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THE WHITE HOUSE
WASHINGTON

July 26, 1989

INFORMATION

MEMORANDUM FOR THE PRESIDENT

THROUGH: CHRISS WINSTON *W*
FROM: MARK DAVIS *MD*
SUBJECT: NATIONAL GOVERNORS' ASSOCIATION SPEECH

THE PRESIDENT HAS SEEN
7/28/89

REC-101-27-1010

I. SUMMARY

On Monday, July 31, 1989, at the Hyatt Regency in Chicago, you will appear at the annual Summer meeting of the National Governors' Association. You will speak at approximately 10 a.m. for 15-20 minutes, and your text will be prepared on speechcards. The crowd will consist of 300 people -- governors, spouses, and staff. Also tentatively scheduled to speak are Samuel Skinner and Andrew Young.

II. DISCUSSION

This speech addresses three main themes: Education reform, crime, and welfare.

Version #5

Davis/Martin
July 27, 1989
Draft: Four
Title: Governors

PRESIDENTIAL ADDRESS: N.G.A./HYATT REGENCY, CHICAGO
Monday, July 31, 1989/10 a.m.

Governor Baliles ((Baa-lyles)), I want to commend you on the success of your chairmanship. Governor Branstad, I know you will bring your characteristic energy and vision to the leadership of the Governors Association. Congratulations.

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 . . . And finally, let me salute the Secretary of Transportation, Sam Skinner, who is doing such an excellent job in developing a national transportation strategy.

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 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 counts for a great deal. In fact, leadership in America is increasingly the sum of **your** efforts and **your** vision. That is why I am a federalist. I was there when Ronald Reagan issued the executive order on federalism; and I want you to know that I stand by it.

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 Jock McKernan's beloved Maine.

We believe in Federalism,
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 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, to help those in need and to set a course for the future, 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. And they started a tradition that we are carrying on today, working together as president and governors for a cleaner environment.

As you know, I have proposed the first major revision of the Clean Air Act in more than a decade. It sets tough standards, and gives states and industry the flexibility needed to reduce costs and break the long-standing legislative logjam. The potential for consensus is there. The American people want clean air. We can work together to see that they **get** clean air.

It was another Roosevelt, also a great governor of New York ~~before~~ before he was a great 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. But the decline of our educational system, the threat of crime and drugs, the economic dependency of so many -- these ~~sinister~~ problems threaten to endanger the very leadership position of America in the next century.

For America to remain competitive will require your best efforts, your executive know-how. The ultimate challenge, as Governor Baliles puts it, is "to become again the Yankee traders we once were." ((Take note, Governor Cuomo, when the Governor of Virginia says "Yankee trader," he's referring to clipper ships, not to George Steinbrenner.)) Your 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, 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.

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.

But to open these doors will require leadership at every level of government. You have already established a great tradition of searching for those opportunities abroad. Now I ask you to include Poland and Hungary on your list. While governors have no formal role in foreign policy, you are becoming our economic envoys and ambassadors of democracy. You are a new force in restoring American international competitiveness and expanding world markets for American goods and services.

Of course, your focus is on the critical domestic issues. As chief executives, we know first-hand how crucial our social health is to the future position of America.

A nation in which a half of our youth is ignorant of geography, in which drugs are rampant, in which a substantial proportion of the population knows little 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.

EDUCATION REFORM

First and foremost are our children and their education. Working together, you and I can raise the level of learning in the classrooms of America.

On April 5, I sent to Congress an educational reform package, based on four 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 nation's governors in a summit, to share ideas and to explore options for educational progress. I invite you to this governors' summit on education, to be held in at ((location)) on October ((date)). By working together, we can find ways to strengthen our schools, to enlarge opportunities and to improve our nation's educational performance.

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 15th, a common-sense approach to crime to deter the criminals' use of 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.

I have proposed tough new laws, including mandatory prison terms, no deals without cooperation and the death penalty for cop-killers. But I need your leadership to see results. **Work with me. Toughen your laws. And put the worst offenders behind bars. If you do, we will take back the streets. ((PAUSE))**

WELFARE REFORM

Finally, America cannot continue to lead the world if we lag in providing opportunity at home.

Last year, as you know, Congress and the Administration enacted major welfare reform legislation, the Family Support Act of 1988. This Act grew out of a consensus that the well-being of children depends on more than material needs. Children need a family environment that encourages self-sufficiency. In a word: character.

With this in mind, I reestablished the Low Income Opportunity Board within the White House. And I have asked the board to assist you in the complex and time-consuming process of obtaining federal approvals for experiments in state welfare reform. So many innovative policies have come from the states. Let us continue to work together to keep your administrations free to experiment, free to be creative.

In fact, I have instructed the Domestic Policy Council, and the Low Income Opportunity Board, to make flexibility the guiding principle, so that states will have greater freedom to experiment with welfare reform.

And I am pleased to announce that this week the DPC has committed itself to allowing you greater room to maneuver; and to grant waiver requests as quickly as possible.

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, there has been an on-going competition among developers to retain the title of the world's tallest building. ((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.

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.

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THE WHITE HOUSE

Office of the Press Secretary
(Chicago, Illinois)

For Immediate Release

July 31, 1989

REMARKS BY THE PRESIDENT
TO THE NATIONAL GOVERNOR'S ASSOCIATION

Hyatt Regency
Chicago, Illinois

10:08 A.M. CDT

THE PRESIDENT: Thank you very, very much. Thank you all. Thank you, Governor Baliles. Thank all of you -- Bill.

Before I make my remarks, I want to comment on a very disturbing report that we've just heard. There are unconfirmed reports that Colonel Higgins has, indeed, been executed. And I had planned to go on out to Nevada for another appearance today and then to go to Oklahoma tonight. But this matter is of such concern to me and to all of you and to the American people that I think it's appropriate that I go back to Washington.

Whether the report is true or not, I know I speak for all here when I try to express to the American people the sense of outrage that we all feel about this kind of brutality, this uncalled-for terrorism. And this was a young American colonel serving in an international force, and it is incumbent on all of us to try to rectify this situation, if at all possible. And I have no more to share with you on this. We have not been able to confirm this horrible report, but I will go back to Washington and convene our top national security people and first establish to the best of our ability if the report is true, and then figure out what might conceivably be done.

So I'm sorry to bring to this meeting a message of that nature, the bad news, but I felt you would want to know about it.

Gerry, that said, thank you very much. I want to commend you on your success as Chairman of this group. I studied Latin for four years. Soon you will be Chairman Emeritus. "E" in Latin means out -- "meritus" damn well deserves to be. So I will -- (laughter.) But I want to commend you, that having been said -- commend you on that. It's been a joy working with you.

And I want to salute our host and my friend, Jim Thompson -- a great Governor, former NGA Chairman, who's rocked the world of Illinois politics by announcing that he will not run for a fifth term. They were just getting used to him out here and now he's not going to run. But thank you for your hospitality.

I'd like to rise to John Sununu's defense -- he is not quiet and retiring. That's all I will say about it. (Laughter.) But I think it is good to have a Chief of Staff who knows how the governors function and the importance of the governors in this whole federalist system.

I think Gerry mentioned Ed Derwinski, a member of my Cabinet, a good friend of long-standing, and I want to salute him, and also our Secretary of Transportation -- Illinois' own Sam Skinner, who is with me here today. Both doing outstanding jobs -- Sam digging in now, working on a national transportation strategy.

And Terry Branstad, the incoming president -- let me say

MORE

I look forward to working with you and I hope we'll have an era of real cooperation, just as we have with Governor Baliles.

Let's begin by saying what is the role of the governor in the American political life? Well, de Toqueville, the great observer of -- 19th century observer -- once asked a country politician the same question, and the answer he got was this: "The governor counts for absolutely nothing and is paid only twelve hundred dollars."

Well, you still can't get rich off a public salary. But today, I don't think there's any question in the minds of the American people that the office of governor counts for an awful lot, counts for a great deal. In fact, leadership in America is increasingly the sum of your efforts and of your vision. And that's why I consider myself a federalist. I was there when President Reagan issued the executive order on federalism, and I want you to know that I stand by it.

We believe in federalism and, yet, we are a people, one nation, indivisible. And just as we share our cherished Constitution, so we also share common challenges and responsibilities. To cure our nation of illiteracy and drug abuse and crime, we must act in tandem, president with governor, governor with mayor, up and down the line. And in short, we've got to find our collective will as a nation.

And that's why I've come to Chicago to meet with all of you, fellow chief executives. We share as executives a special responsibility -- and some describe it as a great burden. But for us, if it is a burden, it is one that is cheerfully accepted. And to sit where the buck stops, to resolve disputes, to help those in need and to set a course for the future 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. Teddy Roosevelt, who called the nation's first conference of governors -- the forerunner of this association -- convened the governors at the White House. And he brought the nation's governors together to call for conservation, for an end to the reckless denuding of our forests. And they started a tradition that we are carrying on today, working together as president and governors for a cleaner environment.

I thought you might be interested in a peripheral note here -- I'm just back from the economic summit in Europe, and the whole question of environment is on the minds of these Western European leaders, unlike any time that I've ever seen. And I think that's a good thing. And I think it is going to cause all of us to work together internationally, just as my plea is here that we work together inside our great country.

We have proposed, as you know, the first major revision of the Clean Air Act in more than a decade. And I read a headline in one of the great newspapers of this country where some say it didn't go far enough and others said it went too far. I figured, well, maybe we're not doing too bad on it. But it sets tough standards; it gives states and industry the flexibility needed to reduce costs and break the long-standing legislative logjam. The potential for consensus is there. The American people want clean air. And we can work together to see that they get clear air.

Then it was another Roosevelt, great President, Franklin D. Roosevelt, who called on the governors to help him stem the financial crisis of the Great Depression.

And today, we don't meet in a spirit of immediate crisis. Plenty of problems out there, but the nation is fundamentally sound. But the decline of our educational system and the threat of crime and drugs, the economic dependency of so many, and yes, that ever-present federal deficit and the problems that come with it -- these problems

threaten to endanger the very leadership position of America in the next century.

And for America to remain competitive will require your best efforts and your executive know-how. The ultimate challenge, as Governor Baliles put it, is "to become again the Yankee traders that we once were." And he's not talking about George Steinbrenner. He is referring to the clipper ships. Your creative response to our nation's competitive position is more than perceptive; it's forward-looking, an attribute to the best kind of leadership.

At this economic summit that I mentioned the competitive position of our nation was an underlying theme in the discussions of the great economic issues of trade and monetary policy and international debt. But no less important to America was the start of my journey -- that part that took us to Eastern Europe and Central Europe. 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. It is absolutely amazing -- the changes that are taking place on the economic front there and on the political front as well.

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 and encouraging those governments to move as fast as they can towards privatization.

But to open these doors will require leadership at every level of government. You've already established a great tradition of searching for those opportunities abroad. And now I ask you to include Poland and Hungary on your list. While governors have no formal role in foreign policy, you are becoming our economic envoys and ambassadors of democracy. You're a new force in restoring American international competitiveness and expanding world markets for American goods and services.

And, of course, your focus is and, I think, must be on the critical domestic issues. As chief executives, we know firsthand how crucial our social health is to the future position of America.

A nation in which half of our youth is ignorant of geography, in which drugs are rampant, in which a substantial proportion of the population knows little hope -- such a nation will not long remain competitive. And 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.

First and foremost are our children and their education. Working together, we can raise the level of learning in the classrooms of America.

On April 5, I sent a package to the Congress -- an educational reform package based on four 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, choice for schools in their selection of teachers and principals. And 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 5th, I asked the business community to study what the private sector can do to energize and support educational reform. And there are wonderful programs in effect now where business leaders assign people from their companies to help in the local school districts. These have

been pushed and fostered by many of you around this table. I want to renew my pledge to assemble the governors in a summit to share ideas and to explore options for educational progress.

Only twice before have the governors met with the President on an issue of vital national importance. And now there will be a third such conference, an historic meeting on education. And so I invite you to work with me at a governors summit on education, to be held on September 27th and September 28th. We have not yet selected a place, but we want to go forward and do that. (Applause.) And together, we can find ways to strengthen our schools, to enlarge opportunities and to improve our nation's educational performance.

As chief executives, we also see drugs and crime as the most harrowing domestic threat to the future of America. And I proposed on May 15th a common-sense approach to deter the criminals' use of weapons, to reform the criminal justice system, to enhance enforcement and prosecution, and to expand prison capacity to ensure both the certainty and the severity of punishment. I proposed the hiring of 825 new federal agents and staff; 1,600 new prosecutors and staff; and an additional \$1 billion for federal prison construction.

And I've proposed tough new laws, including mandatory prison terms, no deals without cooperation, and the death penalty for those who murder our police officers. But I need your leadership to see results. Work with me. Toughen your laws and put the worst offenders behind bars. And if you do, we will take back the streets.

And finally, America cannot continue to lead the world if we lag in providing opportunity at home. And last year, as you know, Congress and the administration enacted major welfare reform legislation, the Family Support Act of 1988. And this act grew out of a consensus that the well-being of children depends on more than material needs. Children need a family environment that encourages self-sufficiency. In a word -- character.

With this in mind, I reestablished the Low Income Opportunity Board within the White House. And I've asked that board to assist you in the complex and time-consuming process of obtaining these federal approvals for experiments in state welfare reform. So many innovative policies have come from the states. So we want to work together to keep your administrations free to experiment, free to be creative.

In fact, I have asked our Domestic Policy Council and the Low Income Opportunity Board to make flexibility the guiding principle, so that states will have greater freedom to experiment with welfare reform.

And I am pleased to announce that this week the DPC -- Domestic Policy Council -- has committed itself to give you greater room to maneuver; and to grant waiver requests as quickly as possible.

Many of our responsibilities overlap in education, law enforcement and welfare. At times, there's been friction -- a lot of friction between the states and the "feds." And 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, there's been an ongoing competition among developers to retain the title of the world's tallest building. You talk about one-upsmanship, this is it -- a whole new meaning.

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

I have committed the powers of my office to lift America -- starting in the classrooms and the streets. Working together, I

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am absolutely convinced that we can achieve a national consensus in spite of the overriding budgetary problems that the federal government faces. Working together, we can make the next century an American century.

Thank you. Thank you all for what you do for this country and I'm just delighted to have been with you. Thank you very much. (Applause.)

Q Thank you, Mr. President. The President has agreed to take a couple of question. I'll call on our Vice Chairman Governor Branstad of Iowa for the first question.

Q Mr. President, we're very honored that you've invited us in the third only presidential summit with the governors on the topic. And I'm delighted that you've chosen education because that's going to be an area of focus of the governors for this coming year. And I just want to add my appreciation and say that we look forward to working with you and developing consensus goals to improve the quality of education and we want to involve all the people in this nation that are concerned about rebuilding and strengthening the quality of education. Thank you for that commitment.

THE PRESIDENT: Thank you for your question. (Laughter.) No, but thank you, Terry, and we look forward to working with you.

Q Mr. President, first of all, we appreciate your speech and your commitment both to fighting drugs and to improving education.

I wonder -- I support, as I think you know, your education position. I'm for accountability, choice, alternative certification. One thing that concerns me in our state and I think is a concern around the table here that I'd like to hear you comment on is the relative lack of competitiveness of our high school seniors with many of the other countries with which you've been negotiating new economic, environmental and defense arrangements. What do you think the federal role ought to be in trying to increase the number of people who can afford to go on to college -- or who can't afford to go on to college but need to so that they can be internationally competitive? And do you believe that that ought to be a part of our education summit in September?

I'm very concerned about that and that's something that neither the states nor the federal government has adequately addressed, in my judgement, in the has three or four years.

THE PRESIDENT: I think, clearly, the federal government has a role. We have some programs. I know everybody would like to see them financed more fully, thinking of Pell grants and things of this nature. And I've been intrigued with some of the private sector approaches. A fellow named Pat Taylor in New Orleans has a program that I believe -- I don't know whether Governor Roemer -- I didn't -- where is he -- can comment on. I don't know whether he likes it or not. But nevertheless, it's a program that has some applicability to what we're talking about here. It's happened in other states. But, yes, I think it should be a key agenda item for the summit that we're talking about.

Again, every time we get to worthy goals, I have to say, wait, how do we meet Gramm-Rudman's targets and all of that. But clearly, in terms of objective, it must be that.

But, Bill, I'd also say that what we've -- you've talked about and you've pioneered, along with others around this table -- I can single out Governors Baliles and Kean because they'll both be unemployed here in a few weeks. But this concept of encouraging excellence the way your states have done it I think has great applicability for how a high school senior goes forward and gets into college. So anyway -- but it should be an agenda item.

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Q Governor Celeste of Ohio.

THE PRESIDENT: Where's Dick? I didn't recognize you, yes. (Laughter.)

Q Mr. President, you just alluded to the notion of worthy goals and budget realities, and this morning the governors around the breakfast table talked at length about the problems we're facing now with Medicaid and the mandated costs that are built in as a consequence of decisions that have been made in the Congress. And I think it's our feeling that we would like to, number one, share with our congressional delegations the realities we're now contending with as governors, but to call on them and perhaps to seek the assistance of the administration, as well, to have a two-year moratorium on any additional mandates in terms of Medicaid with a commitment that all of us sit down together on a bipartisan basis -- governors, the Congress, the administration -- to look at this whole issue of health care, how we assure coverage to those who need it, how we deal with this problem of sort of backing into a system which is virtually universal now for various pregnant women and small children, and to do it in a cost efficient way. And I'm wondering whether you would be comfortable with a notion, for example, of a moratorium on additional mandates at this point, and whether there's a way in which we could work together on this important issue.

THE PRESIDENT: Well, I'd like to consider it. And certainly, you're trying to hold the line on the spiraling costs -- we're in a battle now, and I think we can resolve it properly, with some of our doctors in terms of the increased costs of physicians fees. But, yes, I'd -- without getting into the specifics, I'd certainly think we could cooperate fully. (Applause.)

Q Mr. President, under our Chairman's direction this spring and summer, I conducted a series of hearings around the nation on our nation's transportation infrastructure. Two key facts came out of those hearings. One, those nations which make an increased investment in their highways, their bridges, their harbors, their air and rail systems, their water systems, are more competitive in the world economy than those nations who do less. And secondly, those nations who make such investments stimulate more private investment than those nations who do less.

I don't have a question; I have a suggestion, if I might be so bold. Could you ask Director Darman, Secretary Brady, Secretary Skinner and Secretary Mosbacher to form kind of a working group to make sure that our tax laws and our transportation policies are doing everything we can to encourage a renewal of America's transportation infrastructure? I know it will be part of Secretary Skinner's national strategies plan, but I think there needs to be more focus in Washington on the benefits of infrastructure investment and a return to our economy, especially our competitive world economy, and I think those four good men could really help in that effort.

THE PRESIDENT: Well, let us try, and I appreciate the suggestion. And for those out around here from Illinois, I must say I am very pleased to be working with Sam Skinner in this field. I know the frustrations around this table when you see this tremendous highway trust fund and wonder why those funds aren't available -- immediately available for the purposes for which they were earmarked. And the answer, obviously, is budgetary. But, yes, I'd be very happy to ask the four of them to get together.

Q Nice to see you again, Mr. President. I just wanted to follow up on the point that you had made and offer, for whatever it's worth, my congratulations on the September 27th summit, vis-a-vis education.

I would like to say that the Southern Growth Policies

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Board, which Carroll Campbell has headed for this past year and which I will head for this next year, is concerned as the world grows smaller, cheap is not enough, we must be flexible and smarter. And we've undertaken, Mr. President, the goal to address adult illiteracy in our part of America. And I would encourage your team at the educational summit to address that question in context of the whole nation.

It seems to me that we're going to be making more products -- one product, one person, one sale, rather than mass production, and it seems that the quality of our work force will be the key to us being competitive. Not just the price of the work force, but the quality of the work force. That's one of our assignments in the south, and we're hoping you can help us nationwide.

Thank you. What I'm trying to say, Mr. President, is send money. (Laughter.)

THE PRESIDENT: I thought I heard that.

Q I said it poorly, as usual, but -- (laughter.)

THE PRESIDENT: Let me say that, on this educational summit, I don't view this as something where -- like today where I come here for two minutes and then take off. I mean, this is going to be a session where we will have an opportunity together -- you and me -- to take a considerable amount of time to discuss these kinds of issues.

I think it is important -- and maybe Governor Branstad would be the one to turn to to have a little group for the agenda on this, and our Education Secretary will be involved -- but, sure, we should take that up. And I want you to know I will be personally involved in learning from this kind of involvement.

But thank you all very, very much. With permission, could I just say hello to everybody here. (Applause.)

END

10:40 A.M. CDT

Mark Davis

Document No. 056651

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Copy.

FING MEMORANDUM

C.O.B. Tuesday 07/25

DATE _____ ICE/COMMENT DUE BY: _____

SUBJECT: PRESIDENTIAL REMARKS: N.G.A. - CHICAGO, IL

5:40 pm 8:30 AM 7/26

(07/21 Draft one)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE <i>N/C phone</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER <i>Mary Ann 2705</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT <i>N/C phone</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN <i>will be late</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ANDERSON <i>N/C phone</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BENNETT <i>N/C phone</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please provide any comments/recommendations directly to Chriss Winston by close of business on Tuesday, 07/25, with a copy to my office. Thanks.

RESPONSE: *make sure in by tomorrow a.m.*

J

19 JUL 25 8:52

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

DuKakis

Davis/Martin
July 21, 1989
Draft: One
Title: Governors

PRESIDENTIAL ADDRESS: N.G.A./HYATT REGENCY, CHICAGO
Monday, July 31, 1989/10 a.m.

Governor Baliles ((Baa-lyles)), I want to commend you on the success of your chairmanship. Governor Branstad, you will bring your energy and vision to a Governors Association ~~that has~~ ~~already 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 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 counts for a great deal. 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 ^{Jock} 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, to help those in need and to set a course for the future, 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 great governor of New York before he was a great 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. But the decline of our education, ^{at system} the threat of crime and drugs, the economic dependency of so many ~~protecting our environment~~ -- these simmering problems threaten to endanger the very leadership position of America in the next century.

For America to remain competitive will require your best efforts, your executive know-how. The ultimate challenge, as Governor Baliles puts it, is "to become again the Yankee traders we once were." ^(I'm glad a Southern Gov. said that) ~~For the governors to formulate a creative~~ ^{and your} 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.

but 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 ~~and trade~~, you are becoming our economic envoys and our ambassadors of democracy. You are a new force in restoring American international competitiveness, *and expanding world markets for American goods and services.*

Of course, your focus is on the critical domestic issues. As chief executives, we know first-hand how crucial our social health is to the future position 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 ^{little} ~~no~~ hope -- such a nation will not long remain competitive. In the final analysis,

BEFORE IT IS LONG TRADITION OF TRADE MISSIONS. TIME TO PUT POLAND + HUNGARY ON YOUR LIST.

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.

EDUCATION REFORM

First and foremost are our children and their education. Franklin Delano Roosevelt 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 ^{Sour} 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 ^{Nation's GOVERNORS} executive talent of America in a summit, to share ideas and to explore options for educational progress. I invite you to a ^{GOVERNORS'} 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.~~ ^{find ways to strengthen our schools, to enlarge opportunities, and to improve our nation's educational performance.}

worked plan

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 15th, a common-sense approach to crime to ~~limit~~ ^{deter the use of} 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.

I have proposed tough new laws, including mandatory ~~time~~ ^{prison terms}, no deals without cooperation and the death penalty for cop-killers. To effectively fight crime, we need the same approach at the state level. **Work with us, toughen your laws, and together we can take back the streets.** ((PAUSE))

toughen
weak?

WELFARE REFORM

Finally, America cannot continue to lead the world if we lag in providing opportunity at home.

Last year, as you know, Congress and the Administration enacted major welfare reform legislation, the Family Support Act of 1988. This Act grew out of a consensus that the well-being of

children depends on more than ~~mere~~ material needs. Children need a family environment that encourages self-sufficiency. In a word: character.

With this in mind, I reestablished the Low Income Opportunity Board within the White House. And I have asked the board to assist you in the complex and time-consuming process of obtaining federal approvals for experiments in state welfare reform. So many innovative policies have come from the states. Let us continue to work together to keep your administrations free to experiment, free to be creative.

DPC DECISIONS

Card

expand DPC decisions

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, there has been an on-going competition among developers to retain the title of the world's tallest building. ((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.

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.

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 7/27/89 ACTION/CONCURRENCE/COMMENT DUE BY: 89 JUL 27 P5:03

SUBJECT: PRESIDENTIAL REMARKS: NATIONAL GOVERNORS ASSOCIATION

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STUDDERT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BATES	<input type="checkbox"/>	<input checked="" type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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HAGIN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

The attached has been forwarded to the President.

RESPONSE:

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

THE WHITE HOUSE
WASHINGTON

1989 JUL 27 PM 1:10

July 26, 1989

INFORMATION

MEMORANDUM FOR THE PRESIDENT

THROUGH: CHRISS WINSTON *W*
FROM: MARK DAVIS *MD*
SUBJECT: NATIONAL GOVERNORS' ASSOCIATION SPEECH

I. SUMMARY

On Monday, July 31, 1989, at the Hyatt Regency in Chicago, you will appear at the annual Summer meeting of the National Governors' Association. You will speak at approximately 10 a.m. for 15-20 minutes, and your text will be prepared on speechcards. The crowd will consist of 300 people -- governors, spouses, and staff. Also tentatively scheduled to speak are Samuel Skinner and Andrew Young.

II. DISCUSSION

This speech addresses three main themes: Education reform, crime, and welfare.

Davis/Martin
July 27, 1989
Draft: Four
Title: Governors

1989 JUL 27 PM 2

PRESIDENTIAL ADDRESS: N.G.A./HYATT REGENCY, CHICAGO
Monday, July 31, 1989/10 a.m.

Governor Baliles ((Baa-lyles)), I want to commend you on the success of your chairmanship. Governor Branstad, I know you will bring your characteristic energy and vision to the leadership of the Governors Association. Congratulations.

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 . . . And finally, let me salute the Secretary of Transportation, Sam Skinner, who is doing such an excellent job in developing a national transportation strategy.

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 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 counts for a great deal. In fact, leadership in America is increasingly the sum of your efforts and your vision. That is why I am a federalist. I was there when Ronald Reagan issued the executive order on federalism; and I want you to know that I stand by it.

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 Jock 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 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, to help those in need and to set a course for the future, 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. And they started a tradition that we are carrying on today, working together as president and governors for a cleaner environment.

As you know, I have proposed the first major revision of the Clean Air Act in more than a decade. It sets tough standards, and gives states and industry the flexibility needed to reduce costs and break the long-standing legislative logjam. The potential for consensus is there. The American people want clean air. We can work together to see that they **get** clean air.

It was another Roosevelt, also a great governor of New York before he was a great 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. But the decline of our educational system, the threat of crime and drugs, the economic dependency of so many -- these simmering problems threaten to endanger the very leadership position of America in the next century.

For America to remain competitive will require your best efforts, your executive know-how. The ultimate challenge, as Governor Baliles puts it, is "to become again the Yankee traders we once were." ((Take note, Governor Cuomo, when the Governor of Virginia says "Yankee trader," he's referring to clipper ships, not to George Steinbrenner.)) Your creative response to our

nation's competitive position is more than perceptible; 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, 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.

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.

But to open these doors will require leadership at every level of government. You have already established a great tradition of searching for those opportunities abroad. Now I ask you to include Poland and Hungary on your list. While governors have no formal role in foreign policy, you are becoming our economic envoys and ambassadors of democracy. You are a new force in restoring American international competitiveness and expanding world markets for American goods and services.

Of course, your focus is on the critical domestic issues. As chief executives, we know first-hand how crucial our social health is to the future position of America.

A nation in which a half of our youth is ignorant of geography, in which drugs are rampant, in which a substantial proportion of the population knows little 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.

EDUCATION REFORM

First and foremost are our children and their education. Working together, you and I can raise the level of learning in the classrooms of America.

On April 5, I sent to Congress an educational reform package, based on four 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 nation's governors in a summit, to share ideas and to explore options for educational progress. I invite you to this governors' summit on education, to be held in at ((location)) on October ((date)). By working together, we can find ways to strengthen our schools, to enlarge opportunities and to improve our nation's educational performance.

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 15th, a common-sense approach to crime to deter the criminals' use of 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.

I have proposed tough new laws, including mandatory prison terms, no deals without cooperation and the death penalty for cop-killers. But I need your leadership to see results. **Work with me. Toughen your laws. And put the worst offenders behind bars. If you do, we will take back the streets.** ((PAUSE))

WELFARE REFORM

Finally, America cannot continue to lead the world if we lag in providing opportunity at home.

Last year, as you know, Congress and the Administration enacted major welfare reform legislation, the Family Support Act of 1988. This Act grew out of a consensus that the well-being of children depends on more than material needs. Children need a family environment that encourages self-sufficiency. In a word: character.

With this in mind, I reestablished the Low Income Opportunity Board within the White House. And I have asked the board to assist you in the complex and time-consuming process of obtaining federal approvals for experiments in state welfare reform. So many innovative policies have come from the states. Let us continue to work together to keep your administrations free to experiment, free to be creative.

In fact, I have instructed the Domestic Policy Council, and the Low Income Opportunity Board, to make flexibility the guiding principle, so that states will have greater freedom to experiment with welfare reform.

And I am pleased to announce that this week the DPC has committed itself to allowing you greater room to maneuver; and to grant waiver requests as quickly as possible.

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, there has been an on-going competition among developers to retain the title of the world's tallest building. ((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.

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.

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**PRESIDENTIAL ADDRESS: N.G.A./HYATT REGENCY, CHICAGO
MONDAY, JULY 31, 1989/10 A.M.**

**GOVERNOR BALILES ((BAA-LYLES)), I WANT TO COMMEND
YOU ON THE SUCCESS OF YOUR CHAIRMANSHIP. GOVERNOR
BRANSTAD, I KNOW YOU WILL BRING YOUR CHARACTERISTIC
ENERGY AND VISION TO THE LEADERSHIP OF THE GOVERNORS
ASSOCIATION. CONGRATULATIONS.**

- 2 -

**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 . . .**

ALSO AMONG US IS A GREAT AMERICAN AND A SON OF ILLINOIS, ED DERWINSKI, MY GOOD FRIEND AND A FRIEND TO AMERICAN VETERANS. AND FINALLY, LET ME SALUTE THE SECRETARY OF TRANSPORTATION, SAM SKINNER, WHO IS DOING SUCH AN EXCELLENT JOB IN DEVELOPING A NATIONAL TRANSPORTATION STRATEGY.

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 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 COUNTS FOR A GREAT DEAL. IN FACT, LEADERSHIP IN AMERICA IS INCREASINGLY THE SUM OF YOUR EFFORTS AND YOUR VISION.

THAT IS WHY I AM A FEDERALIST. I WAS THERE WHEN RONALD REAGAN ISSUED THE EXECUTIVE ORDER ON FEDERALISM; AND I WANT YOU TO KNOW THAT I STAND BY IT.

WE BELIEVE IN FEDERALISM, 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 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, TO HELP THOSE IN NEED AND TO SET A COURSE FOR THE FUTURE, 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. AND THEY STARTED A TRADITION THAT WE ARE CARRYING ON TODAY, WORKING TOGETHER AS PRESIDENT AND GOVERNORS FOR A CLEANER ENVIRONMENT.

AS YOU KNOW, I HAVE PROPOSED THE FIRST MAJOR REVISION OF THE CLEAN AIR ACT IN MORE THAN A DECADE.

IT SETS TOUGH STANDARDS, AND GIVES STATES AND INDUSTRY THE FLEXIBILITY NEEDED TO REDUCE COSTS AND BREAK THE LONG-STANDING LEGISLATIVE LOGJAM. THE POTENTIAL FOR CONSENSUS IS THERE. THE AMERICAN PEOPLE WANT CLEAN AIR. WE CAN WORK TOGETHER TO SEE THAT THEY GET CLEAN AIR.

IT WAS ANOTHER ROOSEVELT, ALSO A GREAT GOVERNOR OF NEW YORK BEFORE HE WAS A GREAT 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.

BUT THE DECLINE OF OUR EDUCATIONAL SYSTEM, THE THREAT OF CRIME AND DRUGS, THE ECONOMIC DEPENDENCY OF SO MANY -- THESE PROBLEMS THREATEN TO ENDANGER THE VERY LEADERSHIP POSITION OF AMERICA IN THE NEXT CENTURY.

FOR AMERICA TO REMAIN COMPETITIVE WILL REQUIRE YOUR BEST EFFORTS, YOUR EXECUTIVE KNOW-HOW. THE ULTIMATE CHALLENGE, AS GOVERNOR BALILES PUTS IT, IS "TO BECOME AGAIN THE YANKEE TRADERS WE ONCE WERE."

((TAKE NOTE, GOVERNOR CUOMO, WHEN THE GOVERNOR OF VIRGINIA SAYS "YANKEE TRADER," HE'S REFERRING TO CLIPPER SHIPS, NOT TO GEORGE STEINBRENNER.)) YOUR CREATIVE RESPONSE TO OUR NATION'S COMPETITIVE POSITION IS MORE THAN PERCEPTIVE; IT IS FORWARD-LOOKING, AN ATTRIBUTE OF THE BEST KIND OF LEADERSHIP.

- 13 -

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.

- 14 -

OF COURSE, 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.

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.

BUT TO OPEN THESE DOORS WILL REQUIRE LEADERSHIP AT EVERY LEVEL OF GOVERNMENT. YOU HAVE ALREADY ESTABLISHED A GREAT TRADITION OF SEARCHING FOR THOSE OPPORTUNITIES ABROAD. NOW I ASK YOU TO INCLUDE POLAND AND HUNGARY ON YOUR LIST. WHILE GOVERNORS HAVE NO FORMAL ROLE IN FOREIGN POLICY, YOU ARE BECOMING OUR ECONOMIC ENVOYS AND AMBASSADORS OF DEMOCRACY.

YOU ARE A NEW FORCE IN RESTORING AMERICAN INTERNATIONAL COMPETITIVENESS AND EXPANDING WORLD MARKETS FOR AMERICAN GOODS AND SERVICES.

OF COURSE, YOUR FOCUS IS ON THE CRITICAL DOMESTIC ISSUES. AS CHIEF EXECUTIVES, WE KNOW FIRST-HAND HOW CRUCIAL OUR SOCIAL HEALTH IS TO THE FUTURE POSITION OF AMERICA.

A NATION IN WHICH A HALF OF OUR YOUTH IS IGNORANT OF GEOGRAPHY, IN WHICH DRUGS ARE RAMPANT, IN WHICH A

SUBSTANTIAL PROPORTION OF THE POPULATION KNOWS LITTLE 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.

FIRST AND FOREMOST ARE OUR CHILDREN AND THEIR EDUCATION. WORKING TOGETHER, YOU AND I CAN RAISE THE LEVEL OF LEARNING IN THE CLASSROOMS OF AMERICA.

ON APRIL 5, I SENT TO CONGRESS AN EDUCATIONAL REFORM PACKAGE, BASED ON FOUR 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 NATION'S GOVERNORS IN A SUMMIT, TO SHARE IDEAS AND TO EXPLORE OPTIONS FOR EDUCATIONAL PROGRESS. ONLY TWICE BEFORE HAVE THE GOVERNORS MET WITH THE PRESIDENT ON AN ISSUE OF VITAL NATIONAL IMPORTANCE. NOW THERE WILL BE A THIRD SUCH CONFERENCE, AN HISTORIC MEETING ON EDUCATION. TODAY, I INVITE YOU TO WORK WITH ME AT A GOVERNORS' SUMMIT ON EDUCATION, TO BE HELD AT ~~((LOCATION))~~ ON SEPTEMBER 27TH AND 28TH.

TOGETHER, WE CAN FIND WAYS TO STRENGTHEN OUR SCHOOLS, TO ENLARGE OPPORTUNITIES AND TO IMPROVE OUR NATION'S EDUCATIONAL PERFORMANCE.

AS CHIEF EXECUTIVES, WE ALSO SEE DRUGS AND CRIME AS THE MOST HARROWING DOMESTIC THREAT TO THE FUTURE OF AMERICA.

I PROPOSED, ON MAY 15TH, A COMMON-SENSE APPROACH TO CRIME TO DETER THE CRIMINALS' USE OF 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.

I HAVE PROPOSED TOUGH NEW LAWS, INCLUDING MANDATORY PRISON TERMS, NO DEALS WITHOUT COOPERATION AND THE DEATH PENALTY FOR COP-KILLERS. BUT I NEED YOUR LEADERSHIP TO SEE RESULTS. WORK WITH ME. TOUGHEN YOUR LAWS. AND PUT THE WORST OFFENDERS BEHIND BARS. IF YOU DO, WE WILL TAKE BACK THE STREETS. ((PAUSE))

FINALLY, AMERICA CANNOT CONTINUE TO LEAD THE WORLD IF WE LAG IN PROVIDING OPPORTUNITY AT HOME.

LAST YEAR, AS YOU KNOW, CONGRESS AND THE ADMINISTRATION ENACTED MAJOR WELFARE REFORM LEGISLATION, THE FAMILY SUPPORT ACT OF 1988. THIS ACT GREW OUT OF A CONSENSUS THAT THE WELL-BEING OF CHILDREN DEPENDS ON MORE THAN MATERIAL NEEDS. CHILDREN NEED A FAMILY ENVIRONMENT THAT ENCOURAGES SELF-SUFFICIENCY. IN A WORD: CHARACTER.

WITH THIS IN MIND, I REESTABLISHED THE LOW INCOME OPPORTUNITY BOARD WITHIN THE WHITE HOUSE. AND I HAVE ASKED THE BOARD TO ASSIST YOU IN THE COMPLEX AND TIME-CONSUMING PROCESS OF OBTAINING FEDERAL APPROVALS FOR EXPERIMENTS IN STATE WELFARE REFORM. SO MANY INNOVATIVE POLICIES HAVE COME FROM THE STATES. LET US CONTINUE TO WORK TOGETHER TO KEEP YOUR ADMINISTRATIONS FREE TO EXPERIMENT, FREE TO BE CREATIVE.

IN FACT, I HAVE INSTRUCTED THE DOMESTIC POLICY COUNCIL, AND THE LOW INCOME OPPORTUNITY BOARD, TO MAKE FLEXIBILITY THE GUIDING PRINCIPLE, SO THAT STATES WILL HAVE GREATER FREEDOM TO EXPERIMENT WITH WELFARE REFORM.

AND I AM PLEASED TO ANNOUNCE THAT THIS WEEK THE DPC HAS COMMITTED ITSELF TO GIVE YOU GREATER ROOM TO MANEUVER; AND TO GRANT WAIVER REQUESTS AS QUICKLY AS POSSIBLE.

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, THERE HAS BEEN AN ON-GOING COMPETITION AMONG DEVELOPERS TO RETAIN THE TITLE OF THE WORLD'S TALLEST BUILDING. ((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.

- 29 -

**I HAVE COMMITTED THE POWERS OF MY OFFICE TO LIFT
AMERICA -- STARTING IN THE CLASSROOMS AND THE STREETS.**

**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.

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Davis/Martin
July 27, 1989
Draft: Five
Title: Governors

PRESIDENTIAL ADDRESS: N.G.A./HYATT REGENCY, CHICAGO
Monday, July 31, 1989/10 a.m.

Governor Baliles ((Baa-lyles)), I want to commend you on the success of your chairmanship. Governor Branstad, I know you will bring your characteristic energy and vision to the leadership of the Governors Association. Congratulations.

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 . . . Also among us is a great American and a son of Illinois, Ed Derwinski, my good friend and a friend to American veterans. And finally, let me salute the Secretary of Transportation, Sam Skinner, who is doing such an excellent job in developing a national transportation strategy.

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 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 counts for a great deal. In fact, leadership in America is increasingly the sum of **your** efforts and **your** vision. That is why I am a federalist. I was there when Ronald Reagan issued the executive order on federalism; and I want you to know that I stand by it.

We believe in Federalism, 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 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, to help those in need and to set a course for the future, 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. And they started a tradition that we are carrying on today, working together as president and governors for a cleaner environment.

As you know, I have proposed the first major revision of the Clean Air Act in more than a decade. It sets tough standards, and gives states and industry the flexibility needed to reduce costs and break the long-standing legislative logjam. The potential for consensus is there. The American people want clean air. We can work together to see that they get clean air.

It was another Roosevelt, also a great governor of New York before he was a great 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. But the decline of our educational system, the threat of crime and drugs, the economic dependency of so many -- these problems threaten to endanger the very leadership position of America in the next century.

For America to remain competitive will require your best efforts, your executive know-how. The ultimate challenge, as Governor Baliles puts it, is "to become again the Yankee traders we once were." ((Take note, Governor Cuomo, when the Governor of Virginia says "Yankee trader," he's referring to clipper ships, not to George Steinbrenner.)) Your 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, 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.

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.

But to open these doors will require leadership at every level of government. You have already established a great tradition of searching for those opportunities abroad. Now I ask you to include Poland and Hungary on your list. While governors have no formal role in foreign policy, you are becoming our economic envoys and ambassadors of democracy. You are a new force in restoring American international competitiveness and expanding world markets for American goods and services.

Of course, your focus is on the critical domestic issues. As chief executives, we know first-hand how crucial our social health is to the future position of America.

1 A nation in which a half of our youth is ignorant of geography, in which drugs are rampant, in which a substantial

proportion of the population knows little 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.

EDUCATION REFORM

First and foremost are our children and their education. Working together, you and I can raise the level of learning in the classrooms of America.

On April 5, I sent to Congress an educational reform package, based on four 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 nation's governors in a summit, to share ideas and to explore options for educational progress.

Only twice before have the governors met with the president on an issue of vital national importance. Now there will be a third such conference, an historic meeting on education. Today, I invite you to work with me at a governors' summit on education, to be held in at ((location)) on September 27th and 28th. Together, we can find ways to strengthen our schools, to enlarge opportunities and to improve our nation's educational performance.

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 15th, a common-sense approach to crime to deter the criminals' use of 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.

I have proposed tough new laws, including mandatory prison terms, no deals without cooperation and the death penalty for cop-killers. But I need your leadership to see results. Work with me. Toughen your laws. And put the worst offenders behind bars. If you do, we will take back the streets. ((PAUSE))

WELFARE REFORM

Finally, America cannot continue to lead the world if we lag in providing opportunity at home.

Last year, as you know, Congress and the Administration enacted major welfare reform legislation, the Family Support Act of 1988. This Act grew out of a consensus that the well-being of children depends on more than material needs. Children need a family environment that encourages self-sufficiency. In a word: character.

With this in mind, I reestablished the Low Income Opportunity Board within the White House. And I have asked the board to assist you in the complex and time-consuming process of obtaining federal approvals for experiments in state welfare reform. So many innovative policies have come from the states. Let us continue to work together to keep your administrations free to experiment, free to be creative.

In fact, I have instructed the Domestic Policy Council, and the Low Income Opportunity Board, to make flexibility the guiding principle, so that states will have greater freedom to experiment with welfare reform.

And I am pleased to announce that this week the DPC has committed itself to give you greater room to maneuver; and to grant waiver requests as quickly as possible.

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, there has been an on-going competition among developers to retain the title of the world's tallest building. ((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.

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.

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THE WHITE HOUSE
WASHINGTON

July 26, 1989

INFORMATION

MEMORANDUM FOR THE PRESIDENT

THROUGH: CHRISS WINSTON *cw*
FROM: MARK DAVIS *MD*
SUBJECT: NATIONAL GOVERNORS' ASSOCIATION SPEECH

I. SUMMARY

On Monday, July 31, 1989, at the Hyatt Regency in Chicago, you will appear at the annual Summer meeting of the National Governors' Association. You will speak at approximately 10 a.m. for 15-20 minutes, and your text will be prepared on speechcards. The crowd will consist of 300 people -- governors, spouses, and staff. Also tentatively scheduled to speak are Samuel Skinner and Andrew Young.

II. DISCUSSION

This speech addresses three main themes: Education reform, crime, and welfare.

Davis/Martin
July 27, 1989
Draft: Three
Title: Governors

PRESIDENTIAL ADDRESS: N.G.A./HYATT REGENCY, CHICAGO
Monday, July 31, 1989/10 a.m.

Governor Baliles ((Baa-lyles)), I want to commend you on the success of your chairmanship. Governor Branstad, I know you will bring your characteristic energy and vision to the leadership of the Governors Association. Congratulations.

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 . . . And finally, let me salute the Secretary of Transportation, Sam Skinner, who is doing such an excellent job in developing a national transportation strategy.

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 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 counts for a great deal. 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 Jock 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 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, to help those in need and to set a course for the future, 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. And they started a tradition that we are carrying on, today, working together as president and governors for a cleaner environment.

As you know, I have proposed the first major revision of the Clean Air Act in more than a decade. It sets tough standards, and gives states and industry the flexibility needed to reduce costs and break the long-standing legislative logjam. The potential for consensus is there. The American people want clean air. We can work together to see that they get clean air.

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Today, we do not meet in a spirit of immediate crisis. The nation is sound. But the decline of our educational system, the threat of crime and drugs, the economic dependency of so many -- these simmering problems threaten to endanger the very leadership position of America in the next century.

For America to remain competitive will require your best efforts, your executive know-how. The ultimate challenge, as Governor Baliles puts it, is "to become again the Yankee traders we once were." ((Take note, Governor Cuomo, when the Governor of Virginia says "Yankee trader," he's referring to clipper ships, not to George Steinbrenner.)) Your 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 Gdansk, 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.

But to open these doors will require leadership at every level of government. You have already established a great tradition of leading trade missions abroad. Now I ask you to take another bold step, 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 envoys and ambassadors of democracy. You are a new force in restoring American international competitiveness and expanding world markets for American goods and services.

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A nation in which a half of our youth is ignorant of geography, in which drugs are rampant, in which a substantial proportion of the population knows little 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.

EDUCATION REFORM

First and foremost are our children and their education. Working together, you and I can raise the level of learning in the classrooms of America.

On April 5, I sent to Congress an educational reform package, based on four 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 nation's governors in a summit, to share ideas and to explore options for educational progress. I invite you to this governors' summit on education, to be held in at ((location)) on October ((date)). By working together, we can find ways to strengthen our schools, to enlarge opportunities and to improve our nation's educational performance.

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 15th, a common-sense approach to crime to deter the criminals' use of 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.

I have proposed tough new laws, including mandatory prison terms, no deals without cooperation and the death penalty for cop-killers. But I need your leadership to see results. Work with me. Toughen your laws. And put the worst offenders behind bars. If you do, we will take back the streets. ((PAUSE))

WELFARE REFORM

Finally, America cannot continue to lead the world if we lag in providing opportunity at home.

Last year, as you know, Congress and the Administration enacted major welfare reform legislation, the Family Support Act of 1988. This Act grew out of a consensus that the well-being of children depends on more than material needs. Children need a family environment that encourages self-sufficiency. In a word: character.

With this in mind, I reestablished the Low Income Opportunity Board within the White House. And I have asked the board to assist you in the complex and time-consuming process of obtaining federal approvals for experiments in state welfare reform. So many innovative policies have come from the states. Let us continue to work together to keep your administrations free to experiment, free to be creative.

In fact, I have instructed the Domestic Policy Council, and the Low Income Opportunity Board, to make flexibility the guiding principle, so that states will have greater freedom to experiment with welfare reform.

And I am pleased to announce that this week the DPC has committed itself to allowing you greater room to maneuver; and to grant waiver requests as quickly as possible.

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, there has been an on-going competition among developers to retain the title of the world's tallest building. ((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.

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.

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**PRESIDENTIAL ADDRESS: N.G.A./HYATT REGENCY, CHICAGO
MONDAY, JULY 31, 1989/10 A.M.**

**GOVERNOR BALILES ((BAA-LYLES)), I WANT TO COMMEND
YOU ON THE SUCCESS OF YOUR CHAIRMANSHIP. GOVERNOR
BRANSTAD, I KNOW YOU WILL BRING YOUR CHARACTERISTIC
ENERGY AND VISION TO THE LEADERSHIP OF THE GOVERNORS
ASSOCIATION. CONGRATULATIONS.**

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 . . .

ALSO AMONG US IS A GREAT AMERICAN AND A SON OF ILLINOIS, ED DERWINSKI, MY GOOD FRIEND AND A FRIEND TO AMERICAN VETERANS. AND FINALLY, LET ME SALUTE THE SECRETARY OF TRANSPORTATION, SAM SKINNER, WHO IS DOING SUCH AN EXCELLENT JOB IN DEVELOPING A NATIONAL TRANSPORTATION STRATEGY.

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 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 COUNTS FOR A GREAT DEAL. IN FACT, LEADERSHIP IN AMERICA IS INCREASINGLY THE SUM OF YOUR EFFORTS AND YOUR VISION.

THAT IS WHY I AM A FEDERALIST. I WAS THERE WHEN RONALD REAGAN ISSUED THE EXECUTIVE ORDER ON FEDERALISM; AND I WANT YOU TO KNOW THAT I STAND BY IT.

WE BELIEVE IN FEDERALISM, 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 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, TO HELP THOSE IN NEED AND TO SET A COURSE FOR THE FUTURE, 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. AND THEY STARTED A TRADITION THAT WE ARE CARRYING ON TODAY, WORKING TOGETHER AS PRESIDENT AND GOVERNORS FOR A CLEANER ENVIRONMENT.

AS YOU KNOW, I HAVE PROPOSED THE FIRST MAJOR REVISION OF THE CLEAN AIR ACT IN MORE THAN A DECADE.

IT SETS TOUGH STANDARDS, AND GIVES STATES AND INDUSTRY THE FLEXIBILITY NEEDED TO REDUCE COSTS AND BREAK THE LONG-STANDING LEGISLATIVE LOGJAM. THE POTENTIAL FOR CONSENSUS IS THERE. THE AMERICAN PEOPLE WANT CLEAN AIR. WE CAN WORK TOGETHER TO SEE THAT THEY GET CLEAN AIR.

IT WAS ANOTHER ROOSEVELT, ALSO A GREAT GOVERNOR OF NEW YORK BEFORE HE WAS A GREAT 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.

BUT THE DECLINE OF OUR EDUCATIONAL SYSTEM, THE THREAT OF CRIME AND DRUGS, THE ECONOMIC DEPENDENCY OF SO MANY -- THESE PROBLEMS THREATEN TO ENDANGER THE VERY LEADERSHIP POSITION OF AMERICA IN THE NEXT CENTURY.

FOR AMERICA TO REMAIN COMPETITIVE WILL REQUIRE YOUR BEST EFFORTS, YOUR EXECUTIVE KNOW-HOW. THE ULTIMATE CHALLENGE, AS GOVERNOR BALILES PUTS IT, IS "TO BECOME AGAIN THE YANKEE TRADERS WE ONCE WERE."

((TAKE NOTE, GOVERNOR CUOMO, WHEN THE GOVERNOR OF VIRGINIA SAYS "YANKEE TRADER," HE'S REFERRING TO CLIPPER SHIPS, NOT TO GEORGE STEINBRENNER.)) YOUR 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, 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.

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.

BUT TO OPEN THESE DOORS WILL REQUIRE LEADERSHIP AT EVERY LEVEL OF GOVERNMENT. YOU HAVE ALREADY ESTABLISHED A GREAT TRADITION OF SEARCHING FOR THOSE OPPORTUNITIES ABROAD. NOW I ASK YOU TO INCLUDE POLAND AND HUNGARY ON YOUR LIST. WHILE GOVERNORS HAVE NO FORMAL ROLE IN FOREIGN POLICY, YOU ARE BECOMING OUR ECONOMIC ENVOYS AND AMBASSADORS OF DEMOCRACY.

YOU ARE A NEW FORCE IN RESTORING AMERICAN INTERNATIONAL COMPETITIVENESS AND EXPANDING WORLD MARKETS FOR AMERICAN GOODS AND SERVICES.

OF COURSE, YOUR FOCUS IS ON THE CRITICAL DOMESTIC ISSUES. AS CHIEF EXECUTIVES, WE KNOW FIRST-HAND HOW CRUCIAL OUR SOCIAL HEALTH IS TO THE FUTURE POSITION OF AMERICA.

A NATION IN WHICH A HALF OF OUR YOUTH IS IGNORANT OF GEOGRAPHY, IN WHICH DRUGS ARE RAMPANT, IN WHICH A

SUBSTANTIAL PROPORTION OF THE POPULATION KNOWS LITTLE 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.

FIRST AND FOREMOST ARE OUR CHILDREN AND THEIR EDUCATION. WORKING TOGETHER, YOU AND I CAN RAISE THE LEVEL OF LEARNING IN THE CLASSROOMS OF AMERICA.

ON APRIL 5, I SENT TO CONGRESS AN EDUCATIONAL REFORM PACKAGE, BASED ON FOUR 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 NATION'S GOVERNORS IN A SUMMIT, TO SHARE IDEAS AND TO EXPLORE OPTIONS FOR EDUCATIONAL PROGRESS. ONLY TWICE BEFORE HAVE THE GOVERNORS MET WITH THE PRESIDENT ON AN ISSUE OF VITAL NATIONAL IMPORTANCE. NOW THERE WILL BE A THIRD SUCH CONFERENCE, AN HISTORIC MEETING ON EDUCATION. TODAY, I INVITE YOU TO WORK WITH ME AT A GOVERNORS' SUMMIT ON EDUCATION, TO BE HELD ~~AT~~ ~~(LOCATION)~~ ON SEPTEMBER 27TH AND 28TH.

**TOGETHER, WE CAN FIND WAYS TO STRENGTHEN OUR SCHOOLS,
TO ENLARGE OPPORTUNITIES AND TO IMPROVE OUR NATION'S
EDUCATIONAL PERFORMANCE.**

**AS CHIEF EXECUTIVES, WE ALSO SEE DRUGS AND CRIME AS
THE MOST HARROWING DOMESTIC THREAT TO THE FUTURE OF
AMERICA.**

I PROPOSED, ON MAY 15TH, A COMMON-SENSE APPROACH TO CRIME TO DETER THE CRIMINALS' USE OF 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.

I HAVE PROPOSED TOUGH NEW LAWS, INCLUDING MANDATORY PRISON TERMS, NO DEALS WITHOUT COOPERATION AND THE DEATH PENALTY FOR COP-KILLERS. BUT I NEED YOUR LEADERSHIP TO SEE RESULTS. WORK WITH ME. TOUGHEN YOUR LAWS. AND PUT THE WORST OFFENDERS BEHIND BARS. IF YOU DO, WE WILL TAKE BACK THE STREETS. ((PAUSE))

FINALLY, AMERICA CANNOT CONTINUE TO LEAD THE WORLD IF WE LAG IN PROVIDING OPPORTUNITY AT HOME.

LAST YEAR, AS YOU KNOW, CONGRESS AND THE ADMINISTRATION ENACTED MAJOR WELFARE REFORM LEGISLATION, THE FAMILY SUPPORT ACT OF 1988. THIS ACT GREW OUT OF A CONSENSUS THAT THE WELL-BEING OF CHILDREN DEPENDS ON MORE THAN MATERIAL NEEDS. CHILDREN NEED A FAMILY ENVIRONMENT THAT ENCOURAGES SELF-SUFFICIENCY. IN A WORD: CHARACTER.

WITH THIS IN MIND, I REESTABLISHED THE LOW INCOME OPPORTUNITY BOARD WITHIN THE WHITE HOUSE. AND I HAVE ASKED THE BOARD TO ASSIST YOU IN THE COMPLEX AND TIME-CONSUMING PROCESS OF OBTAINING FEDERAL APPROVALS FOR EXPERIMENTS IN STATE WELFARE REFORM. SO MANY INNOVATIVE POLICIES HAVE COME FROM THE STATES. LET US CONTINUE TO WORK TOGETHER TO KEEP YOUR ADMINISTRATIONS FREE TO EXPERIMENT, FREE TO BE CREATIVE.

IN FACT, I HAVE INSTRUCTED THE DOMESTIC POLICY COUNCIL, AND THE LOW INCOME OPPORTUNITY BOARD, TO MAKE FLEXIBILITY THE GUIDING PRINCIPLE, SO THAT STATES WILL HAVE GREATER FREEDOM TO EXPERIMENT WITH WELFARE REFORM.

AND I AM PLEASED TO ANNOUNCE THAT THIS WEEK THE DPC HAS COMMITTED ITSELF TO GIVE YOU GREATER ROOM TO MANEUVER; AND TO GRANT WAIVER REQUESTS AS QUICKLY AS POSSIBLE.

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, THERE HAS BEEN AN ON-GOING COMPETITION AMONG DEVELOPERS TO RETAIN THE TITLE OF THE WORLD'S TALLEST BUILDING. ((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.**

**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.

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