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RGAs

Campaign

REPUBLICAN GOVERNORS ASSOCIATION
10 FIRST STREET, S.E., WASHINGTON, D.C. 20003
202 • 484-6620

CHAIRMAN
GOVERNOR ARCH A. MOORE, JR., W.VA.

VICE CHAIRMAN
GOVERNOR ROBERT F. BENNETT, KANSAS

EXECUTIVE DIRECTOR
RALPH E. GRIFFITH

PUBLIC RELATIONS DIRECTOR
ROBERT W. WITT

Montana Republican Nominee

Woodahl - Rosell Campaign
Headquarters
P.O. Box 3023
1323 9th Avenue, South
Great Falls, Montana
59403
(406) 761-3442



Robert L. Woodahl

Attorney General of Montana since January 6, 1969. Born June 28, 1931 in Great Falls. Married to former Arlene Rae Depner; 3 sons, 1 daughter. Currently serves on State Land Board which administers all state lands and State Board of Examiners which approves and awards most state contracts. Former member, State Board of Education.

Served as Air Force sergeant during Korean War. B.S. degree 1956, University of Montana; Juris Doctor Degree 1959, Montana Law School.

Woodahl's campaign for Governor centers on the need to stop the unprecedented growth in size and cost of Montana state government. Pledges to restore honesty and integrity in State Government. Montana's incumbent Democratic Governor is under fire from the news media for not explaining \$94,000.00 in unreported 1972 campaign funds.

76-ca-6



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RALPH E. GRIFFITH

PUBLIC RELATIONS DIRECTOR
ROBERT W. WITT

INDIANA REPUBLICAN NOMINEE

BOWEN '76
1308 North Meridian Street
Indianapolis, Indiana
(317) 634-7676

Assistant Campaign Manager
Mr. Dan Evans Jr.



Honorable Otis R. Bowen

Governor Otis R. Bowen, M.D. brings to the Governorship a unique background in legislative and state government affairs. Four times Speaker of the Indiana House of Representatives (1967-1972); served 14 years as member of the House before his election as Indiana's 42nd Governor in 1972.

Born near Rochester, Indiana, February 26, 1918. B.A. (1939) and M.D. (1942), Indiana University. Married: three sons, one daughter. Serviced as Captain in U.S. Army Medical Corps during World War II. Public offices include: County Coroner, 1952-56; Member, State House of Representatives, 1957-1973. Governor since January, 1973.

Governor Bowen serves on the President's Commission on Federal Paperwork, Council of State Governments Executive Committee and numerous social, fraternal and professional organizations. Since assuming the Governorship, Bowen has maintained an unusually high (approximately 70%) job approval rating.



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FOR YOUR CONVENIENCE, PLEASE FIND LISTED BELOW THOSE
STATES WITH JOINT ELECTION OF GOVERNOR AND LIEUTENANT
GOVERNOR.

<i>Alaska</i>	<i>Illinois</i>	<i>Michigan</i>	<i>North Dakota</i>
<i>Colorado</i>	<i>Indiana</i>	<i>Minnesota</i>	<i>Pennsylvania</i>
<i>Connecticut</i>	<i>Kansas</i>	<i>Montana</i>	<i>South Dakota</i>
<i>Florida</i>	<i>Maryland</i>	<i>New Mexico</i>	<i>Wisconsin</i>
<i>Hawaii</i>	<i>Massachusetts</i>	<i>New York</i>	<i>Nebraska</i>





REPUBLICAN GOVERNORS ASSOCIATION
601 FIRST STREET, S.E., WASHINGTON, D.C. 20003
202 • 484-6620

Campaign

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1976 - 1977 ELECTION GUIDE

1976 GUBERNATORIAL ELECTION

In 1976 Fourteen States and Puerto Rico will elect Governors. This information, from Secretaries of State and State election boards, is accurate as of January, 1976.

Arkansas

Filing dates: Noon, March 6, 1976 through Noon, April 6, 1976.
Primary: May 25, 1976.
Primary Runoff: June 8, 1976.
General Election: November 2, 1976.

Delaware

There is no provision for individual gubernatorial candidate filing in Delaware. The candidates are selected by party convention and/or party primaries.
Primary: September 11, 1976.
General Election: November 2, 1976.

Illinois

Filing dates: December 8 - 15, 1975.
Primary: March 16, 1976.
General Election: November 2, 1976

Indiana

Filing deadline: March 15, 1976.
Primary: May 4, 1976.
General Election: November 2, 1976.

(over)



Missouri

Filing deadline: April 27, 1976.
Primary: August 3, 1976.
General Election: November 2, 1976.

Montana

Filing deadline: April 22, 1976.
Primary: June 1, 1976.
General Election: November 2, 1976.

New Hampshire

Filing dates: July 1-15, 1976.
Primary: September 14, 1976.
General Election: November 2, 1976.

North Carolina

Filing dates: May 12-28, 1976.
Primary: August 17, 1976.
Primary Runoff: September 14, 1976.
General Election: November 2, 1976

North Dakota

Filing dates: April 24 - July 23, 1976.
Primary: September 7, 1976.
General Election: November 2, 1976.

Rhode Island

Filing dates: June 1-10, 1976.
Primary: September 14, 1976.
General Election: November 2, 1976.

(more)

Utah

Filing dates: April 15 - May 10, 1976.
Primary: September 14, 1976.
General Election: November 2, 1976.

NOTE: In Utah, Party nominating conventions are set by the individual political parties, but must be held in June or July. The two candidates receiving the greatest number of delegate votes are then placed on the primary election ballot. Should a candidate receive more than 70% of the delegate votes in a nominating convention, that individual becomes the official candidate.

Vermont

Filing deadline: August 4, 1976.
Primary: September 14, 1976.
General Election: November 2, 1976.

Washington

Filing dates: July 26-30, 1976.
Primary: September 21, 1976.
General Election: November 2, 1976.

West Virginia

Filing dates: January 5 - February 7, 1976.
Primary: May 11, 1976.
General Election: November 2, 1976.

Puerto Rico

Dates for nominating candidates: April 30, 1976.
Primary election: July 11, 1976.
General Election: November 2, 1976.

NOTE: Candidates are chosen by the political parties in nominating conventions. If a single candidate is not chosen, the top contenders are placed on the Primary election ballot.

(over)



1977 GUBERNATORIAL ELECTION

New Jersey

Filing deadline: April 28, 1977
Primary: June 7, 1977
General Election: November 8, 1977

Virginia

Filing deadline: April 11, 1977
Primary: June 10, 1977
General Election: November 1, 1977

* * * * *

RGA:

Campaign

REPUBLICAN GOVERNORS ASSOCIATION
10 FIRST STREET, S.E., WASHINGTON, D.C. 20003
202 • 484-6620

CHAIRMAN
GOVERNOR ARCH A. MOORE, JR., W.VA.

VICE CHAIRMAN
GOVERNOR ROBERT F. BENNETT, KANSAS

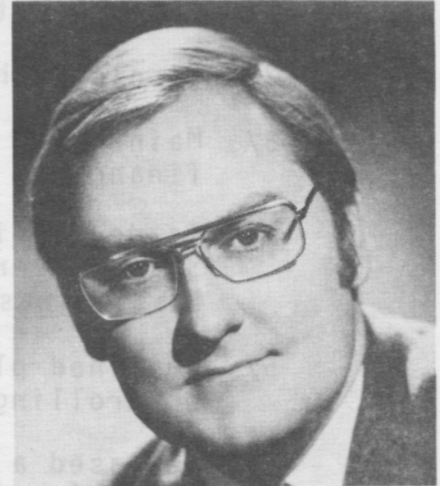
EXECUTIVE DIRECTOR
RALPH E. GRIFFITH

PUBLIC RELATIONS DIRECTOR
ROBERT W. WITT

RGA CANDIDATES -- '76

CITIZENS FOR THOMPSON
110 S. DEARBORN STREET
CHICAGO, ILLINOIS 60603
(312) 443-1976

PRESS SECRETARY: Mr. Dave Gilbert



JAMES R. THOMPSON--ILLINOIS

James R. Thompson, born May 8, 1936 and raised on the West Side of Chicago. Graduated Washington University, St. Louis 1956; awarded law degree-Northwestern University Law School 1959. Served as U.S. Attorney for the Northern District of Illinois 1971-1975 with more than 350 public officials and their associates being indicted during his term on various charges of official corruption. 1959-1964 Thompson served as a prosecutor in the Office of the Cook County State's Attorney, arguing more than 100 cases before the Illinois Supreme Court. 1964-1969 he served as Associate Professor on the faculty of Northwestern University Law School, pioneering training programs for young lawyers in the field of criminal justice. He also served as Chief of the Illinois Department of Law Enforcement and Public Protection.

Thompson has lectured widely on the administration of justice and government. He is the author of numerous articles in professional journals and is the co-author of four textbooks on criminal law and criminal justice. Thompson, a bachelor, lives on the North Side of Chicago.

[over]



Thus far, during his Gubernatorial campaign, Thompson has:

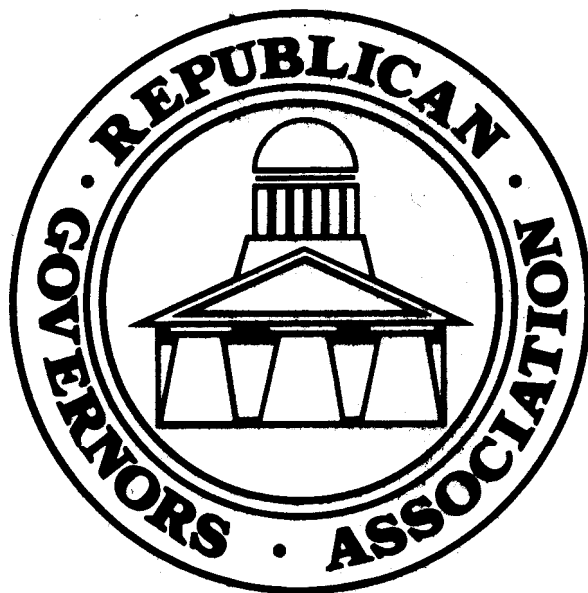
- 1/ Taken positions on more than 40 issues.
- 2/ Disclosed his personal financial status.
- 3/ Maintained an open policy regarding campaign financing.
- 4/ Is developing a proposed plan to reorganize Illinois State Government (the last executive branch reorganization was in 1917).
- 5/ Outlined plans for establishing priorities and controlling State spending.
- 6/ Released a hard-hitting position paper on Standards of Ethics in Government.
- 7/ Formed an Agricultural Advisory Committee to assist in the formulation of practical solutions to farm problems in Illinois.
- 8/ Received more than 45 endorsements from various individuals, organizations and media throughout the State.

* * * * *
* MEDIA NOTE: *As the official Gubernatorial nominees are chosen in* *
* *the 14 States and Puerto Rico where Gubernatorial* *
* *elections will be held in 1976, the RGA will forward* *
* *to you thumbnail sketches of the GOP candidates and* *
* *their positons. For further information, please* *
* *contact the candidate's news secretary or Bob Witt,* *
* *Director of Public Relations, at the RGA offices in* *
* *Washington, D.C., (202) 484-6620.* *
* * * * *

Republican Governors Association Conference

Wichita, Kansas • November 20-22, 1975

Transcript of Proceedings and Debate



Governor CHRISTOPHER S. BOND, Missouri
CHAIRMAN

Governor ARCH A. MOORE, Jr., West Virginia
VICE CHAIRMAN

Governor ROBERT F. BENNETT, Kansas
HOST GOVERNOR





REPUBLICAN GOVERNORS CONFERENCE

NOVEMBER 20, 21, 22, 1975

HOLIDAY INN PLAZA

WICHITA, KANSAS

TRANSCRIPT OF PROCEEDINGS AND DEBATE

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MORNING BUSINESS SESSION

"AMERICA--1776, 1976 and the FUTURE"

FRIDAY-NOVEMBER 21, 1975

CALL TO ORDER BY RGA CHAIRMAN CHRISTOPHER BOND

GOVERNOR BOND: Ladies and gentlemen, to begin the conference this morning, I would like to call on our distinguished host Governor of Kansas, the Honorable Robert Bennett. Bob.

GOVERNOR BENNETT: Thank you, Kit. I want to welcome my Governors here to this Governor's Conference. We are pleased that you are here. We're particularly pleased that Governor Ray and Governor Edwards came in last night and chased the clouds away, as it were, and we hope that throughout this convention, you will enjoy being in Crossroads, USA, and realizing that you are also in the citadel of Republicanism where we have a Republican House, Republican Senate, and a Republican Governor. There are one or two Democrats that did creep in, but we won't read the whole role at this particular time.

I'd like to share with you a telegram which I received from a friend of ours. It goes this way:

"I greet all of you who are gathered at the Republican Governors Association Conference in Wichita. In our recent conversations I have indicated how much I regret not being with you on this special occasion. I want to take this opportunity to congratulate every one of you on the excellent work you have done in the past year and to urge your continued efforts in the future. As Chief Executives as well as political leaders in your states, each of you is a mainstay in our joint effort to seek ways and means of better serving the people and providing more responsive government. As Republican Governors you accept the special responsibility to make the state's role in national policy effective and vital. Your efforts in creativity continue to strengthen and revitalize the Republican Party. While I cannot be with you, Vice-President Rockefeller will be there to work with your chairman, Kit Bond, and your host and also to bring my best

wishes for a most productive conference. With warmest personal regards, Gerald R. Ford."

Also, as is customary in matters of this kind, we normally have the Mayor greet us and welcome us to the city. We have a distinct pleasure here in Kansas because the Mayor of our largest city is also our most beautiful mayor. May I present to you Mayor Connie Peters.

MAYOR PETERS: Thank you, Governor Bennett, and other distinguished Governors and distinguished guests in the audience. This, after two and a half years of being on the City Commission is my first time to welcome people to the city and have to apologize for the weather. At least it did clear up this morning and the clouds are gone and there's bright sunshine and it is a little cold.

I do have a gift to present to Vice-President Nelson Rockefeller, and I have to apologize again. We're in the process of moving from the old City Building to the new City Building, and we did find the key packed away and it's supposed to come in a gorgeous luxurious velvet box. And as soon as we find that in one of the boxes, we will forward that to Vice-President Nelson Rockefeller.

But the key to the city that I would like to present says, "To Vice-President Nelson Rockefeller from Mary Connie Peters, November 21, 1975" and I will leave that with you, Governor.

We would like to welcome you on behalf of all the citizens of Wichita, and hope your conference is a profitable one to all of you and just as a little aside that Wichita although our City Commission is non-partisan, I am a registered Democrat and I don't have very many opportunities to wear my elephant necklace, so I did wear it this morning in honor of this occasion. Thank you very much.

GOVERNOR BOND: Thank you very much, Mayor Peters, distinguished Governors, panelists and guests. I'd like to say Bob, that it is a real pleasure to be in a Republican stronghold for a change. It gives us a good feeling, those of us who are not accustomed to such fine hospitality. We are grateful for the fact that you cleared up the weather and we would be overjoyed if it weren't for the fact that we thought you probably sent it to the state due east and we don't need it in Missouri, too much more.

As we meet this morning, our national election is less than a year away. About this time every four years, we in politics begin to suffer the early stages of election fever and we are prone to talking about the smashing victories and the bright future that surely await us.

But from this speaker at least there won't be that kind of talk this morning. I remember too well last year after I had radiated confidence all fall, when this group of Republican Governors gathered in St. Louis, Missouri, one of our friendly newspaper editorial cartoonists drew a picture of a very small elephant being directed to a phone booth for the RGA gathering. We know what it is to be humble.

And we have learned to generate a moderate amount of high enthusiasm when we talk about election prognosis and the prospects.

Now, I can't come today in good conscience generating empty optimism about the state or nation or the state of our party. I cannot in good conscience report to you encouraging political progress in the past year because that progress is not really in evidence.

I cannot attempt to minimize the economic and social problems that confront our nation at a time when those problems are arousing so much doubt and anxiety among our people. I cannot offer soothing rhetoric when it's obvious that words will make no dent at all in our problems.

It's clear to everyone of us that despite some better news recently, we're suffering from an unhealthy economy; that we have a serious long-term energy problem; that taxes are too high; that federal bureaucracy is virtually out of control, and that millions of our citizens have grown deeply suspicious about both their government and their political process.

Ask the working men and women of America, the men and women who do the shopping, pay the bills, pay the taxes, who worry about their parents, their children, themselves. Ask them how they feel today, and then ask yourselves if you and I have any cause for contentment.

Now, I am by nature an optimist. You have to be to be a Republican in Missouri, and I'm in no sense in despair about either our country or our party. But what I am here to say to you this morning is that both have serious problems that

demand our immediate and continuing attention. As Governors, as Republicans and most important, as concerned Americans, we need to confront these problems realistically and to get cracking with some workable solutions.

By solutions I don't mean simplistic nostrums that appeal only to the frustration and fears of unhappy Americans. I mean some solid, practical, substantive solutions that recognize the complex and unyielding nature of the nation's difficulties.

If American's problems could be solved with patriotic rhetoric they would have been solved years ago. The fact is those problems will give way only to disciplined intellect and extremely hard work and I hope very much that those of us here today will rededicate ourselves to the hard tasks that lie ahead.

I don't have all of the answers. I am sure that none of us do. What we do have here in Wichita is a gathering of some of the finest leaders in the nation. People with competence, concern, compassion and the experience to stand toe-to-toe with our problems and to wrestle with them until they're overcome.

That's exactly what we need in our view because the people of America are waiting to hear from us. They want to know how we propose to deal with their problems. What can we do, for example, for the young factory worker who wants a decent home in a safe neighborhood for himself and his family. Who wants a good education for his kids. Who wants a park or a campsite within range of his home where he can take his family on weekends.

What can we do for the elderly couple living in a substandard nursing home, lacking adequate medical care, watching hopelessly as their meager savings are exhausted.

What can we do for the middle-income family growing increasingly bitter as taxes and inflation eat away at their earnings? What can we do for the working woman who cannot find adequate day care and who is discriminated against in a whole host of ways?

What can we do for the worker who finds his old job gone and who lacks the necessary training to handle a new one?

These are real problems of our people and they are

only a few of them. If we as Republicans are to succeed in the future, we will have to convey to the people of America that we are men and women of compassion and competence and the only way that we convey those qualities is by our actions.

At this conference I hope that both individually and collectively we can reaffirm our commitment to seek both intelligent and compassionate answers to the nation's problems.

A second point I'd like to say a few words about our President and our party. In my opinion, Gerald Ford is a good and decent man who is trying very hard both to deal with the nation's problems and to restore the nation's confidence in the Presidency.

It's not necessary to agree with every decision the President has made. But let's not forget that he took office under as difficult circumstances as any President in our history. He has brought both dedication and candor to the job. And we ought to remember that he's dealing with a Congress that has been hostile and excessively partisan and has demonstrated no measurable ability to face up to the problems we confront.

As he goes about the exceedingly difficult task of trying to cope with this country's problems, both at home and abroad, I believe that President Ford deserves our encouragement, our help, our support and our prayers. He is not in anyway responsible for America's most deeprooted problems, but he will surely need the help of us all as he works to cope with them.

At the same time, while it is unfair to attribute our national problems to the President, I hope we can resist the partisan temptation to pin them on everybody else. This is a time to be looking for answers, not pointing fingers.

Today's problems did not develop last night. They are painful consequences of years of a consumption ethic that depleted our natural resources; of unharnessed growth of the Washington bureaucracy that renders government both unresponsive and unaccountable, and of the adherence to a belief that government had all the answers to virtually to all our problems.

The question we must answer in 1976 is not whose fault are the problems. Neither party can totally wash its hands of the causes. The question is and should be who can best do the job of dealing with the problems, especially the economic problems by developing sensitive and workable solutions.

As we approach the elections of 1976, I hope that neither we nor our President lose sight of the fact that Americans are less interested than ever before in partisan politics or abstract political philosophy. They want leadership. They want help. They want performance, and they want honesty and if we give it to them, we will succeed.

In the same way that we as public officials must be both candid and determined in dealing with public problems, it's crucial that we focus as political leaders on the problem of the Republican Party.

Let's look at some facts. The reality is that today we command the loyalty of fewer than one in four American voters. If you really want to be depressed, think about the fact that among the young people of America, it is one in six. The generations of future voters.

I submit to you that we cannot as a party afford to engage in debilitating or derisive intra-party squabbles and we cannot afford to engage in the politics of subtraction or exclusion.

The Republican Party will not long survive let alone prosper unless we practice the politics of expansion, keeping the spectrum of the party wide, anchoring it in the broad center of American political thought, recognizing the need for capable men and women of diverse backgrounds and ideas.

I reject flatly and unequivocally the odd notion that our party can somehow grow by narrowing its focus and driving good people from its ranks. I believe in the historic principles of the Republican Party. It's a party of genuine concern for individual human dignity and freedom, a fiscal responsibility, of limited and decentralized government, of partnership, not conflict with the private sector.

At its best, ours has been a party of performance. In my judgment, the elections of 1976 from the White House to the courthouse will be won or lost on the basis of performance.

Our people are too wise to be swept off their feet by grandiose promises, either from the far left or the far right. They have grown weary of cosmetic solutions, ones they cannot feel in their pocketbook. They're suspicious of the government, not so much because they believe it is evil as because they do not see it working for them.

Our people demand honesty and our problems demand

realism and hard work. We can serve them best and in the process serve our party best, by frankly acknowledging the problems that we face and by pooling our ideas and our resources here at this conference to work toward practicable, realistic solutions.

Let us come away from Wichita having assured each other and all Americans that we are dedicated as a top priority to restoring a healthy, stable economy and that we're capable of fulfilling that goal. Let us come away with the renewed commitment to a Republican party that is united, that is broadly based and that is responsive to the legitimate needs of all Americans.

And let us come away with an unshakable resolve to pull together in the next year as a great political party in a way that will earn us the confidence in the American people and also earn us the victory that will allow us to continue our efforts to build a decent and humane society for ourselves and for our future generations of Americans. Thank you.

GOVERNOR BOND: As the Vice President makes his way here, I would like to give you a little bit of background on this morning's session.

Next year, of course, is a milestone in the history of the United States as we celebrate our 200th birthday and anybody who hasn't been barraged yet by Bicentennial this and Bicentennial that must have been someplace else. We know that.

As elected leaders of the several states we Governors have a special feeling for the historical dimensions in 1976. In our union is our strength, and as Chief Executives we play a unique and vital role in the federal system.

We plan for this session a Bicentennial program to set a tone not only for this conference, but we hope the historical year which lies ahead. We have on the panel this morning a unique set of speakers to open our discussion and I am sure their presentations will stimulate many questions.

Dr. Martin Diamond, a distinguished political scientist will explore some of the issues of 1776 and analyze the quality in our national life.

Mr. Vermont Royster, one of our nation's most respected newsmen will look at the present and the role of the media in our history.

Mr. Alvin Toffler, the presence of futurists, will help us take a look ahead. This I trust you will find to be an interesting and worthwhile program.

We will stand at ease for a few moments until the Vice President arrives.

GOVERNOR BOND: The gentleman who will keynote our discussion of America is one of the most productive men in America, in both his public and private life, he has contributed greatly to the progress of the country.

As Governor of the State of New York and a member of this association for 15 years, Nelson Rockefeller has been inventive in thought and program. His critical choices commission was established to try to get some focus on issues in public policy facing the country in its third century.

We are delighted and honored to have him with us today to give us his thoughts on our country. A country which has been so enriched by the efforts of Nelson Rockefeller and his remarkable family. I present to you now the Vice-President of the United States.

VICE PRESIDENT ROCKEFELLER: Thank you. Governor Kit Bond, I want to thank you for your generous remarks and to Governor Bob Bennett for his hospitality. It's a pleasure being here and to all the other distinguished Governors and friends and the distinguished members of the panel whom I admire. Dr. Diamond, Mr. Toffler, and Mr. Royster, whom I know all are looking forward to hearing from.

I am deeply grateful for this opportunity and have to say it's a tremendous pleasure to be back in this warm and friendly atmosphere. Your invitation to the annual Governor's Conference is not only deeply appreciated; for me it's a little bit like a college homecoming day, representing particularly the classes of 1959 consecutively through '73.

But speaking for all other classes as well, I bring alumni greetings. Our only wish is that the present enrollment was larger, but then Republican quality belies our numbers.

You suggest I might help set the stage for the distinguished panel to follow in its discussion of the Bicentennial 1776 to 1976. My first observation is that we have thirteen Republican Governors going into 1976 and that there were thirteen colonies in 1776. However that should be no cause for present satisfaction.

Even if thirteen be a lucky number, it's lucky only for those states fortunate enough to have your leadership but it is too few for the country.

The Republicans have only 18 percent of the registered voters. It also is too little. It bodes well neither for the Republican Party nor for the nation which is best served by a vital two-party system, a vigorous two-party system has been the key element in our American democracy. So neither the signers of the Declaration of the Independence or the drafters of the Constitution designed it in that way.

Each of the parties in contending for political office over the years has had to appeal to a wide spectrum of the electorate. At times one party or the other has emphasized a particular political, economic or social point of view. But both have wisely accommodated to change over the decades and enlisted the support from broad segments of American society.

This is a time not only to remember but to reinforce this simple truth. No major American political party can long endure by directing its appeal to a narrow minority, neglecting the opinions, the interests, or the aspirations of the vast majority of the electorate. It will not serve the nation to have our major parties polarize at ideological extremes.

Our American major parties have been, are and should remain open to persons of all backgrounds and a wide spectrum of political opinion. As Governor Milliken of Michigan, your former chairman of Republican Governors Association, said only yesterday, and I quote: "The important thing in 1976 election and beyond is that this party must be a broad based and moderate party and progressive in its approach. It cannot be a right wing political party that excludes broad segments. If it were to be so dominated then as a national party, the Republican Party is through. The party cannot survive the present and thrive in the future if it has a narrow base."

I withdrew as Vice-President for 1976 because I do not wish to be involved in political squabbles nor to allow distraction centering around cults of personalities to distract the President from his all-important responsibilities of dealing with the problems of the people of this nation and of the world.

And to remove the Republican Party to any extreme at a time when the national interests require it to stand for



the concerns of the vast majority of Americans.

My second observation for this Bicentennial panel concerns the American people themselves and their leadership. From what I know of the years leading up to 1776, the leaders of those momentous years were noted for telling the people the plain truth, or in modern vernacular telling it like it is. Witness the Federalist papers.

The Declaration of Independence itself not only told it like it was but summoned the people to a new and united effort to better their lot and condition. The situation today is no less serious. It calls for equal candor and courage.

To illustrate I quote from the Wall Street Journal November 18th, a statement by Lou Harris, the pollster: "We have found the American people distinctly of a mind of late of insisting that the leadership level with them, out in the open on just how serious the problems are confronting us as a nation. If given a choice between seriously trimming their material lifestyle or enduring more cycles of double digit inflation and high levels of unemployment, they find that decision relatively easy, by 77 percent, to eight percent, they would opt for cutting back in their material lifestyles."

Clearly, like 1776 this is a time to face the realities that confront us and to take action. It is not a time for pussyfoot politics nor dodging the responsibilities of planning, always put off until after election the tough decisions of today. Postponement is not progress. It is retrogression.

The problems that cry out for action will neither go away nor diminish. In these critical times the people clearly expect their leaders to put aside partisanship and prerogatives and act to meet the real -- realistically the pressing issues.

A critical case in point is the energy situation. President Ford devoted most of his State of the Union message last January to an eloquent plea for legislation leading to energy independence for this nation by 1985. But as Governor Briscoe of Texas said the other day at our domestic council meeting in Austin and I quote: "If this country had reacted to Pearl Harbor as we have to the energy crisis, we'd all be speaking Japanese today."

Frank Zarb the Federal Energy Administrator set forth

the truths of the energy situation at the Denver Public Forum of the Domestic Council on October 21st, and I quote from him: "The first truth is the energy crisis is real" he said, "and we sold our energy independence for cheap foreign oil.

"The second truth is that the organization of petroleum exporting countries, that's OPEC, is here to stay and is going to continue to increase their prices and maximize their revenues at our expense and that of the rest of the world."

In Frank Zarb's words, if the embargo didn't teach us the lesson of OPEC, we just had a refresher course. The ten percent increase in import oil is going to cost the American people another two billion dollars a year on top of the 25 billion dollars we are now paying and they've told us that they are going to meet again in June to determine how much more American wealth will be transferred from here to there."

Frank Zarb's third truth is that there is no easy way, no easy out. It will require of us both energy conservation and development of oil and gas production from all sources and energy from all other sources. Coal, nuclear, solar and geothermal, if in Zarb's words we are going to regain control over our own destiny and avoid blackmail or a boycott which now could be catastrophic to our nation.

I think all of you realize that those nations on the eastern coast, eastern seaboard now import between 80 and 90 percent of their energy in the form of oil from abroad. And a boycott would totally paralyze the economy. And we have to also realize that the economic aspects of energy are closely related to political conflicts and struggles in the world and that revolves around the Middle East, and while tremendous progress has been made, there is still great danger and therefore, we are not out of this situation yet and we've got to have the courage to be realistic about where we are and what we do and what we face.

His fourth truth is that the era of cheap energy is over. If we do nothing our oil will decline, prices go up and the American people pay higher prices and those dollars will continue to flow from here to there.

If we develop our own resources they'll go up but within the context of our own program. Clearly the American people want the truth about our energy situation and Zarb's statement tells it like it is. And one has to recognize the fact that the close to 30 billion dollars which will be spent next year if employed and spent in this country to produce

energy here would produce in the neighborhood of a million jobs for Americans directly in relation to it and would be the basis for the dynamism and the growth of our economy balanced with ecological objectives and they're not in conflict. We have the scientific and technological skills to do -- to meet both our energy and our ecological needs and do them together, and stimulate the economy, get it off dead center and get employment back where everybody has an opportunity.

Clearly the American people want the truth about our energy situation. Zarb's statement tells it like it is. But what is the compromise action developed by the Senate and the House conferees that was proposed for Congressional Action last week, and how does it face these truths?

First, the compromise would roll back all domestic oil prices and reduce the price of gasoline from one to three cents a gallon during the election year 1976. This would knock efforts to conserve gasoline consumption on the head and could only result in pushing up the petroleum imports beyond our present disastrous level of 40 percent.

Second, after 1976, in other words, after we have celebrated our Bicentennial, and everybody has been reelected, under this compromise plan the price of domestic oil would then start going up annually at the rate of ten percent until all controls expire after 40 months.

As a result, conservative estimates are that by 1978 we would be importing between 50 and 55 percent of our energy requirements for the country as a whole. And as I have already mentioned, let's not forget the East Coast, 80 to 90 percent of its requirements are imported.

Furthermore, the compromise bill contains an average price mechanism that would not only put controls on all domestic oil but will result in the four or five different prices for domestic oil. This can only make worse a Congressionally created administrative process which is already a bureaucratic nightmare.

All this, mind you, when we are talking of the needs for deregulation to encourage domestic production, jobs, growth, efficiency and the elimination of red tape.

The cost of 30 billion we will be spending for imported oil next year as I have said, if spent on domestic production of energy, in and of itself, would produce a million new jobs

for Americans, here at home and remove the devastative vulnerability to our national security.

The sum total of this compromise would be to discourage domestic energy self-sufficiency, make us indefinitely dependent on OPEC oil, transfer even more of our wealth to the OPEC nations, impair our national growth, our employment and indeed our future quality of life.

The whole exercise is more reminiscent of the Missouri compromise than the Declaration of Independence. To paraphrase the Battle Hymn of the Republic surely Zarb's truths will not be marching on.

Your panelists will address our 200 years of independence, the present state of our security, our capacity to surmount the shock of the future. They have a challenging task. Indeed the nation faces unprecedented challenges right now and basic to all of them is the achievement of energy independence, to postpone action, to hide from the truths that confront us is to sell ourselves short in a world where surely problems abound but opportunity is there for the taking. Thank you very much.

GOVERNOR BOND: The Vice-President has a very busy schedule and has to leave shortly, but he has kindly agreed to take some questions if the Governors have points they would like to raise. Or questions they would like to ask.

VICE PRESIDENT ROCKEFELLER: My schedule isn't too busy, I am just going to a funeral. I'm the official funeral goer of the administration, so we're off to Spain this afternoon. Jim.

QUESTION: Mr. Vice President, I can't help but share your concerns about the energy bill and actually what it is going to do to slow down our movement toward energy independence. At the same time those of us that are facing very serious natural gas shortages realize that part of that equation that will help us through the winter has to deal with the continued help in the propane field.

If the energy bill fails to reach an agreement somewhere along the bill, could you give us an opinion as to what chances are that Congress might agree to an extension of the controls on propane?

VICE PRESIDENT ROCKEFELLER: Well, even with the extension of controls somebody if there's a cold winter is going to go without gas and one assumes that the allegations will be for homeowners and therefore, the factories which are dependent in many parts of the country on gas are going to have to close down and hundreds of thousands of men and women will be out of work, in addition to those who already are.

On top of that we were talking at breakfast propane gas of course is used on farms to dry crops and while you had a good dry fall and therefore, didn't need as much as you do under some circumstances, particularly the corn which dried in the field and dried in the bins, still there's going to be a shortage because the companies are going to tend to buy up propane as they can't get natural gas, and use that because they have to have it to keep their factories going, keep the employment.

That will then put tremendous pressure on farm families who use it for drying crops and heating homes. So then they're going to have to be allocations and then you get more allocations and with allocations we can get scarcity but we don't encourage production, and the tragedy of this whole situation is the good Lord was very generous with this country. We have the resources to become self-sufficient in all of these areas. And this is the tragedy and the opportunities here to do it.

Because the prices have been raised by the OPEC countries to a point where domestic production under these prices is profitable. It can be done. Now, nobody knows exactly what methods. There are those, and I happen to be one who feel that the in situ process and I found someone yesterday who was supporting it, where you drill down into a coal vein in a deep coal vein, particularly narrow veins that are hard to mine, set off an explosion, set it on fire, the heat creates the gas, the fire, draw off the gas with a pipe and then you can get the same process you would on the surface by mining the coal and create gassification of coal.

Now, we don't know what the cost is yet. The same is true, we have an oil shale in this country four times as much oil as the known reserves of the Arab countries in the Middle East, but how to get it out of the shale, and if you mine the shale and heat it you end up with oil all right, but you also end up with talcum powder, or what I describe as talcum powder, and there's no water in the areas where the shale is, or non-sufficient quantities to be able to hold it down.

So if you fill a valley with talcum powder and the wind blows it's going to be all over the west, so that obviously is not going to work, but on the other hand, if you go into the in situ process in oil and drill down oil shale, set off an explosion and set it on fire, gassify the oil, pull it up, again nobody knows what the cost is and private enterprise can't afford, or they don't feel they can, to take the risk of a couple hundred million for a commercial operation.

That's why I feel so strongly that the President's proposal of a energy independence authority with a hundred billion dollars authorization to finance these risk areas, gassification of coal, atomic power plants where they cannot get capital on a self-liquidating basis with a ten-year life limitation so that it doesn't become a new permanent bureaucracy.

We just need to have the kind of imagination and enthusiasm this country had when it started and over the last 200 years where we -- the problem was just a challenge and we moved on it. We got all the resources. We got the brains. We got the capacity, the management, the skills, all we need do is get off dead center.

QUESTION: I guess since Jim Rhodes isn't here, I guess somebody ought to say I hope that'll include that Debonium shale gas where that research is concerned.

VICE PRESIDENT ROCKEFELLER: And Jim, he's been to Washington twice, and we just -- there's so many blocks to move, roadblocks that this nation has just got to say and that's why we're so encouraged with that Harris poll and why I read it, because the American people are way ahead of us politicians. At least that's my feeling. They want to go. They believe in this country. This is the greatest country in the world. Everybody else outside the country wants to come here and live anyhow. A lot of them are doing it. Some of them illegally, but -- we just got to have faith in ourselves, confidence in ourselves and get going.

And one of the things this country has been able to do in the past, it's been able to adapt different methods to achieve whatever the objectives were, the people, and we've got all the elements to do this, and I just think and that includes gas and we just got to get going.

QUESTION: Mr. Vice President, what would your guess be as to the prospects for the President to veto the energy bill?



VICE PRESIDENT ROCKEFELLER: Well, the bill hasn't been written yet. There was a broad agreement reached and I know that Frank Zarb feels that this is probably the best agreement that can be achieved, and he's worked very hard to get the agreement.

On the other hand, like any political group agreements are reached depending on what the pressures are from back home, and what they feel the people want, and therefore, if they feel the people want something that's a little more direct in the way of action maybe they'll amend it, modify it before it's finally drawn and presented to Congress and maybe it will be amended on the floor of the Congress in both the Senate and the House and then it's got to go back to conference, so there's quite a long way to go still on this.

And therefore, the President hasn't seen a bill and until the President or a Governor sees a bill, he doesn't like to say whether he's going to veto or sign it. And -- but we do know that the President's objective has been energy independence and that this is not a bold step in the direction of achieving energy independence in a hurry, and it's not only from the point of view of our economy and our way of life, it's our national security. We are totally vulnerable now. Totally vulnerable to a boycott or even blackmail of boycott, which is a position we have never found ourselves in before, and it's a very serious one.

So that I cannot speak for him and I think that he's got to keep his option open until he sees where it is and then appraises what under the circumstances is the best interest of the country.

QUESTION: Could you just take a moment and assess the status of revenue sharing?

VICE PRESIDENT ROCKEFELLER: Well, I don't think it's better than 50/50 passage right now. Revenue sharing to me is a conceptual approach which relates to the strength and vitality of the federal system, namely, it's a shared responsibility between federal, state and local governments.

And that the best government is the government closest to the people, most responsive. We've drifted away from that and a categorical grant system where specific allocations are made by the federal government where you're required to increase your expenditures, where you're required

to live within regulations and Congressional legislation and the regulations are constantly changed, and that there are 1007 of them now. It's put us in a situation where state and local government really no longer control their own destinies because if they want to get this money then they got to conform and they have all these programs and all the regulations and all of the supervision.

Revenue sharing is the only one that doesn't do that. It leaves the money up to the states and the local governments to use as the elected representatives feel it can best be used.

Now, that runs counter to a lot of thinking in Congress and a lot of the special interests groups. So that the pressures against it are great and unless the Governors and the Mayors really -- and the American people -- really make known their feelings, what can happen is just no action.

It's a great way of killing things in Washington, just not do anything, and then it doesn't get renewed and then the money isn't there and one can well ask, with all the attention that's being given to the great city of New York and its fiscal problems that if it does come up with a balanced budget and it does present that balanced budget to Congress and ask for legislation that balanced budget is going to include four of five hundred million a year of revenue sharing money and if it isn't renewed, therefore, the whole budget will no longer be in balance and the whole process will have been knocked into a cocked hat.

So that it's a very interesting coincidence that's taking place and that isn't receiving much attention yet on the Hill.

QUESTION: That could well work to our advantage.

VICE PRESIDENT ROCKEFELLER: If they decide they want to save New York, after New York has taken the steps and I think this is the important thing. I agree with the President the United States Government cannot bail out cities who spend more money than they got, because if they do with one city then the rest of them are going to say well, why should we go through all this very tough -- these decisions-- tough decision making processes, when all we have to do is just spend the money and the Federal Government will pick up the check.

So I agree with him on that. But if the city of New

York with the help of the state and the board they've set up goes through the very tough political and social steps that have to be taken to balance their budget and come up with a balanced budget for '78, which will take three years, they are going to need help to bridge that three-year period, take these short term three billion, two hundred million of notes -- short-term notes and transfer them to long-term and this is going to take some federal guarantee or some assistance.

The President's position is a very wise one, that if they don't take it, which he doesn't think they will, then the bankruptcy laws have to be changed, because the bankruptcy laws have to be changed, because the bankruptcy laws apply to corporations and not to cities, and there would be absolute chaos in New York City.

And what the implications of this would be if it went into bankruptcy now on bond markets for municipalities and states around the nation is hard to imagine. So they should change the bankruptcy laws too so there can be an orderly reorganization. And I think this thing is teetering but I imagine in its relation to revenue sharing, simply because after they have gone through all the process and they come up with a balanced budget, somebody is going to then say, well, goodness if we don't renew revenue sharing, this is just going to destroy this whole structure that everybody's been working on because it will have no validity. And I think this is going to pose a very interesting problem for Congress.

The time is running out on them, though. Yes, sir?

QUESTION: What impact or what is your assessment of the impact that the problems that have confronted the City of New York and the reasons for some of those problems that exist what impact has that had on the Congress as it relates to programs that they're engaged upon of a very similar nature that might lead to the same end results for the nation that they have for the City of New York?

VICE PRESIDENT ROCKEFELLER: Governor, I am glad you mentioned that because frankly, those members of Congress who, some of them with glee point at New York and have never liked New York anyhow and you know, or New Yorkers -- it's one of those things -- but anyhow, they got to just look in a mirror and you have put your finger right on it because they're doing what New York's done only in spades.

They got a 60 billion dollar deficit whereas New York's is what, down to a billion or something and they got

accumulated deficit but look at the accumulated deficit of the Federal Government.

Now, you're absolutely right, the same pressure groups are working on the Congress. The same forces that are leading them to be fiscally irresponsible are the ones that led New York to be fiscally irresponsible and the only difference is that Congress has got a printing machine.

Now, the trouble is that when you print money, you debase the money. You devalue the money and therefore you have inflation and that inflation results in a hidden tax because it reduces but it hits those who can least afford the worst. I mean, it's the senior citizens. It's people on retired pensions. It's working men and women whose paychecks just have the money taken out of it because the buying power goes down, and so Congress really I think is sooner or later -- and it's only going to do it when the American people really say to Congress, look, take a look at yourself and see what you're doing.

QUESTION: That leads to the second aspect of what I wanted to ask you to comment upon. It seems to me that as a political vehicle, the Republican Party, that we have an opportunity to put the blame where much of the blame lies when the people of this country are concerned about excessive spending and deficit financing, and the budget that continues to spend far more money than we ever hope to be able to receive in revenue, it's the Congress that has been controlling the situation.

The President doesn't appropriate any money. He can't spend any money except that which Congress appropriates or borrows. It seems to me like that one of our great opportunities this year is to point out to the American people where much of that blame lies.

The other Party has been in control of the Congress most of 40 years now.

VICE PRESIDENT ROCKEFELLER: No question you're right and politically you're right, but the American people in my opinion have gone beyond just the politics and they want the Republican Party to come up with an alternative.

In other words, it's fine to place the blame and say these people have caused this and they're spending all this money, but then they want to know all right, that's where the blame belongs now what do we do about it. And I think the Republican Party not only has got to point that out, but then

they got to come up with a program as to how we as the nation are going to meet these problems and get our house in order just like everybody is telling New York how to get its house in order, we got to do this on a national scale, and it's not easy. And it's going to be tough.

QUESTION: I don't want to extend this, but doesn't that take place by our position that we ought to approach a balanced budget, that we ought to cut out the excessive spending and I realize you can't balance the budget overnight or in one year perhaps or two years, but we have to move in that direction. And it seems to me that this is the strength of our basic position before the American people in 1976.

VICE PRESIDENT ROCKEFELLER: It's great and I agree with that's what's got to be done, but it's how do you do it realistically. I mean we can sit back here in this nice, very friendly warm atmosphere and we'll all agree on the problems but the question is how do we actually achieve this for the American people.

How do you take these 1007 specific programs, each of which is helping some individual groups, each of which has got a huge bureaucracy and all kinds of regulations, each of which has got a constituency, how do we come up with a plan. To me this is the challenge of the Republican Party. How do we come up with a plan which is realistic and doable that the President will present to the Congress as the alternative because it's good to identify the problem and it's good to place the blame, but you can't stop there. You got to go on and come up with a solution.

And the American people in my opinion are way ahead of us, as I said before and what they are now looking for is a solution. They're ready to go and we got to have the imagination and creativity and the depth of understanding to come up with solutions to this problem other than just saying we should balance the budget, because that's not going to happen just by saying it.

We got what, 18 percent of the people registered and we got one-third of the Congress and we got less than that in terms of Governors so maybe we say all these things but there must be some message out there that the people haven't quite gotten around yet to accepting it without something a little more substantive as to how the needs of the nation can be met and restore fiscal integrity on the basis of which we can only continue and reestablish our strength.

QUESTION: Haven't we got to help the American people to understand, that we reestablish our priorities a little differently from what they are now, that we -- it just doesn't relate to money. It relates to programs which the Government has embarked upon and it seems to me like we're on solid ground on some of those programs, that will help reduce this problem we have and it's a simplistic way of saying it but I don't have any bill of particulars for the questions you pose, but we do it with people who take a different approach to governmental problems and try to educate the American people who not necessarily demand the kind of things that Congress has been willing to give them, just upon request over the past two or three decades.

VICE PRESIDENT ROCKEFELLER: I understand what you are saying and I agree but I think the added ingredient in that needs to be a clear and -- there's a marvelous opportunity here in our 200th anniversary -- Bicentennial, to have the President present to the United States in his State of the Union message an approach to our national problems which is sound, which builds on the great heritage of our country, the strength of our country that meets the realities of what we face right now in just the things you're talking about, the fact we're spending 60 or 70 billion more than we have in money, causing inflation. We have high unemployment and the economy is not rolling, he's got the chance to come up with specific recommendations for Congressional action.

Then we got one year before elections or it's not a year, but during that entire year and during that period, depending on what Congress does, the American people then have a chance to judge, see, between President's Republican program and the action of a two-to-one Democrat controlled Congress.

Now, that to me crystallizes the issue around substantive solutions and not just that we're in trouble and we're spending too much. Because that spending has got a lot of support by people who either are the bureaucrats who are paid under the programs or those who get the trickle end of the benefits, what's left is not spent by the bureaucrats on the way through.

And so that I understand what you're saying and I am just adding really to your position one more which is, if we were in power, what would we do? And seeing the President is in power, he's got a great chance to show what he'd do even if the Congress doesn't act on it. I hope they will, and I think that what impresses me -- you mentioned the Democrat/Republican -- Democratic Governors whether it's in California

or in Massachusetts, New York or wherever it is, they're talking just exactly the way you are on this, but they're coming around, but that message hasn't gotten through the Congress yet. So that I'm hopeful, but it would help if they would crystallize. I will take one more and then I'll go.

QUESTION: Maybe the one more is that hope that you will take back a message. I guess in the words of one of our distinguished colleagues from the other side of the political aisle, it's time we sent Washington a message.

And I think that message can do what Mills is talking about and do what you're talking about, and that is as Republican Governors, it seems to me we have a particularly good opportunity and I hope we'll take it, as an organization to attempt to get to the President before his State of the Union message and point out that probably too many people in the country believe that when you talk merely about balancing the budget, they're going to be the ones balanced out.

And if we can point up the insanity of these categorical programs and that we are willing, as Governors, in states to take some less money if there were a change from the categorical to block grant programs and at the same time we would help balance the budget, we would help eliminate the highest priced welfare program in the country, and those are all the federal auditors and program managers you got and more money would get to the ultimate beneficiary of those programs and it seems to me there's an opportunity which won't ever get across to the President from Republican or Democratic members of Congress and somehow we got to get that message through, because I think it is a message that would do both what you are talking about as well as what Mills is talking about.

VICE PRESIDENT ROCKEFELLER: Well, I think that's right and the President understands this. You're right that his colleagues in Congress are perhaps less sensitive to it than you Governors are because you're out on the firing line and you have to make the decisions. As Harry Truman, the buck stops with the executive, whether it's the White House or the Governor's Mansion, but I just think that a clearcut program - the Republican Party has been known in my opinion and is respected for its ability to solve problems that we're doing as a party, and when the people really want something done then they elect Republicans, and that this is the time and they expect us to come up with solutions to the situation we're in and so I think that the President presents those solutions to

the Congress along the lines you're talking, then it crystalizes this issue for next year, and believe me, this is a great period in the Bicentennial as we look ahead to the next 200 years to lay the foundations, face realistically the problems and tragically, the people I think and I've been traveling with Jim Cannon and Cabinet members on these Domestic Council review hearings.

Instead of Government in Washington being the solution to their problems, people are beginning to feel that it is the problem and that they're really worried and this message comes through loud and clear everywhere -- they're worried about bureaucracy and red tape and the inability to get a decision which permits them to do their thing, whether they're Governor or whether they're business corporate executive or a housewife, or an individual. They just want to be free so that we can get back to being able to do and I think Government's got to create more of a framework and let's get involved in the decision-making and everybody's life and try to tell them how to do it.

Now, we can say this, but the reason I feel about what Mills is saying that we need to come up with an intelligent clear program for action, such as, as you say, take these categorical grants and put them into block grants and the very moment you eliminate large number of categorical grants, all the staff and all the red tape goes with it, and then you get then greater freedom in a block grant with perhaps a state plan as to how they'd use it and then that gives the Federal Government its opportunity.

Of course, the 16th Amendment is really what did this when back in 1913, when the Federal Government got the right to impose income tax and the income tax is the fast growing tax and that's why the money is in Washington and that's why they got all this money and that's why they have gotten into these programs because this just keeps rolling up on them.

Well, I'm probably-Mills will be out for appealing the 16th Amendment. I would just like to thank you all very much for letting me be here. Best of luck.

GOVERNOR BOND: Mr. Vice-President, I know that we would like to talk with you all morning. The small but highly efficient bureaucracy which handles your schedule has said that it's time for you to go. We do appreciate very much your sharing your ideas with us once again. Thank you, sir.

I would now like to ask our panelists if they will take their seats as designated to the right. We come to the special feature of our Bicentennial program, the appearance of our panel of perceptive commentators on the American nation.

We wanted our first speaker to take a look at the roots of our republic and speak with relevance to today. The man we've chosen for this assignment is Dr. Martin Diamond who through dozens of articles has given us fresh and illuminating glimpses of America's birth and growth.

Dr. Diamond is professor of political science at Northern Illinois University, but he's a man who wears many hats. He's currently a Fellow at the National Humanities Institute at Yale University and was a fellow at the Woodrow Wilson International Center for scholars in Washington, D. C. Since he follows the Vice-President, I suppose I should mention that Dr. Diamond is a former Rockefeller Fellow and he's written a chapter for a book being edited by Irving Kristol, a speaker at one of our earlier conferences, which is to be published by the Commission on Critical Choices.

In 1973 Dr. Diamond gave a lecture which was televised by Public Broadcasting and the current public interest contained several articles on American including one by Dr. Diamond entitled "The Declaration and the Constitution, Liberty Democracy and the Founders".

We are very pleased to have him with us today. Dr. Diamond.

DR. DIAMOND: Governor Bond, I thank you for the introduction. Governor Bennett, for the hospitality and I want to say I instantly recognize a certain bond of sympathy that characterizes us and I appreciate his making me feel at home in that detailed respect, as well as in others. It's a splendid opportunity to reflect on the nature of American institutions and the principles of American life and I feel greatly honored to have the opportunity.

I want to use it to discuss the idea of equality, the idea of equality as it presented itself to Americans in 1776 and the idea of equality as Americans and others in the world now think of it.

And in beginning those observations I would make this observation in particular. Every age has some dominating central idea. Every political system has some dominating central idea from which radiate out all the institutions and

the processes and the texture of life in that age or in that political order.

The dominating idea of this age as the great French analyst put it, is the idea of equality. Equality is therefore at once the source of the blessings of the age and also the curse of the age. Every dominating idea is the one that determines for the society its blessing and its dangers.

The central idea is the one that can do the greatest good and by that token it is also the one that can do the greatest harm. Therefore, equality is for us. The central principle we have to grapple with and derive good from and the central principle from which the greatest dangers to our lives likewise lurks.

In 1776 what was the fundamental thrust regarding the idea of equality. We may look to the Declaration of Independence. We've all quoted it. We've all been through a thousand recitations of it. It's drilled into us through endless repetition but let us try to look at it as if it were a fresh text and see what precisely its understanding was of the idea of equality.

The Declaration says that it holds certain truths to be self-evident. That doesn't by the way mean merely evident to us. It means evident in their nature. They carry the evidentiary proof of truths within themselves, and it was evident to us, and that's why we held them and we meant to make those truths evident to all mankind by the excellence of the society we erected on the basis of those truths.

Now, we held to be self-evident the truth that all men were created equal and are endowed by their Creator with certain unalienable rights, life, liberty, and the pursuit of happiness. Now, from those two central self-evident truths, equal creation and equal endowment with certain unalienable rights followed further truths, namely, that just government, legitimate government derived its just powers from the consent of the governed.

Now, that's the crucial point in which the Declaration gets interpreted. We believe the Declaration to be our great egalitarian democratic document. I want to submit that it is not at all a democratic document in the decisive sense the Declaration of Independence says nothing whatsoever about democracy and that we have permitted ourselves to allow it to

be transformed rhetorically and to speak to us in different accents than the originally intended meaning. We are created equal, each of us, according to the Declaration and therefore each equally determined the form of government under which we shall live. That's what the phrase "consent of the governed" means in the Declaration. It does not mean what we're going to do in 1976, elect a government, doesn't mean what we did in 1972, elect a government.

It doesn't mean the governed consenting to each administration. It means the governed consenting to the form of government under which they shall be ruled, but what form of government. Any form of government provided it secures to them their equal right, to life, liberty, and the pursuit of happiness.

One simple proof of the truth of my interpretation of the Declaration is this. The Declaration of Independence doesn't say there was anything wrong with George II, only George III, there's nothing wrong with George I, or William or any of the others who preceded. The English monarchy and continued colonial rule under the English monarchy is absolutely legitimate according to the Declaration provided it had not become tyrannical in the person of George III.

Therefore, the Declaration of Independence teaches that governments are perfectly legitimate and may be consented to by the people provided whether they be monarchical, aristocratic or democratic provided that they secure for the people equally their equal rights to life, liberty, and the pursuit of happiness.

The Declaration of Independence therefore teaches nothing whatsoever about egalitarianism, about a general achievement of equality, about the further development of equality in every walk of life. The Declaration of Independence does not have equality as its end. It has only an absolute devotion to equality of liberty for all. The end of the Declaration is a system of liberty and not a system of equality.

It limits equality exclusively to the equal achievement of equal liberty. We have lost the rhetorical thrust of the Declaration by permitting it to have been transformed somehow into a democratic document teaching democracy in general and equality in every realm and walk of life. This is to pervert the meaning of our heritage and on the occasion of the Bicentennial it behooves us to return to the original and in my

judgment wiser meaning of the Declaration than that which contemporary rhetoric makes of it.

Where did democracy then enter into our lives. Where did the democratic form of government come from. The Declaration left the American people in 1776 so to speak, with three or four options. We will now be independent and our principles oblige us to choose either a monarchy or an aristocracy or a mixture or a democratic government, but whatever we choose, we will arrange it so that we will be the beneficiary of secure equal liberty thereafter. The options were wide open. There was no theoretical reason why we could not have chosen any of the three pure forms, monarchy, aristocracy or democracy or a combination.

The Constitution was the moment in which the American people opted for the democratic form of government.

Now, for those of you who are extremely well-educated in political science and history, which means the entire audience, this will seem like heresy and nonsense because if you were really well-educated, you were taught by Charles Beard and all his heirs exactly the opposite of what I am saying.

In 1913 Charles Beard wrote a most influential book an economic interpretation of the Constitution. Vernon L. Parrington extended it into literature, a hundred historians and political scientists have extended it throughout the last 50 years, and its interpretation is the interpretation of this school of historiography, the Declaration democracy, the Constitution frustrated democracy. What we have to do is get back to our original desire for democracy and equality and more equality and more democracy.

There was in my judgment an intellectual perversion of the meaning of the fundamental documents of American life, and a fundamental twisting of the relationship and it is in that perverted understanding that generations of American students have been trained.

I don't speak of willful or deliberation perversion, no such nonsense but simply a deep intellectual misconception which flows from the domination in our age of the idea of equality. It became impossible for historians and political scientist and literary critics to look back on 1776 and not twist it into the shape of the egalitarianism of the 20th Century. There was not a willful seeing, but a predisposed seeing of egalitarianism beginning to emerge in the American

origins. It is a false understanding, the evidence simply will not support it. We are impoverished by that understanding and there is a Bicentennial opportunity for serious reflection upon the meaning of the original materials and a Bicentennial opportunity to return to our sounder and truer intellectual origins.

To summarize my point to this moment in the presentation, the Declaration says equal liberty. The Constitution says okay, on a democratic basis. But it's democracy sober, democracy cautious. Democracy on trial. The old phrase that kids in school learned in 1900 was the Constitution was an experiment in democracy. That was a lovely phrase and it had a fine, clear meaning. It meant an experiment to see whether there was a democrat way to achieve liberty.

That was what was new in the world. The Constitutional decision to create a democratic form of government that would attain the end of liberty. Therefore, American democracy is a sober, self-doubting, self-conscious cautious democracy always regarding itself on trial and the test and the trial is, is it fulfilling equal liberty.

There is one important sense and which I must acknowledge, however, that the Declaration had a democratic character and I make this point briefly.

In comparison with the thought of the preceding 2000 years, the thought of Plato and Aristotle, the thought of August and Aquinas, in comparison with the thought of a 2000 year philosophic tradition of the west, the Declaration democratized the substratum of society, the Declaration democratized the foundations of society in this sense; all earlier thought had held that human inequality was so great that government had naturally to reflect that inequality, and that the superior were as a matter of right, entitled to rule the inferior.

Kings, aristocrats, barons, squires, to rule villians, serfs, artisans, ordinary subjects and citizens. The Declaration denies that. The Declaration denies that human inequality is of such a character and of such extent as to warrant rule by some over others as a matter of right, but the Declaration says we may let you rule because of your naturally superior gifts, but only as a matter of choice, only if we choose you.

Now, that is a deep and important democratization of government, and that was the original American idea, and I

conclude now by reading, if I may, a page from something I am working on at the moment.

"American democracy as understood by its founders then, whether in the Declaration of Independence or the Constitution, made only a modest claim. It never denied the unequal existence of the human virtues or excellences. It only denied the ancient claim of excellence to rule as a matter of right."

Now, this denial is of immense importance because in contrast with the ancient justification of the political claims of the few, it deeply democratizes the very foundation of political life, but the American political order in 1776 still presupposed that an inequality of virtues and abilities was rooted in human nature and that this inequality would manifest itself and flourish in the private realm of society. The original American democratic idea therefore still deferred to a relatively high idea of virtue, the while denying its claims to rule safe by popular consent.

Indeed, not only was the idea of inequality, of unequal virtue and excellence acknowledged and expected to flourish in the American society, it was the proud claim of American democracy that it would be the political system in which inequality merit incarnated, for example, in Thomas Jefferson's idea of the natural aristocracy, would flourish more than anywhere else.

American democracy did not present itself as a world in which equality would be achieved, but as the world in which true inequality would most flourish, in which natural excellence rather than artificial aristocratic pretense would most flourish. So little then was the original American democracy egalitarian; it was meant to be the true and natural order of inequality in which a just, democratic citizenry would reward excellence in every field.

Nothing, in my judgment, is more dangerous in modern America 1976 than those subverting conceptions of human nature or of justice that deny there are men and women who deserve deference because of their virtue in excellence or who would deny to democracy to American democracy, its aspiration to be that system which best defers to the truly deserving.

One last comment. Somehow the world has made an incredible blunder, in my judgment, and it's very easy for professors to decide that everybody else has made incredible

blunders. That's how we make our living, pointing out the blunders of all the existing literature. Have you not been in classrooms endlessly in which that professor had the true poop on everything. That's the experience of my students at least. All other similar claims, of course, are false.

A blunder, in the thinking that the human issue is equality versus inequality, inequality is a fact. There is no point in denying it. Inequality whether manifested in Willie Mays, or the Cincinnati Reds; inequality whether manifested in a Horowitz or a musician; inequality in art; and inequality in golf; inequality in every realm of life. The beauty of human existence is that there are some who are superb for the rest of us to appreciate.

That is an ineradicable, inextinguishable feature of human existence. The issue therefore is not whether to achieve equality as against inequality. The political choice of every regime and every society, which inequalities to let flourish. Which inequalities to depress. Which to nurture. Which to hone. Which to sharpen. Which to enhance and which to crush. If you close the door, it will come in the window. If the windows are closed, it will seep through the cracks. There ain't no way to destroy a natural phenomenon like inequality.

Modern egalitarianism is simply the shield and the slogan of the cunning to rule in the name of equality. We made an earlier decision in America to allow the natural inequalities to flourish in a peculiar liberty oriented American democratic form of government. In our founding documents, the Declaration, the Constitution, the Federalist in Toteville, in a hundred of the great early writers and understanding of our lives, is a huge Bicentennial resource for statesmen and thoughtful citizens, and I thank you very much for indulging me in my expression of a view of them.

Governor Bennett: Thank you very much, Professor. We are going, in the absence of objection, and I am sure there is none to change the order a little bit because our next speaker has to catch a plane and being a man that is in line with the future, he doesn't want his plane catching to be in the past.

Today, we are very pleased to have with us Mr. Alvin Toffler, who as all of you know is the author of Future Shock which won the McKenzie Foundation Book Award and he's going to tell us what's going to happen in the future, hopefully with revenue sharing.

MR. TOFFLER: Well, I don't know that I have the blueprint but I think that what I have to say does by implication deal with revenue sharing and also deals with equality and diversity in society and it also starts from the idea that we do have a right to choose the form of government we want, and that we are not necessarily nailed to the one we have.

I'd like to start today by proposing a strategy. I'd like to propose a strategy for lifting the pall of pessimism out of this country. A strategy for deparalyzing us. A strategy for releasing tremendous new national energies for the period ahead. And I believe that both parties can find common ground in at least some parts of this strategy.

And I think it is important for us to identify some of these roadblocks and to ask ourselves whether they are simply superficial. Whether they are the result of the wrong men being in power. Whether they are the result of wrong ideologies or whether in fact they may not be built into the structure of the political system that we now have.

We're here today to talk not just about the long-range future of this party or that, but about the whole system of government, and indeed about the system of society that we're in and I'd like to speak about the breakdown of this system.

I believe that we're passing through a revolutionary period, and that we had better understand this revolution if we're to survive over the next few decades and that this revolution will change, not only our economic system, but our family structure, our values, our community structure and our deepest assumptions about equality, democracy itself. I call this enormous historic upheaval the super-industrial revolution.

What we're seeing is the breakup of the system but it's not the capitalist system or the communist system. It's the industrial system of which capitalism and communism are both variants. What we're witnessing is the beginning of an upheaval on the scale of the neolithic revolution of 10,000 years ago or the industrial revolution of 300 years ago.

We have been living in the civilization created by that industrial revolution. It created a system, a way of life. It's not just a matter of factories, smokestacks. It's factory mass production, but the system also includes mass distribution, bureaucratic large scale bureaucratic organizations, a materialist value system. The ideas of standardization

and similarity and homogeneity in the society. The idea of centralization of power, mass communication, all the industrial societies, whether we're talking about the Soviet Union or the United States share these characteristics. We all have mass production, mass distribution, bureaucratic organization, materialist values.

We all standardize. We all centralize. We are all dependent on mass communications. We are all part of a money system. A world money system. We are all dependent on fossil fuels. We are all built around the nuclear family system. We all are dependent on big cities, big government, big corporations and we are all part of the nation state, and I could go on to list many, many more characteristics that are shared by communists and capitalist, and socialists, social democrats, regardless of the political form industrial societies are preconditioned on the existence of these structures.

You can't have an industrial society without that list and a lot of the other things as well.

All of these are parts of the interlocking system. You don't get one without the others. Mass communication serves mass merchandising in this society, which in turn serves mass distribution which in turn is a precondition for mass production.

Family arrangements in this society grew up the way they are because the factory civilization is more compatible with the nuclear family of father, mother and a couple of kids than it was with the old style agricultural family with large numbers of children and old folks and relatives all in the same house, all functioning as an economic unit.

So that the subsystems or the parts of the society form an integrated whole and that whole that we have lived with for the last 300 years is industrialism and that system is a world system. It comprises within it 25 percent of the world's population and it dominates or has dominated the rest of the planet, during these two or three centuries.

Now, it's important for me to emphasize that because and I usually say that I speak to you not as an American citizen, which I am, but as a citizen of that industrial civilization which I also am and which includes the entire industrial sector of the world, and it is this system which I believe is now coming apart rapidly, and that many of our current political

problems cannot be understood unless we understand that they are reflections of the crackup of this industrial society.

If we look at industrial society anywhere, we begin to see that the basic life support systems on which they are dependent are beginning to become unstable, irregular, overloaded. Whether we look at the energy system, health delivery system, postal services, welfare, the family structure, the value system, the urban system, everyone of these subsystems of industrial society is now in crisis, everyone.

When I wrote Future Shock a few years ago, the first signs of strain were already visible, but the crisis of industrialism had not yet reached the economic system. It seemed then that we were on an escalator to affluence and that that was going to continue linear extropolated progress forever.

Now the upheaval in industrial society has begun to reach the economic system as well as these others. And it is producing wild oscillations, it is producing strange new economic conditions which are uncharacteristic of industrial society and which is why, despite political marijuana to the contrary. This country is still -- still has an economy which is not functioning and again not just the United States.

This economic crisis that all the industrial societies are experiencing in one way, shape or form, or another, reveals how obsolete our conventional economic models, stabilizers and theories are. Most of our economic regulatory mechanisms were designed to prevent a recurrence of 1933 or 1929. We built a whole set of very intelligent mechanisms for preventing another massive depression. We trained a whole generation of economists around that idea. That's what they were to do with their lives and what we did was to create a Maginot line which the new technologies have bypassed just the way Hitler's technological warfare bypassed the Maginot Line that the French created.

The system of economic structures that we've created were not designed for a world in which there are 180 billion unregulated Euro-dollars. It was not designed for society -- for a system of very large scale transnational consortium banks. It was not created for a world in which multi-national corporations represent a very significant percentage of total production. And it is therefore not surprising that the world economic system that all of the industrial nations are a part of, is out of control.

And that is creating a new kind of economic crisis that can't be interpreted in the old ways. What you get is a combination of the two things that never were supposed to go together, inflation and unemployment. And all of this complicated by a real, not a fake, ecological crisis on the face of the planet, all of this potentially further complicated by technological breakthroughs on the one hand, disasters on the other hand, oil spills, the dangers of fast breed and nuclear reactors, the dangers of war, geopolitical shifts and so forth.

Unless we see that the situation we're in now is different from any one in the past, we're likely to make very serious mistakes in applying routine that worked, but no longer works. But it is not simply all those other systems and the economic system that's in trouble. It is also the political system.

The super-industrial revolution has struck the political systems of the industrial nations. For us, in the United States, traditional industrialism reached its final mature stage in the late fifties and early sixties. Since then we've been moving beyond industrialism into new forms of technology, new kinds of social structures.

The decade of the fifties and early sixties was a decade when the number of service workers in this society came to outnumber the blue collar workers, as the blue collar workers had come to outnumber agricultural employment. It was the decade when the computer and the jet made their appearance. Along with television, birth control and birth control pill and many other major technologies. It is also the last decade when America had a normal presidency.

Since the early sixties this country has lived with a broken presidency. In 1963 John F. Kennedy was assassinated. In 1968 Lyndon Johnson refused to run again. In 1968 Robert F. Kennedy was assassinated in the midst of his candidacy attempt, campaign for the nomination. In 1972 George Wallace, another Presidential contender was shot. In 1973 Vice-President Agnew was forced to resign. In 1974 President Nixon was forced to resign.

Since then the nation has had an unelected President and an unelected Vice-President who has since announced that he would not seek that office again and the assassination threats have become a common almost weekly occurrence as this morning's news about Mr. Reagan suggests. These are facts and they cannot be ignored.

Whatever we make of this sequence of events, it reveals a profound instability in our political system, in our institutions that precisely parallels the instability of our economic system. The broken presidency however, is only one symptom of a much more general political breakdown. We are also seeing the breakdown of parliamentary democracy in country after country.

I have traveled around the world and I have talked with political leaders in country after country after country from New Zealand in Australia, in Japan to Israel and France and Denmark and Britain and everywhere the mood is the same in all of these industrial countries, the mood is the same and you hear the same things.

The editor of La Stampa in Italy has written, too many democratic countries are simultaneously a prey to political instability. Britain and Italy, the United States, Belgium, France and Israel. In Australia just recently for the first time in 75 years, a democratically elected party holding office has been forced out of action by a Governor-General appointed presumably theoretically by the Queen.

In Japan Prime-Minister Miki says we increasingly hear of a worldwide crisis of democracy. Its problem solving capability or the governability of democracy is being challenged. In Japan too parliamentary democracy is on trial. Parliamentary politics is in crisis.

When we hear about the Congress not being able to react appropriately to a national challenge I think we have to ask ourselves whether that's a purely American problem or whether in fact that's not happening in country after country.

And similar sentiments being expressed by politicians as well as by citizens everywhere that we cannot, and I believe we cannot understand the political crisis without seeing it in the larger context and we cannot understand that larger context until we understand the basic features -- some of the basic features of the super-industrial revolution that's moving through the world.

There are, I believe, two important features that can be singled out. One of these is that the super-industrial revolution is not just a change of direction. It's also a change of pace, of speed. We are accelerating. We are living

in a highly interlocked high communications environment and as a result of that and many other factors things move faster and social and political changes occur more rapidly. It is not just an acceleration of new technologies, it's an acceleration of new crises and new potentials in the system, an accelerated flow of information as the cameras in the back of the room suggest.

Politically, this means that events now move so rapidly that we scarcely remember yesterday's crisis long enough to learn anything from it. How many here can even remember the first name of a man named Calley or another man named Crow or any of a list of people who made the covers of Time Magazine a year ago or two years ago, and around whom the political drama of the country focused for a short, transient moment.

The acceleration of change also produces more strange, unfamiliar, bizarre first-time situations. First-time problems to cope with which means problems, that means problems that cannot be addressed through precedent and old procedures. The near bankruptcy of New York is a first-time event. The ouster of the Australia government recently is a first-time event. The existence of an unelected presidency here is for all practical purposes a first-time event. The British referendum on the common market is a first-time event.

None of the old rules will help us to deal very well with those first-time events. If we do have old rules, we had better reinterpret them in terms of the new situation. None of the great statesmen of the past ever had to deal with so rapid and surrealistic of flow of events as a normal part of the environment. Every past leader had to face crises.

There were upsets and wars and insurrections and plagues and disasters of one kind or another, but they weren't the everyday grist. They were not the normal circumstance.

And I believe that this rapid turnover of change alters the politics of the society as well. It means that how we introduce change into the society becomes very, very important. It means that certain changes have to be resisted consciously and others consciously accelerated. It means we have to choose more carefully among them. It means that people have in their bellies an unsettled, worried feeling about change and many of them suffer from future shock as a consequence of the future arriving too rapidly.

And yet there is no way out of the system. There is

no way to stop change. What the change does is to place demand on all our organizational systems whether they are political systems or corporations or hospitals or schools or churches, it places a demand on us for more rapid decision making. We are confronted with situations about which decisions must be made at a faster clip than ever before.

Now, at the same time that's saying to us hurry up and make decisions, it's also saying slow down, because you're faced with situations you never faced before. You can't just use the habit. You can't respond out of routine. You got to invent a response to the New York crisis, to the Australia crisis, to the common market situation. First-time events required inventive responses and those are more difficult than the routine decisions that a more stable environment permits.

A second major characteristic of the super-industrial revolution is a change of direction as well as pace. One of the features of all industrial societies, Russian, American, Japanese, Swedish, doesn't matter. All industrial societies have placed a heavy premium on standardization, uniformity. They tended to wipe out diversity. They standardized our products, our homes, our tastes, our values, our lifestyles. They emphasized the similarities among people rather than the differences among people.

This was exemplified in the United States by a particular history, and it's all wrapped up with the notion of the melting pot. In the United States -- the United States was an agricultural nation and it wasn't really until the Civil War when the north won the Civil War, then an irrevocable commitment was made to industrialization. At that point a decision was made, that we were going to be a great industrial power.

We had a problem however, unlike the European countries that were already industrializing we had a frontier and that meant a continual hemorrhage in the labor supply. It meant people moving west. It meant a chronic labor shortage in this country and we responded to that, we could not build the necessary industrial work force that we needed with the people we had here alone. We could create industries faster than we could man or woman them.

And so we came up with our immigration policies. We invited people from Hungary and Yugoslavia and Russia and Poland and Ireland and Sweden and Germany to come over here and

help man the new industrial order that we were creating. There was one problem. Industrial work and industrial civilization required uniformity, it requires people who speak the same language, share the same values, get up at the same time in the morning, eat the same foods, et cetera.

And people coming from all those different parts of the world did not fit the bill. They were too diverse. They were insufficiently uniform for the needs of the technology of that period, and so we came up with a fantastic invention. It was called mass public education. Mass public education did marvelous things for America. It, in fact, educated lots of people. It helped democratize the society in ways that I would find preferable, but it also had a secret curriculum, and all the time that generations were moving through that system studying English and algebra and mathematics and history, they were -- which might be called the visible curriculum -- they were also learning an invisible curriculum.

And the invisible curriculum was punctuality, show up on time, march when the bell rings, obedience, take orders, don't question them and rote, do routine and repetitive work and it just so happens those are the requirements of the industrial system. Factory workers have to be punctual, they have to be obedient and they have to do routine and repetitive work.

And so we created an enormous institution to essentially machine tool generations of children to process them in a way that would make them useful, for the industrial order. Again, that was not a conscious decision necessarily. It was not a conspiracy. It was something that grew out of the culture.

Along with that came the ideology of the melting pot and the American way of life. Along with the process of homogenizing everybody and trying to wash out the differences came the notion that we were all equal, came the notion that we were all the same, came the notion that we should give up our ethnic backgrounds and our racial differences and melt into the pot. That was an appropriate strategy for an industrializing society. And with that came a mythology, a whole myth called the American way of life.

I can remember when I was a kid growing up in high school assembly at least once a week, in the pages of the newspaper, the phrase the American way of life appeared again

and again and again. Lately we don't hear that so much and I think there's a reason for it. If you look closely at that phrase you will find that the key word in that phrase, the operative word to use a famous political adjective, the operative word in that phrase is not American and it's not life, it's the first word "the". It presupposed that there was only one socially approved, socially acceptable legitimate way of life for this society. The approved standard model of an American way of life.

Now, our society did deal with diversity. It had diversity before. No civilization could exist without it, but the basic pressures of an industrial society worked against it.

In 1966 a black man named Stokely Carmichael took a walk in Mississippi and he raised his fist and he said, "Black Power" and he sent white America into a two year chill. The newspapers and the American psychi were filled with paranoid delusions that the blacks were out to take us over and that they were going to murder us in our beds. That they wanted to take power away from the majority of the country. It took a couple of years before the message began to filter down to us that that's not what it was about.

That really what it was about was the right of a minority in a society to maintain its identity and to be proud of it. That black is beautiful just the same as white and that blacks have a heritage that's worth preserving just the same as Hungarians or Jews or Protestants or any other identifiable group in the society, and lo and behold, just after we hear about black power and this discussion moves through the American press, we soon begin to hear about Irish power and Polish power and Italian power and Jewish power and every other conceivable ethnic group like the gay liberation movement came out of the closet.

Suddenly it became acceptable to have a hyphenated name and to be not just a WASP but to be other variety of American as well.

I have to ask myself why did this happen and why did it happen then? Why didn't it happen 30 years ago. Why didn't it happen ten years later and why is it happening outside the United States as well, because in fact, what we witnessed is precisely the same process now going on in industrial country after industrial country. Just to the north of us the French speakers in Quebec are saying to the



Canadian government, we want the right to speak French. We demand bilingualism or else some of them say we will secede. It is happening in France. The Corsicans are shooting up the police and demanding independence from the French. The Bretons have an independence movement. The regions are all autonomy. The Alsatians are saying it is chic and fashionable to speak Alsatian instead of French. My British political friends used to laugh at me when I said that Scottish Nationalism would be significant force, but this week it was agreed that Scots and Welsh would have their own regional assemblies and get a devolution of political power, a degree of political power down to them. That's their form of revenue sharing.

And it will be followed by something like revenue sharing in one way, shape or form or another. I would argue that what we are witnessing is a gigantic centrifugal process that the old mass societies are breaking up and becoming demassified and that's a fundamental part of the new era we are moving into. That we're moving toward a diverse society, a heterogeneous society instead of a homogeneous society and that this has exact parallels at the level of products which are more diverse, the level of technologies that we use which are more diverse, at the level of education where we move toward individualizing instruction increasingly, in the diversity of media that is springing up in this country so that regions have their own press.

There is New York Magazine for New York but there's Big D for Dallas and there's St. Paul Magazine and Atlanta Magazine, a whole series of regional publications cropping up. What we are witnessing is the demassification of the mass media as well, except for television, but the next stage of electronic communication when we get the cable and we get the cassette, we will witness a diversification of that media as well and politics too, is becoming demassified.

Which is another way of saying that the consensus is harder and harder to find. And so we hear in every country those who lament the past crying for lost unity, calling for harmony. English politicians call for the Dunkirk spirit. Here we talk about the Pearl Harbor spirit, continual nostalgia for the old days when life was easier, less complicated and more homogeneous and less free.

Diversity I would argue is a life giving survival mechanism for this society. The movement away from industrial

uniformity is a positive move, not a negative move. It helps us survive just as a farmer knows, if he's got several crops he stands a better chance of getting through some environmental shift than if he has everything in one basket, everything into one crop and geneticists tell us the same thing about the necessity to preserve racial and cultural strains.

Politically, however, this breakup of consensus poses significant problems for us. What we have is a demassified society but a political system which is not yet capable of handling the high level of diversity that that kind of civilization requires. Our political system was essentially or adapted to the needs of a mass industrial civilization, not a massified society. It was built to respond to mass sentiment, majority opinion, mass protest. Moreover it was built to operate at much slower speeds than are now required.

And now when we force it to make faster and faster decisions about demands coming in from every direction what we do very simply is to overload the political structure and it is no wonder therefore, that political fuses are blowing everywhere. It is no wonder that the presidency is broken. No wonder that the decisions produced by this system are so often too little, too late and too unimaginative. No wonder that the system is wobbling and oscillating, no wonder that we go back and forth between doing nothing about a problem until it mushrooms into a crisis and then racing in with ill-considered badly designed, haphazard crash programs.

This swing back and forth between underreaction and overreaction is a classic symptom of future shock.

Okay, then, how do we get out of the trap? What kinds of policies might we intelligently pursue in a period of this kind of historical revolutionary turbulence? No one has a blueprint and if they do, I would mistrust them. We are moving into unknown territory, but one thing seems clear we need some kind of strategy for change. We need some way to channel change rather than letting it overwhelm us. We need in short some sense of direction and a process for arriving at it.

I call that process anticipatory democracy. Anticipatory because we better start anticipating the future rather than just letting it happen. Democracy because unless we find ways to involve millions of ordinary citizens in the process we will find the future staked out by a handful of

elites, corporate, political, academic and other elites. Each of whom has carefully looked out for number one, while no one has looked out for the public as a whole.

The strategy of anticipatory democracy can help us as a nation to oriente ourselves in the midst of this confusing, seemingly chaotic change. It can also help pull us out of the paralyzing pessimism we're in. What does such a strategy entail?

First, number one, it entails a vision of America 2000, an image of what a workable decent democratic America would look like if instead of facing the past, we began to design conscious policies for the transition out of a traditional industrialism into a super-industrial era based on new kinds of technologies and new kinds of social structures, family institutions and community arrangements.

What we need is simply not one vision however, but many alternative visions of what this country might look like 25 years from now as we end one millenium and start another. It is a time for the two great parties of America, both of them if you will forgive me for saying so in this room, both of them museum pieces in a rapidly changing society, both of them relics of the industrial era to begin to explore America's vast possibilities and put forward positive images of tomorrow.

And it's time in the process of doing this for us to get rid of some of our obsolete mental baggage. Let us throw out the old ideological rigidities born of the old industrial world. The old labels of right and left, the old new deal rhetoric and the old free enterprise claptrap also. We live in a new world, a new emerging super-industrial economic order and it doesn't fit the models of either the conservative purist or the liberal Keynesian or the Marxist or anyone else. Simply put, nobody's got the truth.

We have to admit -- let us admit that these old ideologies don't work and start applying all of our intelligence and imagination to formulating positive images of America 2000 and let the Democrats and Republicans generate these alternative images and publish them together for the nation to debate. Let both parties organize open meetings all over the country, inviting all their members and non-members as well to feed in their ideas for new technologies, new approaches to employment, to ecology, to housing, to health,

to community life and family structure, bearing in mind not just our present enormous problem, but also the fantastic potentials that this society does in fact still have. Americans, I would submit are starved, starved for positive images of tomorrow. They have been beaten on the head with so many problems that they have been blamed so often for being violent, or criminal or racists or gluttonous or just plain evil, they have been bombarded with crises from so many sides that they have been paralyzed into an extremely dangerous political passivity that could overnight, in my opinion, convert into raging violence.

Positive images of super-industrial America, and an America worth living for and perhaps even dying for, could re-energize America. But that's only step one.

Step two we will need transition strategies for making a peaceful transition from industrial America we have known to the super-industrial America 2000. Nobody has the answers to what such an America will be, but there are plenty of questions and we'd better start addressing them.

Of course, we confront immediate problems. Severe and urgent problems of unemployment, inflation, finances, relations between the cities, states, regions and Washington. The problems of bureaucracy but unless we attempt to solve these problems in the light of certain well thought out strategies aimed at long-range goals, we will simply compound the crises.

While we decide whether to regulate or deregulate or to pass an emergency unemployment measure or to change the tax system or to grant the withhold money to New York, change goes on, and for that -- and what we need to be considering as we look at these immediate problems are questions like what technology would a super-industrial America require. Which one should be encouraged and which ones discouraged or even banned. What will or should the family structure of America look like at a time today in America when one-fourth of all our children in urban areas are children of single parent households. What does that mean for the family structure of the future. What should it mean.

What forms of education will produce the new kinds of work force and the new kinds of human beings that this new society will require. What mix of manufacturing, agriculture service and specifically human service should we shoot for as

we move into this new stage of America. How should we alter the distribution of population in the country over the course of the next generation. Had somebody been thinking about this 30 years ago New York probably wouldn't be in its present mess.

How much resource independence should we be able to achieve, not just energy but resource independence as well. Is it possible? How much do we want? What reserves do we need to create? What should the rising role of the regions be in American life? Should America's great regions also seek a degree of self-sufficiency? How should the tax structure be changed so that we free our giant cities of suffocating state, yes, state, as well as federal controls? And free the states from oppressive federal control.

How might we move to decentralizing the economy. How as a society might we move to breaking up our giant institutions, corporations, unions and government bureaucracies into more manageable chunks providing more autonomy and democratic participation at the same time, and how do we do this while maintaining some degree of equilibrium with the outside world and particularly the non-industrialized world?

These are enormously complex questions and I don't pretend to have the answers to them, but any answers and any decisions we make today had better be made in the light of those long-term questions, and they cannot be handled, we cannot make intelligent decisions unless it is in the light of some vision of a society worth having. I am not suggesting that a multiplicity of these visions will automatically eliminate conflict at all. Political conflict in the society is good up to a point. It is necessary and healthy.

But it will raise the discussion to a much more intelligent and constructive level.

Third, I think we are going to have to get used to the idea of planning. There is no way in my opinion that we can survive the historic transition out of industrialism into super-industrialism no way that we can make that transition peacefully without planning for it, and this means planning not just by the great corporations, all of whom do a great deal of planning, but also by the public, by government. I believe that Americans are far in advance of the politicians in this regard. They may not know a cross-impact matrix from an econometric model, but they know that events are out of control and that we're bumbling our way into the future.

Again and again I am asked as I travel this country, and I go to places like Arkadelphia, Arkansas and Salt Lake City and Baton Rouge and Keene, New Hampshire and I am asked everywhere, "How come we were caught offguard by the energy squeeze? How come New York's financial problems weren't spotted years ago and averted? How come we are still busy building schools where we don't need them? How come nobody's been looking and planning ahead?"

Increasing numbers of businessmen too accustomed to planning in their companies are aware that countries like Japan, France, and Germany also engage in government planning and have done so for years without falling into the arms of the Bolsheviks. Many of these businessmen recognized that our danger to engage in government planning is dangerous to their survival.

So I think we have to get over our irrational fears of planning. But having said that, I think we should not get over our rational fears, our rational and wellfounded fears of planning. There's a good reason for us to be afraid of planning and the reason is that the only kind of planning we've ever known in all of these industrial countries has been a certain brand of planning which has been technocratic, dominated by experts and bureaucrats, short-range, vulgarly and stupidly economic centered, as though if you got the economy to work, everything else would be all right.

And it has been centralized and topped down planning. It has been anti-democratic from beginning to end and this is the style of planning that has been tried and largely failed in many countries, both communist and capitalist and yet this is what certain well-meaning advocates of planning would like to produce in this society. They think if we have an economic ran corporation in Washington, we can solve our problems.

I would argue that that's a dangerous delusion, that planning is essential and not just at a national level, at a transnational level, but if we allow planning to be done nationally and transnationally and we don't start thinking about the role of the regions and the states and the communities in that process, we have in fact sold our freedom.

A super-industrial society is demassified and diverse and it can't have master plans drawn at the center and handed down. That's not the way it can work. Consequently we need diverse strategy for different parts of the country

for different communities, for different groups in the society and no elitist centralist planning system can provide those.

Where does that leave us? It leaves us with a need for a new kind of planning that we are going to have to invent. The Russians invented the other kind, the top down planning. We are going to have to invent bottom planning in this society and we're going to have to blend that with some national coordinated mechanism.

Which brings us to the democracy part of anticipatory democracy. I would like to suggest that we pass what might be called a national participation act and participation is not the same as equality and it is not the same as majority control. It is the same as people feeling a part of their civilization and contributing to it. What we're seeing today has been called the age of the anti-politician. People mistrust government as we have heard here again and again this morning. It is an age also, however, of the anti-expert. People have learned that experts alone can't solve our problems. Everywhere people are complaining that the future is being determined for them over their heads without their participation.

And this vast deep public mood is not right wing or left wing. It affects every stratum in the society which is why we hear the message, let's take our government back from the bureaucrats and the politicians and the experts. This attitude ought not be ignored or frustrated for very long.

What people are saying is that we can no longer trust our elected representatives or the bureaucrats or experts alone and make the basic decisions for us. This anger and bitterness and disappointment could explode into violence, I believe during the difficult years immediately ahead. The people do know that the crises are complicated. They do not want easy demagogic pap. They know there's no easy way out and they are demanding in their own way I believe a chance to participate in solving those problems.

Easier said than done, I know, many difficulties. We need experts, lots of citizens don't get involved when they are invited to. Some of them aren't terribly well-educated. We know all of that, but the question is who is to choose the alternatives or the goals for the future of this country and how do we resolve conflicts. No easy answers to those, but I think we're going to have to try.

Fortunately, there is some exciting experiments

around this country and some of the Governors in this room have had something to do with them. In Iowa last year a program called Iowa 2000 if I am not mistaken, Governor Ray can correct me, brought together 35,000 to 50,000 citizens to talk about what the future of the State of Iowa ought to be like 10, 20, 30 years down the line.

In the State of Washington, a very rather sophisticated, elaborate planning program involved tens of thousands of citizens in trying to -- in discussing what the goals of the future of Washington ought to be. Should it industrialize more rapidly. Should it emphasize agriculture. Should it place more weight on recreational tourist economic institutions. To what degree should it become a port of entry for Asian culture and trade and so forth.

All of these questions discussed not just by a handful but by very large numbers of citizens all of these issues dealt with on television, all of them echoed in the press with ballots so people could actually voice their opinions on these problems and also with random sample telephone surveys and mail surveys of the state to get some sense of what people, not just the experts have to say about these problems.

I mention these not because these are the answers to our problems. These exercises have a long way to go but they are now taking place in one form or another in as many as a dozen or two dozen states in this country, some of them with official state backing, some of them independently of the official government of the state.

And in hundreds of cities, there are experiments in citizen involvement in long-range goal formulation. I believe we can expect to see more experiments with referenda, with the use of two-way interactive television, with new ways for citizens to feed their ideas into Congress, not just letters but the right for example, to petition Congress to create special committees, with juries, with what might be called planning juries on which ordinary citizens serve with the official planners, with the demands for worker-consumer and community participation in industry, in schools and our other institutions.

Any attempt to create a planning system for this country which ignores those participative efforts which seeks to impose a top down elitist centralist planning system needs to be fought, I think, with everything we've got at our command.

The problem is not democracy or planning. The problem is how to combine freedom and futures. And this is why I think we need national participation act which would, one, provide startup funding for statewide 2000 programs in every one of the 50 states with special emphasis on programs for widespread citizen involvement. I know that's saying we want some federal money. I don't think that that necessarily rules it out.

Such anticipatory democracy activities could help identify new opportunities for economic and social development in the country, by drawing on the ideas of the public by involving hundreds of thousands, ultimately millions of Americans in a national debate on America 2000.

No proposal for Bicentennial year would be more appropriate. I think we need to provide assistance to state and local planning agencies and to hospitals and to schools and community institutions to help encourage them to improve their planning on a five or ten or twenty year basis. Again, plans arrived at with widespread citizen involvement, not Mickey Mouse involvement, but genuine participation.

I think we need to create a national institute of participate to study all forms of citizen involvement from referenda and proportional representation, electronic balloting and the use of television and radio in interactive modes, to employee and consumer representation in industry both here and abroad. The issue of participation will be one of the central political questions in the years ahead and yet there's no systematic investigation and evaluation of past and present experience, let alone imaginative exploration of the new forms made possible by new technology such as cable television, computer and so forth.

When it comes to participation we are long on rhetoric, short on reliable data and even shorter on practical, down-to-earth proposals, a national institute for participation could help solve some of them. I think we need to provide incentives for industry, to experiment with a wide variety of forms of employee ownership, employee participation in planning, consumer and public representation, and other innovations that will improve the participatory planning capability of companies as well.

The future performance of our economy will increasingly depend on the ability of corporations to plan their

long-term investments.

I sat yesterday with a group of top corporate planners and they were saying how -- why is it we have employees in our company and you have them in your state bureaucracies as well, who are absolute drones who contribute absolutely nothing but when they go home are absolutely fireballs in their community. They are organizing churches and fund drives and community health programs and doing all sorts of things that they somehow are not able to contribute to within the framework of the structures they are employed by.

Companies know this and it's a problem they're going to have to cope with as well. Passage of a national participation act could begin to move us toward the truly participative society that a democracy is supposed to be. By involving millions of ordinary citizens we do not eliminate those who are naturally gifted or elite, but we allow them to interact with large numbers of people and not enclose themselves either in ivory towers or in the narrow specialties that always blind the expert.

Finally, the time has come -- this is the last proposal -- the time has come to reexamine even our most basic structures of government including the Constitution of the United States. The strategy of anticipatory democracy calls for us to take a long hard look at the Constitution itself, and ask what kind of Constitution would serve an America 2000. The Constitution of the United States is one of the masterworks of our civilization. It is a magnificent document, and has served us well for 200 years and in its time it was not merely a revolutionary statement, but one that expressed the deepest sense, in a deepest sense, the hidden premises of the then emerging industrial civilization.

The very idea of checks and balances suggest the frame of reference of the founding fathers and mothers. They were aware of the latest science and technology of their age, aware of the great scientific and philosophical work of Newton who saw the whole universe as a gigantic machine filled with cosmic checks and balances.

The Constitution was designed for a world in which agriculture was still dominant, but it already spoke in the machine language of the future. It was a document drawn up

to serve future generations as well as the needs of the moment, but the world it reflected is to a considerable degree gone. Not only the simple age of simple agriculture is gone, but the age of industrialism as well is vanishing. The Constitution specified the relations between cities, states and the federal government.

It fixed terms of office, specified procedures that reflected the leisurely pace of communications and decision-making and debate in that era, when they were still inventing the post office and had not heard of computers. The time has come to start reexamining our entire political structure, not merely the executive bureaucracy and the burdensome regulatory machinery, but even the separation of powers, the terms of office, our electoral procedures, our federal, state and local relationships. The time has come perhaps to expand the Bill of Rights. No corporation, for a single instance, would attempt to manage its affairs according to a table of organization drawn up with a quill pen 200 years ago.

The political problems that face us are not simply the problems of leadership or finding a better man or a better woman to run for this party or that. They are problems of structure as well and I believe that the roadblocks the Vice-President was talking about are inherent in the structure of the system itself, and thus we need to open for discussion a whole series of questions about that structure. I don't have an alternative Constitution. I don't know what additions, subtractions or modifications ought to be made, or in fact, maybe at the end of the discussion, we should decide we don't want to make any, but I know that our Constitution needs to be reexamined and we need to think of it in terms of a Constitution that will help us meet the totally new conditions we're likely to face in the dramatic years immediately ahead.

Perhaps the time has come for both great parties jointly to say to Americans, that now in our 200th year it is not only necessary but in fact our patriotic duty to discuss openly, intelligently, and with maximum democratic participation the form that a revised Constitution of the future might or should take. Maybe next year, as part of the Bicentennial and in preparation for the elections, each state should propose a proposed Constitution so that we can discuss 50 alternative Constitutions for the future of these United States.

Only if we are prepared to debate fundamentals, only if we are willing to face the need for dramatic change, will we be able to deal with the dramatic changes that are avalanching toward us.

In closing, one last paragraph. Whatever else the founders of America, of America 1789, or America 1800, whatever else they may have been, they were above all brilliant social inventors, facing the dawn of a new industrial civilization. They consciously created a framework for the future. They were politicians. They fought over immediate issues. They had their own self-interests. They operated under intense political pressures, but they had one eye on the future, and they created a new form of government because they had few precedents appropriate to the new age.

That is precisely the situation we face today, as we too stand at the edge of a new civilization. I think we got to move beyond the politics of maintenance, deluding ourselves that we can hold on to the past by oiling a gear or balancing a lever. We got to move into the politics of creative invention, and only if we pursue a strategy of anticipatory democracy can we hope to make a reasonably peaceful transition out of industrialism and into the super-industrial age.

I thank you for this opportunity.

GOVERNOR BOND: Thank you, Mr. Toffler. I know that you have a plane to catch, do you have a minute or two to take questions?

MR. TOFFLER: Just about.

GOVERNOR BOND: All right, they are quick questions. Governor Holshouser.

QUESTION: Mr. Toffler, in listening to your idea about participation act, do I sense that you feel that our electoral process, our representative form of government simply isn't working and we're going to have to turn to something that's different?

MR. TOFFLER: I think we need to at least explore those possibilities. What we have is a system based on majority rule which was a magnificent idea -- exquisitely appropriate to a society based on mass production, mass consumption, mass education, et cetera, et cetera. We need to reexamine that. I

think that we're going to face some very hard theoretical political questions in the years ahead. I am not prepared to give up what we've got. I am not prepared to dump the system we got. I am not prepared to alter that Bill of Rights or to reduce that Bill of Rights by as much as one iota, but I am prepared to recognize that what lies ahead are big, big changes and that the notion that what we have will necessarily be able to serve us. That that will automatically work, I think needs to be reexamined, and as far as the national participation act, any one of you when you are not wearing your Governor's hat, and you are just taking a taxicab someplace and you talk to that cabdriver, I think you can know from that conversation whether he feels that he is adequately represented in the representative system that we got.

The answer is no, most people feel totally unrepresented by this system. Not because it's bad by design, not because it's intentional but because it is so incredibly complex and so macro-scaled that we are all dwarfed by the institutions we've created.

We, I think, have the imagination within us to invent alternative institutions that will be more democratic, not less, better institutions, more workable, given the new technological and social environment we're moving into. I think we shouldn't be afraid of that challenge.

QUESTION: If our present system feels that cabdriver -- has that cabdriver feeling he's not properly represented there was a time and I am not sure it's past, when I would have said, you know you got a chance to change that by going to the polls and isn't there perhaps a better way of working within our present structure of saying let's give some new dynamism to the electoral process so that that cabdriver is going to go out and change things if he doesn't like it and doesn't feel he's being represented.

MR. TOFFLER: Basically, that's what I am suggesting but I am also saying that it may require more than fine tuning. The economists have found they can't fine tune this economy. I think the political scientists and political theorists and politicians will find you can't just fine tune the political structure. Something I suspect more fundamental than just a more dramatic candidate or more grassroots meetings by the

parties or more television or what have you. That's not enough. That we tried a lot of and it turns out to be largely cosmetic when it comes to involving people, and I think that we have -- you see, we got technologies available to us we have never tried. There are ways of using television and radio in an interactive mode. There are ways of using -- we got fantastic resources in the society to do this with but nobody's thinking about it seriously. There are no resources for it. Nobody's attacked that as a central political question of the society.

There is such a focus on curing the economic crisis that there is very little imaginative thinking going into how do you cure the political crisis and a recognition that the two are part of the same thing, part of this transition.

GOVERNOR BOND: Governor Evans, you had a question.

QUESTION. I can certainly testify that our experiment which is admittedly at the -- at its beginning, leads to some immensely turned on citizens. People who haven't felt that they were participating or that no one listened. The ballots we sent out and the request we made for citizen response carried back with them almost uniformly their additions in terms of personal letters and that sort of thing expressing their hopes and their desires.

But I guess my question is in talking about a year 2000 or 25 years ahead, we began our process with the feeling that at least at the beginning it's very difficult for people to even judge what the framework may be, what will be invented, what will be operating with that many years ahead, is it practical to really at least start this process looking ahead that far. We finally settled on ten to a dozen years feeling that most people would feel some association with that time period ahead, and that we would have some idea of what framework we would be operating in in terms of the tools we had to work with.

MR. TOFFLER: I think that's a legitimate question and I think that there is a question about how do you get people freed of their old cliches so they can think more imaginatively about the longer range when they're worried about their immediate survival, their pocket, their paycheck and so forth.

I understand that, but I believe and I don't think the issue of whether it's looking ahead 25 years or looking ahead 15 years or 12 years is the central issue. The central

issue is that the idea of the future, people feel that the future is being taken away from them and if we can connect up the idea of anticipatory stance toward the future with the idea of democracy and participation, we've got a powerful mechanism for unleashing all kinds of energies in the society.

There are lots of questions, lots of weaknesses even with the Washington program in my view. Nevertheless, we need lots of experiments of that kind to begin to move toward the development of a bottom up kind of planning system for the society.

GOVERNOR BOND: Governor Godwin has asked for one last quick question. I will forego -- I'll call on him for a quick question but planning in the very short-range, the time has come to catch your plane, so if we could have a quick question and quick answer and then we'll close it.

GOVERNOR GODWIN: I suppose my question would provoke a very lengthy -- let me say to the good doctor that he has certainly presented a very stimulating and provocative discourse this morning. But I am all befuddled now about what we're celebrating during the Bicentennial year.

I thought we were celebrating a birthday of 200 years that had brought to us a standard of living that's unsurpassed in the world, with participation in government that was free and open for the most part. You seem to suggest that on our 200th birthday that we ought to move toward the year 2000 by rewriting our whole basic document of the Constitution, in order to create an anticipatory democracy that seems to me that in the process of accomplishing that that we would destroy by deemphasizing and demassifying an industrial machine in this country, a standard of life that might spark an insurrection among our people.

MR. TOFFLER: Governor, I think the question is a legitimate and serious one and I really wish we had a chance to discuss it. I would only say that I am not suggesting that we demassify our industry. I am saying that there are certain trends occurring in our industry and in German industry and in Swedish and in Japanese industry that are doing it for us and that are part of a move forward, not

backward, technologically and economically and what I am suggesting is that a political system has to have some compatibility with the economic and technological structures of that civilization and that that was the case when the magnificent documents and systems that we now have were framed.

They had some compatibility with the future that they saw coming down the line. I think we need to at least open the question of whether we shouldn't be thinking the same way that they did.

GOVERNOR BOND: Thank you very much, Mr. Toffler. Our third panelist today is Editor Emeritus of the Wall Street Journal, although retired from the Journal, he continues to write a weekly column for that newspaper. In his long journalistic career, he won a Pulitzer Prize for distinguished editorial writing in 1953, Sigma Delta Chi award for contribution to journalism in 1958, the William Allen White award in 1971 and in 1975 he was given the Lobe Memorial Award for his commentary on economic affairs.

He is presently a contributor to publications ranging from the American Scholar to the Reader's Digest. He has served as president of the American Society of Newspaper Editors and is president of the National Conference of Editorial Writers.

He brings to us today the perspective of one of the country's most seasoned and respected newsmen. Mr. Vermont Royster.

MR. ROYSTER: Thank you very much, Governor. I must say that I feel a little awkward here this morning, a little bit of a disadvantage because when you're talking about the past like Professor Diamond although your interpretations may be controversial you at least have the advantage of knowing how the story came out.

When you are talking about the distant future in planning what we're going to arrange for the year 2000 and beyond, you have the advantage that hardly anyone can dispute you, at least no one can prove you wrong. We all know that we'll know the answer to that in the long run, but as Lord Caine remarked, in the long run, we're all dead.

When you talk about the present or the very close future, not only are the facts confusing and subject to much argument, but in a short time everybody will know whether you are right or wrong, and you can look pretty silly.

I also feel a little awkward too because my reversing the order of the speakers here to some extent, you will notice some of the points I make will be -- have been elaborated upon to some extent by Mr. Diamond, but particularly so by Mr. Toffler. So I approach the subject with a little bit of trepidation and I hope not too long because I thought we were really going to have a sort of panel discussion.

Nonetheless, I am going to plunge in and ask your indulgence to human frailty.

Let me begin my imagining that one of you gentlemen out here wishes to run for President, not a very far-fetched idea, I take it when I am talking to Governors and let us imagine that you want to find out which way the American people wish to go in the year 1976 so that you can get out in front and lead them that way and now I pose to you a question. Do the American people want the United States to play a major power role in the world, that is economic, political and military, or do we wish to sort of withdraw and try to let the rest of the world take care of itself?

Now, if you pose that question a generation ago or for that matter even ten years ago, the answer would have been clearly yes. Of course, there were many who disagreed all along, but by and large the basic consensus of this country was the United States had an obligation to play a major role in the world. This country has supported generous foreign aid programs, such as the Marshall Plan and aid to almost every emerging country in the world, as well as supporting the military policy of containment.

President Truman could and he did set up a Berlin Airlift when that was threatened knowing full well that the country would support him when he did so.

Now, today I suggest there is no consensus either way on that question. I think the country is not only divided but confused within itself as to what role the United States should play in the world. If there were another threat against some distant part of the world, let us say West Berlin were threatened again, President Ford would not have a public consensus in his support, nor on the other hand, would there be a clear consensus that he ought to do nothing about it at all.

Let me pose now a second question to our imaginary Presidential candidate. Do the American people want the Federal Government to take the responsibility for pretty much all of our problems, national and local, or maintaining unemployment, managing the economy all the way down to directing local school boards, or do they not?

Again, I think that a generation ago or maybe even ten years ago the answer was clear. There were many people who objected all the way from the thirties, but basically from the thirties up until our present time, there was a clear consensus that the country wanted the Federal Government to do all these things and to play this role.

Again, today confronted with that question there is no clear answer. It seems to me in traveling about the country that the country is very much disillusioned by the failure of past promises, about all the blessings that would flow from Washington's management of affairs just as Mr. Toffler was saying. I think a great many people maybe most people have become frightened by the consequences of unlimited spending that is to say by inflation.

The country is angry at the consequences of so much Federal Government direction in local affairs as in the busing controversies for example, but at the same time it also seems to me that the country is equally fearful of returning to the doctrine of limited responsibilities and limited government power when it gets down to specific things. In my state and in Governor Holshouser's state the tobacco farmers in the eastern part of the state will really bend your ear about the evils of Washington and domination from Washington, et cetera. But if you ask them would they like for the Government to stop the tobacco support program obviously the answer is no.

Now there are many people in this country right now on each side of these two political questions as indeed there always were, but I think that the basic difference is that whereas for a good part of the past since the middle thirties there was a clear consensus on the two questions today that is not a consensus either way and some of it is and I guess I am saying what Mr. Toffler said in a different way but relating it more to the immediate political present, is I think we are in a period when the people do not know what kind of government they want because as I think, they

do not know what kind of country they want the United States to be or at any rate that's the way it seems to me from traveling about the country, and it's a view supported certainly by other bits of evidence from the polls, from the philosophical divisions that we can notice now in each of the major parties, and from the reflections that you see in the media.

Let me digress a moment on the media which I am told by many conservatives has a liberal bias and by many on the left that it's nothing but a tool of the establishment. Anyway, nobody likes it.

A few observations. When the Watergate controversy was going on and a good many people in this country thought it was all stirred up by the media. Indeed, I am sorry to say a good many of those working in the media seemed to think so too and they got pretty puffed up with pride and arrogance about it. But the real truth in my opinion was something different. What the media was reporting all during that controversy, including the very famous team of Woodward and Bernstein on the Washington Post, was really what others were uncovering. The Justice Department, Judge Sirica, the Ervin Committee and the special prosecutor.

Now, the media did make some of this known before it might otherwise would have been. But I think even without the media, the denouement would have been the same. They were reported by the media but the events weren't created by the media. Because the forces actually at work had gotten really pretty relentless.

Let's look at the present for the moment, right now it is much criticism and I hear it all over the country about the exposures being made of certain activities of CIA, FBI, NSA and the like. And the argument is made and possibly with some justice, that all this public exposure threatens to destroy or at least undermine the ability of these important agencies to do their necessary job, and I keep hearing them, the media blamed for it.

But again I would like to point out to you that this exposure whether it's good or ill, really emanates from various committees of the Congress, from statements made by Congressmen and Senators before newspaper reporters and into the mikes of radio and television, so if there is an injury being done, that's where the responsibility lies, not with

the evening news or the morning paper that reports what was said and done.

Let me pursue this just a little bit further, for I think it's germane to our discussion of the country's mood. In the early part of the Viet Nam war, the media by and large was reflecting the general support of Presidents Kennedy, in intervening there, and President Johnson's continuation of it. And that was true both in the editorial columns and in the news columns, and it was true I think because at that time, the country generally shared that view in support of President Kennedy and of President Johnson.

Then came a shift in the country's mood, beginning first with the young and with some of the teachers on the campus and then spreading to the parents and pretty much throughout society. I don't think I need to recount for you at this moment, the various riots, protests and general outcries against that war, and all this was reported at the time by the media in very dramatic pictures on the evening television news, and big headlines in your morning papers. That is to say, in the media you were seeing a reflection of the mood of the country and again, that mood of unrest and disturbance, opposition to the war was reflected both in the editorial pages and in the news columns.

Now, what I am suggesting here is that the media is a sort of mirror in which the country is reflected, sometimes because it's a human instrument with human beings in it. It may exaggerate or distort the image somewhat but nonetheless fundamentally it is the reflection of our times and even if the attitude of the reporting part of the media changes remember those who do it are themselves are a part of this society in which they live and tend to absorb the general viewpoints of that society.

Now this has been a little bit of digression here on the media, but it's not without a point. Let's look now at some of the images that are being reflected in this public eye. Well, for one thing, there is a great deal of unrest and disorder in the country. Marching demonstrations, sometimes violence around the schools in Boston and in Louisville, strikes of policemen and firemen and other public employees with the inevitable consequences of much looting, burning buildings and in some places a lot of garbage in the streets. None of this is very pleasant to look at or to read about.

Also, there's a lot of disturbing news you read relating to public morals, public servants, many of them lawyers, violating the law and going to jail. Doctors honoring their Hippocratic Oath by experimenting with dangerous drugs on unsuspecting patients. Businessmen engaged in bribery kickbacks and illegal political contributions. Politicians accepting these illegal contributions and even Governors or at least ex-Governors being indicted. There is also going on and you read about it a revolution of our sexual morals. Not only among the young but let's admit it also, among their elders. And everywhere of course, the drug use is spreading and we read every day the figures, the expansion of growing crime in the streets.

We are not spared as almost every speaker has mentioned from economic troubles, unemployment, inflation, cities on the edge of bankruptcy, swelling of the welfare rolls, with more people being supported by fewer and fewer productive people. Now, all this is reflected in the media and I tell you, I say that it is reflected in the media because unhappily this is America 1975. Well, what is all this to do with politics and the problems of our imagined Presidential aspirant.

I think that I agree with others here that both of our political parties are pretty confused. I submit only the reason our two political parties are confused is because the people themselves are confused. Neither party knows which way to lead the country because the people don't know where they want to go. As has been noted here the people are divided about foreign policy, about economic policy, about energy policy which the Vice-President spoke of, about social policy, about almost any policy you care to name. So the Democrats don't know whether to follow the ways of we'll say Hubert Humphrey or of George Wallace, and the Republicans don't know whether to follow the way of Gerald Ford or Ronald Reagan.

And quite frankly, if I were a member of either of these parties I would not know how to tell them which way is the way of the political future. I do not have the gift of foresight of Mr. Toffler. I couldn't do this because I don't believe the American people know themselves.

The Vice-President has a story he likes to tell and some of you have heard it about a meeting in Sweden when someone was -- an American asked the Swedish president of Volvo

what he thought America should do in order to earn the respect and affection and so forth, of the world, and the Vice-President said, the man replied, why should you ask the question. You in America have the most wonderful country in the world, the greatest country in the world, the most powerful country in the world and you can do really anything you want to do once you decide you want to do it. I think it's an accurate observation to which I only add the basic political problem right now which none of the political leaders in either of the political parties has managed to resolve is to either find out what the people want to do or to find what they ought to do and then make them want to do it.

We listen to Mr. Toffler talking about future shock. As for myself and like most of the country I am really suffering from past and present shock. I think that in my lifetime, I have lived through four wars, two of them great World Wars, one of them the most divisive war we have had since the Civil War. I lived through the greatest depression in the world. I have lived through four periods of inflation. I have lived through riots and disturbances all the way from the labor riots of the thirties to the race riots and the draft riots of the sixties.

I can only hope that has inoculated me against what may come hereafter. Unlike Mr. Toffler, I have no prescription for you. I describe without being able to explain or really even to offer you a cure. But it seems to me as I look at the political situation in my own country as of right now, it gives me great sympathy for those of you who are or would be our political leaders tomorrow or who have the task of discerning the political mood of the present so that you can choose a man to be president of the United States tomorrow.

It's frankly very hard to know which way to lead an uncertain country. Thank you.

GOVERNOR BOND: Thank you very much, Mr. Royster, and now as advertised, we will begin the panel discussion and -- I think we're inspired. We will find out very quickly. Governor Edwards.

QUESTION: These are such outstanding presentations. Are we going to get transcriptions of these. I would very much like to request them.

GOVERNOR BOND: Do you gentlemen have prepared text?



MR. ROYSTER: I just talk from notes and even changed those quite a bit, shortened them, I must say.

GOVERNOR BOND: We wouldn't dare presume to edit the fine words that you have given us. We might be accused of leaving out some of the meat. Governor Evans.

QUESTION: The commentary from Professor Diamond giving your exposition of the past and the development of the political system that grew out of the Constitution of, perhaps your commentary on Mr. Toffler's suggestion that now may be a time to look at comprehensive revision of a federal constitution.

MR. DIAMOND: If ever I have seen a lovely lob, that was a lovely lob. I have been sitting here barely able to control the desire to smash -- I don't know what the manners are for panel discussions before Republican Governors, but at academic and professional meetings, the blood would have been flowing long since.

I would like to make several observations on Mr. Toffler's presentation. I regret very much he's not here to respond to and rebut them, but the length of his presentation contributed to that inability on his part. But these words perhaps will be immortalized and will reach him in some form and he'll have the opportunity to rebut.

There's something enormously persuasive about a grandiose sociological explanation of the human condition. It's enormously persuasive until the third or fourth seductive time and when you remember all the other previous grandiose Svengalian, et cetera, pop sociology explanations of the immediate demise of the human condition if we don't do -- stop doing everything that we ever did and do everything new in a way that we have never done it, it becomes somewhat less seductive.

I give you one or two simple examples. You remember the myths of Procrustes that friendly, wayside hostel keeper who used to cut people down to fit his bed or stretch them to fit his bed, pop sociology required the treatment of facts in a Procrustian manner. For example, Mr. Toffler asked, now I am going to be academic and take a tiny point in order I hope to undo the large scheme, because that is the way you test large schemes.

He said why do we have this eruption of multiplicity this breakdown of melting pot now rather than 30 years earlier or ten years later and then to my absolute astonishment he gave the example of the French Canadians. I have the impression that they have been demanding separate language and separatism since 1750 and again, in 1867 and ever since I can remember.

Spanish separatism was keener in 1936 than it is at this moment and he simply had to cram phenomena by truncating them and stretching them in order to fit the scheme. I also was not at all impressed at the broken presidency. The presidency has been broken to my knowledge, 10, 20, 30 times in this country and Congress has been broken 10, 20, 30 times in this country and it's called the swing of the pendulum in the separation of powers.

I remind you of a superlative World War II expression. After hearing Mr. Royster's autobiographical account I hadn't realized I do now, how terrific everything is just now. Come to think of it the situation is merely snafu, situation normal all fouled up. I see no reason to believe that we -- it's an arrogant claim to say things are worse now than ever before. They're about on a par with the human condition. I was particularly startled and I switched quickly regarding Mr. Toffler's observation.

I have spent many years studying histories and accounts of the American founding. I referred to Charles Beard earlier. Now, the original criticism of the Constitution in the 1930s was outmoded, archaic, all washed up or in the immortal words of Bessie Smith, you've been a good old wagon but baby, you done broke down. And that is the notion, it was designed for an agrarian, pre-modern, pre-industrial society and now in the 1930s, we have all these crises and we got this industrial society and the old Constitution will have to go and tinkering and fine tuning won't work.

But that is no longer persuasive because it has worked superbly in the earlier agrarian setting and it has worked superbly in the industrial setting and it has worked because of fine tuning so Mr. Toffler is now obliged to say it was designed -- imagine this -- the Constitution was designed for mass production, mass consumption and mass technology. That is the first time I have ever heard that historical assertion. Because for 30 of my academic years, I heard the opposite assertion, that it wasn't designed for mass production. But he has to say that to fit into the grand sociological design.

Let me leave with an aphoristic statement, beware of anyone who says the problem is unprecedented because he means let's get rid of all of the old precedents. If the problem is unprecedented, then the solution will have to be unprecedented and that means all that we have learned about human nature, all that we have learned from the common law, all that we have learned from the slow development of the wisdom of the ages is to go by the board.

Now, this is not to view with complacency and this is not to say that there are not problems to be solved, there are fantastic problems and in another mood and another time and another place I can view with alarm along with the best of them. I believe there are deeply destructive changes happening in the mind of our society which are subverting the effectiveness of our traditional political and economic mechanisms, but those subverting conceptions are within our control and if we will but rethink the shibboleths of the age, if we will but rethink the dogma and fanaticism of change, if we will but rethink the dogma and fanaticism of egalitarianism, if we will simply do some stock taking we will find that the old wagon has still the affection of the people, still binds, still holds us together and is as capable today as ever of being the framework within which fine tuning, which means creative statesmanship can continue to take place. Governor, I thank you very much for the --

MR. ROYSTER: Could I add a footnote to that. I think fundamentally the problem with all futuristic long-range projections is basically all we can ever do is take the present and extrapolate it out into the future. As Professor Diamond has pointed out, if we were talking about revising the Constitution in 1930, '35, in that period, the things we would tried to have done to it would have been entirely different from anything Mr. Toffler would propose doing to it now. Also, it would be very interesting to know if Mr. Toffler or someone else in the thirties -- I used to read a lot of prophets in the thirties -- could really have anticipated what happened not only to the United States, but to the world in the ensuing 30 years. And the answer is, as far as I know nobody really did.

Another thing that he did that I would like to -- a small point again, I would like to point out he wanted to -- said somebody had asked him why it is that the energy crisis crept up on us this way, why it is that the problems of the City of New York suddenly confronted us and so forth, well the

fact of the matter is that if you take the energy crisis, I can go back easily into the early sixties and tell you a great many people, economists, geologists, petroleum engineers and what not the literature is full of people saying we are getting in trouble on the oil and energy situation.

Even my own newspaper as far back as 1968 ran a very long 3000 word article on the front page on the energy crisis. The problem is not that. The problem is that nobody was listening. That's the fundamental problem.

QUESTION: As a old tennis player, I would have to say it's totally unprecedented to see one lob put away twice, but I am impressed. I would like to try to hang one more up for Mr. Royster who is talking about the lack of sense of direction and the country, and Mr. Toffler had mentioned the diversity and the need to consider these problems through the diversity.

I wonder what your reaction to that need would be when we have set out as an example the television networks as the one unifying medium in our country. Do you see the TV networks as being a force which can bring a consensus or are they inhibiting the development of the diversity, the diverse solutions which Mr. Toffler had suggested would be necessary?

MR. ROYSTER: I think they can do either way. I have heard of course -- I have been primarily in the press and media rather than in television, although I have done a lot of television work and I have the television of course seriously criticized on many fronts. There are certain problems in the television that have absolutely nothing to do with bias or anything else, which basically I don't really think that's the problem of television.

There's a problem in television simply because it is a dramatic pictorial media. It's one thing to read about troubles in Portugal, riots in Portugal and actually see the physical violence that's going on there and so forth. The same thing is true with busing controversies and other things.

Secondly, it is a medium which requires a certain amount of drama in it. It's hard to make much out of a tranquil scene in terms of television. So there are certain inherent problems in it. But basically I think it can be just as much a unifying force as it can be a disruptive force and a great deal depends upon the nature of the country and the type of

society which it is picturing. I don't think you can blame television for all the riots and so forth that we had. You certainly can't blame them for eruptions in Portugal or Spain or any other things. They would have come with or without television.

GOVERNOR BOND: Governor Holshouser.

QUESTION: Most of the time candidates tend to run on platforms that sound like positive programs for the future. And I think that's basically part of campaigns and with apologies to my colleagues for a reference to member of the other party, I saw an interview not long ago with the present Governor of California on the Firing Line with Bill Buckley and there was an awful lot of sort of anti-government talk coming from a Governor which expressed first that people needed to recognize there is a bottom of the barrel, which I don't think is anything new to most of us, but perhaps the greater point that we can't be sure that all problems have a solution and particularly we shouldn't be sure at all that that solution should come from the government, and it's sort of a modified laissez faire kind of approach, maybe, but can you say that the disillusionment that we have spoken about here today is with the inability of government to provide as much as people want or maybe government trying to solve too much.

MR. ROYSTER: That's really one that I can't really say I absolutely know the answer to, but looking at it purely from a political standpoint, I think it's very interesting that if you will take Governor Wallace and you will take Governor Reagan and you will strip away their differences and their personalities, their manner, their way of speaking, their manners and everything, and look at the basic constituency that they are speaking for, they are both speaking in a way for the same constituency.

I think it's very interesting that the Democratic Governor of California who succeeded the Republican Governor of California at least in his rhetoric is saying a great many of the same things. So I don't think that there is any question but what that is broad in the land. A certain amount of disillusionment or dissatisfaction with the kind of activist super-promising government that we have had well since the early thirties, the problem from a political standpoint, political leadership standpoint is that I am not at all persuaded that while the people are disillusioned by a lot of this, that

they are ready to strip it all away and throw out the baby with the dishwater. This is the essential problem it seems to me with a political leader today, is to somehow respond to the dissatisfaction, to offer people somehow out of it without scaring them to death, frightening them. In many ways, Mr. Goldwater frightened the American electorate. In many ways, Senator McGovern frightened the American electorate in different ways.

I don't think you can make political hay by scaring everybody to death, at this particular juncture in our history. That's not really answering your question and I am well aware of it.

MR. DIAMOND: In some respects the situation seems to me to be one, one should be sanguine about. That a very rapid movement has taken place in American public opinion away from simple response to greater government to more programs. It's only since 1967-8, six, seven, eight years that one feels the ground swell away from it. It's still incoherent. It's still unarticulated. One doesn't know exactly what to do with it.

But there seems to me from 1933 to 1968 say, 35 years, there was a sort of cressive wave of throwing money at problems.

END OF MORNING SESSION



PRESS CONFERENCE

CHAIRMAN CHRISTOPHER S. BOND
and
GOVERNOR ROBERT F. BENNETT

FRIDAY-NOVEMBER 21, 1975
NOON

QUESTION: Governor, the last Republican Governors Conference, there was a disappointment that the President did not attend personally. What do you feel, should the President have made an effort to be here. Are you disappointed that he wasn't able to make it?

GOVERNOR BENNETT: I think the President did make an effort to be here and I don't think that we should forget that fact. As a matter of fact, we're negotiating about his attendance here for a number of months, and it was done because he really wanted to be here. At one time it was tentatively scheduled, but he is the President of the United States. He does have a number of duties, and I think he's put politics generally on the back burner when those duties take precedence. Right now you realize he has gone to Europe and is back and is going to go to China and he's also got to deal with the Congress and a number of bills that are now pending so I certainly realize being the Chief Executive of a state, I know how you can get in a bind and not be able to go to something you really want to.

We would have liked to have had him here, but I am confident he made every effort to do so.

GOVERNOR BOND: Jim Cannon came and is here as his representative and has been with the various Governors asking for, soliciting their views and comments. I think that fact that Governor -- former Governor Rockefeller, now the Vice President did come, was a great boost for us. We enjoyed very much talking to him again and having an opportunity to share our opinions. Of course, we would like to have the President, but we certainly understand.

QUESTION: Governor, what would you say the current situation is among the Governors who are here pro-Ford, pro-Reagan (inaudible)

GOVERNOR BENNETT: I don't think either Kit or I have taken a tally, but a number of them support the Governor -- President Ford and certainly as someone has already pointed out, there are some support or leanings toward former Governor Reagan. Have you taken a tally?

GOVERNOR BOND: No, I think generally it's far more support to the President than Governor Reagan.

QUESTION: Mr. Rockefeller spoke this morning of the danger of appealing to a narrow minority and an ideological extreme. Is that charge -- I would like you each to comment on whether you believe that that warning applies specifically to Governor Reagan. Is that the sort of (inaudible) that he's embarked on?

GOVERNOR BENNETT: Well, I would be hesitant to speak for the Vice President. I think that --

QUESTION: No, your view.

GOVERNOR BENNETT: My view, well so far as I am concerned, what he said is true. I don't know that it's directed to and I didn't necessarily feel that it was directed towards former Governor Reagan but certainly I think as our party selects the standard bearer in 1976, we have got to realize that an isolated totally divergent point of view is probably not one which is going to carry the day.

QUESTION: Does Governor Reagan represent that kind of a movement?

GOVERNOR BENNETT: I think that President Ford represents a broad base view and I have no comments on what Governor Reagan might represent.

QUESTION: Does Ronald Reagan, does that candidacy appeal to a narrow minority and represent a movement that would polarize the party ideological extremes?

GOVERNOR BOND: I think that remains to be seen.

during the campaign what course, former Governor Reagan will choose to follow. I think also that it is very sound advice that we keep our campaigns as well as our party structure as broadly based as possible, and deal with the broad compelling problems that face our country. I think that's necessary not only for the nomination, it is absolutely essential for the general election.

It's darn good advice for any candidate, I think, on the Republican ticket.

QUESTION: Would you call Reagan divisive?

GOVERNOR BOND: No, I haven't called him divisive. Have you called him divisive? No, okay.

QUESTION: Well, the Vice President also cautioned about pussyfooting.

GOVERNOR BOND: But you notice he had difficulty pronouncing that word.

QUESTION: Would this meeting result in an organized effort to continue revenue sharing?

GOVERNOR BENNETT: I think the Governors both Democrat and Republican have gone soundly on record as being in favor of continuing revenue sharing. We have notified our delegations of that affect in Washington, east, west, north, south of all political views. We are doing everything that we possibly can. I think that the Vice President and others have sounded the alarm that in many instances Congress is much more concerned with buzzy sounding categorical programs with all sorts of strings and red tape and requirements of administrative expense because in many instances some of them feel they get more credit than they do over just a basic revenue sharing program.

We are going to continue to fight for it. Congress in their letters back home, the individuals tell us that they are all for it, but for some reason they are all for it, but they are not doing anything to pass it. And we'll keep working on it as best we possibly can.

QUESTION: Do you feel that specific recommendations have been made as far as what needs to be done in the next year between now and election day. Mr. Rockefeller seemed to think that no specific recommendations were made.

GOVERNOR BENNETT: By whom and with reference to what. I am not sure I understand your question.

QUESTION: Well, Mr. Rockefeller was saying that the Governors should come forth with some specific recommendations for voters to base their choice on between now and November.

GOVERNOR BENNETT: Well, I think the formulation of the campaign and the development of a choice selection, if you will, has only just commenced. If you are talking about the individual candidacy. If you're talking about the program, the Governors of course have adopted a number of policies and we're working for each one of them.

In some instances our adoptions are more negative, trying to keep the Federal Government in Washington rather than down here on the (inaudible) of Kansas, but we have a program and we will continue to implement that program.

GOVERNOR BOND: I think you can say that the National Governors Conference does have a very consistent policy with respect to the formulation of programs in response to one of the earlier questions, the continuation of revenue sharing in its current form is one of the most important things we see at the state level and I know speaking with our cohorts at the city and county levels, at least in my state, they agree that it's absolutely essential that the system revenue sharing be continued and that the movement of federal control and direction be returned, keep on the course back towards the state and local government.

This conference in this session has, as you recognize, not had the opportunity to adopt resolutions yet. I believe that we will be expanding upon positions we previously have taken. You heard today a very good suggestion from Governor Evans of Washington that we would be willing and able to take ten percent less in total dollars in the categorical -- many of the social welfare categorical grant programs if they changed them into block grant programs and allowed the elected officials at the state and local level to determine priorities and to administer them without the red tape.

We can do a better job with fewer dollars if they get the Federal Government, its army of regulation and rule writers, program reviewers, off our backs. I think that is a very positive recommendation and is certainly one that I

intend to support.

QUESTION: Are the Governors unanimous on that ten percent?

GOVERNOR BOND: We will have to find out. They just might be. How do you feel, Bob?

GOVERNOR BENNETT: Well, I think certainly we could sustain a tremendous reduction. You know, we ran into a situation the other day where the Federal Government said we have to have a totally separate staff to plan for nuclear disaster than we plan for national disaster. They're all planners and they're all contemplators, not the Toffler variety, but in any event, they just double our expense with all these requirements and I don't think there is any question what Dan suggested would work, whether we'd ever get it passed is another question.

QUESTION: Governor Bond, do you endorse the Rockefeller Ford hundred billion dollar energy program, and if so do you have any fear that it might add to the financial problems in Washington?

GOVERNOR BOND: Frankly, I can't tell you what the hundred billion dollar energy program has in it or how it is going to be financed. I do recognize the need to apply energy apply resources to the development of the energy sources. I have no basis to tell you whether a hundred million dollars is realistic, whether it could be used adequately.

QUESTION: Hundred billion.

QUESTION: Former Governor Rockefeller gave a rather strong speech this morning against the compromise on energy that's taking shape in the Congress, the compromise that would start with a rollback in prices and then stretch out deregulation. Frank Zarb is urging the President to accept this compromise, obviously Rockefeller is urging him not to. Did he persuade you this morning that that compromise is not the best?

GOVERNOR BOND: Personally, I am very concerned with the compromise. I think it is a very small step in the right direction. I have not followed the development of that policy on Capitol Hill. I don't know what the administration, what agreement the administration could reach with Congress. I



would hope that a better, stronger policy could be adopted. It is not in my view a very significant step.

QUESTION: What would you do with deregulation?

GOVERNOR BOND: I certainly don't feel that a complete rollback is a good idea. We in the Midwest Governor's Conference and a number of Governors who met with the President urged in one particular area, that of natural gas, that there be complete deregulation of new natural gas sources over a five year period. I think that the deregulation of new oil sources is -- continuing that is important and I think that additional oil could be developed to secondary recovery if the price ceilings on old oil were raised at a greater rate than would be proposed.

QUESTION: There seems to be a move afoot here to in the Conference to get a resolution through the Conference urging the President to veto that compromise energy bill. How do you look at that, is that move afoot actually. Will that resolution be passed?

GOVERNOR BENNETT: There are some who have suggested it and we will just have to wait and see.

QUESTION: How do you look at it?

GOVERNOR BENNETT: I haven't looked at it yet.

QUESTION: No, I say how do you look at the idea.

GOVERNOR BENNETT: Are you talking about the resolution as a tactic or are you talking about what the resolution may say urging the veto.

QUESTION: The bill.

GOVERNOR BENNETT: I find very little of value in the bill. I think it's going to set our attempt to be independent in the area of energy at least in the short fall back a number of years. I think it's ridiculous for us to assume with energy as dear as it is at the present time with oil as difficult to come by and as expensive as it is, that we can just please everybody by rolling back the prices and ignoring the fact that it cost money to produce this product, and I am very much afraid that if the bill passes and if it becomes law we are going to be in worse shape than we are right now and we're in bad shape right now.

QUESTION: What about the tactic of the resolution?

GOVERNOR BENNETT: Well, you know, Roger, how I feel about resolutions that go back to Washington. I think they usually end up papering someone's bathroom wall.

QUESTION: Have either one of you had any contact with Governor Reagan personally or one of his close associates two weeks prior to his announcement about advice as to whether he should or should not make the race?

GOVERNOR BENNETT: I did not.

GOVERNOR BOND: I didn't.

QUESTION: Governor Bond, there are 14 seats next year, six of them Republican and yours is regarded as one of the few that is safe. Do you think there will be as many as 13 Governors attending your conference next winter?

GOVERNOR BOND: I spoke last year of the great opportunity to pick up two more this year and we missed on that one. I think that there will be more than 13. I am not taking anything for granted in Missouri. I understand there are a number of other states where we do have a strong possibility of picking up some seats. I think there will be a net gain next year. It's a little too early to pinpoint the states but I would feel that there will be more than 13 of us.

QUESTION: Governor Bond, are you going to try to get the Association on record supporting President Ford's candidacy in terms of the resolution or something like that?

GOVERNOR BOND: Well, I don't know what the sense of the Governors will be. I would expect that at least individually we will indicate our support for the President and for his programs. I personally think it would be appropriate for the Conference, for the Governors Association to express confidence in actions which are being taken without perhaps putting the Conference on record in supporting the candidacy as a Governors Conference.

QUESTION: You had a problem last July when you circulated a letter to congratulate the President on his announcement of candidacy, a couple of the Governors refused to sign this, I understand.

GOVERNOR BOND: Yes.

QUESTION: Do you think you would have trouble getting a resolution --

GOVERNOR BOND: There would not be a unanimous resolution of the Governors saying we endorse the President in his race for election in 1976.

QUESTION: Do you think it would be a bad thing to have a resolution and not have it unanimous?

GOVERNOR BOND: I don't think it's any surprise. I think everybody here knows where some of the Governors stand and I don't see it as a good or bad thing. It's a fact.

QUESTION: Mr. Toffler talked about future shock and so forth and Diamond disagreed with him. Which side do you agree with, Diamond or Toffler?

GOVERNOR BOND: Right in the middle.

GOVERNOR BENNETT: I think they both pointed out some very interesting, some very thought provoking things, both about the past and the future. I am not altogether to sure that our futurist doesn't gain his popularity and try to hold his popularity by being the boogeyman of tomorrow and I think there's a place for people like that because it encourages all to sort of contemplate what is happening.

I don't think I am going to go out and sell my Treasury bonds just as a result of what he said.

QUESTION: The situation where he said he thought the political parties were museum pieces, what aspects of the party system do you feel are catalysis for museums?

GOVERNOR BOND: First of all, I think Mr. Toffler offered us some very challenging ideas and stimulated some thought, certainly stimulated some discussion. I don't know, I cannot figure out what he said was a museum piece. I did not perhaps hear him explain what it was about the political party system that dissatisfied him. I have no way of telling what he believes is a museum piece. I did miss the opportunity to ask him how he expected to obtain the diversity of ideas and action through a national anticipatory democracy act and

a national institute if that isn't backward thinking rather than forward thinking, I don't know what is. We should have learned that establishing a national act and a national institute is not the way to develop innovative thinking. I disagree with him strongly on that point.

QUESTION: Governor Bond, going back to the elections next year, are you going to run for reelection?

GOVERNOR BOND: I haven't made any plans to do anything different from what I am doing now, but I'll make an announcement on '76 in '76.

QUESTION: There's some who speculate that you may be a Vice-Presidential aspirant. Are you?

GOVERNOR BOND: No. It's very flattering to be considered though.

QUESTION: What would be the effect on the Republican Party if there were to be a conservative third-party movement in 1976?

GOVERNOR BENNETT: You know, we have had conservative third-party movements before. Wallace has been involved in it and what not. I don't think it would be of a major effect, really.

GOVERNOR BOND: The only things I have seen on it, some poll that was conducted and published in the news media in Missouri suggested that perhaps it would take away equally from the Democratic and Republican Parties and leaving us in about the same position we were with or without the third-party movement.

QUESTION: Can the Republican Party afford anymore spillage and drain on it?

GOVERNOR BOND: We can't afford to lose anybody. There are just not enough of us. We need everybody we can get. If there are those who defect from our party, then we are going to have to pick up more elsewhere, because with 18 to 20 percent, we are not going to dominate any election.

QUESTION: Do you see a further restriction of the

party umbrella by the Reagan candidacy?

GOVERNOR BOND: I don't think that it needs to reduce our numbers at all to have former Governor Reagan in the race. I think he's very articulate spokesman on his point of view. There is certainly room in our party for his expressions, his viewpoints and his followers.

I think at the same time there is room in our party for those who disagree with Governor Reagan and I would trust that the campaign would be an inclusive one, where we bring into the Republican Party more people and don't try to exclude any who can't pass an ideological test.

QUESTION: Where do you think you are (inaudible)

GOVERNOR BOND: Well, I can tell you that we started from a low number. Watergate and related instances didn't help us a bit. I think we are going to have to emphasize as a party our performance and our ability to deal with the problems which affect our people. I think we can do that. We have been very encouraged by what we have seen in Missouri. I can say watching Kansas from across the border that I believe that Governor Bennett's administration in Kansas is probably the best prescription for the declining number of party adherence in Kansas that anyone could have and I think when you have good leadership such as Bob Bennett's provide then that broadens the party and it will continue to do so.

QUESTION: Governor Bennett, I would like to hear your ideas about the restrictive kind of measures (inaudible) inside the party, what effect it will have in reducing your image?

GOVERNOR BENNETT: Well, if I understand your question, you mean will he drive the Republicans farther to the right as a body, is that what you're saying?

QUESTION: (inaudible)

GOVERNOR BENNETT: No, I really don't think so. I agree with Kit. I think if anything, he may attract some to the party because after you get through with the campaigns, after you get through with the battles, after you get through with the platform, after you get through with the organization, there is a sort of census, some call it compromise, some call it

something else, that ultimately develops as the basis of the philosophy of your party, and I don't see Governor Reagan candidacy's as necessarily driving anyone from the party anymore than I see George Wallace's candidacy as driving away Democrats from the Democrat fold. They both represent their own particular point of view within their own political party.

QUESTION: The Reagan candidacy does force Gerald Ford further to the right than the mainstream of the Governors and the Party in general. Would either or both of you have to rethink your support of the President?

GOVERNOR BENNETT: You said if it does. Well, I think we always watch our candidate to make sure that everything is going right, so we'll continue to watch our candidate, but I don't see him overreacting to the fact that he has opponents that everyone knew he was going to have anyway.

GOVERNOR BOND: I think the important thing, we have said here today and I think we'll say it again, is that we trust that the President and other elected Republicans will continue to work on the problems that we face and I would strongly advise the President, were I ask, that he not attempt to battle on an ideological ground. I would trust that he would go about the business of solving the problems and I think that would be in the long run far better politics and certainly it would be more benefit to the country.

QUESTIONS: Thank you, Governors.

GOVERNOR BOND: Thank you.

GOVERNOR BENNETT: Thank you very much.

END OF PRESS CONFERENCE



AFTERNOON BUSINESS SESSION

"STATE ISSUES"

FRIDAY-NOVEMBER 21, 1975

(NOTE: Recording begins after session opens with the introduction of Governor James B. Edwards of South Carolina for his presentation on Regulatory Reform.)

GOVERNOR EDWARDS: -- stand up here and tell you fellow Governors all the problems that are involved in government regulations of our lives, and in recent years instead of getting better it seems to be getting worse and worse, and I think the American people, the American industries, American commerce is begging for someone to stand up and protect them from the over regulation of all of our lives at the hands of big government.

And we have during our research uncovered several things that I feel are most interesting. The one thing for example we have discovered that in Washington we have some 63,000 bureaucrats working day to day telling Americans what they cannot do, and we have searched in vain to find one up there who has the authority or the desire to tell Americans yes, you can do one thing, and we have been unable to find that particular bureaucrat.

Just out of interest, I told my staff that was preparing this paper for me to get a list of all the agencies of government who have regulatory powers and just for your own benefits, we made copies of them for you, I think there are some nine pages, some 600 divisions, subdivisions or agencies of government that have to do with regulating our very lives.

It's of particular interest to me because as a private citizen down in my hometown of Charleston, South Carolina some nine years ago the state highway department *had* established a need for a bridge to go from the City of Charleston over to a little island called James Island, and we needed to relieve the traffic congestion going over to that island, and it was sort of a foregone conclusion that within the year or so after the studies were made that this bridge would in fact be built or the construction would start on it, and here we are nine years later, every elected official from the county courthouse

to the statehouse has expressed a desire and underwritten the idea of constructing this bridge across one little river and across a stretch of salt water marsh. Nine years later the bureaucracy is still finding reasons why this bridge should not be built.

And as we approach the time when we're going to get the permit in hand to start construction on this bridge, they switch agencies and they take the primary responsibility for issuing this permit from this agency's hand and put it in another agency's hand and three times they have done this and the whole time the taxpayers of Charleston County are sitting there in the heavy traffic congestion. They talk about the need to conserve energy. Their engines are running. They talk about the need to preserve the environment. Their exhausts are sitting there with their engines idling and the late afternoon traffic and it takes two hours to make this trip of two miles when it should be made in just a few minutes.

For example, we have a state Senator in Charleston who wanted to build a little dock just so he could go out to a little shack on the weekend and enjoy the pleasures of a little boat in front of his house, fish off the dock, maybe catch a few crabs off the dock and it's unbelievable how many agencies have to have the signoff and the writeoff on this particular little dock before he can put the first little post in the mud. And I think it's time that we as political leaders of America in this Bicentennial year -- you know, 200 years ago our forefathers declared their independence from this tyrannical overregulation of the lives of the colonies, and I think in this Bicentennial year, it's time that we declared our -- or had a declaration of independence from the tyrannical bureaucracy that obstructs progress in America and is just about to bring this great nation to its knees.

Everywhere you turn there is over regulation. I was talking to Bill Simon not long ago and well, it was at the Southern Governors Conference, I believe. I asked him the question, how much did it cost the American people just to comply with the regulations, the unnecessary regulations in my mind that emanate from Washington bureaucracy and the answer came back, over a billion dollars annually.

And you know, the taxpayers are really getting the gaff twice in this deal. They pay the cost of the bureaucracy, these 63,000 bureaucrats in Washington -- they pay

their salaries on one hand and on the other hand, they pay this terrible cost to comply with the regulations in the increased price to the consumers.

I am always reminded so frequently of the catalytic converter, the environmentalists wrung their hands in desperation because these terrible fumes were going to kill Americans everywhere and they had to protect us. They had to protect us so they made us put a catalytic converter on automobiles that cost anywhere from \$360 to \$800 apiece, and they did this in the face of an inflationary economy, ran the price of the automobile up where so many working men in America couldn't possibly afford this and they also did this in the face of an energy crisis and what did the catalytic converter do but run the -- or increase the gas consumption of the American automobile from about 16 to 18 miles a gallon down to about five or six miles to a gallon and then within three years, the bureaucrats in Washington started wringing their hands, and saying, my gosh, we got to stop this catalytic converter because it's spewing out sulphuric acid fumes that's so much worse than the original fumes that we were protecting the American public against.

And the American people go right on complaining about industry charging too much. The cost of things, the inflationary cost of goods and services in America. I could go on and on. We could talk about the situation, I believe it's Consolidated Edison, New York City, for years they generated power, the lights of Broadway and they gave those people the quality of life they have grown accustomed to in providing them energy, and the environmentalists rushed up there and said all these coal -- all this coal you are burning is going to destroy out atmosphere and going to kill all the New Yorkers and one thing and another, you know, all the terrible things that are going to happen, they made them convert from coal to oil burning.

And within three years they are trying to say you must stop all that oil burning, we got an energy crisis. You got to go back to using coal.

In the meantime they have used all the capital investment which is difficult to come by because of government consuming all the capital in America. They have used their

limited capital investments to bring about this conversion from coal to oil but what's worse, when they converted from coal to oil they had to go to the coal companies and buy out their long-term contracts for cheap low sulphur coal at \$8 a ton or thereabouts and now that they're thinking about re-converting to coal from oil, they got to go back and renegotiate the price on their coal and now instead of buying coal at \$8 a ton they got to renegotiate to the tune about \$32 or \$34 a ton, I believe it is.

And all the time the American consumer and the bureaucrats point their finger at the industries of America instead of where the problem really lies. And I think one of the greatest problems we have facing America today is big brother government telling the great free enterprise industries of America what they cannot do and it's time we got government off the backs of industry and told industry go out and solve the problem like you always have, of America and let's be partners and not adversaries.

We can talk about the energy problem from another angle. One of my favorite subjects is the fact that the geologists tell us that we have a terrific amount of oil out on the outer continental shelf and instead of our government being proud of the fact that most of the great oil companies are American companies and instead of bragging about that, and being proud of it, they restrict them. They talk about the environmental problems although they have drilled all off the coast of every coast of this country really, and in foreign countries too and the North Sea where the environment certainly isn't conducive to the things they're doing up there and they have done a pretty good job, industry has, protecting the environment in most cases.

But instead of being proud about that, what does our Federal Government say and the bureaucrats that control things instead of telling them go out there and drill and let's become energy independent, as soon as we can, instead of telling them that, they say we have to hold public hearings on this, we got to get public input on this and so instead of going out there and saying drill great companies of America, they say let's talk about it and hold public hearings for 15 months while we're being held up by foreign countries on the price of energy.

And while the increased price of energy is causing more inflationary growth than we certainly should be putting up with.

And then we can sort of flip the coin if you would for a minute. I always like to tell the difference between government involvement and free enterprise involvement, is a company that heard over the radio and television, I am sure, day in and day out, about this terrible problems of the garbage that is going to inundate us by the year what was it, 2000. You've heard it. The commentators wring their hands and say there's nothing we can do about it. America's reached a point where the problems are insurmountable. We are just going to be inundated with our own waste.

And there's a company, I don't mind mentioning it, the Union Carbide. This company looked at the problem. They looked at one of their processes and they had an excess of oxygen, I believe it was, in one of their operations and so they developed a technique now where you can -- they will pay you \$2 a ton for all the garbage you can get at the door of this operation. That goes from old shoes to rotten tomatoes to automobiles to old tires, anything you can get in a four by four port and they burn this garbage in the presence of this excess oxygen that they have from another operation and look what comes off. Methane, ethane, propane, some butane and a little granular substance that's ideal to put into the construction of roads, bridges and other construction processes.

And there's one more thing that comes off of that, as a byproduct, and that's profit. P-r-o-f-i-t. And I'm delighted to spell it for you because I just want to remind you and all those listening that this is not a four-letter word. It's a very honorable word and it's time for us to return this word to a place of honor in our vocabulary in America and I think it's time that we got off the backs of the free enterprise system and got the regulations off their backs and moved forward to answer the problems that face America and it can be done.

We could go ahead and tell you one thing after another. I think Governor Rockefeller -- Vice President Rockefeller this morning talked about the -- I believe it was a -- was it a meat packing company that one agency came in and said, you know, this slippery sidewalk that is concrete that the laborers work on is entirely too slick. They're liable to fall and hurt themselves so you got to roughen it up a little bit. So they went and roughened it up and the next agency came along and said you - the bacteriological

count in that rough concrete doesn't comply with the regulations so you got to smooth it out a little bit, and I am reminded of the hospitals of America, it was one agency that in, OSHA, they had plastic bags in the waste receptacles. I believe it was OSHA, I am not certain of that, but one of the agencies came in and said, you know, this is dangerous, said if this catches afire the fumes from this polyethylene bag are going to be harmful to your patients that may inhale them, so they took the bags out.

A few days later another agency came in and says you know you got to have plastic liners in your receptacles to protect the workers so they won't get in contact with the bacteria that's thrown into the receptacles, so now they've hired another person added to the staff that stands at the door of the telephone and when the OSHA man comes in, they say, hurry, pull the bags out and when the other agency comes in, they say hurry put the bags back in. So it adds to that unemployment, -- it helps with the unemployment of America.

And I know these are sort of funny things. It would be real funny if it weren't so true, but I think that the American people are just crying for someone to stand up and take a positive position on cutting out some of the regulations, some of the bureaucracy that's choking us to death.

And I think we as Republicans are going to be remiss in our duty if we do not take the leadership in this particular field.

In South Carolina we have done many, many things. We have tried to combine the inspection so that the -- all the inspections will come under one visit to the institutions and agencies of our state. We're the first state in the nation to have our own OSHA, statewide OSHA inspector and we found that this worked out very satisfactorily. There are other things like this that we've done. We'll move to that section of the prepared text if you would, so we could review some of them.

If you will permit me I will just read that remaining section. South Carolina's situation says, shares a common problem with other southern states. In recent years we worked hard to attract industry and business to our state, to increase the number of jobs, raise revenues and improve the general

standards of living. We've been fortunate in bringing in a wide range of industrial interests, but the climate set by federal regulations has not helped our economic growth.

For example, our backbone industry, the textile industry, has borne its share of the problems. The president of the American Textile Manufacturers Institute, John Hamerock recently estimated that the new 1977 EPA water preservation guidelines alone will cost the industry 252 million dollars this year.

OSHA standards to reduce dust in textile plants by 1982 are estimated to cost the industry at least 860 million dollars.

Mr. Hamerock sums up the problem by saying and I quote, "Government regulations proposed to textiles are all commendable in intent. They are all very expensive and most of them call for technology that does not even exist today." About the cost he says, and I quote, "The ultimate cost is from Mr. and Mrs. Average Citizen, the cost could be far greater than the benefits and could move so high as to deprive people of the ability to maintain present living standards."

Many of our industries have been severely threatened as a result of federal controls on natural gas. Earlier this year Transco which serves a major portion of our industry, predicted as much as a 65 percent shortage this year, and that's purely based on the fact that federal government has controlled it to the point there's no profit in drilling new wells.

Our industries, because of government regulations, have been largely unable to insure an adequate supply of natural gas from other sources. In this as in other areas, we in state government have done all we can to help our industry, not restrict them. We have tried to encourage solutions rather than interfere.

Another classic example of over regulation in my home state was a case of one of our -- well, I've told you about the state Senator who built his little dock out there, and these are the list of the agencies that he had to go through just to get a chance to build a dock. The U. S.



Forest Service, three sections of the U. S. Department of Commerce, two different sections of the Army, Navy and Coast Guard, two divisions of EPA, two divisions of Federal Power Commission, the Department of Interior, three divisions of the Bureau of Outdoor Recreation and the Federal Highway Administration. In addition he also had to get clearance by nine different state agencies, all this for a little fishing dock.

And we're getting ready to bring all this under one agency, so we'll have one agency so that if anyone wants to build a facility such as a dock it's in our coastal zone management plan so that they can go to that one agency and get approval to build it or not to build it. And it's just as important to our industry and our citizens in America, I think, to say no, you can't build it as it is to say yes, you can build it. At least give them the answer, but the problem is people in industries invest their money and it's sitting there when it could draw an interest on it and get halfway into a project and they can't get an answer yes or no, and this is one of the biggest complaints that I have.

In South Carolina, we have taken a different approach to regulation. Our Labor Department was the first in the nation to administer the regulations to the Occupational Safety and Health Administration. There are numerous other state agencies that are doing the same today. Although, the U. S. Department of Labor monitors our administration, we have undertaken all aspects of the inspection of OSHA.

Ed McCowen, our Commissioner of Labor, says we carry out all the regulations but we do it with a smile on our face. Actually it's more than that. We worked hard to keep the way open for problem solving. We keep an open door to changes based on reasonable objections by employers.

We have also offered businessmen, consulting services to help them understand what is needed for compliance. We found time and time again that businessmen would rather deal with their own state government than the federal enforcers.

In other area we're experimenting with a team approach to licensing, as I mentioned. Our four major agencies license some 1300 facilities. Each license requires a fire inspection, a sanitation inspection and one or more program evaluations plus other inspections.

In addition, about half of these facilities have twice as many inspections for various federal programs. You can imagine what it would be like for every hospital administrator or child care center owner who would have to take time out for all these visits so that they could be inspected adequately. Through a coordinate consortium arrangement we will be sending out teams of fire inspectors, sanitation inspectors and appropriate program personnel to license with one visit.

Besides reducing the harrassment we expect solid benefits. We hope to reduce the cost of licensing. We are looking very closely at state and federal standards with an eye to eliminating conflict either by upgrading our own standards or by speaking up when we feel federal standards are too stringent.

We are evaluting our fee structure to determine who is paying the bill and who should be. One way or another the public will bear the cost. We hope to find the fairest least expensive system. In South Carolina we see state governments roll with business and industry as one of a warm partnership. This of course is the general attitude taken by many successful European countries as well as the Japanese Government.

This approach far exceeds the peaceful coexistence that is even rarely enjoyed between certain industries and the Federal Government. Our purpose at the state level is to encourage business and the industrial segments for the mutual benefit of both the private sector and the state of South Carolina.

At the national level the pattern has been one of over regulation and harrassment and let me conclude by pointing out some suggestions for the future. I believe that the approach toward regulation taken by many of our states like South Carolina is worthy of consideration by the Federal Government. Perhaps if business and industry is once again viewed as an asset to the nation rather than as something to be regulated, we will be in far better shape.

It is my firm conviction that the experience of the states can set a good example and act as a guide, and it can to federal deregulate. We all know that some regulation is

needed. My concern is that we have only the regulations that are truly needed. Regulations are supposed to be for the benefit of the people of America, and I really think they can be. We must change our way of approaching regulation. I believe that regulation can both protect the interests of the people and encourage a healthy economic situation. I believe we can reach reasonable goals of a clearer environment, safer products and healthier working standards. But at the same time I believe we can encourage industrial production, improve the business climate and maintain a free market system.

Reasonable and fair regulations require little more than common sense. No company pollutes the environment simply because it wants to. Pollution is a byproduct of less expensive production. Professor Weydenbaum of Washington University has suggested that we make it unprofitable to pollute and profitable to avoid pollution. He has suggested a pollution fee for example, companies who do not pollute pay nothing and those that do must pay a fee. This is the kind of common sense approach that is needed in regulation, and these fees could be applied to cleaning up the pollution collectively.

Regulation is an escapable part of the world we live in today, but we must not forget what our original objectives are. It's like the old saying, when you're up to your waist in alligators, it's hard to remember that your original intention was to drain the swamp. I suggest we look at our objectives in a rational manner and take reasonable approaches to reach them. But we must reach them and deregulate America once again and set it free from the bureaucrats in Washington. Thank you so much.

GOVERNOR BOND: Thank you very much, Governor Edwards. I suppose since you come from a coastal state, the alligators get higher on your anatomy than they do in Missouri. We get concerned when federal regulations come almost that high. We are -- you have struck a very responsive note with those of us who have faced the problems of regulation and over regulation in many areas.

I'd like to suggest before opening it for questions or comments to the other Governors that we have regrettably found that states are also as guilty of over regulation and unnecessary red tape as the Federal Government. We were talking about the unnecessary federal regulations when we found out that prior to reorganization which was accomplished

with some difficulty in our state we did it to a federal agency. If you can believe that, there is a large federal institution in the State of Missouri that was dumping sewage into one of our fine streams. One state agency came along and said you absolutely cannot dump sewage in that stream. They changed, they developed a new process by which they spread the sewage on the ground, on the installation.

A second state agency came along and said you absolutely cannot spread that sewage on the ground because of the underground geological structure, it will pollute the underground water supply which is essential to the area. We got 'em. We did to the Federal Government what they've been doing to us. We had two different state agencies telling one installation two absolutely and directly contradictory items. Now that may have given us a little bit of heart and some encouragement of the man bites dog approach, but we have tried to do something about our state regulations.

Our Legislature has passed a new law setting up a procedure for reviewing rules and regulations requiring hearings. There's a proposal for legislation in the next session of our General Assembly that would require our own state agencies to attach a fiscal note to each rule and regulation when they promulgate it and I think this is a very interesting approach. I don't know whether it's going to work but we're most anxious to try it.

But the other thing that we've done is to ask our state departments to go over all of the existing rules and regulations which have for, in many instances, nothing but the weight of history on their side to review them, to see if they're really necessary. It's a very interesting exercise.

And the second thing at the suggestion of my director of agriculture, we have asked state agencies before they even put out a rule and regulation to sit down with the affected groups, who will be affected by that rule and regulation and ask for their comments. It's amazing what kind of wisdom you can pick up. Many times the affected groups will recognize the validity of the regulation and will say, I see what you're trying to accomplish. It could be done more simply this way or that way. This has made substantial amount of difference for us, and we appreciate that need.

Are there other comments or questions for Governor Edwards on the subject of rules and regulations? Jim, we thank you for an enlightening discussion.

Now for one that we can all -- another one in which we can all sink our teeth, Governor Otis Bowen of Indiana is a member of the new Federal Commission on Paperwork. We -- without giving away anything he's going to have to say, I think that he may have some very, very interesting comments on that and some descriptions of the problems which will be helpful to all of us.

GOVERNOR BOWEN: Thank you very much, Kit and fellow Governors. I am pleased to share just a few thoughts with you which deal with the need for effective public administration and I would have to say from the outset that this is sort of a jungle that we are in at the present time and I think all of you realize that as well as I do.

Governor Edwards has stated and Governor Evans will state very well the case for our concern that government can only be truly effective when a concerted effort is made to insure public accountability and improved productivity.

Well, our responsibility I believe is not to build public structures and systems that are monuments for their own sake. But rather to tailor the services of government so that they are as close and responsive to the public as is humanly possible.

As Kit said, I was recently appointed by President Ford to the Commission on Federal Paperwork. Well, in establishing the Commission the Congress found and I quote: "That federal information requirements have placed an unprecedented burden upon private citizens, recipients of federal assistance, businesses, governmental contractors and state and local governments. Well, I submit that this is a fact well known to all Governors and to all public officials, businessmen or citizens who must face the phalanx of federal compliance.

All of us have long realized that as the federal roll has grown it has lost touch with much of its constituency. And it has done so largely by submerging it under a deluge of paper. Solutions to problems tend not to be addressed in qualitative terms such as what is the best solution or what

is the best program, but rather the orientation is often quantitative or how can we prove on paper what fails to appear in the pudding.

Well, this may be a mechanism to sustain bureaucracy but it certainly is not the way to run a government that is responsive to the people. It's little wonder that many potential beneficiaries of public programs are dissuaded from accepting grants and aid for the funds received are oftentimes not worth the administrative costs or the public grief involved in their delivery.

Government requires accurate information in developing its policies and programs. Now, of course, that in itself is good and it is necessary, but the uncoordinated efforts of government have created burden and chaos by demanding useless or unnecessary information. It was recently reported that government red tape keeps more than 100,000 federal workers writing, reviewing and enforcing Washington edicts. The number of approved Federal Government forms according to one estimate has risen to 5,146 exclusive of tax and banking forms.

Well, it takes individuals and corporations more than 130 million man hours a year just to fill them out. The cost of Washington's regulatory operations is about 130 billion dollars a year an amount representing more than a quarter of the entire federal budget.

So I think it's about time that we ask ourselves why a small businessman with less than 50 employees should have to employ a staff including lawyers and CPAs to complete 75 to 80 different forms every year. Why the Federal Government spends 15 billion dollars a year just to process paperwork, and why the public should be burdened to the extent that it does the work of the federal bureaucrat.

Just ten days ago today before 1300 people all of whom were representatives of the State Chamber of Commerce in Indiana, Mr. Dick Wood, who is the Chief Executive of Eli Lilly and Company, whom I'm sure all of you know is one of the finest drug companies in the world, said if we don't do it, who will. Well, he was referring to the question of over regulation and increasing paperwork and that the people affected must rise up. They must speak out and curtail the strangling red tape in which they are becoming more tightly entangled.

And he said, it appears that for the first time in 40 years Americans are asking themselves is more government regulation always the best way to solve a problem. Bureau after bureau and regulation after regulation for 40 years have put a burden on taxpayers unimagined before the 1930s.

Well, if the burden hasn't hurt individuals enough, perhaps it is because government too often has paid for the bureaus and paid for the agencies with money that it doesn't have resulting in Federal Government deficit of nearly half a trillion dollars.

Mr. Wood estimates that at least ten billion dollars a year is the cost to industry just to pay employees to fill out these 5,146 government forms exclusive of the tax forms. Mr. Wood continued that perhaps the American people and their political representatives are just beginning to understand that over regulations saps the strength and dulls the vitality of the entire company.

And he cited an example of how government over regulation has prevented his company from introducing a new medicine against arthritis, a disease afflicting millions of Americans and millions more elsewhere. He said that the new drug was discovered by their company many years ago. He said we analyzed this product in humans with 65 separate studies at 100 different medical institutions involving nearly 6000 patients and in 17 countries. A summary of our scientific data encompasses 100,000 pages of information and even the federal Food and Drug Administration found the product safe and effective in the treatment of rheumatoid arthritis.

In spite of this a key FDA official told the Eli Lilly Company last March that the application to make the product could not be allowed until we submitted certain undefined new information that would be requested in writing. Four months later the FDA letter of request arrived at Lilly. It wanted the data on tape for a computer. We still don't know when the product will be approved.

Mr. Wood said I submit that the regulatory process works contrary to the needs of society when the availability of a new drug for arthritis is delayed an extra four months because of mechanical bureaucratic inefficiency.

Well, the one hope and the ray of light at the end of the tunnel is that the American people will not succumb to the insidious process of growing comfortable or even protected in the labyrinth of government regulations that they will tell elected representatives how they feel and that Americans try to help each other understand the suffocating effects of over regulation. And he ended with we should not forget one fundamental fact, the political process in this country does indeed respond to the public point of view.

My personal experience convinces me that elected officials at the state and national levels listen to their constituents with interest and sincerity. I thought he was rather charitable in making that last statement after all he had been through. And incidentally that drug I understand is being used in 17 different countries but we can't use it in our own.

But while state and local governments can bring to bear more resources than can the small businessman the administrative costs necessary to meet federal reporting constitute an unnecessary drain on our taxpayers. These dollars could be better put to use to meet real needs or left uncollected with the taxpayer rather than meeting the tedious requirements.

Well, it's my intention to urge the Commission on Federal Paperwork to look into such matters as number one, the true effectiveness of the intergovernmental cooperation act, the joint funding simplification act and the ancillary federal management circulars that are adopted under these laws. An exploration of the need for the implementation of uniform data requirements and formats among the federal agencies in conformance with the present developments of state and local uniform information systems and managements techniques.

Number three, an examination of state and federal regulatory policies to determine possible duplication in reporting requirements and number four, a reexamination of the sub-state regional process as it relates to federal program coordination, planning and evaluation including the issue of gubernatorial review and certification.

Well, in these and similar issues the Republican Governors have taken the initiative by reminding Washington that if concepts of the new federalism are to work, the states

must be full partners in all aspects from planning through implementation. Slashing red tape and cutting back the paperwork burden can mediate many of the antagonisms caused by the federal bureaucracy. A responsible and evenhanded approach on the part of federal administrators can provide for more streamlined and effective public administration.

Well, as the only Governor on the Federal Paperwork Commission I am a rather natural focal point for state concerns and I am more than willing to be more than just a focal point. But to do so in an effective manner, I do need the assistance of every Governor in helping to target those areas of federal minutia most appropriate for elimination or massive overhaul. And for this effort I ask your help and I would say speak up if you will, write if you must, but perish if you publish.

I can't resist joining Governor Edwards and relate three or four examples of what I call over regulation that are almost ridiculous. For years we had been attempting to build an important highway through East Chicago, which is a high urban density area and it would -- it goes through one of the greatest traffic jams I think in the nation, three or four times a day, it leads right into the steel mills and it is almost impossible to get to work and back through this area.

We were held up on this particular project for months trying to get a few of these things settled. One of the things that held us up was a small, I think three-block area called Marktown which is nothing more than the old homes that the old executives of the steel mills used to have and is an historical area. Well, this road would go right by it, and they were fearful that it would disrupt Marktown. We got that one settled.

Then they stated because it was such a high density area that they felt that the road should have on it oil skimmers. Now, I never heard of an oil skimmer on a road, but it seems to me that the time you might need oil skimmers is when you got the traffic jam and the cars are stopped and lined up where they are leaking the oil rather than when they are passing by rather well. And the third becomes more ridiculous as you go on because some of this road would have to be elevated. It would interfere with the flight of birds. Now, mind you, this

is going through the most industrial area with smokestacks of the steel mills and all.

One other area we were attempting to put an overpass at a junction of a highway 30 and 331. We had many deaths at this area and all we wanted was an overpass and they turned it down because we did not have a noise abatement program with a cemetery located about a half a mile away and we told them we hadn't had a single complaint from the cemetery area but it didn't seem to make much difference.

Now, I want to pass on one other little item and this is a bouquet for President Ford. When he was in town at Notre Dame on March 19, I think Governor Godwin was there, we had an opportunity to sit down with him and he asked for what our problems were, and we mentioned three or four of these things and he pointed to his executive assistant and said help get this ridiculous thing straightened out and he did. I am happy to say that these things are solved with the help of going directly to the President and his assistants. Thank you very much.

GOVERNOR BOND: Thank you very much, Governor Bowen. Are there any comments or questions for Governor Bowen on the subject of paperwork?

QUESTION: No comment about what he said, except to add to what he said. Appropos of the visit that the President made to South Bend, I called his attention, the President to a situation we had between Northern Virginia and Washington, D. C. it relates to interstate 66. Application for that road had been pending since 1961 and we have been unable to get a ruling, the Federal Highway Administrator had consistently approved the project and I brought it up again that we would like to get a resolution of the matter. The President made it rather plain to one of his assistants who was present that word ought to be gotten to the Secretary to at least get some decision and I think with some reason to believe how he felt about it, since he had supported it as a Congressman and had taken some rather positive stands on it, the word finally got to the Secretary that he wanted a decision and we got it and got it wrong.

After 16 years and the expenditure of 30 millions of dollars in the acquisition of the right-of-way and the removal of 400 families and businesses and now we have a

corridor that has been divested of any obstruction on it, therefore a highway, with the highway problems as acute as they are and the Secretary of Transportation says you can't build this interstate road but there's some alternate routes that maybe you can build and we're yet to find out from him where he's talking about or what kind of alternate road he's talking about, all of this was precipitated by an endless discussion by the Environmental Protection Agency that went into Court to hold up the project year after year after year and finally they said it would affect the ecological balance in that particular area.

A classic example in my opinion of endless bureaucracy and failure through some several Secretaries of Transportation to address themselves to some resolution of it and I think sometimes that all of us get a little depressed and despondent particularly when the bureaucrats come around and tell you that they wrote two decisions on the matter, one approving the project and one disapproving it and then decided to take the one that disapproved it, so I don't know how you can win, Mr. Chairman.

GOVERNOR BOND: Thank you, Governor Godwin. Any other comments. Governor Ray.

GOVERNOR RAY: Mr. Chairman, from listening here, I would assume that we all are in agreement that we have far too much regulation and that it's unnecessary regulation. I also assume though that, Otis, you and Jim both would be very supportive of what the President is trying to do which I think is the first step forward and the first one I've seen since I've been Governor on the national level who really has stepped out and said something has to be done and he's willing to go forward and do it.

But I wonder if we don't have to also keep in mind and maybe make it clear in our pronouncements and enunciations of all of this that government does have a role when it comes to regulation. We keep talking about free enterprise as being stifled by undue regulation and I think it is. But at the same time when you talk about eliminating regulation, you make the free enterprise people very, very nervous.

I was listening to one in the trucking business the other night and he said there's a lot of talk about eliminating all regulation, and he said if you ever want to see chaos,

eliminate all regulations for trucking, and so I think it needs to be kept in perspective because we get very emotional, I think as Governors that regulation is ridiculous and stupid, and unnecessary for the most part but I also think that we have to keep in mind that there is some need for some regulation.

GOVERNOR BOND: Further comments on that.

GOVERNOR GODWIN: Well, I don't think any of us would take exception to that. I don't know how we'd get along if we didn't have some regulation. The complaint is against the stupidity and the excesses in the amount of the regulations. That's what the complaint is about, not about the regulations as I see it.

I agree with Governor Ray. We can't get along without them. We got to be regulated. I'd like to commend the President for what he's -- and I agree that he's one of the first Presidents that we've had to speak out on this matter.

GOVERNOR BOND: I'd add one comment and say that sometimes the regulation is favored by as was mentioned earlier today, the great champions otherwise of free enterprise who find that it is helpful to have regulations to protect them from competition and one of the toughest things to do is to undertake a regulation which is not really in the public interest but which is very strongly favored by the particular group regulated.

As soon as I get up my nerve to take on one of those, I'll be happy to come back to this group and describe it, so far I am still looking for the courage and if any of you have had the courage I'd certainly like to know what happened before I jump into that troubled water. But I think we ought to realize that that is a problem in regulation also.

Any further comments on Governor Bowen's discussion. Governor Bowen, I'd say that you can count on us when you're ready to sound the battlecry. You know the old signal, one if by land, two if by sea of paperwork, we'll be ready to join you.

Our final panelist on the afternoon session is our senior Republican Governor in terms of service if not age who has been working on governmental problems longer than most of us and who will speak to us on the very important question of

accountabilty and employee productivity.

Governor Dan Evans of Washington.

GOVERNOR EVANS: You're in trouble in Missouri if you can't even pronounce productivity, how are you going to get any.

I have watched with some interest and listened with some interest to this afternoon's discussion. I just have to report that I have listened with some growing apprehension. Washington is one of the great pulp and paper producing states of the nation and if you guys get too far on cutting out red tape and regulation, we're due for some turndown in employment and our industry.

Actually, I think there are -- well, let me join the roll here of those who are utilizing some horror stories because these examples do bear repetition. They bear repetition because too little attention has been paid over recent years to what has been happening to us on a regular and I think in the last few years, increasing basis. We sometimes forget however that virtually all of the regulations and the laws which have led to the frustration we now feel have come either from perceived ills that led a Congress, or in many cases, our own state legislatures to pass legislation or they were requested by an industry or a group for their own protection either real, in order to maintain standards, or their own protection in terms of outside competition.

And I guess perhaps the best and most recent example we've had in our state of that latter is with the growth of certain kind of massage establishments which seem to spring up particularly around some of our military bases. They have been viewed as fronts for houses of prostitution primarily, but the legislature in order to try to get at that finally passed a law that would license masseurs and masseuses and massage parlors and a whole series of regulations that was an attempt to separate the good from the bad and the qualified from the unqualified.

But when the bill came down to my desk, I saw with some considerable interest that there was a grandfather clause in there, exempting all those who were already in the business. Well, it rapidly became known as the grandmother clause and

fortunately I still retain some semblance of an item veto and I quickly vetoed that portion to make them all pass muster rather than just one portion.

But that's one more little added requirement and rule and regulation and it's going to have some paperwork connected with it but it was an effort to correct what was at that time a perceived ill and we ought to do everything we can to cut down and to eliminate those things which are unnecessary.

It's particularly true at the national level, but I hope we all keep our own houses in order as much as we can and follow some of the ideas which both Governor Edwards and Governor Bowen have mentioned.

I would like to mention two, however, two particular stories, but ones on each side of the fence. We have heard all of those on just one side of the fence so far and one of the most incredible recently was a decision by the Equal Opportunities Commission. They've been after the University of Washington to respond to an equal opportunities plan. I think the University has done really a rather remarkable job if not the national leader, one of the national leaders in seeking equal opportunity employment, both in the professional as well as the staff levels, but they kept getting turned down by the National Commission until finally this spring they went to ground zero, started to build a whole plan.

They did it very carefully and they were confident that they had fulfilled all of the regulations and requirement of the federal agency. They submitted the plan in August, in October they got a response from the federal agency saying sorry, it doesn't fit because the regulations that you responded to have now been superseded in September and they don't meet the new regulations and we're into that incredible catch 22 proposition of attempting to write regulations to meet requirements which have not been written yet and which you can't possibly anticipate.

On the other side of the fence, however, I remember very well the construction of a major freeway in the City of Seattle. A major freeway which has been built. It's been utilized and it is a very utilitarian freeway. It comes very close to the heart of the downtown city center. It makes speedy access both ways, something we've enjoyed for many, many

years now, a dozen years or more. At the time it was being built there were a few who were then dismissed as birdwatchers who suggested that since it was being built on a rather steep hillside and because it was so close to the downtown city center, that perhaps a lid ought to be placed over it so that there could be a city park and the land could be utilized rather than building a ditch through the city.

They were dismissed and the engineers and the highway department went ahead and built the highway under their original concepts and the ditch was duly placed there and still remains. They claimed the lid would cost too much, but they found later when it was too late that the cost of retaining the hillside and the extra problems that they had gone into and the cost that just kept growing little by little, eventually far exceeded what would have been the original cost of putting a lid on in the first place, which could have served two purposes. One of reclaiming land and at the same time acting as a brace or bridge against the sloughing hillside.

And the City of Seattle or more accurately the taxpayers ended up paying millions of dollars extra instead of getting a facility that would have on top of it one of the most rewarding new metropolitan city parks of any city in the nation. A park a block wide and from 12 to 14 blocks long.

So not always did those who complain -- not always are they in the wrong side and I hope we keep that in some proportion.

I'd like to talk briefly about productivity, productivity which as a word at least politically has not been very sexy up to now, or up to a short time ago but with the failures financially in New York City, with the growing awareness and concern of our citizens over inordinate and unnecessary governmental action the paperwork, and the regulations which have already been talked to today, productivity is a much more important and I think much more politically important term.

Efficiency isn't good enough anymore, if it ever was good enough. We can do many things efficiently which we shouldn't even be doing in the first place. And the concept of productivity which combines together not only the efficiency with which we do things, but also the need to do them in the first place is a terribly important, in fact, a prime prospect for those in government as well as it is for those who operate

in the private sector and to whom productivity is a lifeline in terms of their continued existence.

To bring you up-to-date on two levels. First, the Congress is about to complete action on the establishment of the national center on productivity and work quality. We, for a number of years, the last four or five years had under continuing resolution and without any real permanence a national productivity commission. I have the privilege of serving on that commission at the present time. It's headed by the Vice-President. There are five Cabinet officers on it, a number of top labor and industrial leaders of the nation who serve on that commission and who presumably, for the most part, will be the initiators of the new national center on productivity and work quality.

It represents the first Congressional recognition of the importance of improving public sector productivity. In the past their emphasis has been on ways in which to aid or help initiate private sector or private management and labor productivity and they are recognizing now for the first time the need for the -- the desperate need for this to be expanded to the public sector.

A couple of the requirements of the act are of interest. One in particular which will require all federal agencies to review with the center, the productivity center the productivity inhibiting statutes, policies and regulations and then recommend changes to the President and to Congress and if that works and of course, that's all still in front of us, if that works for the first time we will have a center where these frustrating regulations and rules of federal agencies will flow in, be examined and tested by not only those at top governmental levels, but also by leaders in the private sector, as to their need and to their viability.

It's rather interesting and somewhat ironic that the United States has finally after many, many years recognized the importance of its own national productivity center after being instrumental as a nation in forming successful, highly successful similar productivity centers in Japan and in European centers immediately after World War II, and we're only a generation behind doing that in our own country.

The public sector committee of that commission which I head, has embarked on some rather interesting and I think

ultimately rewarding projects, including information transfer between public officials, the very thing we're doing here, but on a much more extensive and detailed basis, to insure that every good idea we can find is transmitted and translated to those others who need to know, so that we don't hide successes but rather spread them much more rapidly.

We are going to deal with the problems of top management incentives which are clearly there in private industry but not so clearly available in government. We seem to shy away from any financial incentives certainly, and perhaps from any other kinds of incentives for those who are in top professional management positions in government. I think we better get over that unwillingness to do just that. Any money we spend on top management incentives I think would be returned many fold in terms of greater productivity in government.

Managerial labor relations skills and if we don't pay some considerable attention to that as they do in almost any reasonable or large sized industry, we are going to be badly harmed in our own ability to have more productive government.

Management in government by and large simply doesn't know enough about top labor relation skills, far less skillful at it than the growing employee unions of most states who know very well their side of skills and labor management relations.

Performance and productivity measurements. Again a terribly important and perhaps somewhat more difficult element in productivity than you find in most private industry. A company manufacturing a product can usually measure pretty well the costs, the number of production hours and the costs of raw materials that go into that product and can tell whether they're doing better in terms of a learning curve and whether they ultimately -- the ultimate test, whether they can sell profitably the product that they make.

Government has a much more difficult task in those measurements simply because so much of what we do represents the service which is a little more ethereal in terms of measurement, but that to me represents a terribly important area because only insofar as we can measure what it is we do, can we have a real opportunity to do it better. Capital investment decisions again represent an area where some states do a remarkably good job. Other states and particularly local communities don't have

the expertise and don't do a very good job, but capital investment represents a very substantial portion of the decisions and the costs which we engage in and we got to do a better job in that management.

Let me only go over two or three things that we have found at our own state level because I think what we complain about what happens at the federal level or we look to a new national commission on productivity, if we don't do our own job and do it as rapidly and as early as we can, we're not fulfilling the total responsibility we have.

We formed in our own state about a year and a half ago, a state productivity counsel and we didn't ask just top leaders in government and top leaders in management and even top leaders in labor to join on that council. We also added some department heads from state government, some middle management personnel from state government and perhaps most importantly, added significant representation from those at the very bottom levels of civil service in state government so we could always test out the ideas and the concerns and the proposals for increased productivity with those on the firing line who ultimately will be the success or failure of any productivity program.

We asked first, one of the first jobs of that commission was to circulate all of our state agencies and to ask those in those state agencies what they viewed as the greatest inhibitors for higher productivity. Interestingly enough and I can't tell whether we have some arguments in our own office as to whether it's totally a real concern or just their perceived concern, but whichever it is the overwhelming answer that came back was the problem of civil service and some of the rules and regulations we inflict on ourselves in the civil service systems we have generally built throughout government at all levels.

I remember a Governors Conference some years ago where that subject was before us and one of the nation's academic leaders in terms of a study of civil service programs when asked what he recommended each state should do responded very simply that any state with a civil service system should forthwith abolish it. Any state that did not have one, should forthwith establish one. And he perhaps wasn't so -- wasn't being too funny because obviously the excesses of a spoiled system are ones we have gradually

tried to eliminate, but the rigidities we have built into a civil service system are preventing on the other side the opportunity for greater productivity and greater management techniques.

Just a couple of examples of what is beginning to happen now in our own state as a direct result of some of the productivity council's actions, some of them indirect and some of them direct but all of them really relating to this added focus on productivity as an important aspect of what we do.

Our Department of Revenue as the same in most states of course, has an enormous volume of work, most of the tax returns come to the Department of Revenue, except those that the liquor board and the Department of Motor Vehicles handle separately, and traditionally those forms come in, they're opened, the checks are taken out, they're sent to the bank and the forms are processed, and after some negotiation we ask the major banks of our state whether they would be interested in bidding on a lock box function where the tax returns no longer come to the state, but go directly to the bank.

And they separate out -- they do all the initial processing. They separate out the checks and they put them through their own system. They assemble the forms and package them and that whole initial process is carried on for the state and when we asked for bids and when we got them back, do you know what it cost us. Nothing. Because they found that they were able to get that money into the bank faster and the portion of the day that they used the money represented sufficient additional income that they could handle the whole process for us.

And the Department of Revenue will save more than \$800,000 a year as a result of a rather simple and straightforward process.

There's no question that in most states the greatest opportunity for better productivity lies in our social services area, although that's probably also the area of the greatest frustration in terms of federal rules and regulations. In our state we have a comprehensive umbrella agency, a Department of Social and Health Services which has almost half the employment of all of our state agencies and they have begun to establish individual measurements, standards

where they can of productivity, looking ahead for the next year or the remainder of the current biennium, almost a year and a half, more than a year and a half on a month-by-month basis, what they expect to have done in reaching for a goal out a year and a half from now that represents substantially the increased productivity.

And it's in almost any kind of measurement, many of them rather small, many of them dealing with the repetitive paperwork that has to go in a program like that.

And those that are down at the bottom of the list, it gives to the top management some way of going in and finding out a way to get them up the list, in fact, it's generally the agency managers themselves who are looking up at the top and making contact to find out why those departments, why those officers are doing a better job.

We have found some dramatic changes. Once people at the bottom end of the civil service system, the people out there on the firing line learn what the measurements were and once they agreed that they were practical and reasonable measurements and once they had some goals established, once they realized that they would sort of be measured one against another, when they were accomplishing similar things in separate offices, it almost became a contest of one office against another to see who could do a better job.

Some substantial increase in the pride of people in what they were doing and we have found in virtually every case in the month since these have been established that the measurements chosen and the goals that they are seeking, the month-by-month goals toward the biennium end have been far exceeded, in many of the elements they are already at the goals they set for the end of the biennium and I think those elements of a successful productivity program utilizing strengths and engaging the enthusiasm of those at the bottom end of a civil service system as well as enthusing the management at the top end, they are both required to get any good out of a productivity goal, and we simply have to do what we can to have practical worthwhile measurements of what we expect out of our agencies in government and especially have some measurements which everyone can agree to so that we can

do a better job of pointing out not only to those who work within state government, but most importantly to our taxpayers that their agencies are clearly becoming productive, that they are reducing the time between application and the response for the many services which citizens require from government.

We have seen dramatic drops in the error rate, in the issuance of motor vehicle and driver licenses. We have seen dramatic drops in the length of time between their application and return, in the thousands of things we must do in government which represent repetitive systems that deal with many, many people lie at one and the same time the greatest frustrations because we affect so many people and the greatest opportunity for not only reducing frustrations but also through better productivity measurements, the enthusiasm, the building enthusiasm of all people within government and their response to responsibly set goals lie one of the great opportunities I think of helping people regain badly needed confidence in their own systems of government.

GOVERNOR BOND: Thank you very much, Governor Evans. Are there comments or questions on this very interesting and I think fruitful area of investigation. Governor Holshouser.

GOVERNOR HOLSHOUSER: I didn't catch all you said about that thing with the tax returns and the banks. And you may have covered the point that sounds like it might be of immediate concern of private organization or a bank knowing people's confidential information regarding taxes, even though they might know what their bank accounts look like at the same time.

Did you run into that as a potential problem?

GOVERNOR EVANS: No, and we have a privacy of information statute. I guess I'll have -- I guess I really have to come back and after talking with the director of revenue give you a more specific answer as to what they have done to insure that they don't run into those problems, the bank of course, in their lock box function serve as an agent of the state. Their interest is getting the money in and deposited. The information and the returns themselves of course are transmitted as rapidly as they receive them to the state, but there is a very substantial savings involved. We have had no problems

to my knowledge whatsoever.

GOVERNOR HOLSHOUSER: It sounds like a good idea to me.

GOVERNOR EVANS: It certainly has worked in terms of a direct dollar saving. We are now in the process of seeing whether the same process can be put into effect with some of the other revenue operations, the motor vehicle licenses, driver's licenses and liquor income, all of which go to separate agencies.

We can save \$800,000 on one, we ought to be able to save some similar monies on the other and that's free money. We are getting the job done as well or better. In fact, we are getting it done faster than we were before, along with this substantial dollar saving.

GOVERNOR BOND: Dan, we investigated the lock box proposal in Missouri and our attorney general said that we couldn't do it under the privacy and confidentiality statutes and I would be most interested to find out how you got around that and what the reason was.

GOVERNOR EVANS: We will try to get that back to you in more definitive terms because we have a, I imagine, privacy of information statute that's I would guess pretty similar to most other states. It certainly is not a weak one.

END OF AFTERNOON SESSION-





MORNING BUSINESS SESSION

"CAMPAIGN '76"

SATURDAY-NOVEMBER 22, 1975

GOVERNOR BOND: This to me has made it a real delight to work closely with the Republican National Committee. It is therefore a great pleasure for me to introduce the Chairman of the Republican National Committee to kick off our discussion on Campaign 1976, our very good friend, Mary Louise Smith.

MS. SMITH: Thank you, Governor Bond, Mr. Chairman. Governors, Mr. Harris, members of the press, guests. I want to thank you all for being here and I want to thank you for asking me to be here with you.

Interesting morning, interesting days of politics lie ahead for all of us. I am sure all of you in this room would agree with me that from the perspective of one year away, election 1976 represents a unique opportunity for our party. First, we need not reiterate, I think, our previous losses nor will it achieve much to point up the times where we have come so very close, and of course, there was just one recent one in Mississippi.

The central point is simply this. Many offices which are historically ours are now filled by Democrats and we're going to win them back next year. I might add that there are also some offices which have been historically held by Democrats, especially in the south where I think we have at least a fighting chance for the first time in years.

All of this I believe spells great opportunity for our party. The fact that we have an incumbent President is a source of great strength. In addition the economy which many analysts feel will be of prime importance in 1976 appears to be on the upswing. With the apparent record of recovery current indications are that the improvement will continue through next year, but there are also many complicating and perhaps disquieting factors. These are problems that we have to face up to. Difficulties that we may have to overcome if we are to have real deep success. One of the complicating factors which will have a significant impact on the 1976

election in my opinion, one of the greatest ones is the campaign reform law. While it specifically covers only federal elections, we can expect it to have a rippling effect I believe that will touch the entire election process.

In many races, it may have a chilling effect on volunteers. People don't understand the law. They're not comfortable with it. They're disturbed by the legal consequences that they have read and heard about. Again, while this should be limited and is limited to federal campaigns, I think we can expect in our states a carryover effect. The law may require some important changes in the total operation of some state committees. It may discourage some people from running for office, running for public office at all and it will most likely have a sharp impact on political contributions.

No one is yet certain of what the total effect of this law may be. There are regulations, opinions, there's deliberations going on daily, but we are certain that operating under it, the '76 election will be unique in our history. As all of you here are aware, the law gives national and state parties the responsibility of making direct expenditures in behalf of federal candidates. Its provisions are quite clear that these should be independent expenditures. It is also quite clear that where the party falls short, no one else including the candidate can make our share of those dollars available. They simply cannot be initiated, generated or spent from any other source. Right now, neither our committee nor any state committee is in a position to fulfill the maximum responsibility, the ideal, the optimum we could do under that law.

All of us at the Republican National Committee as well as your state party organizations are literally working day and night to develop this kind of a capacity. Speaking for the national Committee we will extend our support to gubernatorial candidates to the extent that we can because the State House is such a vital part of the government process.

In addition to the campaign law there are other potentially disquieting elements as we move toward 1976. The fact that our President is now being formally challenged in the primaries, may produce healthy debate or if we allow it to, it could create dissension and difficulty within our own organizational ranks.