



Summary of Discussion with Don Fraser and Tony Sutton

Civic Caucus, 8301 Creekside Circle, Bloomington, MN 55437

Friday, July 3, 2009

Present: Verne Johnson, Chair; Paul Gilje, Jim Hetland, Dan Loritz, Tim McDonald, Jim Olson (phone), Bill Frenzel (by phone), Clarence Shallbetter

A. Context of the meeting -During the summer the Civic Caucus has been visiting with speakers bi-weekly, interspersed with internal discussions about the future of the state firstly, and then how the Caucus may fit in it. Importantly, the coming Governor's race will be an opportunity for the people of the state, through the candidates, to determine its direction forth.

Today's speakers will help to frame the challenges facing Minnesota, and candidates for Governor.

B. Welcome and introductions — Verne and Paul welcomed and introduced Don Fraser and Tony Sutton, our guests for today. Don Fraser, a Democrat, served in the Minnesota State Senate from 1954 to 1962 and served as Minnesota's 5th District member of Congress from 1963 to 1979. He then was elected mayor of Minneapolis, serving from 1980 to 1993. He has remained active in civic affairs and currently is deeply involved in working for early childhood education. Tony Sutton, a Republican, was just elected State Republican Chair in June 2009. Sutton is CEO of Baja Sol Restaurant group. He formerly was deputy state auditor. He has served two separate stints as executive director of the Minnesota Republican Party. He got his first taste of politics in 1984, going door-to-door for Ronald Reagan.

C. Comments and discussion -During comments by Fraser and Sutton and in discussion with the Civic Caucus, the following points were raised:

1. Role of the Governorship in the state's future— The chair opened with a basic question to the two speakers: Do you agree with the Caucus' notion that the Governorship is especially critical today to the state's future?

Fraser responded first. He is impressed, he said, with the number of people who are worried about where the state is headed. We have lost energy, enthusiasm. We used to say that Minnesota has two great things to offer-weather and education. A bit joking on the former.

The decline in education is important, he said, and has attracted his energies. Fraser's main focus now is in early childhood education. Several decades ago we were the first state to provide a program

for early childhood parent education - ECFE. We've lost that image. The state has not shown the kind of creativity it has in the past, lacking policy innovations in general. The achievement gap in the state is the new era of civil rights.

Sutton followed. "Well; any Governor's tenure is important," he said. We have big financial problems. What made Minnesota great was education, he agreed, but also a large tax base. Minnesota has always had a disproportionately large portion of fortune 500 companies.

"You can't love employees and love taxes without loving employers," Sutton said, making his case about business climate. "3M won't expand here anymore. A weaker tax base exacerbates problems" in state policy and finance. He agreed that the achievement gap in Minnesota is a problem-and that education in Minneapolis is especially troublesome-but added the observation, "You can't do the same thing for 40 years and expect things to be different."

2. Impact of higher taxes on upper-income earners— A member asked is the state is discouraging upper-income earners and retirees from residing in the state because of its present upper-end tax rate, and the recent talk of adding a fourth tier?

Fraser, reflecting back over his experience, said that "this question has been on the table for decades," noting that all studies he has seen have shown the tax question to be secondary. "Minnesota has always been high-tax, with its talent home grown." The primary question as he sees it is not how much are you taxing, but, *What are you spending the money on?*

Sutton mentioned the "Minnesota colony in Naples," referring to the collection of Minnesotans who have moved their primary residence to Florida, usually in retirement. "It's a capital drain," he said. Geography matters less now, in an age of such fluid digital connectivity. It is possible to reside in Florida but still maintain connection in Minnesota.

3. Need for innovation- "We need innovation," Sutton said, in response to the tax question. "That's good old fashioned Yankee ingenuity." A member said that it seemed to him the question facing the governor was less about the tax rate than about economic activity-as the Caucus has brought up before, and as has been touched on in this conversation-this is innovation that's needed. How does a governor lead on this, he asked; what sort of language does he use?

"He needs to talk about tax and regulatory structure," Sutton responded.

4. Focus on what taxes pay for— Fraser elected to frame the question a bit differently. He is troubled, he said, with the idea that we look at taxes first, without asking what they pay for. The focus should be on what we need, then weigh the question of taxes. Spending on education, for example: "We can talk about innovation, but if we don't have education we won't have innovation."

A member asked if what was being talked about by both men was that the candidates for Governor must each address, in a meaningful way, economic growth? Yes, they concluded, and there will be differences in approach.

5. Impact of precinct caucuses on polarization — A member of the Caucus asked the two speakers if they thought the party-caucus process works well, in identifying and selecting strong candidates. It seems, one added, that the caucus contributes to the polarity of politics?

Fraser responded that it is true the caucuses get ideological, but without that you lose much of the energy around the process. Endorsed candidates need to moderate once they get to the state-level campaigns.

One idea, he added, though noting he doesn't necessarily endorse it, is to have the two top vote getters in a single primary, regardless of party, advancing to the general election. This is a system followed in Washington State and California - all candidates file in a unitary primary. That would push candidates to the center earlier-on in the process, Fraser said.

Sutton said that he is supportive of the caucus process because it allows ordinary people to have influence over the system in ways they otherwise couldn't. A single passionate person has limited impact through voting, but by engaging in the party caucus they can get in on the critical endorsement of candidates. This doesn't require money.

"Big ideas don't come from the middle," Sutton said. "They come from the outside," referring both to outside the political-center and the ideas of ordinary citizens. He expressed criticism about the idea of a center in politics. "You can't be in the middle," he said; "few people truly are."

6. No support for multiple endorsements— A member asked Sutton if four or five candidates make it through the GOP convention, with split votes, would there be any chance of the party endorsing more than one candidate? "No," he responded quickly. "We'll find one person, and defeat the others" if they run.

On the Democratic side, Fraser concurred. "It runs against human nature," he observed. "Get a bunch of people in a room, and they want to pick someone."

7. Likelihood of party nominees being top-flight candidates — "The bottom line," a member said, "is that on September 7, 2010. we will have a primary. On September 8, how can we ensure that we will have a satisfactory slate," that each party's candidate is strong?

Sutton said that he is setting the tone now, with the candidates in his party-there are many at present. He is refereeing the context, he said, and there will be no getting into negative issues, if he can help it.

Fraser hopes the candidates for Governor will talk about their vision for the state in a positive way, forward-looking, assessing obstacles. If both parties take this approach we will get two top-notch candidates.

8. More professional politicians are candidates than are regular citizens?— A member said that when he looks at the long and growing list of declared candidates, he sees people whose reputations are as politicians-they are professional politicians. Most do not come from backgrounds of personal accomplishment separate from political office. What do the speakers make of this?

"It is difficult with the party process," Fraser said. Being active in the party is important-and it takes time. Lots of time.

It really is a full-time job, Sutton concurred, even before being elected. Handling press, fundraising, building a network—all these take time. It is difficult to pick up and do one day, or one electoral cycle, without long periods of preparation and build up.

One example of a citizen's effort, Sutton said, was Brian Sullivan's contest with Pawlenty for the GOP endorsement in 2002. Pawlenty was coming from the Legislature, and had strong networks. Sullivan was able to make a run of it because he had good ideas, but in the end he could not edge the Governor out.

9. The potential of third parties to attract moderates— As the parties pick their own and go into the wings, a member said, the independents have an opportunity to go up the middle. There is a significant mid-section, though not as large as the party faithful unless there is a candidate that can peel them away. Is there a future for third parties?

Sutton observed that Ventura experienced a perfect storm, but since then the success of third parties has tended back toward what is probably its natural state. The test of third parties is to show an ability to get more than 5 percent of the vote, consistently.

Fraser said that he hasn't been able to figure out the third party problem. The Independence Party would like to be able to place a Republican or Democrat on the Independence Party line if they so chose, which would do much to increase their power. If we got to IRV at the state level, he said, the role of the independents might be affected.

10. Questions about ranked choice voting—Sutton said he is skeptical of ranked choice voting, also known as instant runoff voting (IRV), thinking first of the south and Jim Crow laws. "What are the unintended consequences?" A strength of the two party system is that there is always a choice: Republican or Democrat. If in Minneapolis IRV leads to two Democrats competing with one another in the final round, is there much value added, Sutton asked?

11. Would previous generation political leaders be popular today?— The chair posed a question to Fraser and to Caucus member Bill Frenzel, each of whom has been in public affairs for as long as anyone around. In their day, he said, it was possible to deviate to get things accomplished. But today there is retribution. Would you two, he asked, be as popular in the parties today?

Frenzel responded that he would still be an 'R'-a Republican-but he probably would not have run for office. "I'm partly responsible for laying the caucus system on parties," he said, "and regard it as a mistake. People who get the endorsement, as they say, are unfit for office because of what they have to say to get there."

Fraser said that he doesn't necessarily think that people used to be more 'moderate'-that is too troublesome a word-but that people certainly were to be given more room to deviate. He asked a question of Sutton: the Republicans, it seems, are getting into positions that are unreasonable. He cited global warming as an example. How is this; how are the decisions being made?

"My perspective is shorter" than the others, Sutton said, at 41 years old. "But I think the system works pretty well." There is a ying and a yang; if one party starts to get too far off, the public will balance them out through elections. On issues, getting at Fraser's question, Sutton said that he thinks

language is important.

"I think when Al Gore politicized it (global warming), the natural response was skepticism. Global warming is an example of hyper-polarization," Sutton said, "with people unable to usefully work on the problem."

"In the GOP" in Minnesota, Sutton asserted, "we will be partisan-but on policy issues, not on petty matters."

12. Hopes for visionary candidates —In closing, Fraser said that he hopes candidates for governor to be forward-looking, with visions for the state. Sutton commented that he really likes the Civic Caucus forum. "Its not often you have calm discussion," he said, in a truly non-partisan atmosphere.

13. Rescuing Minnesota from fiscal despair —Responding to a questioner, Fraser and Sutton agreed that the biggest problem facing the new Governor will be how to manage the state's budget that might be facing a \$7.3 billion shortfall when the new Governor takes office in 2011.

14. Possible role for Civic Caucus —The Chair asked the speakers if they see a role for the Caucus in the governor race? It would be helpful, Sutton said, to have a non-partisan group-that is not a front for political organizations-that can host good conversations. Fraser followed by saying that "Anything you (CC) can do will be a plus. There might be some merit in asking for written responses from candidates," to questions, in addition to the in-person talks.

On that, thank you to the two speakers, and have a wonderful 4th.