830311 2 apris

A FAREWELL ADDRESS

by

GOVERNOR ALBERT H. QUIE

Delivered December 13, 1982

Governor Quie's "Farewell Address" was given under the auspices of the Reflective Leadership Program at the Humphrey Institute on the campus of the University of Minnesota.

GOV. AL QUIE

FAREWELL ADDRESS

HUBERT H. HUMPHREY INSTITUTE OF PUBLIC AFFAIRS

UNIVERSITY OF MINNESOTA

December 13, 1982

I would like to discuss changes that still need to be made in the way we govern ourselves. And I would like to talk about what I have come to see in new light, as well as first visions that have grown only clearer in the last quarter century and more.

I entered public life with a strong, though still-developing belief in the sanctity of the individual, the centrality of the family, and the compassion and good sense of people in neighborhoods and local communities. I believed that all people have infinite worth, and that all people possess gifts that can be known fully by no one.

My belief in these ideas gained in strength as the years passed and I better saw their worth, and as they withstood the doubts of skeptics and the strain of great change. Nothing, but nothing has successfully challenged my early—and lasting—belief in them. And, most certainly, nothing has altered my belief that it's through love which we share with family and friends—and, yes, even extend toward enemies, and the hand we hold out to those in need, that God's grace is most apparent.

This constellation of family and community provides good backdrop for what is perhaps the basic dilemma and quest of our people: how can we, in a nation of over 200 million people; a society in which both public and private institutions continue to grow relentlessly in size and scope; how can we escape anonymity and inhuman scale and feel that we are in charge of our lives?

My bias, long-established, is that of skepticism about most large social structures-most notably those in government. I believe the common judgment about them is generally correct: they are less efficient, less responsive and less capable of the human touch than are smaller groupings. To be effective, helping agencies must actively involve those people they aim to help in their own betterment. Large organizations are not predisposed to this.

This is not to argue blindly against large public organizations. They are important in providing society with connecting tissue. Also, some jobs are so expansive that only expansive approaches are possible.

But the federal government and other large public organizations must not be expected to substitute, if at all possible, for smaller, more personal and intimate units like families and community organizations. I'm encouraged by the current focus on meeting social needs through greater reliance on public-private partnerships, and what Michael Novak and others call "mediating structures," such as families, religious organizations, labor unions and fraternal organizations.

I'm encouraged because these less formal structures and organizations are already meeting human needs to a greater degree than we probably realize, and because their potential for additional service is great.

I have spent much of the last few years talking about a watershed change underway in American life. One in which people are seeking ways of making government more local and less distant; more forthcoming but less intrusive. Harlan Cleveland poses the tension well when he talks about the dilemma of achieving more governance with less government.

This call for reform has come from both Republicans and Democrats, conservatives and liberals--although, of course, it would be a mistake to assume that each group shares the same impulse and vision.

This change in viewpoint emerged in the 1960s and was further articulated in the elections of 1978 and 1980. It's too early, to draw definitive lessons from the 1982 elections. The fact that the temper of the 1960s is seen as liberal, and that of recent years as conservative, reflects the complexity and depth of the change.

People have sought new politicial forms, and have looked within themselves more earnestly, because they have lost confidence in government's capacity to solve problems in the future, and because they have lost confidence in the social and political moorings of the past. Confusion and anger over American involvement in Vietnam were generally considered the spark for this loss. I agree only to a point, as I've always viewed the response to Vietnam as a proxy for greater disillusionment.

It was understood then by most that foreign policy could not be set in the style of town meetings. But people felt strongly that decisions about the war--decisions that were crucial to them--were being made by a government that wasn't listening to them or playing it straaght with them. The doubts, and often alienation, of our people went beyond Vietnam. They still do.

We once placed great faith in science and technology as means to better lives. We no longer do.

We once believed that no presidency could be toppled in common crime and shame. We no longer do.

We once believed that our air and water would be lastingly pure. We no longer do.

We once believed that only God could destroy the world. We no longer do.

And we once assumed, with certainty and excitement, that our future would be better than our past. We regretfully no longer do.

We seek, as a people, purpose and community. We seek to be true to ourselves and good stewards for our children.

Our longing, at root, is spiritual, for we are seeking clearer, fuller meaning to our lives.

In political terms, we are looking for ways of distributing power and control more broadly. And, when we are wisest, we also are looking for ways of making our outlook more global.

We seek individual freedom just as we recognize our common humanity. We seek to control our own destinies—and those of our communities, just as we seek to better understand our interdependence with others. Our perspectives, at once, are local and cosmopolitan. There is no paradox here; only good sense.

Out of the tugs and turmoil of this period, I believe, are emerging common understandings about organizing the body politic. They have to do with individual and group responsibility; trust in the competence and compassion of our fellows; and the expectation of accountability from those who represent us.

They also have to do with access to opportunity and hope for all our people; cultivation and reward for outstanding achievement; recognition of government's limited capacity to solve our problems; and the inescapable need for fiscal restraint.

Also emerging are new standards and understandings about our personal and family lives. They are no less important.

Whatever explanation one offers for this changed view of government's role, I believe it's real and will be lasting. I believe this will be the case, in one form or another, even if someone other than Ronald Reagan--or someone other than a Republican-is president after 1984. This will be so because of the fiscal incapacity of the public sector to continue adding to its obligations in the same way it has done for the last 50 years.

We are making progress, but as a people we have yet to fully understand how large an economic problem we confront and will continue to confront.

The nation's deficit is expected to be about \$180 billion this year. Tying this to Minnesota, if our state economy represents, in rough terms, about 2 percent of the nation's economy, then our share of the country's deficit may be close to \$4 billion.

But \$4 billion, in rounded terms, is what Minnesota state government--in its entirety--is spending this year. Fixing a \$312 million problem seems utterly simple in contrast.

Never did I believe that the federal changes we have seen in the last two years, not just in budgets, were possible with such sharpness and quickness.

Yet I recognize that simply to argue against bigness is not to offer an adequate antidote for it or a viable alternative to it. Simply to argue for <u>something</u> scaled down and more local doesn't provide sufficient guidance about what that new approach should be or assurances that it will work. And fervent arguments on behalf of a greatly changed role for government, and relationships among levels of government, cannot be expected to lift the hopes and allay the fears of people who legitimately need—and have come to depend on—help from federal and state governments.

We have much to do to make our dreams work. Unfortunately, our political debate generally doesn't contribute enough to the task. I have grown increasingly disenchanted with the shallowness of our debate of public issues.

Let me give two examples.

I don't think people have understood well enough the complexity of our state's economic situation. The fact that it's absurd to talk about Minnesota's problems as removed from those of the rest of the nation and world hasn't stopped many from posturing that they nevertheless are.

Political gamesmanship, of course, not just intellectual inadequacy, has had much to do with this simplistic tack. Nevertheless, we in public life have not distinguished ourselves in terms of helping citizens—as well as ourselves—understand the nuance and interdependence of our predicament. With few exceptions, we have not engaged in that kind of debate.

The other example, by contrast, was a brief paper written earlier this year by state Rep. John Brandl (who's also a member of the Humphrey Institute faculty), dealing with larger issues suggested by our economic difficulties. What marked it, in addition to its sound judgments, was the fact that it stood out so noticeably. Few other public officials had examined the issue with equal imagination.

We do not lack in Minnesota for studies, proposals and inquisitiveness. We are rich in institutes, citizen groups and editorial writers free of bashfulness.

What we <u>do</u> lack is participation by elected and other officials in substantial discussion of public issues. And nowhere is this shortcoming more pronounced than within our two major political parties. My opinion has changed about our party system during my career.

As when I entered political life, there are today many excellent people active in the Independent-Republican and Democratic-Farmer-Labor parties. And it's obvious that our entire political system depends on them. The constitution may not have mentioned political parties, and Moses may not have relayed word about them, but they are essential.

But I have lost confidence in the capacity of our two parties to strike the imagination and reflect the real interests of people. This applies to both parties at both the state and national level.

A good question is whether parties have ever met such a severe test. Perhaps not. Still, I have come to the conclusion that parties today are more extraneous than integral to most people. They are viewed by many of their leaders as ends in themselves when they are not. And their grasp on the issues of the day is only randomly firm. In hindsight, the primary defeat in September of the endorsed candidates for governor of both parties was not surprising.

Our parties should be catalysts of policy ferment and intellectual leadership. There is no political institution in Minnesota fulfilling this role and we are ill-served because of this void. The goal behind the eight Governor's Forums that I sponsored this summer and fall was to encourage such inquiry. But we need a format that is institutionalized, not occasional. I would urge the Humphrey Institute, and other organizations—both scholarly and not, to help develop this new format. Our political system generally, and our parties specifically, would be aided measurably if they borrowed some intellectual curiosity and discipline from the academic world.

And then there is the matter of partisanship. Politics in Minnesota suffers an excess of it and I deplore it. My argument is not with firmly-held beliefs, as I urge conviction, not timidity. My argument, rather, is with orthodoxy based on pettiness.

As opposed to the most recent budget deliberations, and those of last March as well, the negotiations of last December were dreadful because we were all drawn-some of us obliviously, some of us eagerly, none of us wisely-into dogmatic bunkers which we defended as if they were safeguarding the very honor of our parties. We were able to overcome this silliness only when I decided not to seek reelection; when the gravity of our problem finally took hold; and when legislators realized it was better to be any place other than St. Paul if they wanted to return to St. Paul.

If I were to cite the biggest difference in state government now, as opposed to when I served in the state senate in the 1950s, I would be forced to choose the often unbending partisanship of politics that has developed in Minnesota. Again, we are serving ourselves, and our fiduciary responsibilities poorly.

I am very proud about a number of things my administration has accomplished, two in particular.

I'm proud of our indexing of state personal income taxes, and of the process we instituted for the merit selection of judges.

I don't know if it's a matter of most everyone having come to see indexing's wisdom, or their recognition that this is one subject on which I \underline{am} a stubborn Norwegian, but I'm gratified that indexing has developed into a secure, and I trust lasting policy.

Because indexing prevents tax revenues from rising faster than inflation, politicians have less room to hide. Public officials <u>should</u> be put on the spot, not only when it comes to determining the services their constituents receive, but also when the taxes they pay are increased.

I will leave it to others to judge the political import of the fact that my largest achievement as governor--indexing--is a concept that is difficult to grasp, and whose resulting tax cuts are invisible. But what is most important is that it holds public officials accountable.

As for the merit selection of judges, I take enormous pride in the caliber of the men and women I've appointed to the bench. At no moment is a governor more aware of his capacity for long-term influence-either good or bad--than when he's appointing a judge. I hope future governors will retain the program we have designed for merit selection in conjunction with the bar, the courts and others; a program that assures the selection of superior individuals, free of disproportionate partisan consideration.

Indexing and the merit appointment of judges are in concert with the understandings and standards I mentioned earlier. Indexing demands accountability and limits public expense. And appointments based on merit guarantees that we will be served by our most competent people.

There's more to do. I urge that we afford more discretion to local communities. We must better harness the ingenuity and creativity of our people.

One way of accomplishing this, as well as a way of enabling communities to avoid the pronounced vagaries of the state's current financial system, is to dedicate specific percentages of state taxes to communities and schools. I have proposed that a specific portion of state sales tax revenue be allocated to local governments, and that a specific portion of state personal income tax revenue be allocated to schools.

Property taxes alone cannot pay for what we need and want at the local level. Income and sales taxes are necessary, and they are more efficiently and fairly collected at the state level. But income and sales taxes are very sensitive to changes in the economy; and during times of economic distress, the state is unable to keep its promises.

Moving to a system in which the state commits a specific tax, rather than a specific dollar amount, takes greater account of reality and encourages local people to be assertive in planning, carrying reserves and running their affairs.

Looking back over the last four years, I would have done only a few things differently.

I would have been more aggressive earlier in working for a sounder job climate. I misread how intractable a mountain needed to be moved. The big three that spell poor job climate still loom in front of us: workers' compensation, unemployment insurance and commercial-industrial property taxes.

And in education, rather than isolating the issue of reducing class size in kindergarten through third grade, as I did in 1979, I should have used the occasion also to urge basic changes in the state's entire funding formula for elementary and secondary schools. We considered doing this, but didn't yet know what array of changes were necessary. We do now.

There is no policy area that I have taken more interest in throughout my public career, and have gained greater pleasure and pride in, than education. But it's an area I now have serious concerns about, particularly public elementary and secondary education.

I, of course, recognize the hard problems caused by budgets routinely cut over the last several years. After having spent a career trying to do all I could do to strengthen our schools, as well as colleges and universities, I have not escaped the pain felt by educators and students.

But without discounting real problems caused by diminished budgets, I believe the most substantial problems faced by American education today have less to do with money and more to do with intangible factors.

One such factor is the erosion of responsibility. I believe many students and parents, teachers and administrators, have reneged on their responsibility for educational progress and have passed it on to other individuals and organizations. We have developed a disturbing tendency in this country for attributing problems to somebody else or something else.

Another intangible factor has to do with the fact that American education suffers, not from too few defenders (as is often claimed), but from too much defensiveness.

In a brilliant paper delivered at the last Governor's Forum on Education in November, Prof. Chester Finn of Vanderbilt University said that the education profession has resisted, in the main, becoming part of the emerging new national consensus on educational quality. In language he admitted is blunt and risks exaggeration, he said that the profession's attitude towards our new understandings and goals about quality ranges from "apathy to cynicism to bafflement to resistance." I agree with Professor Finn.

Returning to the matter of school finance, I am concerned that our current funding formula restricts communities that want to do more for their children. The formula douses fires of innovation and superior performance.

We must give school districts the tools to do more for their children if that is their wish. We must encourage their eagerness to do more and, of course, we must provide means by which any district—not just the most affluent—can exceed the norm for program and funding.

Once it's assured that every district in the state is to receive adequate funds to educate its children well; and once it's assured that less affluent districts are eligible for extra state help so that they, too, can do more for themselves if that is their choice; I've never understood how it adversely affects the children of one district to have citizens in another district decide to do something different and extra for their children.

We must escape falling victim to misconstrued and self-defeating ideas of what equity really means.

The legislation in Congress that I'm most proud of is that which has expanded educational access for all our children and young people, from grade school through graduate school. I am not soft on equality and I am not soft on educational opportunity. But I \underline{am} concerned about mistakes we are making in the name of equality and in the \underline{name} of educational opportunity.

What about Minnesota's future? What about mine?

I do not underestimate how difficult it will be for us to work our way out of the fiscal dilemma facing state government. Given even its most optimistic reading, the budget outlook through the next several years is sobering. This sobriety is just about guarankeed, even accounting for caveats about the imprecisions of economic forecasts.

We must understand and shape how Minnesota fits into a national economy that is in the process of profound change. Old industries, such as in steel and automobiles, likely will not recover their former strength and place. And the course for new industries and services is uncharted. I look forward to the contributions of the economic strategy study being conducted, at my request, by Minnesota Wellspring.

Any inventory of issues facing Minnesota in the next few years must include questions such as the following quick dozen:

How can the state regain its top credit rating?

How can we best synchronize the schedule by which the state collects revenues and disburses funds? The current system is not coordinated and has led to serious cash flow problems.

How can we improve our job climate, especially when we have found tax increases unavoidable in the last two years?

How can we rebuild and maintain our physical infrastructure without mortgaging our future to an unacceptable degree?

How can we effectively provide for the safe disposal of hazardous and other wastes while accommodating the rights and real fears of people?

How can we make home ownership possible for people with modest incomes?

How can we find the right mix of community-based and institutionally-based mental health programs?

How can we make people safer and freer from crime?

How can we halt the erosion of our topsoil?

How can we control the spread and impact of automatic escalators in numerous governmental programs and formulas?

How can we find better ways of improving our schools and colleges in what will be a sustained period of economic constraint and often diminished enrollments?

And how can the responsibilities of state and local--as well as federal--governments best be divided?

We have made progress in these areas in the last four years. And most sincerely, I wish Governor Perpich, and all Minnesotans, strength in making the sacrifices that we will have to make, and wisdom in finding the solutions that we will have to find.

Despite undeniable grounds to the contrary, I remain optimistic about our state and nation's future. Unquestionably so.

As for Gretchen and myself, next year will be a sabbatical year for us. I do plan on thinking about my future on top of a horse next summer as I fulfill a dream by riding through the Rockies from Canada towards the Mexican border. It may dissuade me from considering assignments that entail a lot of sitting.

Gretchen is an artist whose talent can be fulfilled more in the future. My future will be most satisfying if it complements my conviction that the essence of the human being is spiritual.

I've enjoyed my public career immensely.

As a young man, I saw in public life an opportunity to serve others. I still do. Politics is a noble profession. For all the criticism directed at people in politics—fair and unfair; leveled by others as well as ourselves—there is honor and integrity in this service. I have been honored to be part of it.

I have also been blessed by a wife and family that have been supportive and loving. The demands on them have been, in a real way, more trying than those on me. Much is often said of the importance and glory of the family, perhaps especially when a member is in public life. My friends, it's all true.

Much has also been said about the bad break I presumably received in being governor at the so-called wrong time. I don't view it this way at all.

Gretchen and I had lunch several weeks ago with a number of former governors and their wives at a lovely afternoon hosted by Peter and Diane Magrath and the Board of Regents. Not one of my predecessors escaped hard problems and hard decisions in his time. The last four years were only my turn and my privilege; not my misfortune.

I leave office and public life confident, strong, happy and at peace. I also leave as I entered: convinced of God's presence and His spirit within us.