Governors Hit Nixon Domestic Plans

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By David S. Broder
Washington Post Staff Writer

STATELINE, Nev., June 6—Domestic programs of the Nixon administration took a bipartisan beating from the nation's governors today as the National Governors Conference wound up its annual meeting.

Outnumbered Republicans held their lines to block the three-fourths majority needed to approve Democratic resolutions blaming Mr. Nixon's policies for causing "the worst economic crisis in a generation" and "fiscal and programmatic chaos in the states and cities."

But they joined in policy statements embodying sharp criticism of the administration's bill to convert manpower training into a revenue-sharing program and its social services regulations.

Governors of both parties peppered three high administration officials with critical questions at a two-hour session on the meeting's final morning, but agreed in a series of policy statements to attempt to reshape Mr. Nixon's new federalism proposals for health, education and community development, rather than opposing them outright.

The governors also called for development of a national energy policy, but split sharply in their own ranks on the question of a trans-Alaska oil pipeline.

Vice President Agnew was a silent spectator at today's session, as Secretary of Housing and Urban Development James T. Lynn, Secretary of Health, Education and Welfare Caspar L. Weinberger and Kennth Cole, executive director of the White House Domestic Council, defended Mr. Nixon's programs to the frequently skeptical state executives.

Agnew, who came in yesterday to attend an evening of social events, was reported by governors to have avoided all substantive issues in his conversations with them.

He told them in brief remarks this morning that he came "not to participate but to listen," adding that "althoug at the moment I have no formal line responsibilities" for federal-state liaison, "I am very interested in performing that function and I want you to consider me available for consultation and counseling and in any other way I can be."

Agnew was stripped of his formal liaison role last November and while he was designated last month as vice chairman of the Domestic Council, he has said he does not believe he has a mandate from the President to resume his old role.

Accidentally or not, Agnew's arrival coincided with a sudden halt in the critical comments about Mr. Nixon's handling of the Watergate affair, which had dominated the first two days of the meeting. Today, the governors turned their attention to the major questions of federal-state relations.

Uppermost in many of their minds were the regulations Weinberger's department has issued to limit federal spending on social services for the needy to the $2.5 billion ceiling voted last year.

The guidelines have been revised twice to meet objections from local officials, and today the Senate Finance Committee voted to delay their scheduled implementation from July 1 to next January, in order to allow further changes.

Maryland Gov. Marvin Mandel (D), who was succeeded today by Washington Gov. Daniel J. Evans (R) as conference chairman, announced the Finance Committee action in the midst of Weinberger's speech.

While most governors indicated that was good news, the HEW secretary said he thought the only "people who should be unhappy" with the proposed regulations are "the middle and upper-income people who have been receiving services" they are not entitled to.

Arkansas Gov. Dale Bumpers (D) told the secretary the regulations were so restrictive that his state could not spend half of its allocated share of the $2.5 billion. Weinberger replied that he had never heard of another state that shared that view.

He was taken up sharply by Tennessee Gov. Winfield Dunn (R), normally a stanch administration supporter, who said the proposed regulations would bar his state from spending "even what we spend now, unless we supplement with state funds."

Dunn added, "I'm not aware of upper and middle income people benefiting" from the social services in Tennessee.

Other governors joined in and Weinberger beat a tactical retreat by saying, "We're not going to substitute our will for that of congress, if it changes its mind" about the ceiling.

The conference signaled its mood by approving—with only California Gov. Ronald Reagon (R) in dissent—a policy statement urging both Congress and the administration to allow states sufficient "flexibility" to provide services "to all former, present and potential welfare recipients."

The governors unanimously supported another statement labeling the latest administration plan for converting existing manpower training programs to a revenue-sharing approach "unacceptable." Cole told them the administration would try to overhaul it to make it look better.

The White House aide appealed to the governors for help in securing congressional approval for special revenues-sharing proposals in health, education, manpower and community development.

The conference resolutions endorsed a shift from narrow categorical grants to revenue-sharing in these fields, but raised a number of questions about specifics of the administration proposals.

Evans, an advocate of the President's New Federalism philosophy, said in an interview after his election to succeed mandel that "I don't think any of the special revenue-sharing programs are going anywhere this year." He said he would try to improve liaison with mayors and county officials in hopes of putting together the same kind of coalition that finally resulted in the passage of general revenue-sharing last year.

Evans and the other Republicans spared the President the ultimate humiliation of a public spanking when they held the line to block two resolutions drafted by the Democratic caucus and offered by Governor Bumpers. They critized Mr. Nixon's economic policies and domestic program cutbacks. The party-line votes yielded majorities of 24-12, three votes short of the three-quarters majority required by conference rules.