NATIONAL GOVERNORS' ASSOCIATION
WINTER MEETING
* * *
PLENARY SESSION

Hyatt Regency Hotel
400 New Jersey Avenue, N.W.
Yorktown Room
Washington, D. C.

Tuesday, February 24, 1987

The plenary session convened at 10:00 a.m., Governor Clinton presiding.
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PROCEEDINGS

GOVERNOR CLINTON: With the sound of the gavel, I will formally call to order the 1987 winter meeting of the National Governors' Association.

We have many new governors this year, and one of the things that some of them will be surprised to learn is that in spite of the fact that we have been meeting here for the last couple of days and have done the bulk of our work already, this is actually the formal opening of our convention for rulemaking purposes.

This year we have the largest class of new governors in 20 years, 23 of them. They are all welcome, and I must say I have been especially impressed with the interest and diligence they have shown in the work of the governors, both by virtue of the large participation they had at our new governors conference in Little Rock and by the work they have done here.

I am waiting for my vice chairman, I don't know where he is, but he has to make a motion for me.

GOVERNOR CELESTE: Mr. Chairman --

GOVERNOR CLINTON: Governor Celeste has been looking for an issue on which he can support Governor Sununu in a long time. I am going to give him a chance to do that. I need a motion and a second for the adoption of the rules of procedure. Governor Celeste moves. Is there
a second? Motion has been moved and seconded. All in
favor say "aye."

(Chorus of ayes.)

GOVERNOR CLINTON: Opposed?

The ayes have it, the rules are adopted. This
morning we will act on proposed policy statements and
resolutions. Then we will hear from our new speaker of the
House of Representatives, my neighbor from Texas, Mr. Jim
Wright. If we move through the policy proposals
expeditiously, we may be able even to adjourn a little
early, notwithstanding our late start.

We will consider the revised and new committee
policy positions that were sent to you on February 6th of
this year. You have before you these committee policy
statements plus any amendments made by the Executive
Committee and standing committees at this conference.

There are some resolutions. Please note that resolutions
can only recognize persons, places or events, or support
existing policy in the association. No new policy can be
adopted by means of resolution. These policies and
resolutions will require a 2/3 vote of those present and
voting.

New proposals offered under suspensions of the
rules are in the pink covered section, and these will
require a 3/4 nondebatable vote to suspend the rules, and a
3/4 vote for adoption.

We will take the policies in alphabetical order by committee, with the Executive Committee last. To expedite matters, except we will vote en bloc on the proposals of each committee, except where a request is made to consider a policy proposal individually.

I would like to ask the committee chairs to move the adoption of their policy positions and resolutions.

I would like to begin, if he is here, with the Agriculture Committee chairman, Governor Branstad. Is he here?

GOVERNOR CARRUTHERS: Mr. Chairman --

GOVERNOR CLINTON: Yes.

GOVERNOR CARRUTHERS: Mr. Chairman, the Republican meeting just broke up. Could you give us a second? I will go round them up.

GOVERNOR CLINTON: Sure. We will be in adjournment for a couple of minutes then.

(Discussion off the record.)

GOVERNOR CLINTON: Since Governor Branstad has come in, we would like to begin with the Agriculture Committee policy changes.

Governor Branstad, are you prepared to offer your policy?

GOVERNOR BRANSTAD: Mr. Chairman, the changes in
agricultural policy have been distributed, and I would move the adoption of the changes in agriculture policy as recommended by the Agriculture Committee of the NGA.

GOVERNOR CLINTON: Do any of them require any explanation not yet provided?

GOVERNOR BRANSTAD: I don't believe so. I would be glad to respond if there are any questions.

GOVERNOR CLINTON: Are there any questions of the Chairman about the proposed changes in agriculture policy?

GOVERNOR SINNER: Mr. Chairman, I will register a second there just for the record.

GOVERNOR CLINTON: Governor Branstad has moved and Governor Sinner has seconded the adoption of proposed changes in policies for the Committee on Agriculture, Policies G.-1, -5, -8, -10, -11. Further discussion?

All in favor say "aye."

(Chorus of ayes.)

GOVERNOR CLINTON: Opposed?

Policies are unanimously adopted. Governor Dukakis, the Chair of the Committee on Economic Development and Technological Innovation.

GOVERNOR DUKAKIS: Mr. Chairman, we have four resolutions concerning historic preservation, the establishment of a rural transition loan program within the
SBA, a resolution dealing with university research and training, federal civilian R&D research and the relationship it has to the states, and a resolution on hostile corporate takeovers. I would move the adoption of all of these resolutions.

GOVERNOR CLINTON: Is there a second?

GOVERNOR CARRUTHERS: Second.

GOVERNOR CLINTON: Motion has been made and seconded.

Anyone like to speak to these resolutions?

All in favor, say "aye."

(Chorus of ayes.)

GOVERNOR CLINTON: Opposed?

Governor Moore, The Chair of the Committee on Energy and Environment.

GOVERNOR MOORE: Mr. Chairman, the Committee on Energy and Environment respectfully directs your attention to a printout of the work of the Committee on moving power, the flexibility of the future as it relates to electric or power transmission. We call your attention that the committee suggests three resolutions for your consideration; one, low level radioactive waste management; one resolution on clean coal technology reserve program; one resolution on natural resources and recreation.

There are also submitted for your consideration
four policy positions which represent amendments to
existing positions taken by the NGA. One of those is
referenced the Clean Air Act, a policy on ozone attainment;
the second one is hazardous waste management, source
reduction of hazardous waste; the third is the Clean Water
Act; and fourth is principals for environmental health and
assessment policy.

Mr. Chairman, I move en banc the resolutions and
the policy changes, as I am directed to submit to you by
the Committee on Energy and the Environment.

GOVERNOR CLINTON: Is there a second?

GOVERNOR ANDRUS: Second.

GOVERNOR CLINTON: Seconded by Governor Andrus.

Is there any discussion? Would anyone like to
be heard on these resolutions and policies?

GOVERNOR BRYAN: Mr. Chairman.

GOVERNOR CLINTON: Yes.

GOVERNOR BRYAN: Mr. Chairman, I have a question
of Governor Moore.

GOVERNOR CLINTON: Go ahead.

GOVERNOR BRYAN: Governor Moore, with respect to
the low-level radioactive waste management resolution, it's
my understanding that that resolution in no way impacts the
milestones in terms of the time compliance schedule
established by the Congress in the 1985 enactment. Am I
correctly reading that resolution?

GOVERNOR MOORE: Governor, you are correct.

GOVERNOR CLINTON: Further questions?

All in favor of the proposed changes say "aye."

(Chorus of ayes.)

GOVERNOR CLINTON: Opposed?

They are unanimously adopted.

Governor Castle, the Chair of the Committee on

Human Resources.

GOVERNOR CASTLE: Thank you, Mr. Chairman.

We, in the Human Resources Committee, have

looked at three different policies which we will ask this

group to consider. However, before we do that, if we may

turn -- if I may yield for a moment to Governor DiPrete,

who has shared with the committee a proposed policy

statement about educating our children in their junior and

senior years in high school about the problem of AIDS, and

Governor Dukakis has also worked on this.

With your permission, sir --

GOVERNOR CLINTON: Governor DiPrete you are

recognized, sir.

GOVERNOR DI PRETE: Thank you very much,

Mr. Chairman.

As you know, I have indicated that I believe the

governors of the various states have a strong personal
responsibility in the areas of public education and public health. I think we all recognize that the problem of AIDS is a severe one, it's a fatal one, and I believe as governors, we certainly have individual and a collective responsibility. I had drafted a proposed policy statement to that effect.

I would -- the policy statement briefly would call for the Governors' Association to recognize our responsibilities and have our state departments of education develop an AIDS instruction program as part of an overall comprehensive health educational program geared to the age level of the student.

I recognize this is a very complex area, an area that many people would like more time to consider and to consult and to get some research information and gather data, and rather than discuss this here today before people, I think, are fully prepared to, I would suggest that my proposed policy statement be submitted as part of a regular procedure and refer it to the appropriate standing committee to be considered at the agenda of the next meeting of that standing committee, Governor.

GOVERNOR CLINTON: Is that agreeable with you, Governor Castle?

GOVERNOR CASTLE: That is certainly agreeable with the Committee, and I am sure Governor Dukakis. We
I appreciate Governor DiPrete's abiding and very strong and abiding interest in what is a significant problem for this country.

GOVERNOR CLINTON: Thank you.

Governor DiPrete, I appreciate the way you handled this issue. Frankly, I appreciate the fact you have raised it the way you have in this session. I expect it to be a source of major discussion at our meeting in August. I appreciate your concern.

Please go forward, Mr. Chairman.

GOVERNOR CASTLE: Thank you, Mr. Chairman.

Thank you Governor.

I would now like to move en bloc policy C.-2 on secondary education C.-8, on the Older Americans Act, and C.-17 on worker adjustment, which are recommendations from the Human Resources Committee.

GOVERNOR CLINTON: The motion has been made. Is there a second? Seconded.

Is there any position about any of these policies?

We are prepared to vote. All in favor say "aye."

(Chorus of ayes.)

GOVERNOR CLINTON: Opposed?

They are unanimously adopted.
We will now hear from the Chairman of the Committee on International Trade and Foreign Relations. Governor Baliles.

GOVERNOR BALILES: Mr. Chairman, the Committee on International Trade and Foreign Relations proposes one policy resolution. The policy recommends that governors consider the importance of international education to the economic future of their states, and I move its adoption.

GOVERNOR ADA: Second.

GOVERNOR CLINTON: Motion has been made and seconded.

Anyone wish to be heard on the motion? If not, all in favor will say "aye."

(Chorus of ayes.)

GOVERNOR CLINTON: Opposed?

The policy is unanimously adopted.

Final committee, Governor O'Neill's committee, the Committee on Transportation and Commerce and Communications.

Governor O'Neill.

GOVERNOR O'NEILL: Thank you, Mr. Chairman.

Mr. Chairman, the issue of the day, of course, in the Transportation Committee is the issue of the day in the Congress of the United States. That is the Highway Bill itself. As of this moment, we have the signature of
44 of the governors that are here, and another letter to
the Senate and to the House members of the United States
Congress.

Yesterday I met with Congressman Howard -- I
didn't actually meet with him, his train was delayed. He
called me afterwards. We had a good conversation. He is
going to try to move forward as rapidly as possible. I
have an appointment this afternoon with Senator Burdick to
meet with him in the Senate.

Yesterday we had a policy before our committee,
the Committee on Transportation, and basically was the 65
mile an hour speed limit that has been so discussed, I
believe in the Republican caucus this morning and many
other places, since we have been here today, that a policy
was defeated in the committee 7 to 2. You needed eight
votes to bring it forward. I was 7, fell short on one vote.
I know Governor Mecham is very interested in that
particular position. I opposed it, because I was fearful
that it would be intertwined with a bill that is before the
Senate and the House.

At this time, I think it would be detrimental
and harmful if that issue was brought forward by us as
governors to be intertwined in that particular issue. I
think it is vitally important that they get the bill
through the Congress so we can get the funds in each and
every state to go forward with the highway projects we have.

    I would like to, at this time, yield to Governor
Mecham, if I might.

GOVERNOR CLINTON: The Chair recognizes the
Governor of Arizona.

GOVERNOR MECHAM: Thank you, Governor O'Neill,
Governor Clinton.

    Yes, I would like to address this, because, I
guess, probably Washington may be one of the few places
where you can get a 7 to 2 consensus vote and still lose
the issue. We had three other votes pledged, but could not
be because of other commitments that they couldn't be there
to vote or otherwise we had pledged what would have been a
10 to 2 vote in favor of my change of policy.

    Let me just address it for a minute. I
certainly respect everything that Governor O'Neill has said,
and I respect the fact that a number of people are
concerned, lest this reflect a holdout.

    But I don't know whether we can say that being
in favor of the Senate side of this would hold it up any
more than being in favor of the House's side of it. I
don't believe that's a credible thing to say, that that
will hold it up. I think, really, from the information
that I get from my delegation in Congress, is that what is
holding the bill primarily is the demonstration projects
and the fact that well over $1 billion is set up on the House side to go into demonstration projects in various states, and in the Senate side it isn't. The House is staying with 55, and the Senate side suggests 65.

I suggest to all of the governors that I personally resent the idea that we must rely upon the federal government to make us be concerned about safety in our states. I highly resent any attitude that anybody in Washington is more concerned about safety on the highway in Arizona than is myself, its Governor, and the people involved there, and I think that we know how to set up the speed limits in Arizona up to the 65 this would allow and certainly maintain tremendous -- all the safety advantages that we want to maintain, because we are vitally concerned about safety.

In no case is anything that I would have to do have anything to do with reducing safety.

Now, the sanctions is a very real thing. I have here a map that a number of states have already -- and when we get back, we are going to be greeted with letters from Secretary Dole pointing out that monies of ours -- it is not federal money, they got it from us in the first place -- is being taken from us to literally whip us into compliance on the 50-mile-an-hour thing. May I point out that I can much easier do away with the sanction money than I could
spend $15- or $20 million for all the policeman it would take on the highways and the highways of Arizona to make this work.

Consequently, since it is not mandatory -- there is nothing mandatory. All states who want to stay with the 55 have that perfect option to do so.

I see no reason that we would find it difficult to accept that which would give us the jurisdiction in our states which, as I gather the feeling of this, my first conference, that most governors would like to have more jurisdiction and handle things instead of having Washington do it.

So, without -- I see that there is no down side to this and that my proposal is totally up side; I would like, at the appropriate time, Governor Clinton, if you would signal a time, and I do want to make the move to suspend the rules and to bring this before the whole convention.

GOVERNOR CLINTON: Governor, this is an issue of some concern to a number of governors; if I might, what I would like to recommend is that we defer your motion for a moment, because if we don't, it's nondebatable, and Governor Deukmejian, at least, would like to be heard on it. I would like to let people say whatever they want to say. If you will permit me, I will call upon you at what seems
to be the best time.

GOVERNOR MECHAM: That's what I was asking for.

It's your decision.

GOVERNOR CLINTON: Governor Deukmejian.

No. If you want to talk about it, you have to talk about it now, because when he makes the motion that's a nondebatable motion. We have to get a 3/4 vote to suspend the rules, so you can speak to this issue in the context of Governor O'Neill's report.

GOVERNOR DEUKMEJIAN: Thank you very much.

I would speak very strongly in support of the request. I had authored a resolution at the Western Governors' Association meeting that had been adopted unanimously.

All of our experts, whether they are Highway Patrol, whether they are highway engineers, have all indicated that there are numerous stretches in rural areas where it would be perfectly safe for the motorists of our state to be able to go above the 55-mile-an-hour speed limit, and it seems to me that for those states that still prefer or believe that in the interests of their motorists that it is safer to drive at 55, they can still have state laws to do that.

But we are finding a tremendously large number of our motorists who are exceeding the minimum speed limit,
and it is requiring us, because of the potential sanctions, to use a lot of our resources, law enforcement resources, that could be better utilized in some of the urban areas, where it would do more good. But we are having to utilize them in a lot of those long rural stretches, where it is absolutely safe for the motorists and their passengers to go above 55, up to 65 miles per hour, and in our view, and in the view of the western states' governors, that we should ask for this change; and, therefore, I would hope, at the the appropriate time, that the governors would follow this motion to suspend the rules and to adopt this amendment. Thank you, Mr. Chairman.

GOVERNOR CLINTON: Thank you. Governor Carruthers and Governor Sununu.

GOVERNOR CARRUTHERS: Mr. Chairman, I just want to second and third the motions present by Arizona and California. In the western states, we have 70 and 80 miles between cities. It is very difficult to hold down the speed on various straight roads out in desert country. We are in jeopardy of losing some highway funds as a result of that. We will never have sufficient police force to keep the speed limit down to 55 miles an hour, so we would ask that you all support the local option and leave it to the states to raise the speed limit to 65 miles an hour.

Thank you, Mr. Chairman.
GOVERNOR CLINTON: Thank you. Governor Sununu.

GOVERNOR SUNUNU: Lest it be perceived that there is only western interest in this, let me assure you in the east there are states that support this as well. The State of New Hampshire has reviewed the characteristics of our highway. We have very significant stretches where this would be an appropriate change. We only ask for a policy that says we should have the option to do so, and I support it.

GOVERNOR CLINTON: Governor Thompson.

GOVERNOR J. THOMPSON: The Midwest, at least in the person of Illinois, would like to chime in and say, amen, I want in.

GOVERNOR CLINTON: Anyone else like to be heard? Governor Ashcroft.

GOVERNOR ASHCROFT: As I travel your states, you all accord me troopers frequently to carry me around. I ask at which speed people are being apprehended. I have yet to have troopers say they are writing tickets at the 55-mile-an-hour limit. We ought to be honest about this. I add the second, third or ninth or whatever is to this proposal.

GOVERNOR CLINTON: Any other comments?

You can't get across Texas if you don't go faster than 55, can you? I spent my life driving across
Texas at 55 miles an hour.

Yes, Governor Bryan.

GOVERNOR BRYAN: Mr. Chairman, the federally mandated 55 mile per hour would be the transportation equivalent of the Volstead Act. It enjoys no public support in my state, and I, too, would join with Governor Mecham in asking that the rules be suspended at the appropriate time and we be allowed to vote in favor of a change of policy.

GOVERNOR CLINTON: Further comments?

Anyone else like to be heard?

I will call upon Governor Mecham again at the end of the resolution process; keep in mind now, when he moves to suspend the rules, that is a nondebatable motion. If anyone else would like to be heard on it, I would like to recognize you now.

Now, Governor O'Neill has moved the adoption of the positions taken by the -- are you through? You haven't finished yet.

GOVERNOR O'NEILL: That was it. That was only --

GOVERNOR CLINTON: Will you move the adoption of your changes?

Oh, he has none.

GOVERNOR O'NEILL: There is no change. That's the issue, Bill, that is before us. If we didn't discuss
this at this time, there would be no option to discuss it at all.

GOVERNOR CLINTON: We are only four minutes behind schedule now. I would like to move on now to the consideration of the Executive Committee resolutions and changes for the Articles of Organization, policy statements, beginning with the recognition of the bicentennial of the Constitution. Governor Sununu has a resolution.

Governor Sununu.

GOVERNOR SUNUNU: Thank you very much, Mr. Chairman.

Next year -- or this year, we are beginning the 200th -- the celebration of the 200th anniversary of the Constitution. And as we go through that process of giving tribute to what is certainly one of the great documents ever put together, this resolution asks that the states actively participate in that.

I add that I urge states, as they go through that celebration, to suggest to their citizens that they maybe review the change in the federalism structure that has taken place over the last 200 years. I have a partiality to encouraging our citizens to look at the erosion of the rights of states over that period of time, and maybe, as we examine this Constitution and celebrate its 200th anniversary, we will begin to get a better
feeling of our obligation to urge Congress to return a little bit of those rights back to the state.

Mr. Chairman, I move the adoption of this resolution.

GOVERNOR CLINTON: Is there a second?

GOVERNOR SCHWINDEN: Second.

GOVERNOR CLINTON: Seconded by Governor Schwinden. Would anyone like to be heard on this?

Governor Celeste.

GOVERNOR CELESTE: Governor Clinton and Governor Sununu. I want to strongly support this resolution and point out the fact that we celebrate a second bicentennial in 1987 of another quite extraordinary document that is very much in line with Governor Sununu's comment; that is the Northwest Ordinance, under which a number of these states represented today joined the Union.

The Northwest Ordinance is perhaps the most memorable product of the Articles of Confederation. It was being discussed and debated at the same time as folks met in Philadelphia fashioning the Constitution, Which, incidentally, involved people coming together representing their states who immediately scrapped the instructions under which they were called together, because they were called together in Philadelphia for the sole and express purpose of the amending the Articles to deal with the
problems of internal commerce among the states.

The articles -- the Northwest Ordinance is, I think, deserving of the tension by people not only in the Great Lakes states, which came into the Union under the Ordinance, but all of us, because in that Northwest Ordinance were set forth many of the rights that were only adopted later as the Bill of Rights, as amendments to the Constitution. In that Ordinance was a commitment to public education as a right for all of our citizens, for the first time set forth formally. In that ordinance was the abolition of slavery in the territory north and west of the Ohio River.

So there was a tremendous legacy as part of the Northwest Ordinance, which also celebrates its bicentennial this year. If I may, in supporting the resolution, which I think has an interest as we look at the bicentennial of the U.S. Constitution, all of us as governors really should fully support activities in our states in its behalf. I encourage all of you also to take an interest in the Northwest Ordinance and to take pride in what that means as well for our country.

GOVERNOR CLINTON: Thank you very much.

Would anyone else like to be heard on the resolution?

All in favor, say "aye."
(Chorus of ayes.)

GOVERNOR CLINTON: Opposed?

The resolution is unanimously adopted.

We now move to the adoption of changes in the Articles of Organization. The proposed changes were unanimously recommend by our Legal Affairs Committee and the Executive Committee. They clarify our voting procedures, the role of resolutions, the role of the Chair and vice chair as ex officio members of standing committees. Governor Blanchard, chairman of our Legal Committee, will have the floor at this time.

Governor Blanchard.

GOVERNOR BLANCHARD: If anyone would like a clarification on this, our parliamentarian is here to provide that. But I think for purposes of moving this meeting along, I will move the adoption of these changes that were unanimously adopted by the Executive Committee in Little Rock and discussed the other day. Thank you.

GOVERNOR CLINTON: The adoption of the proposed changes has been moved and seconded. Would anyone like to be heard on them?

All right. We are ready for a vote. All in favor, say "aye."

(Chorus of ayes.)

GOVERNOR CLINTON: Opposed?
Let me say that these changes were the subject of some discussion at our last meeting, and I strongly recommend that every governor either read them or assign someone to read them, because they do -- I don't think they depart substantially from our previous procedures, but they certainly clarify them and bring into focus some areas of doubt which previously existed. So I would urge all of you to at least have them read carefully by someone on your staff.

Now, before we go to the Executive Committee policy on welfare reform, I want to recognize Governor Sinner.

GOVERNOR SINNER: Mr. Chairman, I know that this committee on the procedure and rules of this organization discussed the issue of sunsetting of obsolete policy statements and found that there were reasons not to do that.

However, I think everyone is concerned that we are building up a backlog of old policy statements that really do need to be reviewed on a fairly regular basis; and to address that issue, I want to move that each committee be directed to review policy statements that are in force for the purposes of simplification and deletion of obsolete language in policies and that the committees report the recommendations -- their recommendations, at the summer meeting.
If I can get a second, I will discuss that.

GOVERNOR CLINTON: I think given the fact that your motion basically requires an instruction from us to the Staff; unless there is any dissent, we will so instruct them. I think we ought to do it. I would just urge you to go ahead and say whatever you have to say about it. I will instruct them to do that.

GOVERNOR SINNER: Are you asking me to withdraw the motion? Is that what you are asking?

GOVERNOR CLINTON: Well, I have been advised by our parliamentary expert here that it's not the proper subject of a motion, and I can just -- if there is virtual unanimity we can instruct them to do it.

GOVERNOR SINNER: Governor, you know that I wouldn't want to do anything improper.

GOVERNOR CLINTON: But you like to talk about it a lot, Governor. I have never seen you do anything improper, but it is the subject of much discussion.

Make the motion. Is there a second to Governor Sinner's motion. Second. All right, further discussion.

GOVERNOR SINNER: I am not going to belabor it. I know that there is -- if you go with the sunset method, you get the problem of having the whole body have to review the ones that you may want to keep every time, and that doesn't work. I understand why they did what they did --
why the Committee did what it did. But I still think the problem remains, and we must address it.

The Committee simply must clean up this language or you put the Staff in the incredible position of having somebody come in and say, by God, I want you guys to get out there and push for this 10-year-old policy. No one else may even know it's on the books. That is what I don't like to see. It puts such a burden on the Staff. We need to be concentrating our interests on the current prevalent issues. Staff needs to do that. And if you leave these old policies sit around and collect dust, somebody is going to come in and wake the Staff up and say, let's go. That doesn't make sense.

GOVERNOR CLINTON: I find the most heartening thing about your comments is that your suspicion that someone might know or care what our policies were. That's made this whole conference worthwhile.

Are there further comments?

Governor Orr, do you -- does anybody else want to say anything?

GOVERNOR R. ORR: I was going to suggest, inasmuch as Governor Thompson has been active during that entire period of antiquity, and continues to be so, that perhaps maybe he'd the person to put in charge, Governor Thompson of Illinois.
GOVERNOR CLINTON: Thompson, I think, goes back to the Northwest Ordinance. Well, as one of our former Chairs, I think Governor Thompson's feelings might be instructive. I am inclined to think this is a very good suggestion really. Besides that, it would be good practice for us. Maybe then we can go back home and repeal some of the things that are on the books that we ought to take off.

Further discussion? All in favor of Governor Sinner's motion, please say "aye."

(Chorus of ayes.)

GOVERNOR CLINTON: Opposed?

It passes unanimously.

Now, we move to the Executive Committee's proposed changes in our welfare reform policy, a major subject of our concern here at this meeting.

I would like to recognize for a motion, whatever comments he might wish to make, Governor Kean.

GOVERNOR KEAN: Mr. Chairman, I would like to start, if I could, by commending and thanking you for your work on this, and of course, Governor Mike Castle, Chairman of our Welfare Reform Task Force.

I think this policy will make a significant contribution to the national debate. Our current welfare policy, as we all know, is repugnant, it is anti-family, it breaks up families, it keeps people in poverty, rather than
getting them out of poverty, and it costs our taxpayers an incredible amount of money.

So I am very happy to speak in support of this new policy. The proposal puts the focus of welfare where it should have been all along, and that's on jobs.

The surest way to beat poverty in this country is to get this country back to work. And the best place and way to get people to work is to build a welfare system with work as its central component.

What we are recommending builds on the old idea of the social compact. In this case, however, the concept -- not a concept, but an actual contract between somebody who is able-bodied and needs for a short period of time to be on welfare.

We are saying, if you want to stay on welfare, you have got to sign a contract which the client will agree to take specific steps to make them able to get jobs, to make them able to go back to work.

In return -- to return for that -- in return for that -- government will permit us itself to back those efforts, to help that person through education, through job training, through day care, Medicaid coverage, Medicare coverage, medical coverage, whatever else may be needed. We have got a program like this already in place, put in place in the State of New Jersey; we think not only is it
going to help get people off welfare, we believe it will
save the taxpayers significant money. It will pay for
itself over about three years.

It's important to note that, that this NGA
policy is fiscally responsible. We are recommending we all
participate through a certain number of dollars, but that
up-front investment, we believe, by the Federal Government
will be repaid in a rather short period of time. We
believe that there are savings not you only in the AFDC
program, which costs about $10 billion, but in other
related programs, such as food stamps and Medicaid.

This is a time in which the leadership of the
President of the United States, the leadership of the
Congress and the people like Senator Moynihan, the
leadership of the governors, is all called for. If we make
this change, we can say, I think, we have done something
extraordinarily significant in terms of people, in terms of
getting this country back to work, in terms of making this
country much more competitive for the future by employing
its citizens. Now Mr. Chairman, I move that we adopt
revised policy C.-6 on welfare reform.

GOVERNOR CLINTON: Is there a second?

Second by Governor Kunin. Chair recognizes the
Governor of Vermont.

GOVERNOR KUNIN: Mr. Chairman, I am very pleased
to second the motion made by the Governor of New Jersey on policy C.-6. I believe what is most significant is that it does combine a sense of compassion with one of economic realism. This is not only a policy which says we are going to enable people to work, but it will also enable people to have hope, particularly for those American families who are indeed living in poverty, and most particularly for our children who now have an unacceptable and growing level of poverty.

I think the best that we can provide for any family to strengthen our family system, and the President and the Congress share in this view, is to make sure that a family has a decent standard of living and can stay together.

I think this policy also recognizes a new welfare population, one that not only is unemployed, but unfortunately and tragically often unemployable.

Our own Secretary of Labor said that 25 percent of our labor force may not be capable of work if we do not provide some remedies.

The barriers clearly are identified, the barriers that prevent people from working, such as child care, education and health care.

In Vermont, I am pleased to say we have a program called Reach Up, which is also geared along these...
It has been said that responsibility, though, is clearly identified, both of government and the recipient, of both parties to reach a commitment.

I think we recognize that this policy also provides a decent level of support down the road for those who are not capable of work for one reason or another, and that the savings from the initial investment can be applied to lift up those who are now struggling under a very, very heavy burden.

The conclusion, I think this really does enable us to fulfill the American dream in the way that it was intended to be envisioned, that each American does have a chance to make it for his or her family in life. It's with pleasure that I recommend the adoption of this policy change.

GOVERNOR CLINTON: Thank you very much.

I want now to call on Governor Castle, who did such an able job in chairing the Task Force on Welfare Prevention, after which I will recognize the following governors who have already registered a desire to be heard:

Governor Dukakis, Governor O'Neill, Governor Celeste and Governor Sununu.

But first, Governor Castle.

GOVERNOR CASTLE: Thank you very much,
Mr. Chairman. Let me say, first of all, without your able support and help in the entire structure of what we are doing this year, particularly in the welfare reform -- you and I started together on the welfare reform -- the committee which became the Welfare Prevention Committee and the work of the staff of NGA, particularly Alicia Smith of the Human Resources Committee have done such an outstanding job of working on this, we wouldn't be here today; and I thank all of you.

There is a line in this proposal which we have before us, which says that our aim is to create a system where it is always better to work than to be on welfare. Well, I think Americans have always believed that it is better to work than to be on welfare. The problems have been that until now our fundamental policy on income security has made that impossible by forcing those on welfare to choose between security without pride or pride without security.

Today we are taking the first step in changing that. As you know, we have had considerable discussion of this in the last two days, so I only mention a few highlights here today. It is first and foremost a work program rather than income assistance program. It is a flexible program and will be designed by the states.

It will have in it remedial education, training,
job search and placement, in all likelihood, to make the various different programs work in the states. A key component will be, as Governor Kean has pointed out, a contract between the government and the individual, and the individual will be required to strive for self-sufficiency. The government will be required to provide the tools to make that possible. That includes parents of children three or older. It also includes better case management and better child support enforcement.

As we consider this policy today, it is important to keep in mind that we are proposing a phased-in approach.

The first step, the most important step, is to implement welfare to work policy. Later, we will address the economic work assistance aspects. It is important too, that remember that we have to move quickly. It has been said -- in fact, it has been said several times at this meeting -- by the year 2000, which is 13 years away now, we won't have enough qualified workers to fill all of the jobs in America. We need to fill those jobs in America as international competition increases, as we all know.

Starting now, we can provide opportunities for individuals to get off welfare, to achieve self-respect and independence, a helping hand instead of a handout, to end a system which makes welfare a way of life generation after
generation after generation. In a nation which was built on the work ethic, for half a century, government policy has run directly counter to that effort. We propose today to make this fundamental policy reflect one of America's most fundamental beliefs. I would like to turn for a moment to the income assistance provisions, because there's been some discussion and concern about those particular provisions. I would like to make a recommendation for an amendment.

But I think it helps us start with the current policy, if that's appropriate to do at this time, Mr. Chairman.

GOVERNOR CLINTON: I recognize you for your motion, Governor Castle.

GOVERNOR CASTLE: Thank you. The current policy on income assistance calls for the following. It calls for a national minimum benefit level which would be the same across all state lines. It calls for a national minimum benefit which would be funded 100 percent by the Federal Government, and it calls for a national minimum benefit which would be provided for single parents with children, intact families with children, to married couples without children, and to single adults.

The basic new policy, as far as the income assistance, the second component of our policy is concerned,
would call for cost of living in regional differences in
terms of the amount of money which would have to be paid,
and it would only support families with children in it.

That is stated on page 21 of the goals you have.
I will read that policy, then I will read a brief addition
of one sentence that we would like to add. Beginning at
the reform of income assistance, it says, "The immediate
goal of the governors is to put into place the preventive
initiatives in the jobs programs recommended above. As
these begin to take effect, reducing dependency on welfare
and restraining public spending on public assistance, we
believe that reform of the basic cash assistance program,
Aid to Families with Dependent Children, AFDC, must be
undertaken." Then it goes on with some explanation of how
that would be done.

It is my recommendation that we add this
sentence to reflect what I believe is probably the
philosophy of all the governors in this room, with respect
to not spending additional money in the federal or state
sense if we do not have to. "It is our intent that the
reforms in the income assistance program will be funded
with savings realized through our prevention initiative and
through our jobs program."

I will repeat that, because you do not have a
written copy due to the last minute nature of it.
I am sorry, you have it. I will not repeat it.

Mr. Chairman, I submit the amendment to the policy.

GOVERNOR CLINTON: Is there a second?

The proposal has been roundly seconded. I now have to ask whether anyone would like to speak specifically to the amendment as opposed to the policy in general. If not, we will proceed to the vote on the amendment.

I will resume now with the addition of Governors Thompson, Orr and Martinez asking to be heard.

Governor Ashcroft on the amendment.

GOVERNOR ASHCROFT: Some of us have programs under way which are putting up some money in front out of our general revenue for reforms. Is there a way we could adjust this language that indicates that is our -- hope eventually to finance the reforms out of savings, but unique start-up costs of these things don't ever make it.

GOVERNOR CLINTON: Well, if I might comment on that --

GOVERNOR ASHCROFT: Is that what this means?

GOVERNOR CLINTON: Yes. What we are saying here, is with reference to the income maintenance program, and our policy, as Governor Castle pointed out -- this policy, if you will, is not as far-reaching as the present policy which is on the books. It's one of those policies Governor
Sinner discussed; I doubt if we could pass that policy again today, but it is the policy of NGA, present policy. We propose, nevertheless, in the new policy, an income maintenance standard, that would be more generous than is the fact in America today, and which would require federal dollars. All that this amendment does is to make clear that those federal dollars would come from savings to be realized by the initiation of the first steps of our program.

The rest of our policy does call, Governor Ashcroft for new federal dollars in the same way you are proposing in Missouri. I read your plan carefully and compliment you on it. That is the front-end investment expenditures for education, training, job placement, things of that kind.

I do not believe that there is anything in the proposed amendment by Governor Castle which is inconsistent with what you are doing in Missouri.

I hope I have responded to your concern.

GOVERNOR ASHCROFT: That's fine. I just don't want it to be suggested that those of us who are spending some of our own dollars to try and get some things rolling are inappropriately done.

GOVERNOR CLINTON: There is nothing this policy decision -- this speaks to a concern Governor Thompson had,
I think, which prohibits the states from going beyond what this policy is, which is what we think the minimum standards, not the maximum performance, should be in the welfare program. Governor Kean, for example, has a proposal to cover all recipients with children two years of age or older; even though the federal law now has it six, we propose going down to three. There is nothing in this proposal that would prohibit any of us from going beyond where we are.

Is that a fair description of your position, Governor Castle?

GOVERNOR CASTLE: It is a fair description. For example, in Delaware I have recommended replacement of the WIN program of 100 percent of the funds, not knowing what Congress is going to do. I think in a lot of cases, a lot of states have gone beyond this. This really pertains to the future income of the present situation.

GOVERNOR CLINTON: If there is nothing further on the amendment as proposed to the policy, I would like to receive the vote on Governor Castle's proposed amendment.

All in favor, say "aye."

(Chorus of ayes.)

GOVERNOR CLINTON: Any opposition?

The amendment is adopted without opposition. I will now proceed to hear from other governors, beginning in
the order in which I was informed: Governor Dukakis, Governor O'Neill, Governor Celeste. Then I will proceed with the rest. There are five who have asked to be heard.

Governor Dukakis.

GOVERNOR DUKAKIS: Mr. Chairman, I support this proposal very strongly, as I think everyone knows, and was privileged to serve on the task force with you, Governor Castle and the other members. I would to add my own voice to those that have already been raised in commending both of you for your leadership on this issue.

But I do want to do so with an additional warning, if I can. As many of you now, we have been at this now in Massachusetts for a little over three years. We have had great success in not only helping over 30,000 people on public assistance to make the move from welfare to work, but in dramatically reducing the average length of stay by one year for welfare families by cutting the number of welfare families back that have been on welfare for five years, more than 20 percent. Don't let anyone tell you we can't significantly improve the lives and futures of long-term welfare families. We have been able to reduce welfare families 32 percent, out of the process of savings, John, we have been able to develop as a result of the program.

If this resolution would be approved in
legislative form by the Congress, I can assure you with the federal match for education training in childhood, we could help thousands more to follow the 30,000 who have already made a move from welfare to work.

The one thing that we are continuing to see, however, is too many new welfare families arriving at the welfare office, even as we achieve the kind of success that we have achieved, which is why the Chairman's initiatives on bringing down the barriers in prevention are so important, and I can't emphasize that too strongly.

I hope, Mr. Chairman, that the Congress and Administration and all of us can work together to achieve what really would be a revolution of the welfare system of this country.

But I cannot emphasize too strongly the importance of prevention and of the work that we will be doing between now and the end of July on the barriers initiative. Because if we are going to help people lift themselves out of poverty and out of welfare, and we can and we must, we will not do the full job unless we can help other families not to get there in the first place. That is why the barriers initiative is so important, and again, I want to express my appreciation for your leadership on this issue, because that is the last step on this road, and it is an important step.
Let me also state the obvious. That is the work we are doing on child support enforcement is also a very, very important part of this effort.

The concept of the absent parent providing support, as he should, the custodial parent working and earning, and welfare, in effect, becoming an income supplement, is a very, very important one, and one which, again, permeates this policy.

But my appreciation and congratulations to you, Governor Castle, you have done a great job.

GOVERNOR CLINTON: Thank you very much. Thank you for the excellent example you have set for the rest of us to follow.

Governor O'Neill.

GOVERNOR O'NEILL: Thank you very much, Mr. Chairman. I, too, would rise to support this position.

We in Connecticut also developed a plan very similar to this and very similar to what they have in Massachusetts. In the very first year of our jobs connection program, we got 5400 people off the welfare roles, that's individual families. That's a lot of people. We have to make sure that they know how to read and they know how to write and they can go and apply for a job. That's exactly what we intend to do.

I know each and every one of you are doing
similar steps in your own state, but this gives us, as a unified group, an opportunity to say to the Congress of the United States, the system doesn't work right. Let's make it work right.

I would like to congratulate all that have been involved here and the various welfare commissioners and their national organization across the United States of America, the people that have to deal with these issues on a daily basis. We are setting policy, I believe here today, that will go a long way in making sure that poverty can be, and will be, stamped out in this country.

GOVERNOR CLINTON: Thank you very much.

Governor Celeste.

GOVERNOR CELESTE: Mr. Chairman, I join in congratulating Governor Castle and Governor -- yourself, Governor Kean and others, in the efforts that went into this resolution. It's interesting having been part of the debates and discussion over what happens to welfare in this country during the past four, five years, to see this consensus emerge and see it emerge really out of the firsthand experience of states who provided the leadership and the experience to help us, I think, see our way clearly toward this policy.

I would underscore the fact that it takes a real investment of resources to make this policy work, that when
we talk about a contract between ourselves as government
and the individuals who receive assistance, we have to be
as committed to good faith performance as we expect them to
be committed to good faith performance in pursuit of
education, training, participation in job search, and
taking a job, when that job is available.

I would underscore the point that is made on
page 18 of the policy resolution, particularly as it
applies to health care coverage. In my discussions with
folks who are public assistance recipients, one of the
really serious concerns that they had, when they step off
public assistance and into the private sector in some kind
of a job, is whether or not they have health care for
themselves and for their families. I identify this, I
think we are clear that child care is an absolute essential,
that education and training is an essential. We have to
design and deliver vehicles to assure health care coverage
for these individuals to make that transition and to make
it in an appropriate fashion.

With that thought in mind, I am a strong
supporter of this resolution and hope the governors will
support it.

GOVERNOR CLINTON: Thank you very much for the
point you made, not only today but in your discussion with
Secretary Bowen about the importance of us who are trying
to be innovative and to try to implement the spirit of this, getting the kind of help we need out of the Administration to carry forward the Medicaid program.

GOVERNOR SUNUNU: Thank you very much, Governor Clinton. This is, as has been noted, a very important policy for our consideration. I do commend you and Governor Kean and the other members of the task force.

I think the most important part of this policy is a fundamental thread which runs through it, which is a clear charge and a clear recommendation that there must be a basic move from programs that create dependence to programs that create both capacity in the individual and the job training that is necessary for those individuals to be able to hold a job and to move from one side of society's ledger to the other.

This policy provides for a strengthening of individual responsibility; it urges the kind of flexibility that the states require in order to make the programs work, and work effectively amongst the specifics in there; it opposes federal regulation of some of the areas, including the imposition of job-related requirements in some of the services that it calls for.

I do believe that there is an opportunity at hand, there is clearly a coincidence of a number of agendas...
here that we ought to take advantage of.

This is -- I hope will come out of this conference is a strong bipartisan policy resolution, a resolution which at our meeting with the President, received significant support from the Administration in most areas and an invitation, I believe, to reconcile the slight differences that remain.

I think with the strong support of the NGA, the bipartisan support of the NGA, the governors of the country and the Administration, we have an opportunity now to lobby and urge Congress to make the kind of changes in welfare programs that I think the citizens of America are waiting for. They recognize the existing program as expensive, it is ineffective, and they want to change and this policy is a clear blueprint for the kind of change that has to be accomplished. I urge your support.

GOVERNOR CLINTON: Governor Orr.

GOVERNOR R. ORR: Thank you, Mr. Chairman.

Two points. Number one, on Sunday, I found it necessary to voice an objection to the policy as it was then stated, and pleased to be able to support the policy now with the revision that was included this morning by Governor Castle.

The second point is that the reason for my negative vote was largely that education is so important,
particularly early years' education, toward removing a barrier for improvement in our welfare circumstance; there is no doubt, in my opinion, that one of our major problems today in America is that the concept of social promotion, which is built on the theory that you shouldn't hold people responsible for learning in a given grade, has perhaps added immensely to the welfare roles of the United States. When, as it was said the other day by Secretary Brock, that we turn 700,000 people a year out of high school that are in a condition of illiteracy, that they are therefore unable to hold a job, we are guilty of adding to the welfare rolls on a continuing basis.

My concern on Sunday was that I was perhaps going to be at cross purposes with this policy because of the emphasis that we are now placing on education in Indiana.

I am pleased to be able to support and recognize that here we have an example of the governors coming together on a bipartisan basis with this Administration and urging Congress to join us in this endeavor.

It is significant, indeed. There were media people constantly yesterday saying this is an unusual governors' conference. There are not many sparks flying. That's because we have all come together on some significant programs, this being the primary one.
I applaud all of those that had a hand in it, particularly in making it possible with the change in language for me to be supportive to. I do believe in it.

GOVERNOR CLINTON: Thank you very much, Governor Orr.

Governor Thompson and then Governor Campbell.

GOVERNOR T. THOMPSON: Thank you Mr. Chairman.

Let me too add that I would like to congratulate Governor Castle, Dukakis and you, Governor Clinton, as well as Governor Kean, for your leadership role in this issue.

I, however, do not support it. Wisconsin has always been a leader. We are currently the fourth highest as far as AFDC payments at the present time across this country, a state that is relatively poor. We made a commitment to welfare reform; we made a commitment to the poor; we made a commitment to the disadvantaged and the minorities.

Every time Wisconsin does those types of innovative ideas, we seem to somehow get penalized because we are waiting for the federal dollar.

I want the flexibility. I do not want to have to wait for Congress to act. I am meeting with Secretary Bowen at 11:30 this morning to request six waivers to make Wisconsin's welfare reform package the most innovative, far-reaching welfare reform package in the country.
And I think it's great, on a bipartisan basis, to pass a resolution on welfare reform, but I do not think it's fair to penalize states that are way out in front, leading the pack right now, without the federal dollars. I know the governors will say that you have the flexibility to do that, and we do, under your proposal.

But we are setting up a program in Wisconsin that is going to take care of prevention, health fair, work fair, learn fair, university fair, to allow young mothers to be able to continue on with their education, subsidizing day care center, and we are putting in our own state dollars to fund this program.

We are making the commitment. We are making a commitment, because we think it's the right thing to do, and I compliment all the governors that are supporting this, but as a state that is way out in front, I think once again Wisconsin will be harmed by waiting for Congress to act. We don't feel that we can afford that luxury.

I would hope that you would -- all the governors around the table, would take it upon themselves to look at Wisconsin's model as far as welfare reform and adopt some of the provisions, such as allowing for tuition-free for mothers that are going through high school and grade school if they do not have further children, allowing minorities to go on to college, allowing for subsidized day care
centers for young mothers so they continue their grade
school and high school. Innovative programs that really
get at the heart of welfare dependency in this country.

Even though I compliment you and commend you for
your movement forward in welfare reform, I, as the Governor
of Wisconsin, feel that it is not the program that is
suitable for my state. Thank you.

GOVERNOR CLINTON: Governor Campbell.

GOVERNOR CAMPBELL: Thank you, Mr. Chairman.

I speak in support of this program as amended.

The interesting part about it, I think, is that we
understand that to work, people have to be responsible,
they have to be responsible in many facets. They have to
go on time; they have to return an effort. That's the key
part of this, the contract itself requires responsibility
from the front end, and because it recognizes different
circumstances for different clients, and yet it requires
them, if we were to adopt this into federal law, as we are
recommending it, that they perform in return, which builds
in the base responsibility and the movement into jobs.

The primary goal in welfare has shifted from
maintenance to goal-oriented assistance. This country has
operated on a maintenance program for many years. We are
going to have to do a lot of things in order to bring it into
fruition. There is still tremendous fragmentation and
waste in the overall delivery system. That's the reason, I think, that you can affect savings that can pay for most of this.

The system is going to have to be reformed to be able to deal with the need for a social worker to work one on one with a client, and I think that the pilot projects that we have and some of the waivers and task forces that we have going around this country now can be dovetailed into that effort. Indeed, I think some of the programs in Wisconsin probably can be looked at.

There is still something else. I think we have recognized that today as we have talked about savings. We still rightly have to recognize the distinct characteristics as well as the abilities and limitations of the different states. That's the reason that flexibility is so important in this program. Therefore, it's extremely important that the Congress, when and if, and we hope they will, draft legislation to implement this type of program, recognize the differences and maintain in law the flexibility for each state to be able to respond effectively, but also recognizing the limitations in the state.

This committee that has drafted this has done an outstanding job. It's a tremendous step forward. In 1984, we took an unprecedented step. We said that if you bring a
child into this world, in this Federal Government of ours, in our states, that you are the primary person responsible for the upkeep of that child, no matter what the circumstance between father and mother. We put that into federal law. I served in the Congress a long time. That's one of the few issues I saw pass the House of Representatives unanimously.

Today we are following up on that. We are building on responsibility that is being restored to a system that has not encouraged responsibility.

I think it's important that we emphasize that to the American people, as we adopt this proposal, and I am very hopeful that we will. Thank you very much.

GOVERNOR CLINTON: Thank you very much, Governor Campbell. We especially appreciate your support because of the work you did in the United States Congress and your detailed knowledge of this problem.

I would like to ask the people in the back to please calm down or leave and go outside and talk. We can hardly hear up here. This is a very important issue.

Governor Baliles.

GOVERNOR BALILES: Mr. Chairman, on the topic of welfare reform, I think it's safe to assume that after this conference that the governors are in consensus on several basic assumptions: One, the welfare system doesn't work
very well; two, the welfare system is in need of reform; three, the focus of reform should be on work; four, that the flexibility and experience of our several states would demonstrate that there are better ways to operate the system; and five, that the components of reform should improve -- should deal with the improvement of those features that focus on prevention, self-sufficiency and survival.

But beyond those agreements, it would seem that there are some issues and questions that really will require a great deal more time and attention than we have given them thus far.

It seems to me it's important to remember that first, welfare reform is not new. It has been the subject of discussion in this country for 20 years. So far, there has been more welfare than reform. Second, in pushing for reform, we are putting the credibility of this organization and our states and the Federal Government on the line. Third, for the next several months, perhaps longer, there will be expected debate and discussion. We have a commitment to explore those questions. We should not ignore them.

Obviously, the questions about funding will be paramount, the allocation of funding responsibilities between the states and the Federal Government. There will
be questions about whether the Federal Government's
commitment to experimental programs will be given equitable
treatment in those funding of traditional programs in the
budget process. It seems to me we cannot ignore the
question that very well may be realistic in this deficit
crisis that we are talking about, of whether welfare reform
will result in the conversion by the Federal Government of
entitlement programs to the block grant process, with all
the implications that that means, based on experience of
block grant reductions in recent years.

With that, Mr. Chairman, I would say that I
believe welfare reform is in order. I congratulate the
task force for its work and its recommendations, and I
support those recommendations. But what we approved today
is a concept. There will be no reform if that concept is
not translated into the mechanics, the details, the
programs that reach down to the very people we are trying
to help. That will require our time and attention long
after the adjournment of this conference and after our
approval of this program.

Thank you, Mr. Chairman.

GOVERNOR CLINTON: Thank you very much, Governor
Baliles.

The Chair would like to say a couple of brief
words to close the motion so we can get on to Governor
Mecham's resolution. First, I would like to emphasize the
point made by Governor Dukakis and others that this program,
even if we adopt it, even if we get it through the Congress
with the support of the President, cannot be fully
successful unless we pursue the other prevention
initiatives in the barriers project and we continue to
fight for more job opportunities through our efforts to
make this country more competitive.

The second thing I want to say has already been
said today. Again, it may be the most significant thing we
can do if we put this system into place, is to change the
value system on which the welfare program in this country
rests.

When I was a small boy I used to go to work
everyday with my grandfather who had a store in a small
town in rural Arkansas. Most of his customers were black
and all of his customers, except for a handful were very
poor. There was no food stamps, and when they didn't have
any money for food, well, he fed them anyway. When he died,
we found his ledger was full of past due debts of people
who he fed because they couldn't eat otherwise. He even
had a big old jar of Jackson's cookies; he used to give
cookies to the kids when they didn't have any money.

When we changed to a system saying that we ought
to do better than that and government ought to provide more
opportunities than that, we never meant to say to people we
don't care about you anymore, we don't value you anymore,
you don't have an intrinsic worth, productivity and
capacity to work as people, it's all right for you to go
home to your kids at night and them never know that you are
trying to learn, work and do the other things that people
have to do. We never meant to send all those signals out
there, but I submit to you that we have, in ways that we
never intended to do. That's why, as Governor Campbell
said, Congress adopted those child support changes
unanimously a couple years ago.

What we are trying to do is not just within the
confines of the laws we wish to see changed. We want to
send a signal to our country that we are coming together
again around the fundamental values of the importance of
each individual and the capacity of each individual to do
better.

So I submit to you that that ought to be
considered as we vote too.

I would like now to call for the question, all
those in favor, say "aye."

(Chorus of ayes.)

GOVERNOR CLINTON: Opposed?

With one vote in opposition, the policy is
adopted.
Governor Mecham.

GOVERNOR MECHAM: Mr. Chairman, I would like to move to suspend the rules so we can vote on my proposal on the transportation.

GOVERNOR CLINTON: That is a nondebatable motion; it requires the 3/4 vote of those who are here. All those in favor, raise your hand. 25.

All opposed, raise your hands.

By a vote of 25 to 6, you have voted to suspend the rules. Is my math good? By a vote 25 to 6, you have voted to suspend the rules.

Governor, you are recognized for your motion.

GOVERNOR MECHAM: Mr. Chairman, I'd like to make the motion, and it is covered in the pink copy that everyone has. In essence, what I does is it just allows the states the opportunity to have the jurisdiction on their speed limits up to 65 miles an hour; it is not mandatory. It certainly leaves within the prerogatives of the states everything relating to safety. It will be to those who would like to read in any detail, of course, on F-2, page 4.

We will change the position of the governor's policy from being in favor of the mandatory 55 speed limit to allowing us to have the opportunity to have the jurisdiction within our states up to 65 miles an hour.

GOVERNOR CARRUTHERS: Second.
GOVERNOR CLINTON: The motion has been made and seconded.

Now, as you will remember, I permitted time for discussion of this earlier. Does anyone else want to speak to the motion now? The Speaker has arrived and, I think, we all pretty well know where we are on this. Does anyone wish to be heard?

GOVERNOR O'NEILL: Mr. Chairman, my concern is to all the governors that are here and the safety factors that are involved. My concern also is that I've heard today it's part of a debate, and I know the issue was probably cut already, that 55 cannot be enforced.

Ladies and gentlemen, if 55 can't be enforced, 65 won't be enforced either; so instead of creeping up from 55 to possibly 65 today, you will be going from 65 to 75 or 80 or whatever the case might be. That, I think, is a serious concern. With that I will close.

GOVERNOR CLINTON: Does anyone else wish to be heard on the motion? If not, I will like to again call for a show of hands. Keep in mind, because the calls we had to suspend the rules, this also requires 3/4 of those voting. A quorum is present, so if there are 3/4 of the votes present voting for the motion, it will become our policy. All those in favor, please raise your hand.

23 votes in the affirmative, I think. Raise
your hands again. We may have one more. All in favor, raise your hands.

24 votes in the affirmative. I am going to drive 65 miles an hour the next time I get to the Northern Mariana Islands, I'll guarantee you. American Samoa islands.

All those opposed, please raise your hand.

The Governor of Arizona's resolution passes by a vote of 24 to 7.

(Applause.)

GOVERNOR CLINTON: Congratulations.

GOVERNOR MECHAM: Thank you very much.

GOVERNOR CLINTON: That's not bad for a beginner.

You don't ever have to introduce any of your motions, you can surprise us at every conference. We will look for you to alleviate the tedium of the march of events.

Ladies and gentlemen, it is a great honor for me to present, along with his own Governor of Texas, the Speaker of the House.

Jim Wright came to Congress 32 years ago, has been our majority leader in the Democratic Party of the House of Representatives for the last 10 years. He has not only been an effective leader of the Democratic Party, but a dedicated and effective leader for all the people of the United States.
I want to introduce to the Speaker our Nation's governors, where nearly half of them are starting their first term, and to tell him, as I am sure he perhaps knows, we have just adopted what I think is a very far-reaching and progressive position on welfare reform, which we hope will find favor in the Congress, and which has been embraced, at least as a concept, for the President.

As we always do here, Mr. Speaker, even though you are my neighbor, and I would love to present you, I must defer to your Governor, Governor Clements, to make whatever remarks he wishes to make.

Where did he go? Here you are.

The Governor of Texas, Bill Clements.

GOVERNOR CLEMENTS: Thank you, Bill. Ever since Texas made the fateful decision back in 1845 to join the Union, we have sent strong leaders to Washington and our Federal Government.

Jim Wright ranks at the top of the Texas roll call, right there with John Garner and Sam Rayburn, two former great Speakers of the House.

We Texans are proud that we now have a third Speaker of the House. Jim Wright is a great Texan. He is carrying out his duties with a full sense of commitment, dedication and determination to do what is right for our country.
Very briefly, some background material. Jim Wright enlisted in the Army Air Corps during World War II, received his wings and a commission at age 19.

He flew combat missions in the South Pacific, and holds the distinguished Flying Cross, the Legion of Merit and other awards of recognition.

He has been a member of the Texas legislature at age 23. He was the youngest Texas mayor at Weatherford, Texas, at age 26.

For those of you who are not aware of that, Weatherford is the watermelon capital of the world. We are proud of that.

We are proud of Jim. He was a member of Congress at age 31 and is now in his 17th term in the House. Jim Wright has always distinguished himself and his state.

As Governor, I am proud, and as a friend, I am proud and honored to be able to introduce the Honorable Speaker of the House, a great Texan, Jim Wright.

(Applause.)

SPEAKER WRIGHT: Thank you, and thank you for giving me the privilege of being introduced by that quintessential Texan, our Governor, Bill Clements, who embodies all those traits and characteristics which we enshrine in our hearts in Texas: shy, unassuming, retiring, soft spoken, quiet.
Some people, you know, Bill, have the wrong impression about us Texans. I daresay you might find in this group some folks who have that very distinctly erroneous notion that all Texans are rich, swaggering, uncouth braggarts. I see my friend Jim Blanchard nodding his head in affirmation.

We are not all rich, swaggering, uncouth braggarts. We are not all rich. In fact, some people had the wrong idea that Texans resented it those few years back when Alaska became the biggest of the states. That's not so at all. We rejoice with our neighbors from Alaska in their new-found honor. We just hope you folks can bear that with the same becoming modesty that we always had when we were the biggest state.

I am very glad to have a chance to visit with the governors. I have been reading in the newspapers and hearing from some of your number about your deliberations, and I think they're extremely constructive.

If I am late for this appearance, and I apologize for that, I was at the White House where a group of committee chairmen and ranking minority members were meeting with the President and some of his top AIDS discussing the framework in which we expect to consider an entire range of legislation this year aimed at restoring excellency to the educational system, improving the
competitiveness of America and every facet of our economic and social endeavors, trying to do something to arrest this terrible $170 billion trade deficit that has been our deficit that has been eroding our industrial base and robbing us of American jobs, closing our American plants, and see what we can do in the field of welfare reform, to make it attractive so we could take people off the unemployment roles and off the welfare rolls, and get them on the productive payrolls.

I have talked on a number of occasions with Mike Dukakis, whose state has done such a magnificently outstanding job in blazing a trail for removing the numbers from the welfare roles and putting them onto the active, productive payrolls in the private sector.

I think all of us really need to acknowledge that the problems encountered in some of our states are somewhat different than those in Massachusetts, not different than those which Massachusetts suffered 10 years ago, but Massachusetts by fortune and changed circumstances and perhaps good management, has pulled itself up by its own bootstraps, until today it has a relatively low rate of unemployment and a high rate of investment in the state, producing job-creating enterprises.

Maybe some other states have slightly different problems, but I am convinced that there exists in this
number, and among all of you who have been are wrestling with this problem at the local level, where we don't regard it so much as statistics but as human beings thrown out of work, enough wisdom and enough experience that you can help us put together the framework of the national program which will allow to each of you sufficient latitude that you may perfect those things that will work most effectively in your own states, while at the same time the Federal Government does not lend itself to a cop-out by saying, oh, we are going to rely upon the individuality of the states as an excuse for withdrawing more, and even more, of the federal participation.

One of the things that was said this morning at the White House was that a great deal of money has been spent in education without commensurate results. This was the appeal being made to us by the Secretary of Education. If one isn't careful, he can conclude from this that the best way to get quality education is to spend less money. Because it is apparent, in all that is being said, that there is an attempt afoot to implant deeply in the public's psyche the idea that you don't solve a problem by throwing money at it. Maybe that is true; you don't solve a problem simply by throwing money at it. But those of you that have responsibilities at the state level for providing quality education, I think have discovered surely that you can't
provide quality education without money. Somebody has to
have money, somebody has to pay the taxes if we are to have
public schools.

Those taxes either must be pay at a federal
level, or they must be paid at a state level, or they have
to be paid at the local level through property taxes or
whatever other arrangements you may have in your individual
states, but there isn't any such thing as just exhorting
parents to teach their children more, so that we won't have
to worry with it at the level of government. There is no
such thing as that.

The Chairman of our Education and Labor
Committee of the House, Gus Hawkins of California, made
that point with the President after the Secretary of
Education, Mr. Bennett, had made his elaborate discussion
relating how much more money we are spending on education
without getting better education. Gus Hawkins said, well,
Mr. Secretary, that's all right. But what you are
suggesting is the states and the local units of government
have had to scrape and scrounge to get the "more money"
that is being spent, because you have provided that we
spend less at the federal level, that we give less help,
and that in the compensatory education field, where now you
are suggesting that we need to do more, federal matching
fund was only 10 percent, and now it's down to 6 percent;
you are suggesting to us, with all of the rhetoric about
the need for quality education for linguistics training,
for job retraining, for making it possible for people to
hone up their skills so that the American work force is the
most productive in the world, you are sucking that we
reduce the total education budget by $5.5 billion.

He finally came to the point that while it may
be true that you can't solve these problems simply by
throwing money at them, you surely can't solve them just by
throwing words at them. They aren't going to yield if we
just throw slogans at them.

Down at the bottom of it, we have got to
recognize a responsibility of paying for those things we
need. Maybe we find we want to pray for better schools. I
am willing to pray for better schools, but I think we also
have got to be willing to pay for better schools, or we are
not going to get better schools. It's really about that
simple.

So I would say to you that there is a strong
disposition on the part of the House, and I think the
Senate too, this year, to reach again for the stars, for
the goal of quality in education, a renaissance of American
education, from the bottom to the top, so that we begin to
revive that ancient American dream, the promise that in
this blessed land of ours, the humblest child, born of the
most improvident circumstance, might have as his or her birthright, the right to get as good an education as a prince or a potentate could just get anywhere else on earth.

My Governor is confronted with a problem which may, in greater or lesser degree, confront others of you: our prisons are full. And in the State of Texas, we have had to try to find some selective way to provide early release for prisoners convicted of nonviolent crimes, whose release back out into the population at large would be considered least dangerous, I guess, Bill, is the way we are trying to figure it out, in order that there would be room in the prison for a newly convicted felon. That says something very serious, I am afraid, about the state of our society. If it only applied to Texas, I guess I wouldn't mention it. But I don't think it does.

Those people who have criticized our attempts to arrest the decline that sets in at middle school level from the youngster who escapes school and then lays out for two or three years and doesn't want to go back to drop out, I think have missed the vital central point. The Job Corps was criticized on the ground that it only redeemed about 70 percent, because 30 percent of the Job Corps enrollees dropped out before they completed the training, and I guess that's probably about true.

What that misses is the fact that they were 100
percent dropouts to start with. If you can take 100
percent failures and redeem 70 percent of them, and provide
them with a skill that works in the marketplace, and if
then you can show the record that the Job Corps was able to
show of finding a job and placing in that job at least 90
percent of those 70 percent who graduated, I say you have
got a success on your hands; it isn't a failure.

Some others criticize it on the grounds that,
well, you have got to where it was costing $4000 just to
send a kid through job training, and that's more than we
could afford. But it costs more than that, doesn't it,
Bill, if you send him a year to jail. One of the ironies
is that a year for a young American in one of our state
prisons or penitentiaries probably costs more than it would
cost to send that young fellow to the most expensive
university in America.

If, by result of that training, he or she is
able to find a job at the minimum wage, no more, and apply
that job for two and a half years, that young person will
pay back in taxes more than the investment we put into his
or her training, and that whatever he or she pays in taxes
to the Federal Government will be profit, a yield on the
original investment.

Well, I don't need to preach these things, I
think all of us have thought these thoughts, dreamed these
dreams, made these plans, encountered these obstacles, faced the same frustrations; basic frustration facing all of us is the over indebtedness of everybody in the United States. We have had a crisis in credit; our problem has been that our credit rating was too good, I guess. We have borrowed; there is a tendency of the Federal Government to put it on credit card, send the bill to the next generation.

Some of you in your state constitutions are not able to do that. Our state Constitution in Texas prohibits that kind of arrangement. It isn't just the Federal Government, it's businesses, our financial institutions in the southwest are overextended. People bet on the continuance of real estate inflation, and they got themselves borrowed to the hilt, and in some cases the decline and the value of real estate, because of the decline in our area in petroleum and certain other things, has put them in a negative net worth situation.

We borrowed too much. We will work our way out if you give us half a chance. Those people don't want to become bankrupt; they don't want the government to come and close them out. They are not asking for a hand out. I think they are asking for a hand up. That's what the people who don't have jobs are asking for too; aren't they?

Yes, I know, we have created here in our society a situation in which an entire class of people has grown up,
in some cases, unfortunately, with no other expectation than to someday get on the welfare. We don't want to create a permanent welfare subclass in our country. That is antithetical to everything we've dreamed of, and taught and believe. We can break that chain. We can bust into that cycle.

That's what I welcome in your enthusiastic recommendation of a welfare program that will work, break the chains of habit by which people have been tied and enslaved to the idea of nonproductive welfare status; teach those young people they've got a chance; and that they do count; and that they have got something worth pursuing in the marketplace; and that America does need them; and that they have got something that this country can use; and teach them pride in themselves.

I think I can promise you that we welcome with open arms your recommendations on welfare reform. We look to you for advice, guidance. Light a candle for us. There are several of you who have been doing that. Counsel with our committees. We will give it a high priority. We have already said that this year we are going to give top priority to the trade bill. We have already given a -- we've passed a Clean Water Bill which I think will be helpful in many of the states.

Both of our houses have passed a highway bill,
and we give you the assurance right now that if you are ready to go out and make commitments against that highway bill, if you want to go to bed on some highway projects, go ahead and do it. We will reimburse you. The bill will, I assure you, contain a provision that allows for full reimbursement back to the 1st of January of this year, for any contracts that you may have entered into, if you want to go ahead and move rapidly, rather than awaiting the formal passage of the bill. I hope you don't have to wait too long for that.

The bill, we trust, will clear conference committee, and be approved and be sent to the President for his signature within a matter of a couple of weeks.

But if it tarries -- if it tarries, be sure, I have got the assurances on both sides, the Senate and House leaders as well, that there will be a provision in permanent legislation which reimburses your state if you have had the decisiveness to move ahead and get the process moving.

(Applause.)

Then we're going to -- we are also going to have a more permanent long-range program to help those disadvantaged people who have found themselves adrift on a moving tide of our American economy without a place to sleep. More and more, people have been thrown out of their
homes; young couples in some instances who were lured by
the superficial attractiveness of the variable adjustment --
the adjustable mortgage rates, found themselves owing more
after four or five years than they had owed when they
started buying the house and still having to pay more in
monthly payments and couldn't meet the payments and have
lost their homes.

There are others thrown out of work by the
changing shifts in the American working place, who haven't
been able to find work. There are still others, yes, there
are some who are mentally deranged and mentally deficient
who don't have a home. Yes, there are.

We think maybe the minimum thing that a nation
as wealthy as ours owes to the humblest child of the land
is a warm and safe and clean place to spend the night and
sleep, and a hot meal. So next week we will have on the
House Floor a bill that will provide $500 million, not with
a lot of federal bureaucracy. It will be available to you
and your local governments through FEMA for immediate
disposition to try to help solve the problems of the
homeless.

Now we address the problems of trade, and the
longer-range problems of welfare. We ask your help. We
need your counsel. We want your advice. Together, we can
solve any problem in this country.
I don't know what we are going to do about the deficit. We have got to find about $61 billion somehow if we meet the $108 billion deficit figure commanded in the Graham Rudman law; that is to say, we have got to either spend $61 billion less than we spent on the same things last year in the Federal Government, or we have to find some $61 billion in revenues that we didn't raise last year, or some combination of the two, and that's reality, that's mathematics. That isn't economic theory. That's where we are at.

I would suggest to you that if you are talking with your members of Congress, you encourage them to be just as inventive, just as frank and as honest and forthright as you have to be at your state levels. Either you have got to cut spending, you have got to raise taxes or you have got to do some of both. For me to stand up here and say it isn't true would be sheer sophistry, you know it's true. Your representatives know it's true. They are intimidated. They are a little bit frightened. I'll just tell you how a lot of them feel. They have been running scared for the last couple of years, since a fellow named Mondale said that simple fact in an acceptance speech, getting a nomination which probably wasn't worth accepting, and he ingloriously lost a national presidential race.

Now, the result of that experience has been that
my colleagues have said, oh, don't say taxes, Jim, please
don't say taxes. Yes we know it takes taxes, but don't say
it, wait until the President says it.

Well, I'll tell you something, we're going to
wait forever if we wait until the President says it. The
President sits behind that Clint Eastwood, swaggering, says,
make my day, I will shoot it down. The reality is the
President doesn't really care that we have got these
deficits. If he did, he wouldn't have submitted such big
deficits. The President really honest to God doesn't
believe that tax cuts for rich people add to the deficit.
The President really doesn't believe that money spent on
military hardware adds to the deficit. But I think all of
us do.

You know, the truth of it is, we are going to
have to cut some of these things or we are going to have to
raise taxes. I tell my colleagues who say, oh, Jim, if you
say that, the President is going to go on a tangent, and he
is going to say there they go again, tax and spend, tax and
spend. You know, he may do that. But my answer to that is,
it's a damn sight more honorable to tax and spend than it
is to borrow and spend and borrow spend and borrow and
spend. I am through with that, and we all ought to be
through with that.

(Appplause.)
Because the honest thing is not to put our heart's desires and indulge each whim on a credit card and send the bill to our grandchildren to pay for things that we would have used up and worn out before they ever get to tax-paying age. That's not honest. It's not worthy of us. Let's be honest. Let's face it, whatever it takes, we can do it. This country of ours can make it. We can survive. We can do better than survive. We can excel.

I congratulate you for the great contributions you make for the magnificent examples you set, and for the good advice you are giving us, and I hope that we will follow good part of that advice.

Thank you for letting me share this with you.

(Applause.)

GOVERNOR CLINTON: Thank you very much, Mr. Speaker, for that muted and unopinionated set of remarks. It's nice to have your leadership and that's clearly what it is.

I wonder if there are any questions from the governors of the Speaker.

Governor Dukakis.

GOVERNOR DUKAKIS: Mr. Chairman, I know I am joined by all of the governors, regardless of the party philosophy, when we applauded the Speaker for the kind of leadership he is providing in the timetable he appears to
have put the Congress on. I know he knows we will work
very hard with him and the members of the Congress to
achieve the goals that he set out for this session.

We are very grateful to you, Jim, for your
leadership, especially on the subject of homelessness.
Because I don't think there's a citizen in this country
that isn't embarrassed and ashamed by what we are seeing in
every city and town in this land, including within about a
block or two of this building and other buildings in this
city.

Now I know that a part of the problem, as you
pointed out, has to do with mental and emotional illness,
and that's our responsibility, for the most part. We
understand that, although I would suggest that we weren't
doing a better job five or six or eight years ago, and in
many cases, we are doing better now. And five or six or
eight years ago we didn't have a homeless problem, at least
not to speak of.

Homelessness has to do with the absence of
decent affordable housing for families of low and moderate
income. It's as simple as that. We aren't building or
rehabilitating housing for families of low and moderate
income in this country these days, which is why we have
thousands and thousands of families who are homeless, lying
in the streets, and in doorways and in shelters. When
President Ford was the President of this country, we were building or rehabilitating 200,000 units of housing for low and moderate income families every year, under the Ford Administration. It was 300,000 under the Carter Administration. Today we are doing 25,000 a year. No wonder we have got hundreds of thousands of families sleeping on the street.

So, in addition to supporting your leadership, and providing funds for emergency shelters and the kinds of things that we are all trying to do, I wonder if you would comment -- I understand this requires resources, but I wonder if you would comment on the possibility that at some point in the not too distant future, this nation might once again begin to build or rehabilitate decent and affordable housing for families of low and moderate income.

SPEAKER WRIGHT: Governor Dukakis, it is my hope and aspiration that we shall. For me to tell you that this year we would resume the 300 annual level on our present resource base might be a little bit roseate. But, yes, we do need to acknowledge that commitment, to renew it, and to begin again to perform our obvious duty to those at the very bottom of the economic spectrum for housing, something to eat, a job, a chance to go to school. Those are the really basic things that I think we owe to all Americans.

GOVERNOR CLINTON: Governor Kean.
GOVERNOR KEAN: Mr. Speaker, I, too, want to thank you for being here with us this morning. In the area of education, I thank you for your comments. The governors in this room has been extraordinarily creative in that area, as you know. There have been more important new programs in the various states to benefit kids, I think, than at any time in nation's history, individual programs implemented by the various governors. We adopted a new education policy today to help you in any way we can, to help the Congress as it moves towards reauthorization of the various education acts this year. I hope you will work with us and let us help you in any way we can as you reauthorize those important programs.

But as we get into education, welfare reform and any number of other programs that as individual governors try to implement, very often we find out we are stopped by rules, regulations, statutory authority or something which limits flexibility. If there is one thing I hear governors ask over and over an over again, it's can we have the statutory responsibility to implement the changes that we think are needed to meet our individual state needs. Certainly this is true in education, welfare reform. But it's true in a number of areas also.

I think that's my question. Do you think the Congress would be willing to grant the states the statutory
authority to implement the changes that meet our individual needs so we can move ahead on these problems.

SPEAKER WRIGHT: I think I understand the question. And maybe I understand at least part of what lies behind it. There has been, I must confess, a tendency on the part of Congress to proliferate rules, regulations, plans, ideas, to promulgate ever wider requirement of an application for federal funds, to the end that states just find it terribly burdensome in some cases, some of the rules and regulations are not at all applicable in the states where they have to be carried out. There was one rule in the Clean Water Bill which seemed quite perfect to my former Senate colleague, Ed Muskie, when we wrote the Clean Water Bill, and that was if you used water out of a stream, for example, to generate electricity, that you had to cool that water off to below 90 degrees before you could put it back into the stream. In some streams in our state, the water runs higher than 90 degrees, you know, in the stream itself, and it created an enormous expense and investment for a lot of people generating electric power from the use of water out of streams.

That same thing, I think, applied in a broad sense, can tangle you up in needless red tape. I don't know that I can stand here and promise you that Congress is going to reform and never again write the requirements that
amount to foolishness in a state. I'd like to hope we would.

Let me just say that I'll encourage that thought among our members.

GOVERNOR CLINTON: Governor Collins.

GOVERNOR COLLINS: Thank you Mr. Chairman.

Mr. Speaker, we are very delighted to have you here today. I would like to ask you briefly about the war on drugs. I am task force chairman of the Alcohol and Drug Abuse Prevention Task Force, one of the barriers we are trying to address in the national governors. We were very pleased last fall when the President came out with war against drugs.

Now that we see the budget, we see that the budget, the 1988 budget, shows $913 million in cuts, money that we need for treatment, prevention, education, law enforcement, all those things. Could you give us some insight or some feeling about what we can expect in the future. Are we really going to have a war on drugs, or is this going to be the shortest war in America's history?

SPEAKER WRIGHT: In which we would unilaterally surrender before we fired the first shot. No, we are not going to do that.

Let me ask one thing before I respond to Governor Collins. If there is somebody here that has
access to a telephone, call 225-2204, any of my people back there? Is Wilson Morris back there? Somebody needs to
call 225-2204 and tell them that Tom Foley is going to have
to open the House, because it starts in four minutes. I
won't get there. Thank you very much.

Martha, Governor Collins. No, I think I can
safely predict to you that we will fully fund the bill that
we passed last October. The bill was passed by an enormous
vote, and a preponderant overwhelming bipartisan vote. We
are not going to make that commitment and then run from you.

We will fully fund that effort, including the
efforts to assist schools to develop the programs by which
they can use that powerful tool of peer pressure among the
young, the very young, before they have been ensnared by
this wicked instrument of drugs.

Also, that we will provide money committed in
our legislation, for local law enforcement officials and
state law enforcement agencies to help them cope with the
multi-billion dollar subculture of drug lords and overlords
that they have to bill with. We will fully fund the bill.

GOVERNOR CLINTON: Governor Carruthers.

GOVERNOR CARRUTHERS: Mr. Speaker, I am from
next door, from New Mexico. I am one of those states -- I
am working in one of those states where we must balance the
budget. I am very interested in your comments, but
somewhat curious in that I have had to ask for a modest
increase in taxes in New Mexico, when we might expect your
recommendation for tax increases at the federal level,
given your comments. Do you anticipate one of those this
year?

SPEAKER WRIGHT: Governor, I do. I think it's
inevitable. The President in his budget has certain things
that amount to tax increases, which he calls by other names.
He suggests, for example, that a veteran and his family
seeking to buy a house under a VA loan would be required to
put up an extra $1000 or so at the outset for the privilege
of borrowing money under this federally-insured program.
You can call that an user fee if you want; it's a tax.

There are other recommendations to the effect
that people who are beneficiaries under Medicare would have
to put up 40 percent more or thereabouts out of their own
pockets before they became eligible to receive the benefits
available to them otherwise under Medicare. Whatever you
want to call that, it's a tax. There are other proposals
of that kind under the guise of user fees, that are in the
President's budget submittal.

So I don't think we have to be so timid about
calling a spade a spade, or a tax a tax. I have made a
recommendation, which I think is a plausible one, early
this year, one of the alternatives that might be considered;
and this is that we might wisely choose simply to postpone
the implementation of any further tax cut for the
wealthiest people in our society, until such time as our
budget is in better balance.

As you may know, the top tax rate has been
brought down in these last few years from 70 percent to 50
percent; and in last year's bill, it was decreed that it
should further drop from 50 percent down to 38 percent; and,
this, of course, is the rate in which the most affluent and
most fortunate of our people are taxed. Next year, it
could drop from 38 down to 28 percent.

These are people, it seems to me, who of us all
least need a tax cut. So perhaps we don't need to talk so
much in terms of tax increases in putting a moratorium on
any further tax cuts for those at the very top of the
economic spectrum, until we get our house in better fiscal
order. That's one way to go about it. I don't suggest
that as a panacea or as a perfect way, but as one of the
alternatives that might be considered.

GOVERNOR CLINTON: Governor Sununu.

GOVERNOR SUNUNU: Thank you very much for coming
to spend a little time with us, Mr. Speaker. I would like
to go back to Governor Kean's question where he asked about
whether or not we could establish, within the legislation
that would flow through, more capacity on the part of the
states to structure programs to meet specific needs and to provide some flexibility so we can build some effectiveness and efficiency.

I listened very carefully to your answer. I think I heard you say that you would try but you weren't going to succeed. I would like to re-emphasize the importance of allowing the states to really make the best use of the taxpayer's money on the basis of needs as perceived within the states, and in terms of programs that work. Most of the programs we put into place, as we evaluate the quality of those programs, the ones that seem to work the best are the ones in which we have been able to wangle a waiver from federal regulations.

I really do think that it is a time for a strong answer to recognize the differences that exist in this country are positive advantages of the nation, and we ought to give the states the opportunity to take advantage of those differences.

SPEAKER WRIGHT: Governor, I think you make a lot of sense. I didn't want to seem to be discouraging a moment ago when I was responding to Governor Kean. I guess I was just trying to be honest with you. Yes, I hope so. I hope we will be able to do that. To promise you that it will occur in all cases or even in most cases or that it will occur immediately, might be somewhat dishonest of me,
because I am aware also of a human tendency on the part of law makers to try to enshrine in law their own pet prejudices, predilections and ideas about how things ought to be.

It's perhaps natural for me, coming from a state like Texas, to suppose that every state's problems are the same as ours and therefore to try to write in the law the kind of formula that would work in our state, when it might just cause burdensome problems of the most egregious sort in other states.

Having acknowledged the problem, and the reality that too often federal law compounds the problem of a state rather than facilitating a solution to the problem, I would just like for you to acknowledge that human reality that there exists in each of us a sort of a tendency to want to reform and create the world in our own images again. It's not good; it's bad, it's a weakness rather than a strength. But it exists, and in acknowledging that it exists, I don't ask you to succumb to it or say, therefore, we throw up our hands, there is nothing we can do about it. I don't do that either. But I thought I owed it to you to tell you it's going to be a little harder than we might suppose.

GOVERNOR SUNUNU: You wouldn't begrudge the states, then, pursuing other vehicles to achieve the same ends?
SPEAKER WRIGHT: Absolutely not.

GOVERNOR CLINTON: Let's give the speaker another hand.

(Appplause.)

GOVERNOR CLINTON: Ladies and gentlemen, we are about to close. I want to say just a couple things in closing. First and foremost, we look forward to the summer meeting in Michigan where we will complete our work on the barriers project and focus our attention more fully on the job growth and competitiveness project.

I would like to say that we have tried to focus attention on these topics more than in previous conferences. If you have a criticism of this conference, if there is something you think we can do better, for goodness sakes let us know. We want to have a better conference in the summer than we did here.

Thank you very much. We are adjourned.

(Appplause.)

(Whereupon, at 12:05 p.m., the conference was adjourned.)