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NATIONAL GOVERNORS' ASSOCIATION

Hall of the States
444 North Capitol Street
Washington, D.C. 20001-1572
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News Release

EMBARGOED FOR 9:15 A.M. RELEASE
June 29, 1989 (56-89)
Contact: Rae Young Bond, 202/624-5330

NGA SAYS STATES CAN HELP REVERSE LOSS OF U.S. MARKETS THROUGH USE OF HIGH TECHNOLOGY, CREATING HIGH-SKILL WORKFORCE

WASHINGTON, D.C. -- In a new report, a governors' task force says states can help reverse the loss of U.S. markets to other nations by encouraging the use of high technology and creating a highly skilled workforce to produce the best possible goods at the least possible cost.

The report of the National Governors' Association (NGA) Task Force on Domestic Markets was released today in Washington, D.C., and the states of several governors who serve on the task force.

Michigan Gov. James J. Blanchard, task force chairman, said that new transportation and communications technologies have made it possible to produce nearly all goods and services wherever they can be made best at the lowest cost. "For the United States, this has meant the loss of markets both at home and abroad to nations that can produce the same goods, using existing manufacturing technology, at a fraction of the cost."

Gov. Blanchard said that only by "using the latest technology and skilled workers to create new products -- or by improving the quality and lowering the costs of existing products -- can a developed nation like the United States reclaim old markets and build new ones."

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The task force is one of six that make up "America in Transition: The International Frontier," NGA's ongoing initiative to improve U.S. performance in the international marketplace. Created by NGA Chairman Gerald L. Baliles of Virginia, the initiative is encouraging states to find new markets for American goods, develop exports, promote research that leads to new high-tech products, and support international education. It also encourages investment in prevention programs that will help all children become productive citizens, and in the transportation infrastructure that moves people and goods from place to place.

Gov. Baliles emphasized that the states must enhance their "competitive capacity" if U.S. firms are going to compete effectively, especially in their own markets. "What the states must do to help domestic companies retain and then retake a large share of the American markets has changed as the conditions of the marketplace have changed," said Gov. Baliles. "Now, in many cases, lower priced labor is not as important as better trained labor. The availability of capital financing for firms competing for domestic markets may depend increasingly upon innovative brokering arrangements undertaken by states. A commitment to quality, innovation, productivity, and flexibility is the mark of a U.S. firm that competes effectively in foreign and domestic markets."

Gov. Blanchard said the recent experience of the states demonstrates that U.S. businesses require a "competitive enterprise system" to succeed in an era of growing foreign competition. An enterprise system, he explained, includes the full set of factors a business needs to produce goods and services that can compete worldwide. "Available technologies, productive capacities of the local workforce, access to competitively priced capital, adequate public infrastructure, and appropriate governmental regulations are key components of the enterprise system."

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The report highlights state economic initiatives that demonstrate the governors' efforts to cast state government in a new role as broker and catalyst.

"Instead of ignoring the lack of technology and research capacities in their states or trying to remedy the problem exclusively with massive infusions of public funds, states are trying to promote new relationships between businesses and research universities," said Gov. Blanchard.

"Instead of disregarding growing skill gaps that threaten the ability of local industries to introduce new technology or trying to remedy the problem with huge public subsidies to business to cover retraining costs, states are encouraging partnerships among businesses, community colleges, and public schools to develop new curricula and teaching techniques to better prepare current and future workers."

The report also notes that states are trying to increase the flexibility of the capital market and to encourage new investment in higher-risk enterprises. To fill gaps in capital markets, some states have changed their regulations to encourage banks to take moderate investment risks. Others have authorized the creation of new private financial institutions that specialize in lending to small and medium-sized businesses.

Incentives to banks for small-business lending and partial state funding for private venture capital firms are among the strategies employed. Between 1983 and 1984, about 31 new public development funds were created by state governments.

To back up the states' economic development strategies, the task force has recommended a federal strategy to deal with deficiencies in the American enterprise system that can best be addressed at the national level.

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Other members of the task force -- Maryland Gov. William Donald Schaefer, Missouri Gov. John Ashcroft, and Wisconsin Gov. Tommy Thompson -- also commented on the report's findings and recommendations. "Whether it is building stronger educational systems, developing technological innovations, or responding to changes in the workplace," said Gov. Schaefer, "we must never forget that helping people is our highest priority."

"While states cannot do much to control the world economy," said Gov. Ashcroft, "they can do a great deal to ensure that American firms are adaptable, technologically innovative, and competitive with the firms of any other nation." Gov. Thompson said the states "must create a climate in which our firms can more easily adopt new manufacturing technologies and more rapidly move innovations into the marketplace."

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NATIONAL GOVERNORS' ASSOCIATION

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News Release

FOR IMMEDIATE RELEASE
July 10, 1989 (57-89)
Contact: Rae Young Bond, 202/624-5330

CABINET SECRETARIES, ANCHORMAN, ASTRONOMER, FORMER AMBASSADOR TO JOIN NATION'S GOVERNORS IN CHICAGO JULY 30 - AUGUST 1

WASHINGTON, D.C. -- U.S. Commerce Secretary Robert Mosbacher, U.S. Transportation Secretary Samuel K. Skinner, CBS News Anchorman Dan Rather, former U.S. Ambassador to the United Nations Andrew Young, and astronomer/author Carl Sagan will join the nation's governors in Chicago July 30-August 1 for the annual meeting of the National Governors' Association.

The nation's governors meet twice a year to focus their collective attention on issues central to states -- and to develop policy on critical domestic and international issues. This year's meeting will be hosted by Illinois Governor James R. Thompson.

The annual meeting will focus on "America in Transition: The International Fronter," NGA's ongoing effort to improve U.S. performance in the international economy. Under the leadership of NGA Chairman Gerald L. Baliles of Virginia, the initiative is charting the steps Governors can take to increase American competitiveness in the next century.

MAY SEEM AN ODD PLACE TO START - PERFECT PLACE TO START

Governors and their guests will hear from the "America in Transition" task forces, which "examined issues that form the foundation for the nation's future: foreign markets, international education, transportation infrastructure, research and technology, domestic markets, and children," Gov. Baliles said.

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Major speakers during the two-day meeting include:

- o U.S. Commerce Secretary Robert Mosbacher will discuss new overseas markets for American products.

- o U.S. Transportation Secretary Samuel K. Skinner will discuss transportation infrastructure at the second plenary session.

- o Dan Rather, anchorman for CBS Evening News, will discuss the role of the media outside U.S. borders at the closing plenary session.

- o Dr. Carl Sagan of Cornell University, an astronomer, author, and educator, will discuss global climate change and its implications for government policy.

- o Atlanta Mayor Andrew Young, a former ambassador to the United Nations, will discuss international trade and development.

- o U.S. Sen. Bill Bradley of New Jersey will discuss challenges for American leadership in the global economy of the 1990s during the opening plenary session.

- o Former U.S. Sen. Charles Percy of Illinois will discuss plans to construct an international trade and cultural center in Washington, D.C., to house federal agencies, embassies' visa operations, and other offices with international missions. Percy is chairman of the U.S. International Cultural and Trade Center Commission.

- o Federal Reserve Board Chairman Alan Greenspan will discuss the states' evolving role in the new global economy.

- o House Surface Transportation Subcommittee Chairman Norman Y. Mineta of California will discuss congressional plans to reauthorize federal highway and mass transit programs as the Interstate highway system comes to completion.

- o Ira C. Magaziner, author of The Silent War: Inside the Global Business Battles Shaping America's Future, will discuss U.S. competitiveness in the international arena.

Other issues on the annual meeting agenda include 1990 farm legislation, prison crowding, drug enforcement in urban settings and national drug control policy, community service, immigration, tax-exempt financing, and education.

Prison Crowding, Fighting Drug Abuse. The Justice and Public Safety Committee will hear from Judge William W. Wilkins Jr., chairman of the U.S. Sentencing Commission. Wilkins will discuss how sentencing guidelines can alleviate prison crowding. Robert Watson, Delaware's corrections department

commissioner, and Orville Pung, Minnesota's corrections department commissioner, will discuss alternative punishments used by states to reduce prison crowding.

Florida Gov. Bob Martinez, NGA's lead governor on substance abuse and drug trafficking, will discuss state drug fighting initiatives and the role that foreign aid, international treaties, and hemispheric organizations can play in a national drug policy. Focusing on supply and demand, the governor will present a video of his recent trip to cocaine-producing regions of South America. Gov. Martinez traveled to Bolivia and Colombia to explore remote cultivation areas and met with officials of both countries and representatives of U.S. embassies, the Drug Enforcement Agency, and the military.

Charleston, S.C. Police Chief Reuben Greenberg will discuss drug enforcement in urban settings. Judge Reggie B. Walton, associate director of the federal Office of National Drug Control Policy, will update the governors on the office's efforts.

Human Resource Issues. NGA's Human Resources Committee will hear a panel presentation on community service, including Robert Burkhardt, director of the San Francisco Conservation Corps; Harry Silcos, principal of Lincoln High School in Philadelphia; and Treva Knasel, a participant in Ohio's Civilian Conservation Corps. The panel's moderator is Cindy Cecil Lazarus, a member of the Columbus, Ohio, city council.

The committee will also hear from Robert Blendon of Harvard University's School of Public Health, who will present an overview of the U.S. health care system. Minnesota Gov. Rudy Perpich, NGA education subcommittee chairman, will present the subcommittee's report and will chair a special session on education.

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Public Finance, Liability Insurance. The Economic Development and Technological Innovation Committee will hear a report on the Anthony Commission on Tax Exempt Financing, a group of federal, state, and local public officials and private-sector representatives concerned about the future of public finance. Arkansas Gov. Bill Clinton and South Carolina Gov. Carroll A. Campbell Jr. are members of the commission.

In addition, Peter W. Huber, author of Liability: The Legal Revolution and its Consequences, will discuss liability insurance. Huber is a senior fellow at the Manhattan Institute.

Telecommunications, Transportation. The Committee on Transportation, Commerce, and Communications will hear from two corporate chief executive officers, William G. McGowan of MCI Communications Corp. and William L. Weiss of Ameritech, who will discuss the economic promise of telecommunications. The committee also examine transportation for the future.

Environment. NGA's Energy and Environment Committee will hear Dr. Carl Sagan of Cornell University discuss global climate change.

Agriculture. The governors will discuss state issues in proposed 1990 farm legislation -- including General Agreement on Tariffs and Trade (GATT) negotiations, drought, environmental concerns, and rural development -- during the Agriculture and Rural Development Committee session.

International Trade. U.S. Commerce Secretary Mosbacher and former Sen. Percy will present their remarks to the International Trade and Foreign Relations Committee.

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NATIONAL GOVERNORS' ASSOCIATION

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News Release

EMBARGOED FOR 10:45 A.M.
May 16, 1989 (35-89)
Contact: Rae Young Bond, 202/624-5330

THE U.S. MUST FOCUS R&D EFFORTS ON MARKET DEMANDS AND PUT TECHNOLOGY TO WORK, SAYS NGA REPORT

WASHINGTON, D.C. -- U.S. businesses have to match or exceed foreign competitors' skills at turning technological discoveries into new and successful products if the United States is to compete in the world marketplace, the nation's governors said today.

A report released today by the National Governors' Association Task Force on Research and Technology said states have taken a more aggressive role in recent years to promote commercialization of scientific and technological discoveries. Maine Gov. John R. McKernan Jr., task force chairman, said 44 states have established programs to specifically encourage technological innovation, including efforts to stimulate research, introduce technology into firms, support capital acquisition, improve management, and determine overall state technology policy.

"We have recognized that the process of commercializing technology has changed," he said. "Research and development efforts have to be focused on market needs, and they have to be driven by rapid technological innovation and consumer preferences. American companies have to move fast, be adaptable, and build top quality into their products."

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The task force is a part of NGA's "America in Transition" initiative, led by NGA Chairman Gerald L. Baliles of Virginia, which seeks to improve U.S. performance in the international marketplace. "This report," he said, "centers on an issue of crucial importance to America's future competitiveness: our ability to commercialize technology more rapidly than our competitors. It all comes down to being first with the best products."

America has enormous potential in areas such as telecommunications, superconductivity, biotechnology, and space technology, the governors said, but to take advantage of the opportunity U.S. firms need to learn to function in a fast-paced environment that demands flexibility and adaptability.

The task force report was released at a news conference attended by Gov. Baliles, Gov. McKernan, and task force member Ohio Gov. Richard F. Celeste, NGA's lead governor on science and technology. Other task force members are Colorado Gov. Roy Romer, Iowa Gov. Terry E. Branstad, and North Carolina Gov. James G. Martin.

"In the states," said Gov. Celeste, "a new consensus is already forming, with a state commitment to research. This reality may be the most important development in science policy in the 1980s. For the first time, state legislators and citizens are joining scientists and engineers to support long-term research."

The report says that further state actions should focus on:

- **Expanding research and development.** States should establish long-term direct support for commercial research, encourage business research consortia, and provide incentives for collaborative research projects between industry and higher education. In the international arena, states should sponsor international exchanges, negotiate joint technology agreements with other countries, and use their overseas offices to track international technological advances.

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- **Converting ideas into products.** States should enhance the climate for innovation by developing a strategic investment plan in science and technology, teaming up with other states to initiate programs such as regional product development centers, and providing entrepreneurship training and assistance. States should help develop a world-class workforce by improving technology literacy in both schools and the workplace; improving math and science training; retaining top science and engineering faculty; and providing continuing education opportunties for corporate managers, scientists, and engineers. States can help businesses develop new products by enhancing seed capital programs, expanding advanced technology and industrial research centers, and strengthening incentives for university-industry collaboration.
- **Developing products for the international marketplace.** In helping develop better manufacturing processes, states can do the following: establish flexible manufacturing centers and networks; direct higher education institutions to reform business adminstration and engineering programs to emphasize manufacturing and production management; and establish governors' award programs for excellence in manufacturing. Awards can serve as an incentive for quality achievement and heighten public and media awareness of technology's importance.

The report says governors are actively promoting economic growth and vitality. From basic education to worker training, from technical assistance to strategic planning, from supporting innovative research to establishing trade ties, governors have developed policies that help provide a healthy climate that supports innovation.

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The task force also calls on the federal government to increase its commitment to commercial research and development, while retaining a strong foundation in basic research. It recommends that the federal government make research in federal laboratories more accessible to business, step up translation of foreign scientific journals for use by U.S. industry, and create a better climate for innovation through more effective tax policy, antitrust laws, patent protections, and international trade and technology agreements.

Tapping the vast potential in technological innovation will require a concerted effort from government, business, and academia, the report maintains. Over the last several years, the United States has spent a declining share of its gross national product (GNP) on commercially applicable research and development, while other nations have increased their investment. Federal spending on research has gone increasingly toward meeting specialized militiary needs, which are not necessarily translated into benefits for the civilian sector.

Similarly, says the report, U.S. industry is focusing less on long-term research and more on short-term profits. Mergers and acquisitions are on the rise, while research and development budgets have been slashed and eliminated.

The report outlines the high cost of missed opportunities. "The United States failed to capitalize fast enough on videocassette recorders and other high-value consumer electronics products," says the report. "Our competitors moved quickly to capture the world markets for these new technologies and the products derived from them. Meanwhile, the pace of change has quickened. Leadership in the global economy in the next century increasingly will depend on this ability to turn ideas into marketable products for consumers worldwide."

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"If you're the only contender in the race, you can stroll across the finish line with your new product," said Gov. Martin. "For years the United States was in that position. America often is still the first out of the starting gate with an ideas, but we have to do better at completing the race to commercialization -- and winning it."

Gov. Branstad, NGA vice chairman, said that the increasingly competitive global marketplace demands constant product refinements. "We must learn to do better even those things we now do very well," he said. "Our long-standing leadership in health sciences and biotechnology is one area where an already strong foundation can support a rich set of opportunities for the future." To prepare tomorrow's workers for a rapidly changing world, Gov. Romer said the states must "educate critical thinkers who can adapt to change in an increasingly competitive environment."

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Copies of the America in Transition: Report of the Task Force on Science and Technology are available for $10.95 each, prepaid, from NGA Publications, 444 North Capitol Street, Suite 250, Washington, D.C. 20001.

NATIONAL GOVERNORS' ASSOCIATION

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News Release

EMBARGOED FOR 11:00 A.M. RELEASE
APRIL 14, 1989 (30-89)
Contact: Rae Young Bond, 202/624-5330

GOVERNORS URGE STATES TO MAKE TRADE A TOP PRIORITY, INCREASE EXPORTS, DEVELOP NEW MARKETS OVERSEAS

WASHINGTON, D.C. -- The states must make trade a top priority, encourage increased exports, and develop new links with other countries if they want to succeed in the international economy, according to a task force of the nation's governors.

In a report released today, the National Governors' Association (NGA) Task Force on Foreign Markets says states need realistic and innovative strategies to make a commitment to international trade by finding new markets and developing new products.

Virginia Gov. Gerald L. Baliles, who chairs NGA and its ongoing initiative to improve U.S. performance in the international marketplace, said the nation cannot be constrained by distances to other countries or differences in culture and language.

"We must develop a new way of thinking about our economic potential," he said. "We can do something about international competition. We can develop an export culture. We can develop programs that identify markets. We can encourage producers and suppliers to look for customers anywhere they can find them -- even when the customer lives on the other side of the world."

Mississippi Gov. Ray Mabus, who chairs the task force, said that state governments need "a well-conceived and aggressive trade plan" to position themselves in the international marketplace.

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Gov. Mabus said a state plan "must begin with a rigorous assessment of current trade efforts and state trade barriers" and emphasize three major goals:

- **Elevate trade to a top priority within the state.** This can be done by raising public awareness of the connections between international markets and the state's economy, appointing a cabinet-level trade official to direct and coordinate the state plan, improving international education, and recognizing successful export efforts.

- **Boost export activity within the state.** The report suggests that states provide information and brokering services for financing, market opportunities, and technology, establish mentoring programs that allow experienced exporters to help others, and get new and existing exporters to promote services, undertake joint ventures, package complementary products and services, and develop new products.

- **Develop new markets and relationships beyond U.S. borders.** Strategies recommended by the report include pooling resources with other states; monitoring opportunities in the European Community and other changes in the international trading system; strengthening cultural exchange; coordinating trade missions led by governors to new market areas; hosting international business representatives; building a network of international alumni of the state's colleges and universities; tracking business opportunities linked to foreign aid; and stimulating foreign demand for American products.

The report is part of an NGA initiative launched last year by Gov. Baliles. Called "America in Transition: The International Frontier," the initiative encourages the states to engage the world beyond U.S. borders by finding new markets for American goods, developing exports, promoting research that leads to new high-tech products, and supporting international education. It also stresses the importance of making investments now -- not later -- in early intervention programs that help improve opportunities for disadvantaged children and in the transportation infrastructure that allows people and goods to move from one place to another.

The report was released at a news conference attended by Gov. Baliles, Gov. Mabus, and two other task force members -- Massachusetts Gov. Michael S. Dukakis and Washington Gov. Booth Gardner. Other task force members are Alabama Gov. Guy Hunt, Connecticut Gov. William O'Neill, Iowa Gov. Terry Branstad, and Nebraska Gov. Kay Orr.

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Gov. Gardner, who chairs NGA's Committee on International Trade and Foreign Relations, noted that turning problems into opportunities is an American tradition. "The challenges presented by today's international market should be approached no differently," he said. "Through the solutions we find, our economy should grow and become stronger."

Gov. Dukakis said that the U.S. -- like a good football team -- can't sit back because it's ahead of the other team. "We must begin an all-out campaign to encourage exports by our companies," he said. "We'll continue to nurture the spirit of innovation. We'll work closely with our small and medium-sized businesses to help them find new markets. We must and will move to seize the opportunity provided by the unification that the European Community is striving to reach by the early 1990s."

The report, the third of six that will be released as part of the "Transition" initiative, concludes that "business as usual" is not enough to ensure good performance in international markets. "As the world gets smaller, state initiatives must become more far-reaching," says the report. "The competition has gotten tougher, but American companies are in a good position as long as they act promptly."

The task force says in the report that America's competition in the international arena comes from all types of economic systems -- from the export-driven economies of the newly industrialized countries to the nonmarket economies of the socialist countries, to the free market economies of the industrialized world.

"It is time to get back into the race," Gov. Mabus said in the report. "We must succeed in overseas markets as well as foreign markets have prospered in ours. It is time to face up to the complexities of international trade and see that for every challenge a commensurate opportunity exists."

In its closing paragraphs, the report says that a statewide strategic trade plan -- developed with the governor's support and encouragement -- can help keep things moving. "A successful state trade strategy enables everyone to work toward the goals of making trade a top priority, expanding export activity at home, and targeting markets abroad," the report says. "Each plan will be different, uniquely suited to a state's resources and needs."

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Copies of the report are available for $10.95 each, prepaid, from NGA Publications, 444 North Capitol Street, Suite 250, Washington, D.C. 20001.

Mark Davis

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CONFERENCE OF THE GOVERNORS OF THE UNITED STATES

WHITE HOUSE
MAY 13-15

To the Council of State Government.

from the

Washington Bureau of the

New York Times.

PROCEEDINGS OF A CONFERENCE OF GOVERNORS

IN THE WHITE HOUSE
WASHINGTON, D. C.
MAY 13–15, 1908

EDITED UNDER THE DIRECTION OF

NEWTON C. BLANCHARD, CHAIRMAN
JOHN FRANKLIN FORT — JAMES O. DAVIDSON
JOHN C. CUTLER — MARTIN F. ANSEL

THE COMMITTEE OF GOVERNORS

BY W J McGEE
RECORDING SECRETARY OF THE CONFERENCE

PUBLISHED BY AUTHORITY OF CONGRESS

Washington
Government Printing Office
1909

Concurrent Resolution 41, Sixtieth Congress, first session, introduced by Hon. Albert F. Dawson May 11, 1908 (Cong. Rec., p. 6109), agreed to after amendment by the House of Representatives May 26 (Cong. Rec., p. 7009), and agreed to by the Senate May 27 (Cong. Rec., p. 7018):

Resolved by the House of Representatives (the Senate concurring), That there be printed and bound fifty thousand copies of the Proceedings of the Conference of the Governors of the States and Territories, called by the President of the United States, to be held May thirteenth, fourteenth, and fifteenth, nineteen hundred and eight, to consider measures for the conservation of the country's natural resources, of which fourteen thousand copies shall be for the use of the Senate and twenty-six thousand copies for the use of the House of Representatives, and ten thousand copies for distribution by the President of the United States.

ORIGIN AND PLAN OF THE CONFERENCE

The idea of conserving the Nation's resources arose partly from the recent forestry movement, partly from the still more recent waterway movement.

The germ of the idea took form in an address by President Roosevelt before the Society of American Foresters (of which he was and is an associate member), March 26, 1903. In expressions indicating perhaps more clearly than any of earlier date the interdependence of our resources, he said to the forest students:

> Your attention must be directed to the preservation of the forests, not as an end in itself, but as a means of preserving the prosperity of the Nation. * * * In the arid region of the West agriculture depends first of all upon the available water supply. In such a region forest protection alone can maintain the stream flow necessary for irrigation and can prevent the great and destructive floods so ruinous to communities farther down the same streams. * * * The relation between forests and the whole mineral industry is an extremely intimate one. The very existence of lumbering * * * depends upon the success of our work as a Nation in putting practical forestry into effective operation. As it is with mining and lumbering, so it is in only a less degree with transportation, manufactures, and commerce in general. The relation of all these industries to forestry is of the most intimate and dependent kind.

With continued development of the forest policy the interdependence of woodlands and waterways yearly became more evident; and it also became increasingly clear that both woods and waters are in their industrial aspects closely related not only to mineral production and the reclamation of arid lands but to all agriculture and to transportation.

The next formal expression appeared when the President, in response to petitions of the People of the Interior, appointed the Inland Waterways Commission. In the letter creating the Commission he declared:

> It is becoming clear that our streams should be considered and conserved as great natural resources. * * * The time has come for merging local projects and uses of the inland waters in a comprehensive plan designed for the benefit of the entire country. * * * It is not possible to properly frame so large a plan * * * without taking account of the orderly development of other natural resources. Therefore, I ask that the Inland Waterways Commission shall consider the relations of the streams to the use of all the great permanent natural resources and their conservation for the making and maintenance of prosperous homes.

While the foregoing expressions indicated both the relations among the Nation's resources and the need for a wider utilization of them, they did little more than forecast a National duty. Conservation as a single problem and as a basis for National policy was outlined still more clearly in the President's address before the National Editorial Association in Jamestown, June 10, 1907, the tenor of which appears in the following passages:

In utilizing and conserving the natural resources of the Nation, the one characteristic more essential than any other is foresight. * * * No other Nation enjoys so wonderful a measure of present prosperity, which can of right be treated as an earnest of future success, and for no other are the rewards of foresight so great, so certain, and so easily foretold. Yet hitherto as a Nation we have tended to live with an eye single to the present, and have permitted the reckless waste and destruction of much of our National wealth.

The conservation of our natural resources and their proper use constitute the fundamental problem which underlies almost every other problem of our National life. Unless we maintain an adequate material basis for our civilization, we can not maintain the institutions in which we take so great and so just a pride; and to waste and destroy our natural resources means to undermine these material bases. * * *

So much for what we are trying to do in utilizing our public lands for the public; in securing the use of the water, the forage, the coal, and the timber for the public. In all four movements my chief adviser, and the man first to suggest to me the courses which have actually proved so beneficial, was Mr Gifford Pinchot, the Chief of the National Forest Service. Mr Pinchot also suggested to me a movement supplementary to all of these movements, one which will itself lead the way in the general movement which he represents and with which he is actively identified, for the conservation of all our natural resources. This was the appointment of the Inland Waterways Commission.

On May 14–23, 1907, the Inland Waterways Commission, while engaged in an inspection trip along the lower Mississippi at high-water stage, repeatedly discussed the policy of Conservation in its bearing on the general plans for waterway improvement toward which they were at work; and at their Fifteenth Session, on May 21 (aboard the steamer *Mississippi*), it was decided—subject to approval by the President—to hold a conference or convention in Washington during the ensuing winter to discuss the conservation of the Nation's resources. Chairman Burton was formally authorized to issue to the press a brief statement framed by Vice-Chairman Newlands, and the chairman and Commissioner Pinchot were made a committee to convey the matter "to the President as an expression of the view of the Commission, leaving him to decide how the call shall issue." Soon afterward this committee conferred informally with the President, and received his sanction for arranging such a meeting.

During ensuing months Commissioners Newlands, Pinchot, Newell, and McGee met on the Pacific coast, partly for the purpose of examining waterways and partly to consider and arrange details of the proposed assembly. Just before the opening of the Fifteenth Session of the National Irrigation Congress at Sacramento, early in September, a preliminary draft of programme was put in writing and sent to Chairman Burton. This draft corresponded closely in topics, speakers, and other details with the calendar subsequently adopted, except that up to this time the conference was designed primarily as one of experts rather than of statesmen.

At Sacramento it was learned by one of the commissioners present that the Lakes-to-Gulf Deep Waterway Association, then arranging for their Memphis convention, expected to bring together a score or more of State executives; and the suggestion was offered that, if the five Governors attending the Irrigation Congress should approve, it might be well to invite the State executives of the entire country to take part in the proposed conference in Washington. Senator Newlands, as Vice-Chairman of the Commission, at once acted on the suggestion by inviting Governors Gillett, Chamberlain, Mead, Cutler, and Kibbey to meet the four commissioners present and discuss the matter. All accepted except Governor Gillett, who had a conflicting engagement, but signified general approval. At the meeting the idea of Conservation in its relations to waterway improvement was outlined, together with the plan for the conference so far as developed; and in the course of discussion the further idea was brought out more clearly than before that the State Governor is of necessity the chief sponsor for the welfare of his commonwealth. Soon as suggested, this idea modified the plan for the meeting, and led to the decision that it should be primarily a Conference of Governors, and only secondarily a meeting of experts able authoritatively to convey information both to the Governors and to the Commission. The four Governors present signified full approval of the plan and the determination to take part in the Conference, Governor Chamberlain observing that he had already contemplated and even suggested meetings of Governors for the discussion of interstate questions.

The outcome of the Sacramento meeting and the progress in the preparation of plans for the Conference were informally communicated to the President, and in the draft of his Memphis address before the Lakes-to-Gulf Deep Waterway Association, prepared in advance for the press, he incorporated the announcement that the Inland Waterways Commission would, with his full approval, call a Conference of Governors and experts on the conservation of natural resources, to be held in Washington early in the ensuing winter. The announcement in this form was extensively published immediately after the delivery of the address on October 4.

Meantime the Commission was again engaged in an inspection trip down the Mississippi from St. Paul to Memphis at the low-water stage, in which the President took part October 1–4, passing from Keokuk to Memphis amid an ovation unparalleled in the history of the Interior. At the Twenty-third Session of the Commission, on October 3, presided over by the President, it was decided to make the arrangements for the Conference a matter of record through a formal letter. This letter was drafted later in the day; and out of consideration for the score of Governors who were assembled on a neighboring vessel as guests of the Business Men's League of St. Louis, the Commissioners met them on board their vessel and invited them to join in the request to the President that he authorize and formally announce the Conference. Through a natural delicacy, several of the Governors expressed the feeling that it would be better for the plan to originate wholly with the Commission; and accordingly on the morning of October 4 the following written communication was conveyed to the President:

OCTOBER 3, 1907.

The PRESIDENT,
On board the U. S. Steamer Mississippi.

SIR: In the course of inquiries made under your direction "that the Inland Waterways Commission shall consider the relations of the streams to the use of all the great permanent natural resources and their conservation for the making and maintenance of prosperous homes," the members of the Commission have been led to feel that it would be desirable to hold a Conference on the general subject of the conservation of the natural resources of the Nation.

Among the reasons for such a Conference are the following:

1. Hitherto our National policy has been one of almost unrestricted disposal of natural resources, and this in more lavish measure than in any other nation in the world's history; and this policy of the Federal Government has been shared by the constituent States. Three consequences have ensued: First, unprecedented consumption of natural resources; second, exhaustion of these resources, to the extent that a large part of our available public lands have passed into great estates or corporate interests, our forests are so far depleted as to mulitply the cost of forest products, and our supplies of coal and iron ore are so far reduced as to enhance prices; and third, unequalled opportunity for private monopoly, to the extent that both the Federal and the State sovereignties have been compelled to enact laws for the protection of the People.

2. We are of opinion that the time has come for considering the policy of conserving these material resources on which the permanent prosperity of our country and the equal opportunity of all our People must depend; we are also of opinion that the policy of conservation is so marked an advance on that policy adopted at the outset of our National career as to demand the consideration of both Federal and State sponsors for the welfare of the People.

3. We are of opinion that the Conference may best be held in the National Capital next winter, and that the conferees should comprise

the Governors of all our States and Territories, a limited number of delegates to be appointed by each Governor, and representatives from leading organizations of both State and National scope engaged in dealing with National resources or with practical questions relating thereto.

We have the honor to ask that in case you concur in our view you call such a Conference.

Respectfully submitted.

(Signed) THEODORE E. BURTON,
Chairman.

(Signed) W J MCGEE,
Secretary.

On receiving the communication, the President not merely approved the plan but decided to comply fully with the formal request of the Commission and himself call the Conference; and he so announced in his Memphis address delivered later in the day, as follows:

As I have said elsewhere, the conservation of natural resources is the fundamental problem. Unless we solve that problem it will avail us little to solve all others. To solve it, the whole nation must undertake the task through their organizations and associations, through the men whom they have made specially responsible for the welfare of the several States, and finally through Congress and the Executive. As a preliminary step, the Inland Waterways Commission has asked me to call a conference on the conservation of natural resources, including, of course, the streams, to meet in Washington during the coming winter. I shall accordingly call such a conference. It ought to be among the most important gatherings in our history, for none have had a more vital question to consider.

At the Twenty-fifth Session of the Commission, convened on October 5, a Conference Committee was appointed "to confer with the President and take requisite action in conformity with his wishes" regarding arrangements; the Committee comprising Commissioners Pinchot (chairman), Newell, and McGee. About this time it was decided, at the instance of Commissioner Newell, to recommend to the President that the Conference be held in the East Room of the White House; and the recommendation was promptly approved. This Conference Committee kept in communication with the President, and reported progress at several sessions of the Commission.

In November, the President wrote each Governor, inviting him to take part in the Conference; one of the letters being as follows:

MY DEAR GOVERNOR: The natural resources of the United States were, at the time of settlement, richer, more varied, and more available than those of any other equal area on the earth. The development of these resources has given us for more than a century a rate of increase of population and wealth without parallel in history. It is obvious that the prosperity which we now enjoy rests directly upon these resources. It is equally obvious that the vigor and success which we desire and

foresee for this nation in the future must have this as its ultimate material basis.

In view of these evident facts, it seems to me time for the country to take account of its natural resources and to inquire how long they are likely to last. We are prosperous now; we should not forget that it will be just as important to our descendants to be prosperous in their time.

Recently I declared there is no other question now before the nation of equal gravity with the question of the conservation of our natural resources, and I added that it is the plain duty of us who, for the moment, are responsible to take inventory of the natural resources which have been handed down to us, to forecast the needs of the future, and so handle the great sources of our prosperity as not to destroy in advance all hope of the prosperity of our descendants.

It is evident the abundant natural resources on which the welfare of this nation rests are becoming depleted, and, in not a few cases, are already exhausted. This is true of all portions of the United States; it is especially true of the longer settled communities of the East.

The gravity of the situation must, I believe, appeal with special force to the Governors of the States, because of their close relations to the people and the responsibility for the welfare of their communities. I have therefore decided, in accordance with the suggestion of the Inland Waterways Commission, to ask the Governors of the States and Territories to meet at the White House on May 13, 14, and 15 to confer with the President and with each other upon the conservation of natural resources.

It gives me great pleasure to invite you to take part in this Conference. I should be glad to have you select three citizens to accompany you and to attend the Conference as your assistants or advisers. I shall also invite the Senators and Representatives of the Sixtieth Congress to be present at the sessions so far as their duties will permit.

The matters to be considered at this conference are not confined to any region or group of States, but are of vital concern to the Nation as a whole and to all the people. Those subjects include the use and conservation of the mineral resources, the resources of the land, and the resources of the waters in every part of our territory.

In order to open discussion, I shall invite a few recognized authorities to present brief descriptions of actual facts and conditions, without argument, leaving the conference to deal with each topic as it may elect. The members of the Inland Waterways Commission will be present in order to share with me the benefit of information and suggestion, and, if desired, to set forth their provisional plans and conclusions.

Facts, which I can not gainsay, force me to believe that the conservation of our natural resources is the most weighty question now before the people of the United States. If this is so, the proposed conference, which is the first of its kind, will be among the most important gatherings in our history in its effect upon the welfare of all our people.

I earnestly hope, my dear Governor, that you will find it possible to be present.

Sincerely yours,

(Signed) THEODORE ROOSEVELT.

All the Governors of the States and Territories accepted, a few conditionally on grounds of health or pressure of public affairs.

In December and later the President issued invitations to organizations dealing with natural resources, which were generally accepted. One of these was as follows:

MY DEAR SIR: Recently I invited the Governors of the States and Territories to meet in the White House on May 13–15 next in a Conference on the Conservation of Natural Resources. In issuing the invitation, I expressed the opinion that there is urgent need of taking stock of our resources, and I added my belief that the Conference ought to take rank among the more important meetings in the history of the country.

The replies to the invitation have been most gratifying. They indicate that practically all of the Governors, each with three special advisers, will attend the Conference. The Senators and Representatives of the Sixtieth Congress, the Justices of the Supreme Court, and the members of the Cabinet have also been invited to take part; and the Inland Waterways Commission, which suggested the Conference, will be present to reply to inquiries and make record of the Proceedings. A limited number of leading associations of national scope concerned with our natural resources will be invited to send one representative each to take part in the discussions. The general purpose of the Conference is indicated on pages 24–26 of the preliminary report of the Waterways Commission, of which a copy is inclosed.

I invite the cooperation of the American Society of Mechanical Engineers in bringing this matter before the people; and it gives me added pleasure to invite you as President of the Society to take part in the Conference.

Sincerely yours,

(Signed) THEODORE ROOSEVELT.

Meantime correspondence was conducted with experts by the President or his Secretary, and also by the Conference Committee; and a Syllabus was prepared for the guidance of experts in the preparation of opening statements. This Syllabus is printed on later pages.

In the course of the correspondence, the President invited as special guests five eminent citizens widely recognized as authorities on national aspects of the resources of the country.

As the plans for the Conference grew definite, early in the correspondence, and it became clear that the statements and deliberations of the Governors and other Conferees might assume such importance as to be of interest to the coordinate branches of the Federal Government, the Justices of the Supreme Court and the Senators and Representatives of the Sixtieth Congress were invited by the President to take part. Similar invitations were extended also to members of the Cabinet.

Throughout it was planned to provide for press attendance in the interests of the public and to prevent possible misapprehension of purpose; and as the time for the Conference approached it was decided to

invite representatives of the periodical press as well as the daily press. The former, coming from different parts of the country, were personally invited by the President, after selection by the Periodical Publishers Association; the latter (forty in number) were selected by the managing committee of the Congressional Press Gallery from the Washington representatives of the leading papers and entered on personal recognition and press badges, under regulations of their committee.

Finally, toward the end of April, a limited number of bureau chiefs and other experts of national reputation connected with the Federal service were invited by the President to take part in the Conference; and these invitations, like all others, were generally accepted.

Early in May the Calendar of the Conference was prepared, chiefly for the convenience of the Governors and subject to change by them after assembling; in its final form it is reprinted on later pages. Although not designed as a fixed programme, its order was found convenient and was followed somewhat closely, except on the last day of the Conference.

The Conference Committee kept in close touch with the arrangements, including provision for the safety of the unprecedented assemblage of public officials; they were aided efficiently by Mr Thomas R. Shipp, who was made General Secretary of the Conference, the Secretary of the Commission acting as Recording Secretary. (During the second session, Governor John Burke, of North Dakota, was chosen Honorary Secretary.)

A few Governors were kept away by illness or special pressure of public business. As the date for the Conference approached there were a number of changes among the Governors' advisors, with a few among the representatives of organizations; while of the five special guests invited by the President, one—Ex-President Cleveland—was confined to his home by illness which soon after proved fatal.

The Roster on later pages comprises the Conferees (including Governors prevented by illness or public duty from appearing in person), arranged by groups. The half-tone engraving following it represents the Governors present at noon of May 13, with several other guests. A photogravure representing all the Conferees was prepared with the consent of the Conference Committee, but is not reproduced herein. W J M.

OPENING ADDRESS BY THE PRESIDENT

Governors of the several States; and Gentlemen:

I welcome you to this Conference at the White House. You have come hither at my request, so that we may join together to consider the question of the conservation and use of the great fundamental sources of wealth of this Nation.

So vital is this question, that for the first time in our history the chief executive officers of the States separately, and of the States together forming the Nation, have met to consider it. It is the chief material question that confronts us, second only—and second always—to the great fundamental questions of morality. [Applause]

With the governors come men from each State chosen for their special acquaintance with the terms of the problem that is before us. Among them are experts in natural resources and representatives of national organizations concerned in the development and use of these resources; the Senators and Representatives in Congress; the Supreme Court, the Cabinet, and the Inland Waterways Commission have likewise been invited to the Conference, which is therefore national in a peculiar sense.

This Conference on the conservation of natural resources is in effect a meeting of the representatives of all the people of the United States called to consider the weightiest problem now before the Nation; and the occasion for the meeting lies in the fact that the natural resources of our country are in danger of exhaustion if we permit the old wasteful methods of exploiting them longer to continue.

With the rise of peoples from savagery to civilization, and with the consequent growth in the extent and variety of the needs of the average man, there comes a steadily increasing growth of the amount demanded by this average man from the actual resources of the country. And yet, rather curiously, at the same time that there comes that increase in what the average man demands from the resources, he is apt to grow to lose the sense of his dependence upon nature. He lives in big cities. He deals in industries that do not bring him in close touch with nature. He does not realize the demands he is making upon nature. For instance, he finds, as he has found before in many parts of this country, that it is cheaper to build his house of concrete than of wood, learning in this way only that he has allowed the woods to become exhausted. That is happening, as you know, in parts of this country at this very time.

Savages, and very primitive peoples generally, concern themselves only with superficial natural resources; with those which they obtain from the actual surface of the ground. As peoples become a little less primitive, their industries, although in a rude manner, are extended to resources below the surface; then, with what we call civilization and the extension of knowledge, more resources come into use, industries are multiplied, and foresight begins to become a necessary and prominent factor in life. Crops are cultivated; animals are domesticated; and metals are mastered.

We can not do any of these things without foresight, and we can not, when the nation becomes fully civilized and very rich, continue to be civilized and rich unless the nation shows more foresight than we are showing at this moment as a nation. [Applause]

Every step of the progress of mankind is marked by the discovery and use of natural resources previously unused. Without such progressive knowledge and utilization of natural resources population could not grow, nor industries multiply, nor the hidden wealth of the earth be developed for the benefit of mankind.

From the first beginnings of civilization, on the banks of the Nile and the Euphrates, the industrial progress of the world has gone on slowly, with occasional set-backs, but on the whole steadily, through tens of centuries to the present day.

It never does advance by jumps, gentlemen. It always goes slowly. There are occasional set-backs, but on the whole it goes steadily.

But of late the rapidity of the process has increased at such a rate that more space has been actually covered during the century and a quarter occupied by our national life than during the preceding six thousand years that take us back to the earliest monuments of Egypt, to the earliest cities of the Babylonian plain.

Now, I ask you to think what that means; and I am speaking with historic literalness. In the development, the use, and therefore the exhaustion of certain of the natural resources, the progress has been more rapid in the past century and a quarter than during all preceding time of which we have record.

When the founders of this nation met at Independence Hall in Philadelphia the conditions of commerce had not fundamentally changed from what they were when the Phoenician keels first furrowed the lonely waters of the Mediterranean.

You turn to Homer—some of you did in your school days, even if you do not now [laughter]—and you will see that he spoke, not of the Mediterranean but of one corner of the Egean only, as a limitless waste of water which no one had traversed. There is now no nook of the earth that we are not searching.

When our forefathers met in Independence Hall, the differences were those of degrees, not of kind, and they were not in all cases even those of degree. Mining was carried on fundamentally as it had been carried on by the Pharaohs in the countries adjacent to the Red Sea. Explorers now-a-days by the shores of the Red Sea strike countries that they call new, but they find in them mines, with sculptures of the Pharaohs, showing that those mines were worked out and exhausted thousands of years before the Christian era.

In 1776 the wares of the merchants of Boston, of Charleston, like the wares of the merchants of Nineveh and Sidon, if they went by water, were carried by boats propelled by sails or oars; if they went by land were carried in wagons drawn by beasts of draft or in packs on the backs of beasts of burden. The ships that crossed the high seas were better than the ships that three thousand years before crossed the Egean, but they were of the same type, after all—they were wooden ships propelled by sails. There the difference was one of degree in our favor. On shore the difference was one of degree against us, for on land the roads, at the end of the eighteenth century, when this country became a nation, were not as good as the roads of the Roman Empire, while the service of the posts, at any rate prior to the days of Benjamin Franklin, was probably inferior. In the previous eighteen hundred years there had been a retrogression in roads and in postal service.

In Washington's time anthracite coal was known only as a useless black stone; and the great fields of bituminous coal were undiscovered. As steam was unknown, the use of coal for power production was undreamed of. Water was practically the only source of power, save the labor of men and animals; and this power was used only in the most primitive fashion. But a few small iron deposits had been found in this country, and the use of iron by our countrymen was very small. Wood was practically the only fuel, and what lumber was sawed was consumed locally, while the forests were regarded chiefly as obstructions to settlement and cultivation. The man who cut down a tree was held to have conferred a service upon his fellows.

Such was the degree of progress to which civilized mankind had attained when this nation began its career. It is almost impossible for us in this day to realize how little our Revolutionary ancestors knew of the great store of natural resources whose discovery and use have been such vital factors in the growth and greatness of this Nation, and how little they required to take from this store in order to satisfy their needs.

Since then our knowledge and use of the resources of the present territory of the United States have increased a hundred-fold. Indeed, the growth of this Nation by leaps and bounds makes one of the most striking and important chapters in the history of the world. Its growth has been due to the rapid development, and alas that it should be said!

to the rapid destruction, of our natural resources. Nature has supplied to us in the United States, and still supplies to us, more kinds of resources in a more lavish degree than has ever been the case at any other time or with any other people. Our position in the world has been attained by the extent and thoroughness of the control we have achieved over nature; but we are more, and not less, dependent upon what she furnishes than at any previous time of history since the days of primitive man.

Yet our fathers, though they knew so little of the resources of the country, exercised a wise forethought in reference thereto. Washington clearly saw that the perpetuity of the States could only be secured by union, and that the only feasible basis of union was an economic one; in other words, that it must be based on the development and use of their natural resources. Accordingly, he helped to outline a scheme of commercial development, and by his influence an interstate waterways commission was appointed by Virginia and Maryland.

It met near where we are now meeting, in Alexandria, adjourned to Mount Vernon, and took up the consideration of interstate commerce by the only means then available, that of water; and the trouble we have since had with the railways has been mainly due to the fact that naturally our forefathers could not divine that the iron road would become the interstate and international highway, instead of the old route by water. Further conferences were arranged, first at Annapolis, and then at Philadelphia. It was in Philadelphia that the representatives of all the States met for what was in its original conception merely a waterways conference; but when they had closed their deliberations the outcome was the Constitution which made the States into a Nation. [Applause]

The Constitution of the United States thus grew in large part out of the necessity for united action in the wise use of one of our natural resources. The wise use of all of our natural resources, which are our national resources as well, is the great material question of today. I have asked you to come together now because the enormous consumption of these resources, and the threat of imminent exhaustion of some of them, due to reckless and wasteful use, once more calls for common effort, common action.

We want to take action that will prevent the advent of a woodless age, and defer as long as possible the advent of an ironless age. [Applause]

Since the days when the Constitution was adopted, steam and electricity have revolutionized the industrial world. Nowhere has the revolution been so great as in our own country. The discovery and utilization of mineral fuels and alloys have given us the lead over all other nations in the production of steel. The discovery and utilization of coal and iron have given us our railways, and have led to such industrial development as has never before been seen. The vast wealth of

lumber in our forests, the riches of our soils and mines, the discovery of gold and mineral oils, combined with the efficiency of our transportation, have made the conditions of our life unparalleled in comfort and convenience.

A great many of these things are truisms. Much of what I say is so familiar to us that it seems commonplace to repeat it; but familiar though it is, I do not think as a nation we understand what its real bearing is. It is so familiar that we disregard it. [Applause]

The steadily increasing drain on these natural resources has promoted to an extraordinary degree the complexity of our industrial and social life. Moreover, this unexampled development has had a determining effect upon the character and opinions of our people. The demand for efficiency in the great task has given us vigor, effectiveness, decision, and power, and a capacity for achievement which in its own lines has never yet been matched. [Applause] So great and so rapid has been our material growth that there has been a tendency to lag behind in spiritual and moral growth [laughter and applause]; but that is not the subject upon which I speak to you today.

Disregarding for the moment the question of moral purpose, it is safe to say that the prosperity of our people depends directly on the energy and intelligence with which our natural resources are used. It is equally clear that these resources are the final basis of national power and perpetuity. Finally, it is ominously evident that these resources are in the course of rapid exhaustion.

This Nation began with the belief that its landed possessions were illimitable and capable of supporting all the people who might care to make our country their home; but already the limit of unsettled land is in sight, and indeed but little land fitted for agriculture now remains unoccupied save what can be reclaimed by irrigation and drainage—a subject with which this Conference is partly to deal. We began with an unapproached heritage of forests; more than half of the timber is gone. We began with coal fields more extensive than those of any other nation and with iron ores regarded as inexhaustible, and many experts now declare that the end of both iron and coal is in sight.

The mere increase in our consumption of coal during 1907 over 1906 exceeded the total consumption in 1876, the Centennial year. This is a striking fact: Thirty years went by, and the mere surplus of use of one year over the preceding year exceeded all that was used in 1876—and we thought we were pretty busy people even then. The enormous stores of mineral oil and gas are largely gone; and those Governors who have in their States cities built up by natural gas, where the natural gas has since been exhausted, can tell us something of what that means. Our natural waterways are not gone, but they have been so injured by

neglect, and by the division of responsibility and utter lack of system in dealing with them, that there is less navigation on them now than there was fifty years ago. Finally, we began with soils of unexampled fertility, and we have so impoverished them by injudicious use and by failing to check erosion that their crop-producing power is diminishing instead of increasing. In a word, we have thoughtlessly, and to a large degree unnecessarily, diminished the resources upon which not only our prosperity but the prosperity of our children and our children's children must always depend.

We have become great in a material sense because of the lavish use of our resources, and we have just reason to be proud of our growth. But the time has come to inquire seriously what will happen when our forests are gone, when the coal, the iron, the oil, and the gas are exhausted, when the soils shall have been still further impoverished and washed into the streams, polluting the rivers, denuding the fields, and obstructing navigation. These questions do not relate only to the next century or to the next generation. One distinguishing characteristic of really civilized men is foresight; we have to, as a nation, exercise foresight for this nation in the future; and if we do not exercise that foresight, dark will be the future! [Applause] We should exercise foresight now, as the ordinarily prudent man exercises foresight in conserving and wisely using the property which contains the assurance of well-being for himself and his children. We want to see a man own his farm rather than rent it, because we want to see it an object to him to transfer it in better order to his children. We want to see him exercise forethought for the next generation. We need to exercise it in some fashion ourselves as a nation for the next generation.

The natural resources I have enumerated can be divided into two sharply distinguished classes accordingly as they are or are not capable of renewal. Mines if used must necessarily be exhausted. The minerals do not and can not renew themselves. Therefore in dealing with the coal, the oil, the gas, the iron, the metals generally, all that we can do is to try to see that they are wisely used. The exhaustion is certain to come in time. We can trust that it will be deferred long enough to enable the extraordinarily inventive genius of our people to devise means and methods for more or less adequately replacing what is lost; but the exhaustion is sure to come.

The second class of resources consists of those which can not only be used in such manner as to leave them undiminished for our children, but can actually be improved by wise use. The soil, the forests, the waterways come in this category. Every one knows that a really good farmer leaves his farm more valuable at the end of his life than it was when he first took hold of it. So with the waterways. So with the forests. In dealing with mineral resources, man is able to improve on

nature only by putting the resources to a beneficial use which in the end exhausts them; but in dealing with the soil and its products man can improve on nature by compelling the resources to renew and even reconstruct themselves in such manner as to serve increasingly beneficial uses—while the living waters can be so controlled as to multiply their benefits.

Neither the primitive man nor the pioneer was aware of any duty to posterity in dealing with the renewable resources. When the American settler felled the forests, he felt that there was plenty of forest left for the sons who came after him. When he exhausted the soil of his farm, he felt that his son could go West and take up another. The Kentuckian or the Ohioan felled the forest and expected his son to move west and fell other forests on the banks of the Mississippi; the Georgian exhausted his farm and moved into Alabama or to the mouth of the Yazoo to take another. So it was with his immediate successors. When the soil-wash from the farmer's field choked the neighboring river, the only thought was to use the railway rather than the boats to move produce and supplies. That was so up to the generation that preceded ours.

Now all this is changed. On the average the son of the farmer of today must make his living on his father's farm. There is no difficulty in doing this if the father will exercise wisdom. No wise use of a farm exhausts its fertility. So with the forests. We are over the verge of a timber famine in this country, and it is unpardonable for the Nation or the States to permit any further cutting of our timber save in accordance with a system which will provide that the next generation shall see the timber increased instead of diminished. [Applause]

Just let me interject one word as to a particular type of folly of which it ought not to be necessary to speak. We stop wasteful cutting of timber; that of course makes a slight shortage at the moment. To avoid that slight shortage at the moment, there are certain people so foolish that they will incur absolute shortage in the future, and they are willing to stop all attempts to conserve the forests, because of course by wastefully using them at the moment we can for a year or two provide against any lack of wood. That is like providing for the farmer's family to live sumptuously on the flesh of the milch cow. [Laughter.] Any farmer can live pretty well for a year if he is content not to live at all the year after. [Laughter and applause]

We can, moreover, add enormous tracts of the most valuable possible agricultural land to the national domain by irrigation in the arid and semi-arid regions, and by drainage of great tracts of swamp land in the humid regions. We can enormously increase our transportation facilities by the canalization of our rivers so as to complete a great system of waterways on the Pacific, Atlantic, and Gulf coasts and in the Mississippi Valley, from the Great Plains to the Alleghenies, and from the

northern lakes to the mouth of the mighty Father of Waters. But all these various uses of our natural resources are so closely connected that they should be coordinated, and should be treated as part of one coherent plan and not in haphazard and piecemeal fashion.

It is largely because of this that I appointed the Waterways Commission last year, and that I sought to perpetuate its work. There are members of the coordinate branch present. The reason this meeting takes place is because we had that waterways commission last year. I had to prosecute the work by myself. I have asked Congress to pass a bill giving some small sum of money for the perpetuation of that Commission. If Congress does not act, I will perpetuate the Commission anyway, [Great applause] but of course it is a great deal better that Congress should act; [Applause] it enables the work to be more effectively done. I hope there will be action. But the Commission will go ahead.

I wish to take this opportunity to express in heartiest fashion my acknowledgment to all the members of the Commission. At great personal sacrifice of time and effort they have rendered a service to the public for which we can not be too grateful. Especial credit is due to the initiative, the energy, the devotion to duty, and the farsightedness of Gifford Pinchot, [Great applause] to whom we owe so much of the progress we have already made in handling this matter of the coordination and conservation of natural resources. If it had not been for him this convention neither would nor could have been called.

We are coming to recognize as never before the right of the Nation to guard its own future in the essential matter of natural resources. In the past we have admitted the right of the individual to injure the future of the Republic for his own present profit. In fact there has been a good deal of a demand for unrestricted individualism, for the right of the individual to injure the future of all of us for his own temporary and immediate profit. The time has come for a change. As a people we have the right and the duty, second to none other but the right and duty of obeying the moral law, of requiring and doing justice, to protect ourselves and our children against the wasteful development of our natural resources, whether that waste is caused by the actual destruction of such resources or by making them impossible of development hereafter.

Any right thinking father earnestly desires and strives to leave his son both an untarnished name and a reasonable equipment for the struggle of life. So this Nation as a whole should earnestly desire and strive to leave to the next generation the national honor unstained and the national resources unexhausted. There are signs that both the Nation and the States are waking to a realization of this great truth. On March 10, 1908, the Supreme Court of Maine rendered an exceedingly important judicial decision. This opinion was rendered in re-

sponse to questions as to the right of the Legislature to restrict the cutting of trees on private land for the prevention of droughts and floods, the preservation of the natural water supply, and the prevention of the erosion of such lands, and the consequent filling up of rivers, ponds, and lakes. The forests and water power of Maine constitute the larger part of her wealth and form the basis of her industrial life, and the question submitted by the Maine Senate to the Supreme Court and the answer of the Supreme Court alike bear testimony to the wisdom of the people of Maine, and clearly define a policy of conservation of natural resources, the adoption of which is of vital importance not merely to Maine but to the whole country. [Applause]

Such a policy will preserve soil, forests, water power as a heritage for the children and the children's children of the men and women of this generation; for any enactment that provides for the wise utilization of the forests, whether in public or private ownership, and for the conservation of the water resources of the country, must necessarily be legislation that will promote both private and public welfare; for flood prevention, water-power development, preservation of the soil, and improvement of navigable rivers are all promoted by such a policy of forest conservation.

The opinion of the Maine Supreme Bench sets forth unequivocally the principle that the property rights of the individual are subordinate to the rights of the community, and especially that the waste of wild timber land derived originally from the State, involving as it would the impoverishment of the State and its People and thereby defeating a great purpose of government, may properly be prevented by State restrictions.

The Court says that there are two reasons why the right of the public to control and limit the use of private property is peculiarly applicable to property in land:

> First, such property is not the result of productive labor, but is derived solely from the State itself, the original owner; second, the amount of land being incapable of increase, if the owners of large tracts can waste them at will without State restriction, the State and its people may be helplessly impoverished and one great purpose of government defeated. * * * We do not think the proposed legislation would operate to "take" private property within the inhibition of the Constitution. While it might restrict the owner of wild and uncultivated lands in his use of them, might delay his taking some of the product, might delay his anticipated profits and even thereby might cause him some loss of profit, it would nevertheless leave him his lands, their product and increase, untouched, and without diminution of title, estate, or quantity. He would still have large measure of control and large opportunity to realize values. He might suffer delay but not deprivation. * * * The proposed legislation * * * would be within the legislative power and would not operate as a taking of private property for which compensation must be made.

56254—09——4

The Court of Errors and Appeals of New Jersey has adopted a similar view, which has recently been sustained by the Supreme Court of the United States. In delivering the opinion of the Court on April 6, 1908, Mr. Justice Holmes said:

> The State as quasi sovereign and representative of the interests of the public has a standing in court to protect the atmosphere, the water, and the forests within its territory, irrespective of the assent or dissent of the private owners of the land most immediately concerned. * * * It appears to us that few public interests are more obvious, indisputable and independent of particular theory than the interest of the public of a State to maintain the rivers that are wholly within it substantially undiminished, except by such drafts upon them as the guardian of the public welfare may permit for the purpose of turning them to a more perfect use.

[Applause]

> This public interest is omnipresent wherever there is a State, and grows more pressing as population grows.

Not as a dictum of law, which I cannot make, but as a dictum of morals, I wish to say that this applies to more than the forests and streams. [Laughter and applause] The learned Justice proceeds:

> We are of opinion, further, that the constitutional power of the State to insist that its natural advantages shall remain unimpaired by its citizens is not dependent upon any nice estimate of the extent of present use or speculation as to future needs. The legal conception of the necessary is apt to be confined to somewhat rudimentary wants, and there are benefits from a great river that might escape a lawyer's view.

[Laughter] I have simply quoted. [Laughter]

> But the State is not required to submit even to an esthetic analysis. Any analysis may be inadequate. It finds itself in possession of what all admit to be a great public good, and what it has it may keep and give no one a reason for its will.

These decisions reach the root of the idea of conservation of our resources in the interests of our people.

Finally, let us remember that the conservation of our natural resources, though the gravest problem of today, is yet but part of another and greater problem to which this Nation is not yet awake, but to which it will awake in time, and with which it must hereafter grapple if it is to live—the problem of national efficiency, the patriotic duty of insuring the safety and continuance of the Nation. [Applause.] When the People of the United States consciously undertake to raise themselves as citizens, and the Nation and the States in their several spheres, to the highest pitch of excellence in private, State, and national life, and to do this because it is the first of all the duties of true patriotism, then and not till then the future of this Nation, in quality and in time, will be assured. [Great applause]

After the conclusion of the opening address (the President being in the chair), Captain McCoy, Aide to the President, requested the Conferees to pass through the main entrance in order that the President

might have the pleasure of greeting them personally; also that the Vice-President, the Justices of the Supreme Court, the Cabinet, the Governors of the States and other dinner guests of the evening before, including the members of the Inland Waterways Commission, should pass into the Blue Drawing Room before leaving the building.

The PRESIDENT: Information concerning the arrangements for the Conference and the entertainment of members can be obtained from Dr W J McGee, the Secretary of the Inland Waterways Commission, or from Mr Thomas R. Shipp, the General Secretary of the Conference.

In view of the large number of topics to be considered and the need of several of the Governors to be home soon as possible, the special statements by experts should be limited to twenty minutes, and ex tempore discussion to ten minutes, unless it is extended by the Governors themselves. A bell will ring once three minutes before the end of the time, and twice when the time has expired.

The Proceedings of the Conference will be recorded, and published in full; but it might be desirable to summarize some of the results. I would be glad, if the Governors see fit, to provide for a Committee on Resolutions to formulate general conclusions, should that meet with your approval. If you see fit to appoint such a committee, I think it should be appointed at the opening of the Second (or afternoon) Session. I make the suggestion to you simply as a suggestion, so that you may have something to work on. For the same purpose, I suggest that Governors Blanchard, of Louisiana, Fort, of New Jersey, Cutler, of Utah, Davidson, of Wisconsin, and Ansel, of South Carolina, might be named as such a committee. Those names have been suggested to me by various governors and others present. I simply put them before you for your consideration; you can of course name any committee you may desire. Resolutions should be referred to the committee without discussion, the discussion to follow the committee's report upon them.

Governor JOHNSON: Mr President, following your suggestion, I would move, if it is proper at this time, that the committee suggested by yourself be made the Committee on Resolutions of this Conference.

The motion was seconded by several Governors.

The PRESIDENT: Gentlemen, you have heard the motion, which has been seconded. Is any other motion offered, or is debate desired?

On demand for the question a viva voce vote was taken, and the motion was agreed to without dissenting voice.

Governor NOEL: I move that the second suggestion, that all resolutions shall be referred to this Committee without debate, be adopted.

The motion was seconded; and the question being demanded, the motion was put and was agreed to without dissent.

The PRESIDENT: Gentlemen, I shall now have the pleasure of meeting you personally as you pass through the Blue Room.

So the Conference rose at 12.05 p. m.

to the East Room of the White House, where the conference was in progress, and speak extemporaneously.

There were twenty-five Governors present and representatives of twelve others.

In response to my request for help and cooperation, the Governors' Conference passed the following resolutions. These resolutions are printed to show the united spirit of cooperation which the Governors "without regard to political affiliations" displayed in the hour of the country's need.

5 ¶ A Pledge of Support to the President by the Governors' Conference. March 6, 1933

In this anxious hour of a national emergency in our banking and economic life a heavy responsibility rests on our President to lead us out of our difficulties. He is ready to lead if we are ready to follow. He needs the united support of all our people in carrying out his plans.

Without regard to our political affiliations we Governors and representatives of Governors of States, met in conference in the City of Washington, March 6, 1933, hereby express our confidence and faith in our President and urge the Congress and all the people of our united country to cooperate with him in such action as he shall find necessary or desirable in restoring banking and economic stability.

B. M. Miller, Alabama
A. G. Schmedeman, Wisconsin
Ruby Laffoon, Kentucky
Clyde L. Herring, Iowa
Edwin C. Johnson, Colorado
by John T. Barnett
David Sholtz, Florida
Clarence D. Martin, Washington
by Frank T. Bell
Samuel Conner, Mississippi
Miriam Ferguson, Texas
by Mrs. J. E. King
Louis J. Brann, Maine
J. M. Futrell, Arkansas
by C. G. Smith
Floyd B. Olsen, Minnesota
by John R. Foley
William H. Murray, Oklahoma
by G. B. A. Robertson
Paul V. McNutt, Indiana
J. C. B. Ehringhaus, North Carolina
Hill McAlister, Tennessee
Theodore F. Green, Rhode Island
B. B. Moeur, Arizona
by Mrs. J. C. Greenway

John G. Winant, New Hampshire
I. C. Blackwood, South Carolina
O. K. Allen, Louisiana
Gifford Pinchot, Pennsylvania
H. G. Kump, West Virginia
L. A. Miller, Wyoming
John E. Erickson, Montana
by J. A. Lovelace
Arthur Seligman, New Mexico
by O. C. Wood
C. Ben Ross, Idaho
Fred B. Balzar, Nevada
by Cecil W. Creel
John Garland Pollard, Virginia
C. D. Buck, Delaware
George White, Ohio

6 ¶ A Letter to the Governors' Conference by a Committee of Citizens Urging Support of the President. March 6, 1933

WE THE undersigned have cast aside politics and group and sectional interest in a spirit of cooperation with the President, and we believe that this same spirit animates our whole people. Beyond that we are convinced that there is throughout the Nation a spontaneous spiritual uprising of confidence and hope in our chosen leader. The nature of our national crisis calls for an expression of this confidence in the combined voice of the people to show that they are behind him, alert and vocal and united in heart.

Prompt and decisive action of a national scope, and in several directions, is necessary to prevent economic collapse throughout the land. The ordinary operations of government that prevail and are suitable in time of prosperity with normal conditions, may be too slow to meet adequately this emergency and avoid the danger of this economic avalanche carrying all before it.

We, a Coalition Committee of different groups and political and religious faiths, respectfully request that you join the other Governors of our country in the issuance of a Proclamation, on Wednesday, March 8, 1933, in support of the President of the United States and our institutions, thus enabling the whole people to declare in unison their confidence and faith in our President. This would constitute the people's appeal to the patriotism of Congress which we know they possess, in common with all, to cooperate with the President in taking such action as will guarantee economic stability, re-

store confidence and thereby relieve unemployment and widespread distress.

Rear Admiral Richard E. Byrd
William Green, President, American Federation of Labor
Louis J. Taber, Master of The National Grange
Edward A. O'Neal, President, American Farm Bureau Federation
His Eminence George Cardinal Mundelein
Dr. Harry Emerson Fosdick
Rabbi Stephen Wise
Alfred E. Smith
Newton D. Baker
Dr. Nicholas Murray Butler, President, Columbia University
H. G. Harriman, President, United States Chamber of Commerce
Daniel Willard, President, Baltimore & Ohio R. R.
Walter Lippmann, Publicist

NOTE: The foregoing letter from various citizens is printed, together with the response of the Governors, printed as the next item, to show how widespread was the feeling that united effort and complete cooperation of all groups and parties were necessary to meet the emergency.

7 ¶ The Support Is Given; Resolutions Passed at the Governors' Conference. March 6, 1933

RESOLUTION PROPOSED BY GOVERNOR PINCHOT

WE, THE GOVERNORS of the States of the Union, assembled in conference at the White House by the President to discuss with him and each other matters of vital consequence to the people of this Nation, do hereby express our warm appreciation of the confidence, the desire to cooperate, and the alertness to the needs of our people which the President has signified by calling us here.

We welcome this opportunity to plan and work together for the common good.

RESOLUTION PROPOSED BY GOVERNOR WHITE

RESOLVED, That we look approvingly upon the President's plan for better land utilization, as presented to us this morning, not only as

a measure for the conservation of the Nation's natural resources but also as an effective step toward the relief of unemployment; and that we severally pledge ourselves to use our best efforts to ascertain, through proper surveys, the acreage that might be made available for such a program in our respective States.

RESOLUTION PROPOSED BY GOVERNOR EHRINGHAUS

THAT this Conference desires to express its confidence in the leadership of the President and its desire that he be granted immediately by the Congress such broad powers as may be necessary to enable the Executive to meet the present challenging emergency and we, as Governors of the several States here assembled, hereby pledge to him our wholehearted and sincere cooperation and support in his efforts to rehabilitate the Nation and end the present terrible depression.

RESOLUTION PROPOSED BY GOVERNOR COMSTOCK

THAT this Conference endorse the substitution of work-relief for direct relief as expeditiously as possible.

That the Federal Government finance State work-relief programs under State administration.

8 ¶ The President Proclaims a Bank Holiday. Gold and Silver Exports and Foreign Exchange Transactions Prohibited. Proclamation No. 2039. March 6, 1933

WHEREAS there have been heavy and unwarranted withdrawals of gold and currency from our banking institutions for the purpose of hoarding; and

WHEREAS continuous and increasingly extensive speculative activity abroad in foreign exchange has resulted in severe drains on the Nation's stocks of gold; and

WHEREAS those conditions have created a national emergency; and

WHEREAS it is in the best interests of all bank depositors that

Memo to Kristina Martin
From: Dia Wallace
Re: Governor's Association

Number of President's that have been Governors:
_____Pg. 356 " Facts about the President's"
Joseph Nathan Kane

State Governors:
Jefferson
Monroe
Van Buren
Tyler
Polk
Hayes
Johnson, Andrew
Cleveland

In this Century:
Mckinley (in his second term 1901)
Roosevelt, Theodore
Wilson
Coolidge
Roosevelt, Franklin
Carter
Reagan

Territorial before became states:
Harrison, Henry W.- Indiana
Jackson- Florida

It is constructive prevention.

But is not prevention rather than correction the solution of the crime problem? It is our positive duty to make the boy resourceful and trustworthy and he will not seek a gun at the point of which to make his livelihood. The racketeer and the gangster go out the window when Scouting comes in the door!

Thousands and thousands of New York City boys are eager to become Scouts. The outstanding opportunity offered to us is to make this program available to them. Our record of accomplishment so far should serve merely as a challenge to expand the Boy Scout enrolment of this great City. That should be our objective! And I hope, in keeping with the proposals already made, the Boy Scout Foundation and its associated councils will undertake a most aggressive campaign to help more boys.

123 ¶ A Tribute to George Washington. Address before the Conference of Governors, Richmond, Va. April 27, 1932

Governor Pollard, my fellow Executives, and you, my friends of Virginia:

In the olden days the welcome of the fathers and mothers of Virginia drew hither guests from all the colonies and from all the Nations of Europe: you, Governor Pollard, and you, the people of the Commonwealth of today, are giving to us a welcome of equal sincerity, a welcome which we and our families appreciate to the full and will always cherish. Ask us again, and we will come again.

At this hour when the purposes of civilization are challenged; when unrest is apparent; when new problems and new valuations call for a new leadership, it is well for America to view again the honor, the purity and the unselfish devotion of him who became the keystone in the making of the Nation, and who rightly won the imperishable title of Father of his Country.

In many ways this great gathering in the Capitol of Virginia constitutes the perfect tribute to the memory of George Washington. To this Commonwealth of his birth have come the Chief Executives of the Sovereignties of the Nation he founded to join with Governor Pollard, and, with you, his fellow-Virginians, in recreating in our hearts a deeper understanding of one who, by the grace of God, continues to shed his influence upon mankind.

You my fellow Governors, representing not the thirteen original States alone, but States which include vast territories that were unknown and unexplored in the days of the founding of the American Republic—you have equal right in our common heritage; and I am certain that the gallantry of Virginia will permit to the State of New York a natural pride in the thought that during the War of the Revolution, and later at the founding of constitutional government, General and President Washington's service to his country lay so greatly in my State.

I call tonight's great gathering a perfect tribute because I am confident that Washington himself would have desired a national tribute. His every prayer, his every thought, his every action, which related to his fellow men—all were founded upon a breadth of view and a breadth of vision that allowed no part to obscure the whole.

I like to believe that at this very hour his spirit is dwelling among us, helping us to turn away from sordid desires, and summoning us to a renewal of the ancient faiths.

It is generally agreed that more has been said and written about George Washington than about any other American. His biographers constitute a varied multitude, from the dry-as-dust scholastic who spends a life upon minutiae, to the "humanizer" who in brisk patois seeks to clothe the eighteenth-century gentleman in the latest garb of the modern, and not, it seems to me, to the end that we shall understand him any the better.

Far more interesting and, I believe, infinitely more profitable, is what Washington wrote and said and did himself. He made no pretense to oratory or to authorship, and yet in perfect detail and with painstaking industry Washington himself has set forth

for us the wisdom of his life. Examination easily puts to rest an all too prevalent impression that Washington was an emblem merely, and that Hamilton and others constituted the real directing genius of that great era. His own letters indicate the extent to which the policies of these brilliant minds were in the last analysis given initial shape and direction by Washington himself. If one will but read he will see the extent to which Washington, in his painstaking way and enlightened by a vast experience, actually directed the making of a Nation. Out of his letters emerges the man himself. One is struck by that habit of forceful but homely expression in which, while still a mere boy, he tells us of assuming great responsibilities, of his deep interest in developing the western lands, of his seeking after every kind of knowledge.

This diversity of knowledge, which, after all, is the foundation stone of his superbly realistic statesmanship, came from the fact that he was probably the most travelled man in the colonies.

My mind has perhaps unconsciously given first emphasis to Washington, the traveller, because we Governors in the space of three days have been given the privilege of seeing more of the Old Dominion's territory and landmarks than he could have covered in three weeks. It was perhaps fortunate for our life and limb and comfort that we have substituted a motorized caravan on splendid concrete roads for the chaise, the coach and the saddle on red clay roads. . . .

No other President has brought to his office a more complete knowledge of the country—and most of it acquired on horseback at that! Yet, notwithstanding his unique equipment President Washington decided that it was one of "the duties of (his) station to visit every part of the United States in the course of (his) administration of government." He wanted "to acquire knowledge of the face of the Country, the growth and agriculture thereof, and the temper and disposition of the inhabitants themselves."

His many journeys carried him north to Crown Point in New York; south to Savannah in Georgia; west to Gallipolis in Ohio;

east to Boston and to Kittery in Maine. A student of his travels has recently plotted, after months of careful research, the routes followed. That map shows that Washington covered vast distances, if we keep in mind the means of transportation of those days.

This first President of ours was enormously in touch with his United States—the States that he, perhaps more than any individual, made United in fact.

Extraordinarily for an individual, he animated his country, motivated it, inspired it. In the eyes of universal adulation he became its symbol. The special point is that he did all of this at first hand: he did nothing vicariously; he delegated next to nothing in his Americanization.

He knew at this same first-hand every geographical section of the Colonies he made into a Nation. Even in these days of Pullmans, motor-cars and airplanes such itineraries would be a remarkable achievement on the part of a public man half as busy as he was. . . .

While he loved best the serene life of a master farmer at Mount Vernon, it was not given him to enjoy such peace for any considerable time. His life was a succession of long, arduous periods of public service. For six years, military duties relating to the conflict with the French and Indians exacted his energies and at times seriously endangered his health. For the next sixteen years his life at Mount Vernon was more and more disturbed by that growing spirit of revolt against the Mother country which stirred the colonies. Then followed the eight years of Revolution with interludes of despair and disaster. When peace with England came, the affairs of the young Nation were still critical and nearly six years were given to the making of the new Nation. Finally, there were eight years of the Presidency—perhaps the most arduous of all. It is difficult to find any parallel in history for this career, made up of a hard succession of tasks, each, it would seem, harder than its predecessor. It was a lifetime of stern and seemingly endless difficulties. Other lives in other Nations and other times have been similarly filled with action and

with tasks. America has no Caesar, America has no Charlemagne, America has no Henry the Eighth, America has no Napoleon, America has no Lenin: America prefers and always will prefer her Washington.

When he laid down the care of office in 1797, he had completed practically forty-five years of service for his Country and his countrymen—a period covering a succession of infinitely critical times of stress. In spite of a constant burden of treachery, of injustice, of slander and criticism and often of the stupidity of his associates, he maintained—with a few exceptions, when he displayed delightfully human fits of temper—a calm and patient devotion to fundamental issues.

We who have suffered ourselves the pains of public criticism can realize what he meant when he said toward the end of his long career, that he had been "assailed in such exaggerated and indecent terms as could scarcely be applied to a Nero, a notorious defaulter or even to a common pick-pocket."

He met his problems by patient and informed planning, enlightened by a lively imagination but restrained by practical prudence. This practical and prudent manner of working has made him seem to many historians ultra-conservative, but careful examination of his policies shows that they were far-reaching and liberal for the time and circumstances under which he was working.

Speculation, for example, was prevalent during his career. Some of this, of course, was unavoidable in a period of rapid expansion in a virgin and immature country, but its effect on the industry and habits of the people and on normal economic affairs he deeply deplored. In writing to Jefferson in 1788, he said, "I perfectly agree with you that an extensive speculation, a spirit of gambling, or the introduction of anything which will divert our attention from agriculture must be extremely prejudicial, if not ruinous to us." Some of my fellow Governors have given voice to this same thought during these past three days.

With respect to the rise of manufacturing, he did not commit himself to a governmental policy of encouraging only manufac-

turing, constantly pointing out that manufacturing should be considered as an aid to what he conceived to be the dominant economy of the country—agriculture. In a letter to Lafayette, he stated in substance, that he would regret to see manufacturing draw vast numbers of workers from the land, and that he felt that such a result was not necessary.

Washington repeatedly emphasized the responsibility of Government for the encouragement of agriculture. This real Father of his Country spoke repeatedly of the wisdom of developing agricultural aid and in 1796, his message said, "It will not be doubted, that, with reference either to individual or national welfare, agriculture is of primary importance. In proportion as Nations advance in population and other circumstances of maturity, this truth becomes more apparent, and renders the cultivation of the soil more and more an object of public patronage." What a pity that recent national leadership and, therefore, recent national thought have so little heeded that precept!

Because he saw that agriculture was a thing that was not susceptible to the principles of competition, it followed for him that it was intimately related to and dependent on governmental policy. Consequently, in his magnificent matter-of-fact manner, he reasoned directly from what he saw to what he thought ought to be done by the Government, not disturbing his mind by mere efforts to reconcile conflicting schools of economic theory. It is some such matter-of-fact attitude that modern statesmen might apply in greater measure to public problems. To concern ourselves less with theory and more with a realism based on the hard lessons of experience, is to serve well the memory of Washington and also the fundamental interests of popular government.

Of the nationalism that dominated Washington's policies, another Virginian President said, speaking at the darkest moment of the Great War, July 4, 1918, at Washington's tomb in Mount Vernon: "It is significant—significant of their own character and purpose and of the influences they were setting afoot—that

Washington and his associates, like the barons at Runnymede, spoke and acted not for a class, but for a people . . . They entertained no private purpose, desired no advantage." So spoke your President and mine — Woodrow Wilson.

This absence of sectionalism, together with his interest in the means of knitting the scattered people of the new Nation together, was the imperishable contribution of Washington. And it was born, as we know, of a firm and accurate knowledge. He saw that nothing could be gained by preaching a mere theory of unity. He first grasped the units and then sought the means of union. He identified the sections and interests, sought with a sympathetic and penetrating mind their special problems and needs and stated them with fairness and courage. Then he sought whether by roads or waterways or by the less material instrumentality of education, the means of national unity. First identify, then unify. "The separate interests," he said, "as far as it is practicable, must be consolidated; and local views must be attended to, as far as the nature of the case will admit . . . If the union of the whole is a desirable object, the component parts must yield a little in order to accomplish it."

It is of interest to note at this Conference of Governors the essential part of a circular letter addressed by him to the Governors of the States at the close of the War of the Revolution. He said: "With this conviction of the importance of the present crisis, silence in me would be a crime. I will therefore speak to your Excellencies the language of freedom and of sincerity without disguise . . . There are four things which I humbly conceive are essential to the well being, I may even venture to say, to the existence, of the United States, as an independent power: —

"First. An indissoluble union of the States under one federal head.

"Second. A regard to public justice.

"Third. The adoption of a proper peace establishment; and,

"Fourth. The prevalence of that pacific and friendly disposi-

tion among the people of the United States, which will induce them to forget their local prejudices and policies; to make those mutual concessions which are requisite to the general prosperity; and in some instances to sacrifice their individual advantages to the interest of the community."

Nearly a century and a half later we, as Governors, can accept that calm advice from our First President. We can accept from him those fine fundamentals, and learn from him that theory without practical action moves a Nation but a short distance along the path of progress. . . .

Our styles may change, our means of unity are ever transformed by mechanical invention and by increasing knowledge. To the roads and waterways of his age and generation are now added railroads, air transportation, the telegraph and telephone, the radio and that portentious and enormously valuable national interest, giant electrical power. To surround new means of national usefulness with proper safeguards and legitimate assistance is the way of a statesmanship that depends upon knowledge and facts rather than theory and prejudice. We need education, justice, foreign relations, all cut to the pattern of modern necessity, but above all, unity in the spirit and form of Washington's common sense—a unity based upon a deep and sympathetic knowledge of differences; for knowledge puts away fear, and fear is the father of disunion.

May his spirit watching over us here in his native State and his native land breathe upon us his courage, his sympathy, his knowledge, to the end that we his children may safeguard and foster through all the years the great trust he has given into our keeping.

Join me therefore in these his words:

"That your union and brotherly affection may be perpetual; that the free constitution which is the work of your hands may be sacredly maintained; that its administration may be stamped with wisdom and virtue; that, in fine, the happiness of the people of these States under the auspices of liberty may be made complete—this is my unceasing prayer to Heaven."

retain faith, in the strength of the common purpose, and in the strength of unified action taken by the American people.

That is why I am describing to you the simple purposes and the solid foundations upon which our program of recovery is built. That is why I am asking the employers of the Nation to sign this common covenant with me—to sign it in the name of patriotism and humanity. That is why I am asking the workers to go along with us in a spirit of understanding and of helpfulness.

(See Items 59, 78, 79, 81, 93, 98, 105 of this volume.)

102 ¶ Radio Address to Governors' Conference at San Francisco—"Mutual State and Federal Undertakings." July 25, 1933

I SEND my greetings across many States to the Conference of Governors assembled tonight. I wish I could meet with you and renew old and pleasant associations, created during the four years during which I was one of you. I like to recall that I was a member of the Executive Committee of the Conference of Governors and that I attended all four meetings during my term of office as Governor of New York. I found then, and subsequent observation has confirmed my belief, that the Governors' Conference is a vital and necessary organization.

I take this occasion to assure you of my deep appreciation of the cooperative spirit which you have recently shown in your resolution addressed to me. We are all engaged in the business of lifting this country from economic chaos and I congratulate you on the efforts that you are making.

I feel that one of the great problems before us is to adjust the balance between mutual State and Federal undertakings—to determine the joint responsibilities of many great tasks. I think we are making progress in this direction. There are many problems that extend beyond the power of single States. I can use

as illustrations two which happen to be in the foreground in Washington at this moment.

The problem of oil production, for example, must be viewed and measured from the standpoint of the national total of production and of consumption. But, in coming to grips with the problem of limitation, the States have a function to perform which is of great importance. I am happy that the oil-producing States are cooperating with each other and with the Federal Government in this matter.

Another problem is a consideration of a wider and more effective use of the land over wide areas in such natural units as the Tennessee or the Arkansas or the Missouri or the upper Mississippi valleys. Here are problems where the individual State and regional groups of States and the Federal Government may well find possibilities of fruitful cooperation.

I extend to you a very personal note of greeting. I am more than pleased with the contacts which I have had with the Governors of the forty-eight sovereign States since I have been President. I have maintained a constant and active interchange of ideas with many of you. We have communicated by mail and telephone and more particularly by personal conferences at the White House. I hope that these contacts will continue and increase in number and importance. I hope, furthermore, that during the coming winter I may have the pleasure of meeting with you here in Washington once more, and I take this occasion to extend to you a cordial invitation for such a meeting during the coming winter.

Let us look forward to this gathering in the hope that it will mark further solid accomplishments by all of us in the direction of national recovery. It is a major purpose of my Administration to strengthen the bonds between State and Federal executive authorities, to the great common ends to which we are all devoted.

My warm greetings to you all, old associates and new friends.

(See Item 4 of this volume.)

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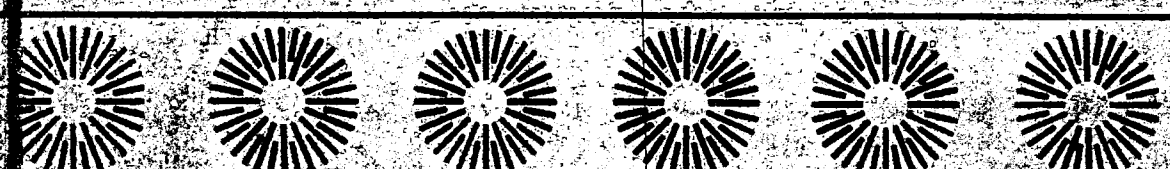
Goodbye to Good-Time Charlie

Larry Sabato



Lexington Books

Goodbye, Good-Time Charlie

The inventory of change is now complete, and the transformation of the American governor—from near omnipotent colonial to emasculated "cypher" to the modern new breed—is now apparent. How far the state chief executive has come since one politician told Alexis de Tocqueville, "The Governor counts for absolutely nothing and is only paid 1,200 dollars"![25]

While governors are still an elite corps of white, male lawyers and businessmen, they are slowly becoming more heterogeneous; women have established toeholds, and blacks are a step away from governorships. Religion is no longer much of a bar to election, and Catholic and Jewish chief executives are more numerous than ever. Informal candidacy requirements like marital status are no longer so absolute. The new governors are younger and better educated, and the break with the past is perhaps most striking in the South. The preparation in public office that governors receive prior to their elections is more thorough and appropriate. The governorship has become so attractive that a goodly number of congressmen have been enticed to leave their Washington haven for a crack at the statehouse. Former governors have found recently that their talents are in greater demand by voters and presidents alike, and the postgubernatorial federal administrative, judicial, and elective posts have generally been more prestigious than before.

The governors' bailiwick, state government, has been heavily overhauled of late. Constitutional revision and reorganization has proceeded at a pace that is nothing short of astounding. Thanks to this rapid, basic transformation of the structure of state government, modern governors work in a much less inhibiting administrative environment that is only marred by the persistence of a cluster of other statewide elective offices not directly under the governors' control. The decline of patronage is judged a boon that has liberated chief executives from a time-consuming, outmoded, and frustrating chore. In the place of patronage, governors have gained appointive powers where it really matters—at the top levels of state government. Gubernatorial staff and salaries have been generously augmented, as have those of lieutenant governors. The holders of the second highest state post, with the addition of more substantial duties, are being better trained for the top job that many of them will eventually win. Their relationship with the governors is given greater assurance of harmony by the institution of team election of governor and lieutenant governor. Meanwhile the strengthening of the executive budget and other planning and management tools have consolidated the control of chief executive over state administration (even granting them a bit more leverage over the other statewide elected officers). Legislatively, the near-invincible veto power of governors has been enlarged, while reapportionment has meant that governors and state legislatures now represent the same constituencies and have more compatible outlooks and orientations as a result. No development has been more crucial to the strengthening of the governors and the states.

25. Alexis de Tocqueville, *Journey to America*, J.P. Mayer (ed.) (London: Faber and Faber, 1959), p. 94.

26. See Neal Peirce, "The States: Innovative Solutions to the Recession," *The Washington Post*, February 27, 1976, p. A-25.

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*** PRESIDENTIAL ADDRESS: NATIONAL GOVERNORS' ASSOCIATION/CHICAGO
July 31, 1989 Monday
Terry E. Branstead
In-coming chairperson
TIME + PLACE
10:00 AM Hyatt Regency

Governor Baliles, I want to commend you on the success of your chairmanship. (Ba-lyles) Over the last decade, the Governors Association has become a powerhouse of ideas -- ideas to lead America as we face the challenges of a new century.

I also want to salute our host and my good friend, Jim Thompson -- a great governor and a former N.G.A. Chairman who has rocked the world of Illinois politics by announcing he will not run for a fifth term . . . ((And to think, Jim, they were just getting used to you.))

And if I may, let me recognize my chief of staff, another former N.G.A. Chairman, ((and another quiet and retiring soul)), John Sununu . . .

Let us begin by asking: what is the role of the governor in American political life? Well, the great 19th-century observer of American politics, Alexis de Toqueville ((deh Towk-veal)) once asked a country politician the same question. The answer he got was this: "The governor counts for absolutely nothing and is paid only twelve hundred dollars." ((PAUSE))

Well, you still can't get rich off a public salary. But today, the office of governor does count for something. In fact,

leadership in America is increasingly the sum of **your** efforts and **your** vision.

As I look around me, I see more than fifty men and women representing America's states, commonwealths and territories. I see a people as diverse as our geography, as different as Bill Clement's Texas and John Waihee's Hawaii, Bob Martinez's Florida and John McKernan's beloved Maine.

And yet, we are **a** people, one nation, indivisible. Just as we share our cherished Constitution, so we also share common challenges and responsibilities. To become competitive as a nation, we must become competitive as states. To cure our nation of illiteracy, drug abuse and crime, we must act in tandem, president with governor, and governor with mayor, up and down the line. In short, we must find our collective will as a nation.

That is why I have come to Chicago to meet with my fellow chief executives. We share, as executives, a special responsibility . . . some describe it as a great burden. But for us, if it is a burden, it is one cheerfully accepted. To sit where the buck stops, to resolve disputes, great and trivial, is to know a special kind of satisfaction.

In fact, our missions as executives are so similar that many presidents have called on you for guidance. It was Teddy Roosevelt who called the nation's first conference of governors -- the forerunner of this association -- at the White House. He brought the nation's governors together to call for conservation, for an end to the reckless denuding of our forests.

It was another Roosevelt, also a former governor of New York, also president, who called on the governors to help him stem the financial crisis of the Great Depression.

Today, we do not meet in a spirit of immediate crisis. The nation is sound. It will not fail or falter tomorrow if we are inactive today. But the decline of our education, the threat of crime and drugs, the economic dependency of so many -- these amount to a slow crisis. And this slow crisis endangers the very leadership position of America in the world.

America needs your executive know-how more than ever before. The ultimate challenge, as Governor Baliles puts it, is "to become again the Yankee traders we once were." For the governors to formulate a creative response to our nation's competitive position is more than perceptive; it is forward-looking, an attribute of the best kind of leadership.

As you know, I have just returned from an economic summit where the competitive position of our nation was an underlying theme in discussions on the great economic issues of trade, monetary policy and international debt. But no less important to America was the start of my journey . . . in Eastern and Central Europe. Of course, in economic terms, Poland and Hungary today are not the economic magnets that we find in Western Europe or the Pacific Rim. But I saw a tremendous potential in the awakening spirit of those lands. No one who has witnessed the courage of the workers of Gdnask, or the exuberance of the young

people of Budapest, could doubt the coming achievements, the future greatness of the Polish and Hungarian peoples.

America can be the catalyst for change in these countries -- change that is certain to open new markets for American products. But we have our eyes on a greater vision of what trade means -- not just the trading of goods, **but the free flow of people and ideas that can only be called freedom.** ((PAUSE))

And the beauty of it is that we can boost reform without massive government-to-government programs. We can do the most good, as American leaders, by simply facilitating trade and investment, by simply opening doors for opportunity.

To open these doors will require leadership at every level of government. That is one reason why I have come to Chicago, **to enlist your leadership, to ask each of you to go to Poland, to go to Hungary.**

While governors have no formal role in foreign policy, you are becoming our economic and political ambassadors. You have formulated and advanced ideas that will shape the future role of America in the world. The boldest of these ideas have, at first, seemingly little to do with our competitiveness. But as chief executives, you and I know first-hand how crucial seemingly domestic matters are to the future of America.

A nation in which a half of the youngest generation is ignorant of geography, in which drugs are rampant, in which a substantial proportion of the population knows no hope -- such a nation will not long remain competitive. In the final analysis,

improving our schools, driving out drugs and bringing hope and opportunity to those who need it most -- these are issues of our national well-being, even our national security.

Adlai Stevenson 1965

EDUCATION REFORM

First and foremost are our children and their education. Franklin Delano Roosevelt, a great governor before he was a great president, said: "We can light a candle or curse the darkness." Working together, you and I can bring enlightenment to every classroom in America.

On April 5, I sent to Congress an educational reform package, based on a few principles rooted in the practical experience of the states. To have reform, excellence and achievement must be recognized and rewarded. To have reform, federal dollars should be targeted to those most in need. To have reform, we need flexibility and choice -- choice for parents, and choice for schools in their selection of teachers and principals. Finally, the essence of reform is accountability in education and reward for those schools that show progress.

If implemented, I believe that these measures will restore the quality of American education and redeem the future of millions of children. But there is more to be done. On June 5, I asked the business community to study what the private sector can do to energize and support educational reform. Now I want to renew my pledge to assemble the executive talent of America in a summit, to share ideas and to explore options for educational

progress. I invite you to a summit on education, to be held in at ((high school)) on ~~September~~ October ((date)). By working together, we can reach a consensus on long-term goals, ways to better the schools of America.

CRIME

As chief executives, we also see drugs and crime as the most harrowing domestic threat to the future of America.

I proposed, on May 15, a common-sense approach to crime to limit criminals' access to weapons, to reform the criminal justice system, to enhance enforcement and prosecution, and to expand prison capacity to ensure both the certainty and severity of punishment. I propose the hiring of 825 new federal agents and staff; 1,600 new prosecutors and staff; and an additional one billion dollars for federal prison construction.

With these measures, and with a sustained cooperative effort by federal, state and local law enforcement agencies, **we can take back the streets.** ((PAUSE))

WELFARE REFORM

((New language to come from Policy.))

CONCLUSION

Many of our responsibilities overlap in education, law enforcement and welfare. At times, there has been friction between the states and the "feds." Perhaps what we need between

the federal government and the states is a friendly competition well known to Chicagoans. Here, along the majestic lakefront skyline, is the world's tallest building. And yet, there are reports in the local media that some investors may erect an even taller building. And if they do, it is reported that the owners or prospective buyers of the current world's tallest building may add on to its height in order to keep the title of tallest. ((You might say this gives the phrase one-upmanship a whole new meaning.))

Yet this is the kind of one-upmanship that builds, not destroys, that lifts, not lowers, that takes us all a little closer to the stars.

I have committed the powers of my office to lift America -- starting in the classrooms and the streets. And my proposals to achieve this are not my ideas alone; most have their genesis in policies proposed by governors.

Working together, we can achieve a national consensus. Working together, we can make the next century another American century.

Thank you, God bless you and God bless America.

# # #

81 ¶ Address before the Conference of Governors, New London, Conn. July 16, 1929

(Suppression of crime—Enforcement of justice—Reform of criminal procedure.)

NO CONSTITUTIONAL sovereign right vested in the forty-eight States which make up our great Nation has been more zealously defended or clearly established than the right of each State to control the police powers and the administration of justice within its borders. What constitutes a crime is a matter which each State determines for itself. What machinery of justice shall be employed to enforce its laws is also a matter for State determination. Only those matters which are violations of such Congressional laws as are based on specific grants of authority by the Constitution to the Federal Government are recognized, not as usurping the State's individual authority, but as necessary measures which the agreement of federation between the different States requires us to acquiesce in, if we are to keep faith one with another.

Our Nation has been a successful experiment in democratic Government, because the individual States have waived in only a few instances their sovereign rights and have permitted the national Government, through its own machinery and its own courts, to enforce within their borders certain particular laws which the States themselves, as represented in Congress assembled, have agreed upon as being proper national legislation.

But there is a tendency, and to my mind a dangerous tendency, on the part of our national Government, to encroach, on one excuse or another, more and more upon State supremacy. The elastic theory of interstate commerce, for instance, has been stretched almost to the breaking point to cover certain regulatory powers desired by Washington. But in many cases this has been due to a failure of the States, themselves, by common agreement, to pass legislation necessary to meet certain conditions.

We are now faced with new and alarming problems in criminal activity. I am very certain that the public is aroused to the neces-

sity of suppressing the outrageous and open lawlessness shown by the murders committed daily in the public streets of our great cities, of private feuds between gunmen which flourish with less punishment than in the darkest days of Sicily. At this constantly growing disregard of the life and safety of others and crimes against property, the public has grown alarmed and demands action. And let me here voice to the Governors of my sister States my conviction that if our States do not themselves, by cooperation and earnest, intelligent legislation, remedy the existing condition of affairs, we shall find the heavy hand of Washington laid on us by Federal legislation, and the people of our own commonwealths will raise no voice in protest, because their own State Governments have been inefficient, stupid or negligent.

If we wish to retain our control over the criminal laws and police powers, we must accept the responsibility for their enforcement; we must clean out the antiquated machinery of justice; we must meet new kinds of crime with new kinds of laws; and we must do this, not in this State or that State, but in every State, if anything is to be really done about this crime problem.

We who have assembled for this conference have no small moral share in this responsibility. It is the Governor of each State who has the duty, and the right as well, of calling to the attention of his State Legislature the need for legislative action, not merely by a few perfunctory words in an annual message dealing with many subjects, but persistently, forcibly, and repeatedly, whenever the Legislature fails to take action.

There is no doubt that the citizens of every State will support their Governor in a demand for proper measures to reduce crime, and, while the Governor's personal appeal does not always fall upon sympathetic ears, when it is backed by public opinion, irrespective of political beliefs, it will in the end be heeded by the most recalcitrant or slow-moving legislative bodies.

I have spoken of the obligation that falls on us, as Governors, to urge upon our State Legislatures the need of passing proper and helpful legislation. It may be well asked how may the propriety or helpfulness of legislation of this character be ascertained? And

here we come at the start to the first great stumbling block in the fight against crime.

Three years ago, when the National Crime Commission, of whose executive committee I happen to be a member, first undertook the investigation as to what practical and immediate steps could be taken to reduce crime, they discovered that, while it is possible to determine with reasonable accuracy how many cases of mumps there had been in the United States during the previous year, no one could tell in even the most inaccurate way how many murders there had been in this same period. We talk about a crime wave. Let me assure you gentlemen, on the word of the National Crime Commission, which has been studying this matter for three years, that no one can today state with any authoritative statistics to back him, whether there is or is not a crime wave in the United States. A certain new and reckless disregard of human life is apparent in some of our large cities, and the records of the courts and State prisons show that a new and most alarming change has taken place in the characters of our criminals, and that the old and hardened "yegg man" has practically disappeared from our police courts and has been replaced by mere lads whose ages range between 16 and 24, who rob and murder with almost a certainty of escape from detection, youngsters who, if detected, are able to defeat justice through clever lawyers with a certainty of safety that is bringing into their ranks new recruits every hour of the day, tempted by the glittering prospect of easy money without real risk. But as to whether or not there is a total increase in the number of crimes committed we have no knowledge whatever. We have no knowledge, in fact, on any subject based on statistics as to criminal acts. Guesses we have from a few cities out of our total population of a hundred odd million people, painstaking research in particular subjects by a few efficient State crime commissions, but of the condition of our country as a whole we may not speak with any certainty, because there are no statistics collected or available.

This was the startling discovery our own commission made three years ago. You will find it emphasized in a letter which I

shall read from the chairman of President Hoover's new Federal commission which is just beginning its labors. Until we get more certain knowledge of the amount and character of crime, all our efforts will be mere experiments undertaken in hope, rather than in any confidence based on knowledge.

I want to urge on every Governor present that he take up, as one of the most important matters for the consideration of legislators, the compilation and publication, as a matter of law, of the few vitally necessary criminal statistics to enable us to attack this problem of crime in a businesslike and scientific way.

There are States, and their number I am glad to say is growing, which have already recognized this necessity, my own State being among them, but they are in a pitiful minority as compared with the States where there is no attempt at the collection of statistics of this kind. Let us stop guessing about crime and require a few facts. Do not think that this is a matter which can be turned over to the Government at Washington. Do not think it can be lightly dismissed by saying that it is "something for the census bureau to do." The evasion of State sovereignty has not yet reached the point, thank God, when the Federal Government can issue orders to State officials as to what they shall and shall not do in keeping records, or anything else, and it would be a disgrace on every State that had failed to take this matter up if public opinion should necessitate such meddling with our State machinery as the compiling of crime statistics by orders from Washington would bring about. And unless the Federal Government assumes mandatory authority over our officials, these statistics cannot be collected by Washington. That has been proved by the praiseworthy attempt of the census bureau to collect and publish statistics obtained from our State prisons. They are probably the best national statistics relating to crime in existence, but the director of the census will tell you, as he told our commission, that too often the wardens of our great penitentiaries have replied to his request for information so negligently as to make the figures matters of deep suspicion or, indeed, in some instances, in spite of repeated correspondence, have made no reply at all.

Of all the statistics needed, perhaps the most urgent and the simplest to procure is the record of the numbers and kinds of crimes of violence that have been actually committed, not punished, but committed. Our large cities furnish more or less accurate statistics of arrests and of trials, of convictions, and of imprisonments, but of the crimes committed, where no one is arrested, where no grand jury brings in an indictment, where no court has a record of any kind (we are speaking of the country as a whole), we are profoundly ignorant.

I have spoken at length on this matter of statistics, because as a whole statistics are a dry subject, and it is difficult to interest the public in the necessity of their collection, but I wish to assure this conference that no intelligent body of citizens in these United States, from the President's commission down, has attempted to study and understand this matter of crime and of this new entrance of the young criminal into the problem, but has found itself baffled and disheartened by the lack of obtainable information.

Now as to remedies themselves. There are many causes of crime. Each section of the country, each State within that section, and each city within that State, have peculiar conditions and problems in this connection. Should we, evading our responsibility, cowardly ask the national Government to pass laws which should be enforced throughout the entire country, to provide a system of justice and a criminal code for the entire United States? If the national Government should accept that responsibility, it would find it impossible to draft any national laws which would be equally effective in Maine and California, in Texas and Ohio. Each State must study its own crime conditions, must gather its own statistics and work out its own salvation. By that I do not mean that there should not be the closest possible uniformity in our crime legislation and our criminal codes. All legislation, for instance, against the gun toter has been seriously impaired, because it is not uniform in every State. There are certain fundamental principles, certain uniform treatment of certain crimes, which are absolutely necessary, if we do not want to see our crim-

inals traveling from one State to another in order to take advantage of varying statutes.

I wish this conference would establish a permanent committee on coordination in the enforcing of justice and the reform of criminal procedure which would consider the various suggestions made by our State and national crime commissions, by our various bodies devoted to penal reform and by the bar associations throughout the country, and that such a committee of Governors would recommend for the consideration of all the Governors such proposed legislation as it deem worthy, with the request that it be laid before the Legislatures of the different States. And I wish even more devoutly that it would prove practical to effect some kind of coordination between the chairmen of the respective State legislative committees to whom such legislation would be referred, so that they might know what other States were doing and might agree among themselves as to what was to be reported out, with their favorable recommendation, at the next session of their legislative bodies.

The National Crime Commission has found a spirit of conservatism, speaking in general terms, among many of the bar associations, which should be the first to act. This spirit has been noticed to an even greater extent in the average legislative body. I think I am not exaggerating when I say that, if all the recommendations of properly qualified bodies for legislation simplifying and expediting justice, had been passed by the Legislatures of the different States assembled in session last year, we would have made a tremendous stride toward reducing crime in this country.

It is our duty as Governors, as I have already said, continually to remind our Legislatures of the seriousness of this problem and, if necessary, to ask the people of our commonwealths to support us in our demand for action.

Speaking for my own State, we have found the establishment of a State Crime Commission an invaluable help in meeting this question, and I think the same experience has followed the establishment of such commissions in California and other States. The creation of a proper bureau of identification, such as has been

done in Indiana, is another wise step. I have recommended in my own State an investigation as to the possibility of bringing our police methods on a par with those in England, France and Germany, by applying modern science to police protection. In such States as still retain the county jail I hope the system of State-supervised penal institutions will be substituted in the interests of permanent reform of our criminal classes. One of the helpful recommendations of the crime commission in my own State, which has been enacted into law this year, was the establishment in one of our great penitentiaries of a psychiatric clinic to study our prisoners by modern methods, to find out why they became criminals and what course would seem best adapted to bring about their reform.

I do not wish to take up, in opening this discussion, particular things or particular remedies. My own commission has made a number of suggestions, the State commissions of many States have added and improved upon them, and many of those present have doubtless carefully thought out valuable suggestions of their own, but I want again to urge some kind of closer cooperation between the States and the necessity of ceaseless presentation of the matter to our State Legislatures, as being two fundamental things that rest on us as Governors to carry on.

When I started to prepare this opening address I asked the chairman of the President's commission if he had any requests to make of the Governors here assembled for their aid in the tremendous task which they have undertaken. He wrote me in reply a letter so clearly setting out their views that I am going to read it without comment or amplification of any kind of my own in closing. This is what Mr. Wickersham has written.

Letter of George W. Wickersham

Dear Governor Roosevelt:

President Hoover in his inaugural address emphasized the need of an urgent respect for law and the improved treatment of crime and criminals. In his address to the commission on its organization, he said: "A Nation does not fail from its growth and wealth

or power, but no Nation can for long survive failure of its citizens to respect and obey the laws which they, themselves, make, nor can it survive decadence of the moral and spiritual contracts that are the basis of respect for law, nor from neglect to organize itself. To defeat crime and the corruption that flows from it, he expressed the hope that his commission shall secure an accurate determination of effect and cause, following them with constructive, courageous, conclusions which will bring public understanding and command public support of its conclusions. In a previous statement to the press the President stated that the purpose of the commission was to examine and critically consider the entire Federal machinery of justice, a reconstruction of its function, simplification of its procedure, the provision of additional special tribunals, and better selection of juries, the moral, effective organization of our agency of investigation and prosecutions. It will also naturally include consideration of the enforcement of the Eighteenth Amendment."

From these statements you will understand what a broad scope we have and what a heavy duty is laid upon us. Every intelligent person must be aware that the general attitude of the American people toward the law has fallen far short of what it should be. It is not only shown in the open disrespect for the Volstead Law, but in the general attitude of "beating the law," so long as one can get by with it.

The first thing our commission did was to endeavor to secure actual, reliable statistics of the existing amount of crime, the increase or decrease of crime during the past decade, the actual delays of the enforcement of justice, and the amount of congestion of the criminal courts. There are no reliable statistics furnishing this information.

The New York Crime Commission, whose admirable reports have been most helpful to us, came upon the same lack, and upon their recommendations the Legislature last year passed an Act to supply this want so far as our State is concerned.

I think if the Governors' Conference would recommend like action by all the States it would be helpful.

Our Commission is studying the subject, and will, I think, recommend a uniform State law on the subject, with a voluntary administration act in the meantime.

Another subject we are inquiring into is the cost of extra-legal protection against crime by the police, armored cars, burglary, robbery, and theft insurance, etc., and a survey of conditions in Boston, nearly completed, indicated that crime in that city actually has diminished during the past decade. The fact that that city has a larger police force in proportion to its population than any other city may have much to do with the favorable condition mentioned, but the challenging fact is in the great number of criminal prosecutions which never come to trial, the number of cases settled by pleas of guilty to a lesser offense than that charged, the great delay in bringing cases to trial, the greater delays in hearing appeals and the abuse of excessive bail on appeal. Justice to be effective should be speedy. It is freely charged that much of the delay is the result of political influence with the police, the prosecutors and even the courts. These are difficult matters to investigate. But if every arrest had to be immediately reported from a central registration office and every step thereafter taken concerning the defendant recorded in the same way, it would be much more difficult for an improper influence to thwart the due administration of justice.

Of course, one of the most serious subjects we must deal with is the enforcement of the Eighteenth Amendment. That measure has written into the Constitution of the United States a prohibition of the importation, manufacture, transportation and sale of intoxicating liquors for beverage purposes. The Amendment confers upon the States concurrent jurisdiction with the national Government for the enforcement of this measure. Thus far the Federal Government alone has borne the brunt of enforcement.

It seems to me that the Governors' Conference might well consider approaching the Federal Government on some feasible proposal to share this burden. If the national Government were to attend to preventing importation, manufacture and shipment in interstate commerce of intoxicants, the State undertaking the in-

ternal police regulations to prevent sale, saloons, speakeasies, and so forth, national and State laws might be modified so as to become reasonably enforcible and one great source of demoralizing and pecuniarily profitable crime removed. Every State executive has sworn to support and defend the Constitution of the United States. The Eighteenth Amendment is a part of the Constitution, just as much as any other part of it. Surely, it is pertinent to their Conference to suggest and consider how they may best carry out their solemn undertaking.

My dear Governor, I beg you to excuse this long letter in my own hand. I have no stenographer with me, but I feel that your letter calls for the most helpful reply I can give, and I hope that what I have written may suggest to you something of value in the preparation of your address.

Faithfully yours,

G. W. WICKERSHAM

82 ¶ Address on Prison and Parole Problems. New York City. January 18, 1930

HELL appears to have been the ideal design for a prison in the minds of our forefathers. The narrow cubicles of sweating stone, the little shaft of light that crept between the heavy iron bars, the lack of ventilation, sanitation, of everything which makes life endurable, all to be suffered in sullen silence under the watchful eyes of brutal guards—surely no better form of eternal punishment could be devised to torture lost souls in the hereafter.

In spite of all our remodeling, of all our tinkering and patchwork improving, we have still, in what we boastfully call this "enlightened age," prisons whose physical characteristics have lost little of their ancient horrors so far as their construction goes. Now we are beginning to realize the perfectly obvious fact, to which we have deliberately shut our eyes for so many years, that the men we send to prison with few exceptions will be returned again to live among us, to be, perhaps, our neighbors, to

In my judgment, the right answer can only be found by a meeting of those understanding the needs of the prisoner, of those representing the State's workers, and of those representing the manufacturing interests of our Commonwealth. I have accordingly determined to appoint a committee consisting of two outstanding experts in prison problems, two representatives of labor, and two representatives of our manufacturing interests to sit around a table together and work this thing out. It cannot be done with the speed with which the admirable report on probation was accomplished. This is a matter of breaking new ground rather than expertly summarizing definite conclusions which have been reached by penal experts after years of study. I intend to ask this committee, whose names will be announced in a few days, to work through the coming summer in the expectation that they may have a definite recommendation for next year's Legislature. . . .

84 ¶ The Governor Reports to the Governors' Conference on Progress in the Suppression of Crime. June 30, 1930

AT THE last session of the Governors' Conference, I was requested to act as an informal committee of one for the purpose of making a report at the next session in regard to progress made by the different State Governments in the war against crime, and particularly as to the necessity of securing by definite legislation fuller and more accurate statistics regarding the character and amount of crime, in order that the whole subject could be considered with more intelligence and with a far better knowledge of actual conditions than are now possessed.

You will hear a special report on the advisability of creating a permanent secretariat for the Conference, which would act as a clearing house of information and generally assist in the coordinating of the activities in our different States along many lines.

The necessity for a universal and central system of reporting of crimes committed, whether in the rural districts or in the great cities, and the publication of statistics in regard thereto, are so obvious as to need no further comment from me. In revising its entire Criminal Code, the State of Louisiana adopted an excellent provision in this respect which requires all sheriffs and peace officers to report not only the crimes on which arrests are made but all crimes which have been committed in their territory.

By making every peace officer, as part of his regular duties, responsible for the report of crimes committed, whether the perpetrator thereof is known or not, and by requiring the proper department of the State machinery to collect, classify and publish at frequent intervals such reports, it will be possible to get a very clear idea of the actual amount of crime in this country without adding any expense for an elaborate statistical bureau.

In case a permanent secretariat is created in accordance with the suggestion made to the Executive Committee, it seems to me to be obvious that a most important function for it to assume would be the duty of preparing a model statute requiring only the most simple statistics, and the forwarding of them to the Governors of the several States in the hope that it will be submitted with a favorable recommendation to the Legislatures.

I have collected considerable material on the subject which I shall turn over to any committee or permanent secretariat which may be created as a result of the action of this session. Should it be decided that such action is not wise, I ask the National Crime Commission, of which I am a member of the Executive Committee, to draw up such a statute and to send it to the Governors during the next few months.

It cannot be said that much progress has been made during the year in attacking crime through legislation. This is largely due to the fact that only nine State Legislatures were in session. Next year the Legislature of practically every State will meet and I hope we shall see a coordinated and real effort made to take legislative action.

I would like to call the attention of all of the Governors to the

final report made by the Association sponsored by the American Bar Association which has been working for so many years on the Criminal Code. Many suggestions for the improvement of our criminal codes are embodied in that report. These are worth the serious consideration of every Governor. A previous report covering the same subject, prepared by the late Governor Hadley and made by the National Crime Commission, also contains much valuable material and I shall be glad to forward a copy thereof to any Governor who would like to study it.

There has been an increasing tendency to meet the problem of our overcrowded prisons by seeking to eliminate causes of crime and to reduce the number of prisoners in every way possible. It is generally recognized that unless a prisoner is sentenced for life, he will eventually return to the community, and if our whole theory of prisons and penal treatment is not based so far as possible on the reform of the prisoner while he is in the custody of the State, we shall continue to take in new prisoners at one gate and release hardened criminals through another, and our total criminal population will increase by leaps and bounds in consequence.

There is, of course, a class of offenders from whom society must be protected, men who will always be criminals and who are beyond any efforts at reclamation, but there are many, many cases where a more intelligent treatment of our prisoners will save the State many millions of dollars in providing for their reincarceration at a later date.

There are also many cases of first offenders who undoubtedly can be made useful citizens by placing them on probation and suspended sentence, without herding them with notorious and hardened criminals no matter how short their terms.

There are other cases where a penal sentence is necessary to inflict a sufficiently severe lesson but where scientific observation by trained men will reveal a real willingness to reform and to stay reformed which would make it advisable and wise to release the prisoners on parole at a comparatively early date.

These two great matters, parole and probation, are now receiv-

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ing consideration in almost every State. I am glad to say that in our own State I think we have made a most noteworthy progress in matters of parole. We have established, on the advice of men who have made the subject a study all their lives, a Parole Commission of three men drawing twelve thousand dollars a year each, who under the law are not allowed to engage in any other business and who have the complete control of the probation system in their hands. This has been made an independent department free from all connection with the heads of the prisons or the Department of Correction. Under this new Parole body a special staff of trained and competent parole officers is created and it is hoped that we can now make a practical demonstration to our sister States of the advantages of competent officials working with complete freedom along modern lines.

I hope next year we shall take the next step and consider seriously the matter of probation which at present is rather left to chance or the individual idiosyncrasies of the different judges.

The tendency of criminals to organize in what might be described as the interstate traffic in crime has increased tremendously during the past two or three years. I feel that we must meet it by a combined effort, working in close cooperation with the Governors and the Legislatures of all the States in order that we may have such uniformity in our criminal procedure and punishments as will leave no place of refuge for the organized gangster in this country.

85 ¶ Address on Probation and Parole before the National Probation Association. New York City. March 17, 1931

To no other institutions of learning in the world do so many postgraduates return for advanced instruction as to those "Colleges of crime" which a still unenlightened civilization has erected for a quite different purpose—our penal institutions, State and

Seriously though, it's a pleasure to share this wonderful evening with you all. So, there isn't a place on here to set this. I always have to go over and get it. I now lift a glass to all of you, to our country, may her 50 States and 5 territories always shine as the stars in the constellation of freedom and democracy.

Audience. Here, here!

The President. Thank you all, and God bless you all.

Note: The President spoke at 9:25 p.m. in the State Dining Room at the White House.

National Governors' Association

Remarks to Members of the Association. February 23, 1987

Thank you all very much, and welcome to the White House. It's a great pleasure to have you all here in Washington and have this opportunity to talk to you, as one chief executive to others, about our plans to prepare America for the century ahead.

With me, as you saw—usually a group anyplace I go anymore, so we—Secretary Bennett and Secretary Bowen, Chuck Hobbs, the Vice President.[1] And they'll all help me in answering any questions that you may have. Mostly, however, we want to listen to you, to hear what's happening at the State level; because I may be prejudiced, having been a Governor myself. But I'm convinced that it's in our States and communities that we find many of the most innovating and exciting answers to our problems.

First, however, I want to talk about what we see as our three top agenda items: welfare reform, education, and competitiveness. All three, of course, are connected. Success in all three areas is necessary if America is going to be all it can be.

On the subject of welfare reform: Tomorrow we'll be sending our legislative proposal to Congress, to start that long and convoluted process by which we hope to get true reform started. Our goal is to establish a process that allows States and communities to implement their own antipoverty ideas based on their own unique experiences. States and communities are in the best position to find solutions to welfare dependency. In fact, a number of you already have used the limited independence that you now have to improve your welfare systems. Dozens more of you've demonstrated that you're eager to pursue new ideas and fresh strategies.

I'm also convinced that for any plan to work, it must be based on the advice of experts—not the ones in the universities and the think tanks, whose expert advice helped create the current welfare crisis, but the real experts: people like a lady named Kimi Gray, a one-time welfare mother with five children. We had her here in the White House the other day, and she told us about how she had gotten herself off of welfare and sent her five children to college. Not only that but she went on to become the driving force behind the Kenilworth Parkside Resident Management Association, taking over the management of these housing projects.

And when she started out, she says that Kenilworth Parkside was referred to as "the end of nowhere, the part of the city that's been forgotten." But through the resident management concept, welfare recidivism was reduced from 85 percent to 22 percent and teenage pregnancy was cut by 50 percent. Crime in the neighborhood fell, and new businesses started up.

And how did she do it? Well, her work echoes what every other true expert about welfare knows, what everyone who's had success getting people off of welfare, rather than on, will tell you. "Our philosophy," she said, "is that the only way we could save our community was by saving our families." And how did they do that? Well, here are her words: "By returning respect and responsibility and pride back to the fathers of our community."

There, spoken with the eloquence that comes from experience, is the fundamental

[1] *Secretary of Education William J. Bennett; Secretary of Health and Human Services Otis R. Bowen; Charles D. Hobbs, Deputy Assistant to the President for Policy Development; and Vice President George Bush.*

truth about the difference between dependency and self-sufficiency: It hinges on the family. The fundamental principle that must guide all our efforts at reform is that anything we do, any change we make, must strengthen, support, and give encouragement to the family. We must do all we can to ensure that the family is a safe haven for its children, a source of strength and security for all its members.

And let me make a related point: In some cases day care may be a necessity, but it can never replace the love and care of the parents themselves. We've always been a nation that's drawn its strength from the values of family life. If America hopes to enter the 21st century united and free, we must once again make a wholesale, conscious commitment to strengthening and protecting those basic family values and the strong, stable families from which they spring.

I know you all recently received my letter on welfare reform. And I know that you're as dissatisfied with the present system as we are. And many of you've thought long and hard about what needs to be done. Well, that's why we're anxious to hear what ideas your task force, headed by Governor Mike Castle, has to offer. And all of you, individually, have made great strides. We need your ideas, but not just your ideas. I'm asking each of you to help get our legislation through Congress. And I'm asking each of you, then, to use your new freedom to try new approaches in your State so that we can work together to make welfare work better.

Also, I've previewed the ideas you're going to consider tomorrow as a group, ideas developed over the past year by your task force on welfare reform. And I want you to know that I applaud those efforts, especially the emphasis that you're putting on increased self-responsibility among people the welfare system has too often assigned to long-term dependency.

An important part of the solution for many is education. And may I take a minute here to congratulate all of you on the impressive strides you're making in this area. Last August you issued a report called "Time For Results." And you raised some tough questions and offered some bold recommendations for reform.

You told us that our education system should set high standards and hold teachers and administrators accountable for the jobs they do. You told us that we should encourage more parental choice and involvement, and you told us to open up the education profession to qualified individuals from other professions. And you said that our colleges should be judged by their success or failure in educating our students.

Secretary Bennett tells me that you're moving full speed ahead to put your recommendations into practice. Well, I want to urge you today to continue to build on your report and to carry your ideas through, specifically ensure that all our students have good teachers by opening up the profession to all competent individuals who have mastered the subjects to be taught and make an even greater push for higher standards and higher expectations for all of our children, regardless of their social or economic background.

You've taken the lead, and the Federal Government is going to work to do our part. Last week I sent two important pieces of legislation to the Congress: our ECIA proposal to improve the education of disadvantaged children and our bilingual proposal to restore flexibility to decisions on the best means of teaching children whose first language is not English. These proposals complement your reform efforts. We're encouraged by the progress of our education reform movement. You're on the front lines, so let's stick with it.

And finally, the task of competitiveness. Welfare reform and education are a big part of that. People are our most valuable resource; and their imagination and creativity, hard work, and faith—that's what'll drive America into the 21st century. We can't afford to leave anyone out, and no one must be excluded.

And that's why I recently sent to Congress proposed legislation to ensure that government will contribute its share to America's quest for excellence. Ours is a diverse package, as diverse as the challenge before us. But diverse though it is, every part of it has one central purpose—and that is to make certain that in the years ahead the door of opportunity and excellence is open to all Americans.

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Well, now I've broken my promise of last night at dinner. I've talked too long. Our friends from the press will be leaving now. And when they've cleared the room, I'll just turn to your Chairman, Bill Clinton, so that I can hear some of your ideas.

Nice to have had you.

Note: The President spoke at 10:54 a.m. in the East Room at the White House.

Medicare Catastrophic Illness Coverage Act

Message to the Congress Transmitting Proposed Legislation. February 24, 1987

To the Congress of the United States:

I am pleased to transmit today for your immediate consideration and enactment the "Medicare Catastrophic Illness Coverage Act." This landmark legislation would provide protection under the Medicare program for elderly and disabled Americans who suffer an acute care catastrophic illness. The legislation would help provide peace of mind for 30 million Americans without adding to the tax burden of their children.

We all know family, friends, or neighbors who have suffered a devastating acute care illness that has destroyed their financial security. A catastrophic acute care illness requires treatment so costly that families can only pay for it by impoverishing themselves. A catastrophic illness is financially devastating and requires personal sacrifices that can haunt families for the rest of their lives.

Elderly Americans require more medical care than younger persons. Average health care spending for an elderly person in 1984 was $4,200, compared to $1,100 for a person under 65.

Virtually all the elderly have acute care insurance protection under Medicare. About two-thirds also have private supplementary insurance, or Medigap. These two types of insurance together still have some significant limitations in coverage. As a result, unpredictable health care expenses loom large in the personal budgets of the elderly.

There are gaps in Medicare as currently structured for acute care expenses. Hospital coverage is limited. After 60 days of hospital care, a Medicare patient begins to make increasingly costly payments—rising from $130 per day for days 61 through 90, to $260 per day for days 91 through 150, to the full cost of care for more than 150 days in the hospital. On top of this, there is a required 20 percent co-payment for all physician services covered by Medicare. The Medicare program, then, requires the greatest payments from those with the most serious health problems.

About 13 percent of the elderly are also covered by Medicaid, a health program for the poor. Medicaid is State-operated, and many States limit the amount and kind of services they will pay for under the program.

The proposed "Medicare Catastrophic Illness Coverage Act" would provide improved acute care coverage for the elderly and disabled by restructuring the Medicare program. The proposal would set an annual limit on out-of-pocket expenses for approved charges, with the additional coverage financed by a modest additional premium to be paid by beneficiaries.

Under the proposed legislation, a $2,000 out-of-pocket limit for Medicare-proposed expenses would be established. Beneficiaries would be assured that once they had incurred out-of-pocket expenses of $2,000 for approved charges, the Medicare program would pay for all remaining covered services.

As part of the added protection, all hospital and skilled nursing facility coinsurances would be eliminated. Further, no beneficiary would ever pay more than two hospital deductibles in any year. Skilled nursing facility care would be fully covered for 100 days each year. The complicated "spell-of-illness" concept would be eliminated. The current deductible and coinsurance for physician-related services would not be changed until the $2,000 limit was reached.

The proposal would be completely financed by a modest addition to the existing monthly Supplementary Medical Insurance (part B) premium. Any beneficiary electing

I'm talking about your important efforts toward a drug free workplace. Through preemployment testing, employment counseling, and treatment, you've really made a difference. Here and around the country, workplace drug programs have brought dramatic improvements in worker safety. There is no place for illegal drugs in the workplace or anyplace else in this land. I believe that programs like yours make a positive impact throughout the community. In addition to making this plant safer and more productive, you can also be proud that you're sending a message to our children to be drug free because illegal drug use will not be tolerated.

Well, before I go, I want to let you know that I'm delighted you were all able to get in to work today. [*Laughter*] They weren't going to let me in at first, but luckily someone recognized me. [*Laughter*] Of course, it's always nice to be recognized. You know, years ago, after a quarter of a century in the picture business and a number of years then on television and the General Electric Theatre and so forth, you're used to being recognized, and it's nice. And I was walking down Fifth Avenue in New York one afternoon, and suddenly a fellow about 30 feet ahead of me, coming my way, stopped. And he pointed, and he said, "I know you. I know you. I see you in those pictures and on that television screen all the time." Well, you know New Yorkers. They all stopped, and everybody in the street kind of lined up, made an alley. And here he came, down the middle of the alley, and he was fumbling in his pocket up here, coming toward me. And he keeps on talking about how well he's known me and how much he's seen me on the screen and everything. Gets right to me and sticks out a pad and a pencil and said, "Ray Milland." [*Laughter*] So, I signed "Ray Milland." There was no sense in disappointing him.

Well, it's been a real joy for me to be here with you and to see the work that you do and the tremendous pride with which you do it. And I think that's enough for me. I just thank you all, and God bless you all.

[*At this point, Mr. Howe presented the President with a magnifying glass.*]

Thank you all. Thank you very much. And to the two Congressmen over here, now I can read the fine print in those things you send me. [*Laughter*]

Note: The President spoke at 11:10 a.m. on the warehouse floor at the facility. In his opening remarks, he referred to Roger Howe and David Hinchman, chief executive officer and president, respectively, of U.S. Precision Lens, Inc. Prior to his remarks, the President toured the facility's manufacturing and production areas.

Remarks at the Annual Meeting of the National Governors' Association in Cincinnati, Ohio

August 8, 1988

Thank you all very much, and thank you, Governor Sununu. And I know someplace here with us are two Congressmen who came out with me, Gradison and McEwen from Ohio. And a special thanks to you, John, for your leadership in restoring the balance of Federal-State relations.

Before I begin my prepared remarks, I have a piece of very good news for you. The United Nations Secretary-General will announce later today a cease-fire in the Persian Gulf. This is news the world has waited for and the United States has pressed for—news that we may finally see an end to that long and bloody war. Although this is only a first step, it's an affirmation of a policy of strength and commitment. Our forces in the Persian Gulf and those of our allies have demonstrated that we have the resolve and the staying power in the Gulf, as well as in the Security Council when it comes to securing peace. On behalf of all Americans, I applaud and encourage the efforts of Secretary-General Perez de Cuellar in bringing an end to this tragic war, and I send him this message: The hopes of the world are with you.

It's always with a special affection that I appear before the National Governors' Association. It seems just like yesterday that I was sitting where you're sitting, and I was talking about the need to get the Federal Government off the backs of the States and to let those who were closest to the people

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Now that I'm approaching the end of my Presidency, I have to be careful about these waves of good feeling and where they might carry me. That's why I keep reminding myself of a trip that Nancy and I made to Ireland. We were in Cashel Rock, where Saint Patrick is supposed to have raised the first cross in Ireland. And a young Irish guide was showing us through the ruins of the old cathedral where that took place, and then he took us through the ancient cemetery. And we came to one huge tombstone there, and the inscription on that tombstone was: "Remember me as you pass by, for as you are, so once was I. And as I am, you too will be, so be content to follow me." And that had proven too much for some Irishman who had scratched underneath the inscription on the stone: "To follow you I am content. I wish I knew which way you went." [*Laughter*]

I hope that history will record that this former Governor went on to practice what he'd preached and to fight the use of Federal dollars first as bait and then as a club and to return power and responsibility to the States, where they belong. And I am confident that history will also find that the States were up to the challenge and that, in these years, America entered a new era of democracy and had a new birth of freedom.

Yes, a new era, a new beginning, a rediscovery—in this time when we hear so much about competitiveness, we also hear about the necessity for businesses to do what some call flattening hierarchies. Simply put, this means that company presidents listen to and work with the men and women on the shop floor, in the stores, and driving the trucks. Along these lines, scholars tell us that one of the great advantages entrepreneurial firms have over giant corporations is that they do this better. And as we all know, the vast proportion of America's new jobs and much of our new technology come from entrepreneurial firms, firms less than 5 years old and firms beginning with 100 or fewer employees, which only proves that those advantages are big advantages. The most modern business consultant has rediscovered a wisdom known to our Founding Fathers: that the genius of America, whether in governing ourselves or in providing our daily bread, is in the ordinary man and woman. America's strength and wisdom have never come from the power and cleverness of those on top, but from the strength and wisdom of the American people. And after years of skepticism, the wisdom of our founders is once more the accepted guide to practice in Washington.

In the last 7½ years, we've broken the Federal Government of its compulsion to control every breath the States take. We've consolidated dozens of categorical grants into nine block grants, putting power that was once in the hands of Federal agencies back into the hands of Governors and State legislatures. We've loosened Federal controls on the States in a number of other areas. We've required that Federal agencies consult more often and in greater detail with State and local officials on issues dealing with Federal grants and economic development aid to their areas. We've issued uniform rules governing grants and cooperative agreements. And we have listened. Too often in the past when Washington listened to the States, it heard only what it wanted to hear.

It was like the story of a fellow who went off to the Army and learned marksmanship. And he won a medal for it and came home on leave very proud. When he got to the edge of town, he saw a wall, and on the wall someone had chalked dozens of bull's-eyes. And in the middle of each bull's-eye was a bullet hole. The fellow had to find out who shot like that. And pretty soon he did. It was a six-year-old boy. And the fellow said, "How did you do that?" And the boy replied, "Simple. I take this rifle, and I shoot at the wall. And then I take this chalk, and I draw a circle around the hole." [*Laughter*]

Well, that's how on target Washington used to be when it responded to the States. Today things are different. When Governors talk, we not only listen but we hear. We've been listening especially closely since John Sununu wrote to me almost 2 years ago with your suggestions for improving how we run Federal assistance programs. And as we reported to you in February, many of these suggestions have either been put into practice or will be soon. Now we have a second round of suggestions, and you

saw the results of that yesterday in phase II of the regulatory reform report that you received.

Nowhere has this partnership been closer than in responding to the current drought. From the NGA's June conference in Chicago, which Secretary [of Agriculture] Lyng attended, to your Washington meeting in early July with the administration and congressional leaders to the consultations Secretary Lyng has had with so many of you, we have worked side by side to meet this crisis. You have advised, and we responded. America's farmers are getting help.

But at the heart of this new era in American government is not the idea that the Federal Government will merely let the States toss ideas into a suggestion box but that we in Washington will also honor the leadership role the States have to play. And from education to transportation to helping America's poor and homeless, you have led. While Washington has been caught up in partisan intrigue, you've gone out and done the job.

Almost 6 years ago, I proposed that America's most depressed areas should receive an extra dose of hope and opportunity, and I asked Congress to enact enterprise zone legislation. Despite some minor moves last year, Congress still has failed to pass meaningful enterprise zone legislation. Over half the States have gone forward with their own enterprise zones, and today those zones are credited with creating hundreds of thousands of jobs and saving hundreds of thousands of others. In fact, this city, Cincinnati, has an Ohio enterprise zone. Across the river, Kentucky has established an enterprise zone in Covington. And up the road, Indiana has one in Richmond. The way I look at it, if enterprise zones are good enough for Ohio and good enough for Kentucky and good enough for Indiana, good enough for so many others, they should be more than good enough for the Congress, too.

Welfare reform is another field in which you've been way out front. Congress today is still debating a welfare reform package years after States started taking advantage of the greater flexibility we gave them. One State after another has returned to the basic, homespun, enduring wisdom that the best way to learn to work is to work. And the best way to get people to work is to make sure they have the incentives to work. Once we gave you the flexibility, you abandoned the destructive and bizarre prejudices that had crept into programs designed and administered from Washington—prejudices such as that public assistance carried no obligations for the recipient, or that, if one had a choice, it was as acceptable to live on welfare as to be independent.

Now even more ambitious experiments have begun. Over the years, Congress has come up with program after program that was advertised as a way to wean long-term welfare recipients from their dependence on the Government check. All those programs had one thing in common: They failed. And that's why just over a year ago we said it was time to stop looking for another program from Washington. We said that it was time for Washington to show a little humility, that in 50 States and thousands of communities across our land there are millions of sparks of genius. Why not kindle them into flames? And so, we asked for State proposals for treating public assistance programs as an integrated system and for using that system to help recipients climb up from dependency. And we said we would approve any State proposal that had a chance of reducing dependency as long as it ensured that needs continued to be met, it created no net increase in Federal costs, and it could be soundly evaluated.

Well, I don't have to tell you what happened next. So far we have approved proposals from New Hampshire, New Jersey, New York, North Carolina, Ohio, Washington State, West Virginia, and Wisconsin. We're reviewing proposals from Georgia, South Carolina, Illinois, New Mexico, Arizona, and California. By the end of the year, we expect that at least half the States will have proposals approved or under consideration. And over a quarter of all AFDC recipients in the Nation will soon be involved in projects already approved or pending. AFDC—we're so used to initials in Washington, maybe I should say that's Aid for Dependent Children. And let me make a prediction here: After decades of Washington flailing from one dependency-producing welfare program to another, I believe that

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the States will find the way truly to help welfare families become independent and productive and to put them on the ladder of opportunity that we call the American dream.

All this vitality in our States couldn't have come forth, of course, if our nation had remained stuck in the era of inflation and stagnation of a decade ago. State and local receipts have doubled in the last decade—dollar for dollar, a bigger climb than we had in Federal revenues. Some of this was because—with our 1981 tax cuts, with tax reform in 1986, and by restraining some Washington eager beavers—we've broadened the tax base of the States and either stopped the Federal Government or kept the Federal Government from preempting State revenue sources.

But more than that, our States, like our citizens, have known the blessings of the longest peacetime economic expansion on record. You know the story. Since our recovery began, America has created—and forgive me, John—is more now than 17 million jobs, and the percentage of the labor force employed this year is the highest not only in our history but in the peacetime history of the industrial world. Now, at the same time, unemployment is at the lowest level in 14 years; and the income of the typical American family, after dropping almost 7 percent between 1977 and '81, has soared nearly 10 percent in these last 8 years. Some talk about the declining middle class, and it turns out that the middle class is smaller not because more people are poor but because more people have become better off.

Since 1982 manufacturing production has risen at a faster rate than Japan's. One authority on manufacturing said not long ago that we had become the most competitive manufacturing nation in the world. As a result, we are today exporting chopsticks and Hondas to Japan; highly processed high-tech sand to Egypt; and all in all, more goods and services than ever before in our history.

Here in Cincinnati, I met this morning with some of the men and women who had pushed our exports to the highest level in history. U.S. Precision Lens makes more than two-thirds of its sales to foreign companies. And meeting the men and women there, I just couldn't help remembering what General George C. Marshall said when asked why he was so confident that we would win the Second World War. "We have a secret weapon," he said, "the best blankety-blank kids in the whole world." Well, we, too, have a secret weapon: the best blankety-blank workers in the whole world.

You've seen the result when, as our nation's most effective sales men and women, you've gone on trade missions overseas. From Japan to Germany, you've persuaded international business to invest in America and create new jobs here and, in the process, have seen the respect and awe the American economy commands around the world. By the way, because you asked for it, we've made major revisions in the foreign trade data the Federal Government collects. Soon you will have better tools for keeping pace in the international economy.

But State Governments see the sunshine of our expansion in other ways as well. Next door to Ohio in Indiana—thanks to the strong rises in the financial markets since 1982—the assets and earnings of the State employee pension fund have nearly tripled. Indiana has made up for what was lost in the stagnation and inflation of the seventies, has increased the benefits to its retired State employees in each of the past 6 years, and has more assets available to pay future benefits than ever before. With few exceptions, the story is the same all over the Nation: State and local pension funds have shared in the growth of America in these years. Since 1981 total assets in State and local government pension funds have more than doubled. Guiding the policies that have given America what one economic writer has called the silent boom is the same old, as well as modern, wisdom that, as I said, has guided Federal-State relations in our 7½ years. Flattening hierarchies; less power for Washington, more for the people—however you describe it, it has produced in America a blooming of entrepreneurship, investment, innovation, and opportunity unlike what the world has ever seen.

Some say this blooming has gone hand in hand with a rise in greed. But every Governor can point to just the opposite: to the

record highs in charitable contributions; to the growing endowments of schools, universities, and museums. Yes, thanks to this silent boom and to a rediscovered initiative, State and local governments, together with private charities and churches, have done more for those indeed than ever before. Last year total private cash giving—cash—was over $94 billion.

Looking at all this, I can't help thinking that, while much of the 20th century saw the rise of the Federal Government, the 21st century will be the century of the States. I have always believed that America is strongest and freest and happiest when it is truest to the wisdom of its founders. In Federalist 45, James Madison wrote that "The powers delegated by the Constitution to the Federal Government are few and defined. Those which are to remain in the State Government are numerous and indefinite." Or to put it another way, "We the People." As long as we remember these words—"We the People"—and make them our guide, so long as we remember that America has always drawn its inspiration from the people and has always been governed best when governed most by those governments closest to the people, America will remain strong and free, the envy of the world.

Thank you all, and God bless you.

Note: The President spoke at 12:50 p.m. in the main hall at the Dr. Albert B. Sabin Convention Center. He was introduced by Gov. John H. Sununu of New Hampshire, president of the National Governors' Association. At the conclusion of his remarks, the President returned to Washington, DC.

Statement by the Assistant to the President for Press Relations on the Bomb Attack on Secretary of State Shultz in Bolivia

August 8, 1988

Terrorist tactics, such as used against Secretary Shultz and his motorcade in Bolivia today, are always repugnant. Thankfully, the Secretary's party was not injured, but the fact remains that an attack on U.S. officials cannot be tolerated. We ask the Government of Bolivia to bring those responsible to justice.

Statement by the Assistant to the President for Press Relations on the Antiballistic Missile Treaty Review

August 8, 1988

The third 5-year review called for by the ABM treaty will be held in Geneva beginning on August 24. The U.S. delegation, headed by Arms Control and Disarmament Agency Director William F. Burns, will consist of the U.S. Commissioner to the Standing Consultative Commission, Ambassador Richard Ellis; the U.S. Ambassador to the defense and space talks, Ambassador Henry Cooper; and senior officials from the Departments of State and Defense, the Joint Chiefs of Staff, and their advisers. The principal U.S. objective for this review session is to obtain the Soviet Union's agreement to correct its violations of the ABM treaty and to satisfy other U.S. concerns regarding Soviet noncompliance with its obligations under the treaty.

The Soviet Union's large, phased-array radar at Krasnoyarsk is a significant violation of a central element of the ABM treaty. The Krasnoyarsk radar will be one of the key topics of the upcoming review. In preparation for the upcoming review, the President has issued guidance that the U.S. delegation should continue to make it clear that the existence of the Krasnoyarsk radar violation calls into question the viability of the ABM treaty and, therefore, it should be dismantled without further delay and without condition. Unless resolved, the Krasnoyarsk radar violation will force the United States to consider the exercise of its rights under international law to take appropriate and proportionate responses. In this context, the United States will also have to consider whether to declare the Krasnoyarsk radar to be a material breach of the ABM treaty. The President has also directed that the Department of Defense, working with other executive branch agencies and the Congress, take the lead in developing a range of appropriate and proportionate responses for con
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"DECADE OF FUTURE"

UPBEAT MESSAGE - EDUCATION

INNOVATIONS - LABORATORIES of DEMOCRACIES / TOMMY THOMPSON

FED. GOV. LOOKING TO STATES ON EDUCATION

GEORGE BUSH - MORE ON THE ROAD / LOOKING TO GOVS. / LEARNING MORE

NOTE: This authority was granted by Public Res. No. 96, 76th Congress, approved August 27, 1940.

Pursuant to that resolution, I called out the first units of the National Guard by executive order on August 31, 1940 (see Item 87, this volume), and thereafter by similar executive orders I called out many other units of the National Guard.

74 ¶ A Letter to a Conference of Law Enforcement Officials on Some Problems of National Defense. July 31, 1940

My dear Mr. Attorney General:

I APPRECIATE very much being asked to say a few words at the opening of your Conference, but I shall not be in Washington at that time and am, therefore, taking this opportunity to express to you how important I consider this meeting, which is the first in the history of our country, to discuss common problems of national defense.

The Governors' Conference and the Association of State Attorneys-General, in cooperation with the Interstate Commission on Crime, sponsored the idea; and the Department of Justice eagerly fell in with the plan of such a mutual exchange to obtain a better understanding of what can be done to strengthen our lines of defense.

The Governors and Attorneys-General from forty States are generously giving their time and thought to make this effort bear results. Such vital cooperation between the States and the Federal Government is highly gratifying, for national unity in our country is essential as well for the preservation of democratic rights as for the defense of those rights. It is the heart of our problem, the test of our Americanism.

There can, there must, be no political considerations in our approach to these discussions. The Federal Government must not and will not dictate to the States what procedures they should pursue. The sovereign prerogatives of the States are

fully admitted; they have invited us to discuss with them problems common to both. Some can best be left entirely to the States. Registration of aliens, for instance, would seem definitely to be a matter exclusively for Federal control. In other fields State or local action is clearly indicated. But there are many policies where joint control can be effectively worked out.

I have in mind, as an example, the enactment by Congress and the State legislatures of laws dealing with subversive activities, with seditious acts, with those things which slow up or break down our common defense program. These mutual objectives can be reached by carefully considered legislation, free from the prejudice and emotional haste which characterized much of similar legislation during the last world war.

Information relating to such subversive activities was scattered in a variety of Government agencies during that war. This proved not to be efficient; and I have asked that all information of this nature be referred to the Federal Bureau of Investigation so that it can be handled efficiently and with the singleness of treatment that such material demands. I emphasize again unity of spirit, unity of purpose, and unity of action in approaching the practical means to a common end.

And the common defense should be through the normal channels of local, State and national law enforcement. The untrained policeman is as ineffective as the untrained soldier. The amateur detective soon becomes a fussy and malicious busybody. We must be vigilant, always on guard, and swift to act. But we must also be wise and cool-headed, and must not express our activities in the cruel stupidities of the vigilante. There is where the Fifth Columns form the line.

This conference is but the first, I sincerely hope, of many similar exchanges of points of view. Concrete and immediate results cannot be expected. But the problems can be more clearly seen by looking at them steadily and together; and techniques of future cooperation can be adopted.

Your problems are difficult; your generous response and

sympathetic approach to them are greatly heartening to the American people.

Very sincerely yours,

Honorable Robert H. Jackson,
The Attorney General,
Washington, D. C.

75 ¶ The Six Hundred and Sixty-sixth Press Conference (Excerpts). August 2, 1940

(Presidential attitude on conscription bill — Women and home defense — Hiram Johnson.)

THE PRESIDENT: I do not think I have any news today. I expect to — put it the other way, I hope to go up to Hyde Park tomorrow sometime — when, I do not know — for a few days, and have no definite plans about what day I shall come back.

Q. There is a very definite feeling, Mr. President, in Congressional circles that you are not very hot about this conscription legislation and, as a result, it really is languishing.

THE PRESIDENT: It depends on which paper you read.

Q. [Mr. Essary] Well, I read my own, which I believe in. (*Laughter*)

THE PRESIDENT: Now, Fred, you know I was thinking — I was thinking the other day. It is just one of those things — nothing new — it has been going on for about twelve years. I am in a definite position: I am damned if I do, and I am damned if I do not. In other words, I am bound to be criticized whatever I do. Now, on this particular bill, everybody knows that if I were to come out and send up to the Hill a particular measure, what would you boys do, most of you? You would say that the President is "ordering Congress." "Old Mr. Dictator, he is just ordering Congress to pass his bill."

Well, of course, the actual fact was that back in 1933, when

agriculture, of mining and of power, do not minimize the rights of State Governments but they go far beyond the economics of State boundaries.

Only through the growth of thought and action in terms of national economics, can we best serve individual lives in individual localities.

It is, as these Reports point out, an error to say that we have "conquered Nature." We must, rather, start to shape our lives in more harmonious relationship with Nature. This is a milestone in our progress toward that end. The future of every American family everywhere will be affected by the action we take.

NOTE: The report of the National Resources Board created by Executive Order No. 6777 (see Item 124 of Vol. III) was a comprehensive one dealing with problems of land, water and minerals, the organization and timing of public works programs, and made available many basic data for State, regional and national planning. It was the first attempt in our national history to make an inventory of our national assets and of the problems which related to them.

The other report referred to in the foregoing message was submitted by the Mississippi Valley Committee of the Public Works Administration, which later became the Water Planning Committee of the National Resources Board. It had been at work on the water problems of the two-thirds of the country which is drained by the Mississippi River. This report was a further recognition of the broad problems of social and economic policy which are necessary elements in water planning. It emphasized the necessity of an inventory of water resources and brought together data on rainfall, stream flow, underground waters, etc.

See also Item 73, this volume.

9 ¶A Plea for State Cooperation to Reduce Automobile Accidents. January 24, 1935

My dear Governor:

I AM gravely concerned with the increasing number of deaths and injuries occurring in automobile accidents. Preliminary figures indicate that the total of these losses during the year 1934, greatly exceeded that of any previous year. We should, as a peo-

ple, be able to solve this problem which so vitally affects the lives and happiness of our citizens.

In order to assist in this, the Federal Government, through the Secretary of Commerce, has taken the leadership in developing remedial measures. Proposals for uniform State legislation have been worked out by the National Conference on Street and Highway Safety with the cooperation of responsible State officials and representatives of interested organizations from all parts of the country.

The remedies that need to be applied are thus available in form which appears to meet the unanimous approval of experienced judgment. The pressing problem is to secure universal application of these remedies which have proved effective where applied.

The responsibility for action rests with the States. There is need for legislation and for the organization of proper agencies of administration and enforcement. There is need also for leadership in education of the public in the safe use of the motor vehicle, which has become an indispensable agency of transportation.

With the legislatures of most of the States meeting during 1935, concerted effort for appropriate action in the States is most important.

Realizing the seriousness of the situation and the urgent need for attention to the problem, I am confident that you will desire to participate in this effort.

Yours very truly,

(The foregoing letter was sent to each Governor in the United States.)

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Chairman's Overview

The world is growing smaller. Fiber optic networks span the continents, linking remote corners of the globe. Billions of dollars move in seconds from Milan to Tokyo to New York. Goods move across continents in a single day. An individual product may contain parts manufactured in five different countries and be assembled in a sixth. New markets and opportunities emerge almost overnight. In this competitive and rapidly changing environment, success belongs to those who most quickly anticipate, adapt, and respond.

The international frontier is no longer the future—a new age has arrived. The evidence abounds. A common market in Western Europe will be finalized in 1992. The United States and Canada are on a ten-year path toward free trade. World output is shifting dramatically to Japan and the Pacific Rim. By the beginning of the twenty-first century, the global economic terrain will be one of large trading blocs, instead of individual countries, trying to maximize their growth through trade.

As the global marketplace has emerged, the United States' role as an economic decisionmaker has changed. During the 1960s, when the U.S. economy was partially insulated from global influence, it was possible to influence the economy by then-traditional fiscal and monetary policies. With the development of the Eurodollar market, foreign ownership of a large portion of the federal debt, and huge increases in foreign trade, the economic sovereignty once enjoyed by the United States has been reduced.

Twenty years ago, states were bystanders as international events changed the economic landscape. That, too, has changed.

Our boundaries are no longer the borders of our states, but every corner of the globe. As Governors, we are challenged to confront this new reality.

State government is well-positioned to meet the challenges of the next century. But we must begin preparing for this transition. Our agenda includes a six-point offensive. Specifically, we must:

- Discover new and emerging markets abroad for American products, to become again the Yankee traders we once were.
- Bring an international perspective to our daily living—to understand foreign nations and the people beyond our borders . . . to learn the international languages of business.
- Expand our research, and use our technology, to create both new products and new processes to maintain America's competitive position.
- Capitalize on the natural advantages of American manufacturers and regain competitiveness in our domestic markets.
- Improve our highways, airports, airways, and ports so we can move our people across town and our products around the globe.
- Invest in the health, education, and training of our children so they can live healthier and more productive lives.

This year, I have created six NGA task forces to examine these issues that together form the foundation for the nation's future:

foreign markets, international education, research and technology, domestic markets, transportation infrastructure, and children.

This is the last of the six reports. It centers on an issue of crucial importance to America's future competitiveness: the capacity of our transportation infrastructure to respond to current and future national transportation demands.

From the emergence of cultures that grew on the strength of Mediterranean trade to the arrival of the first transoceanic flights, societies and nations have progressed as international trade has developed. Trade, in turn, relies upon the movement of commerce from one point to another.

How well this nation moves its commerce, how quickly, efficiently, and effectively our system transports goods and conveys people, will dramatically influence America's future competitiveness as a trading nation. Unfortunately, when it comes to transportation, America is stuck in neutral.

In recent years, our transportation systems, particularly in fast-growing suburban/urban regions, have been under severe stress. Airports and roadways are gridlocked, harbors are too shallow, bridges are deteriorating, and rail beds are rundown. Yet billions of dollars in user fees collected for transportation improvements lie unspent in the federal treasury.

The vitality of both transportation and commerce is now threatened by a pattern of underinvestment and neglect. Today, rather than being the pride of America, our transportation systems are becoming one of its limiting factors, restraining economic growth.

This underinvestment is particularly disturbing at a time when America is in transition. No longer is our economy insulated. We confront daily and in innumerable ways a global economy in which effective transportation systems are basic to improving our economic competitiveness.

In the months ahead, the nation's Governors will review the recommendations outlined in this and the other five NGA reports. Governors may not agree on every recommendation made, but we have reached some clear solutions.

Together these reports should serve as a guide, outlining the steps Governors and their states can take to lead the nation into the twenty-first century . . . a road map for an America in Transition.

Gerald L. Baliles
Governor of Virginia
Chairman, National Governors' Association

"This nation needs to devote its attention to finding ways to improve all types of transportation infrastructure—highways, mass transit, airports, and seaports. We must bring them up to the expectations of this century and the fast-approaching twenty-first century."

Governor James R. Thompson
Illinois

Foreword

Transportation has been a prerequisite to economic progress since this country first began. Early transportation systems were key to America's westward expansion, industrial advances, and formation of trade relations.

Transportation not only was a dominant factor in influencing our history, it remains a key to our economic future. Through its fundamental roles—shipment of goods, delivery of services, and movement of people—transportation touches every person. The revolution in the social organization and economic structure of society, made possible in part by investments in transportation infrastructure, has paved the way for today's interdependent global economy.

Now, we face tough competition from other countries for markets—domestic and foreign. We need to produce and deliver goods and services with a high degree of efficiency at a competitive price. Because the cost of doing business is influenced by how well we move goods and people across town, across the country, and around the world, our economic performance is tied to the quality of our transportation services and facilities. However, there are some strong indications that the nation's transportation infrastructure is under severe stress.

Gridlocked highways, deteriorating bridges, overcrowded airports, inadequate port facilities, aging transit systems, antiquated locks and dams, and deficient railroad beds and tracks all have the effect of increasing the cost of doing business for U.S. companies. They also lead to inadequate access to jobs and services and diminishing safety, which are potentially serious obstacles to profitable operations, orderly growth, and an acceptable quality of life.

A growing, aging population and other demographic and economic forces are affecting transportation demand, requiring that transportation be more responsive to change and expected future needs.

Due in part to global competition, industry has moved to smaller, decentralized, more specialized production and just-in-time inventory methods. Transportation—trucks, rail, waterway, and air freight—is fundamental for making such strategies fully competitive. Small businesses, upon which most of the potential for growth depends, are especially reliant upon efficient, affordable transportation services.

Even as transportation has become more critical to our economic future, we are spending proportionately less than in earlier years, just at a time when our competitors are making bigger commitments to transportation investment. Meanwhile, our aging facilities are requiring more upkeep and adequate funds are not always available to maintain existing facilities and provide increased capacity where required.

State governments are taking on greater responsibilities to meet these challenges. Their traditional role in ensuring safe and adequate transportation services and facilities is undergoing change vis a vis other levels of government and the private sector. State government can serve to bring together and bind other entities involved in providing transportation services and facilities.

If we are serious about sustaining economic growth and remaining competitive, we must be responsible in meeting priority infrastructure requirements. We must do a better job of investing existing resources and find ways to increase investments where appropriate. We must take a

more comprehensive view of transportation, including all the modes and how they interact. And we must make a commitment to the future through research and development of new ideas and new products.

To achieve these goals, America must devise a strategic plan for dealing with transportation infrastructure. The plan should be comprehensive and consistent with broad economic development goals and national security requirements. All levels of government as well as the private sector should be involved.

To this end, we call upon the federal government and the states to take a number of specific actions in the development of a strategic plan. Working together, they should consider and increase coordination of all modes; clarify government roles in infrastructure planning and finance; identify regional projects that require multistate and intergovernmental cooperation; use state needs assessments to help determine federal capital investment priorities; and institute capital planning and budgeting procedures as an integral part of the decisionmaking process.

In addition, the federal government and states should accelerate spending of uncommitted balances in the federal trust funds for highway, transit, aviation, and waterways programs; remove limitations on the ability of state and local governments to pursue tax-exempt financing; and make a stronger commitment to funding transportation infrastructure research and development that would foster technological innovation.

Further state actions should focus on the following objectives.

- **Integrate state economic development and transportation plans.** States should develop long-term infrastructure investment plans that are integrated with economic development and international competitiveness objectives; identify infrastructure needs in terms of their economic development potential; coordinate trade, economic development, and transportation objectives through interagency cooperation; and encourage private sector participation and public input in priority-setting.

- **Plan for change.** Ongoing detailed planning with regard to specific transportation systems, programs, and facilities is another aspect of achieving the highest level of economic performance. States should define broad policy goals based on infrastructure performance; cooperate with other states, the federal government, and local governments to compile data on the condition of each state's capital facilities and to assess future investment needs; emphasize scheduled maintenance and timely repair of public facilities; reexamine design standards to make sure they are consistent with capital needs, safety requirements, and financial means; cooperate with other states to address regional transportation needs; and incorporate traffic management concepts, technological advances, and other efficiencies into program and system design.

- **Invest more efficiently.** To promote more efficient use of existing resources, states should review funding policies to remove any bias that may affect the choice between new construction and repair or better use of existing facilities; explore ways to blend infrastructure funds from various sources;

continue to experiment with innovative financing strategies that promote effectiveness and efficiency, involving the private sector; and ensure the availability of a workforce with the high level of skills needed to plan, build, manage, and operate transportation facilities.

- **Explore additional financing options.** To generate additional resources, states may choose to utilize a range of options such as broadening the concept of user financing; providing greater flexibility at the local level to finance infrastructure needs; capitalizing infrastructure banks to provide revolving loan funds to local governments; seeking ways to price premium and peak hour transportation services more effectively; exploring new financing sources such as foreign capital markets; and calling upon private developers to assist in the planning, initial capitalization, and ongoing support of specific infrastructure projects.

- **Ensure future innovation.** States should make a commitment to research and development efforts that further infrastructure technologies; encourage experimentation with and application of newly developed transportation technologies and processes; improve data collection and information management; and expand civil engineering and transportation planning programs at colleges and universities.

- **Consider public expectations.** Successful infrastructure plans can hinge on the nature of public opinion. States can help shape public perceptions about the importance of transportation by: working with the local media, community groups, and civic leaders to promote awareness of infrastructure projects and their relationship to economic growth; developing information campaigns geared toward schools and community groups; and establishing Governors' award program in the state to recognize excellence in design, management, and operation while focusing public attention on transportation quality and cost-effectiveness.

Providing and maintaining infrastructure is expensive. The cost of inaction—to the U.S. economy and American society—is even greater. Creating the political will to make transportation investments effectively and efficiently is the challenge before us. We must act now to ensure a prosperous future.

Governor James R. Thompson, Illinois
Chairman, Task Force on Transportation Infrastructure

Task Force Members

Governor Bob Martinez, Florida

Governor Terry E. Branstad, Iowa

Governor Neil Goldschmidt, Oregon

Governor Robert P. Casey, Pennsylvania

"Oregon's economy is highly dependent on access to good transportation services. We in government must concern ourselves with ensuring that quality, cost-efficient transportation is available from harvest to harbor. To do that we may need to revise many of our assumptions about transportation priorities, America's place in the world market, and public-private relationships."

ernor Neil Goldschmidt
gon

The Challenge

"In this age, a country with a world-class economy and a world-class people, such as the United States, needs a world-class transportation network to keep it competitive."

Bruce McDowell, Advisory Commission on Intergovernmental Relations

The Challenge

American pioneers carved a great nation out of the wilderness. This nation of builders set about dredging harbors, blazing mountain trails, bridging rivers, digging canals, and eventually establishing highway, waterway, rail, transit, and airport systems that are the envy of the world. From wagon trains to high-speed trains, from the Oregon Trail across the West to a jet plane's trail across the sky, the American way of life has been shaped by our ability to transport ourselves and our products across the nation and around the world.

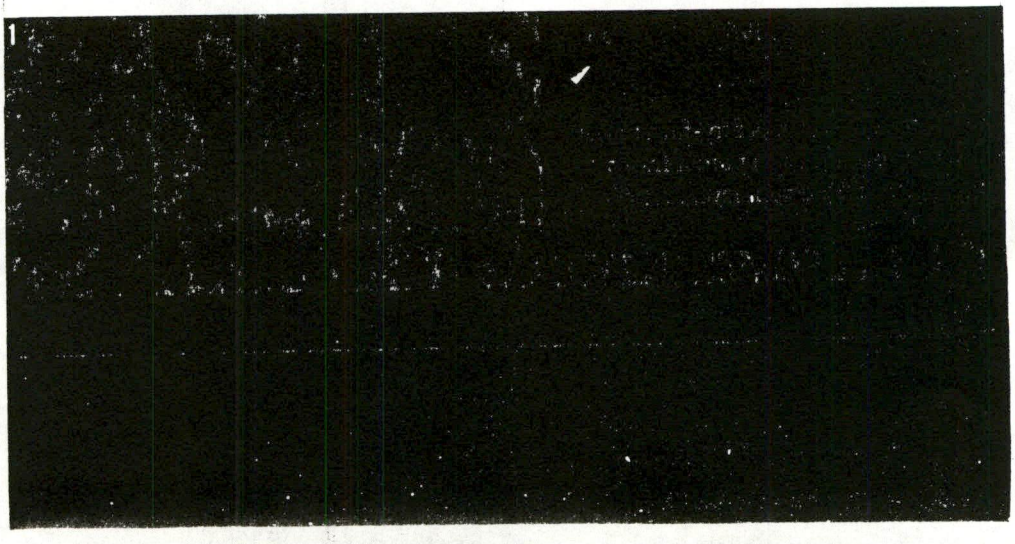
Safe and efficient roads, bridges, airports, railroads, transit systems, ports, and waterways encourage diversification and expansion of the economy. Conversely, inefficient infrastructure can increase transportation costs and reduce productivity.

A viable transportation system accelerates and facilitates the exchange of goods and services, provides greater opportunities for tourism and recreation, spurs general economic activity, and is an important source of existing and new jobs. It is key to our ability to export and thus to our international competitiveness.

- Improvements in our nation's transportation infrastructure fostered more than two centuries of growth and prosperity. Sending a document from coast to coast once meant a long sea voyage or an arduous trip by horse-drawn wagon. Now document delivery is almost instantaneous through data transmission via computers and facsimile machines.

- From coal to computers, transportation costs represent a sizeable component of the price of goods and services for our own markets and for export abroad. For every dollar of export goods, about 25 cents is spent on the transportation of raw materials, semifinished goods, and components between domestic manufacturers.

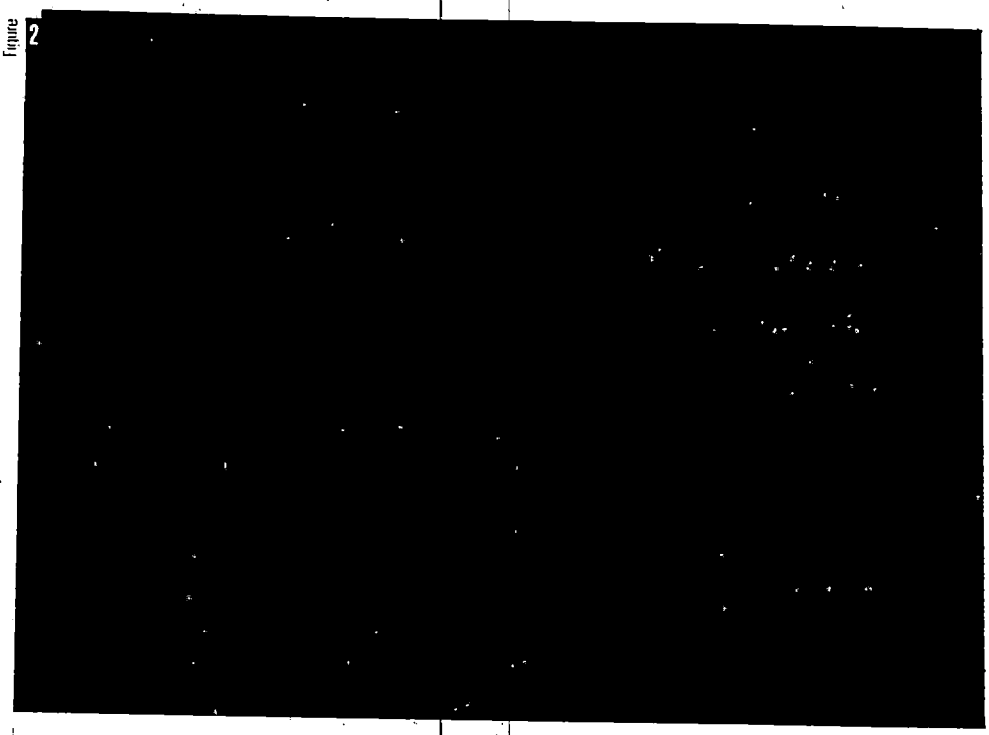
Figure 1



- Tourism—including the hotel, recreation, and travel industries—is highly dependent upon infrastructure and particularly quality transportation services. Tourism is a major source of jobs and revenue for most states. International tourism is a boon to the U.S. trade balance.

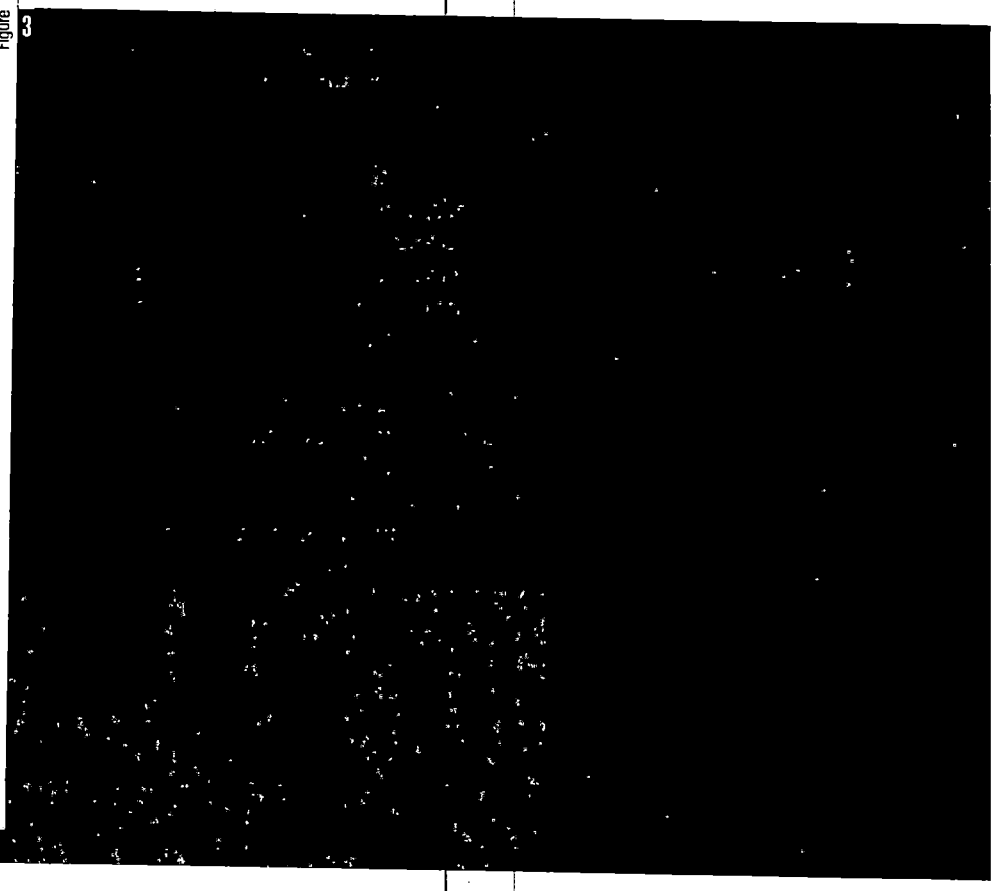
Transportation's importance to trade, tourism, and growth demands a closer look at whether the nation's transportation infrastructure is doing its job. A number of factors indicate the system is struggling to meet present demand and is ill-equipped to meet the future.

Figure 2



Our infrastructure facilities are getting older, demanding greater attention to maintenance and rehabilitation than ever before. Aging roads, bridges, and ports represent more than minor inconveniences. They are symptomatic of inefficient and outdated transportation systems that could become obstacles to rather than instruments of economic growth.

Figure 3

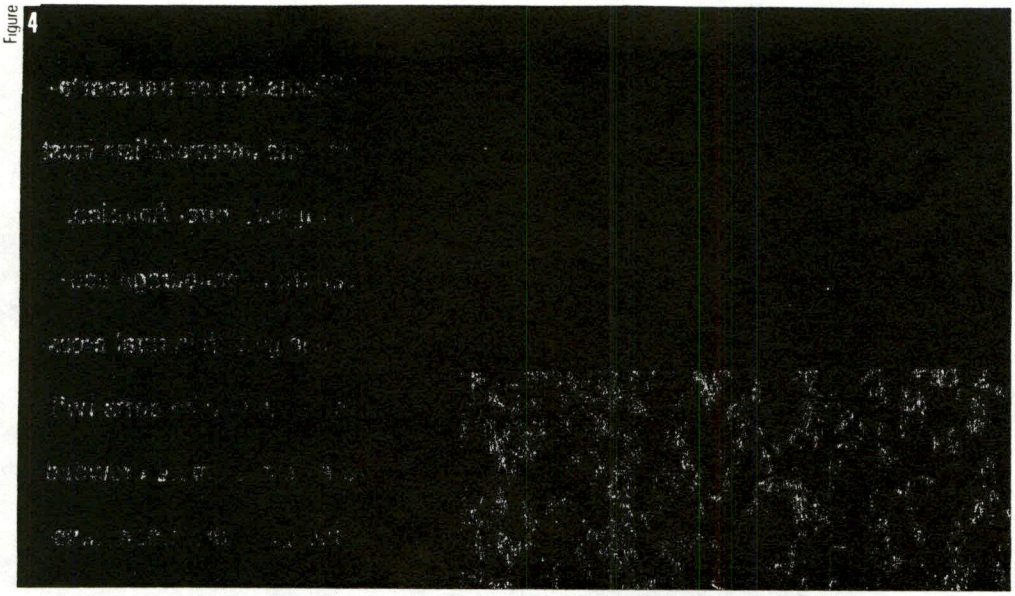


Our level of investment is not up to par with that of our competitors. This shortfall in investment is particularly disturbing at a time when America is in transition. America confronts a global economy. Our vitality depends on moving people and goods—not just within our nation, but throughout the world.

Yet, for the last several years, the United States has been spending less on public works investment as a percentage of its gross national product (GNP). Capital spending on public works dropped from 2.3 percent of GNP in 1960 to less than 1.1 percent by 1985.

The United States ranks fifty-fifth in the world in capital investment in infrastructure. Further, the current level of highway

Figure 4



expenditures as a percentage of GNP is well below that of several industrialized countries, including Austria, Japan, and Switzerland, even though these countries are far more rail-oriented.

In short, other nations have recognized the demands of the global economy and are laying the infrastructure foundations necessary to compete.

Even as new capital investment has fallen off in the United States, demand for transportation has increased dramatically. The U.S. Department of Commerce estimated that infrastructure use by industry alone would increase by more than 30 percent from 1985 to 1995.

Vehicle miles of travel on the nation's highways have tripled since 1956, from 600 billion to 1.9 trillion miles. Such growth is projected to continue, reaching 3.7 trillion miles in the year 2020. The number of passengers on commercial airline flights has increased from 208 million in 1973 to 457 million in 1988.

Transportation use continues to grow without corresponding attention to infrastructure needs. The result is snarled traffic, safety hazards, and crowded airways. Congestion and delays lower the nation's net productivity and increase the cost of goods and services. They can also create inflationary pressures that spread throughout the economy.

- The Federal Aviation Administration estimates that flight delays in 1986 increased airline operating expenses by $1.5 billion and cost passengers $1.5 billion in lost time.

- The U.S. Department of Transportation calculates that in 1985 vehicles on U.S. freeways racked up one-half billion hours in delays, a number that is expected to rise to 3.9 billion hours by the year 2005 if no improvements are made.

To sustain economic growth and remain competitive in the international arena, the United States must invest more wisely.

We must broaden our perspective on transportation planning. We need to integrate our economic development plans with our transportation plans. We should give greater attention to coordinating transportation modes. And we must take advantage of the efficiencies allowed by technological advances made not only in transportation, but in telecommunications and information services.

New technologies must be developed that support mobility and economic growth. But, except for aviation, leadership in the development of these technologies has passed to our competitors who are investing heavily in the development of the next generation of transportation systems, such as smart highways, magnetic levitation and other forms of high-speed rail, and advanced transit and people-mover systems.

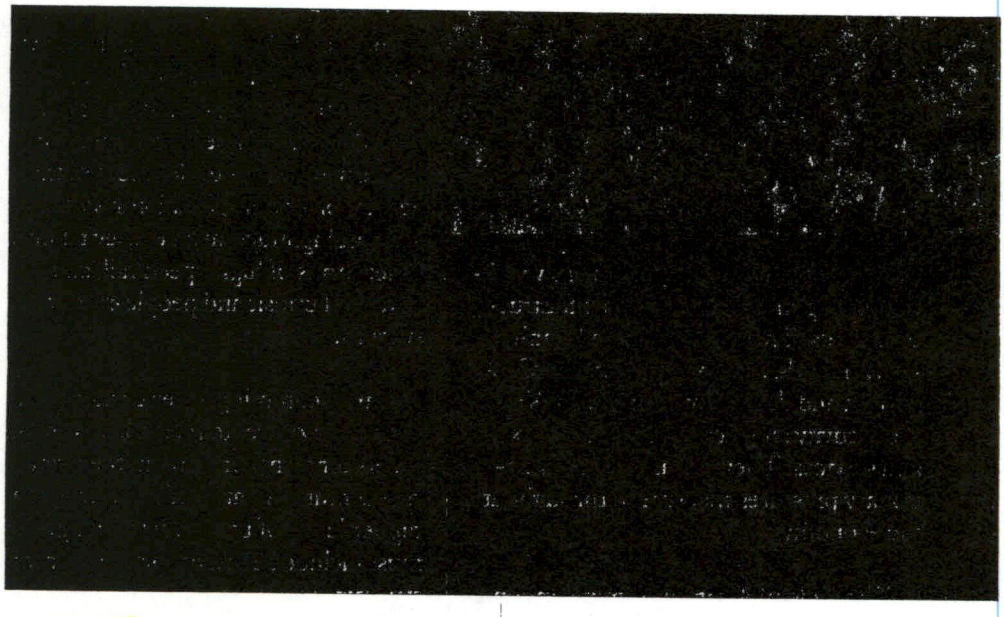
We must commit greater economic and political resources to meet the new requirements for transportation in the twenty-first century. A national commitment to higher levels of productivity and growth must include a national priority for infrastructure investment.

Federal budget deficits have changed federal involvement in addressing infrastructure needs. States and local governments have moved to fill the gap left by a reduction in the federal share of all infrastructure spending. But state action is constrained by changes in federal tax policy that limit the revenue-raising capabilities of states and local government, and by instability in federal funding.

Naturally, infrastructure investment alone will not bring about the desired level of economic growth. However, it is a necessary part of any national plan. Japan and

"Discussion on transportation and intermodalism must not ignore rural America. Failure to encourage economic growth in rural crossroads and niche ports will create even more crowded cities, and the urban transportation system that originally attracted companies will grind to a halt, a victim of its own success."

Paul W. Vogel, General Manager, Oregon International Port of Coos Bay at task force hearing in Portland, Ore., May 19, 1989



West Germany, two countries with high economic growth rates, both use five-year infrastructure plans. These infrastructure plans are part of a larger strategy for growth, emphasizing the needs of industries with strong export potential.

A response to this challenge must involve all three levels of government and the private sector.

- The federal government must ensure that there is a national transportation system, clearly defined and effectively financed. It must also lead the way in research and development of technology.
- As owners and managers of most transportation facilities, states and the localities are in the best position to identify needs and priorities, manage programs, and build and operate the systems.
- The private sector must be a strong partner in meeting the planning and financial requirements of future transportation needs.

Even though the world has become smaller due to advances in transportation, it has become larger in terms of the complex linkages between transportation and economic development, the environment, and national and international competitiveness.

In this period of rapid technological and economic change, with limited resources and growing needs, and in the face of fierce international competition, the challenge for Governors is twofold. First, we must formulate a plan of action within each state for integrating transportation and economic development goals. Second, we must help mold a national strategy for meeting the nation's transportation requirements into the next century.

States can ensure that public investment in infrastructure contributes directly to productivity improvements so our nation will remain competitive on the international frontier.

"Our transportation systems are at the core of our economic vitality and growth. Pennsylvania's transportation infrastructure network is a vital resource, and maintaining that resource for ourselves and future generations is a challenge that we must meet—and we will meet."

Governor Robert P. Casey
Pennsylvania

The Context

"A root cause of the decline in the competitive position of the United States in the international economy may be found in the low rate at which our country has chosen to add to its stock of highways, port facilities, airports, and other facilities which aid in the production and distribution of goods and services."

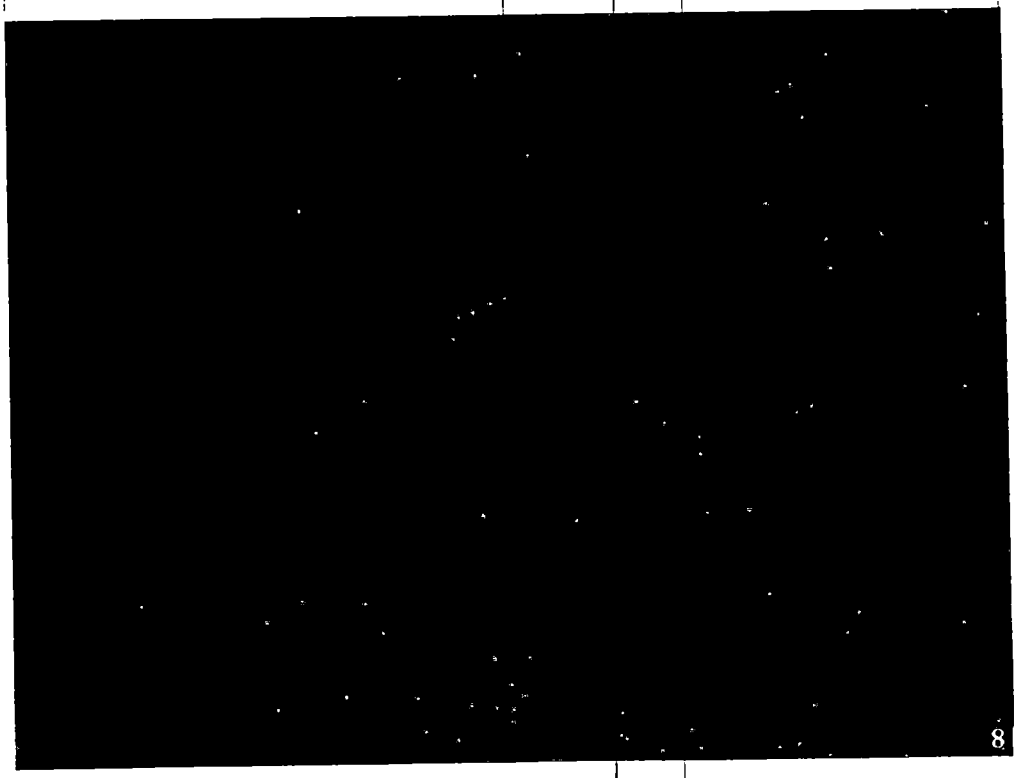
David Alan Aschauer, Senior Economist, Chicago Federal Reserve Bank at Chicago task force hearing, April 18, 1989

The Context

Transportation is essential to the growth and efficient operation of the nation's economy. This has been apparent throughout America's history and its westward expansion. Americans applied their resources and engineering skills to build the National Road, the Erie Canal, the Transcontinental Railroad, the Brooklyn Bridge, the Interstate highway system, and the country's seaports and airports. This nation of builders and inventors understood that America's national strength and economic prosperity were supported by these great achievements of labor, industry, and public policy.

The sheer magnitude of the U.S. transportation system, which is larger than that of any other nation in the world, must be noted. The system includes:

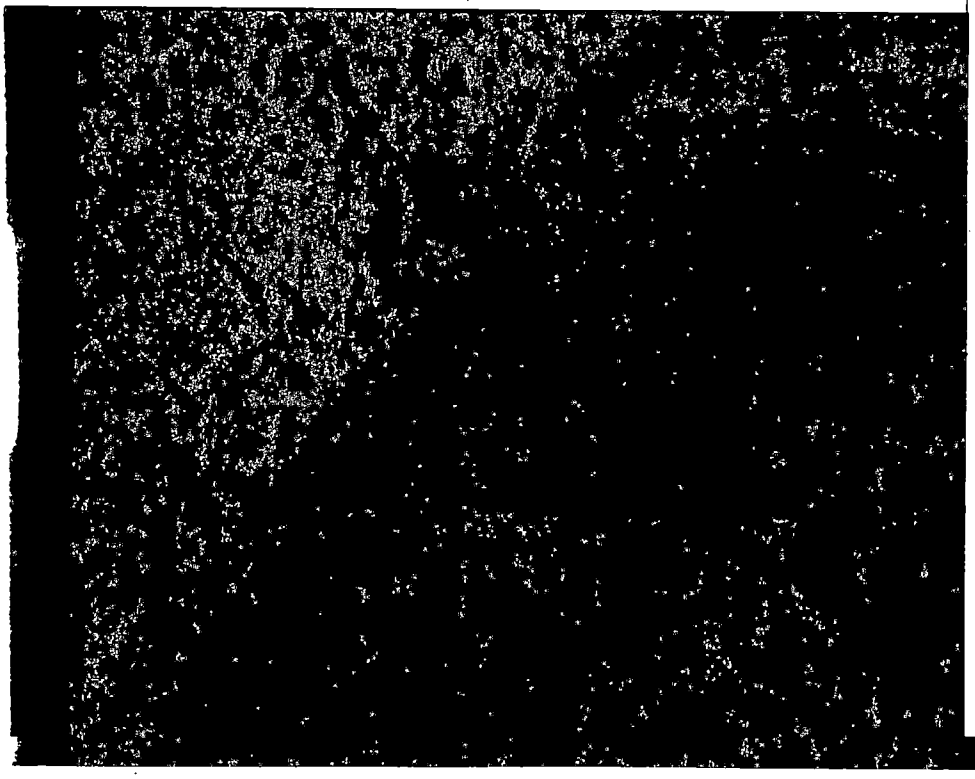
- 180 million automobiles and trucks operated by 160 million licensed drivers on 2.2 million miles of paved road and 1.6 million miles of unpaved roads;
- 1.3 million railroad freight cars, 20,000 locomotives, and 2,000 railroad passenger cars operating on 159,000 miles of railroad;
- 5,300 aircraft providing airline service and 220,000 general aviation aircraft, including 6,000 rotorcraft, using 6,500 public use landing areas;
- 20,000 intercity buses and 80,000 buses used in local transit;
- 10,000 subway cars, trolley coaches, and cars used in elevated or surface commuter trains, operating on 7,000 miles of exclusive rights-of-way for public transit; and
- 40,000 commercial vessels, 16 million boats, 26,000 miles of commercially navigable inland and coastal waterways, and 757 commercial navigation ports.



Of the ton miles of bulk cargo moved in the United States, 27 percent moves by truck, 29 percent by water, 26 percent by rail, 18 percent by pipeline, and 1 percent by air. Of the 1.8 trillion passenger miles traveled each year, 89.5 percent are by car, 7.8 percent by plane, and the remaining 2.7 percent by bus and rail.

Yet figures on current usage show only part of the picture. These numbers do not reflect changes between and among modes of transportation, nor do they reveal a projected continual increase in usage of all types of transportation well into the twenty-first century:

- Personal travel on the nation's highways is projected to increase between 1.9 and 2.9 percent annually between 1985 and 2005. Travel by trucks is projected to increase by an average of 2.8 percent to 3.8 percent annually over the same period.
- The size and weight of trucks have increased. Tremendous amounts of freight have shifted from railroads to highways. This, in turn, has placed greater stress on roads and bridges in high-density freight corridors, requiring accelerated maintenance and greater capacity. The challenge is even greater in rural areas because of the low volume of traffic.
- Today, 6,800 miles of Interstate highways routinely experience serious congestion. Between 1982 and 1987, congestion on urban Interstates during peak travel hours increased from 54 percent to 65 percent. Approximately 24 percent of the urban non-Interstate miles on major streets and roads are also routinely congested.
- Passenger loadings at airports have increased from 208 million in 1973 to 457 million in 1988. Due to a growth in smaller, high-value, high-technology products, air freight has become a larger part of the international freight transportation network. Today, international air cargo services play a key role in the U.S. economy. In 1986, airborne exports accounted for 29 percent of the value of total U.S. exports.



This growing demand for efficient, adequate, and reliable transportation services must be viewed in the context of interwoven factors: limited resources to address present and future needs; a changing environment in government; dynamic demographic and economic forces, including stronger international competition; and the potential for new transportation technologies and innovations.

Infrastructure Needs Outpace Resources

For the last decade, the threat of collapsing bridges and crumbling structures has intermittently claimed national attention. Much has been written about the infrastructure "crisis," but it has been years in the making. Public consciousness is only now awakening to the results of long-term underinvestment and neglect. America's public facilities are deteriorating at a faster rate than they are being repaired or replaced.

A continuation of this trend would result ultimately in a dramatic decline in the serviceability of many structures. Infrastructure inadequacies put constraints on economic development, leading to inefficient business decisions. Delaying repairs also can require major reconstruction later. Postponing new construction can increase operating costs in the private sector, reducing the competitiveness of America's businesses.

The price to bring America's transportation infrastructure into reasonable condition within the next twenty years is estimated by a number of authoritative studies to range from $1 trillion to $3 trillion, requiring annual outlays in the range of $50 billion to $150 billion.

Aging infrastructure presents a particular challenge for state resources. As the nation's infrastructure stock gets older and the demands placed on it continue to exceed original estimates, it requires more costly upkeep.

Government Roles in Transition

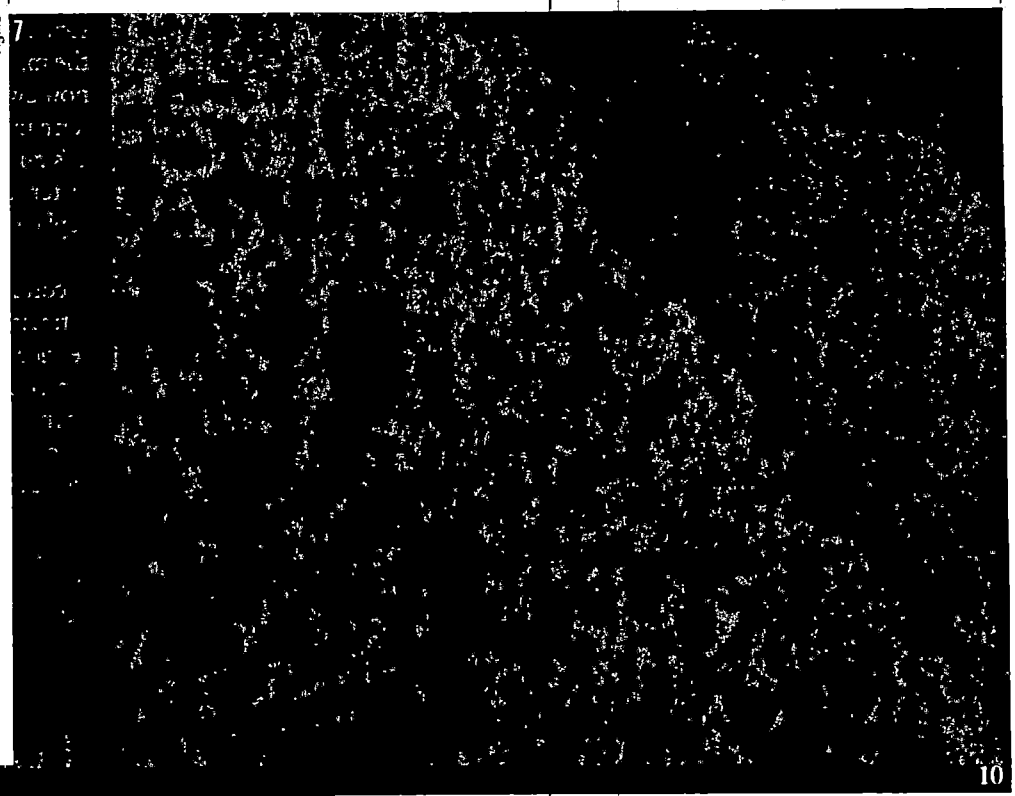
As infrastructure needs rise, government is compelled to respond. At the same time, the traditional intergovernmental transportation partnership is undergoing change. Also, the private sector is assuming a greater level of participation in developing and paying for transportation improvements that enhance economic development.

Traditionally, government involvement in the nation's infrastructure programs has been motivated by three principal concerns: coordination, the financial burden, and social policy goals. Yet factors in each of these three areas complicate the picture and may inhibit the ability of states to respond quickly and adequately to infrastructure needs.

Coordination: Multiple Government Entities. The number of governmental and quasi-governmental entities established to address transportation infrastructure and service requirements has grown. In part this is due to federal planning procedures, as well as a response to an increasingly complex set of interrelated transportation,

Figure 8

Figure 7



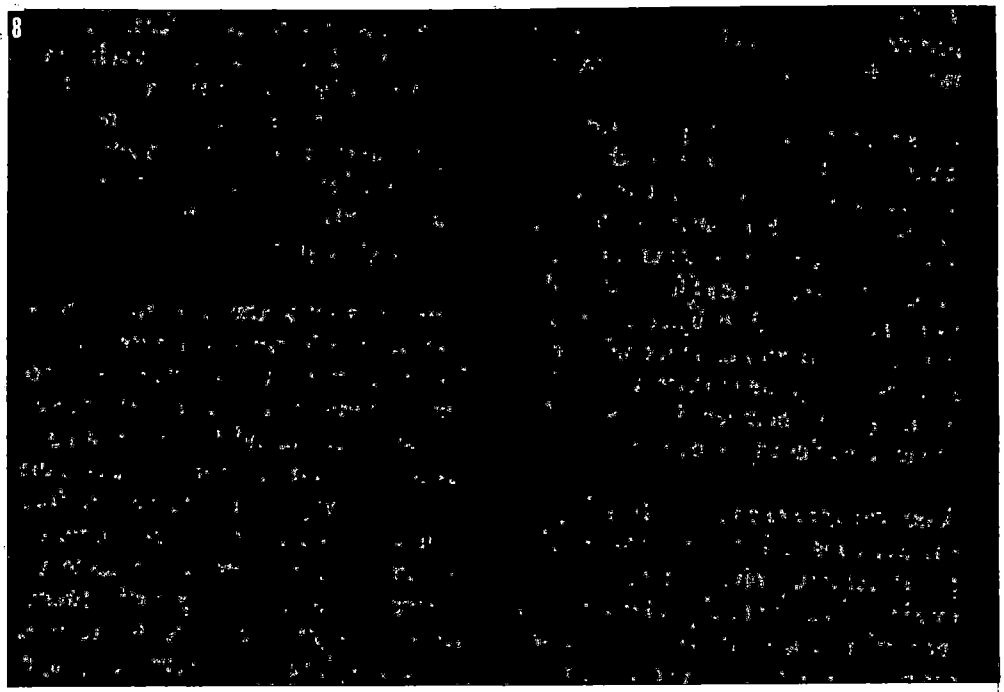
energy, land use, and environmental concerns addressed on an intergovernmental and public-private sector basis.

Most metropolitan areas have spilled out of the boundaries of central cities and counties into adjacent communities, each with their separate local governments. In this context, planning, managing, and financing transportation infrastructure may require actions outside the jurisdiction of existing local governments. States often must close this gap. They have done this in metropolitan areas by assuming some transportation responsibilities and often by creating regional transportation authorities.

Coordination: Multiple Transportation Modes. Today's system relies on many different modes of transportation. In an effort to make transportation modes more competitive and more efficient, Congress deregulated many aspects of transportation in the late 1970s and the early 1980s. Regulatory commissions also took steps to eliminate or liberalize rules and regulations that were considered unnecessary or unduly restrictive or burdensome.

Economic deregulation has allowed the development of more organized methods of transfer between the modes, and joint ownership of more than one mode. Intermodalism, in turn, has provided incentives for innovations in management and technology utilization. More and more, shippers are going "one-stop shopping" for all their transportation needs. But there is no comprehensive government policy to promote intermodality in a way that will respond to today's dynamic economic conditions.

Figure 8



Finance: Federal Tax Laws Restrict State Sources of Revenue. Recent federal tax law changes have significantly altered the public finance system in the United States, especially in the rules under which state and local government tax-exempt bonds are issued and in modifying incentives for purchasing tax-exempt debt. Tax-exempt volume has been drastically reduced due to limitations that include a volume cap on most private-activity bonds. Tighter restrictions have been placed on the reinvestment of bond proceeds including a cumbersome new arbitrage rebate requirement. Paperwork, reporting, and recordkeeping requirements have been imposed and investors are finding it more difficult to determine whether tax-exempt bonds will benefit them.

The resulting financial inflexibility and higher out-of-pocket costs have made it difficult for state and local governments to fulfill their responsibilities to provide necessary public services and to meet federal standards and mandates without an increase in federal financial assistance.

Social Policy: Federal Sanctions and Mandates Have a Negative Impact on State Resources. The threat of funding sanctions against states has become prevalent in federal transportation laws. Withholding federal funds is an undesirable method of implementing social policy objectives. Examples include speed limit, drunken driving, and seat belt laws with sanction provisions. While the laws may pursue ostensibly laudable goals, the ensuing requirements burden state resources and limit states' ability to plan and meet state-determined priorities.

Demographic and Economic Forces

Population and economic change in the United States will continue to be dynamic forces in the development of the nation.

These forces in turn shape future transportation needs and policies. A broad overview of these factors reveals several trends.

Americans are increasing in number, albeit at a slower rate than in the past. Changes in the size, composition, and location of the U.S. population influence the demands on transportation and will be major determinants of future capital investment needs. Although the rate of population growth will slow, total population is still expected to increase by 47 million persons between 1990 and 2020, an increase of nearly 20 percent.

Americans are forming more and smaller households. As a result, travel patterns are more diverse and complicated than ever before. From 1950 to 1980, the total number of households increased at a rate of about 2.1 percent per year, significantly faster than the population growth rate of 1.4 percent per year. Some projections of household formation trends indicate that the number of households will increase from 88.5 million in 1986 to 107 million in 2000, and to 116.7 million in 2010.

Americans are purchasing more vehicles. Smaller households, two-income families, decentralization of employment, suburban sprawl, and greater affluence all necessitated or contributed to the dramatic increases in vehicle ownership. While the nation's population grew by 18 percent from 1970 to 1985, the number of registered vehicles grew by 65 percent. Between 1950 and 1980, the ratio of vehicles to workers increased from 0.85 to 1.34.

Americans are getting older. The population share of the elderly is projected to rise dramatically between 2005 and 2020. By the year 2020, persons sixty-five years of age or older will account for nearly 22 percent of the driving age population, compared with 15.7 percent in 1986. This will have profound social and economic implications for the future demands on transportation, including the safety of facilities and the need for more publicly provided transportation.

Americans are migrating from city centers to suburbs and smaller towns. These internal shifts have resulted in two kinds of infrastructure problems—those of mature sectors and those of growing areas. Older infrastructure facilities in the already developed parts of a state, region, or urban area need preservation or rehabilitation, and in the growing areas they are inadequate. Regional growth patterns and uneven growth influence future travel trends and play a role in determining future investment requirements.

Since 1950 metropolitan growth has been primarily suburban, with 86 percent of population growth occurring in the suburbs. There has been a corresponding growth of jobs in suburban areas. In 1960 American suburbs contained 14 million jobs, representing about 35 percent of jobs measured by worker trips. By 1980 the number of jobs in the suburbs had more than doubled to about 33 million, representing about 47 percent of all metropolitan job destinations.

Americans are changing the way they do business. These changes have occurred partly as a result of improvements in transportation and communications. In an effort to retain existing manufacturing firms while diversifying their economies, many states are recognizing the critical importance of transportation infrastructure. Nondurable manufacturing, other light industry, service sectors such as finance, insurance, and real estate also require new types of transportation facilities.

- Manufacturing processes have become decentralized. Inventory management practices have shifted to a "just-in-time" delivery strategy that leads to an "inventory-on-wheels." This makes cost, time, and reliability of transportation essential to a company's success and to the nation's competitiveness.

- Jobs have moved to the suburbs and new communities have developed where the highway and transit systems assumed there would be none. Often suburban growth is occurring without corresponding improvements in transportation services.

- The growth in air freight and in airport hubs for both freight and passengers is creating needs for better ground access and for redesign or reevaluation of all airport and airway facilities and operations to increase capacity.

As U.S. prosperity becomes more dependent on international competitiveness, future growth in output and income will depend more than ever on improvements in productivity. Productivity improvements, in turn, require an efficient transportation infrastructure that is responsive to the travel requirements of a larger population.

Technological Change

The rapid changes in technology and computer-aided automation are having a major impact on every aspect of our lives. From the workplace to the home, in business and recreation, technology is changing our daily lives.

Computers have become a familiar part of transportation operations in all modes—airlines, transit, ports and waterways, railroads, and highways—for tasks as diverse as scheduling, vehicle control, and data management.

Innovations can be found in vehicle design modifications, highway materials and construction techniques, traffic control and management software, and the ongoing search for alternatives to fossil fuels. In addition, there has been a great deal of recent technological development in freight transportation. Containerization is now commonplace, and development of new types of freight containers is ongoing. Experimentation with RoadRailers—special truck trailers that are fitted with tires for highway travel and retractable steel wheels for railroad movement—and intermodal bulk loading transshipment facilities are other innovations.

Transportation is ideally suited to benefit from developments in advanced technology. Introducing the latest applications of technology into the design, management, and operations of transportation systems not only results in increased productivity, capacity, and safety, but also serves to lower construction and maintenance costs.

The application of technology to transportation can have an important impact on other dimensions of national and state policy—particularly air quality, economic development, and energy conservation. Governors and states exercise a critical role in ensuring the proper integration of these public policy concerns with effective decisionmaking on transportation investments.

Outlook

As we approach the future, transportation technology has the potential to revolutionize not only transportation itself, but also the way we think about and use it. Past inventions and innovations show this to be true. The invention of the airplane, followed by the development of jet engines, transformed freight and passenger movements nationwide and around the world. Future developments in such innovations as maglev trains and tilt-rotor aircraft could offer similar transformations.

Other technologies, such as the development of smart cars and highways, new construction materials, and improved traffic management systems offer great potential for change. The search is on for alternative fuels that could have profound influences on the environment and society. In the meantime, as concern for the environment mounts, there may be a greater need for traffic and other restrictions that would affect mobility and economic performance.

All of these and many other factors form the context for state action. They provide a unique opportunity and challenge for the Governors to assume a prominent role in shaping new directions for transportation infrastructure programs.

"Our transportation systems are taking on increasing importance as we face a restructured world economy in which the United States is positioned between an emerging and economically uniting Europe and Pacific Rim nations that are becoming the manufacturing centers of the world."

Francis B. Francois, Executive Director, American Association of State Highway and Transportation Officials, at task force hearing in Pittsburgh, Pa., June 1, 1989.

The State Role

Government has three functions: providing for the common defense, administering justice, and providing public works. "The third duty of the sovereign or commonwealth is that of erecting and maintaining those public institutions and those public works, which, though they may be in the highest degree advantageous to a great society, are of such a nature that the profit could never repay the expense to any individual or small number of individuals .... The works and institutions of this kind are chiefly those for facilitating the commerce of society, and for promoting the instruction of the people."

Adam Smith, "An Inquiry into the Nature and Causes of the Wealth of Nations," 1776

"During the period 1980-1987, federal aid to states and cities declined 37 percent in real terms. State and local governments, unable to abandon investment in infrastructure, have attempted to pick up where the federal government left off. To the extent that the federal government can work with and be supportive of state and local governments, they will be far better able to assume the responsibility for problems that mutually plague all levels of government."

Congressman Beryl F. Anthony Jr. in testimony before the Senate Governmental Affairs Committee, May 4, 1989

The State Role

Traditional state responsibilities in transportation are well established, though changing. Defining the current realm of state authority in transportation requires discussion in the context of federal and local government roles. Government functions are primarily in the areas of planning, construction, operations and maintenance, finance, and regulation.

- State governments plan, develop, own, operate, and maintain essentially the entire highway system, either directly or by delegation to local jurisdictions. In some states, local governments have authority under "home rule" for transportation, including highways and bridges. Further, they provide significant financial aid for construction, operation, and maintenance of local roads, bridges, and transit systems. Some also have programs for airports, railroads, ports, and waterways. States have a primary role in planning the nation's transportation infrastructure. Thus, they can promote greater integration of transportation modes through public-private initiatives, foster the development of new technologies and processes, and create new financing mechanisms for infrastructure improvements.

- The federal government has a key role in planning, setting standards, and providing capital financing for the Interstate highway system and in operating and maintaining the nation's major airways, harbors, and inland waterways. It also has participated in capital financing for railroads, mass transit, and a number of smaller airports.

- Although many states provide significant financial assistance, local governments generally are responsible for local roads (accounting for 74 percent of all roads), mass transit, airports, and certain landside facilities at water ports. Exceptions include the provision of local roads by a few states, and federal support in financing transit.

- In addition, key local roles often are shared with the private sector. This includes an important private role in funding, operating, and in some cases owning streets and roads, airports, and water ports. Local governments also hold almost all land use controls, delegated by states with relatively limited exercise of oversight.

- Independent special financing districts and authorities provide some public works in almost every state. Some of these units are agents of the state, and others are agents of individual localities or regional groups of jurisdictions. Among the facilities provided or assisted are airports, toll facilities, highways, mass transit, railroads, and water transport.

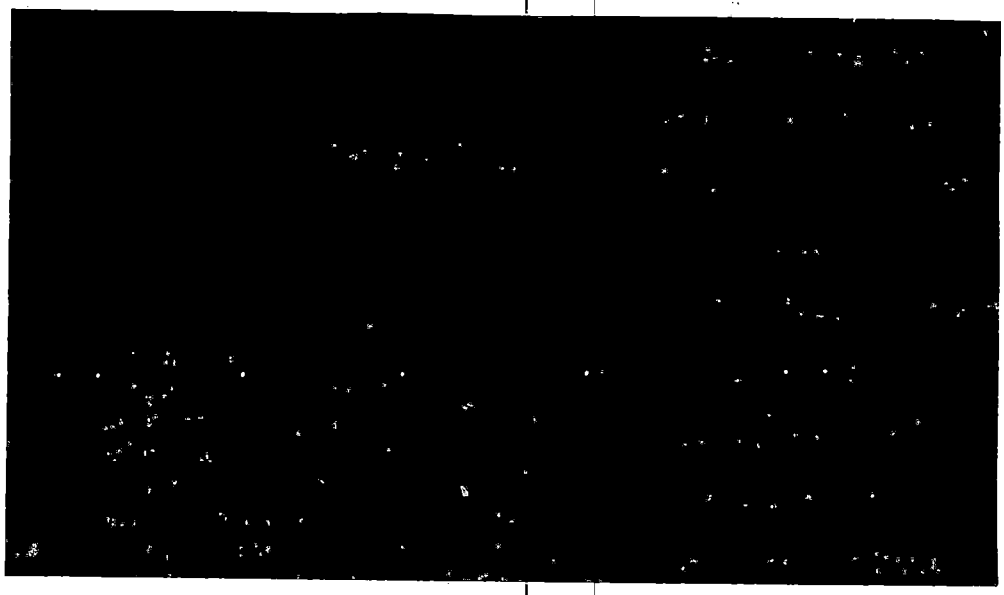
- In metropolitan areas, where all these roles come into closest contact with each other, metropolitan planning organizations have been created to coordinate regional planning.

Beyond these parameters, governmental roles vary by transportation mode. A closer look at how each mode is administered and financed reveals more about state roles and responsibilities vis a vis other levels of government and the private sector.

Airports. The federal government oversees movement in the nation's airways with primary responsibility for air traffic control and air safety, and contributes to airport improvements. It is also responsible for national airport system planning and

provides a source of funding for individual airport planning. In addition, the U.S. government negotiates agreements affecting international air cargo and passenger transportation.

Most large airports are owned by local governments and airport or port authorities. However, twelve states own and operate major airports and states own many airports served by commuter airlines and business aviation. Smaller airports are maintained primarily by the private sector and local governments, many with aid provided by states.



Transit. Since World War II, the nation's public transportation system has moved from an essentially private sector activity to a publicly operated service. The state role in mass transit is increasing as the federal role is decreasing. Such states as Connecticut, Maryland, New Jersey, and New York operate mass transit facilities, and most states make financial contributions to local programs. Overall, state contributions (capital and operating) to mass transit exceeded the federal government's contributions in 1987. States contributed $700 million more than the federal government in 1988.

Transit systems are owned and run by state and local governments. States run some entire systems, such as that providing service in Connecticut. Others are run by multistate transit authorities as in the New York and Washington, D.C. areas. But most are run by transit authorities within a single state.

Railroads. Rail costs are normally paid by privately owned railroads. Federal financial support is appropriated for Amtrak, the National Railroad Passenger Corporation, which pays other railroad companies for use of track and operations except for track owned by Amtrak in the Northeast Corridor. States or their instrumentalities operate a few commuter rail operations.

As railroads have abandoned rail lines that are often essential to local industries, mines, and agriculture producers, states have assumed some responsibility for keeping rail freight service to communities that would otherwise be abandoned. States have worked with local communities, shippers, and railroads to promote efficiency and cost reduction through track rehabilitation, rail line acquisition, and rail facility construction.

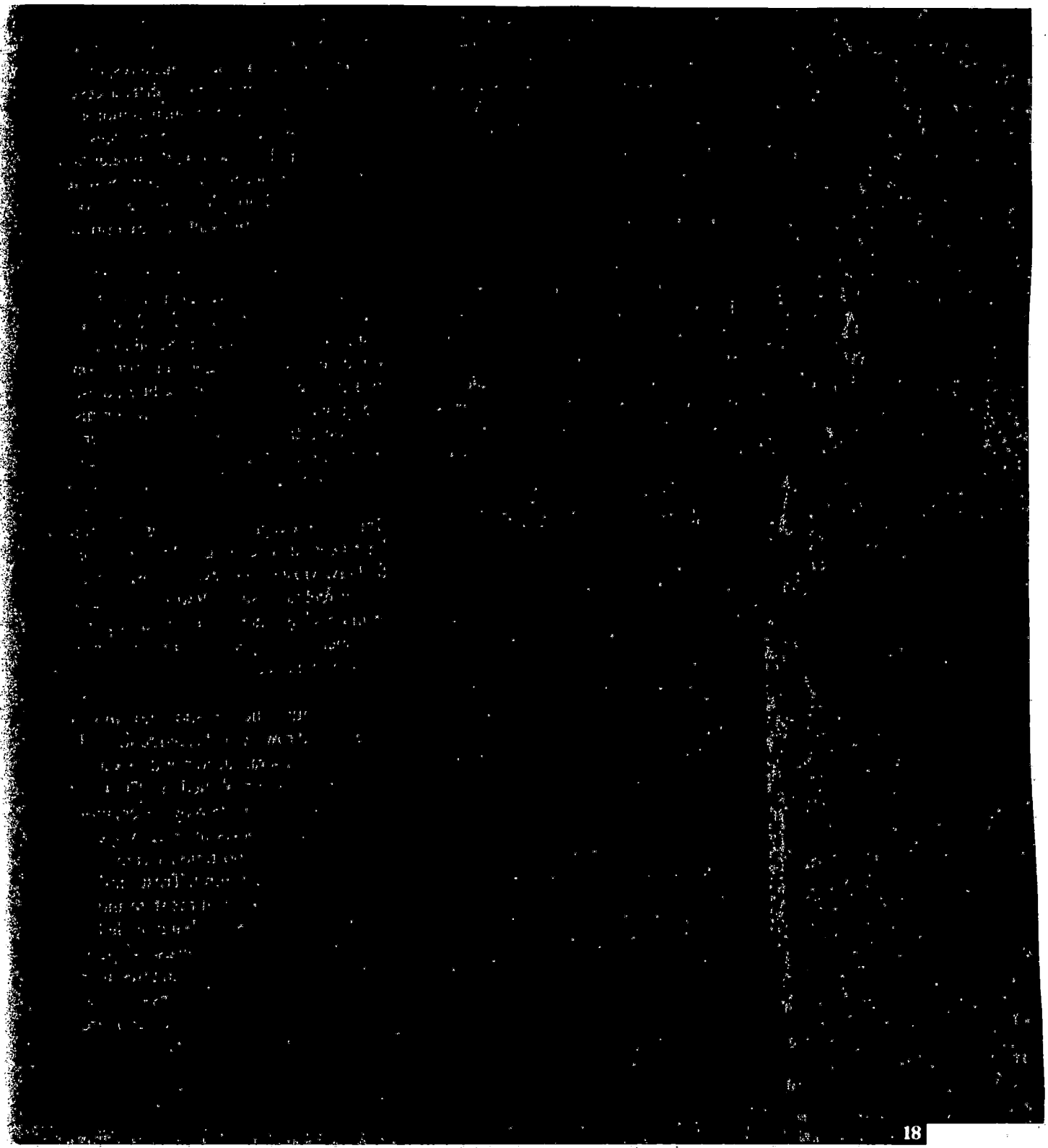
Most states are active in rail service planning, now providing the only effective public sector rail planning in the country. In addition, a number of states share the operation and expense of rail safety inspection programs with the Federal Railroad Administration.

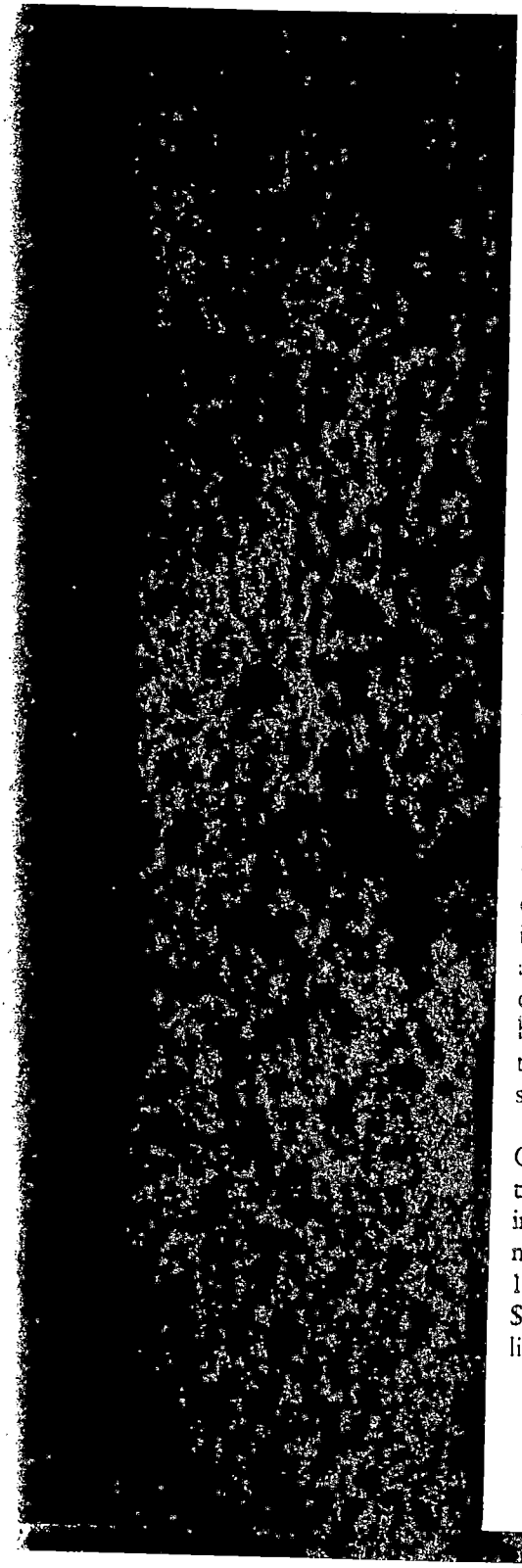
Ports and Waterways. With regard to the nation's water resources facilities, the federal government has an operating responsibility for infrastructure comparable to that of state and local governments. These facilities include reservoirs and dams, locks on inland waterways and navigation channels, and deep draft harbors.

Ports are typically owned and operated by port authorities; many are quasi-independent instrumentalities of state government. Users pay the costs of operation and equipment, some with state subsidies. Maintenance of harbor channels has historically been the responsibility of the federal government, though recent legislation was enacted to shift more of the cost of this responsibility to beneficiaries.

Most inland waterways are maintained by the federal government, partially funded from the user-financed Inland Waterways Trust Fund. Inland waterway ports are maintained by public or private terminal operators.

Highways and Bridges. Major highways are owned and operated by state governments, with a few exceptions such as





national parkways and certain toll roads. Local governments generally own and operate streets and roads, with the division between state and local responsibilities differing substantially among states. Although the states own, operate, and maintain most Interstate, non-Interstate, and some other highways, that mileage accounts for less than one-fourth of all roads, but 64 percent of the traffic nationally.

The federal government has financed roughly 90 percent of the construction of the Interstate highway system. It also finances lesser percentages of state and local capital outlays for major highways off the Interstate system, some major locally maintained roads, and major bridge rehabilitation. Maintenance of these systems and structures is wholly the responsibility of state and local governments.

Overall Infrastructure Planning and Finance

The states' responsibilities—even in programs that receive federal assistance—significantly extend beyond raising the matching share of federal grants. One challenge continually confronting states in balancing their identified needs with available resources is to make certain their critical priorities secure funding. States have made substantial investments in facilities that have never received federal support.

Collective state spending on transportation infrastructure equaled $46.3 billion, including $13.1 billion in transfer payments from the federal government in 1987. Local spending on highways totaled $23.7 billion in 1986, including $7.1 billion in transfer payments.

State and local cost sharing differs among states. Some states own and operate road systems that would be the local responsibility in others; many states share access to road-related revenues such as motor fuel taxes and vehicle registration fees. Some do this by collecting the money and returning it to local governments as state aid; others authorize local surcharges on state taxes; still others allow local option taxes.

Federal outlays for transportation infrastructure in 1988 totaled $23.62 billion. Aside from approximately $2 billion in direct federal spending for air traffic control and water navigation facilities, these traditional financial assistance programs provide grants to states and local governments, primarily to replace and rehabilitate existing facilities or build new ones.

Traditionally, highway and bridge programs have been financed largely by the motor fuel tax. Most states have increased their motor fuel taxes since 1980 and local governments have increased their transportation spending, especially for operations and maintenance.

More recently, other transportation modes have moved toward dedicated funds and user fees. A federal Airport and Airway Trust Fund was established in 1970. It was followed in the 1980s by the creation of trust funds for ports and waterways, and by a mass transportation account in the Highway Trust Fund. Trust fund financing is traditional at the state and local levels as well. States build on dedicated financing through the use of special district assessments, earmarked taxes, user charges, and developer exactions—a growing proportion of public works funds are derived outside of general taxes.

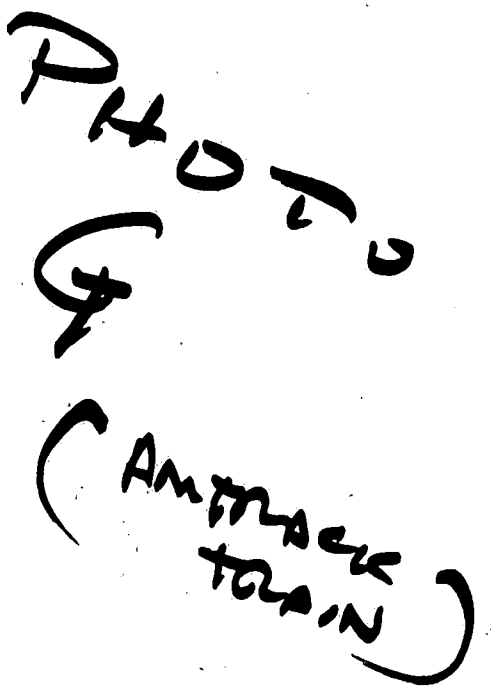
Regulation. States also have significant transportation regulatory responsibilities. Prior to the 1980s, most transportation regulation was economic in nature and primarily intended to protect the public from any monopolistic practices of private sector transportation companies.

Today most regulations are concerned with safety, taxation, and environmental protection. Sample areas include design and engineering standards, speed limits, seat belt use, truck safety inspections and standards, licensing procedures for truck drivers, rail track inspection, and transportation of hazardous materials. Other types of regulation include franchise arrangements and other forms of economic regulation. Also, states have reporting procedures to ascertain compliance with tax and registration requirements.

Conclusion

The trend in recent years—and for the foreseeable future—is a continued expansion of the state role in planning, managing, operating, and maintaining the nation's transportation infrastructure. States are in a position to meld private contributions with local needs and federal resources. States manage the nation's transportation systems; enact legislation for special districts, toll authorities, and other innovative financing mechanisms; and set priorities and plan for the future.

An expanded state role offers both challenges and opportunities. Working collectively and individually, states can forge new partnerships and fashion a national strategy that will pave the way for meeting the nation's future transportation needs.



"Key to designing successful transportation initiatives is balancing the demands of growing regions with the needs of established areas, while addressing the diverse urban and rural needs. We must work together to build a better America through efficiency, prevention, and common sense."

Governor Bob Martinez
Florida

Critical Issues

"When funds are allotted to the provision of efficient, long-lived, productive plant, the result is not a diminution of the country's material wealth, but an enhancement that will deliver increased production and income to the American people for generations. By virtue of such investment, the nation becomes richer, not poorer."

Max Janairo, CEO of BIRO TECH, Inc. and member of the Association for the Development of Inland Navigation in America's Ohio Valley, at task force hearing in Pittsburgh, Pa., June 1, 1989

Critical Issues

Today Governors face transportation infrastructure issues in the context of increasingly interdependent and competitive regional, state, national, and international economies. These issues frequently focus on such basic questions as:

- Do transportation improvements effectively enhance economic development objectives?
- Are available resources being invested wisely, and in a manner that addresses both present and anticipated future requirements?
- Is the level of investment appropriate? If not, can additional revenues be identified?

Inherent in these questions is a series of critical issues states must confront in enhancing the nation's economic performance through targeted improvements in transportation infrastructure. This diverse list of complex issues includes meeting the changing transportation demands of the global economy; matching existing resources with needs for the most beneficial results; fostering more and better intermodal connections; finding adequate, perhaps additional, funds for transportation; encouraging technological innovation while ensuring future resources; and addressing public perceptions and expectations.

Demands of a Global Economy

Transportation is increasingly recognized as a major socioeconomic factor that influences a wide range of decisions, from business location and expansion plans to personal mobility habits to the exchange of goods and people between the United States and its trading partners.

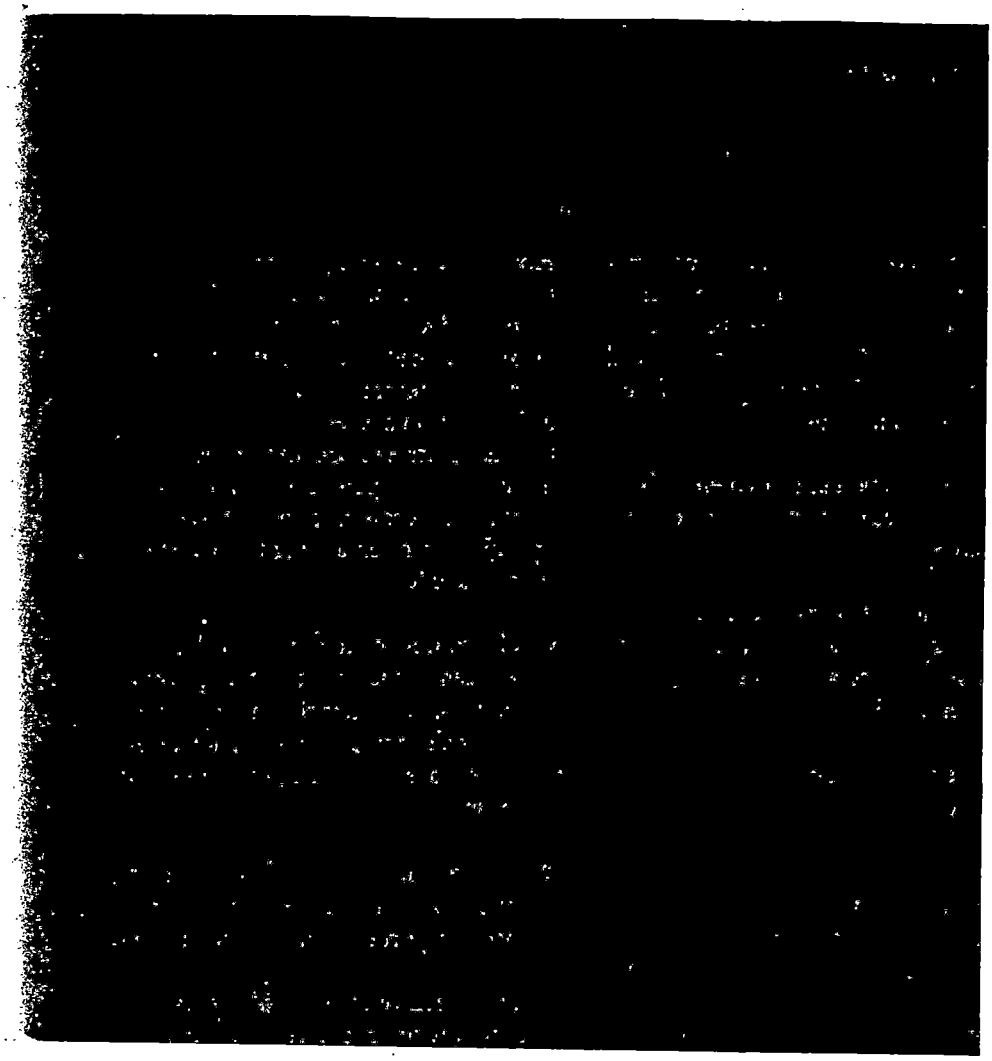
However, even though transportation's importance to the economy is generally acknowledged and states are placing greater emphasis on economic development and international competitiveness, little attention has been given to assessing the quantitative impact of transportation infrastructure expenditures on productivity, jobs, and economic competitiveness. Specific topics demanding further exploration include:

- The complementary relationship between public investments and private capital spending, including the stimulative effect public transportation investments have on private production and consumption processes;
- The benefits to national, regional, and state economies derived from alternative transportation improvements; and
- The effects of the changing global economy on transportation demand.

In addition to further economic analysis, current social and economic conditions require better coordination of transportation and economic development policy goals. Specifically, transportation planning and economic development planning could be more closely linked.

Efficiency of Investment

Transportation infrastructure planning issues are complex and often investment-oriented. The essential steps for sorting out these issues include the development, implementation, and continual refinement of comprehensive transportation strategies with specific objectives as well as feedback mechanisms. These basic steps provide a framework for assessing plans, programs, and investment levels. They also help in



aking decisions to redirect existing sources or to seek additional funds in der to achieve a maximum economic enefit.

uestions of how much should be invested, ho should pay, and how spending should financed are ongoing. They revolve ound how well system beneficiaries can identified and assessed their fair share costs, social equity, and financial capaities of local government.

Balance is another major consideration in transportation planning and finance. Balance has several facets, including balance among modes, balance among funding sources (who pays how much for what, and through what mechanism), and balance between investment in new facilities and preservation of existing facilities. Disruption of these delicate balances can lead to inconsistencies in the strategic directions that have been established for transportation plans and programs.

Flexibility. Flexibility and innovation in transportation planning and finance hold perhaps the most immediate potential for improving the overall flow of resources for transportation infrastructure improvements. Current federal constraints on state planning and financing flexibility include design standards and requirements, categorical fund limitations, and restrictions on toll financing.

Only in recent years has some degree of flexibility allowed federal support to be used for rehabilitation of existing transportation facilities, and even then under tight design guidelines. With the single exception of mass transit operating subsidies, the federal doctrine of providing no operations and maintenance support for non-federally owned facilities and systems has prevailed.

Consideration also must be given to transportation management strategies that may provide alternatives to building new infrastructure facilities or expanding existing facilities. Carpools, vanpools, flex time, and staggered work hours have been suggested as ways to reduce peak travel demands. These and other measures could become a more integral part of transportation planning.

Intermodal Coordination

Transportation issues increasingly cut across traditional boundaries of transportation modes and government agency jurisdictions. At the same time, the economic regulatory reform of the 1980s has heightened competition among freight and passenger carriers in all modes. These firms have responded with pricing, marketing, technological, and operating changes that have altered domestic and international freight and passenger flows dramatically.

Yet government programs have not kept pace with these changes. Transportation policies, laws, and regulations are uncoordinated, inconsistent, and often incomplete when it comes to adequately meshing intermodal concerns. Most transportation programs are narrowly focused on a limited set of problems relating to a single transportation mode. Historically, new transportation programs and agencies have been created as new problems arose, and little emphasis has been given to coordinating new activities and existing programs.

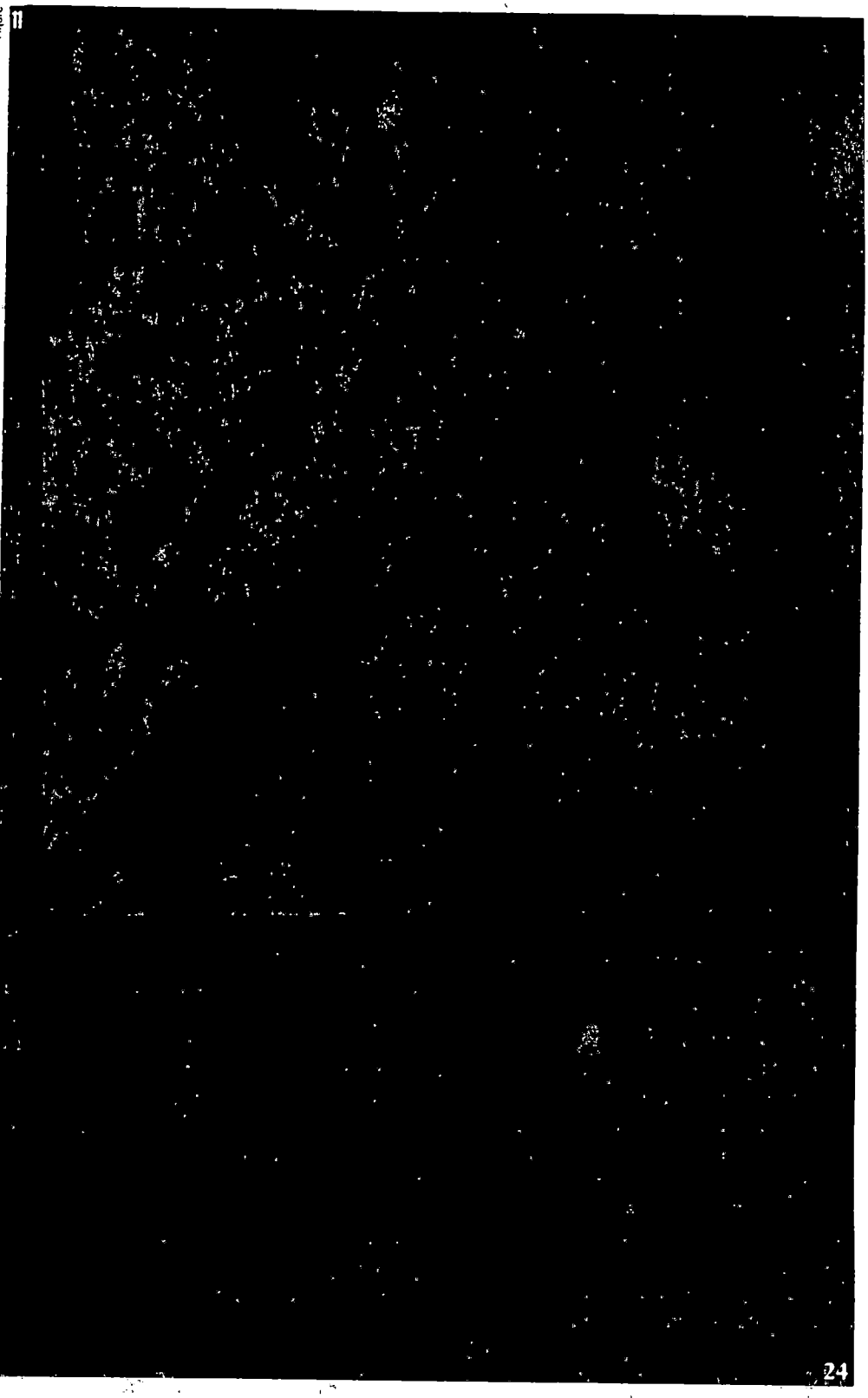
This lack of coordination leads to inefficiencies that affect both productivity and costs for transportation industries. In the future, as the global economy requires more interconnections, the ability of people and products to transfer from one mode of transportation to another in moving across continents or oceans will become even more essential.

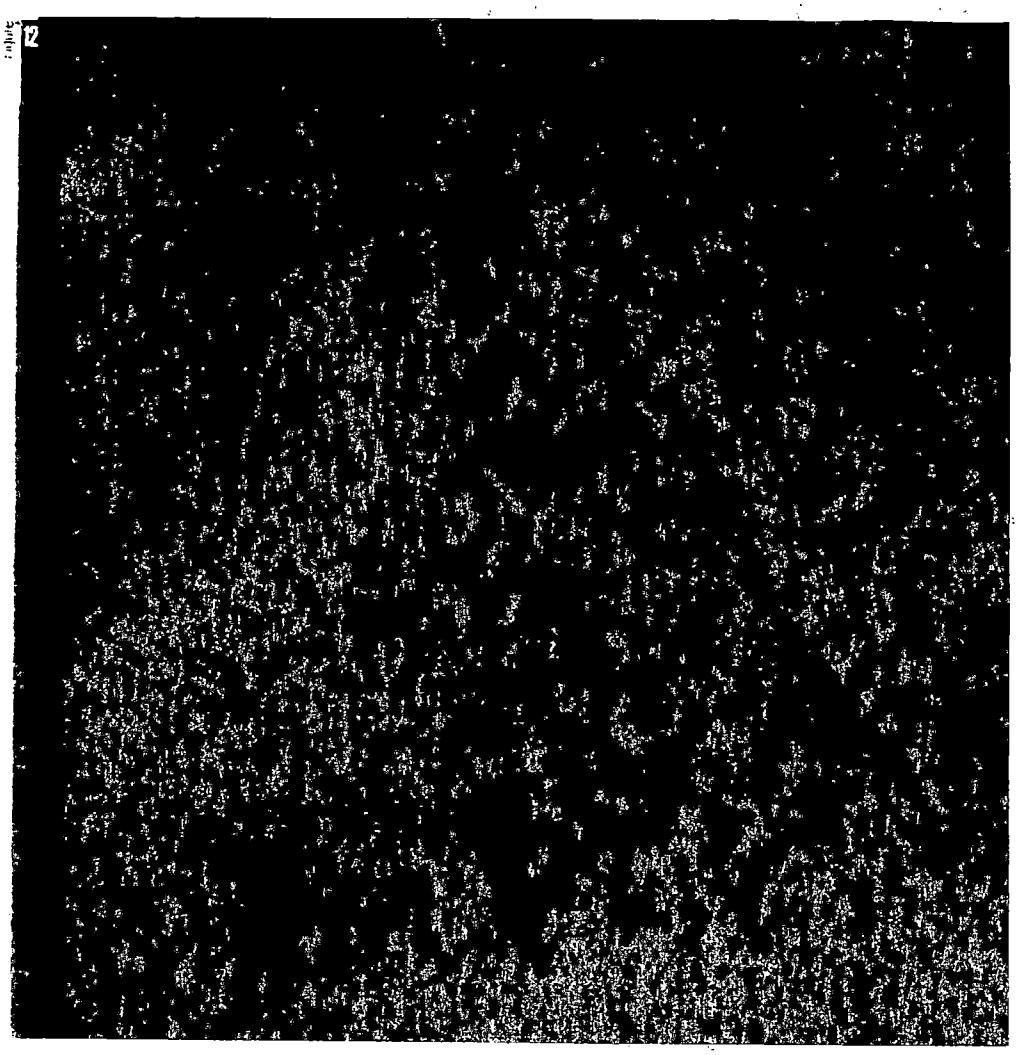
Finding the Funds

The clear fact is that identified transportation requirements will continue to exceed available resources by a considerable margin. Given this, states often face the dilemma of coming up with additional resources—in times of fiscal and budgetary restraint—to meet short- and long-term needs.

Transportation finance has evolved over the years as a successful federal-state-local partnership. Private interests have become more active players in this partnership in recent years. The not-so-gradual shift of financial responsibility from the federal government to state and local governments has left the states with responsibility for strengthening their role in transportation infrastructure programs. Yet several trends, some brought on by actions at the federal level, serve to constrain state

Figure 11





options in developing additional infrastructure funds.

Federal Trust Funds. Excise taxes and interest on federal transportation trust fund balances provide more than $19 billion per year in income. Yet in addition to program reductions and eliminations, billions of dollars in federal trust funds for improvements in highways, transit, airports, inland waterways, and harbors remain unspent. Congress has set obligation ceilings well under the actual authorizations in order to reduce spending during a given year, in effect deferring spending until later years. This means funds collected for the express purpose of meeting transportation needs are not being released to the states in a timely and efficient way. While funds remain unavailable, states must seek alternatives, and the total amount of funds for meeting pressing needs is reduced.

User Fees. Most government spending on transportation is financed by taxes and fees on system users. User fees accounted for 86 percent of states' own source revenues in 1987. In some cases, such as highways, earmarked taxes operate as user fees that enable "pay as you go" trust funds linked directly to usage as a stable financing source. In other cases, direct user fees are used to finance a portion of capital and operating costs with general tax revenues from different government sources making up the difference.

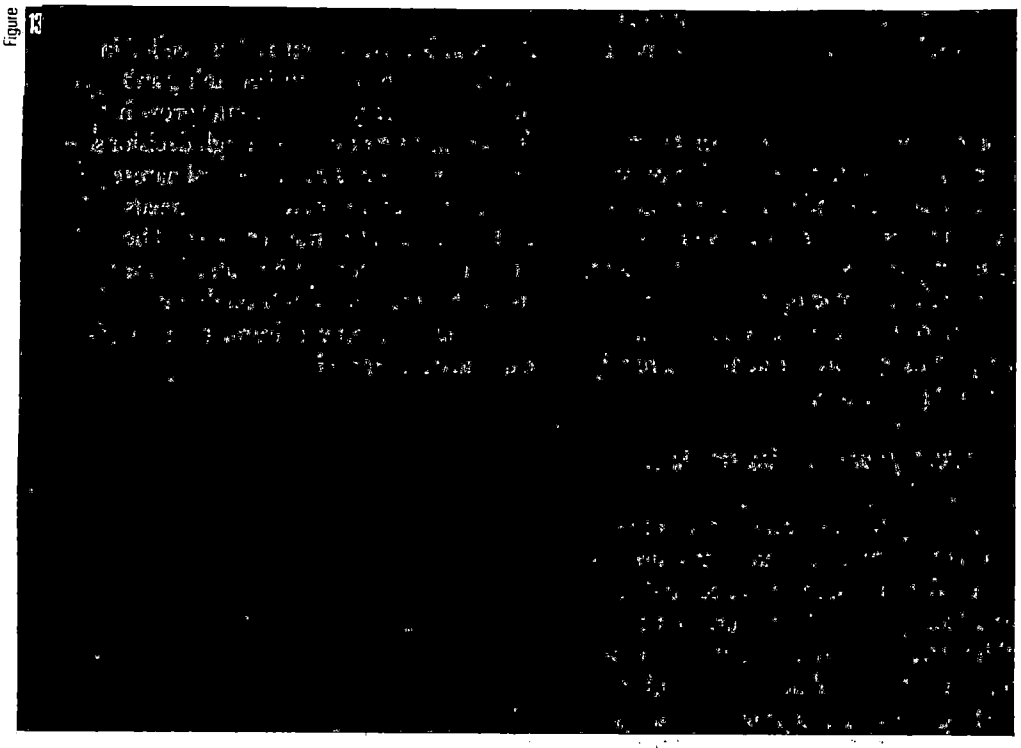
Over time, user fees derived from gasoline consumption can represent a declining resource, particularly as vehicles become more fuel-efficient or if per-gallon taxes do not track inflation. Furthermore, the amount of fuel actually consumed passing through a tunnel, crossing a bridge, or traversing an intricately designed urban Interstate does not begin to reflect the high cost of construction or maintenance.

Thus, while user fees will continue to be the basic source of revenue, states may choose to pursue other options for increasing infrastructure funds.

Debt Financing. Stable financing for capital projects is essential. Because current-year revenues from taxes and user fees may be insufficient to meet a multiyear program's capital spending needs, some states have increased their use of longer term financing mechanisms to pay for major infrastructure initiatives. But just as the federal government is assuming that state and local governments will take on a greater responsibility for funding public works, it is restricting access to a major source of financing—tax-exempt borrowing—and increasing the cost of raising funds in the municipal bond market.

Bonds for facilities owned and operated by government are subject to rules governing the use of the bond proceeds. Cur-

Figure 13



rent rules make it difficult to finance infrastructure facilities and enter into public-private partnerships.

These limitations mean that many public airports, docks and wharves, mass commuting facilities, and parking garages do not qualify for tax-exempt financing because payments of private rents and other user charges classify them as private activities for bond purposes. Volume limitations on private activity bond issues further inhibit efforts to increase spending on infrastructure.

Other Financing Tools. While 85 percent of state and federal funds come from user fees, only 8 percent of local transportation funding is derived from such fees. There is also a growing trend toward having the private sector directly pay for certain transportation improvements. Many state and local governments are finding it necessary to require private developers to finance not only on-site infrastructure, but also off-site infrastructure expansion or construction needed to service the development. While developer fees and other finance tools are not without controversy, their careful and responsible application may be an effective means for financing specific needs.

Several states have set up infrastructure banks or other revolving capital loan funds to help local governments pay for infrastructure projects. States are seeking other innovative ways to pay for infrastructure. Blending private funds, donated right-of-way, development fees, and toll financing with traditional transportation user revenues is a recognized and important way to increase the pool of available resources without raising taxes. Here again, the flexibility to explore alternative financing mechanisms is central to addressing expensive infrastructure problems.

Technological Resources for the Future

Although the transportation field would respond well to new technologies, there is a general consensus among researchers, engineers, and industry representatives that innovations in infrastructure lag behind those in defense, health, and space exploration. Scientific breakthroughs could have a dramatic effect on meeting the demand for transportation. Also, new techniques and materials may offer substantial benefits to the efficiency and performance of all modes of transportation.

Research. According to a recent study by the U.S. General Accounting Office, federal funding for transportation research declined about 40 percent in constant dollars between 1980 and 1987.

The development and application of new knowledge in the transportation field has enormous potential for cost-effective improvements in productivity. Improvements in existing construction materials and the development of new materials promise less expensive and longer lasting pavements and structures.

Application of New Technologies. New materials and products must be tested and evaluated to determine their effectiveness. But many obstacles—often more institutional than technical—stand in the way of introducing innovations into U.S. transportation public works facilities.

Because of the potential risk of failure and the ensuing liability, government entities may be reluctant to try out new products or techniques. Many localities lack the means to transfer technology and infor-

nation and train personnel necessary to support innovations already developed and tested. In addition, government regulatory requirements at all levels may inhibit innovation.

Information Collection and Management. As the emphasis in infrastructure shifts from new construction toward maintenance of existing facilities there is a greater need for improved data on the condition and performance of transportation facilities. New technologies make it possible not only to gather data on the condition of facilities, but also to store, analyze, and communicate that information more effectively.

Such information management tools allow public works organizations to implement inventory, scheduling, and budgeting systems; use modeling programs for repair versus replacement analysis; and evaluate current and future maintenance costs as well as existing and expected asset life. For example, several types of high technology sensors are becoming available to help monitor the condition of pavement and structures more cheaply, frequently, and accurately. Automated systems for using these data to optimize maintenance management could significantly increase the life of existing facilities.

Qualified Personnel. A shortage of qualified transportation engineers, planners, and managers looms in the near future. The Transportation Research Board of the National Academy of Sciences documented a high percentage of state and local government transportation engineers who will be retiring in the next few years, those who were hired at the beginning of the Interstate program and are nearing the end of their career. Engineering schools are now turning out fewer civil engineers. Curricula should be updated to reflect growing needs for expertise in maintenance and operations. Only a handful of schools offer public works management degrees.

Strong research and development programs are important in attracting and improving human resources and in ensuring effective utilization of all future resources. Increasing the research and development component and placing a heavier emphasis on innovation transfer would make transportation more attractive as a highly technical profession.

Public Perceptions and Expectations

Public opinion is a critical factor in the success of transportation infrastructure initiatives. Because of the reliance on dedicated user taxes and fees, there exists a public expectation of quality transportation services; the public pays the bill and expects government to provide the service.

The enormous cost of many transportation projects often is a factor in raising public visibility. The growing trend toward more maintenance of existing facilities means greater interaction with the traveling public and more disruption of traffic as work is underway. This brings people in direct contact with state transportation improvement efforts, often making the public more aware of construction projects but more critical of delays.

Whether the nation or individual states increase transportation funding or otherwise successfully accomplish transportation infrastructure objectives depends to a large degree on the efficiency and equity of current transportation programs as perceived by the public. Thus, a part of any infrastructure strategy is raising public awareness about the economic and social benefits of infrastructure improvements.

Conclusion

A forward-looking approach is needed in addressing infrastructure planning and finance necessary for economic growth. In establishing priorities, tough decisions have to be made as to the critical nature of facility needs. In determining needs and priorities, attention also should be given to projections of new and future infrastructure demands brought on by social, demographic, cultural, technological, and economic change.

"We have a vision for Iowa, one of economic diversity and prosperity. To accomplish economic diversification, we must address our transportation infrastructure. We must have a transportation system to carry us into the next century."

Governor Terry E. Branstad
Iowa

State Action Agenda

"We need to find the political will for America to make the investment in our transportation infrastructure, an investment that will help keep the American marketplace at the center of the world's commerce. If we fall down in this, then we fall down in our efforts to maintain our international competitive position."

Governor James R. Thompson
Illinois

State Action Agenda

The states are uniquely positioned to guide public and private transportation infrastructure investments and to identify and pursue economic development opportunities. Not only can states establish the link between transportation and economic development policies, but they also can identify funding to finance those priorities.

In a keenly competitive global economy, Governors have an important opportunity and responsibility to shape transportation infrastructure policies and programs. Their individual and collective actions will determine the future competitiveness not only of the individual states, but also of the nation as a whole.

Linking Transportation to Economic Development

Because transportation infrastructure is important to national, regional, and state growth and prosperity, infrastructure must be established as a top national priority. To address these issues, a concerted national effort is needed on the part of federal, state, and local governments, and the private sector.

OBJECTIVE: Develop a national transportation strategy aimed at making America more competitive internationally.

States stand ready to work with the federal government to fulfill this objective. In addition to pulling together the players to design such a policy, federal and state governments can take a number of actions designed to enhance the federal-state partnership and improve the climate for individual and collective state action.

To this end, states and the federal government, working collaboratively, should:

- Devise a comprehensive transportation strategy for the nation's future. Any comprehensive plan should include consideration of all modes, with their individual requirements as well as their potential for coordination. More coordination is needed across and among modes to promote greater productivity.

  In addition, such a plan should take into account efforts already underway to address particular transportation areas in transition, namely the post-Interstate surface transportation program and the national airport system.

  Under the Transportation 2020 program initiated by the American Association of State Highway and Transportation Officials, states are working collectively to assess surface transportation, air, rail, and water investment requirements to prepare for the twenty-first century. A complementary effort undertaken by the Transportation Alternatives Group is related only to surface transportation. It has the active participation of private and public sector groups, including the National Governors' Association.

- Clarify government roles in infrastructure planning and finance. Such clarification could provide a better context for state action and promote state flexibility in addressing priorities.

- Identify regional projects requiring multistate and intergovernmental cooperation. Major metropolitan areas as well as key access corridors often cross state boundaries. Better cooperation between and among states could help alleviate multijurisdiction problems.

- Use state needs assessments to help determine federal capital investment priorities. States invest considerable time and resources in identifying needs. These efforts should not be overlooked when determining federal spending priorities.

States collect numerous statistics on highway pavement and structural conditions of bridges within their states and report them to the Federal Highway Administration for assimilation in national reports. One example is the highway performance monitoring system, which is used to assess service levels of the various highway systems state to state. This is a model that could be used for collecting other data involving the performance of other infrastructure facilities.

- Institute capital planning and budgeting procedures as an integral part of the decisionmaking process. These procedures would help distinguish between operating expenditures and long-term infrastructure costs. They would enhance federal-state coordination in assessing and meeting infrastructure needs on an integrated basis.

- Preserve the integrity of transportation trust funds. Trust fund revenues for transportation purposes should not be diverted to non-transportation-related uses.

- Accelerate spending of uncommitted balances in the federal trust funds for highways, transit, aviation, and waterways programs. Growing transportation needs demand use of all possible resources, especially those already collected for transportation purposes.

- Remove limitations on the ability of state and local governments to pursue tax-exempt financing. Federal tax laws should not inhibit the ability of states to pursue a full range of financing options, including bonds.

- Make a stronger commitment to funding transportation infrastructure research and development to accelerate technological innovation. There is a need for aggressive federal leadership in setting a strategy for research and development and technology transfer to focus on a new generation of efficient technology.

While a national strategy is needed, states must recognize the need to formulate their own transportation policies in light of economic and mobility goals.

OBJECTIVE: Integrate state economic development and transportation plans to recognize the fundamental relationship between efficient transportation infrastructure and productivity goals.

Effectively integrating transportation and economic development requires more than documenting the economic benefits of individual transportation projects. Ideally, states should decide what they want to accomplish with regard to economic growth and consider transportation needs at each stage of the development process. Initial efforts may require study and experimentation in order to determine the potential benefits of various alternative transportation projects.

States should:

- Develop long-term infrastructure investment plans that are integrated with economic development and international competitiveness objectives. A multiyear infrastructure plan might be developed as part of an overall economic development strategy. Multiyear plans must be flexible, able to respond to economic and other changes.

Illinois has initiated a long-term planning process to develop a comprehensive, multimodal strategy for easing traffic congestion in the Chicago area. Known as Operation Green Light, the planning process includes participation from counties, municipalities, transit agencies, businesses, civic groups, task forces, and committees. These entities work with the state transportation agency to look at Chicago's needs through the year 2010.

Pennsylvania's Twelve-Year Transportation Program is a cooperative process to develop integrated plans and programs to

improve both state and local transportation systems. Updated every two years, the program targets available resources to strategic economic development and transportation objectives.

- Identify infrastructure improvement needs in terms of their economic development potential, especially in rural areas. Infrastructure needs are studied and tabulated in every state. But constraints on available resources require priority setting and innovative approaches.

Access Oregon Highways are routes that are vital to Oregon's economy and to future development. They support tourism, recreation, and trucking, carry a high volume of traffic, and connect ports, cities, or borders. State gas tax dollars are being concentrated on these fifteen routes to make major improvements. The entire route of each designated highway is evaluated for long-term needs and projects are planned strategically.

Iowa has designated approximately 2,250 miles of the most important non-Interstate primary highway routes as part of its Commercial and Industrial Network. The routes were selected based on objective criteria, including service to major population centers, external markets, adjacent states' highway plans, total traffic, truck traffic, and area service and coverage.

- Coordinate trade, economic development, and transportation objectives through interagency cooperation. Economic development and transportation cannot be linked functionally unless they are linked institutionally. Either the institutions responsible for the two functions can coordinate their activities or the institution responsible for one of the functions can take on some portion of the other.

  Institutional linkages should be continuous and comprehensive. Any economic planning or project activity should include the relevant transportation institutions from the outset, and any important transportation actions should involve economic development agencies as early as possible.

Iowa's cluster group approach has greatly improved coordination among the agencies. Groups of agencies meet regularly with the Governor to discuss progress toward goals, pinpoint potential problems, and develop strategies for future actions.

  Encourage private sector participation in priority setting.

The Pennsylvania Economic Development Partnership, a group of business, industry, academic, and labor leaders, has been established to work with state government to foster economic growth. On a day-to-day basis, the Governor's Response Team is working proactively with the private sector and with state agencies on specific initiatives to attract and retain business and industry. Funding in the commonwealth's multiyear transportation program is targeted for infrastructure improvements needed to enhance these initiatives.

The Rail Freight Improvement Program in Illinois is an example of successful public-private cooperation. Under this program, the state brings together units of local governments, shippers, and railroads to solve a shared transportation problem. A substantial portion of state assistance is in the form of loans from revolving loan funds. Since 1980, the program has provided $27 million which leveraged another $160 million, in private funding for more than fifty-seven projects. The combined investment was responsible for the retention or creation of more than 16,300 jobs in 368 industries.

Matching Resources to Needs

Directing investment dollars to their most effective points of impact within the state or region and ensuring that facilities are used efficiently will enhance the nation's total productivity and increase the worth of each additional dollar invested.

OBJECTIVE: Invest existing resources more efficiently.

States should:

- Review funding policies to remove any bias that may affect the choice between new construction and repair or better utilization of existing facilities. In cases where one option is more appropriate and cost-effective, funding criteria should not inhibit pursuit of that option.

- Explore ways to blend infrastructure funds from various sources to more quickly address high-priority needs. Revenues from tolls, private contributions, and other sources can be combined to target areas of greatest need.

- Continue to explore innovative financing strategies that promote effectiveness and efficiency, involving the private sector.

In Oregon, an innovative transit project is Portland's Project Break-Even. The project involves the private sector in the

purchase of two building sites and the development of a light rail transit station at each site. Its objectives include influencing land-use development to be conducive to transit ridership and providing revenues sufficient to cover the light rail line's operating expenses. Funding is generated by developer leases and the increased farebox revenue resulting from expanded ridership.

Over the past two years, the Virginia Department of Transportation has implemented eighty-nine specific management initiatives that have already saved the department nearly $9 million in administrative and maintenance costs. The creation of the first, full-time, state anti-trust unit, which monitors all construction bids, has helped keep the construction costs down, despite a doubling of the amount of contracts.

Iowa's Revitalize Iowa's Sound Economy (RISE) program was created in 1985 to promote economic development in Iowa through construction or improvement of roads and streets. Funded by a two-cent increase in the motor fuel tax, the RISE program receives approximately $33 million annually.

- Provide adequate education and training for those who build, manage, and operate transportation facilities. The higher education system may be called upon to provide training programs designed to meet the needs of today's transportation workforce, while preparing them for the future.

Efficient investment means little without careful planning. Aside from an overall strategic plan at the state level, there must be ongoing detailed planning for specific transportation systems, programs, and facilities. This ongoing effort assures the responsiveness—and thus success—of a broad, long-term state plan.

OBJECTIVE: Plan more effectively to achieve the highest level of economic performance.

Effective planning involves developing and managing transportation infrastructure in ways that will make investments more productive. It also permits better analysis of infrastructure needs and helps ensure that transportation programs and facilities are adequately supporting a growing and changing state economy.

States should:

- Define broad policy goals aimed at achieving economic growth based on infrastructure performance. Public works programs must identify and evaluate the proper mix of new construction, rehabilitation, and operational improvements needed to provide the infrastructure base that a sound economy requires. Failure to set performance goals for transportation infrastructure can lead to over-investment in inefficient, inadequate, or inappropriate systems.

- Cooperate with other states and federal and local governments to compile data on the condition and performance of each state's capital facilities and to assess future investment needs.

- Emphasize scheduled maintenance and timely repair of public facilities to minimize major reconstruction. Maintenance is not an exciting subject for policymakers, but saving money is. The upkeep of basic transportation facilities is both cost-effective and safety-conscious.

- Reexamine design standards to make sure they are consistent with capital needs, safety requirements, and financial means. It is possible that different designs can be less costly, as long as safety is not compromised. States can work with each other and with federal agencies to study these possibilities.

- Cooperate with other states to address regional transportation needs. This is especially important for metropolitan areas that may span two or more states. Rural access also can be enhanced by better interstate cooperation.

- Incorporate traffic management concepts and other efficiencies into program and system design. Infrastructure plans should continuously reflect technological advances, not only in materials, but also in procedures, management, and financing.

Finding the Funds

It is clear that today's resources are not adequate to meet tomorrow's needs. More investment is required across the country to improve the nation's transportation network.

OBJECTIVE: Generate additional infrastructure investment resources.

It is important to build consensus around fair and efficient revenue and other financing measures. To achieve this, states must foster innovative thinking about ways to pay for infrastructure. They should be willing to explore alternative approaches to public finance. And states should involve the private sector more directly in infrastructure investment, where appropriate.

States may choose to:

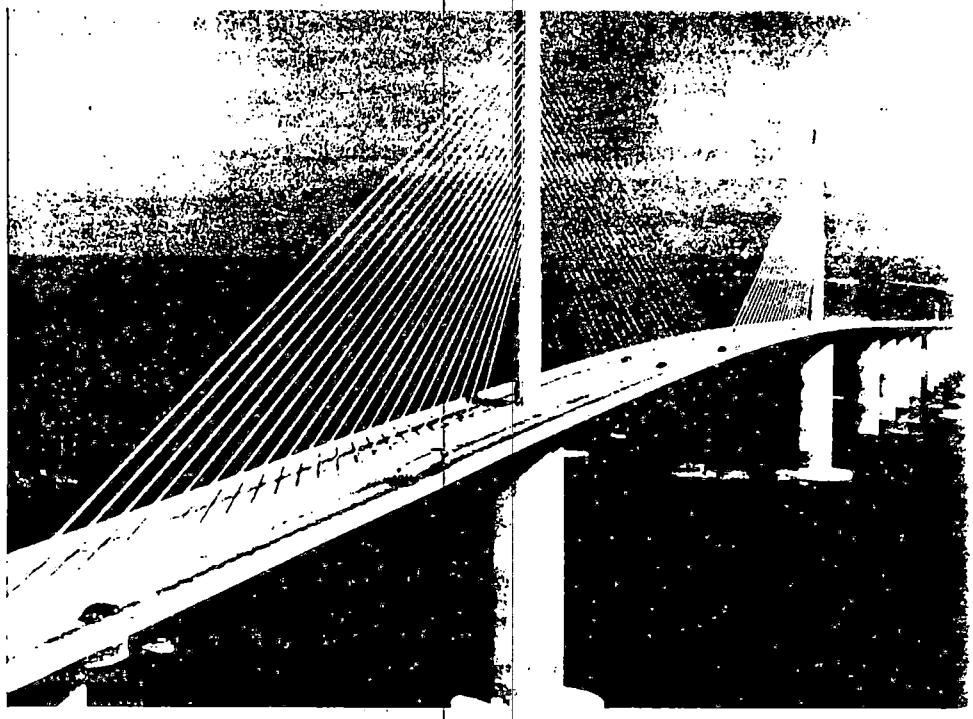
- Broaden the concept of user financing to reach indirect beneficiaries of capital investments. Special assessments and impact fees on developers as well as other financing tools can be used to generate needed revenue while making those who benefit from transportation improvements share in the cost.

Virginia has established a special taxing district along a segment of Route 28. By levying a twenty-cent tax per $100 valuation on all commercial and industrial property within the district, a dedicated revenue source will be able to finance road improvements that will keep pace with the demands of future growth and development. In 1988, the Virginia General Assembly approved legislation enabling private corporations to build, maintain, and operate road systems. Once a corporation obtains a certificate of executive authority, it may bid on a project. At least one application is under consideration.

- Provide greater flexibility at the local level to finance infrastructure needs.

Iowa allows an annual local vehicle tax whereby a locality may choose to impose a tax on vehicle registration renewals. The Oregon legislature is considering a proposal to allow counties and metropolitan areas to levy a local option vehicle registration fee.

Florida's local option gas tax plan has been in place a number of years and is widely used by most major metropolitan and some rural areas. The law enables localities to levy a gas tax of up to six cents for funding transportation needs.



- Capitalize infrastructure banks to provide revolving loan funds to local governments.

- Explore ways to price transportation services more effectively. States could look at methods of pricing based on the extra cost of providing additional or premium service, such as using tolls on expressways. Extra costs associated with providing service during peak hours for airports, bridges, and transit systems also could be reflected in prices.

- Explore new and innovative infrastructure financing methods, such as accessing foreign capital markets. For example, states conceivably could obtain lower cost capital for financing if private foreign capital could be insulated from the effects of fluctuating currency exchange rates. Options might include the establishment of risk pools by intermediaries to absorb changes in the exchange rate.

- Call upon private developers to assist in the planning, initial capitalization, and ongoing support of specific infrastructure projects.

In Pennsylvania, private interests can work with local governments to finance improvements within a designated area known as a transportation development district. Five financing methods may be used: issuing notes and bonds; accepting grants, gifts, and donations; imposing assessments on benefitted properties; assessing business property; and levying taxes permitted by law. Partnership projects seeking federal or state funds must be evaluated along with all other projects eligible for public funds.

Florida's High Speed Rail Transportation Commission has been given authority to implement a high speed rail system in the state. The plan is primarily a private sector initiative for financing, building, and operating the $2 billion to $5 billion system. The state will provide incentives in the form of expedited and coordinated development rights, existing publicly owned right of way. A number of private sector consortia are competing for the franchise. Further, public and private landowners are offering to donate or to develop property in joint venture arrangements as a means of funding the system.

Encouraging Innovation

Transportation systems have become increasingly technology-intensive. Successful operations and maintenance programs are those that utilize the latest innovations in technologies and processes. Success on the international frontier demands that the United States keep pace with other countries in incorporating new ideas and new products into our transportation infrastructure.

OBJECTIVE: Promote future innovation in all aspects of transportation infrastructure.

To position ourselves to meet tomorrow's transportation needs, we must maintain a knowledge base upon which new ideas can expand. Thus, states must make a concerted effort to continue to improve the climate for innovation in transportation.

States should:

- Commit to research and development efforts that further infrastructure technologies. The federal government is in the best position to lead the national effort, but states can do their part, working collectively and individually.

Under the National Cooperative Highway Research Program, states voluntarily pool 4.5 percent of federal-aid highway planning and research funds to finance research activities structured to respond to state needs. Through the Strategic Highway Research Program (SHRP), states participate in nationwide testing efforts; they cooperate with SHRP researchers to adopt highway design and pavement criteria and help monitor conditions.

- Share information with other states on experiences gained and lessons learned with new ideas and technologies. State officials can work through their national associations to collect and disseminate such information.

Under the banner of the American Association of State Highway and Transportation Officials, states voluntarily combine resources to develop, maintain, and enhance computer software programs that can be used to locate, design, construct, and maintain transportation facilities. Programs are in the areas of bridge design, highway design, and bridge inspection and rating. States have noted the benefits of participating in joint development over acquiring software on their own.

- Encourage experimentation with and application of newly developed transportation technologies and processes. States can promote the transfer of ideas and products from the research phase to implementation. Only when innovations are tried and tested can everyone begin to benefit.

As part of Virginia's effort to enlarge the service area of the Port of Hampton Roads, the state created an innovative concept—the Inland Port. Located more than 200 miles from the Atlantic Ocean, the Virginia Port Authority built a 160-acre truck to rail transfer station for containerized cargo. Cargo traveling between the Port of Hampton Roads and the Inland Port in Front Royal, Virginia, is carried by rail, at a lower cost, opening new markets to foreign trade. The facility was officially opened on March 1, 1989.

In addition to Florida's high speed rail project, a demonstration of high speed magnetic levitation technology is under consideration for installation between Orlando International Airport and Disney's EPCOT center. This 17.5-mile route is slated for a top speed of 311 mph.

- Improve data collection and information management. Through the use of databases and software programs, states can monitor infrastructure operations and conditions, analyze effectiveness of programs, and project future needs.

- Expand civil engineering and transportation planning programs at colleges and universities, where appropriate. States must take steps to address the projected future demand for transportation specialists. Combining engineering and business disciplines is one way to help attract needed talent.

Virginia's Apprenticeship program was designed to recruit and retain transportation specialists. The program pays students to work while still in school and grants academic credit for their work. The state carries this program one step further by offering management engineer trainee positions upon a student's graduation.

- Conduct cooperative research and development activities that pool available resources and expertise.

For example, several regional testing programs are underway throughout the nation to evaluate new transportation materials and processes. These cooperative state programs stretch available dollars and avoid duplication.

Addressing Public Perceptions and Expectations

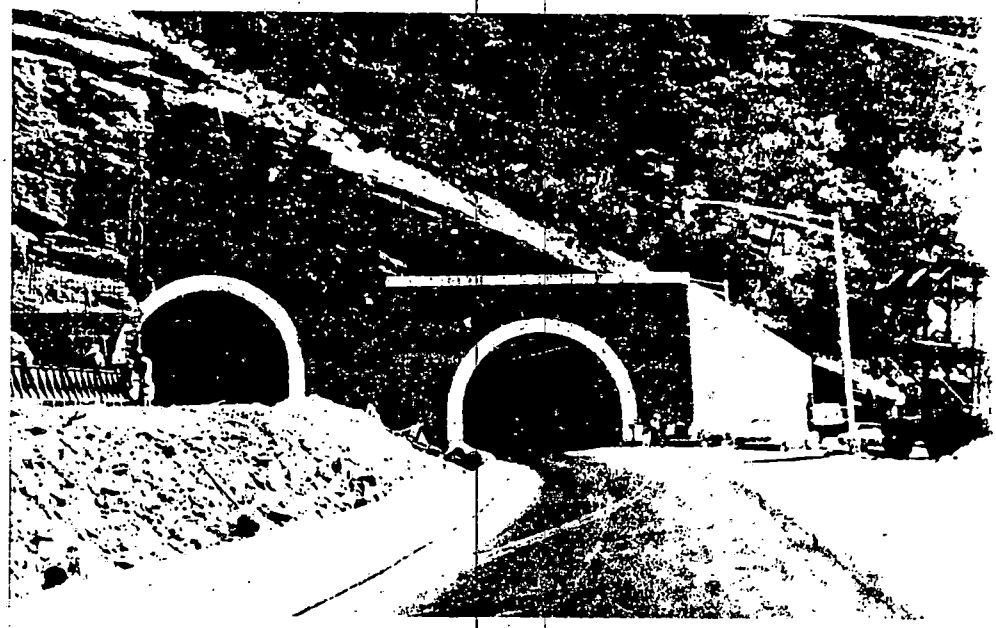
The importance of public opinion to the success of strategic infrastructure plans must not be underestimated. Innovative financing proposals and careful planning measures will not succeed without a positive public perception about transportation goals and reasonable expectations of their implementation.

OBJECTIVE: Promote public awareness of the importance of quality transportation infrastructure to citizens' business and personal lives.

States should:

- Incorporate consideration of public awareness needs into the state's strategic transportation plan.

Serving as a key tool to inform the public and state lawmakers of the state's surface transportation needs, Illinois' *Lifelines to the Economy* report was issued last spring. The report focuses on the relationship between a sound transportation network and a healthy economy, listing in detail both routine and major needs and comparing the state's needs with available funding.



- Work with the local media and community and civic leaders to promote awareness of both the comprehensive plan and specific transportation projects, emphasizing their link to economic growth. This ongoing liaison can help alleviate concerns and set reasonable expectations.

- Develop information campaigns geared toward schools and community groups. Special demonstration materials can be developed. Students can be encouraged to participate in seminars and a transportation version of a science fair.

- Establish Governors' award programs to recognize quality and excellence. Awards could be offered as incentives for quality and cost-effectiveness in planning, design, management, operations, and innovation. Such recognition can be a positive and high-profile way of focusing public attention on transportation.

Conclusion

The needs of America's transportation public works are vast. The requirements of an international economy are great. Responses to these challenges must be untangled from complex political and economic considerations, and the funding must be found both within and apart from traditional sources.

Armed with a strategic plan and a strong public commitment, states can lead the way in providing the transportation infrastructure that supports and serves a competitive economy. The price of rebuilding deteriorating foundations will be high, but the effort offers enormous benefits in employment, public safety, and economic growth. Ultimately, it is an investment in America's future.

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Embargoed until July 29

AMERICA IN TRANSITION

The International Frontier

A Competitive Nation

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AMERICA IN TRANSITION

The International Frontier

A Competitive Nation

Task Force on Foreign Markets

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Governor Guy Hunt, Alabama

Governor William A. O'Neill, Connecticut

Governor Michael S. Dukakis, Massachusetts

Governor Kay A. Orr, Nebraska

Governor Booth Gardner, Washington

Task Force on International Education

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Governor William Donald Schaefer, Maryland

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Task Force on Transportation Infrastructure

Governor James R. Thompson, Illinois, Chairman

Governor Bob Martinez, Florida

Governor Neil Goldschmidt, Oregon

Governor Robert P. Casey, Pennsylvania

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[redacted] capacity not only to change with the times, but to change the times in which we live. So our objective was quite simple: to change the way we think about the world around us.

For ideas we traveled to Arkansas to learn about new programs for preventing infant mortality, teen pregnancy, and high school dropouts. We traveled to the Kennedy Space Center for briefings on new breakthroughs in research and technology, a delegation of U.S. Governors journeyed to Brussels to discuss with leaders of the European Community the prospects for new foreign markets.

Hearings across the country focused on infrastructure, asking hard questions about our highway, transit, and airport programs. New Brunswick, New Jersey was the site for a major conference on international education. The National Geographic Society, in cooperation with the nation's Governors, produced a film, "Connections," that illustrated the link between what happens around the world and events taking place in our own backyard.

Ours is a story of a great nation. A superpower with unparalleled military and economic strength. A nation of diverse cultural heritage and an entrepreneurial spirit. A wellspring of bountiful resources—timber, fertile land, and minerals. A nation with enormous financial resources. And most important, a land whose citizens have the potential to make us the most productive nation in the world.

In the past we used these resources to conquer great frontiers. We placed a man on the moon. We found a vaccine to prevent polio. We invented the silicon chip. We have created 42 million new jobs since 1960. We have become the most prolific agricultural producer in the world.

But we are also a nation that has taken its position for granted, a nation that in the past two decades has too often been satisfied with the status quo—or less.

- The real average weekly earnings of American workers peaked in 1973 and had declined 17 percent by 1986.
- The United States' trade balance dropped from a small surplus in 1981 to a $118 billion deficit in 1988.
- Foreign nations have increased their sales in our domestic markets as imports have increased by $181 billion over the last seven years.
- Real hourly wages in manufacturing in Germany, France, and Italy now are higher than those in the United States.

In recent years a new international marketplace has developed and we have adjusted slowly. We have not anticipated the changes Beyond Our Borders nor responded to the consequences Within Our Borders. Our institutions have been inflexible and we have assumed that the world of the past is our best guide for the future. That is no longer the case.

- Trading blocs are on the horizon. The U.S.-Canada Free Trade Agreement was adopted in 1988, and by 1992, the countries of Europe will fully integrate their economies in the European Economic Community. Such changes offer new trade opportunities—and obstacles as well.
- The rules of the game are changing. The General Agreement on Tariffs and Trade (GATT) is now forty-one years old. The eighth round of GATT negotiations is ongoing. If GATT cannot be updated, countries are certain to accelerate the movement toward bilateral and pluralistic trade agreements.
- World manufacturing output is shifting toward the Pacific Rim countries, while in other parts of the world huge international debt has stymied countries that seemed on the verge of increased growth.
- The rate of technological change is accelerating. Billions of dollars can be transferred across continents within seconds. Stocks can be traded at any time day or night in London, Paris, and New York.

The challenges are clear.

Our farms, corporations, and factories are not as competitive as they could be. We continue to promote American products in foreign markets instead of designing new products for foreign customers.

[illegible] aren't as successful as they [illegible] for high school graduation [illegible] at least 71 percent, and our students [illegible] are woefully behind those of other industrialized countries.

Our youngest Americans aren't as healthy as they should be. In 1985, 25 percent of all infants were born to women who did not begin prenatal care in the first three months. Between one-fourth and one-third of U.S. children between the ages of one and four have not received basic vaccinations for measles, rubella, and mumps.

Our people—children and adults alike—aren't as knowledgeable about other languages, countries, and people as they must be. One-half of American adults could not point to South Africa on a world map, and one-half could not identify even one South American country. The vast majority of U.S. citizens cannot speak a language other than English, and language instruction in our schools begins in later grades than in most other nations.

Our roads, bridges, and airports aren't as safe and efficient as they should be, yet they are critical to economic growth. Indeed, for every dollar of export goods, about 25 cents is spent on the transportation of raw materials, semifinished goods, and components between domestic manufacturers. Yet the United States ranks fifty-fifth in the world in capital investment in infrastructure. We are paying the price for our neglect: in 1986, fully 23 percent—131,248—of the nation's 571,308 bridges had significant structural problems.

But with crisis comes opportunity.

There are signs throughout the United States that renewal has begun. Manufacturing industries have downsized and cut costs substantially so they are now more prepared to compete. Small firms are beginning to approach the world of exports. We are beginning to accelerate the rate at which we move research and development from the drawing board to the sales floor. The private sector is increasing its investment in job training and education. We are beginning to restructure our elementary and secondary schools and assess the performance of our colleges and universities. States are investing in a broad range of programs aimed at reducing health and educational problems for at-risk children.

We need to build on these changes. Indeed, we need to change the way we think about the world Beyond Our Borders and within them.

We need solutions that look to the future, accompanied by actions that can be taken today. We must be more concerned with long-term results than with short-term payoffs. We must invest—in our children, in our technology, in our roads and bridges.

Business must take the lead in many areas—product development, productivity, quality control, market analysis, and sales—but it cannot do the job alone. Our success depends upon the quality of the workforce, the efficiency of the transportation infrastructure, and the sophistication of our technology. Government, particularly state government, must act, and act quickly. We must anticipate and shape change so we can respond quickly and effectively to new opportunities.

Our actions to improve the performance of states in the economy can be guided by a set of principles for a competitive nation, principles that articulate the challenge facing an America in Transition.

A COMPETITIVE NATION [illegible] constantly looks for new markets, [illegible] designs and develops new products for [illegible] markets.

A COMPETITIVE NATION [illegible] an international perspective [illegible] living and communicates effectively with its trading partners and its competitors.

A COMPETITIVE NATION invests in technology, and quickly moves new ideas from the laboratory to the marketplace.

A COMPETITIVE NATION develops a competitive capacity—a trained workforce and flexible capital—so that it can succeed on its home turf.

A COMPETITIVE NATION invests in its roads, bridges, and airports so it can move products and people quickly and efficiently across town and around the world.

A COMPETITIVE NATION invests in its children so they grow into healthy and well-educated adults who have the skills needed by the modern workforce.

These principles are simple to remember and hard to achieve. However, they are critical to the success of an America in Transition. We know what needs to be done to renew and strengthen the United States in the international economy. States are already acting, effective solutions exist, and as Governors we can serve as catalysts to make this vision a reality. Our message to America is clear: we must act now if we are to be a competitive nation.

Forty years ago, America was in an enviable position. Most of our competitors had suffered enormous losses in a devastating war. We produced while the rest of the world consumed.

That world is history. Our competitive arena now spans the globe. Virtually all goods and services are at risk. From automobiles to banking, from wheat to computers, we face major challenges.

However, the keys to success are clear: new markets, new products, new exporters, and renewed efforts. States are taking definitive action.

States promote port facilities, agriculture exports, foreign direct investment, and manufacturing exports. States can end the fragmentation, duplication, and inefficiency of some past efforts and reach out to find new markets.

First and foremost, we must make trade a priority. That means we must:

- Search for trade opportunities in every corner of the globe. We must learn about new markets — [illegible] their needs. [illegible] refrigerators to people [illegible] closet-size kitchens.
- Challenge business to [illegible] sively to new markets. [illegible] discarded item in America — [illegible] delicacy in some other countries. State government can help exporters expand new markets, develop joint ventures overseas, and target new trade opportunities—such as the integration of the European market by 1992.
- Demand action and coordination in state government. Appointing a top-level official to coordinate trade efforts can improve coordination and end inefficiency. States can get the message out that trade is an urgent priority.

The opportunities are clear. We must develop new products and find new customers. The challenge is ours to accept, and accept it we must if we want to become the "Yankee Traders" we once were.

TIMELINE OF TASK FORCE ACTIVITIES

August 1988

America in Transition Initiative Announced. At the association's annual meeting in Cincinnati, NGA Chairman Gerald L. Baliles of Virginia announced his year-long initiative, "America in Transition: The International Frontier," focusing on the role of the states in rebuilding the nation's competitiveness. He created six task forces to examine critical issues related to the challenges of a changing international economy: foreign markets, international education, research and technology, domestic markets, children, and transportation infrastructure. Through hearings, site visits, testimony, and research, the Governors examined issues that affect America's performance Within Our Borders and Beyond Our Borders.

September 1988

Foreign Markets Task Force Meeting. The Task Force on Foreign Markets met on September 26 at Sea Island, Georgia, during the annual meeting of the Southern Governors' Association.

November 1988

Council on Competitiveness Meeting. Governor Baliles and Governor John R. McKernan Jr. of Maine met with U.S. business leaders in a special meeting of the Council on Competitiveness on November 3. They discussed the essential state role in improving America's competitiveness in a new global economy.

Languages are not the only troublesome area. We are equally weak in our understanding of geography: 45 percent of high school seniors in a major U.S. city could not identify the United States on a blank world map.

It is clear that international education—developing skills in basic geography, foreign languages, history, cultural studies, economics—must be an integral part of the education of students of every age.

Governors can lead efforts to make international education a priority for all citizens. Under our leadership, states can develop comprehensive strategies for international education that reach state government, schools, and the private sector.

We must:

1. Make international education part of the basic education of all our students. Students at all levels must know world geography and understand the cultures of our international partners.

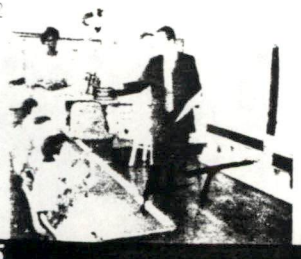
2. Teach foreign languages as early as the first grade. We cannot afford to wait until high school.

3. Ensure that college graduates are proficient in a second language.

4. Strengthen teacher education to include study of geography, world history, foreign language communication skills, and international studies. Teachers should be knowledgeable about international issues and take advantage of the international education resources and expertise available outside the classroom.

5. Involve the business community in international education—both as students and as supporters.

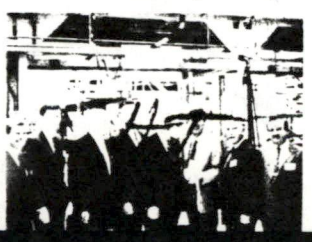
Geography Awareness Week. Nearly [illegible] states participated in the [illegible] annual National Geography Awareness Week, November 13-19. Seven Governors declared state geography awareness weeks in conjunction with the National Geographic Society. Governors in several states taught geography lessons in public schools. Twenty states formed alliances with the National Geographic Society.



Geographic Ambassadors Program. The Task Force on International Education has encouraged the creation of Governors' Geographic Ambassadors programs. Four states now participate in the program, working with the American Field Service and Youth for Understanding programs to identify students who have had cross-cultural or exchange experiences and to have them share their experiences with local school children. The National Geographic Society is providing background materials on various countries for use in the student ambassadors' presentations.

December 1988

NASA Briefings. Seven Governors traveled to Cape Canaveral, Florida, for briefings by NASA officials at the Kennedy Space Center November 30-December 1. Briefing topics included space science and applications, commercial space programs, university research programs, aeronautics, and science technology. The discussions focused on the importance to states of commercializing federal space research. During the visit Governors were able to witness the launch of the Atlantis space shuttle.



February 1989

Release of Report of the Task Force on Children. The *Report of the Task Force on Children* was released on February 13 in Little Rock, Arkansas, at the Arkansas Children's Hospital. Governor Baliles, Arkansas Governor Bill Clinton, Delaware Governor Michael N. Castle, and Rhode Island Governor Edward D. DiPrete addressed an audience of practitioners, advocates, and child welfare professionals. After the release of the

Our scientific community is constantly identifying new, potentially rewarding projects. But we have too often allowed those ideas to languish in the laboratory. As a result, we have lost our ability to compete in several key sectors. In 1985, the President's Council on Industrial Competitiveness reported that seven out of ten U.S. technology sectors had lost market shares between 1960 and 1980. The picture has only worsened. In 1986, the United States ran its first-ever deficit in high technology trade. Finally, other nations are increasing their spending on research and technology development at a faster rate than in the United States.

Our competitors have adopted new commercialization strategies that can capture innovation at any stage in the development process. They have learned to convert discoveries made in other countries into new products. We must expand our commitment to research and development and regain the ability to develop the full commercial potential of our own discoveries. We also must become hunters and gatherers of technology developed elsewhere in the world to ensure that U.S. products are attractive and competitive.

Specifically we must:

1. Turn laboratory ideas into marketable products by forging partnerships between business and academia.
2. Create state investment strategies for science and technology.
3. Establish long-term direct support for research that has commercial potential.
4. Promote joint technology agreements and exchanges of scientists and engineers to better utilize foreign discoveries.
5. Use state trade programs to obtain leads on technology advances throughout the world, and increase communication with state technology programs to get additional leads.
6. Produce a technologically literate and adaptable workforce.
7. Encourage multistate partnerships to improve state capabilities to provide high quality research tools.

We can no longer simply applaud research breakthroughs; we must create products that world consumers will buy.

...eport, the Governors toured the hospital, taking time to meet and speak with many of the children there and consulting with medical and social services staff about the needs of the children.

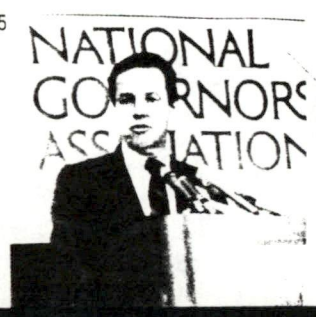
1

Release of Report of the Task Force on International Education. The *Report of the Task Force on International Education* was released on February 25 at the opening press conference of the NGA winter meeting in Washington, D.C. New Jersey Governor Thomas H. Kean emphasized the need for states to help citizens of all ages to learn more about the world around them.

Two resource guides also were developed. *International Education: A Resource Guide* describes activities and publications of forty-one associations, government agencies, and private agencies involved in international education. The directory will help teachers and educators develop an international approach to education.

The second guide, *State-Sponsored Continuing International Education Programs for Business People*, examines what states are doing to provide continuing educational services to their international business communities. Thirty-three states' programs to meet the international concerns of business managers and employees are described.

5



Visit to Air and Space Museum. Admiral Richard Truly, NASA space shuttle director, met with Governors at the National Air and Space Museum during NGA's winter meeting on February 25. Governors and special guests watched the NASA-produced film "The Dream is Alive."

6

Whatever our competitive problems abroad, our businesses have barrier-free access to the largest market in the world: at home, there are no tariffs or language barriers.

Despite these advantages, we have lost ground at home as well. U.S. merchandise imports have risen 179 percent since 1980. Foreign nations now supply 95 percent of our consumer electronics. Eighteen percent of our banking and insurance services are provided by European and Japanese firms.

We must improve our capacity to compete. That means improving the resources that business draws from the community—including technology, capital, labor, and government services.

We will need to increase the amount of applied research devoted to new technologies with commercial application, and make these technologies more available to U.S. firms and entrepreneurs. The quality of the workforce must be improved so that workers will have the skills and flexibility to become and remain competitive.

Developing businesses need easier access to more flexible capital.

We must:

1. Help business commercialize new technologies.
2. Produce a more skilled and adaptable workforce.
3. Make capital available for innovation, including modernizing plants, facilities, and for new products and services.
4. Promote "flexible" manufacturing, including shared facilities operated as a part of business incubators.
5. Increase the access of businesses to university engineering experts, and of university students to real world problems.
6. Customize job training and skill enhancement programs.
7. Leverage state investments to bring more private capital into technology and product development.

The competitive [illegible] four corners of the [illegible] international competitors [illegible] skilled workforces. They [illegible] of new technologies quickly [illegible] the help of their governments. [illegible] readily available for potential [illegible]

We have to make adjustments. We must develop our best—our entrepreneurial spirit, our vast resources, our talented people—and move ahead to compete again for our domestic markets.

April 1989

International Education Conference. The Task Force on International Education held a conference in New Brunswick, New Jersey, on April 11-12. Governor Kean hosted the event, titled "Beyond Our Borders: States and International Education," and Minnesota Governor Rudy Perpich also addressed the group of educators, state officials, and representatives of international education organizations from twenty-five states. The conference focused on curriculum issues and ways to get support for international education programs.

Release of Report of the Task Force on Foreign Markets. The *Report of the Task Force on Foreign Markets* was released by Governor Baliles, Mississippi Governor Ray Mabus, and Washington Governor Booth Gardner at the International Club in Washington, D.C., on April 14. Governor Mabus, task force chairman, said state governments need "a well-conceived and aggressive trade plan" to position themselves in the international marketplace.

7

Conference on States and the Developing World. After the release of the foreign markets report, a conference titled "Forging New Partnerships: States and the Developing World" was held at the International Club. Private sector experts and federal specialists joined task force members in exploring state strategies for developing new markets. Panelists said that American businesses that want to export to developing countries must learn more about their needs and their languages, must be prepared and patient enough to devote the time the project requires, and must offer quality products that adapt to demand in the target markets. The forum was cosponsored by the Bretton Woods Committee and NGA's Center for Policy Research.

Transportation Infrastructure Hearing. Illinois Governor James R. Thompson chaired hearings around the country to obtain firsthand information on the task force priorities. At the first hearing in Chicago on April 18, Governor Thompson spoke with state and local officials, shippers, industry representatives, financial analysts, and transportation researchers about the link between transportation and economic performance and competitiveness.

8

Action, motion — indeed, it's very notion of "progress" — is rooted in its ability to move. We built roads, bridges, seaports, canals, railroads, and airports to get goods to market and people to work. Good transportation systems foster growth and competition; poor transportation does not.

Yet with too much aluminum in the air and too little asphalt on the ground, we are not making the investments in infrastructure necessary to be competitive. Fifty-four nations invest a higher portion of their GNP in infrastructure, while we sit in traffic jams and wait in airports.

Transportation makes an essential contribution to growth. We must maintain and upgrade our facilities to respond to the changing demands of society and industry. Other competitive countries are already committing resources to research and development for the next generation of transportation technologies.

States must work with the federal government to mold a national transportation strategy. But states can act on their own as well.

We must:

- Integrate trade, economic development, and transportation planning.
- Use existing resources more wisely and look for ways to generate additional revenues, including user fees. Dedicated taxes — such as the highway trust fund — should be spent for the reasons they were collected — to build and repair the nation's deteriorating highways, airports, and other transportation systems.
- Commit to infrastructure research, development, and technology transfer efforts.
- Provide adequate education and training for our transportation workforce, including improved college civil engineering and transportation planning programs.
- Work with other states to address regional transportation needs.
- Develop school and [illegible] education campaigns to [illegible] ness of infrastructure [illegible] link to economic growth.

Effective transportation [illegible] to improving our economic [illegible] ness. How well this nation moves commerce — how quickly, efficiently, effectively our system transports goods and conveys people — will dramatically influence America's success in the international marketplace.

Teleconference on Children's Issues. On April 25 the Task Force on Children [illegible] a national live, interactive video teleconference "Caring for Children: Creative Collaborations." Designed to complement the task force report, the teleconference highlighted exemplary prevention programs that were collaborative efforts between levels of government and the private sector. The teleconference was presented in conjunction with the Public Broadcasting System and Pennsylvania Governor Robert P. Casey. Moderated by Bob Keeshan, TV's "Captain Kangaroo," and hosted by Governor Clinton and Governor Casey, the show reached more than 1,400 participants in thirty-eight states.

May 1989

Release of Report of the Task Force on Research and Technology. The *Report of the Task Force on Research and Technology* was released in Washington, D.C., on May 16. Participants in the press conference were Governor Baliles, Governor McKernan, Ohio Governor Richard F. Celeste, National Science Foundation Director Erich Bloch, and Joseph T. Gorman, president and chief executive officer of TRW Inc.

9

Transportation Infrastructure Hearing. A hearing of the Task Force on Transportation Infrastructure was held on May 19 in Portland, Oregon. Governor Thompson and Oregon Governor Neil Goldschmidt met with representatives of sectors heavily dependent upon efficient transportation: agriculture, forest products, and tourism. They also discussed railroads, highways, public transit, and ports. Speakers emphasized the need for effective competition and better coordination among transportation modes.

June 1989

Transportation Infrastructure Hearing. Governor Thompson and Governor Casey toured the construction site of a new

10

11

[illegible] of political reality. The [illegible] competitiveness of our economy and our [illegible] productive within. [illegible] for [illegible] the fourth. We must begin by investing in our children. They are our future workers, parents, teachers, taxpayers, and leaders. In terms of competitiveness, no issue is as important as the skills and training of the workforce in the twenty-first century.

It is abundantly clear that we have not done as well as we can.

Our teenage pregnancy rate is higher than those of all but one of thirty developed nations. Our infant mortality rate for white children ranks nineteenth among thirty developed nations; our black infant mortality rate ranks last among thirty developed and less-developed nations. And of thirteen developed countries participating in international science achievement tests, U.S. twelfth graders scored last in biology, eleventh in chemistry, and ninth in physics. We will not reach our full potential as a nation until our children can reach their full potential.

Governors believe that we must invest in our children and that we must emphasize prevention and adopt a long-term, comprehensive approach to child development. This approach should be geared to key strategic points in every child's life at which prevention is especially critical.

The responsibility for a child's healthy development rests primarily with his or her family. As Governors, we must make it our policy to help families succeed, to supply the resources they need, and when the family system fails, to try to save the children.

There is much we can do. We must:

- Invest heavily in prenatal care to prevent infant mortality and in good primary and preventive care to keep our children and adolescents healthy.
- Increase educational attainment through effective preschool and middle school programs.
- Increase the availability and quality of child care.
- Offer [illegible] for constructive [illegible] and services.
- Improve the efficiency [illegible] programs through better [illegible] dination, and consolidation.
- Reduce infant mortality and [illegible] problems associated with low-[illegible] weight babies through comprehensive and timely prenatal care.
- Integrate available public, private, and voluntary resources for children to focus on prevention efforts that are effective in human and economic terms.

It requires five years to build a road, twelve years to construct a power plant. For the children and the workforce they will become, the lead time is far greater. The first high school graduating class of the twenty-first century completes kindergarten this year. We must act now to provide these children and all children the tools they need for productive lives. Their future—and ours—depends on it.

[illegible] Pittsburgh, Pennsylvania, on June 1. The Governors talked with industry representatives and state, local, and federal officials about [illegible] issues. Last year, the need to increase export capacity,

Release of Report of the Task Force on Domestic Markets. The *Report of the Task Force on Domestic Markets* was released on June 29 in Washington, D.C. and simultaneously in task force members' states. Michigan Governor James J. Blanchard, task force chairman, said that only by "using the latest technology and skilled workers to create new products—or by improving the quality and lowering the costs of existing products—can a developed nation like the United States reclaim old markets and build new ones."

July 1989

Governors' Trip to Brussels. Governors from nine states traveled to Brussels, Belgium, July 5-7, to meet with members of the European Community and discuss the community's plans to integrate its internal market by 1992. The trip sought to determine how the integrated market initiative will affect U.S. trade and what steps can be taken to ease the transition.

Release of Report of the Task Force on Transportation Infrastructure. The *Report of the Task Force on Transportation Infrastructure* was released on July 29 at the opening press conference of the NGA Annual Meeting in Chicago.

Release of International Education Conference Report. A report on the April conference on international education, *Beyond our Borders: States and International Education*, was released at the NGA annual meeting. The publication summarizes the presentations and discussions at the conference and provides policy directions for further state activity.

Throughout this year each of the task force members also made national and state presentations on the importance of international education at all levels of education and in the private sector.

America is returning to the international marketplace.

Businesses are renewing efforts to develop new products and to market existing products more aggressively. States are increasing investments in human and capital infrastructure. Business and labor are focusing on improving product quality and productivity. Schools are expanding language and international education programs and there are indications that students are beginning to study these topics earlier in their school careers.

But in a larger sense, our return to economic leadership in the international economy has just begun. As we have improved in one area of global competitiveness, we have quickly realized that all the spokes of the wheel must turn in concert. From ensuring the healthy birth of each future citizen to promoting the search for new technologies, Governors are in the forefront of efforts to support economic progress and thus to enhance the opportunities for all Americans.

The Governors will continue to provide leadership for the states, and we are not afraid of challenges—challenges to sell our goods, to increase our standard of living, to understand and communicate with people of other nations. Working together Governors and their states can help lead the nation into the twenty-first century, providing a road map for an America in Transition.

Photo Captions

1. Governor Baliles announced the [illegible] initiative and the creation of the [illegible] annual meeting in Cincinnati.

2. Governor Kean taught in a New Jersey [illegible] of Geography Awareness Week.

3. Seven Governors attended briefings at the National [illegible] Center. Pictured are Governor Campbell, Governor [illegible], Governor Robert Orr, Governor Celeste, Governor Baliles, John Conway (director of cargo projects), Governor Schaefer, and Governor DiPrete.

4. Arkansas Children's Hospital was the site of the release of the *Report of the Task Force on Children*. Following the press conference, Governor DiPrete and Governor Clinton (shown) and other Governors met with young patients at the hospital.

5. Governor Kean released the *Report of the Task Force on International Education* at the NGA winter meeting in Washington, D.C. Also shown is Governor Baliles.

6. During the NGA winter meeting, Governors visited the National Air and Space Museum. Pictured are Dale Myers, deputy NASA administrator, Dr. Martin Harwit, director of the National Air and Space Museum, Governor Baliles, and Robert McCormick Adams, secretary of the Smithsonian Institute.

7. Governor Mabus, Governor Baliles, and Governor Gardner released the *Report of the Task Force on Foreign Markets* in Washington, D.C.

8. Governor Thompson presided at a hearing of the Task Force on Transportation Infrastructure in Chicago.

9. Governor McKernan released the *Report of the Task Force on Research and Technology* in Washington, D.C.

10. Governor Thompson and Governor Goldschmidt participated in a hearing of the Task Force on Transportation Infrastructure in Portland, Oregon.

11. Governor Casey and Governor Thompson toured the construction site of a new airport in Pittsburgh.

12. A delegation of Governors met with EC Commission President Jacques Delores and other officials in Brussels, Belgium. Pictured are Governor Wilkinson, Governor Hernandez-Colon, Governor Branstad, Governor Baliles, Governor Gardner, Governor Kean, Governor Kunin, and President Delores. Other Governors participating in the trip were Governor Bangerter and Governor Clinton.

THE LIVING WHITE HOUSE

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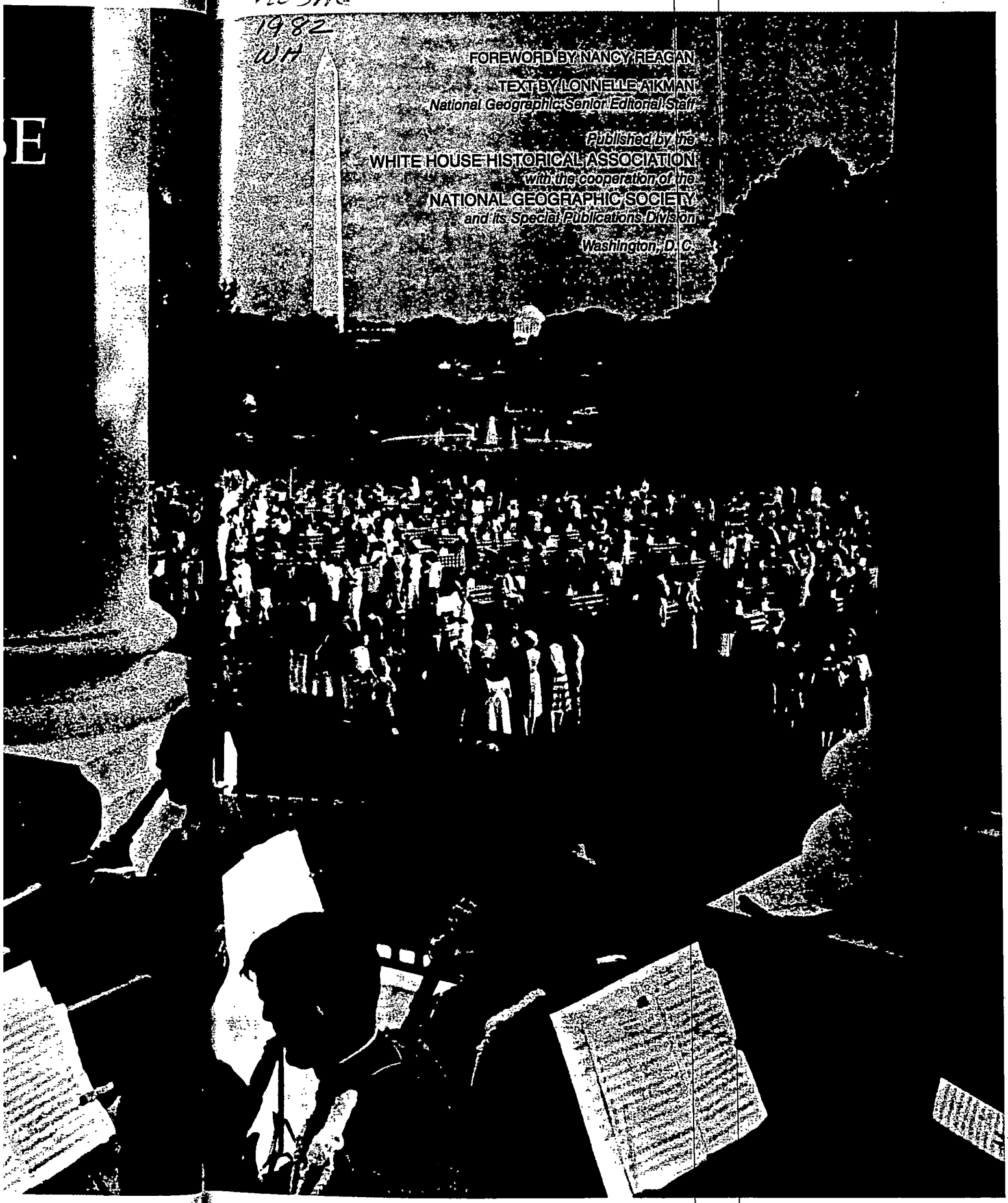

FOREWORD BY NANCY REAGAN

TEXT BY LONNELLE AIKMAN
National Geographic Senior Editorial Staff

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and its Special Publications Division
Washington, D. C.

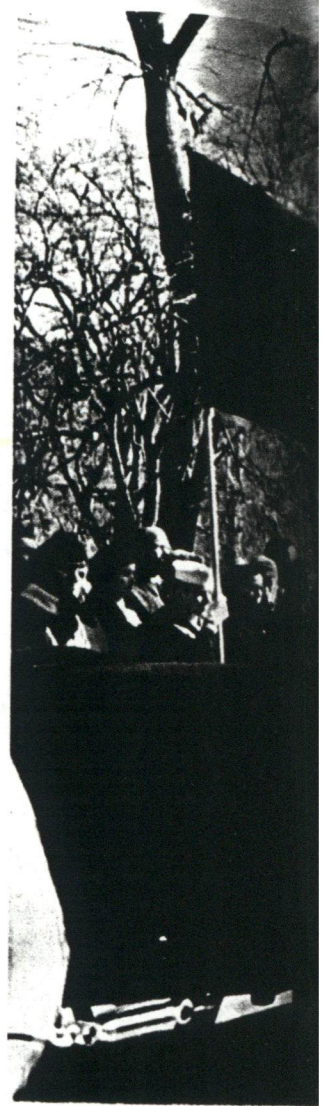
The following year, Tricia took television viewers on the first public showing of many of the rooms in the family living quarters.

The tour started on the balcony overlooking the south lawn, with its lovely view of the Washington Monument and the Jefferson Memorial. Included were glimpses of the family dining and sitting rooms, and of the guest room called the Queens' Bedroom, so-named because five of the world's queens have slept there during state visits.

Tricia pointed out her mother's sitting room, in which she read and answered her mail, and the piano her father liked to play. She also described an incident in which Nixon built the flames so high in the fireplace of his private study adjoining the Lincoln Bedroom that an alarm sent White House fire fighters rushing to the scene. There, they found him placidly writing a speech before the open fire, which, Tricia explained, was one of his great pleasures. In fact, she added, the President liked a cozy fire so much that he would light one even in warm weather and turn on the air conditioning.

After the Carters moved in, ten-year-old Amy occupied the room that had been Caroline Kennedy's, then Luci Johnson's, then Tricia Nixon's. As the youngest of the Carter offspring and the one who lived with her parents in the Executive Mansion, Amy was by far the best known of their children. Her tree house in the gnarled old cedar on the south lawn, her delight in reading, her violin lessons, pets, and school friends became part of the continuing White House small-fry chronicles that began with Susanna, granddaughter of John and Abigail Adams.

One room on the family floor has kept the same color, Louis XVI furnishings, and formal role through the last six administrations. The Yellow Oval Room, which Mrs. Kennedy turned into an elegant drawing room, has proved to be the most suitable place in the house to entertain state guests before dinners or luncheons given in their honor.



PRESIDENT AND MRS. REAGAN have now put their own stamp, not only on their second-floor family quarters, but also on the expanded living space that was added to the third-floor attic during the Truman reconstruction of 1948-52.

Most of this floor was then divided into bedroom, bath, and sitting room apartments, which are available today for family members and personal guests. The remaining area is used for storage and housekeeping, with one room reserved for recreation. A billiard table remains there from the Nixon days, but the walls display movie posters, cartoons, photographs, and other memorabilia that tell of the interests and events in the lives of the present tenants.

Few First Ladies have devoted as much effort and imagination to the decoration of these third-floor rooms as has Mrs. Reagan. Antiques from the White House Collection and contemporary furnishings have been brought together here with the special harmony that is the trademark of this house.

The Reagans returned the $50,000 regularly provided by Congress to

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George Halas Quotes

15TH STORY of Level 2 printed in FULL format.

Proprietary to the United Press International 1983

November 1, 1983, Tuesday, AM cycle

SECTION: Sports News

LENGTH: 290 words

DATELINE: CHICAGO

KEYWORD: Halas-Fight

BODY:

George Halas was a fighter. No one disputed that.

''Never go to bed a loser,'' Halas once said.

He finally lost his fight to cancer Monday night, when he died at his Chicago home at age 88, with family members at his side. But he battled even that last opponent for years -- fooling a world that began writing his obituary 10 years ago.

Halas will be remembered as a man who defied time, obstacles, public outrage, sometimes tradition and often authority.

''He sassed commissioners of the NFL, withered game officials, challenged owners who came after him, shattered tradition,'' Chicago sports writer Jack Griffin wrote in a birthday tribute to Halas in 1966.

''They say he sometimes manipulates the NFL as though he owned it. The story of how he took a penny ante sandlot sport and built it into a multimillion-dollar operation has been told so often it has become legend.

''He always thought he was a better baseball player than a football man, and he would have challenged Babe Ruth for the outfield with the New York Yankees if he hadn't injured a hip sliding into third base.

''Halas will fight you for money, marbles or fun. He dragged the goal posts up to the goal line, put a man in motion on the T-formation, platooned teams, changed the rules so the passer could move to the line of scrimmage. And he fought for all of them,'' Griffin wrote.

Halas fought George Allen when Allen sought to jump a contract as an assistant coach in 1966 to become head coach of the Los Angeles Rams. Halas dramatically dropped his suit against Allen after a judge declared Allen's contract legal and binding.

''I'll right anybody, as long as there's a cause to be gained,'' Halas once said. ''I'll fight every time I think I'm right.''

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14TH STORY of Level 2 printed in FULL format.

Proprietary to the United Press International 1983

November 1, 1983, Tuesday, PM cycle

SECTION: Domestic News

LENGTH: 509 words

DATELINE: CHICAGO

KEYWORD: Halas-Obit

BODY:

Chicago Bears patriarch George Halas, the last surviving founder of the National Football League and the sport's winningest coach, died Monday night at his home. He was 88.

Halas, who suffered from heart disease, pancreatic cancer and other ailments, had been in and out of hospitals for the past year. His grandson, Rich McCaskey, said Halas recently was released from Northwestern Memorial Hospital ''with the anticipation of this result. It was not unexpected.''

Halas was born in Chicago on Feb. 2, 1895. At the age of 25, he founded the American Professional Football League with a group of fellow football enthusiasts in a Canton, Ohio, automobile showroom.

''The only thing I knew then was it was a good game,'' Halas said. ''The year I graduated from the University of Illinois, in 1918, coach Bob Zuppke spoke to the team and said, 'Goodbye makes no sense whatever. Just when all of you begin to know something about football, I lose you. Football is the only sport that ends a man's career just when it should be beginning.' That always stuck in my craw.''

After a short stay in the Navy during World War I, Halas originally hoped to play pro baseball, but a hip injury ended his stint with the New York Yankees in 1919. That injury, which plagued him in later life, sent him to downstate Decatur, Ill. There he was hired by the Staley Co. in 1920 to coach a semi-pro team football team called the Decatur Staleys.

The next year, Halas moved the team to Chicago, paying for the trip with a $5,000 donation from the Staley Co., in return for calling the team the Chicago Staleys for a season.

In 1922, the team was rechristened the Chicago Bears, because it played in Cubs park as a member of the renamed National Football League.

Halas, the most valuable player in the 1919 Rose Bowl as a member of the victorious Great Lakes Naval Training Station, also played for the Bears from 1920 to 1929.

He earned a spot in the record books on Nov. 4, 1923, when he grabbed a fumble from the Oorang Indians' Jim Thorpe and ran 98 yards for a touchdown, setting an NFL record that stood until 1972.

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Two years later, Halas revved up national interest in the sport by hiring Red Grange and featuring him on an 19-game, three-month tour.

''I've always thought it was the tremendous publicity generated by the Grange tour that established pro football as a national sport,'' Halas said later.

In 1940, Halas reshaped the sport by introducing the T-formation.

In Halas' 40 years as coach, the Bears won 326 games, lost 150 and tied 31, giving Halas more wins than any other professional or college coach. The Bears won the playoffs for the NFL title five times, and won one championship without a playoff.

Halas retired from coaching on May 27, 1968, and turned over direct control of the team to Jim Finks in 1974 while remaining board chairman and chief executive officer. After the death of Halas' only son, George Jr., in 1979, Halas became Bears president as well.

The ownership of the club is expected to remain in the Halas family.

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12TH STORY of Level 2 printed in FULL format.

The Associated Press

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November 1, 1983, Tuesday, PM cycle

SECTION: Domestic News

LENGTH: 289 words

HEADLINE: Last Of NFL's Founding Fathers Dies At 88

BYLINE: By BRENDA C. COLEMAN, Associated Press Writer

DATELINE: CHICAGO

KEYWORD: Obituary-Halas

BODY:

"Papa Bear" George Halas, owner of the Chicago Bears and last survivor of the pioneering group that founded modern professional football in a Canton, Ohio auto showroom, has died at the age of 88.

Halas, whose teams won eight national championships and produced 20 members of football's Hall of Fame over a career that spanned seven decades, died Monday evening at his apartment on Chicago's North Side, family members said.

Halas had been in and out of hospitals for the past year with heart problems and other ailments.

His death prompted an outpouring of tributes from former players, coaches and others who remembered his contributions to the game and his feisty, driving personality.

" George Halas leaves modern professional football as his memorial," said Commissioner Pete Rozelle. "He was the National Football League _ its founder, the driving force that sustained it during struggling pioneer years, the owner-coach-innovator whose dynamic Bear teams triggered public acceptance of the NFL and the revered elder statesman whose vision and vitality were pivotal in the league's growth."

"I think the biggest quality Coach Halas had was he was a very inspirational guy," added Bears Coach Mike Ditka, whose often-stormy career as a player under Halas spanned six seasons and included the team's last championship, in 1963.

Halas was the last survivor of 12 men who met in 1920 at a Canton, Ohio, automobile agency to establish the American Professional Football Association, forerunner of the National Football League.

On his 82nd birthday, Halas said: "It has been the most priceless privilege of my professional life to see our dreams come true and to watch our ugly duckling grow up to be a magnificent eagle."

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4TH STORY of Level 1 printed in FULL format.

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The New York Times

November 6, 1983, Sunday, Late City Final Edition

SECTION: Section 5; Page 2, Column 1; Sports Desk

LENGTH: 408 words

HEADLINE: THE DAY N.F.L. BEGAN

BYLINE: By GEORGE HALAS

BODY:

IN 1920, paid football was pretty much of a catch-as-catch-can affair. Teams appeared one week and disappeared the next. Players came and went, drawn by the pleasure of playing. If others came to watch, that was fine. If they bought tickets or tossed coins into a helmet passed by the most popular player, that was helpful.

I thought my team, the Decatur Staleys, had gone beyond this mobile situation. I wrote various teams suggesting games. Replies were indifferent and vague. We needed an organization.

I wrote to Ralph Hay, the manager of the Canton Bulldogs, one of the best run and most prominent teams. I mentioned our need for a league. He had already discussed the idea with Stan Cofall, a former Notre Dame star who was running the Massillon Tigers. They met with Frank Nied and A. F. Ranney of Akron and representatives from Cleveland and Dayton on Aug. 20 in Akron. Hay was appointed temporary chairman. He called a meeting on Sept. 17, 1920, at his automobile showroom in Canton.

Morgan O'Brien, a Staley engineer and a football fan who was being very helpful in administrative matters, and I went to Canton on the train. Twelve teams were represented. They were the Canton Bulldogs; Cleveland Indians; Dayton Triangles; Akron Professionals; Massillon Tigers; Rochester, N.Y.; Rock Island, Ill.; Muncie, Ind.; Staleys of Decatur, Ill.; Chicago Cardinals; Racine, Wis.; and Hammond, Ind. The showroom, big enough for four cars - Hupmobiles and Jordans - occupied the ground floor of the three-story brick Odd Fellows building. Chairs were few. I sat on a running board.

We all agreed on the need for a league. In two hours we created the American Professional Football Association.

To give the Association some financial standing we voted to issue franchises on payment of $100. Twelve teams were awarded franchises on the spot - Akron, Canton, Cleveland, Dayton, Decatur, Hammond, Massillon, Muncie, Chicago Cardinals, Racine, Rochester and Rock Island. Massillon withdrew for the 1920 season.

The Association needed someone with a name. Our minds turned to Jim Thorpe, absent, but the biggest name in sport. Unanimously, we elected him our president.

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(c) 1983 The New York Times, November 6, 1983

When I told other managers about the top players I had lined up, there was great eagerness to meet us on the field.

This article was excerpted from the book ''Halas by Halas'', Copyright c 1979 by George Halas. Reprinted by permission of McGraw-Hill Book Co.

GRAPHIC: photo of George Halas in 1963; photo of George Halas in 1920's

SUBJECT: Terms not available

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Football Analogies

man to man v. zone coverage

~~hit~~ wiggle move
run straight down the seam

throwing a pass
no interception

fumble

deep corner route
thunderous hit

huddle
quick-snap offense

the wedge in front hook
swept the board clean
shook-off
on a "fly"

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1980
WH

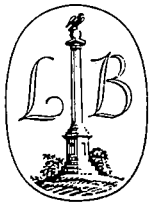
Familiar Quotations

A collection of passages, phrases and proverbs traced to their sources in ancient and modern literature

FIFTEENTH AND 125TH ANNIVERSARY EDITION
REVISED AND ENLARGED

John Bartlett

Edited by EMILY MORISON BECK
and the editorial staff of Little, Brown and Company



LITTLE, BROWN AND COMPANY • BOSTON • TORONTO

Cole Albert Porter
1891–1964

1 You do something to me,
Something that simply mystifies me.
Fifty Million Frenchmen [1929]. You Do Something to Me

2 Night and day you are the one,
Only you beneath the moon and under the sun.
Gay Divorce [1932]. Night and Day

3 I get no kick from champagne.
Mere alcohol doesn't thrill me at all,
So tell me why should it be true
That I get a kick out of you.
Anything Goes [1934]. I Get a Kick Out of You

4 You're the Nile,
You're the Tower of Pisa,
You're the smile
On the Mona Lisa. . . .
But if, Baby, I'm the bottom you're the top!
Ib. You're the Top!

5 It was great fun,
But it was just one of those things.
Jubilee [1935]. Just One of Those Things

6 It's delightful, it's delicious, it's de-lovely.
Red, Hot and Blue [1936]. It's De-Lovely

7 My Heart Belongs to Daddy.
Leave It to Me [1938], title of song

8 But I'm always true to you, darlin', in my fashion,[1]
Yes, I'm always true to you, darlin', in my way.
Kiss Me, Kate [1948]. Always True to You in My Fashion

Nicola Sacco
1891–1927

9 Help the weak ones that cry for help, help the prosecuted and the victim . . . they are the comrades that fight and fall . . . for the conquest of the joy of freedom for all the poor workers. In this struggle for life you will find more love and you will be loved.
Letter to his son Dante

Haile Selassie
1891–1975

10 Outside the kingdom of the Lord there is no nation which is greater than any other. God and history will remember your judgment.
Speech, the League of Nations [1936][2]

Arthur Hays Sulzberger
1891–1968

11 Obviously, a man's judgment cannot be better than the information on which he has based it.
Address to the New York State Publishers Association [August 30, 1948]

12 Freedom cannot be trifled with. You cannot surrender it for security unless in a state of war, and then you must guard carefully the methods of so doing.
Upon receiving the Columbia College award for distinguished service [1952]

13 The vital measure of a newspaper is not its size but its spirit—that is its responsibility to report the news fully, accurately and fairly.
On accepting an award to the New York Times by Temple Israel, Boston [May 9, 1956]

Earl Warren
1891–1974

14 To separate [Negro children] from others of similar age and qualifications solely because of their race generates a feeling of inferiority as to their status in the community that may affect their hearts and minds in a way unlikely ever to be undone. . . . We conclude that in the field of public education the doctrine of "separate but equal"[3] has no place. Separate educational facilities are inherently unequal.
Brown v. Board of Education of Topeka, 347 U.S. 483 [1954][4]

15 When an individual is taken into custody or otherwise deprived of his freedom by the authorities and is subjected to questioning . . . he must be warned prior to any ques-

[1] See Dowson, 721:4.

[2] He sought sanctions against Italy, which had invaded Ethiopia.

[3] All railway companies carrying passengers in their coaches in the state shall provide equal but separate accommodations for the white and colored races. — *Louisiana Acts of 1890, no. III, p. 152;* quoted by Mr. Justice Henry B. Brown in *Plessy v. Ferguson, 163 U.S. 537* [1896]

[4] In a later implementation of the same case (*349 U.S. 294* [1955]), the Supreme Court asked that desegregation proceed "with all deliberate speed."

DOUG GAMBLE

424 - 36th Place
Manhattan Beach, CA 90266
(213) 546-6409

Nov. 10/89

TO: KRISTEN GEAR

LYNN MARTIN FUNDRAISER (Kurt Smith)

LET NO ONE DOUBT LYNN MARTIN'S RESILIENCY AND TOUGHNESS. SHE CO-CHAIRED THE BUSH-QUAYLE COMMITTEE LAST YEAR WITH JOHN SUNUNU, AND LIVED TO TELL ABOUT IT.

THE WORK LYNN DID IN THE CAMPAIGN LAST YEAR MADE US PARTNERS IN THE PRESIDENCY. NOW I NEED HER IN THE U.S. SENATE SO WE CAN BE PARTNERS IN PROGRESS.

NOT ONLY DOES LYNN HEAD AN IMPRESSIVE TICKET OF REPUBLICAN CANDIDATES HERE IN ILLINOIS, BUT SHE'S JUST THE TICKET FOR THE U.S. SENATE.

LYNN'S DEMOCRATIC OPPONENT HAS A 73% VOTING RECORD IN THE SENATE, WHILE LYNN'S VOTING RECORD IN THE HOUSE IS 93%. LYNN MARTIN WILL NOT BE A SENATOR WHO GOES A.W.O.L. WITH THE FUTURE OF ILLINOIS AND AMERICA AT STAKE.

WHEN HER DISTRICT LOOKED FOR A STRONG VOICE TO SPEAK FOR IT IN THE HOUSE, LYNN WAS THERE. WHEN I LOOKED TO HER TO FIGHT FOR OUR CAUSE IN LAST YEAR'S CRUCIAL PRESIDENTIAL ELECTION, LYNN WAS THERE. WHEN I ASKED HER TO GIVE UP A SAFE CONGRESSIONAL SEAT AND UNDERTAKE THE CHALLENGE OF REPRESENTING ILLINOIS IN THE U.S. SENATE, LYNN WAS THERE. I'M CONFIDENT THAT, WHEN THE TIME COMES TO SUPPORT THE CANDIDATE WHO SUPPORTS THE POLICIES OF PEACE & PROSPERITY, ILLINOIS WILL BE THERE FOR LYNN MARTIN.

[Gay Vance @= [407 394- 9572]

LYNN MARTIN FUNDRAISER (Kurt Smith)

I KNOW THAT LYNN MARTIN WANTED TO GET HER CAMPAIGN FOR A SENATE SEAT OFF TO A GREAT START, BUT I'M GLAD SHE LET ME COME TODAY ANYWAY.

LYNN IS WHAT ILLINOIS NEEDS, AND WHAT I NEED. A FULLTIME SENATOR WHO WON'T BE RUNNING FOR PRESIDENT.

LYNN USED TO BE A CAR POOL MOM (true) AND SHE STILL HAS SOME DRIVING TO DO. SHE'S GOING TO DRIVE HER DEMOCRATIC OPPONENT RIGHT OUT OF OFFICE.

I DON'T HAVE ANYTHING AGAINST A BOW-TIED SENATOR, BUT I OBJECT WHEN HE TRIES TO HOG-TIE THE TAXPAYER.

Kurt,

I believe this event isn't until Nov. 20, so I may be able to add on a few more later.