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NATIONAL GOVERNORS' ASSOCIATION

WINTER MEETING

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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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1 P R O C E E D I N G S

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

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

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

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

20 GOVERNOR CELESTE: Mr. Chairman --

21 GOVERNOR CLINTON: Governor Celeste has been
22 looking for an issue on which he can support Governor
23 Sununu in a long time. I am going to give him a chance to
24 do that. I need a motion and a second for the adoption of
25 the rules of procedure. Governor Celeste moves. Is there

1 a second? Motion has been moved and seconded. All in
2 favor say "aye."

3 (Chorus of ayes.)

4 GOVERNOR CLINTON: Opposed?

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

12 We will consider the revised and new committee
13 policy positions that were sent to you on February 6th of
14 this year. You have before you these committee policy
15 statements plus any amendments made by the Executive
16 Committee and standing committees at this conference.
17 There are some resolutions. Please note that resolutions
18 can only recognize persons, places or events, or support
19 existing policy in the association. No new policy can be
20 adopted by means of resolution. These policies and
21 resolutions will require a 2/3 vote of those present and
22 voting.

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

1 3/4 vote for adoption.

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

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

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

12 GOVERNOR CARRUTHERS: Mr. Chairman --

13 GOVERNOR CLINTON: Yes.

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

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

19 (Discussion off the record.)

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

23 Governor Branstad, are you prepared to offer
24 your policy?

25 GOVERNOR BRANSTAD: Mr. Chairman, the changes in

1 agricultural policy have been distributed, and I would move
2 the adoption of the changes in agriculture policy as
3 recommended by the Agriculture Committee of the NGA.

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

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

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

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

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

17 All in favor say "aye."

18 (Chorus of ayes.)

19 GOVERNOR CLINTON: Opposed?

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

23 GOVERNOR DUKAKIS: Mr. Chairman, we have four
24 resolutions concerning historic preservation, the
25 establishment of a rural transition loan program within the

1 SBA, a resolution dealing with university research and
2 training, federal civilian R&D research and the
3 relationship it has to the states, and a resolution on
4 hostile corporate takeovers. I would move the adoption of
5 all of these resolutions.

6 GOVERNOR CLINTON: Is there a second?

7 GOVERNOR CARRUTHERS: Second.

8 GOVERNOR CLINTON: Motion has been made and
9 seconded.

10 Anyone like to speak to these resolutions?

11 All in favor, say "aye."

12 (Chorus of ayes.)

13 GOVERNOR CLINTON: Opposed?

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

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

25 There are also submitted for your consideration

1 four policy positions which represent amendments to
2 existing positions taken by the NGA. One of those is
3 referenced the Clean Air Act, a policy on ozone attainment;
4 the second one is hazardous waste management, source
5 reduction of hazardous waste; the third is the Clean Water
6 Act; and fourth is principals for environmental health and
7 assessment policy.

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

11 GOVERNOR CLINTON: Is there a second?

12 GOVERNOR ANDRUS: Second.

13 GOVERNOR CLINTON: Seconded by Governor Andrus.

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

16 GOVERNOR BRYAN: Mr. Chairman.

17 GOVERNOR CLINTON: Yes.

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

20 GOVERNOR CLINTON: Go ahead.

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

1 correctly reading that resolution?

2 GOVERNOR MOORE: Governor, you are correct.

3 GOVERNOR CLINTON: Further questions?

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

5 (Chorus of ayes.)

6 GOVERNOR CLINTON: Opposed?

7 They are unanimously adopted.

8 Governor Castle, the Chair of the Committee on

9 Human Resources.

10 GOVERNOR CASTLE: Thank you, Mr. Chairman.

11 We, in the Human Resources Committee, have
12 looked at three different policies which we will ask this
13 group to consider. However, before we do that, if we may
14 turn -- if I may yield for a moment to Governor DiPrete,
15 who has shared with the committee a proposed policy
16 statement about educating our children in their junior and
17 senior years in high school about the problem of AIDS, and
18 Governor Dukakis has also worked on this.

19 With your permission, sir --

20 GOVERNOR CLINTON: Governor DiPrete you are
21 recognized, sir.

22 GOVERNOR DI PRETE: Thank you very much,
23 Mr. Chairman.

24 As you know, I have indicated that I believe the
25 governors of the various states have a strong personal

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

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

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

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

24 GOVERNOR CASTLE: That is certainly agreeable
25 with the Committee, and I am sure Governor Dukakis. We

1 appreciate Governor DiPrete's abiding and very strong and
2 abiding interest in what is a significant problem for this
3 country.

4 GOVERNOR CLINTON: Thank you.

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

10 Please go forward, Mr. Chairman.

11 GOVERNOR CASTLE: Thank you, Mr. Chairman.
12 Thank you Governor.

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

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

19 Is there any position about any of these
20 policies?

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

23 (Chorus of ayes.)

24 GOVERNOR CLINTON: Opposed?

25 They are unanimously adopted.

1 We will now hear from the Chairman of the
2 Committee on International Trade and Foreign Relations.
3 Governor Baliles.

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

9 GOVERNOR ADA: Second.

10 GOVERNOR CLINTON: Motion has been made and
11 seconded.

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

14 (Chorus of ayes.)

15 GOVERNOR CLINTON: Opposed?

16 The policy is unanimously adopted.

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

20 Governor O'Neill.

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

22 Mr. Chairman, the issue of the day, of course,
23 in the Transportation Committee is the issue of the day in
24 the Congress of the United States. That is the Highway
25 Bill itself. As of this moment, we have the signature of

1 44 of the governors that are here, and another letter to
2 the Senate and to the House members of the United States
3 Congress.

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

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

21 At this time, I think it would be detrimental
22 and harmful if that issue was brought forward by us as
23 governors to be intertwined in that particular issue. I
24 think it is vitally important that they get the bill
25 through the Congress so we can get the funds in each and

1 every state to go forward with the highway projects we have.

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

4 GOVERNOR CLINTON: The Chair recognizes the
5 Governor of Arizona.

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

8 Yes, I would like to address this, because, I
9 guess, probably Washington may be one of the few places
10 where you can get a 7 to 2 consensus vote and still lose
11 the issue. We had three other votes pledged, but could not
12 be because of other commitments that they couldn't be there
13 to vote or otherwise we had pledged what would have been a
14 10 to 2 vote in favor of my change of policy.

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

19 But I don't know whether we can say that being
20 in favor of the Senate side of this would hold it up any
21 more than being in favor of the House's side of it. I
22 don't believe that's a credible thing to say, that that
23 will hold it up. I think, really, from the information
24 that I get from my delegation in Congress, is that what is
25 holding the bill primarily is the demonstration projects

1 and the fact that well over \$1 billion is set up on the
2 House side to go into demonstration projects in various
3 states, and in the Senate side it isn't. The House is
4 staying with 55, and the Senate side suggests 65.

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

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

18 Now, the sanctions is a very real thing. I have
19 here a map that a number of states have already -- and when
20 we get back, we are going to be greeted with letters from
21 Secretary Dole pointing out that monies of ours -- it is
22 not federal money, they got it from us in the first place --
23 is being taken from us to literally whip us into compliance
24 on the 50-mile-an-hour thing. May I point out that I can
25 much easier do away with the sanction money than I could

1 spend \$15- or \$20 million for all the policeman it would
2 take on the highways and the highways of Arizona to make
3 this work.

4 Consequently, since it is not mandatory -- there
5 is nothing mandatory. All states who want to stay with the
6 55 have that perfect option to do so.

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

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

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

1 to be the best time.

2 GOVERNOR MECHAM: That's what I was asking for.
3 It's your decision.

4 GOVERNOR CLINTON: Governor Deukmejian.

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

10 GOVERNOR DEUKMEJIAN: Thank you very much.

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

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

24 But we are finding a tremendously large number
25 of our motorists who are exceeding the minimum speed limit,

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

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

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

25 Thank you, Mr. Chairman.

1 GOVERNOR CLINTON: Thank you. Governor Sununu.

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

10 GOVERNOR CLINTON: Governor Thompson.

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

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

16 GOVERNOR ASHCROFT: As I travel your states, you
17 all accord me troopers frequently to carry me around. I
18 ask at which speed people are being apprehended. I have
19 yet to have troopers say they are writing tickets at the
20 55-mile-an-hour limit. We ought to be honest about this.
21 I add the second, third or ninth or whatever is to this
22 proposal.

23 GOVERNOR CLINTON: Any other comments?

24 You can't get across Texas if you don't go
25 faster than 55, can you? I spent my life driving across

1 Texas at 55 miles an hour.

2 Yes, Governor Bryan.

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

10 GOVERNOR CLINTON: Further comments?

11 Anyone else like to be heard?

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

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

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

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

23 Oh, he has none.

24 GOVERNOR O'NEILL: There is no change. That's
25 the issue, Bill, that is before us. If we didn't discuss

1 this at this time, there would be no option to discuss it
2 at all.

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

9 Governor Sununu.

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

12 Next year -- or this year, we are beginning the
13 200th -- the celebration of the 200th anniversary of the
14 Constitution. And as we go through that process of giving
15 tribute to what is certainly one of the great documents
16 ever put together, this resolution asks that the states
17 actively participate in that.

18 I add that I urge states, as they go through
19 that celebration, to suggest to their citizens that they
20 maybe review the change in the federalism structure that
21 has taken place over the last 200 years. I have a
22 partiality to encouraging our citizens to look at the
23 erosion of the rights of states over that period of time,
24 and maybe, as we examine this Constitution and celebrate
25 its 200th anniversary, we will begin to get a better

1 feeling of our obligation to urge Congress to return a
2 little bit of those rights back to the state.

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

5 GOVERNOR CLINTON: Is there a second?

6 GOVERNOR SCHWINDEN: Second.

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

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

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

1 problems of internal commerce among the states.

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

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

22 GOVERNOR CLINTON: Thank you very much.

23 Would anyone else like to be heard on the
24 resolution?

25 All in favor, say "aye."

1 (Chorus of ayes.)

2 GOVERNOR CLINTON: Opposed?

3 The resolution is unanimously adopted.

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

12 Governor Blanchard.

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

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

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

24 (Chorus of ayes.)

25 GOVERNOR CLINTON: Opposed?

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

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

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

17 However, I think everyone is concerned that we
18 are building up a backlog of old policy statements that
19 really do need to be reviewed on a fairly regular basis;
20 and to address that issue, I want to move that each
21 committee be directed to review policy statements that are
22 in force for the purposes of simplification and deletion of
23 obsolete language in policies and that the committees
24 report the recommendations -- their recommendations, at the
25 summer meeting.

1 If I can get a second, I will discuss that.

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

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

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

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

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

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

21 GOVERNOR SINNER: I am not going to belabor it.
22 I know that there is -- if you go with the sunset method,
23 you get the problem of having the whole body have to review
24 the ones that you may want to keep every time, and that
25 doesn't work. I understand why they did what they did --

1 why the Committee did what it did. But I still think the
2 problem remains, and we must address it.

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

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

18 Are there further comments?

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

21 GOVERNOR R. ORR: I was going to suggest, inasmuch
22 as Governor Thompson has been active during that entire
23 period of antiquity, and continues to be so, that perhaps
24 maybe he'd the person to put in charge, Governor Thompson
25 of Illinois.

1 GOVERNOR CLINTON: Thompson, I think, goes back
2 to the Northwest Ordinance. Well, as one of our former
3 Chairs, I think Governor Thompson's feelings might be
4 instructive. I am inclined to think this is a very good
5 suggestion really. Besides that, it would be good practice
6 for us. Maybe then we can go back home and repeal some of
7 the things that are on the books that we ought to take off.

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

10 (Chorus of ayes.)

11 GOVERNOR CLINTON: Opposed?

12 It passes unanimously.

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

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

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

22 I think this policy will make a significant
23 contribution to the national debate. Our current welfare
24 policy, as we all know, is repugnant, it is anti-family, it
25 breaks up families, it keeps people in poverty, rather than

1 getting them out of poverty, and it costs our taxpayers an
2 incredible amount of money.

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

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

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

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

19 In return -- to return for that -- in return for
20 that -- government will permit us itself to back those
21 efforts, to help that person through education, through job
22 training, through day care, Medicaid coverage, Medicare
23 coverage, medical coverage, whatever else may be needed.
24 We have got a program like this already in place, put in
25 place in the State of New Jersey; we think not only is it

1 going to help get people off welfare, we believe it will
2 save the taxpayers significant money. It will pay for
3 itself over about three years.

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

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

22 GOVERNOR CLINTON: Is there a second?

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

25 GOVERNOR KUNIN: Mr. Chairman, I am very pleased

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

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

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

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

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

24 In Vermont, I am pleased to say we have a
25 program called Reach Up, which is also geared along these

1 lines.

2 It has been said that responsibility, though, is
3 clearly identified, both of government and the recipient,
4 of both parties to reach a commitment.

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

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

17 GOVERNOR CLINTON: Thank you very much.

18 I want now to call on Governor Castle, who did
19 such an able job in chairing the Task Force on Welfare
20 Prevention, after which I will recognize the following
21 governors who have already registered a desire to be heard:
22 Governor Dukakis, Governor O'Neill, Governor Celeste and
23 Governor Sununu.

24 But first, Governor Castle.

25 GOVERNOR CASTLE: Thank you very much,

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

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

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

25 It will have in it remedial education, training,

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

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

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

22 Starting now, we can provide opportunities for
23 individuals to get off welfare, to achieve self-respect and
24 independence, a helping hand instead of a handout, to end a
25 system which makes welfare a way of life generation after

1 generation after generation. In a nation which was built
2 on the work ethic, for half a century, government policy
3 has run directly counter to that effort. We propose today
4 to make this fundamental policy reflect one of America's
5 most fundamental beliefs. I would like to turn for a
6 moment to the income assistance provisions, because there's
7 been some discussion and concern about those particular
8 provisions. I would like to make a recommendation for an
9 amendment.

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

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

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

24 The basic new policy, as far as the income
25 assistance, the second component of our policy is concerned,

1 would call for cost of living in regional differences in
2 terms of the amount of money which would have to be paid,
3 and it would only support families with children in it.

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

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

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

1 I am sorry, you have it. I will not repeat it.
2 Mr. Chairman, I submit the amendment to the
3 policy.

4 GOVERNOR CLINTON: Is there a second?

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

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

11 Governor Ashcroft on the amendment.

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

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

20 GOVERNOR ASHCROFT: Is that what this means?

21 GOVERNOR CLINTON: Yes. What we are saying here,
22 is with reference to the income maintenance program, and
23 our policy, as Governor Castle pointed out -- this policy,
24 if you will, is not as far-reaching as the present policy
25 which is on the books. It's one of those policies Governor

1 Sinner discussed; I doubt if we could pass that policy
2 again today, but it is the policy of NGA, present policy.

3 We propose, nevertheless, in the new policy, an
4 income maintenance standard, that would be more generous
5 than is the fact in America today, and which would require
6 federal dollars. All that this amendment does is to make
7 clear that those federal dollars would come from savings to
8 be realized by the initiation of the first steps of our
9 program.

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

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

19 I hope I have responded to your concern.

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

24 GOVERNOR CLINTON: There is nothing this policy
25 decision -- this speaks to a concern Governor Thompson had,

1 I think, which prohibits the states from going beyond what
2 this policy is, which is what we think the minimum
3 standards, not the maximum performance, should be in the
4 welfare program. Governor Kean, for example, has a
5 proposal to cover all recipients with children two years of
6 age or older; even though the federal law now has it six,
7 we propose going down to three. There is nothing in this
8 proposal that would prohibit any of us from going beyond
9 where we are.

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

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

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

21 All in favor, say "aye."

22 (Chorus of ayes.)

23 GOVERNOR CLINTON: Any opposition?

24 The amendment is adopted without opposition. I
25 will now proceed to hear from other governors, beginning in

1 the order in which I was informed: Governor Dukakis,
2 Governor O'Neill, Governor Celeste. Then I will proceed
3 with the rest. There are five who have asked to be heard.

4 Governor Dukakis.

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

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

25 If this resolution would be approved in

1 legislative form by the Congress, I can assure you with the
2 federal match for education training in childhood, we could
3 help thousands more to follow the 30,000 who have already
4 made a move from welfare to work.

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

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

15 But I cannot emphasize too strongly the
16 importance of prevention and of the work that we will be
17 doing between now and the end of July on the barriers
18 initiative. Because if we are going to help people lift
19 themselves out of poverty and out of welfare, and we can
20 and we must, we will not do the full job unless we can help
21 other families not to get there in the first place. That
22 is why the barriers initiative is so important, and again,
23 I want to express my appreciation for your leadership on
24 this issue, because that is the last step on this road, and
25 it is an important step.

1 Let me also state the obvious. That is the work
2 we are doing on child support enforcement is also a very,
3 very important part of this effort.

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

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

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

14 Governor O'Neill.

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

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

25 I know each and every one of you are doing

1 similar steps in your own state, but this gives us, as a
2 unified group, an opportunity to say to the Congress of the
3 United States, the system doesn't work right. Let's make
4 it work right.

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

12 GOVERNOR CLINTON: Thank you very much.

13 Governor Celeste.

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

24 I would underscore the fact that it takes a real
25 investment of resources to make this policy work, that when

1 we talk about a contract between ourselves as government
2 and the individuals who receive assistance, we have to be
3 as committed to good faith performance as we expect them to
4 be committed to good faith performance in pursuit of
5 education, training, participation in job search, and
6 taking a job, when that job is available.

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

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

23 GOVERNOR CLINTON: Thank you very much for the
24 point you made, not only today but in your discussion with
25 Secretary Bowen about the importance of us who are trying

1 to be innovative and to try to implement the spirit of this,
2 getting the kind of help we need out of the Administration
3 to carry forward the Medicaid program.

4 Governor Sununu.

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

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

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

24 I do believe that there is an opportunity at
25 hand, there is clearly a coincidence of a number of agendas

1 here that we ought to take advantage of.

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

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

17 GOVERNOR CLINTON: Governor Orr.

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

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

24 The second point is that the reason for my
25 negative vote was largely that education is so important,

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

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

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

21 It is significant, indeed. There were media
22 people constantly yesterday saying this is an unusual
23 governors' conference. There are not many sparks flying.
24 That's because we have all come together on some
25 significant programs, this being the primary one.

1 I applaud all of those that had a hand in it,
2 particularly in making it possible with the change in
3 language for me to be supportive to. I do believe in it.

4 GOVERNOR CLINTON: Thank you very much, Governor
5 Orr.

6 Governor Thompson and then Governor Campbell.

7 GOVERNOR T. THOMPSON: Thank you Mr. Chairman.
8 Let me too add that I would like to congratulate Governor
9 Castle, Dukakis and you, Governor Clinton, as well as
10 Governor Kean, for your leadership role in this issue.

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

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

21 I want the flexibility. I do not want to have
22 to wait for Congress to act. I am meeting with Secretary
23 Bowen at 11:30 this morning to request six waivers to make
24 Wisconsin's welfare reform package the most innovative,
25 far-reaching welfare reform package in the country.

1 And I think it's great, on a bipartisan basis,
2 to pass a resolution on welfare reform, but I do not think
3 it's fair to penalize states that are way out in front,
4 leading the pack right now, without the federal dollars. I
5 know the governors will say that you have the flexibility
6 to do that, and we do, under your proposal.

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

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

19 I would hope that you would -- all the governors
20 around the table, would take it upon themselves to look at
21 Wisconsin's model as far as welfare reform and adopt some
22 of the provisions, such as allowing for tuition-free for
23 mothers that are going through high school and grade school
24 if they do not have further children, allowing minorities
25 to go on to college, allowing for subsidized day care

1 centers for young mothers so they continue their grade
2 school and high school. Innovative programs that really
3 get at the heart of welfare dependency in this country.

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

8 GOVERNOR CLINTON: Governor Campbell.

9 GOVERNOR CAMPBELL: Thank you, Mr. Chairman.

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

21 The primary goal in welfare has shifted from
22 maintenance to goal-oriented assistance. This country has
23 operated on a maintenance program for many years. We are
24 going to have to do a lot of things in order to bring it into
25 fruition. There is still tremendous fragmentation and

1 waste in the overall delivery system. That's the reason, I
2 think, that you can affect savings that can pay for most of
3 this.

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

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

23 This committee that has drafted this has done an
24 outstanding job. It's a tremendous step forward. In 1984,
25 we took an unprecedented step. We said that if you bring a

1 child into this world, in this Federal Government of ours,
2 in our states, that you are the primary person responsible
3 for the upkeep of that child, no matter what the
4 circumstance between father and mother. We put that into
5 federal law. I served in the Congress a long time. That's
6 one of the few issues I saw pass the House of
7 Representatives unanimously.

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

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

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

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

21 Governor Baliles.

22 GOVERNOR BALILES: Mr. Chairman, on the topic of
23 welfare reform, I think it's safe to assume that after this
24 conference that the governors are in consensus on several
25 basic assumptions: One, the welfare system doesn't work

1 very well; two, the welfare system is in need of reform;
2 three, the focus of reform should be on work; four, that
3 the flexibility and experience of our several states would
4 demonstrate that there are better ways to operate the
5 system; and five, that the components of reform should
6 improve -- should deal with the improvement of those
7 features that focus on prevention, self-sufficiency and
8 survival.

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

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

23 Obviously, the questions about funding will be
24 paramount, the allocation of funding responsibilities
25 between the states and the Federal Government. There will

1 be questions about whether the Federal Government's
2 commitment to experimental programs will be given equitable
3 treatment in those funding of traditional programs in the
4 budget process. It seems to me we cannot ignore the
5 question that very well may be realistic in this deficit
6 crisis that we are talking about, of whether welfare reform
7 will result in the conversion by the Federal Government of
8 entitlement programs to the block grant process, with all
9 the implications that that means, based on experience of
10 block grant reductions in recent years.

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

21 Thank you, Mr. Chairman.

22 GOVERNOR CLINTON: Thank you very much, Governor
23 Baliles.

24 The Chair would like to say a couple of brief
25 words to close the motion so we can get on to Governor

1 Mecham's resolution. First, I would like to emphasize the
2 point made by Governor Dukakis and others that this program,
3 even if we adopt it, even if we get it through the Congress
4 with the support of the President, cannot be fully
5 successful unless we pursue the other prevention
6 initiatives in the barriers project and we continue to
7 fight for more job opportunities through our efforts to
8 make this country more competitive.

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

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

24 When we changed to a system saying that we ought
25 to do better than that and government ought to provide more

1 opportunities than that, we never meant to say to people we
2 don't care about you anymore, we don't value you anymore,
3 you don't have an intrinsic worth, productivity and
4 capacity to work as people, it's all right for you to go
5 home to your kids at night and them never know that you are
6 trying to learn, work and do the other things that people
7 have to do. We never meant to send all those signals out
8 there, but I submit to you that we have, in ways that we
9 never intended to do. That's why, as Governor Campbell
10 said, Congress adopted those child support changes
11 unanimously a couple years ago.

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

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

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

22 (Chorus of ayes.)

23 GOVERNOR CLINTON: Opposed?

24 With one vote in opposition, the policy is
25 adopted.

1 Governor Mecham.

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

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

8 All opposed, raise your hands.

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

12 Governor, you are recognized for your motion.

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

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

25 GOVERNOR CARRUTHERS: Second.

1 GOVERNOR CLINTON: The motion has been made and
2 seconded.

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

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

13 Ladies and gentlemen, if 55 can't be enforced,
14 65 won't be enforced either; so instead of creeping up from
15 55 to possibly 65 today, you will be going from 65 to 75 or
16 80 or whatever the case might be. That, I think, is a
17 serious concern. With that I will close.

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

25 23 votes in the affirmative, I think. Raise

1 your hands again. We may have one more. All in favor,
2 raise your hands.

3 24 votes in the affirmative. I am going to
4 drive 65 miles an hour the next time I get to the Northern
5 Mariana Islands, I'll guarantee you. American Samoa
6 islands.

7 All those opposed, please raise your hand.

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

10 (Applause.)

11 GOVERNOR CLINTON: Congratulations.

12 GOVERNOR MECHAM: Thank you very much.

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

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

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

20 Jim Wright came to Congress 32 years ago, has
21 been our majority leader in the Democratic Party of the
22 House of Representatives for the last 10 years. He has not
23 only been an effective leader of the Democratic Party, but
24 a dedicated and effective leader for all the people of the
25 United States.

1 I want to introduce to the Speaker our Nation's
2 governors, where nearly half of them are starting their
3 first term, and to tell him, as I am sure he perhaps knows,
4 we have just adopted what I think is a very far-reaching
5 and progressive position on welfare reform, which we hope
6 will find favor in the Congress, and which has been
7 embraced, at least as a concept, for the President.

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

12 Where did he go? Here you are.

13 The Governor of Texas, Bill Clements.

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

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

21 We Texans are proud that we now have a third
22 Speaker of the House. Jim Wright is a great Texan. He is
23 carrying out his duties with a full sense of commitment,
24 dedication and determination to do what is right for our
25 country.

1 Very briefly, some background material. Jim
2 Wright enlisted in the Army Air Corps during World War II,
3 received his wings and a commission at age 19.

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

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

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

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

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

19 (Applause.)

20 SPEAKER WRIGHT: Thank you, and thank you for
21 giving me the privilege of being introduced by that
22 quintessential Texan, our Governor, Bill Clements, who
23 embodies all those traits and characteristics which we
24 enshrine in our hearts in Texas: shy, unassuming, retiring,
25 soft spoken, quiet.

1 Some people, you know, Bill, have the wrong
2 impression about us Texans. I daresay you might find in
3 this group some folks who have that very distinctly
4 erroneous notion that all Texans are rich, swaggering,
5 uncouth braggarts. I see my friend Jim Blanchard nodding
6 his head in affirmation.

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

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

19 If I am late for this appearance, and I
20 apologize for that, I was at the White House where a group
21 of committee chairmen and ranking minority members were
22 meeting with the President and some of his top AIDS
23 discussing the framework in which we expect to consider an
24 entire range of legislation this year aimed at restoring
25 excellency to the educational system, improving the

1 competitiveness of America and every facet of our economic
2 and social endeavors, trying to do something to arrest this
3 terrible \$170 billion trade deficit that has been our
4 deficit that has been eroding our industrial base and
5 robbing us of American jobs, closing our American plants,
6 and see what we can do in the field of welfare reform, to
7 make it attractive so we could take people off the
8 unemployment roles and off the welfare rolls, and get them
9 on the productive payrolls.

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

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

24 Maybe some other states have slightly different
25 problems, but I am convinced that there exists in this

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

13 One of the things that was said this morning at
14 the White House was that a great deal of money has been
15 spent in education without commensurate results. This was
16 the appeal being made to us by the Secretary of Education.
17 If one isn't careful, he can conclude from this that the
18 best way to get quality education is to spend less money.
19 Because it is apparent, in all that is being said, that
20 there is an attempt afoot to implant deeply in the public's
21 psyche the idea that you don't solve a problem by throwing
22 money at it. Maybe that is true; you don't solve a problem
23 simply by throwing money at it. But those of you that have
24 responsibilities at the state level for providing quality
25 education, I think have discovered surely that you can't

1 provide quality education without money. Somebody has to
2 have money, somebody has to pay the taxes if we are to have
3 public schools.

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

12 The Chairman of our Education and Labor
13 Committee of the House, Gus Hawkins of California, made
14 that point with the President after the Secretary of
15 Education, Mr. Bennett, had made his elaborate discussion
16 relating how much more money we are spending on education
17 without getting better education. Gus Hawkins said, well,
18 Mr. Secretary, that's all right. But what you are
19 suggesting is the states and the local units of government
20 have had to scrape and scrounge to get the "more money"
21 that is being spent, because you have provided that we
22 spend less at the federal level, that we give less help,
23 and that in the compensatory education field, where now you
24 are suggesting that we need to do more, federal matching
25 fund was only 10 percent, and now it's down to 6 percent;

1 you are suggesting to us, with all of the rhetoric about
2 the need for quality education for linguistics training,
3 for job retraining, for making it possible for people to
4 hone up their skills so that the American work force is the
5 most productive in the world, you are sucking that we
6 reduce the total education budget by \$5.5 billion.

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

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

19 So I would say to you that there is a strong
20 disposition on the part of the House, and I think the
21 Senate too, this year, to reach again for the stars, for
22 the goal of quality in education, a renaissance of American
23 education, from the bottom to the top, so that we begin to
24 revive that ancient American dream, the promise that in
25 this blessed land of ours, the humblest child, born of the

1 most improvident circumstance, might have as his or her
2 birthright, the right to get as good an education as a
3 prince or a potentate could just get anywhere else on earth.

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

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

25 What that misses is the fact that they were 100

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

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

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

24 Well, I don't need to preach these things, I
25 think all of us have thought these thoughts, dreamed these

1 dreams, made these plans, encountered these obstacles,
2 faced the same frustrations; basic frustration facing all
3 of us is the over indebtedness of everybody in the United
4 States. We have had a crisis in credit; our problem has
5 been that our credit rating was too good, I guess. We have
6 borrowed; there is a tendency of the Federal Government to
7 put it on credit card, send the bill to the next generation.

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

18 We borrowed too much. We will work our way out
19 if you give us half a chance. Those people don't want to
20 become bankrupt; they don't want the government to come and
21 close them out. They are not asking for a hand out. I
22 think they are asking for a hand up. That's what the
23 people who don't have jobs are asking for too; aren't they?
24 Yes, I know, we have created here in our society a
25 situation in which an entire class of people has grown up,

1 in some cases, unfortunately, with no other expectation
2 than to someday get on the welfare. We don't want to
3 create a permanent welfare subclass in our country. That
4 is antithetical to everything we've dreamed of, and taught
5 and believe. We can break that chain. We can bust into
6 that cycle.

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

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

25 Both of our houses have passed a highway bill,

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

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

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

20 (Applause.)

21 Then we're going to -- we are also going to have
22 a more permanent long-range program to help those
23 disadvantaged people who have found themselves adrift on a
24 moving tide of our American economy without a place to
25 sleep. More and more, people have been thrown out of their

1 homes; young couples in some instances who were lured by
2 the superficial attractiveness of the variable adjustment --
3 the adjustable mortgage rates, found themselves owing more
4 after four or five years than they had owed when they
5 started buying the house and still having to pay more in
6 monthly payments and couldn't meet the payments and have
7 lost their homes.

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

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

22 Now we address the problems of trade, and the
23 longer-range problems of welfare. We ask your help. We
24 need your counsel. We want your advice. Together, we can
25 solve any problem in this country.

1 I don't know what we are going to do about the
2 deficit. We have got to find about \$61 billion somehow if
3 we meet the \$108 billion deficit figure commanded in the
4 Graham Rudman law; that is to say, we have got to either
5 spend \$61 billion less than we spent on the same things
6 last year in the Federal Government, or we have to find
7 some \$61 billion in revenues that we didn't raise last year,
8 or some combination of the two, and that's reality, that's
9 mathematics. That isn't economic theory. That's where we
10 are at.

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

25 Now, the result of that experience has been that

1 my colleagues have said, oh, don't say taxes, Jim, please
2 don't say taxes. Yes we know it takes taxes, but don't say
3 it, wait until the President says it.

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

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

25 (Applause.)

1 Because the honest thing is not to put our
2 heart's desires and indulge each whim on a credit card and
3 send the bill to our grandchildren to pay for things that
4 we would have used up and worn out before they ever get to
5 tax-paying age. That's not honest. It's not worthy of us.

6 Let's be honest. Let's face it, whatever it
7 takes, we can do it. This country of ours can make it. We
8 can survive. We can do better than survive. We can excel.

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

13 Thank you for letting me share this with you.

14 (Applause.)

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

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

21 Governor Dukakis.

22 GOVERNOR DUKAKIS: Mr. Chairman, I know I am
23 joined by all of the governors, regardless of the party
24 philosophy, when we applauded the Speaker for the kind of
25 leadership he is providing in the timetable he appears to

1 have put the Congress on. I know he knows we will work
2 very hard with him and the members of the Congress to
3 achieve the goals that he set out for this session.

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

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

19 Homelessness has to do with the absence of
20 decent affordable housing for families of low and moderate
21 income. It's as simple as that. We aren't building or
22 rehabilitating housing for families of low and moderate
23 income in this country these days, which is why we have
24 thousands and thousands of families who are homeless, lying
25 in the streets, and in doorways and in shelters. When

1 President Ford was the President of this country, we were
2 building or rehabilitating 200,000 units of housing for low
3 and moderate income families every year, under the Ford
4 Administration. It was 300,000 under the Carter
5 Administration. Today we are doing 25,000 a year. No
6 wonder we have got hundreds of thousands of families
7 sleeping on the street.

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

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

25 GOVERNOR CLINTON: Governor Kean.

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

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

24 I think that's my question. Do you think the
25 Congress would be willing to grant the states the statutory

1 authority to implement the changes that meet our individual
2 needs so we can move ahead on these problems.

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

22 That same thing, I think, applied in a broad
23 sense, can tangle you up in needless red tape. I don't
24 know that I can stand here and promise you that Congress is
25 going to reform and never again write the requirements that

1 amount to foolishness in a state. I'd like to hope we
2 would.

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

5 GOVERNOR CLINTON: Governor Collins.

6 GOVERNOR COLLINS: Thank you Mr. Chairman.

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

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

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

24 Let me ask one thing before I respond to
25 Governor Collins. If there is somebody here that has

1 access to a telephone, call 225-2204, any of my people back
2 there? Is Wilson Morris back there? Somebody needs to
3 call 225-2204 and tell them that Tom Foley is going to have
4 to open the House, because it starts in four minutes. I
5 won't get there. Thank you very much.

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

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

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

21 GOVERNOR CLINTON: Governor Carruthers.

22 GOVERNOR CARRUTHERS: Mr. Speaker, I am from
23 next door, from New Mexico. I am one of those states -- I
24 am working in one of those states where we must balance the
25 budget. I am very interested in your comments, but

1 somewhat curious in that I have had to ask for a modest
2 increase in taxes in New Mexico, when we might expect your
3 recommendation for tax increases at the federal level,
4 given your comments. Do you anticipate one of those this
5 year?

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

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

22 So I don't think we have to be so timid about
23 calling a spade a spade, or a tax a tax. I have made a
24 recommendation, which I think is a plausible one, early
25 this year, one of the alternatives that might be considered;

1 and this is that we might wisely choose simply to postpone
2 the implementation of any further tax cut for the
3 wealthiest people in our society, until such time as our
4 budget is in better balance.

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

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

20 GOVERNOR CLINTON: Governor Sununu.

21 GOVERNOR SUNUNU: Thank you very much for coming
22 to spend a little time with us, Mr. Speaker. I would like
23 to go back to Governor Kean's question where he asked about
24 whether or not we could establish, within the legislation
25 that would flow through, more capacity on the part of the

1 states to structure programs to meet specific needs and to
2 provide some flexibility so we can build some effectiveness
3 and efficiency.

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

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

19 SPEAKER WRIGHT: Governor, I think you make a
20 lot of sense. I didn't want to seem to be discouraging a
21 moment ago when I was responding to Governor Kean. I guess
22 I was just trying to be honest with you. Yes, I hope so.
23 I hope we will be able to do that. To promise you that it
24 will occur in all cases or even in most cases or that it
25 will occur immediately, might be somewhat dishonest of me,

1 because I am aware also of a human tendency on the part of
2 law makers to try to enshrine in law their own pet
3 prejudices, predilections and ideas about how things ought
4 to be.

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

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

23 GOVERNOR SUNUNU: You wouldn't begrudge the
24 states, then, pursuing other vehicles to achieve the same
25 ends?

1 SPEAKER WRIGHT: Absolutely not.

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

4 (Applause.)

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

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

17 Thank you very much. We are adjourned.

18 (Applause.)

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

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