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Folder Title:
Education Summit (1990) [3]

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THE SUMMIT CONFERENCE ON EDUCATION

1. Teaching: Revitalizing a Profession

- Identifying, recognizing and rewarding excellence in teaching.
- Enriching the teaching profession by providing more flexible routes to certification.
- Attracting enough qualified teachers for elementary and secondary schools.
- Meeting our national needs with respect to science and mathematics instruction in elementary and secondary schools.
- Increasing the number of minorities entering teaching.
- Evaluating proposals for national certification examinations.

2. The Learning Environment

- Providing appropriate pre-school and early childhood experiences to prepare children for primary school.
- Identifying at-risk youth and reducing the number of student drop-outs.
- Creating safe, violence-free schools.
- Establishing and maintaining drug-free schools.
- Assessing student performance and establishing appropriate goals.
- Engaging teachers, students, parents, and the community in a partnership and a life-long commitment to education.

3. Governance: Who Is In Charge?

- Defining the appropriate role of the Federal Government in education.
- Defining the appropriate role of State governments in education.

- o Defining the appropriate role of local school boards in education.
- o Reforming federal and state education regulations.
- o Ensuring that schools are publicly accountable for their performance, that there is adequate scope for innovation, and that exceptional performance is recognized and rewarded.
- o Ensuring parent and citizen involvement in local school governance.

4. Choice and Restructuring

- o Evaluating the experience with choice across the nation.
- o Assessing transportation and equity issues involved in choice.
- o Considering ways of expanding choice and strengthening accountability.
- o Evaluating the experience with magnet schools across the Nation.
- o Instituting performance-based restructuring initiatives.
- o Evaluating the experience with site-based management and program restructuring.

5. A Competitive Workforce and Life-Long Learning

- o Ensuring that adult Americans are sufficiently literate to perform effectively as parents, workers, and citizens.
- o Determining what institutions, public and private, bear responsibility for various aspects of worker training.
- o Enhancing public-private partnerships in education.
- o Communicating the needs of the consumers of the products of our education system.
- o Creating incentive programs to produce more high school graduates.

6. Post Secondary Education: Strengthening Access and Excellence

- o Enhancing opportunities for disadvantaged youth and their access to higher education.
- o Strengthening science, mathematics and engineering teaching in American universities.
- o Strengthening university entrance requirements and reducing the need for remedial courses.
- o Recruiting and retaining more minority students and faculty in higher education institutions.
- o Enhancing the quality of training and vocational education.

Education Summit Conference

Objectives

The purpose in the President calling for a Summit Conference on Education was not to unveil a new program or set of initiatives. Nor was it to call for greater centralization of responsibility for education which has historically been concentrated at the state and local level in the U.S.

Rather, his purpose was to use the prestige of his office and his personal commitment to education reform to help stimulate increased attention to the problems of our education system and to engage the Nation's governors in serving as catalysts in this effort.

With specific reference to the Summit, the President has four major objectives:

1. To discuss the current state of education in America and what needs to be done to achieve necessary improvements.

This will permit him to focus attention on the importance of education to the economic strength of the country, to the quality of life in our land, etc.

It will also permit him to emphasize the need for enhanced accountability and on the importance of concentrating on results. The central problem of our elementary and secondary schools is not a lack of resources or funding, it is a failure to produce acceptable results. We have been devoting more and more resources, but the product that is being produced is inadequate.

2. To focus attention on those things that are working and making a positive contribution across the Nation.

State and localities have long served as "laboratories of experimentation." This is one of the great strengths of our federal system. Many states have adopted useful reforms that are producing results.

The Summit cannot not only showcase some of these reforms, but can also engage governors in a discussion of how these successful reforms can be best adopted and adapted across the country.

3. To illuminate new ideas that hold great promise for producing further reforms.

The President has already drawn attention to some of these -- choice, alternative certification of teachers, magnet schools, etc.

Some states have advanced others -- "Parents as Teachers," (Missouri) "The Children's Crusade" (Rhode Island), etc.

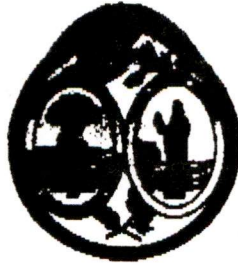
Stimulating innovation, and shaking up the traditional way of doing things is needed and can receive useful attention at this conference.

4. To identify realistic goals and objectives for the future.

While the Summit will not produce a concrete and agreed upon set of national goals and objectives for our education it can serve as the beginning point for a process involving the President and the Nation's Governors to develop these goals.

Consultations with other organizations will be an important part of the process of producing these goals. This is a major objective of the National Governors Association and they are anxious to work with the President in this effort.

We would likely announce at least some of these goals in early 1990.



State of South Carolina

Office of the Governor

CARROLL A. CAMPBELL, JR.
GOVERNOR

Post Office Box 11389
COLUMBIA 29211

MEMORANDUM

TO: Governor Campbell

FROM: Mary J. Willis *MJW*

DATE: September 7, 1989

RE: Response to Governor Sununu's Request for
Examples of Need for Federal Flexibility

Attached, please find both South Carolina examples and Arkansas examples (per Governor Clinton's staff) of the impact of Federal regulations on local education decision-making. The South Carolina School Boards Association and School Administrators Association along with the National Center on Education and the Economy helped with this information. I can give you additional examples if needed.

IMPACT OF FEDERAL (AND STATE) REGULATIONS ON LOCAL EDUCATION

Federal regulations affect the operations and policies of local school districts in many ways. In some cases, regulations provide useful guidance for the delivery of educational or other needed services to children. In many other cases, they divert time, money, and energy from the provision of good educational services to efforts at coping with unnecessary paperwork and complicated administrative structures.

These comments sketch out three levels of regulatory impact on local schools that the governors could usefully address with President Bush.

I. Federal Education Programs

The typical school must cope with a broad range of separate categorical grant programs operated by the U.S. Department of Education. The attached list indicates their extent: compensatory education for the disadvantaged, vocational education, education of the handicapped, impact aid, math/science education, magnet school assistance, bilingual education, and many school improvement programs. Each has its own rules, regulations, and program officers. Some of these programs are administered directly from Washington, D.C. but the major ones go through state departments of education where an additional layer of bureaucracy is added.

The main problem these programs pose for local schools is how to integrate the federal goals, services, and administrative requirements into the basic education mission and administrative procedures of the district.

Recommendation: Allow districts to integrate funds from these separate categorical programs to fund specific school improvement programs for the disadvantaged along the lines of the school-wide projects in the new Chapter 1 regulations.

II. Federal Programs not Directly Related to Instruction

The second level of program regulation results from the need of schools to relate to other agencies for ancillary services to children that are not education in nature. Typical of these services are the massive school lunch program which involves not only federal subsidies but actual distribution of surplus commodity foods in the schools through the U.S. Department of Agriculture. Less visible, but no less significant, to school personnel is the impact of federal regulations governing welfare, youth and family services, medicaid (an important source of aid for the handicapped), immigration, juvenile justice, HIV and other health services, drug abuse prevention, emergency housing, etc. All of these programs involve separate federal regulations plus particular state regulations.

Recommendation: Federal and state officials should explore a method for coordinating key services to children. The coordinating agency could be based in schools or in another community agency, but the key is having someone responsible for getting all services to children that they need and are entitled to address the needs of the "whole child."

III. Federal Regulations Affecting Schools As Institutions

The third level of regulations deals with issues that affect schools as institutions and employers. One example is the whole area of tax policies that affect the school districts ability to raise revenue (e.g. deductibility of state and

local taxes, tax status of bonds, arbitrage rules, etc.). Another example is the school as industry that must provide a safe environment for its employees and students (asbestos abatement, radon contamination, lead in the drinking water, toxic substances in school supplies).

Also important is the school as employer (minimum wage, employee benefits, etc.) Over-regulation in these areas redirect scarce funds away from the learning priority of schools.

Recommendations: The federal government should establish a mechanism at the White House level or the U.S. Department of Education to review specifically the impact of any proposed federal mandate on the ability of schools to deliver quality education and to modify or block such mandates.

The three suggestions which were discussed are the most significant for program improvement. These policy changes would cause specific program changes to occur.

For example, I have chosen one federal program, the Carl D. Perkins Vocational Act, to critique in depth. Suggestions for this program are as follows:

1. The Act should channel more of the federal resources directly to local school district programs through revisions in the funding allocation procedures -- ie, at least 75% of the basic grant award should be reserved for elementary and secondary vocational education programs.
2. Matching and excess cost requirements should be eliminated since they discourage the initiation of needed services in many districts that cannot meet the requirements for economic reasons.
3. The Act should allow more flexibility to design and carry out vocational programs that work for all students, including the disadvantaged and handicapped. The current combination of federal requirements, six separate set aside for special need populations, only supplemental or excess costs allowable, 50% matching, among others make the design and delivery of services extremely difficult and expensive.
4. The Act should simplify the local application process. It should require states to design a simple unified application process that consolidates all district grant activities into a streamlined project description and budget similar to the Chapter 2 administrative procedure.
5. The Act should emphasize basic skills as well as occupational skills instruction in vocational education projects.
6. It should authorize activities to coordinate secondary vocational education programs with post-secondary training providers such as technical colleges, four-year institutions, business and industrial training and nonprofit training programs such as those sponsored by the Job Training Partnership Act (JTPA).

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I. CATEGORICAL FEDERAL EDUCATION PROGRAMS IN TYPICAL SCHOOL (U.S. DEPARTMENT OF EDUCATION)

- Education for the Disadvantaged -- Grants to Local Educational Agencies (84.010)
- Education for the Disadvantaged -- Capital Expenses for Private School Children (84.216)
- State and Local Programs, Chapter 2 (84.151)
- Drug-Free Schools and Communities -- State and Local Program (84.186)
- Mathematics and Science Education Act Program (84.164)
- Magnet Schools Assistance Program (84.165)
- School Assistance in Federally Affected Areas -- School Assistance, Impact Aid (84.041)
- Transitional Bilingual Education (984.003)
- Developmental Bilingual Education (84.003)
- Bilingual Education -- Transition Program for Refugee Children (84.146)
- Bilingual Education -- Emergency Immigrant Education Program (84.162)
- Adult Education -- State Administered Program (84.002)
- Vocational Education -- Basic State Grants -- Opportunities Program (84.048)
- Vocational Education -- Basic State Grants -- Improvement, Innovation, and Expansion Program (84.018)
- State Vocational Education: Consumer and Homemaking Program (84.049)
- State Vocational Education Program: Industry-Education Partnership for Training in High-Technology Occupations (No. CFDA no.)
- Handicapped -- Innovational and Development (84.023)
- Handicapped -- State Grant (84.027)
- Handicapped Preschool Grant

II. CATEGORICAL FEDERAL PROGRAMS AVAILABLE ON COMPETITIVE BASIS

- Even Start Program Operated by Local Educational Agencies (84.213)
- Follow Through (84.014)
- Law-Related Education Program (84.123)
- Star Schools Program (84.203)

- Leadership in Educational Administration Development (LEAD) Program (84.178)
- National Diffusion Network Program (84.073)
- Jacob K. Javits Gifted and Talented Student Program (84.206)
- FIRST: Schools and Teachers Program (84.211)
- FIRST: Family-School Partnership Program (84.212)
- Secretary's Fund for Innovation in Education (FIE) (84.215)
- Mathematics and Science Education National Programs (84.168)
- Bilingual Education -- Special Alternative Instructional Program (84.003)
- Vocational Education -- National Program: Cooperative Demonstration Program (84.199)
- Bilingual Vocational Training Program (84.077)
- National Science Foundation
- National Endowments for Arts & Humanities

III. FEDERAL PROGRAMS NOT RELATED TO INSTRUCTION

A. Nutrition (U.S. Department of Agriculture)

- School Breakfast
- School Lunch
- Women, Infants, Children
- Nutrition Education & Training

B. Environmental Hazard Abatement (U.S. Environmental Protection Agency [EPA])

- Asbestos Hazard Emergency Response Act
- Asbestos in Schools Hazard Abatement Act Grants & Loans
- Lead in Drinking Water Control
- Radon Contamination



Arkansas DEPARTMENT OF EDUCATION

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Burton L. Elliot, Director, General Education Division

September 6, 1989

MEMORANDUM

TO: Kathy Van Laningham

FROM: Diane Sydorak, Associate Director, Special Education

SUBJECT: Review of Federal Regulations Regarding Obstacles to Restructuring

As per your request, Clarence Lovell and I have reviewed the federal regulations affecting our respective program areas as to obstacles the regulations create when districts begin implementing innovative approaches to education service delivery.

Education of the Handicapped Act, PL 94-142

The key issues creating obstacles can be summarized as follows:

1. The regulations and the Act require that funds be used to supplement not supplant. When districts begin implementing special education services for handicapped children within the regular classroom, restrictions on the use of the funds create a problem. For example: It would be difficult to use federal funds to pay for a portion of the regular classroom teacher's salary and it not be viewed as supplanting.
2. The regulations prohibit funds being expended for any child that is not determined to be eligible under the Act; thus, including children who have the same or similar needs in a program funded by the Act is disallowed.
3. Program is process focused rather than results focused.
4. Accountability should be measured by student outcomes rather than through financial accounting.

Attachment

The following regulations are those that might present obstacles to schools that are entering into programs for restructuring. These regulations have been taken from the Chapter I regulations issued May 19, 1989 and the Chapter II section of Public Law 100-297.

CHAPTER I

200.30 How does an LEA select school attendance areas to be project areas?

An LEA that receives Chapter I funds under this part shall conduct Chapter I projects in school attendance areas that have high concentrations of children from low-income families.

Program improvement and student improvement activities under this section must include participating children in private schools in accordance with section 1017 of the Act.

Example: Students who may need a program that is developed with Chapter I funds may not be attending a project school.

200.40 What is the prohibition against using funds under this part to provide general aid?

An LEA may use funds available under this part only for projects that are designed and implemented to meet the special educational needs of educationally deprived children.

Example: This regulation has resulted in Chapter I students being segregated from the general school population.

200.43 What comparability of services requirements apply to this program?

An LEA may receive funds under this part only if, on a districtwide or grade span basis, the LEA uses state and local funds to provide services in project areas that, taken as a whole, are at least comparable to services being provided in school attendance areas that are not receiving funds under this part.

Example: This regulation may prevent Chapter I funds from being used to restructure a school program in the event that services in the school being restructured have never been comparable to non-Chapter I schools.

200.44 What supplement, not supplant requirement applies to this program?

An LEA may use funds available under this part only to supplement and, to the extent practicable, increase the level of non-Federal funds that would, in the absence of funds under this part, be made available for the education of pupils participating in Chapter I projects, and in no case may funds available under this part be used to supplant those non-Federal funds.

Example: Because of this regulation, Chapter I funds could not be used to meet state standards or state requirements. Chapter I students are sometimes segregated and supplies and equipment provided with Chapter I funds can only be used for Chapter I students.

CHAPTER II

(Sec. 1571) Public Law 100-297

Federal Funds Supplementary - A state or local educational agency may use and allocate funds received under this chapter only so as to supplement and, to the extent practical, increase the level of funds that would, in the absence of Federal funds made available under this chapter, be made available from non-Federal sources, and in no case may such funds be used so as to supplant funds from non-Federal sources.

Example: Chapter II funds cannot be used to meet state standards. Local funds must be used first and supplemented with Chapter II funds.

THE GOVERNORS' 1991 REPORT ON EDUCATION

**RESULTS IN
EDUCATION:**
1987 1988 1989
1990 1991

NATIONAL
GOVERNORS'
ASSOCIATION

THE WHITE HOUSE
WASHINGTON

September 12, 1989

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER B. PORTER (A)

SUBJECT: Public Perceptions About America's Schools

This is the first in a series of background memorandums on education as you prepare for the Education Summit Conference with Governors. This memorandum focusses on the attitudes of the American public toward education.

The American public overwhelmingly is committed to a quality education system. A 1988 Gallup poll showed that 88 percent of the public believes that "developing the best educational system in the world" is "very important" to American strength over the next twenty-five years. By contrast, only 65 percent felt that "developing the most efficient industrial production system" was very important and only 47 percent felt that "building the strongest military force" was very important.

At the same time, the public expresses general satisfaction with the performance of the schools their children are attending and a feeling that educational trends are moving in the right direction. A widespread assumption exists among policy makers that American schools are performing poorly and the public senses that there is a national problem with education in general. This is somewhat analogous to the public's view of Congress. While the institution of Congress is generally held in low esteem, individual Congressmen are quite popular in their own districts.

Level of Satisfaction

The 1989 Gallup Poll on Education revealed that the more familiar Americans are with schools, the more pleased they are. This fact manifests itself in two ways. First, satisfaction rises as people have more first-hand knowledge of the school system. Second, people are happier about their local schools than about schools in general.

1. Parents with children in the public schools are far more supportive of their schools than non-parents.

The Gallup poll asked respondents to grade their local public schools on an A,B,C,D,F scale. As the following table indicates, local public school parents were the most positive about the schools their children attended. The next most

favorable reaction came from public school parents about the public schools in general. Adults with no school age children ranked their local public schools the least favorably.

Grades Given Schools by Parents and Other Adults

	<u>A or B</u>	<u>C</u>	<u>D or F</u>
Grade given by parents to school their oldest child attended	71	19	6
Grade given by parents to local schools generally	57	29	13
Grade given by other adults to local schools generally	38	34	16

2. People are more pleased with the schools in their town than they are with the situation at schools in the nation as a whole.

The most favorable comments about schools were in regard to the local public school system. Respondents gave much lower grades to the public schools in the nation as a whole.

Grades Given Local Schools vs. Schools Nationally

	<u>A or B</u>	<u>C</u>	<u>D or F</u>
Grade given local public schools	43	35	15
Grade given public schools nationally	22	47	19

3. When asked how much confidence they have in the nation's institutions, people rate schools relatively high.

Forty-nine percent of all respondents said they had a "great deal" or "quite a lot" of confidence in the public schools. By contrast, the most confidence expressed was in churches in which 59 percent expressed a "great deal" or "quite a lot" of confidence. Only 35 percent expressed as much confidence in Congress, only 27 percent in television, and only 25 percent in big business.

Trends: Moving in the Right Direction

While many policy makers believe our schools are in decline, the public in general thinks our schools are improving.

1. Survey data suggest that people think that the schools in their community have improved over the last 5 years.

Among the entire population, 29 percent feel that the schools have gotten better while 19 percent feel that they have gotten worse. That 29-19 margin in 1988 is up from 25-22 in 1987. Furthermore, parents of public school children, who should be the most sensitive to any change, feel that things have gotten better by a 39-16 percent margin. Even those whom one would imagine would be most skeptical, parents of children in non-public schools, feel that the public schools are getting better by a 36-25 percent margin. Those people least sensitive to any changes, adults with no school age children, are also least likely to see improvement.

2. Adults see the education of today's children as being better than their own education.

Among all adults, the margin seeing today's education as better is 48-35. Among those with children currently in public school the margin is 58-31. Even those with children outside the public schools see a substantial improvement, by a margin of 54-38. Again, those least sensitive to the current school environment are those who are the least positive. People with no school age children think things have gotten better by a margin of 44-37.

Furthermore, this sense of generational improvement has developed within the last 10 years. In 1979, adults felt that the education of children that year was worse than that which they received by a margin of 42-41.

Conclusion

These data contain both good news and bad news. On the one hand, the public is more satisfied than one might think about the quality of their schools. Unfortunately, this satisfaction may make it more difficult to convince people that significant changes are needed. Future memos will provide you with data indicating that the current attainment levels of America's school children are a serious matter for concern.

The survey results also suggest the public feels that the reforms of recent years are having a positive impact on the nation's schools. Many of these reforms emphasized your goals of choice, excellence, accountability, and targeting the needy. The second memo in this series will highlight public attitudes toward specific reform initiatives.

THE WHITE HOUSE
WASHINGTON

September 12, 1989

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER B. PORTER *RBP*

SUBJECT: Public Attitudes Toward Education Reform Initiatives

This is the second in a series of background memorandums on education as you prepare for the Education Summit Conference with Governors. The recently released 21st Annual Gallup Poll on Education (1989) indicates growing public support for "tradition-shattering changes" in education policies. Much of this support reinforces the principles of excellence, choice, accountability, and targeting the needy that you have consistently articulated.

The 1989 Gallup poll produced seven significant findings regarding public attitudes toward changes in our educational system.

1. The public believes by a 2 to 1 margin (60% - 31%) that parents and students have the right to choose which schools in the community students attend.

The 1989 poll shows that a majority of the public supports parental choice. This is true of all demographic groups and in all geographic areas. The concept has greatest support among non-whites (67% favor) and young adults (67% favor).

A majority of the public (51%) believes that choice would improve some schools while hurting others, 21% believe choice would improve all schools, and 14% believe choice would hurt all schools. Many of the people answering the poll (two-fifths) believe that choice would improve student achievement. Only 10% believe it would lower achievement and 42% believe there would not be much difference. Parental choice is state law in at least three states.

2. Those with the ability to attend college should be able to do so, regardless of financial status.

Four-fifths of the public supports more state or federal assistance for those academically qualified and desiring to attend college. More scholarships or grants, work/study programs, and low-interest loans are strongly and equally supported (94%, 94%, and 93%, respectively).

3. A significant majority (83%) of the public believes that more needs to be done to improve schools in poorer states and communities.

Nearly three-fifths of the public believes that the nation's inner-city schools have "gotten worse over the last several decades." Nearly three-fourths believe it is "very important" to improve the quality of these schools.

The majority of the public would be willing to spend more tax money for youth-oriented programs in low-income communities:

- Almost three-fourths support increased funding for screening young children for health problems.
- Over two-thirds support increased funding for Head Start programs.

4. The public believes that the U.S. should have national goals and standards for education (70%), national public school curricula (69%), and national testing programs to measure achievement (77%).

The Gallup polls have shown since 1978 that the public supports the tradition of local control of schools. This year the question about local control was not asked. Instead the question in this portion of the interview dealt with national goals, standards, etc. and revealed considerable support for such national standards. This result may point to increasing support for national direction in education policy.

The following table reflects the response of those interviewed when asked whom they thought should establish national goals.

Who Should Establish National Standards and Goals

Professional educators	61%
Panel of parents and other lay people	20%
The President and Congress	5%
A consensus of state governors	3%
Others/Don't Know	11

5. The public favors by a 2 to 1 margin (61% - 30%) community service as a requirement for high school graduation.

The question of whether community service should be an option in public schools was asked in 1978 and in 1984 and both times resulted in an even higher approval rating -- 87% in 1978 and 79% in 1984.

6. The public also favors policies to increase accountability at the school level and to lengthen the school year and school day.

Over three-fifths of the public supports giving principals greater authority over school operations and financially rewarding those schools making the greatest progress.

For the first time in the series of Gallup polls, a greater percentage would favor than oppose increasing the amount of time students spend in school (48% to 44%).

7. The main reason most parents want their children to get an education is to improve their chances of getting a good job or improve their earning capability. "To become better citizens" and other quality of life reasons rank far behind.

Reasons Parents Want Education for their Children

Job opportunities/better job	33%
Better life	25%
Financial security	15%
Personal development	7%
To become better citizens	5%
To contribute to society	2%

Conclusion

The results of the 21st Annual Gallup Poll on Education clearly indicate that the public supports a variety of education reform initiatives. Among these is greater parental choice, the beginning of a process to define national goals, and increased efforts to improve the quality of inner-city schools.

THE WHITE HOUSE

WASHINGTON

September 14, 1989

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER B. PORTER *RBP*

SUBJECT: International Comparisons in Education

This is the third in a series of background memorandums on education as you prepare for the Education Summit Conference with the Governors. Much attention has focused on the apparent decline in the educational attainment of America's students relative to those of other advanced industrialized nations. A recent international comparison of educational achievement levels, the National Assessment of Educational Progress (NAEP, pronounced nape) international study, suggested that if major strides are not made toward improving our schools, the U.S. may face a grim future as a competitor in an increasingly technical global economic environment.

This memorandum considers some of the disturbing evidence of our international performance as well as outlining the strengths of our educational system. It then considers some of the main differences in educational approach between the United States and our economic competitors.

Disturbing Evidence

1. The U.S. placed last in mathematics and in the bottom group in science in a comparison of U.S. 13-year-old students with their peers in 11 nations and 4 Canadian provinces.

For example, only 40 percent of U.S. students could perform a two-step math problem vs. 78 percent of Korean students and about 60 percent of students in most countries.

In the science tests, only 42 percent of U.S. 13-year-olds were able to analyze experiments, compared with 73 percent in Korea and about 58 percent in most countries.

2. Particularly disturbing is evidence that the gap between U.S. students and those in other countries increased as students progressed through the educational system.

In the fifth grade, the U.S. ranked eighth out of 15 countries in science. By the ninth grade, the U.S. had dropped to third from the bottom. By the time students left the system, in grade 12, the U.S. students scored an average ranking of 11th out of 13.

By the 12th grade, even average Japanese students were outscoring the top 5 percent of U.S. students in college preparatory math. We were lowest overall in algebra skills and among the lowest in calculus.

3. U.S. students also performed poorly in the social sciences such as geography.

Our students ranked 7th out of 9 nations in their ability to identify places on a world map. Surprisingly, our young adults who were fresh out of school were less able to identify places than were people aged 55 and over.

Strengths of the U.S. Educational System

1. At the very top of the educational ladder, our top research universities are the envy of the world.

Each year 360,000 foreign students attend school in America. More than 20 percent of our science Ph.D.s, nearly half of our mathematics Ph.D.s and nearly 60 percent of our engineering Ph.D.s are granted to citizens of other nations.

2. The emphases in this country on equal access and on providing educational opportunity are widely viewed as models to be copied by other nations.

In Japan and France, students are steered into educational streams that narrow the types of careers they may pursue. In West Germany, a child's academic future may be decided by age ten. Nearly twice the proportion of young adults enroll in post secondary education in America compared to other developed countries.

Our system is also quite tolerant of students who try and fail, and then try again. For example, in 1986 roughly 1 million students did not graduate with their class. But, in the same year, 428,000 Americans received High School General Equivalency Degrees (GEDs). This indicates that nearly half of all dropouts may return and get their degrees at some point in their lives.

3. The U.S. system of higher education is a model of flexibility, individuality, and choice.

The Japanese National Council on Education Reform recently stressed "the importance of increasing individuality, choice, and flexibility throughout the educational system" in Japan. Our system's tolerance of students who change course during their educational career is crucial to allowing creativity and individual development.

Currently one college student in six is over age 35. By 1997, that fraction is expected to rise to almost one in four.

What Do Other Countries Do That We Can Learn From?

1. Parental involvement is crucial to improving the performance of students.

In Korea, students are given two sets of textbooks on their first day of classes: one for themselves and one for their parents. Survey data indicate that American mothers are more likely than Japanese or Taiwanese mothers to believe that school success is determined primarily by innate ability.

2. The quantity of time devoted to learning and the expectations set for student accomplishment and discipline play a major role.

Taiwanese students spend 40.4 hours per week and Japanese students spend 32.6 hours per week in the classroom. In the U.S. students average only 19.6 hours per week in the classroom.

Sixty-two percent of U.S. students reported having less than one hour of math homework per week. This contrasts with only 32 percent of Korean students who have so little homework.

3. Students in competing countries are exposed to more rigorous academic curricula than in the U.S. Students cannot learn what they haven't been taught.

In the eighth grade, U.S. students are still learning arithmetic while Japan provides an intensive treatment in calculus. By the latter secondary grades, U.S. students are learning algebra while Japanese students are learning calculus. Only one-fifth of advanced U.S. math students take calculus in high school. Nearly all advanced students in other countries take calculus.

In Japan, about 11 percent of 17- and 18-year-old students are enrolled in physics courses. In the U.S. only one percent take physics.

4. Money is not the answer. The U.S. spends far more than most other countries on educating its students.

For example, the U.S. spends about 60 percent more than Japan on each student and nearly 15 times more than Korea does on each student.

Last year, the U.S. spent 6.8 percent of its GNP on education. The comparable figure for Japan was 5.1 percent. Germany, France, and the United Kingdom all spent smaller portions of their GNPs on education than did the U.S.

THE WHITE HOUSE

WASHINGTON

September 16, 1989

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER B. PORTER *RBP*
SUBJECT: Presidential Conferences for Governors

This is the fourth in a series of background memorandums as you prepare for the Education Summit Conference with the Governors. Given that much attention has focused on the fact that this is only the third time the President has convened the Nation's governors for a conference, you may find of interest a brief review of the first two conferences.

Theodore Roosevelt: May 13-15, 1908

The first conference was convened by Theodore Roosevelt to discuss the use and abuse of America's natural resources. It was held in the East Room of the White House and consisted of three days of morning and afternoon sessions.

The first day dealt with mineral resources; the second day concentrated on land resources; and the third day was devoted to water resources. The transcript of the conference suggests that it was formal and often quite technical.

Those attending included the President, the Cabinet, the Supreme Court, the Congress, the Governors and their advisors, certain special guests such as William Jennings Bryan and Andrew Carnegie, and representatives of several score national organizations. All in all forty-four governors and some 500 participants crowded into the East Room for the sessions.

At the conclusion of the conference, according to the newspaper reports we have consulted, several governors suggested that: (1) the conference underscored the need for cooperation among the federal, state, and local governments; (2) a valuable product of the conference was the opportunity it provided for personal contact among governors who were geographically spread across the Continent; and (3) the conference greatly helped to focus national attention on conservation as a problem and a challenge.

Interestingly, the conference did not attempt to produce a communique or summary statement. President Roosevelt suggested in his address that there ought to be a committee on resolutions, an idea that seems to have caught the Governors by

surprise. The conference proceedings contain no references to any resolution or documents emerging from the conference. Several newspaper accounts of the sessions are attached at Tab A.

Franklin D. Roosevelt: March 6, 1933

On February 7, 1933, less than a month before he was to take office, President-elect Roosevelt invited the Governors of all the states to a conference on national problems. He chose the date of March 6, the Monday following his Saturday inaugural, because so many governors would be in Washington for his swearing-in.

Roosevelt originally envisioned the conference as concentrating on a variety of subjects from conflicting federal and state taxation to unemployment relief, from mortgage foreclosures to reorganizing and consolidating local governments. He invited them to assemble at 11:00 a.m. and to spend the remainder of the day discussing these subjects. He saw it as an informal meeting.

By the time March 6 arrived the subject of banking moratoriums dominated the national agenda. Roosevelt, who planned on attending the entire conference, was so pressed by other events that he did not even prepare a speech in advance and spoke extemporaneously.

Twenty-five governors attended and twelve others were also represented. Roosevelt stayed for a two hour morning session and a luncheon. The governors resumed their meeting at 2:00 p.m. with a format that permitted five minute speeches by each of the participants.

The conference did produce a "pledge of support" for the President "in this anxious hour of a national emergency in our banking and economic life." The conference did pass a series of resolutions supporting the President's plan for better land utilization, endorsing the substitution of work-relief for direct relief (the concept of workfare has been with us for a long time), and calling on the Congress to grant the President emergency powers. Several newspaper accounts and other documents relating to this conference are attached at Tab B.

But, largely as a result of events beyond his control, the March 6 conference held by Franklin Roosevelt did little beyond demonstrate the need for national unity in dealing with the economic crisis he faced.

GOVERNORS CHEER ROOSEVELT'S TALK

He Tells Them Conservation of
All Natural Resources Needs
One Coherent Plan.

PUTS JOHNSON IN CHAIR

Carnegie Pleads for More Careful Hus-
banding of Coal and Iron, Which
He Says Are Being Wasted.

Special to The New York Times.

WASHINGTON, May 13.—The conference of Governors on the conservation of natural resources got under full swing at the White House this morning. They crowded the East Room and listened to a speech by the President with some of the old-time ring in it. The Governors had been sufficiently warmed up by the weather before they reached the White House to be ready for anything demanding enthusiasm, and they applauded the President with non-partisan liberality.

When he declared his intention to continue the Inland Waterways Commission and make it permanent whether Congress makes an appropriation for its expenses or not, there was vigorous cheering.

After delivering his speech, the President brought the conference right down to business by suggesting that there ought to be a committee on resolutions, and incidentally naming them. Then he paused to give the Governors opportunity to second the motion.

They looked around at one another, however, as if uncertain just what to do. Finally Gov. John Johnson came to the rescue with a motion to appoint the committee named by the President. At the afternoon session the President gave Johnson his reward by announcing that he would call on the Minnesota man to preside when he was not present himself.

At that there was a lively clapping of hands from all over the room, the Republican Governors giving Johnson the hand heartily. The President grinned as if he had been caught injecting politics into the game where it should not have been. Then he grinned some more and said: "And I am sure we all shall be glad to hear anything Mr. Bryan cares to say." Loud applause greeted that and Bryan walked to the front and talked to the President in a stage whisper.

Whereupon Mr. Roosevelt said:

"Mr. Bryan prefers to wait until nearer the close of the conference."

Two Important Ideas.

Two ideas resulted from the conference: The first is that a permanent organization between the States and the Nation is necessary, and will probably result from the present conference, to accomplish the end sought. The second, suggested by Secretary Root, is that there is no limitation by the Constitution to the agreements which may be made between the States, subject to the approval of Congress. The two ideas fully developed, it is predicted, would result in the conservation of the energies and resources of the nation through uniform and unconflicting laws, both National and State.

Forty-four Governors and 500 other persons taxed the capacity of the East Room. The others were Cabinet officers, Supreme Court Justices, Senators, Representatives, experts in all lines of industry. President Roosevelt's fifty-minute speech was many times interrupted by applause, and when he finally reached his point of praise of the Inland Waterways Commission, the Governors stood up and shouted.

A NEW UNION.

It is not difficult to see that President Roosevelt regards his speech, delivered yesterday at the opening of the Conference on the Conservation of Natural Resources, as quite the most momentous of his public addresses. The convocation of the Governors of all the States—for the first time in our history—with the President, the Senators and Representatives in Congress, the Cabinet, and the Supreme Court, he compares with that gathering at Philadelphia, the outcome of which "was the Constitution which made the States into a Nation." He observes that, in its elemental conception, the gathering of the Fathers was "merely a water-ways conference," and traces the idea of the Federal Union to its origin in the desire of the States most advantageously to use their natural resources. In effect Mr. Roosevelt declares that the meeting this week at Washington may and should result in the formation of a new Union, based upon a civilization superior to that which gave birth to the Republic.

We are the ancients, was Sir FRANCIS Bacon's dictum. We should be greater than the so-called ancients, who were the inept spirits of a callow age. The President points out that during the century and a quarter of our National existence industrial progress has exceeded that of the preceding 5,000 years, while the times of the founders were not essentially different from the age of the first Phoenician sailing ships, of the Pharaonic mines, of the Nineveh and Sidonian merchantry, of Athens with its wooden walls, and Rome with its imperial postroads.

But the new civilization, with its heightened standards and its vastly augmented consumption of natural products, has thus far subsisted according to the primitive principle of destruction. The coal and iron deposits, the primeval forests, and the fertile soils, originally thought inexhaustible, will not endure the hundred-fold demands of the Nation's growth without the application of a new principle—conservation. Hence there appears in Washington this week, along with the State dignitaries whose predecessors made Independence Hall historic, a group of scientific advisers to whose teachings our forebears would have inclined astonished ears. These men know best how to utilize our mineral fuels and alloys, doomed, even with their care, to dissipation. And they will tell us what the founders never dreamed, that with the heritage of the forests half destroyed and with the soils impoverished by reckless tillage and failure to check erosion, they may be restored, enriched, and even made more productive while the farmer and the forester reap them. The deserts and the swamps shall bloom again.

From a Nation born of a plan that exhausts the resources of the States, President ROOSEVELT prays for a rebirth in a Union formed of a coherent and co-ordinated plan of thrift. "In the past," the President says, "we have admitted the right of the individual to injure the future of the Republic for his own present profit." His words should mark a change and a better era.

GOVERNORS WANT MORE CONFERENCES

They Plan to Meet Regularly to
Obtain Uniformity of
Legislation.

TO CONSIDER DIVORCE LAWS

James J. Hill Says Wasting of Natural
Resources Involves Political as
Well as Economic Future.

Special to The New York Times.

WASHINGTON, May 14.—If there was anything lacking to demonstrate President Roosevelt's complete mastery of the conference of Governors it was supplied this morning by Gov. Glenn, the militant Executive of North Carolina, who last year was engaged in a hot contest with the Federal Government over the supremacy of State or Federal railroad laws.

Gov. Glenn made the speech of the conference, and from first to last it was an appeal for National support on a question in which North Carolina is vitally interested—the White Mountain and Appalachian forest reserve proposition. The North Carolina Governor wanted the conference to do something that would make Congress pass the pending bill right off the bat. The Governors and their advisers were with him enthusiastically, and applauded every period.

At a banquet last night Speaker Cannon had suggested that the States interested in this project should get together, and by a confederation of their own obtain the result they are aiming at, without calling for Federal assistance. Gov. Glenn took up that suggestion, and nearly raised the roof by his reply.

"We tried a confederation once down our way," he cried, "and it didn't pay."

The assembled Governors fairly whooped their appreciation of that. They fired a few hats in the air and generally let loose emphatic signs of approval.

Roosevelt Running Conference.

Mr. Roosevelt went on running the conference in his own way to-day, without let or hindrance from any of the Governors. He opened the session, and soon afterward called Gov. John Johnson to the chair, with the announcement that he had selected Gov. Deneen of Illinois to preside during his absence at the afternoon session.

The "big" speech of the morning was delivered by James J. Hill, who made a solid impression by the figures of National waste which he produced.

The Governors are getting better acquainted, the men accompanying them are finding out who's who, and the novelty of actually doing business in the White House is wearing off, so that there is a readier disposition to jump in and have one's own say on questions of special interest. Gov. Johnson has a nimble tongue, which helps out for a presiding officer. He made one sally which set the whole crowd off. It came after the close of Mr. Hill's speech.

Referring to what Mr. Hill had said about the air as a beneficial agent in agriculture, Gov. Johnson said:

"With a conference like this, which brings so many politicians together, there ought to be plenty of hot air."

6 **Governors Favor Plans.**

The Governors are greatly pleased with their conference, and are already working to make such meetings a regular thing hereafter. They are satisfied to let the President go on running this one to suit himself, but there is a growing undercurrent in favor of getting away from White House influence in subsequent meetings, and have them in fact as well as name, conferences of Governors. The idea of conservation of natural resources has taught them all, and there is now an overwhelming sentiment among them in favor especially of the Administration's forestry policy. They are for the existing reserves, and more, too.

But they are also talking of the benefits that may be derived from such conferences in the way of efforts to obtain uniform legislation along other lines. Uniformity of marriage and divorce laws, with uniform extradition laws, appeal to the Governors very strongly. At the close of the official conference this afternoon there was a little informal meeting attended by about a dozen Governors, at which a committee of three, Folk of Missouri, Sheldon of Nebraska, and Wilson of Kentucky, was appointed to canvass the subject and make recommendations as to what should be done for the future. Gov. Fort has already invited the Governors to hold their conference of next year at Atlantic City, and Gov. Wilson has asked them to come to Louisville.

The afternoon session furnished a diversion when Gov. Gooding of Idaho, who is a staunch Roosevelt man on most things, tackled the Government reclamation service and hit it some hard cracks. He contended for the right of the States to do the reclamation work for themselves, under the Carey act, and declared that they did it a great deal more satisfactorily than the Government. He cited two cases in his own State to prove his contention.

On the Minkdoka project, Government work, there have been 787 entries and 822 transfers, principally because the settlers could not make good under the conditions. But on the Twin Falls project, a private enterprise under the State, there have been only about 15 per cent. of transfers.

The speech of James J. Hill, head of the Directorate of the Great Northern Railway, was a notable address.

The Work of New York.

J. S. Whipple, Forest, Fish and Game Commissioner of New York, enthused the conference with a brief statement of the work being done by the Empire State toward the preservation of its forest. He preceded this with the remark that within twenty-two or twenty-three years, unless preservation methods were continued, there would not be a sawing stick of timber standing in that State. He said that New York had planted more trees than all other States and the National Government combined.

Gov. Fort of New Jersey gave a very satisfactory account of the forestry work being done in his State.

The climax of the morning session was produced by Gov. Glenn of North Carolina, who made a vigorous appeal for action by the conference which would impel Congress to pass at this session a bill providing for the Appalachian and White Mountain forest preserves.

At the afternoon session Gov. Deneen of Illinois presided. Ex-Gov. Pardee of California made an address on "Resources Related to Irrigation."

THE WASTE OF RESOURCES.

According to the gentlemen who have addressed the Conference of Governors at the White House, our National resources are "going, going," and, if we continue our prodigal use of them, they will soon be "gone." From the sea, says Mr. James J. Hill, from the mine, from the forest and the soil, "must be gathered everything that can sustain the life of man." As to the sea, not being a fisherman, Mr. Hill had nothing to say. But we all know that men acquainted with the fisheries are apprehensive that we are too rapidly using up that source of food supply. As to the forests, Mr. Hill points out that we have less than 2,000 billion feet of merchantable timber left, and our annual cut is about 40 billion feet. Once in seven years our draft upon our supply of iron ore in the mine is doubled. The present rate of consumption is about 30,000,000 tons a year, and in forty years, Mr. Hill assures us, we shall at that rate approach the end of all the higher grade ore in large deposits now in sight. Uncle Sam will soon not be rich enough to give us all a farm, for we have of public lands only 50,000,000 acres, surveyed, and 30,000,000 acres of unsurveyed on hand. Last year 21,000,000 acres were disposed of. Take the soil—that great resource we had supposed was not exposed to diminishment. But Mr. Carnegie says that more than a thousand million tons of our richest soil are swept into the sea every year, clogging the rivers and obstructing harbors. That we know, of course, when we come to think of it. The gullied old fields of the South tell the story. Copper is a most useful metal, and we have a good deal of it, but production does not keep up with demand, which could be doubled or tripled if the price could be reduced 25 per cent.

Worse than all is the stupid and wasteful way in which we make use of some of our resources, notably the soil. Mr. Hill points out that the average annual production per acre in the whole United States is only \$11.25. Even in Kansas, that great wheat State, the average yield per acre for the last ten years was 1414 bushels. It ought to be 20 bushels. To use land in that way is like loaning money at 1 per cent when 10 per cent could be had for the asking. Mr. Mitchell and Mr. Carnegie agree that our coal supply will be exhausted within 200 years. All the experts declaim against our amazingly unintelligent policy toward the waterways, which threaten, many of them, to run dry because of the removal of the forests.

This is a pretty bad showing. Nothing but our National optimism would enable us to stand up against it, for as population increases, and there will be 200,000,000 of us long before the end of this century, the consumption of natural resources will, of course, increase. We remember, though, that while we have been sapping this continent less than 200 years, and making serious inroads upon its natural wealth less than half a century, in other lands the human race has contrived to get along through thousands of years. That thought is not altogether reassuring, since we are greater consumers than men of other lands. For instance, we use 500 feet, board measure, of our timber per capita annually, as against about 60 feet for all of Europe. Evidently we must do something about it.

The really encouraging fact is that we have begun to do something. We have begun to take thought, and not merely take thought but to take action, for husbanding and restoring the resources of the mine, the soil, and the forest. Up to a time still very recent, we have made use of all that nature supplied with a barbaric prodigality, and with as little regard for the future as was ever shown by primitive man or by more recent savages. Now we are beginning to be saving. The education of the public for the avoidance

and checking of forest fires is an illustration of the new spirit. The immensely valuable work of the Government in the Department of Forestry is another. When our forefathers were cutting down the vast white pine belt that stretched from New England to Minnesota, they took no thought of reforestation. Now the lesson is taught us that a forest is not like a cake that when eaten is gone forever; it can under intelligent methods be continued in existence or restored for the use of future generations. Still more valuable is the work of educating our farmers in the intelligent cultivation of the soil. In that work, which is now so well performed by the Government, there is promise of an increase of the National wealth quite beyond computation. Mr. Carnegie and Mr. Mitchell both gave hints for the conservation of the coal supply. It is criminal waste to burn coal in such a manner that we get but 5 per cent. of its potential energy. Inventive genius has been at work for years upon this problem, and there is promise of a marked advance toward its solution. We shall hardly need adopt Mr. Mitchell's remedy of asking a higher price for coal, if we can devise means of making it do 75 per cent. of the work of which it is capable.

The best augury of all is the assembling of the Governors and wise men of the Nation for a talk upon the subject of economic waste under the roof of the White House. Much as Mr. Roosevelt has done, we are inclined to think that this will go down in history as his greatest service to the Nation. Deeply interested himself, he has awakened the interest of the distinguished men who sit under his Chairmanship. He dominates the meeting. He inspires, directs, organizes, works himself, and is the potent cause of working in others. The fact that we are too rapidly approaching the limit of supply in the Nation's resources gets a boundless publicity through this conference. Every man in the Nation will be put on notice, that it is time to practice economy, that we must contrive somehow to operate the industries of the United States without so eating into the store of products that keep them going. Every farmer, every mine owner, every great producing corporation will hear this warning, and wherever there is intelligence and the right spirit it will be heeded. It is really a work of the highest patriotism that has been undertaken at the White House.

WHAT has been described by one of its members as the most important gathering that has assembled in the United States since the Constitutional Convention has just ended its first session. This was the conference of Governors held in Washington and, according to one of the State executives, it has already developed the spirit of the community of interests of the entire country—has brought the Governors of the States in touch with each other as no other meeting had ever done, has taught the extent of the natural resources of the land, the manner in which they have been wasted, has brought about a better understanding between the National and the State authorities, and given a clearer insight into the needs of future development.

Many of the Governors were interviewed for THE TIMES. What they said about the conference is as follows:

GOV. FORT OF NEW JERSEY.

GOV. FORT of New Jersey said: "This conference enables the Governors of the various States to learn exactly what other States are doing, to crystallize their views for recommendation to the Legislatures, and to adopt the best methods as shown by their operation in other States."

"The forestry discussion showed that New States had started on this subject, and demonstrated that State commissions with a State Forester would make it practical to establish forest reservations, to provide young trees for planting, and to teach the individual owner of the forest lands how best to develop them. The same thing is true with regard to the conservation of water and the irrigation problem."

"The acquaintance which has come among the Governors as a result of this conference is invaluable. It is a splendid



JOHN F. FORT,
Governor of New Jersey.

thing for us to know one another. I believe it will result in a permanent annual meeting of the Governors which will extend to the consideration of legislation along other lines than natural resources, enabling the Governors to ascertain how new legislation on corporate regulation and other matters works in the States wherever it exists. This will be exceedingly useful in preventing the adoption of bad laws and in promoting uniformity in good ones.

"Socially, the conference, under the splendid leadership of the President, has been delightful."

GOV. SWANSON OF VIRGINIA.

Gov. Swanson of Virginia said:

"I have been very much pleased with the success of the conference and the wisdom of the President in calling it together. Nothing will tend more toward good feeling in all sections of the Union than such conferences. It produces a broader patriotism, a keener appreciation of the needs and advantages of the different sections, and tends to create a co-operation of the State and Federal Governments which are very necessary for the progress and prosperity of the Nation as a whole."

"If properly conducted and considered it will tend to create more efficiency in the State and Federal Governments, and to confine their functions within their proper limits. I think a frequent calling of conferences of this kind would be very beneficial. It furnishes a great deal of information to all of us, and emphasizes the necessity of joint action on important matters."

"I think that if our resources as named by the President are being exhausted as rapidly as claimed, and the further use of these resources should be restrained or controlled, it would be very wise for the Federal Government to repeal the high tariff upon these varied resources, which compels home consumption and exhaustion. It would seem that a very efficient remedy could be provided very promptly if the Federal Government would permit such resources as are being exhausted to be brought in from other countries. The Federal Government occupies the rather unpleasant position of having the voice of Jacob and the hand of Esau. By voice it decries the consumption of these resources, and yet by tariff laws uses its hands vigorously for that purpose."

"This conference has shown a necessity for tariff reform which I expect are long to see sweep the country."

GOV. NOEL OF MISSISSIPPI.

GOV. EDMOND FAVOR NOEL of Mississippi, one of the five members of the President's Committee on Resolutions for the conference, said:

"From the very beginning I was in thorough accord with the general purposes proposed for consideration and advancement by this conference of the Governors. The information the conference has imparted, after actual observation of the conference, has but confirmed me in that position."

"The Federal Government is guaranting

Governors of Various States Review What Has Been Actually Accomplished by the Conference Held in Washington and Outline Possible Action for the Future.

intermediary, not only as between the States themselves but also as between the States and foreign Governments. Through that source we can get the experience, the extent of the misfortune which has befallen some of the older States and foreign countries through their failure to conserve and judiciously use their natural resources.

"It was the best for the Federal Government to have taken the lead in the direction of this important movement and in its financial and material support. The plans it develops, comprehensively cover-



FRANK R. GOODING,
Governor of Idaho.

ing the whole Union, can be best carried out by the co-operation of the States, counties, and municipalities.

"I believe that Congress should act for the whole people, and act promptly, to the extent of its powers in preventing further waste of forest, mines, and waterways, and that a commission, well supported, should be established and maintained, and that its recommendations, so far as meet the approval of our people and of Congress, should be heartily supported.

"No further delay should be had in extending the forest reserves, and appropriations for improving our waterways and for surveys of land for purposes of irrigation and drainage should be largely increased. Many of our waterways either constitute boundaries or are materially affected, so far as one State is concerned, by its treatment in other States. The Federal Government controls all navigable waters. It should make its control effective and beneficial as to all probable uses of such waters.

"There are some of the larger problems about which there can be a better

understanding through just such conferences as this gathering."

GOV. WILLSON OF KENTUCKY.

GOV. AUGUSTUS E. WILLSON of Kentucky said:

"I have been very greatly impressed with the value of this assemblage of the Governors of the States. Perhaps the easiest good that can be seen in it is the opportunity it affords us of getting acquainted with each other and of substituting personal contact with the personal representatives of the States for our individual notions of the States as dictated from the people.

"Another very obvious chance for great good in this kind of a meeting grows out of the fact that while the National Government has control over a limited number of subjects, those subjects do not by any means embrace all, or even a large part, of the subjects which are just as general and common to all of the States as are those problems which are purely National in character. For instance, there are State problems of marriage and divorce, of contracts, of insurance, of quarantine, for while the Federal Government deals with National quarantine the States have their own problems of quarantine and other police regulations. While the Governors in this conference would have no legal jurisdiction over these matters, their meetings, conferences, exchanges of views, and discussions can lead to very considerable progress toward standardizing our laws in these matters of such universal interest.

"I should not favor giving the conference of Governors any legal powers at all. The general influence of common sense and reason is in the long run even of more effect than statutory law. While this meeting has been one of the very greatest pleasures to every Governor and their assistants who have had the good fortune to have a part in it, I believe that this is negligible in comparison with the liberalizing of our views and the feeling every Governor here has that he has learned something and will take something home for the good of his people.

"Ultimately there will be good results in almost every State vastly more important than the mere pleasure of the official meetings. I sincerely trust this will result in annual conferences of the Governors and I would be willing to attend them, as I have done on this occasion, at my own expense, for the value contained in just such gatherings."

GOV. GLENN OF NORTH CAROLINA

GOV. ROBERT E. GLENN of North Carolina said:

"In my judgment this is the greatest meeting of any kind that has been had in the United States since the meeting of the Constitutional Convention more than a century ago. It has brought the Governors of the States in touch with each other as

no other meeting has ever done, taught them the extent of the natural resources of the land, the manner in which they have been wasted, the necessities of the various sections, and given them a better insight into what each State needs for its future development.

"It also has given a better idea of the relation of the State and the Nation, and how they can operate together without any friction or conflict. In my judgment if these meetings are made annual there will hereafter exist a better understanding between the National and the State ad-



ROBERT E. GLENN,
Governor of North Carolina.

ministrations, and all will be enabled to perform their several functions without any infringement on their respective rights. I very earnestly hope the meetings will be held annually hereafter."

GOV. JOHNSON OF MINNESOTA.

GOV. JOHN A. JOHNSON of Minnesota said:

"This is one of the greatest civic gatherings the world has seen in many years. It is fraught with great significance for the States and the Nation, and will undoubtedly have a very far-reaching effect of a beneficial character for both sides of our dual form of Government. It is my candid opinion that it will now be far more valuable to the country than anything that we could have anticipated in the beginning of the movement; so much so in fact that I sincerely hope these conferences will be continued by the executive officers of the States. Already this conference has developed the spirit of the community of interests of the whole country which has been so aptly spoken of in the discussions of the other Governors. Out of it all these should come either

annual or biennial meetings of the executive officials of the States for the discussion not merely of problems of a general character which belong wholly and entirely to the realm of the Federal Government, but for the consideration of problems that belong locally to the States, although general in their importance to the whole country, such as uniform marriage and divorce laws, and the like. I would not confine these meetings to the Governors alone. I would include the Attorneys General, who really know more about the laws of their States than any other officials, and other executive officers of the States in addition to the Governors."

GOV. SHELDON OF NEBRASKA.

GOV. GEORGE L. SHELDON of Nebraska said:

"The first great result of this gathering of the Governors will be a general awakening of the American people to the vital importance of the conservation of our natural resources. The fact that this conference has been called by President Roosevelt, that so many Governors have responded to his invitation, and that it is the first of its kind ever held will have a marked effect upon public opinion. The American people have been too busy to come to a realization of the vital importance of the situation. They will now look into this matter, and when they fully realize the needs of the case they will find a way to remedy the waste of our great natural resources."

"This conference has already developed a better feeling between the Governors. It has made them acquainted, and this is certainly something that is best for all concerned. Again, the educational value of the gathering will be incalculable. A great educational movement will be the first important result. We will all return to our States and preach the doctrine of the conservation of these resources. There is work for the Federal Government to do, work for the States, and a deal of individual work that must be performed. The States and the Nation must set the examples that are to be followed by individuals. The people of our own and of future generations will learn just what resources we have and how to make the best use of them. The first great result of the Washington conference will be largely educational, and better relations between the States and the Federal Government."

GOV. HARRIS OF OHIO.

GOV. ANDREW L. HARRIS of Ohio said:

"I am glad President Roosevelt called this conference of the Governors. It is going to result in great good. Primarily it is going to be of an educational value that will bring the people of the entire country to a full realization of the great loss the future will sustain on account of the waste of our natural resources, unless remedial action is taken — loss not only of water, but likewise of coal, iron ore, forests, erosion of soil, and in other ways."

"The remedies have not yet been pointed out, except in a very general way.

They will, however, come. The details are a matter for the future. Education will help them. The conservation of the water power of the country will probably take some time, but it can be remedied, no doubt, by dams in tributary streams and in other ways."

"These conferences ought to be held frequently. This one has been very valuable in bringing the Governors into close touch with one another."

GOV. GOODING OF IDAHO.

GOV. FRANK R. GOODING of Idaho said:

"I have been very deeply impressed with the sessions of this conference of the Governors, and the discussions have moved me a great deal. In my humble judgment no man can perform a greater service to the country than by throwing every possible safeguard around the country's natural resources. These resources have made us a mighty Nation. The work of conservation will lay the foundation for an even greater Nation. In this great work there is room enough for us all, for the State and the Nation alike. All that relates to the improvement of the streams, can be best done by the Federal Government. That which relates to the forests can probably be best done by the States themselves, in accordance with a law of Congress, so far as inter State forestry work is concerned. Idaho has done much in this line and is a shining example of what the States themselves can do. Under the Carey act Idaho has reclaimed more than 1,000,000 acres of land. We have built canals that will provide irrigated land where homes can be established for 80,000 people. The works under way in Idaho will in five years provide irrigation canals for 1,000,000 acres and homes for 250,000 people. I know of no reason why the States cannot develop their own forests. This conference will be very valuable in bringing about better relations between the States and the Federal Government."



AUGUSTUS E. WILLSON,
Governor of Kentucky.

ROOSEVELT INVITES GOVERNORS MAR. 6 TO DRAFT NATIONAL RECOVERY PLANS; SMITH URGES PUBLIC WORKS DICTATOR

Text of Roosevelt's Letter

The text of President-elect Roosevelt's letter inviting the Governors of all the States to a conference on national problems follows:

49 East Sixty-fifth Street
New York City

Because so many Governors will be in Washington on March 4, I want to take that opportunity of holding a conference in relation to a number of matters in which the Federal Government and the State governments are mutually interested. For that reason I want to invite you to come to the White House on Monday, March 6, at 11 A. M., to attend an informal conference.

It is my thought that we should discuss for our mutual benefit certain subjects, such as:

- (a) Conflicting taxation by Federal and State governments;
- (b) Federal aid for unemployment relief;
- (c) Mortgage foreclosures, especially on farm lands, and
- (d) Better land use by afforestation, elimination of marginal agriculture land, flood prevention, &c.;
- (e) Reorganization and consolidation of local government to decrease tax costs.

It is possible that other subjects will occur to the Governors or to me as being essential for discussion.

I do not believe that more than one day will be required for this informal meeting. But it will give me the opportunity of having the pleasure of meeting many of the Chief Executives of the States. I hope much that you will be able not only to come to the inauguration but also to stay over through Monday for this meeting at the White House.

Will you be good enough to send a letter to me at the above address, letting me know whether you can come?

With my sincere regards,

Faithfully yours,

FRANKLIN D. ROOSEVELT.

FIVE MAJOR ISSUES LISTED

White House Parley to Stress Federal Relief and Tax Revision.

MORTGAGE AID IS SOUGHT

Reforestation and Economies in Local Governments to Be Pushed by President-Elect.

WIDESPREAD EFFECT SEEN

Step Hailed Here as of First Importance—Washington Splits on Party Lines.

President-elect Franklin D. Roosevelt has invited the Governors of the forty-eight States to confer with him at the White House on March 6, two days after his inauguration to discuss ways and means of solving national problems in which the governments of the States and the nation have a common vital interest.

The announcement of the conference, made here late yesterday by Colonel Louis McHenry Howe, the President-elect's confidential adviser, was hailed in political circles as a "splendid start" for the new administration and as a move which would go far toward restoring confidence and prosperity to the nation.

Five-Point Program Listed.

In the letter to the Governors, made public by Colonel News, Mr. Roosevelt outlined five major problems which he held should be considered and jointly solved by the nation and the States.

First, and perhaps most important, the President-elect listed the question of the elimination of the existing conflicts in taxes levied by the States and by the Federal Government. One aim of the conference, it was apparent, will be an attempt to devise a program whereby State and nation would confine their taxes to separate fields as far as possible.

The second question to be discussed will be that of Federal aid for unemployment relief. This it was said here, might include consideration of direct Federal aid for the jobless.

Mortgage foreclosures, especially on farmlands, was the third subject suggested by Mr. Roosevelt. The fourth was the possibility of bettering the use of land by reforestation, the elimination of "marginal" or less arable farmlands by turning them into woodland. With this question it was considered inevitable that flood control would be discussed.

The fifth problem, as listed by the President-elect, is reorganization and consolidation of local governments in order to decrease local tax costs. This, like reforestation, is a subject in which Mr. Roosevelt has long been interested.

Discussion May Be Widened.

In addition to this formal program, Mr. Roosevelt wrote the Governors, the conference will take up such other problems as he or the Governors should feel "essential" for discussion. All the Governors were asked to write him at his New York City home, 48 East Sixty-fifth Street, to inform him whether or not they would attend the conference.

Little doubt was expressed here that all, or nearly all of those invited, would attend the conference. All but ten of the Governors at present are Democrats. It was pointed out and are expected to be in Washington for the inaugural ceremonies. Of the remaining ten, it was predicted that at least perhaps two or three would be present.

Governor Ely of Massachusetts, who landed here yesterday after a ten-day cruise, was enthusiastic over the conference and pledged his attendance. He was among those who hailed the conference call as a "splendid start" for the Roosevelt administration. He recalled that he had discussed with a parley with the President-elect only a few months ago when Mr. Roosevelt had suggested the idea.

The conference, it was predicted, will do much to ease the way toward concrete solutions of many of the most pressing of the nation's problems.

Enormous benefit to the States was foreseen in the possibility of

definite revision of overlapping tax schedules.

Another outstanding feature of the conference will be the opportunity it will afford Mr. Roosevelt to explain in detail to the assembled Governors his program for reforestation designed not only to add to the nation's wealth and to aid materially in flood control, but also to provide employment for a great number of men.

Another important feature will be the discussion of the lowering of the costs of local government through reorganization and proper consolidations. This is a subject which has always been of especial interest to the President-elect.

Step Held of First Importance.

The calling of the conference by Mr. Roosevelt marked another of the unprecedented steps he has taken since his election as President of the United States. It outranks in importance, in the opinion of many political observers, his recent debt conference at Warm Springs with Sir Ronald Lindsay, the British Ambassador to the United States.

In the opinion of these it is the most important step the President-elect has taken since his election, in that it marks a definite attempt to solve internal problems which have been facing the nation in some cases for years.

The reaction in Washington to the President-elect's proposal seemed divided along political lines. Democrats in general were inclined to hope for much from the conference, while Republicans were doubtful of what it could accomplish.

Rumors that Mr. Roosevelt was about to issue a statement of the first importance circulated in the financial district yesterday afternoon and started a mild boom on the Stock Exchange, most leading issues closing higher for the day.

No inkling of Mr. Roosevelt's intention to call a conference of Governors had leaked out in advance of the announcement that the invitations had been sent. It was recalled, however, after the news became known, that in Albany at Governor Lehman's inauguration, the President-elect had dropped a hint as to his intention. On that occasion he asserted the time had come for "closer contacts between the President of the United States and the Governors of the several States."

Mr. Roosevelt has always been a strong supporter of the Governors' conference held each year. Last year, when the conference was held near Washington, there was considerable criticism of President Hoover for his failure to invite the Governors to meet with him to confer on the nation's problems. Most of this criticism came from the Governors of the Eastern States.

Lehman Will Attend.

ALBANY, N. Y., Feb. 7 (AP).—Governor Herbert H. Lehman has not yet received his invitation to the conference of Governors proposed by Mr. Roosevelt after his inauguration.

Governor Lehman said tonight, however, that he would be "very glad to attend any meeting of Governors called by Mr. Roosevelt." He had no other comment.

Gov. Moeur Endorses Parley.

PHOENIX, Ariz., Feb. 7 (AP).—Governor E. B. Moeur of Arizona endorsed tonight the conference of Governors called by President-elect Roosevelt.

While Governor Moeur is interested in all the subjects suggested for discussion, he said he was particularly concerned with unemployment relief through a "back to the land" movement and in the reorganization of local government to reduce expenditures.

"Concerted action by Federal and State governments," Governor Moeur said, "is essential to permanent solution of unemployment relief problems."

Idaho Governor Pleased.

BOISE, Feb. 7 (AP).—Governor C. Ben Ross of Idaho said tonight that "much good can come from such a conference as that called by President-elect Roosevelt."

Governor Ross said of the conference, "It will be educational for the President."

He declared he would try to attend.

"During the past three months I have made a survey of necessary public work that can be done in Idaho to furnish employment," the Governor said. "I planned to furnish the data to the President when he takes office but this conference may make a better opportunity."

CONFERENCE CALL HAILED BY PITTMAN

Clarity on Loans, Taxes and
Relief Obligations Should
Result, He Declares.

REPUBLICANS IN DOUBT

Senator Dickinson Says Roosevelt
Will Get as Many Opinions as
There Are Governors.

Special to THE NEW YORK TIMES.

WASHINGTON, Feb. 7.—Reaction obtainable here tonight to the Governors' conference called by President-elect Roosevelt was apparently divided, with the conference being supported by Democrats but looked on with some doubt by Republicans.

Senator Robinson of Arkansas, Democratic leader, declined to comment until after the conference, but Senator Pittman, an influential Democrat, highly commended Mr. Roosevelt's plan.

"The first three points stated in the letter are matters in which the Federal Government is directly interested," he said. "That ought to be a separation of taxes so that the Federal Government and States do not pile too much on one thing, now that we apparently are going to be forced into all sorts of sales taxes a separation should be made between those things the Federal Government will tax and those to be left to the States."

Urges Loans for Relief.

As for the proposed relief discussion, Senator Pittman said that, if the Federal Government was to continue to grant relief, he hoped it would be made in the form of loans.

"There is no more important subject," he went on, "than the question of mortgage foreclosures. The Federal Government has no jurisdiction over them, yet the States' credit is not sufficient to refinance mortgages. Now, if the Federal Government is going to refinance mortgages, it should have an arrangement with the States so that it will be protected."

Senator Dickinson of Iowa, a Republican, took a pessimistic view of the matter, saying:

"Mr. Roosevelt will have just as many views as he has Governors. On practically every problem there will be an inability for them to reach any constructive conclusion that will be helpful in legislative work."

Measures to check mortgage foreclosures, especially on farm lands, have been submitted in the present session, by Senator Robinson, by Representative Buchanan of Texas and others. Because of the conflicting opinions held by members of Congress on the subject and the relatively few days remaining of the present session, there is now small chance of agreement on any measure before March 4.

The problem of reconciling conflicting taxation by the Federal and State Governments has long been a subject that has received the attention of the executive and legislative branches of the Federal Government, but the formulation of a program has proved a difficult task.

Last week the Interstate Assembly of the Legislators Association, made up of representatives of State Legislatures, met here and appointed a continuing committee to work out proposals to submit to the House Ways and Means Committee in the next session of Congress.

Wagner On the Radio.

In line with Mr. Roosevelt's views, Senator Wagner stressed in a radio address today the need for Federal relief and expressed the hope that definite action would be taken in the present session.

"The situation is so emergent," he said, "that we may well bury all disputes as to method or machinery of distribution and unite upon legislation which will in one way or another make funds available to prevent human suffering, otherwise unavoidable, on a scale unparalleled in our history."

ROOSEVELT MEETS GOVERNORS TODAY

Conference Will Centre on Bank Problem—Confidence in President Apparent.

Special to THE NEW YORK TIMES.

WASHINGTON, March 5.—The Governors conference which President Roosevelt called nearly a month ago to discuss with him interlocking governmental problems will meet with him tomorrow morning in the White House at 11 o'clock. But its discussion will be largely directed toward the more immediate issue of banking moratoriums, with the possibility that what is done may indicate the eventual Federal action to be suggested by President Roosevelt.

The present situation so far overshadows the issues which Mr. Roosevelt stressed in originally calling the conference that they have become entirely secondary. It was his first intention to confine the discussion to a limitation on overlapping Federal and State

ROOSEVELT MEETS GOVERNORS TODAY

Continued from Page One.

taxes, Federal direct aid for unemployment, mortgage foreclosures, reforestation and reorganization along more economic lines of local governments. At that time it was not foreseen that when the President took office there would be a nation-wide bank suspension, with all its resulting commercial difficulties, intensifying what had already been perplexing the ablest financial minds of the country.

Hope for Uniform Plan.

Now that situation has been projected on such a scale that it is the matter calling for solution above all others. The Governors who spoke of it today, particularly Governor Herring of Iowa and Governor Bram of Maine, said they looked upon it as of paramount importance, a fundamental impasse which must be overcome before any other reconstruction measures can be put into effect. From what they said, based on their conversations with other Governors, this is the general feeling of the group. They hope to take back home with them not only a uniform plan for coping with the present situation locally, but also Mr. Roosevelt's ideas as to what the Federal Government can do, and some forecast of expected governmental action.

Just how many Governors will be present is not certain tonight. Some of them have returned, some were unable to come, but it is probable that from twenty to twenty-five will be in attendance in the East Room of the White House when the conference begins. President Roosevelt has not prepared an address, but will speak to them extemporaneously, although he undoubtedly has a definite program on which they can act, for the conference was his idea and he hopes through it to accomplish many needed local reforms, and to bring the States into line behind his Federal program of relief and reconstruction. It is the first constructive measure of his administration. All except ten Governors at present are Democrats, and they are expected to align themselves solidly

behind any definite proposals Mr. Roosevelt has to make.

Confidence in Roosevelt.

That they will look upon his leadership with even greater confidence and eagerness than might have been expected a month ago is obvious from the events of the last few days. By his inauguration address Mr. Roosevelt has made himself a fighting force against the present economic and financial debacle, they say. His defiance of selfish ambition and short-sighted financial policies, some declare, has made him the one man to whom leaders of the States may look with hope that he will offer a national program that will lead from depression, even though that program must be partly expressed through the States themselves. For that reason it is expected in Washington that the Governors' conference may be productive of greater good than even Mr. Roosevelt hoped for when he initiated it.

An effort was made today to determine just what the States themselves have done to balance their budgets and put themselves in better condition to meet the present situation. It was found from those Governors who could be reached that many States were in perhaps better condition than might have been expected. Ten Governors said their States had balanced their budgets, five said the budgets would be balanced, and three hoped this condition might be brought about by reductions and additional revenue.

Recoveries in State Finances.

In one or two cases some remarkable resuscitations of State finances had been brought about. In Mississippi, for instance, where State bonds had been unsalable for years because of the unstable financial condition of the commonwealth, a complete reversal of status was brought about by putting into effect a manufacturers' sales tax. Now Mississippi bonds sell nearly at par, and are close to the top of the list of governmental bonds.

In most of the States, however, the budget had been balanced by radically reducing expenses rather than by instituting new taxes. In one or two States the Governors were anticipating the request for arbitrary power to deal with their financial dilemmas, and in others new sources of revenue were being considered.

The most drastic budget balancing program is in Alabama, where the law is such that a budget is not

permitted to get very far off balance. If the appropriations exceed revenue they are promptly slashed, as the law demands, by the State Controller, so that the State cannot spend more money than it takes in. Such reductions are made pro rata, so that no department suffers more than another.

Comments of Governors.

The comments of the Governors and in one case that of a Governor's representative, as to the financial standing of nineteen States, follow:

Governor B. M. MILLER of Alabama—Our Alabama budget is in good shape—in fact, it balances itself automatically because of a law that it must do so at the end of the year. Appropriations always exceed income, of course, and when that happens the Controller must by law so pro rate expenditures for the next year that they are inside the estimated revenue. This results in a constant fixing of expenditures to meet revenue. There are certain revenues from certain taxes which are applied to certain purposes, and those are fixed by law so that they not only cannot be used for anything else but the appropriations are reduced if these taxes fall below our estimates. Our only indebtedness is a road debt of \$43,000,000, which is represented by a bond issue and which is reduced as to principal and interest by a separate sinking fund. We also have a few current debts which have accumulated for many years and which we would not have had if our present law had been made to apply to them. Now we are trying to have the law modified so that these debts may be reduced in the same manner as our road debt.

Governor BUCK of Delaware—Our budget is satisfactory, because we have a surplus in one or two funds of about \$7,000,000, and if there is a slight deficit in other departments we can divert some of that money to meet the situation. The State is doing everything possible to keep government within economic limitations, and although the Legislature is now in session there seems to be every desire to cooperate for purposes of economy. That is rather natural at present. The astonishing thing in Delaware is that we have kept the budget balanced without the imposition of new taxes. We have no State tax on land or personal property, although we have an income tax and an inheritance tax. I have some ideas about balancing the Federal budget, but I do

not think it would be appropriate for me to discuss them at this time.

Would Cut Federal Payroll Heavily.

Governor EUGENE TALMADGE of Georgia—The Federal budget should be balanced by eliminating three-fourths of the payroll and by discharging employees, if they have to be exported. Georgia is balancing her budget by cutting expenditures. I recommended to the Legislature reductions of \$2,500,000, where the normal budget never exceeds \$11,500,000, and the Legislature is considering the problem now. There is also a budget clause giving the Governor arbitrary power to reduce expenditures if these exceed revenues.

Governor PAUL V. McNUTT of Indiana—We have balanced our budget in Indiana. We did it by putting a tax of one-fourth of 1 per cent on manufacturers' sales, a tax of 1 per cent on retail sales and a tax of 1 per cent on all incomes, with an exemption of \$1,000. The rest of the deficiency was met by cutting the budget \$4,000,000, reducing county and city salaries and continuing the reduction of State salaries. The State also took over \$900 of all teachers' salaries, both elementary and high school, thus lessening local tax rates. Evidently, the way to balance the Federal budget is to cut the cost of government in every possible way. The Federal and State Governments should have a gentlemen's agreement to divide taxation sources, so that the burden will be equally distributed.

Governor CLYDE L. HERRING of Iowa—The budget of Iowa is balanced. It has never been unbalanced but is now rapidly approaching such a state because of decreasing revenues and we must take steps to meet the situation by cutting down expenses. My suggestion for Federal budget balancing is that it cut its expenditures deeply. One trouble in this country has been that we have been so rich that it has led to extravagant spending. We have got to cut out all of that and quit the wild orgy of spending. Government salaries must be cut. Expenditures must be carved sharply before the government can balance its budget!

Louisiana Raised New Revenues.

Governor O. K. ALLEN of Louisiana—We balanced our budget in Louisiana by raising our revenues from various sources of taxation. I intend to explain at the conference tomorrow the economies we were able to effect.

Governor LOUIS J. BRANN of Maine—I do not care to make a

...not care to make suggestions for balancing the federal budget, but having that is a matter for the President. North Carolina will balance her budget, although she has had a deficit of \$12,000,000. The executive budget control act is being strengthened, and the Legislature, which is now in session, is aiming to cut the total tax burden by expenditures reduction. Governor GEORGE WHITE of Ohio—We have balanced our State budget by cutting costs from \$44,000,000 in 1930 to \$46,000,000 recently. The State last year reduced appropriations, but we are not sure that there was a deficit of about \$1,000,000 for the last year. This has been absorbed, but revenue program for next year. The State will be smaller next year, so that other steps will be necessary. Vermont City Expenses, A. J. STANLEY, C. W. Governor of Vermont—Vermont had a deficit of \$1,000,000 last year. I have a slight surplus, but the present year will be slightly into the red. I have a deficit of \$1,000,000 annually. Cut Oklahoma Outlay to \$100,000,000. General CHARLES F. BARNETT, Adjutant General of Oklahoma and representative of Governor William H. Murray—I am not authorized to speak for the Governor. The Federal Government proposed on Federal budget problem, but Governor Murray feels it is a question for positive leader. Oklahoma has entered a loss in revenues due to conditions in the oil and other industries, which produced a deficit of from \$10,000,000 to \$12,000,000, or about 30 per cent of the budget. Governor Murray met the issue by providing for arbitrary expenditures of 50 per cent. Governor GIBSON PINCHOT of Pennsylvania—Balancing the National budget is a national matter. The budget of Pennsylvania has been balanced by the greatest reduction from the previous budget made by any State and by reducing comparable cost of departments responsible to the Governor to the level of 1931. It also provides and makes possible reduction in cases of farmers and home owners by \$50,000,000 and increases by \$20,000,000 for municipalities. It does not require any new form of taxation whatsoever. Governor THEODORE F. GREEN of Rhode Island—Our State budget is practically balanced, although the appropriation bill has not yet passed. There will be a possibility of something like \$100,000. We are in very good financial shape. The banking situation, the credit of the State and its out-

standing concerning balancing the federal budget, inasmuch as I probably will have to return to Maine forthwith and be unable to attend the Governor's conference. Maine hopes to have a balanced budget at the end of her fiscal year on June 30. The State is cutting expenditures 25 per cent, nothing being expanded, and next year will reduce the gross outlay by 50 per cent. Governor JOSEPH H. ELY of Massachusetts—I have submitted a balanced budget to the Legislature, which I expect to be adopted, although we may have a fight over it. The problem of balancing the budget in our State is relatively easy, though the procedure is what we call the State tax. which is levied on the cities and towns. Unfortunately, this works out to impose the entire burden on real estate. During the past two years we have been able to reduce our expenditures by about 15 per cent. I will be unable to attend the conference tomorrow, as I am leaving on the Federal Express tonight to return to Boston. I have some banking legislation which I hope to get enacted tomorrow morning, looking to opening our banks. Governor WILLIAM A. COMBLOCK of Michigan—Our budget in Michigan will be balanced, although the bills have not yet been introduced, due to a complicated tax problem which operators are not willing to adopt. This amendment is now before the State Supreme Court. If it is upheld, we will have to search for additional taxation sources. In addition of a Supreme Court decision upholding it, I have presented a plan to the Legislature involving a tax on gross income, taxing every one in proportion to his ability to pay. As far as Federal Government finance is concerned, my part in the conference tomorrow will be to listen and learn. Sales Tax Used in Mississippi. Governor M. S. CONNER of Mississippi—It is absolutely necessary for the restoration of confidence for the Federal Government to bring expenditures within income. I have no objection to making the best method for carrying this out, but there must be treatment and economy before more taxes. Mississippi had a surplus of nearly \$1,000,000 last year. out of a general administration budget of \$10,000,000 by cutting operating costs 40 per cent, and applying a per cent sales tax, which yielded revenue in excess of expectations. These policies are being continued. Governor JOHN C. B. HERRING of North Carolina—I do

standing indebtedness and... but it is a problem of the... importance, and the public... appears to favor action... changes in trying to balance... budget and is resorting to... committee, with cuts in all... ment, including institutions... and health. The Legislature is now considering... matter. The State last year... reduced appropriations, but we are not sure that there was a deficit of about \$1,000,000 for the last year. This has been absorbed, but revenue program for next year. The State will be smaller next year, so that other steps will be necessary. Vermont City Expenses, A. J. STANLEY, C. W. Governor of Vermont—Vermont had a deficit of \$1,000,000 last year. I have a slight surplus, but the present year will be slightly into the red. I have a deficit of \$1,000,000 annually. Cut Oklahoma Outlay to \$100,000,000. General CHARLES F. BARNETT, Adjutant General of Oklahoma and representative of Governor William H. Murray—I am not authorized to speak for the Governor. The Federal Government proposed on Federal budget problem, but Governor Murray feels it is a question for positive leader. Oklahoma has entered a loss in revenues due to conditions in the oil and other industries, which produced a deficit of from \$10,000,000 to \$12,000,000, or about 30 per cent of the budget. Governor Murray met the issue by providing for arbitrary expenditures of 50 per cent. Governor GIBSON PINCHOT of Pennsylvania—Balancing the National budget is a national matter. The budget of Pennsylvania has been balanced by the greatest reduction from the previous budget made by any State and by reducing comparable cost of departments responsible to the Governor to the level of 1931. It also provides and makes possible reduction in cases of farmers and home owners by \$50,000,000 and increases by \$20,000,000 for municipalities. It does not require any new form of taxation whatsoever. Governor THEODORE F. GREEN of Rhode Island—Our State budget is practically balanced, although the appropriation bill has not yet passed. There will be a possibility of something like \$100,000. We are in very good financial shape. The banking situation, the credit of the State and its out-

ROOSEVELT SUMS UP TASK TO GOVERNORS

Emergency Banking, With Deposits Safeguarded, Must Be Devised, He Says.

RELIEF DUTY OF LOCALITIES

Federal Government Obligated to See That No One Starves if Other Means Fail.

PLANS A CENTRAL AGENCY

Heads of Labor and Farm Groups Join in Plea for United Support to President.

Special to The New York Times.
WASHINGTON, March 6.—President Roosevelt met Governors and their representatives at the White House today and discussed with them measures of relief and ways of meeting the banking situation. The President did not make any definite suggestions on national policies to be carried out in the States, or indicate what his recommendations would be to Congress when it meets on Thursday.
Some method should be provided, he said, by which banking can continue with new deposits during the emergency, such deposits to be safeguarded so that they may be withdrawn at any time. The only way this can be done, he said, is for the money to be kept in cash in the form in which it is offered, by depositing it in Federal Reserve Banks or by purchasing with it government bonds. He emphasized the fact that government bonds are as safe as government currency, which led some Governors to wonder if he contemplated a bond issue to meet the emergency.
The banking situation was touched upon only briefly at the conference, although it had been expected that it would be the one great topic of conversation. National script was discussed, and the President told the Governors that he hoped it would be possible to keep such scrip on an equal value with government bonds. It was evident that through the whole conference there ran the fundamental problem of sound currency of some sort, predicated upon a balanced budget.

Declare Faith in President.

The following resolution, drafted by a committee composed of Governors White of Ohio, Green of Rhode Island and Buck of Delaware, was unanimously adopted by the Governors conference:

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

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

Mr. Roosevelt, in his address, reiterated the problems which confront the States as well as the Federal Government and which he outlined in his original invitation. They included the question of confining taxation, Federal aid in unemployment relief, coordinating work-relief programs, reorganization of local government and mortgage foreclosures. However, the greater part of the discussion was devoted to relief work, with other matters only briefly touched upon. The pressing need of the moment in the minds of the Governors was how to feed people.

Several resolutions endorsing the President's appeal for confidence in the government and one specifically recognizing that he might have to ask for broader powers to meet the present crisis were passed.

Resolutions Passed.

Mr. Roosevelt was present during the morning session of the conference, which lasted from 11 o'clock until 1. He was then host at luncheon to the Governors, and they resumed their session before 2 o'clock. As speeches were limited to five minutes each, no extended plans were offered, although Governors Ross of Idaho and Moore of New Jersey offered definite recommendations in written form.

The resolutions, which were passed unanimously, with the exception of one by Governor Comstock of Michigan, asking work-relief legislation, were as follows:

GOVERNOR PINCHOT OF PENNSYLVANIA—We, the Governors of the States of the Union, assembled in conference at the White House by the President to discuss with him and each other matters of vital consequence to the people of this nation, do hereby express our warm appreciation of the confidence, the desire to cooperate and the alertness to the needs of our people which the President has signified by calling us here. We welcome this opportunity to plan and work together for the common good.

GOVERNOR WHITE OF OHIO—Resolved, That we look approvingly upon the President's plan for better land utilization, as presented to us this morning, not only as a measure for the conservation of the nation's natural resources, but also as an effective step toward the relief of unemployment; and that we severally pledge ourselves to use our best efforts to ascertain, through proper surveys, the acreage that might be made available for such a program in our prospective States.

Pledge Cooperation.

GOVERNOR BRIDGES OF NORTH CAROLINA—That this conference desires to express its confidence in the leadership of the President and its desire that he be granted immediately by the Congress such broad powers as may be necessary to enable the Executive to meet the present challenging emergency; and that the Governors of the several States, here assembled, hereby pledge to him our whole-hearted

and sincere cooperation and support in his efforts to rehabilitate the nation and end the present terrible depression.

GOVERNOR COMSTOCK OF MICHIGAN—That this conference endorse the substitution of work relief for direct relief as expeditiously as possible. That the Federal Government finance State work-relief programs under State administration.

The Comstock resolution was opposed by Governor Moore of New Jersey who said he did not see how work relief would aid the populous Eastern States, because not enough work could be offered. Governor Pinchot said that it was impossible for the States to go on as they had been doing, and that the necessity for action and for readjustment of relief plans was so great, that unless something were done immediately conditions would become very bad.

Both Governor Comstock and John R. Foley, representing Governor Olson of Minnesota, urged that Section 2 of the Reconstruction Finance Corporation act relating to farm loans be liberalized. Mrs. J. C. Greenway, representing Governor Moore of Arizona, asked that an emergency railroad administration be organized, and also an emergency supply service, so that surplus food stocks in various parts of the country may be moved to sections which lack specific foods for live stock and persons.

List of Governors Attending.

The Governors or their representatives present were:
ALABAMA—E. M. Miller.
ARIZONA—B. E. Moore, represented by Mrs. J. C. Greenway.
ARKANSAS—J. M. Futrell, by C. G. Smith.
COLORADO—Edwin C. Johnson, by John T. Barnitt.
DELAWARE—C. D. Buck.
FLORIDA—David Sholta.
IDaho—C. Ben Ross.
INDIANA—Paul V. McNutt.
IOWA—Elyse L. Herring.
KENTUCKY—Rudy Laffoon.
LOUISIANA—O. K. Allen.
MAINE—Louis J. Brann.
MASSACHUSETTS—Joseph E. Ely, by Senator David I. Walsh.
MINNESOTA—Floyd B. Olson, by John R. Foley.
MISSISSIPPI—Samuel Conner.
MONTANA—John E. Erickson, by J. A. Lovelace.
NEVADA—Fred B. Balsar, by Cecil W. Cral.
NEW HAMPSHIRE—John G. Wynant.
NEW JERSEY—A. Harry Moore.
NEW MEXICO—Arthur Selligman, by G. C. Wood.
NORTH CAROLINA—J. C. B. Ethinghaus.
OHIO—George White.
OKLAHOMA—William A. Murray, by G. B. A. Robertson.
PENNSYLVANIA—Clifford Pinchot.
RHODE ISLAND—Theodore F. Green.
SOUTH CAROLINA—L. C. Blackwood.
TENNESSEE—Hill McHater.
TEXAS—Mrs. Miriam Ferguson, by Mrs. J. E. King.
VIRGINIA—John Garland Pollard.
WASHINGTON—Clarence D. Martin, by Frank T. Bell.
WEST VIRGINIA—H. G. Kumpf.
WISCONSIN—A. G. Schmedeman.
WYOMING—L. A. Miller.

Groups Urge United Support.

Officials of labor and farmer organizations, as well as prominent citizens, joined with Rear Admiral Richard E. Byrd yesterday in calling for united support of the President, and a sharing of the grave responsibility which rests upon him. Politics and sectional interests should be cast aside, said the statement, and prompt and decisive action of national scope taken to prevent economic collapse. The statement concluded:

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

It was signed by the following:
RICHARD E. BYRD, chairman.
WILLIAM GREEN, president of the American Federation of Labor.
LOUIS J. TABER, Master of the National Grange.
EDWARD A. O'NEAL, president American Farm Bureau Federation.
His Eminence GEORGE CARDINAL MULLER.
DR. HARRY EMERSON FOSDICK.
RABBI STEPHEN WISE.
ALFRED E. SMITH.
NEWTON B. BAKER.
DR. NICHOLAS MURRAY BUTLER.
H. G. SARRIMAN.
DANIEL WILLARD.
WALTER LIPPMANN.

4 ¶ Address before the Governors' Conference at the White House. March 6, 1933

I HAVE been so occupied since noon on Saturday that I have not had a chance to prepare any formal remarks. I start off by saying to the Governors and their representatives that as a Governor myself for the past four years I am on somewhat intimate terms with the duties of Governors and also with the rights and duties of States. The country needs cooperation between the States and the Federal Government. I think this has been well demonstrated by the events of the past forty-eight hours.

The States acted with remarkable promptitude in preventing a panic at a time when it might well have developed. The situation, however, did get to the point yesterday where some kind of uniform action seemed necessary, and as you know resulted in two things: the calling of a Special Session of Congress for Thursday, and a proclamation to take care of the immediate emergency between now and Thursday.

In that proclamation there were four or five main objectives. The first one was to prevent the withdrawal of any further gold and currency. The old War Statute of 1917 had not been repealed and we used it. It was an exceedingly useful instrument. The second objective was to provide some form of circulating medium for the country in addition to the outstanding currency, because a large part had been put into hiding. I have confidence the public will accept that circulating medium.

We should provide some method by which banking can go on

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with new cash coming in. It is proposed through the Treasury Department that every bank will be authorized to open new accounts, and that the money deposited in the new accounts can be withdrawn at any time. The only way in which that money can be kept absolutely safe beyond peradventure of doubt is by using methods to keep it safe—first, keeping the money in cash the way it is put in; second, depositing it in the Federal Reserve Bank; and third, purchasing Government bonds with it.

Recognized Government bonds are as safe as Government currency. They have the same credit back of them. And, therefore, if we can persuade people all through the country, when their salary checks come in, to deposit them in new accounts, which will be held in trust and kept in one of the new forms I have mentioned, we shall have made progress.

All I can say is, I am very grateful for what the States have done in this emergency. We want if possible to have a general banking situation, that is to say, one covering national banks and State banks, as uniform as possible throughout the country. At the same time we want to cooperate with all of the States in bringing about that uniformity. I have no desire to have this matter centralized down here in Washington any more than we can help. I don't believe there is much more to say about banking.

The letter that I sent to you took up several matters: First, there is the conflicting taxation between Federal and State Governments. Every one of you has been seeking methods to find new sources of taxation. It has been natural and human to expect that the Federal Government also should try to find some method of raising revenue.

A second question relates to Federal aid in unemployment relief. The Federal Government, of course, does have to prevent anybody from starving, but the Federal Government should not be called upon to exercise that duty until other agencies fail. The primary duty is that of the locality, the city, county, town. If they fail and cannot raise enough to meet the needs, the next responsibility is on the States and they have to do all they can.

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If it is proven that they cannot do any more and the funds are still insufficient, it is the duty of the Federal Government to step in.

We come to the question of coordinating work. It is very difficult to know in the Federal Government what States are doing well for unemployment relief and what States are not, and it is my thought that I can create some kind of central relief agency which will be a fact-finding body, which will coordinate the work of States, and act as a clearing house for the relief of the Nation. I hope to get that set up in the next two or three weeks.

The third proposition is the reorganization and consolidation of local government to reduce the taxation cost. That is your problem and it has been my problem for the past four years.

And there is the question of mortgage foreclosures especially on farm land and on small homes. There again we have no national policy. Some of the States are doing it one way and other States are doing it another way. Some States and some localities are closing their eyes to existing laws and do not have any foreclosures. As yet we have no national policy for it, but I believe we can have one.

NOTE: I had had the opportunity of becoming acquainted with most of the Governors of the United States during the previous four years while I was Governor of New York, particularly at the various Governors' Conferences which I attended regularly during that period.

About a month before my Inauguration I had invited the Governors of all the States, most of whom expected to attend the Inauguration in Washington, to confer with me and with each other at the White House on Monday, March 6th, to discuss several problems which would require coopera-

tion between the Federal and State Governments. When I invited them, it was my intention to spend the entire day of March 6th going over with them various matters of common interest which required common attention.

Subsequent events, however, including the banking crisis, compelled me to change that plan. There simply was not enough time in which to do all the things which had to be done. Events were happening so quickly, in fact, that it was impossible for me even to prepare a speech in advance, to deliver to the Governors' Conference. There was only time for me to go

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

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

In response to my request for help

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

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

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

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

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

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

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

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

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

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

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store confidence and thereby relieve unemployment and widespread distress.

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

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

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

RESOLUTION PROPOSED BY GOVERNOR PINCHOT

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

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

RESOLUTION PROPOSED BY GOVERNOR WHITE

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

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

RESOLUTION PROPOSED BY GOVERNOR EHRINGHAUS

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

RESOLUTION PROPOSED BY GOVERNOR COMSTOCK

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

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