	4	1981	—	—
West Virginia	John D. Rockefeller IV (D)	4	1981	1	2
Wisconsin	Lee S. Dreyfus (R)	4	1979	—	—
Wyoming	Ed Herschler (D)	4	1979	1	—

- (l) Independent
- (NPP) New Progressive Party
- (a) Alaska Constitution specifies first Monday in December as Inauguration Day
- (b) Governor Coleman also served as presidentially appointed governor from 1956 to 1961
- (c) Governor Babbitt, as attorney general, became governor in March 1978 following the death of Governor Wesley Bolin Elected to full four-year term in November 1978
- (d) Governor O'Neill, as lieutenant governor, became governor on December 31, 1980, following the resignation of Governor Ella Grasso
- (e) Absolute two-term limitation, but not necessarily consecutive
- (f) Hawaii Constitution specifies first Monday in December as Inauguration Day
- (g) Governor Evans, as lieutenant governor, became governor in January 1977 when Governor Cecil D. Andrus resigned to become secretary of the interior Elected to full four-year term in November 1978
- (h) Two-year term
- (i) Three two-year terms
- (j) December 1979
- (k) Governor cannot serve immediate successive term
- (l) March 1980
- (m) Governor Milliken also served a prior partial term
- (n) Previous term, 1973-77
- (o) Previous term, 1971-75
- (p) Absolute three-term limitation, but not necessarily consecutive
- (q) Previous terms, 1963-67 1967-71 1975-79
- (r) Governor Nigh, as lieutenant governor filled two unexpired terms of governors who resigned once in 1963 and once in early 1979
- (s) Governor Luis, as lieutenant governor, became governor in January 1978 upon the death of Governor Cyril E. King Elected to full four-year term in November 1978

Appendix II

ARTICLES OF ORGANIZATION*

Article I NAME AND MEMBERSHIP

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

Membership in the Association shall be restricted to the Governors of the several States of the United States, the Virgin Islands, Guam, American Samoa, the Commonwealth of Puerto Rico, and the Northern Mariana Islands. The Association shall maintain its headquarters in Washington, D.C. All members shall have voting rights, but there shall be no voting by proxy.

Article II DURATION

Deleted.

Article III FUNCTION

The functions of the Association 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 through policy research and analysis of issues affecting all levels of government and the people, and a strong program of state services; to facilitate and improve state-local and state-federal relationships; to vigorously represent the interests of the States in the federal system, and the role of the Governors of the American States, Commonwealths and Territories in defining, formulating and expressing those interests.

Article IV MEETINGS

The Association shall meet semi-annually. A winter meeting shall be held in Washington, D.C., and an annual meeting shall be held at a time and place determined by the Executive Committee. The proceedings summary of the semi-annual meetings shall be properly reported to the membership and others, as directed by the Executive Committee.

* As approved by the Association, July 10, 1979

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

Twenty-five members present at the semi-annual meetings of the Association or any special meetings of the Association, as may be called by the Executive Committee, shall constitute a quorum.

Article V CHAIRMAN

The Chairman of the National Governors' Association shall be elected by the Association 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.

The Chairman 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. Such vacancy shall be filled by an Executive Committee Governor of the same political party as that of the Chairman who has vacated the position.

The Chairman shall preside and vote at meetings of the Executive Committee and at the semi-annual meetings of the Association, as well as any special meetings called by the Executive Committee.

The Chairman of the Association shall appoint the chairmen of the standing committees of the Association, and following consultation with the Executive Committee and appropriate standing committee chairmen, appoint members and chairmen of any subcommittees or special committees, special projects, or study committees authorized by the Executive Committee or by the Association. The chairmen of the subcommittees reporting to each standing committee, supplemented as necessary by other Governors appointed by the Association Chairman, shall constitute the membership of the standing committee.

The Chairman of the Association shall, with the assistance of the Executive Director of the Association, prepare the agenda for all Executive Committee meetings. The Chairman shall, with the advice and counsel of the Executive Committee and with the staff assistance of the Executive Director, prepare the agenda of the semi-annual meetings, and any special meetings called by the Executive Committee.

The Chairman of the Association shall periodically inform all Governors of the status of current and proposed activities and projects of the National Governors' Association.

The Chairman shall appoint a Nominating Committee to serve at the annual meeting. 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 Association. The Nominating Committee shall present a single slate of nominees for the offices of Chairman and members of the Executive Committee. 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.

Article VI EXECUTIVE COMMITTEE

The Board of Directors of the National Governors' Association, which shall be known as the Executive Committee, shall consist of the Chairman of the Association 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, except as follows: the currently retiring Chairman and three other members of the currently retiring Executive Committee shall be returned to serve on the new Executive Committee. Regarding these four automatically selected members of the new Executive Committee, no more than two such members shall be of the same political party.

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 four times each year. It shall have authority to act for the Association in the interim between semi-annual meetings.

The Executive Committee is empowered to authorize the creation of standing, special project or study committees of the Association and to assign and reassign to such committees the activities and studies authorized by the Association.

Article VII EXECUTIVE DIRECTOR, SECRETARY AND TREASURER

The Executive Committee is empowered to employ and fix the salary of an Executive Director who shall serve at the pleasure of the Executive Committee. The Executive Director shall be the principal administrative officer of the Association and shall have responsibility for the administration of all Association functions and activities established by the Executive Committee.

The Executive Director shall employ, fix the salaries of, and direct such personnel as may be required to carry out the purposes of the Association in accordance with budgets adopted by the Executive Committee and shall provide the Association with periodic reports on the activities and projects of the Association and its personnel.

The Executive Director shall be the chief executive officer of the Association. He shall exercise such duties as customarily pertain to the office of the President, and shall be responsible for the general and active management of the property, business and affairs of the Association, subject to the supervision and control of the Executive Committee.

The Executive Director is also empowered to employ and fix the salary of the Secretary of the Association, who shall serve at the pleasure of the Executive Director. The Secretary of the Association shall attend and keep a correct record of all meetings of the Executive Committee and of the Association; safely keep all documents and other property of the Association which are committed to him; and shall perform all duties which are customarily incident to the office of Secretary and as required by those Articles, the By-laws and the Executive Committee.

The Secretary, subject to direction and oversight by the Executive Committee, shall also serve as Treasurer of the Association at the pleasure of the Executive Director. The Treasurer is authorized to utilize accounting and fiduciary services of the Council of State Governments or other organizations to assist in meeting the fiscal needs and responsibilities of the Association. The Treasurer or his agent as may be authorized by the Executive Director shall have custody of the funds of the Association, and shall deposit the funds of the Association in its name, annually reporting at the close of each Association fiscal year, or as soon thereafter as is deemed feasibly possible and prudent, all receipts and disbursements and balances on hand. The Treasurer shall perform all duties as are customarily incident to the office of Treasurer and as required of him by these Articles, the By-laws and the Executive Committee. Financial rules not otherwise expressed or implied by these provisions may be incorporated in financial rules which may be adopted by the Executive Committee or by the Association, and which may or may not appear in the Association's By-laws.

The Executive Director and Secretary shall furnish bonds with sufficient sureties conditioned for the faithful performance of their duties, the cost of such bonds to be borne by the Association.

Article VIII

ORGANIZATIONAL AFFILIATION AND ADMINISTRATIVE SUPPORT

The Executive Committee is empowered to enter into agreements with the Council of State Governments and its Executive Director for the administration and implementation of service to the Association and its

members. Such services may include, but not necessarily be limited to, general logistical support for Association activities, research on special projects, publications, and general staff support. The Executive Director of the National Governors' Association shall negotiate and administer the terms of such agreements as are entered into with the Council of State Governments for the provision of supportive services to the Association. Any such agreement shall be subject to continuing oversight and supervision by the Association's Executive Committee.

Subject to specific recommendations of the Association's Executive Committee and acceptance by the Association at a semi-annual or at a special meeting, the Association may affiliate with other organizations or may accept the request of other organizations to affiliate with the Association.

Article IX POLICY STATEMENTS

Statements reflecting policy positions or resolutions of the Association shall be in the form of summary statements prepared by standing committees, subcommittees, special task forces, or other special committees authorized by the Chairman, with the approval of the Executive Committee, to prepare or issue such proposed policy positions or resolutions. The Chairman, in consultation with the Executive Committee, shall determine the number and jurisdiction of each committee and subcommittee and may assign, reassign or withdraw special policy issues from, or to, any committee.

Proposed policy statements developed pursuant to the procedure stated in the preceding paragraph shall be submitted to the Executive Committee and to all Governors at least fifteen days in advance of any meeting where their adoption is sought. Adoption by the Association shall require an affirmative vote of not less than two-thirds of the Governors present and voting. Submission of a recommended policy statement to the full Association may be made either by a committee authorized to prepare and issue policy statements or by the Executive Committee by majority vote of its members. Amendments to any policy statement may be offered from the floor and will require the same majority as is required to adopt the statement.

Between the meetings of the Association, both the Executive Committee and standing committees of the Association are empowered to adopt policy statements not inconsistent with existing policy adopted by the Association. Such policy statements are subject to review by the Association at its next meeting. A policy statement considered in the interim by the Executive Committee or a standing committee shall be considered adopted if it receives an affirmative vote of at least two-third of its members; however, a policy statement adopted by a standing committee is subject to review by the Executive Committee as well as the Association.

The Executive Committee, upon recommendation of the appropriate standing committee, is empowered to endorse or oppose specific federal legislation or administrative actions, when, in the judgment of the Executive Committee, such action is in the best interests of the states. Such action shall require the affirmative vote of at least two-thirds of the members of the Executive Committee. All Governors shall be immediately notified by the Chairman of any Executive Committee action of this type.

Any individual Governor desiring to have a policy statement considered by an authorized committee of the Association shall do so by transmitting the substance of such a policy proposal to the Executive Director of the Association not less than 45 days prior to the meeting of the Association, at which time such an issue would be expected to receive consideration. In such cases, the Executive Director shall transmit promptly the substance of such a proposal to the Chairman of the Association and to the chairman and all members of the appropriate standing committee of the Association.

Article X DUES

Each member shall contribute such amounts as may be necessary to finance the programs and operations of the Association, in accordance with contribution schedules approved by the Association. Budgets shall be prepared and adopted by the Executive Committee. Annual financial reports shall be submitted to all members of the Association and an independent audit shall be conducted not less than once a year by a reputable firm of certified public accountants.

Article XI AMENDMENTS

The Association at any meeting may amend these Articles of Incorporation by a two-thirds vote of all members present and voting. Notice, as provided for in the District of Columbia Non-Profit Corporation Act, shall be given to all members and said notice shall advise of the specific proposed amendments, together with an explanatory statement regarding the proposed amendments.

Article XII SUSPENSION

Any article of procedure for conducting the business of the Association, which articles of procedure are specified and set forth in the By-laws of the Association, may be suspended by a three-fourths vote of all members present and voting at the meeting wherein the article of procedure is sought to be suspended.

Article XIII
DISSOLUTION

In the event of the dissolution of the National Governors' Association, any assets of the Association shall be distributed to the members (as defined in Article I) in the proportion which each member contributed to the support of the Association in the year preceding dissolution. Any assets so distributed to a member shall be used for a public purpose.

Article XIV
INCORPORATORS

(List of incorporators is on file in the offices of the Association.)

Article XV
REGISTERED OFFICE AND ADDRESS

The name of the registered agent and the address of the registered office is: William J. Bigham, Sterns, Herbert & Weinroth, P.A., Suite 600, 1150 Seventeenth Street, N.W., Washington, D.C. 20036.

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' Association and, to the extent practicable, shall be consonant with precedents and traditions of the Association.

2. On any issue not covered by these Rules of Procedure or by the Articles of Organization, *Robert's Rules of Order* shall be the standard authority, when applicable.

RULE I—POLICY STATEMENTS AND RESOLUTIONS

1. Policy statements or resolutions shall come before the Association in the manner set forth by Article IX of the Articles of Organization. Policy statements or resolutions adopted by the Association shall remain in force and effect until rescinded or superseded by the Association.

2. Subject to the review of the Association at its next semi-annual meeting, standing committees and the Executive Committee may adopt interim policy statements or resolutions. Statements or resolutions must receive the affirmative vote of two-thirds of the members of the committee. Interim policy statements or resolutions adopted by a standing committee are subject to review by the Executive Committee at its next meeting as well as the Association at its next semi-annual meeting.

3. In order to consider any policy statement or resolution that has not been prepared and presented in accordance with Article IX, the Association 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 Association.

4. 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 except in cases where the meetings of the Association are scheduled for less than three days in duration. If a meeting is for two days, then a member who intends to offer a motion for suspension of the Articles of Organization to consider a policy statement or resolution on his own behalf or on behalf of a standing committee shall give notice of such intention and shall distribute

* As approved by the Association, August 28, 1978

to all members present at the meeting a copy of such proposal by the end of the calendar day before such motion is put to a vote.

RULE II—ORDINARY BUSINESS

1. Any proposal or motion necessary to carry on the business of the Association may be approved by a simple majority vote.

RULE III—MOTIONS TO AMEND

1. Motions to amend most propositions are in order. An amendment may be amended. 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 IV—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 to 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 V—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 VI—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 VII—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 VIII—SUSPENSION OF RULES

1. These Rules of Procedure may be suspended by a three-fourths vote of all members present and voting at the meeting wherein the rule of procedure is sought to be suspended.

Appendix IV

FINANCIAL REPORT

COMBINING BALANCE SHEET

June 30, 1982

<u>Assets</u>	Undesignated	National Governors' Association Designated	Restricted	National Governors' Association Center for Policy Research	Combined Total
Current assets					
Equity in (obligation to) pooled cash and investments	\$ 98,337	\$2,305,312	\$76,433	\$103,100	\$2,583,182
Receivables:					
Grants and contracts	—	—	—	203,694	203,694
State dues	15,620	—	—	—	15,620
Other	8,164	—	—	2,982	11,146
Total receivables	23,784	—	—	206,676	230,460
Prepaid Expenses	49,369	—	—	—	49,369
Total current assets	171,490	2,305,312	—	309,776	2,863,011
Advances to joint venture	117,336	—	—	—	117,336
Property and equipment, at cost.					
Furniture and equipment	321,529	—	—	—	321,529
Leasehold improvements	66,552	—	—	—	66,522
	388,081	—	—	—	388,081
Less accumulated depreciation and amortization	191,264	—	—	—	191,264
Net property and equipment	196,817	—	—	—	196,817
	<u>\$485,643</u>	<u>\$2,305,312</u>	<u>76,433</u>	<u>\$309,776</u>	<u>\$3,177,164</u>
<u>Liabilities and Equity</u>					
Current liabilities					
Accounts payable and accrued expenses	\$156,893	—	—	\$125,752	\$ 282,646
Deferred income—state dues and fees	—	—	6,247	—	6,247
Advances on grants, contracts, and programs in progress in excess of related costs	—	—	70,186	120,158	190,343
Total current liabilities	156,893	—	76,433	245,910	479,236
Equity					
Endowment	—	—	—	42,500	42,500
General	328,750	2,305,312	—	21,366	2,655,428
Total equity	328,750	2,305,312	—	63,866	2,697,928
	<u>\$485,643</u>	<u>\$2,305,312</u>	<u>\$76,433</u>	<u>\$309,776</u>	<u>\$3,177,164</u>

STATEMENT OF REVENUE AND PROGRAM EXPENSES

July 1, 1981—June 30, 1982

	National Governors' Association				NGA Center for Policy Research				Combined Total	
	Undesignated		Designated		Restricted		Policy Research		Budget	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Fund Balance	\$ 150,000	255,698	\$2,305,000	2,305,312	—	—	\$ 59,500	60,195	\$2,514,500	2,621,206
Revenue:										
Dues from the states	2,025,820	2,134,607	—	—	—	—	—	—	2,025,820	2,134,607
Interest	30,000	86,582	335,090	328,698	—	16,990	5,100	11,368	370,190	443,638
Publication sales	6,500	6,783	—	—	—	217	6,000	7,832	12,500	14,832
Gifts and contributions	—	—	—	—	38,200	26,481	—	—	38,200	26,481
Registration fees	282,880	295,069	—	—	—	13,396	—	19,318	282,880	327,782
Service fees from the states	—	—	—	—	210,000	218,210	—	—	210,000	218,210
Grants and contracts	—	—	—	—	—	—	2,015,406	2,201,689	2,015,406	2,201,689
Transfers from NGA (to NGA Center)	(39,880)	(119,880)	(335,090)	(328,698)	—	—	374,970	448,578	—	—
Total revenue	2,305,320	2,403,161	—	—	248,200	275,294	2,401,476	2,688,785	4,954,996	5,367,239
Program Expenses:										
Agriculture	125,440	127,353	—	—	—	—	—	—	125,440	127,353
Community and economic development	125,995	110,754	—	—	—	—	26,540	3,421	152,535	114,175
Criminal justice and public protection	103,320	91,321	—	—	—	—	92,980	180,835	196,300	272,156
Executive management and fiscal affairs	196,560	198,111	—	—	—	—	128,227	94,545	324,787	292,656

Human resources	286,185	290,982	—	—	210,000	248,813	1,193,633	1,316,046	1,689,818	1,855,841
Energy and environment	335,715	347,081	—	—	38,200	26,481	526,931	452,520	900,846	826,082
Transportation, commerce and technology	135,480	132,454	—	—	—	—	47,095	100,097	182,575	232,551
International trade and foreign relations	132,750	137,906	—	—	—	—	—	44,620	132,750	182,526
State-federal relations	157,630	161,895	—	—	—	—	—	—	157,630	161,895
State-local relations	34,300	22,862	—	—	—	—	—	—	34,300	22,862
Legal affairs	10,000	931	—	—	—	—	—	—	10,000	931
Chairman	15,000	15,733	—	—	—	—	—	—	15,000	15,733
Public affairs	229,660	217,027	—	—	—	—	—	—	229,660	217,027
Publication coordination	97,405	90,572	—	—	—	—	—	—	97,405	90,572
Annual meeting	227,880	182,880	—	—	—	—	—	—	227,880	182,880
Winter meeting	70,000	69,735	—	—	—	—	—	—	70,000	69,735
Center state services	—	—	—	—	—	—	—	—	—	—
Center research and development	—	—	—	—	—	—	—	—	—	—
Unallocated general and administrative	22,000	22,320	—	—	—	—	—	—	22,000	22,320
Total expenses	2,305,320	2,219,917	—	—	248,200	275,294	2,401,476	2,685,114	4,954,996	5,180,325
Excess revenue	—	183,244	—	—	—	—	—	3,671	—	—
Cumulative effect of accounting change-accounting for compensated absences	—	110,192	—	—	—	—	—	—	—	110,192
Ending fund balance	\$ 150,000	328,750	\$2,305,000	2,305,312	\$ —	—	\$ 59,500	63,866	\$2,514,500	2,697,928

Appendix V

ANNUAL MEETINGS OF THE NATIONAL GOVERNORS' ASSOCIATION

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
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
65th	Lake Tahoe, Nevada	June 3-6	1973
66th	Seattle, Washington	June 2-5	1974
67th	New Orleans, Louisiana	June 8-11	1975
68th	Hershey, Pennsylvania	July 4-6	1976
69th	Detroit, Michigan	September 7-9	1977
70th	Boston, Massachusetts	August 27-29	1978
71st	Louisville, Kentucky	July 8-10	1979
72nd	Denver, Colorado	August 3-5	1980
73rd	Atlantic City, New Jersey	August 9-11	1981
74th	Afton, Oklahoma	August 8-10	1982

Appendix VI

CHAIRMEN OF THE NATIONAL GOVERNORS' ASSOCIATION 1908-1982*

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. Perry, Virginia	1936-37
Governor Robert L. Cochran, Nebraska	1937-39
Governor Lloyd C. Stark, Missouri	1939-40
Governor William H. Vanderbilt, Rhode Island	1940-41
Governor Harold E. Stassen, Minnesota	1941-42
Governor Herbert R. O'Connor, Maryland	1942-43
Governor Leverett Saltonstall, Massachusetts	1943-44
Governor Herbert B. Maw, Utah	1944-45
Governor Edward Martin, Pennsylvania	1945-46
Governor Millard F. Caldwell, Florida	1946-47
Governor Horace A. Hildreth, Maine	1947-48
Governor Lester C. Hunt, Wyoming	1948
Governor William P. Lane, Jr., Maryland	1949
Governor Frank Carlson, Kansas	1949-50
Governor Frank J. Lausche, Ohio	1950-51
Governor Val Peterson, Nebraska	1951-52
Governor Allan Shivers, Texas	1952-53
Governor Dan Thornton, Colorado	1953-54

*At the initial meeting in 1908, President Theodore Roosevelt presided.

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
Governor Daniel J. Evans, Washington	1973–74
Governor Calvin L. Rampton, Utah	1974–75
Governor Robert D. Ray, Iowa	1975–76
Governor Cecil D. Andrus, Idaho	1976–77
Governor Reubin O'D. Askew, Florida	1977
Governor William G. Milliken, Michigan	1977–78
Governor Julian M. Carroll, Kentucky	1978–79
Governor Otis R. Bowen, M.D., Indiana	1979–80
Governor George Busbee, Georgia	1980–81
Governor Richard A. Snelling, Vermont	1981–82
Governor Scott M. Matheson, Utah	1982–83