



Summary of Discussion with former Governor Arne Carlson

Civic Caucus, Sunsets Restaurant, Wayzata, MN

Thursday, September 17, 2009

Present: Verne Johnson (Chair); Dan Loritz; Tim McDonald; Wayne Popham; Bob White

A. Context of the meeting -Former Governor Arne Carlson is with us today to discuss leadership issues in the coming gubernatorial campaign.

A Republican, Carlson has a history-throughout his political career-of obtaining and holding elected office without explicit party endorsement. He is one of the string of three governors from Perpich through Ventura who was elected without having first won the party endorsement.

B. Welcome and introductions - The Governor, born in the Bronx of New York City, came to the state to attend graduate school at the University of Minnesota. He has a long history in public office going back to his first election to the Minneapolis City Council in 1965. From there he served in the Minnesota House of Representatives, as State Auditor, and as its chief executive.

C. Comments and discussion -During Carlson's comments and in discussion, the following points were raised:

1. Fiscal situation of the state— "When I came to Minnesota it was obvious the Big Middle governed everything. Now the fringes govern with Dems wanting to tax-you could confiscate everything from the above-\$500k crowd and still be unable to reconcile our budget gaps-and Republicans who want to ignore the seriousness of the problem."

He listed two things our state leaders need to do: "Get used to living on less, and bring the public in." Do we really need to have every public service, or can we arrange new methods of consolidation?

Nether the country nor the state has resolved its financial problems, he argued, they are merely pushing them off to the future.

A member asked: *Do you see a way through it?*

"Yes. We need to sit down with President Obama and have a sober discussion. I don't know if other states are in this position, but perhaps the Feds could consider a loan program or second stimulus, as

much as I hate to say that." We need to have some federal accommodation, he concluded; there needs to be limited sharing of the burden by the federal government. If our deficit reaches \$6 billion or \$7 billion, we will need federal help.

2. Political climate in the state— Many people today are concerned that the state is held back by an overly hostile political climate. To this, Carlson had a few thoughts.

The political climate is always harsh. He remembered his first year in office: "The hardest year of my life. When we came in we had a \$2.3 billion deficit. Everything was dried up. Operating in a financial crisis like that is like a 4th down with 26 to go. You can throw out 90 percent of your playbook."

"The politics were absolutely dreadful. We came in, amateurish—all newcomers to the office are amateurish." The campaign had been relatively short, his having come to it late, so they were yet to become familiar with all the players. "We hastily set up committees to select managers. Many never worked in a political setting and most I had not met. Hence, the shakedown cruise was rough."

3. The evolution of the role of the political party— The role of the political party seems to have changed, a member observed.

The chair noted that Minnesota is not accomplishing what it used to—is it because those that were most effective did not need to adhere to political party? Yes, perhaps, Carlson replied, talking on it some.

"Minnesota is undergoing a very fundamental change that we have been slow to pick up," with the decline of the role of the business community. Business leaders were very involved in public affairs, through organizations like the Citizens League and their Friday morning Policy Advisory Committees. Now their focus is more on the global competition and market expectations.

"Here you had the hey day of public affairs," he said, "where the caliber of people involved in the parties was just incredible. And at the League gatherings you could have the president of a bank sitting next to a labor leader, sitting next to ordinary citizens." Legislators read the bills, citizens understood the policy.

Leadership did not rest with the political community, he said, but with business and civic-minded individuals channeled through parties and civic groups.

"It used to be that we had policy as a goal" of political parties, he said. Now politics is the goal.

"You now have people who are elected to build up staffs. When staff grows, it tends to prop up the politicians and the goals are more political and less policy orientated."

4. The role of Governors in calling commissions— "When you come into office and want to make a change, the status-quo is grandfathered in and you build on top of that." Politically, it was the only feasible route. Commissions, however, were a great way to get ideas for problems.

"Public officials should see themselves as facilitators," he said. "God did not endow those of us elected with being able to solve all the problems on our own."

He argued that the state needs to spin off as many study groups as it can—from the office of the Governor, the Legislature, or private organizations. "Otherwise, as Curt Johnson says, 'You can get awfully good at sitting around and admiring the problem.'"

"Right now avoidance is the demon."

During his time as governor, Carlson brought together commissions continually to work on problems. Governors often did that.

The chair asked about a report put together in 1995 by John Brandl and Vin Weber in 1995, the result of a commission convened by Carlson. "It was such a good report," he said, with good recommendations, "but nothing seemed to come of it?" (For a copy of that report, contact civiccaucus@comcast.net.)

"No, the report did have good results," he said, "particularly with the emphasis on long-term planning." The process was good. People came together and cooperated. The bureaucrats worked with the commission members.

5. Idea-generation in the state— "We need to call on all the good thinkers in the state," he said. "People like Ted Kolderie and Curt Johnson," for two. "Curt made extraordinary contributions on health care that will probably never be fully recognized. He handled health care infinitely better than Obama has."

These sorts of people are the ones who can bring solutions to the challenges facing the state. It is difficult for Governors to bear too much of that burden, or they will risk over-reaching.

"As executives we all fall into the trap of the Ambitious Agenda. The more ambitious, the greater the resistance will be. You need to focus publicly on only one initiative, though you also need to have a larger plan. CEO's start to get into trouble when they talk about two or more things at once." Obama has the economy and health care now, he said, and those two are linked—but in the public's eye they're separate. It's making his job tough.

The future of Minnesota is innovation. We need to innovate. "Our biggest disadvantage is what Jimmy Carter stumbled on when he called us the 'Rust Belt.' Minnesota has to recognize its trying to remodel its old infrastructure, which is more challenging than building anew."

"Minnesota had a hey day. The ingredients of that hey day no longer exist. But we still have the interest of people for cooperative action.

6. Public financing of elections— "The Citizens League should put public funding of campaigns on the table," he said. "Right now, too much public policy has been developed by funding sources and not the public." Without thinking about what the Constitution says, "we need to pursue the question of campaign regulation. Parties should take a pledge not to endorse anyone who does not abide by campaign finance laws.

7. Closing thoughts— The chair asked Carlson if he had any last thoughts. "There needs to be more long-term planning for the state," he remarked. "The big middle has to take its place back."

Asked for suggestions for the Caucus' coming statement on the future of the state, Carlson said:
"Collective action. And say, to gubernatorial candidates, 'Drop the slogans and tell the truth.'"

Thanks. to former Governor Carlson for his time and thoughts.