

Governors Attending

The following members participated in plenary and other Governors' sessions.

Gov. Bruce Babbitt, AZ
Gov. Bill Clinton, AR
Gov. Richard D. Lamm, CO
Gov. William A. O'Neill, CT
Gov. Pierre S. du Pont IV, DE
Gov. Ricardo J. Bordallo, GU
Gov. George R. Ariyoshi, HI
Gov. John V. Evans, ID
Gov. James R. Thompson, IL
Gov. Robert D. Orr, IN
Gov. Terry E. Branstad, IA
Gov. John W. Carlin, KS
Gov. Joseph E. Brennan, ME
Gov. Michael S. Dukakis, MA
Gov. Rudolph G. Perpich, MN
Gov. William A. Allain, MS
Gov. Ted Schwinden, MT
Gov. John H. Sununu, NH
Gov. Thomas H. Kean, NJ
Gov. Toney Anaya, NM
Gov. Christopher S. Bond, MO
Gov. Bob Kerrey, NE
Gov. Richard F. Celeste, OH
Gov. Richard Thornburgh, PA
Gov. Carlos Romero-Barcelo, PR
Gov. J. Joseph Garrahy, RI
Gov. Lamar Alexander, TN
Gov. Scott M. Matheson, UT
Gov. Juan F. Luis, VI
Gov. Charles S. Robb, VA
Gov. John Spellman, WA

Guests

Committee Guests (abbreviated committee name or other session in parentheses):

Hon. Howard Baker

U.S. Senator from Tennessee and Senate Majority Leader (Exec)

Hon. Malcolm Baldrige

Secretary, U.S. Department of Commerce (ITFR)

Hon. John T. Bragg

Tennessee State Representative and President-elect, National Conference of State Legislatures (Exec)

Joseph M. Clapp

Senior VP, Roadway Express and Chairman, Transportation Research Board, National Academy of Sciences (TCC)

Hon. Roderick G.W. Chu

Commissioner of Taxation and Finance, State of New York and President, State Tax Commission (TCC)

Hon. John A. Clements

Commissioner, New Hampshire Department of Public Works and Highways (TCC)

Hon. Tom Faircloth

Mayor of Thomasville, Georgia (ED)

Hon. Sam M. Gibbons

U.S. Representative from Florida and Chairman, House Ways and Means Committee's Subcommittee on Trade (ITFR)

Hon. James G. Gutensohn

Massachusetts Commission of Environmental Management (ED)

Benjamin L. Hooks

Executive Director, National Association for the Advancement of Colored People (NAACP) (Exec)

Peter Jenkins

Author, Walking Across America (ED)

Hon. John LaFalce

U.S. Representative from New York and Chairman, House Subcommittee on Economic Stabilization (special session on national economic growth through innovation)

John M. McCoy

Deputy Director, Iowa Department of Transportation and President, American Association of Motor Vehicle Administrators (TCC)

Donald R. Melville

President and CEO, Norton Company (HR)

Hon. Francis M. Mullen Jr.

Administrator, Drug Enforcement Administration, U.S. Department of Justice (CJ)

Dr. Burt Nanus

Founder and Director of the Center for Futures Research and Professor of Management and Policy Sciences, USC Graduate School of Business Administration (special session on foresight, strategy, and political communication)

Hon. Janet L. Norwood

U.S. Commissioner of Labor Statistics, U.S. Department of Labor (Exec)

Minnie Pearl

Grand Ole Opry entertainer (ED)

Daniel H. Saks

Professor of Education Policy and of Economics, Vanderbilt University (Exec)

Dr. Steven R. Schlesinger

Director, Bureau of Justice Statistics, U.S. Department of Justice (CJ)

Dr. Roland W. Schmitt

Chairman, National Science Board and Senior VP for Corporate Research and Development, General Electric Corporation (special session on national economic growth through innovation)

Dr. Theodore Stern

Chairman of the Board, Spoleto Festivals Association, Inc. (ED)

Dr. Leon H. Sullivan

Founder and Chairman of the Board, Opportunities Industrialization Centers of America (HR)

Dr. Carlton E. Turner

Director, Drug Abuse Office, The White House (CJ)

Lee L. Verstandig

Assistant to the President for Intergovernmental Affairs (Exec)

Dr. Abner W. Womack

Agricultural Economics Department, University of Missouri (AG)

Ed Zschau

Chairman, Republican Task Force on High Technology, House Republican Research Committee (special session on national economic growth through innovation)

Plenary Session Guests:

Hon. Ronald Reagan

President of the United States

James D. Robinson III

Chairman and CEO, American Express Company (employment issues)

John J. Sweeney

International President, Service Employees' International Union-SEIU (employment issues)

Discussion Subjects

- **Agriculture (AG)** - report on Governors' Conference on Agricultural Innovation; and employment effects of agricultural policy options
- **Criminal Justice and Public Protection (CJ)** - lessons learned from the Mecklenberg prison disturbance [when in May 1984, six death-row inmates at the prison in Virginia took hostages in an escape attempt]; the continuing problem of illegal trafficking in narcotics; and drug abuse policy
- **Economic Development and Technological Innovation (ED)** - four ways to make communities better places to live (historic preservation, promotion of the arts; parks, and heritage recognition)
- **Energy and Environment (EE)** - state management of hazardous waste problems; and interregional agreements for the disposition of low-level radioactive waste
- **Executive Committee (Exec)** - federal intergovernmental initiatives; the federal budget; federalism; national employment issues; and NAACP: future directions
- **Human Resources (HR)** - public-private initiatives in health care cost containment in the states; state programs to serve Vietnam veterans; and the role of community based organizations in job training and employment
- **International Trade and Foreign Relations (ITFR)** - trade reorganization
- **Legal Affairs (LA)** - municipal antitrust liability; and NGA participation in Supreme Court cases
- **Transportation, Commerce and Communications (TCC)** - report of the working group on state truck issues; and transportation and the economy: public-private strategies for productivity gains
- **Other Governors' Sessions** - special session on technological innovation - national economic growth through innovation; work session on foresight, strategy, and political communication; and special work session on nuclear power plant cost overruns
- **Plenary Session Discussion Subjects** - Telephone address by President Ronald Reagan; national employment issues

Points of Interest

Association chairman James Thompson of Illinois reported that Governors had won the fight to eliminate proposed sanctions that would have cost the states millions of dollars in lost Medicaid funds, and that the Reagan Administration had provided more flexibility for states in containing health care costs through Medicaid waivers. Speakers offered different viewpoints on employment-related issues. James Robinson, Chairman and CEO of American Express, conceded that despite recent declines in unemployment, the current level of joblessness masked higher unemployment among youth and minorities. At the same time, Robinson sought to dispel several negative myths. First, although there were some downward adjustments in certain manufacturing sectors such as steel and automobiles, manufacturing on the whole was growing. He also said that robotics and technology were job catalysts, not job destroyers. And although international trade had some negative effects on American business, international competition ultimately provided the opportunity to serve a larger, growing market. He went on to argue that the order of priorities with respect to jobs was to deal first with displaced workers, second with disadvantaged workers, and third with improving the skills of Americans in reading, math, and problem-solving. Addressing these problems required a healthy economy, better schools, and joint ventures between business, government, and labor to help find jobs for displaced and disadvantaged workers. John Sweeney, head of the Service Employees International Union (SEIU), opened his presentation by telling Governors that the traditional responsibilities of government (to foster a climate within which business and industry could flourish and create an expansionary economy) and business (to create jobs) had begun to break down in the 1970s. The federal government was abandoning employment and training programs. Faced with pressures brought about by the tax revolt (e.g., adoption by Californians of Proposition 13, which cut—and capped future increases in—property taxes), states had begun to cannibalize one another, seeking to lure business through tax incentives, labor-baiting and tax abatements. Business had begun to plow tax breaks into unproductive mergers rather than into investment, research, and expansion. And business was taking advantage of interstate warfare to close and relocate plants rather than retooling them. Sweeney argued that the federal government needed to expand job training, placement, and public works investment programs. He said that states should administer expanded employment programs and better utilize their employment services to match the needs of businesses with those of the labor force. Businesses should stop senseless mergers and invest money in new products and new technology. And labor needed to develop job training programs on its own and return to its traditional role of aggressive organizing and tough bargaining.

Memorable Quotes

John Sweeney, President of the Service Employees' International Union, said that starting in the late 1970s, the traditional roles of government, business, and labor had begun to break down such that: "Faced with new pressures brought upon them by the tax revolt as well as the New Federalism and Federal budget cuts, states began to cannibalize each other. Smokestack hunting became a national pastime as we tried to lure businesses and develop industry with tax incentives, labor-baiting and tax abatements. Business similarly lost its focus, entering into an unprecedented era of heedless self-interest. Our industries plowed their tax breaks into unproductive mergers rather than investment, research and expansion. They took advantage of the new war between the states to close and relocate plants rather than retool them. They used the worst recession since the Great Depression to take labor to the woodshed rather than work jointly for recovery. Labor hunkered down. We became preoccupied with takeback bargaining and union-busting bankruptcies...Quite frankly, the Federal Government has all but abdicated its role in creating employment and matching employment needs with the skills of the workforce. In the next two decades, we are going to see the term "structural unemployment" totally redefined. The millions who are now unemployed because they are trapped by happenstance in the shadows of our economy will be joined by millions of Americans trapped by circumstance of economic change, dislocating workers who do not have the skills to compete for jobs created in the new economic order."

Selected Policy Positions Adopted

(1) Emphasizing a joint government-private sector partnership for job creation and training; (2) endorsing the principle of pay equity for public employees and encouraging states to work toward ensuring equal pay among job classes with similar levels of responsibility, knowledge, skill, and effort; (3) urging Congress to amend federal antitrust laws to grant immunity to all units of local government equal to the immunity now held by states; (4) in the aftermath of a Supreme Court decision that sales or use tax requirements could not be imposed on an out-of-state firm not physically present in the taxing state, calling on Congress to review federal court decisions restricting state tax actions and to provide legislation relief when appropriate; (5) seeking cooperation between the public and private sectors for short-term measures to improve agricultural credit conditions for farmers; (6) expressing support for continued state authority to regulate corporate takeovers in order to ensure protection of the interests of stockholders; (7) expressing support for the consolidated federal administration of Aid to Families with Dependent Children and Food Stamps; (8) reemphasizing support for a federal role in financing the development of diverse synthetic fuel technologies; and expressing the need for states to develop integrated approaches for managing the effects of toxic chemicals.