



GOVERNOR OF NEW ENGLAND?

Issues Revealed, Tongues in Cheek, the “Campaign” Begins

In February, the New England Board of Higher Education kicked off a mock *Race for Governor of the State of New England* meant to focus attention on the promises and perils of regionalism in the six states.

NEBHE invited six New England political leaders to debate their campaign “platforms” based partly on the results of the *Future of New England* survey project, in which NEBHE and the John W. McCormack Institute of Public Affairs at the University of Massachusetts-Boston asked 1,000 New England “opinion leaders” and 1,000 New England households about their views on pressing public policy issues, regional economic prospects and opportunities for interstate cooperation in New England.

Approximately 150 New England elected officials, business leaders, educators and policy experts attended the debate held at the Federal Reserve Bank of Boston as part of the second annual *New England Agenda* conference sponsored by NEBHE’s New England Public Policy Collaborative (NEPPC) and cosponsored by the New England Council, the New England Governors’ Conference and the McCormack Institute.

The “candidates” included: former New Hampshire state representative and congressional and gubernatorial candidate Deborah “Arnie” Arnesen; Vermont state Treasurer James Douglas; former Massachusetts state senator and gubernatorial candidate Patricia McGovern; Maine state Senate Majority Leader Chellie Pingree; Connecticut state Senate President Kevin Sullivan; and former Rhode Island Gov. Bruce Sundlun.

The *New England Agenda* conference is held annually as part of the NEPPC’s efforts to encourage policy innovation at the regional level and develop a framework for sharing and building upon the region’s public policy research capacity. The collaborative creates policy networks and enhances public access to timely policy research via the Internet and the annual policy conference on New England’s agenda.

The debate was moderated by Renée Loth, the *Boston Globe’s* deputy editorial page editor and former associate editor of *New England Monthly*, the award-winning magazine that, Loth notes, “published for six years and then collapsed in part because it was difficult for us to sell the idea of a ‘United States of New England.’”

OPENING STATEMENTS

Deborah “Arnie” Arnesen: This election for the first governor of the State of New England is about taking risks together as six states and recognizing that uncertainty is a very difficult thing for populations and for politicians. But out of uncertainty and risk-taking come better futures.

From my perspective, there are five main issues for this campaign:

The first one is transporting of product, people and ideas—a very important thing for us to address as a region.

The second issue that is clearly important for us as a region is the environment. We know that polluted water and polluted air don't understand when they reach the Massachusetts boundary or the Connecticut boundary. For some reason, they go where they want. Now the question is, how do we respond more effectively?

The third issue is education. The *Future of New England* survey found two issues that the population, not the politicians, were focusing on. The issues are economic security and education. Those are the two things people thought were most important. Why? Because most people in the region understand that while they may have a job, it is no longer about employment security, it is about *employability* security. One thing ensures employability security—and that's education.

The fourth point is that tourism provides a wonderful opportunity to invite people into New England. We understand that as the oldest part of the country with historic assets that we preserve and protect—as well as our mountains and our streams—New England is a tourist Mecca.

And the last issue is health. We see health care as the No. 1 industry in this region. But access to health care is a problem.

I want to repeat those words: Transportation, Environment, Education, Tourism and Health. What is the acronym? TEETH. Every time you see some choppers, remember that we finally have a public policy agenda that New England can sink its teeth into.

Nationally, a new federalism has brought with it dysfunction. If we recognize the efficiency of working together as a region and take risks wisely, not only can we do well for our region, but we can also provide a model for the nation.

James Douglas: Think about this Great State of New England and think of which state was probably the last to sign on. I bet it was Vermont. Our spirit of independence is legendary. We were the state that declared independence from New York and New Hampshire, from Massachusetts, from Connecticut, from Great Britain and from the United States, having been an independent republic for 14 years before, as we say, we stuck our neck in the yoke of union.

We are the state that has dedicated itself historically to resisting change, to protecting our sovereign identity and our

rural character. We probably would be the last to accept amalgamation into this new State of New England and would even consider secession instead.

Vermont and other northern New England states grew more slowly than the rest of New England, and we are the most rural state in the nation. But as we have caught up, we have encountered the same problems that other states have. We've got sprawl and malls—the mega-development that concerns everybody. We have a lot of traffic. We have concerns about good paying jobs. We even have street gangs in some of our cities now. Because we are confronting these problems later than some of the other states, I would argue that we have been fortunate enough to learn from the experiences of others and therefore we are in a better position to provide the kind of leadership that the new State of New England requires.

We've got the best environmental laws in the nation. We have naturally conservative fiscal policies that have given us a strong economy and a government that is still close to the people. You see a lot of T-shirts around our state that say: *Vermont is what America used to be*. That's the difference you feel when you cross the border from any direction into the Green Mountains and see how small town life goes on in Vermont.

I think a Vermonter as governor of New England could cause the region to rediscover itself. A Vermonter could teach the elementary principles of virtue and thrift, the most essential lesson of learning to live within your means, while still being socially liberal. A Vermonter could speak plainly about the hopes and fears that families share across our great region, about putting education and schools higher on the agenda, about the value of a strong vision of how to improve the lives of every resident of our new state by looking first at what matters most: a healthy environment, good schools, good jobs, strong communities and responsive government.

What more could you want? What a wonderful dream—New England led by a Vermonter, someone who understands how to put together a state out of diverse interests, one who was taught tolerance and equity as a way of life and who lives democracy every day of the year. So, I suggest, my fellow citizens, that you strip away the fancy rhetoric, the wasteful ways and return to a simpler and quieter world. As one of the great leaders of the Union army said at Gettysburg: *Put the Vermonter up front*.

Patricia McGovern: I am honored to be a candidate for governor of what I call the *confederation*, rather than the state, of New England, because I want to make sure we keep our 12 U.S. senators. But I believe we can be something unique and special whether we call ourselves a state or a commonwealth or a confederation. We can enter the next century in a very exciting and challenging way.

We come from a region with a great history and a great tradition. Most of us travel throughout the region all the

time. We spend a summer weekend in Rhode Island or ski in Vermont or stop by a lake in New Hampshire, do business in Boston or go Down East to look out over one of the most beautiful coastlines in the world.

We are the region that cradled the American Revolution. We are the region that started the Industrial Revolution. We are the region that is making the Information Revolution.

We have taught the world to change the way it thinks. Now we have to change the way *we* think about the future, building upon our history and tradition, our values and our character and carving out something very *New England*.

Imagine a New England where we coped with the environment together as six cooperating states. Imagine a New England where governors pooled resources, perhaps consolidating the six New England state pension funds into one gigantic pension fund. Imagine the rate of return on that larger fund compared with the return on the six individual funds. Why not pool the Medicaid accounts of all six states to purchase health care for all our people? That's exciting, different, profound, forward-looking—and we can do it while we maintain our states' sovereignty and individualism.

If I were governor, I would ask the “substates” of New England to come together and advertise what we do best in terms of economic development: higher education. It doesn't matter which of our substates we are talking about, we have some of the best public and private higher education not just in the nation, but in the world. We should be advertising everywhere: *Come to New England for your education*.

We provide the best health care not just in the country, but in the world. We should say: *Come to New England for your health care*.

Our appeal to tourists is unique. We should preserve our traditions through that wonderful New England way of looking at our heritage, our natural resources and open space. We can do that not by taking from the individual states but by pooling those resources that make us special and advertising who we are to the rest of the country and the world.

Still, the most interesting issue for all our states—and for the world—is education. But the issue is no longer K-12 or even K-16. New England should be the leader in *lifelong learning*. We should have the best early childhood education, the best public schools and higher education and the capacity to retrain our workers for the work of the future. This will make people want to stay in New England instead of migrat-

ing out and attract more business here, too. We have been the national leader before. It's time for this confederation known as New England to be the national leader again.

Chellie Pingree: I want to say first that geography does matter in this contest, and size certainly does too. We can fit all of the rest of your states in the state of Maine. And ever since 1820, when we sent Massachusetts packing, Maine has been a leader. As Maine goes, so goes the nation.

This is a good time for this conversation. As we saw in the *Future of New England* survey, we all share much including economies in transition. Many of our manufacturing jobs are being replaced with service sector jobs, and we are seeing the results: a loss of personal income for many of our citizens and a growing gap between rich and poor.

While Maine is not as urban as many states, our rural poor experience some of the same issues as do urban poor.

What happens to our workforce as jobs require more skills and education? How do we help our citizens to transition from welfare and prepare for this different world?

All this happens at a time when politics and culture are changing. We have talked about how our population is shifting south—people are heading down there to golf and moving their businesses there, too. Maine no longer has Sens. George Mitchell and William Cohen. We've already lost much of our political clout, and we may lose another congressional seat. When we compete for a shipbuilding contract or even look for federal relief from an icestorm, we know it's not the same for us in Washington anymore.

Moreover, we have been a region known for our political wisdom—a region of liberal Democrats and moderate Republicans. (I am leaving New Hampshire out of the conversation right now.) But the national political tone has changed.

It is time for a new vision. As we lose our political clout on the outside, it is time to think about the internal strength of our region. How will we cooperate and work together as six states, harnessing the tremendous capital that we do have, the creativity that we are known for and the New England work ethic that is topped by none?

New England should be a place where people want to work, where they want to retire, bring their businesses, come to visit, where research and development dollars flow in.

Let me list a few things we should focus on. A great education, as we have said many times, is central. This is what our





region is known for. And whether it is biotechnology or publishing, value-added farming or sustainable fisheries, New England can be the place with the very best ideas and the people with the skills to get the job done. That means we have to focus on education and skills from birth to the end of life.

We have to meet the needs of our workers and businesses in finding affordable child care and health care. Health care is our citizens' biggest worry and our businesses' biggest cost.

We should be the first region to solve the universal health care problem. We have the brains to do it; we have the workforce to do it. New England will then be the place where workers want to raise their families. We should not be afraid of the cost implications for business. In fact, universal affordable health care should be New England's No. 1 business attraction strategy.

While we are at it, we should sign a pact to make sure we no longer use our precious tax dollars to compete among ourselves for businesses whether they be rug manufacturers or insurance firms. Never should we see a business like the New England Patriots moving from one state to another with taxpayer money.

Export of jobs is one of our biggest concerns. We're losing jobs to the southern United States and to the Third World. I think we should start our own form of mini-protectionism, and see to it that people are "Buying New England," starting in the grocery store. We should be embarrassed to walk out of the grocery store with a bag of Idaho potatoes when there are Maine potatoes sitting there next to them, or with Wisconsin cheese, when there is Vermont cheese right next to it. And there should be incentives throughout the region to reward buying locally: purchases, services and contracts should stay within the six states. At the same time, we should seek out emerging markets and do more business, as a region, with Canada.

But how do we create this model of regionalism? As we look for the best ways for the states to work together, we also have to strengthen what New England means to us. We can't look to the western states for models. We have to think about what is in our culture that makes us want to be part of it—our own model of small towns, local control, small schools, town meetings and engaged voters as well as our architecture, our history, our traditional industries, including manufacturing, fishing and farming, and our mill towns.

Who better than a leader from Maine—a state of 1 million people and 435 towns—to do this for us? Maine knows what small town America is like. I live in a town of 350 people, where my son's public high school graduating class this year will be four students.

We have the largest Canadian border. We border on New Brunswick, Quebec and Nova Scotia. We have the largest coastline and the greatest unspoiled forest. And we have a culture (even more so than Vermont's) that preserves the history of New England. (We could benchmark this by noting that Vermont probably has more stores where the *New York Times* is available on Sunday mornings than Maine does. I think that makes us a more culturally pure state.)

In closing, I want to say that we in Maine have figured out how to deal with the stickiest problem of regionalism—what we call *The New Hampshire Problem*.

My colleagues who deal with public policy issues know how hard it is to live next to a state that has no sales tax, no income tax and no public kindergarten. New Hampshire may be in court to fix its educational system, but every time we propose public policy in the state of Maine, someone says: "Well, New Hampshire doesn't do it that way."

As we watch our cars flock to New Hampshire liquor stores and see tax-free New Hampshire goods come into our state, we think, "Could New Hampshire be a state that cooperates regionally when it has *Live Free or Die* on its license plates?" Here is our solution: Hampton Beach can go to Massachusetts. Maine will take the White Mountains. The rest goes to Vermont. *The New Hampshire Problem* is solved.

Kevin Sullivan: Let me say that as governor of this New England experiment, I am not particularly interested in taking risks. I am interested in finding a way that we can work together and get results for our own areas and for the region as a whole.

We agree that the new federalism demands a dynamic new regionalism in New England.

We also agree on many of the areas where we have an opportunity—indeed an obligation—to work together. All our states should collaborate on a common core curriculum and best practices and accountability in education. This would hone our leadership in areas from school readiness to high school graduation standards, and ensure that education and an educated workforce remain hallmarks of New England. We need to do that together.

We must focus on more regional financial aid and cooperation so that our children will remain in New England for their higher education and the rest of their lives.

We need a broader vision of which economic clusters link us together not in particular industries, but as a region. Our competition is with the nation and the world, not with one another. We should focus on regional grids, whether those grids are for

transportation or technology or, as we move into the world of deregulated energy, for electricity. We need to build connectivity among each and every jurisdiction that makes up this New England. If we don't, we continue to suffer the burden of high costs that make us less competitive as we go forward.

Whether we are from Maine or Connecticut, the renewal of our cities and the people who live in those cities must be on our agenda. Because it is as important Down East as it is in Hartford that those cities be renewed. If they do not, they will take all of New England with them.

But apart from the issues, I think we also have to be honest and recognize our diversity in New England, particularly the diversity between north and south.

So my message—and it is a strange one for someone here running for governor of New England—is that New England statehood is the wrong answer to the right question. We can only work together as true partners, not lesser parts in an area which will inevitably become a Greater Massachusetts considering where the region's population and financial centers are concentrated.

We can only work together as equals. Maine, New Hampshire and Vermont must be more than playgrounds for Boston. Hartford and Providence have no less right than Boston to set the tone and shape the leadership of this region simply because they are not the largest population centers.

We will pay a heavy price for this idea of statehood. States have two senators, so statehood costs us 10 representatives in Washington where our voice had already become less and less heard.

I would reject the rigidity of statehood and embrace something more creative and more in tradition with our ingenuity and indeed more in our long tradition of home rule.

As the first executive officer of New England, I would be reminded and cautioned by the great leadership style set by the first president of this country. George Washington understood that the best way to gain power is to give power back. So the first thing I would suggest is that we give power back to the states that make up our region by doing away with the statehood that some would embrace and instead come up with something that is a true collaboration, a *Confederation of New England*.

A confederation in which we are each joined as equals, dominated by none, with participation from all. It would be my job as governor to lead that region, but I would also suggest moving quickly to create a confederal council composed of our state governors and the bipartisan leaders of our several general assemblies.

We need to think about a budget that is not driven by some new regional tax in a region that already suffers from the burdens of big taxation, but rather reflects our individual state commitments to pool resources and commit funds to do together what we can and must do together.

We also must come up every four years with a quadrennial agenda that makes sense for New England. This agenda should ensure true collaboration by giving each and every state—Maine, New Hampshire, Vermont, Connecticut, Rhode Island and Massachusetts—an equal right to create at least one priority, even if that priority is not shared by every other state.

I appreciate that this is an agenda more about “how to” rather than “what to do.” I submit again that this is very important as we determine whether we will succeed or not going forward as a region.

As a region, we work together. As a region, we collaborate together. As a single state, we lose that diversity. But as a confederation, we have all those strengths.

If we can do this, and this is what I hope and intend to do, then I believe that we will realize a great experiment in New England, one that combines the virtues of where we have been historically with the needs of where we must be for the future.

In closing let me also say, as a reminder to my friend, Mr. Douglas, that we share his concern about the challenges of life in the cities, but Ben & Jerry's still does not count as a street gang!

Bruce Sundlun: Thank you. You know when NEBHE asked me to come up here and talk about this State of New England, I thought it was a joke. But I have listened to my fellow candidates talk—and it is a good idea.

As we listen to the speakers here, certain facts become self-evident. New England is the region most famous for education. Nobody can argue with that. New England also has natural attractions—12 months a year for tourism, skiing in the winter, the beaches and the lakes and islands in the summer. We should capitalize on that as a region.

We ought to focus on health care. Our hospitals are probably the best in the country. And Rhode Island already has universal health care. When the Clinton health insurance plan was proposed (and it was proposed by a Rhode Islander), we didn't think it would fly, so we started a program called RItecare. I asked, what's our worst health care





problem? I expected to hear the elderly. What I heard instead was pregnant women and babies, ages 0 to 6. If you have a baby with a birth defect, you have a \$250,000 bill. You find a baby that's born malnourished, underweight—a crack baby—that's hundreds of thousands of dollars, maybe for four to six months, and the baby probably won't live. We put that RIticare program into effect, it works. Infant mortality has gone down and birthweights have gone up. My successor as governor has got enough surplus money out of the system that he has now extended it up to age 18.

As to the confederation, we had that kind of system before there was a federal constitution. It didn't work. It didn't work because there was too much power in the states. The state legislatures elected U.S. senators and elected congressmen. They could recall their representatives; they also paid them, so they had them locked up—and there was no national policy. So we switched from confederation to the national government we have today.

I don't think we can work as a confederation today. And I don't think we can work as one state because the federal government is not going to let us. And it won't give us 12 senators, so we would be at a disadvantage.

So it seems to me we have to start another Civil War. We've got to secede!

And you know what? We are probably not strong enough to secede. But we've got an ally right next door who also wants to secede. I say we make a deal to get Quebec into New England—then we've got a viable entity. (If the deal is to make it French-speaking, that's OK, I already speak French. I don't know about the rest of you.) But if we can get Quebec, then together we'd pose a problem the U.S. government would have trouble dealing with. They don't want to fight with Canada and they don't want to fight with Quebec; they might let us slip away.

We have natural economic bases, we have education, we have a culture that is real. Of course, we have some problems as well. For example, we've got to have a regional airport for tourism. There isn't one. I have been flying airplanes for 50 years, and Logan will never be a regional airport, it is just too small. And Logan is so damn difficult to get to these days that half the cars at the new Rhode Island Airport have Massachusetts plates. (And we in Rhode Island are very grateful for that.) We need a regional airport. We need high-speed rail transportation. And we need infrastructure. Our cities are declining. And ladies and gentlemen, you know and I know that only one thing builds infrastructure, and that's government.

I don't know of any infrastructure in my state that was built with private funds, and I doubt there is any in your states. Infrastructure is a responsibility of government and we in New England have allowed infrastructure to decline, and we've got to do something about it. And as to who should be the governor, look, there is only one choice, it is me. Why me? A) I have been governor. B) I'm the oldest, so I won't be governor of New England for very long.

AUDIENCE QUESTIONS

Question: *One growth industry that we now have in our region is incarceration. Would you comment on the relationship between this growth industry and the economy of the region and offer any suggestions you might have for dealing with it in the future?*

Arnesen: Well, obviously if you look at most budgets around the country, you will see the fastest growing line item is criminal justice. It is kind of like a PacMan eating up vital resources.

A friend of mine who was the majority leader in Indiana tells this frightening story about how Indiana officials go into second-grade classrooms every year and count the number of children who come from families at-risk and, based on that number, they plan future prison beds. They are counting 7-year-olds to determine future prison beds!

We know that crime is about a lack of investment—a lack of investment in families, a lack of investment in education.

Meanwhile, our educational system has more in common with growing corn than growing kids. It is based on an agricultural mode; it doesn't reflect the dynamics of today's families. Someone has proposed that we teach parenting. When am I home to parent? Part of the issue of crime is really an economic issue—an issue of the workplace and education.

I would love to see state and local government be required to keep schools open the normal day from 8 a.m. to 3 p.m. Then I would love the *region* to step in and with its dollars have schools open from 6 a.m. to 8 a.m. and from 3 p.m. to 6 p.m. Why? Because that's when families need a safe environment. You know the story of teenage pregnancy, you know the story of drugs. It usually begins with experimentation between the hours of 3 p.m. and 6 p.m. The first sexual act for most teenagers doesn't happen in the back seat, it doesn't happen on the weekends. It happens at home. The problem is nobody else is at home.

When you look at those dynamics, you see the impact on crime, because it costs \$25,000 to \$30,000 a year to warehouse someone. But more importantly, you see an opportunity to benefit by addressing child care and day care needs, thinking outside the box about how to improve education and reflecting on the real needs of families.

Sullivan: We are talking about collaborating as a region among several states. The agenda that Arnie has just talked about is almost impossible to achieve even among institutions and facilities in single communities. And I think this entire panel challenges the thinking about how difficult it is, how profoundly difficult it is as a political culture, as a society, to work across any line you can think of.

School to community, community to community, state to state. I spend much of my day in my real life as a college vice president working in a community. And I have discovered in the last year that even with resources, it is very hard to get people to collaborate.

So maybe the first thing we should do as candidates is determine to go forth and engage in a process of consciousness-raising. Our first challenge is to persuade a society built on rugged individualism that we have to collaborate together now or we will share the costs later.

Arnesen: It's true that one community cannot pursue this agenda in isolation. The whole fabric has to make the commitment together, because we need the synergy, we need the efficiency and we frankly need the political protection that comes with collaborating.

And one of the reasons it's hard for us to imagine education as something other than local is New England's dependence on property taxes, which is dependence on revenues from little tiny fiefdoms. All six states rank in the top 10 nationally in per-capita property taxes. That means that we are built on a system that eyeballs what happens at that incredibly local level—and that's your source of dollars. Why share those dollars? Why give them up? This dependence on local taxes has made us unwilling to embrace a state approach, let alone a regional approach.

Question: *What is the capital of this region going to be? Or more specifically, how much does Boston wag this region?*

McGovern: Of course, I would love to see Boston be the capital. But at the end of the day it doesn't really matter where the capital

or capitals are. I come from Essex County in Massachusetts, where 300 years ago settlers fought over where the county seat should be. Somebody worked out a compromise, and 300 years later, we still have three county seats. The point is, they compromised.

On a serious note, I actually *believe* in regional action. I really do. I thank NEBHE and the New England Public Policy Collaborative for sponsoring this debate and giving us the challenge of encouraging others to think differently.

When I talk about these issues, I think about things we can do together to really make a difference. I would love to see some kind of overarching structure where we really could do some creative things together.

Funding schools is individual; it's local. But I see us as states thinking about how we fund education for the region, asking: "Are there creative ways to think about taxation policy for the region where we could fund public education in a different way?" That's exciting.

I do think there are ways we can pool our pension funds. Imagine pooling these billions of dollars, imagine the rate of return we would get and how we could invest those gains in creative programs that really do help the entire region. Imagine if we took all our bonded indebtedness and said to somebody, "What kind of a deal are you going to give us on this money? How much money will we save as a region if we do it together?" Imagine if we take the Medicaid dollars and pooled them and really found creative ways of providing health care for all our people. Very exciting.

We can't do it alone, not even my wonderful Boston, Mass., can do it alone. But we can do it as a region and we can challenge one another.

I really believe we can build an overarching regional structure to do things to benefit all the people of the region. We are six little, kind of funky, kind of funny, independent, very individualistic New England states. If the European union can get past individualism, different cultures, different nationalities, different history, different languages, different monetary systems and the two bloodiest wars in the history of the world in this century, we can.

I am quite sincere about it. If we are willing to take some challenges, we might be able to get some things going that really will be very different.

Sundlun: Well, I think that's a great idea and let's try and put this to some practical use. We do have the president of the Senate from Connecticut. We do have this president of the Senate from Maine. And we just heard a wonderful idea about pensions.





What is the chance of getting Massachusetts to put its pension into a regional pension group? What is the chance in Maine?

McGovern: Ten years ago, no chance. Today, absolutely. Years ago, this guy in Europe came up with an idea that I bet everyone in this room thought was crazy. It could never happen. Now, they have started printing something called the *euro*.

It is extraordinary what leadership will bring, what a willingness to cooperate can make happen. We can preserve our individual identities, while we do some exciting things together. And we should start that discussion.

The reason it has never happened is that it has been rarely, if ever, discussed. If you provide leadership, you can get the six New England states to do not everything, but a few creative things. Particularly if these things help the states' bottom lines, I think you can get them to bite.

Sundlun: Let me just say that if I went back tonight and got hold of the Rhode Island leadership and said, "Listen, the president of the Senate from Maine and the president of the Senate from Connecticut were there, they took this thing seriously, and we may be able to get everybody to put their pension plans in place, in a joint pension plan," I have no doubt that the leadership in Rhode Island would agree to put Rhode Island's pension in there. Now, can the rest of you say that?

McGovern: We could have a deal right here today. Of course I am out of office, I can't promise anything.

Douglas: Management fees are certainly lower if the corpus is bigger. But we are still trying to get the three different pension systems in Vermont to consolidate. So we can't underestimate parochial interests and the problems of giving up turf. Arnie was talking about the property tax, which, of course, is regressive in many New England states and the basis for public education I guess everywhere. But we have 250 towns (Maine has 435) and the Legislature offered an incentive a couple of years ago to provide more school construction aid for towns that would consolidate their schools and build a joint school. They pulled back because nobody wanted to do it. So before we talk about expansion and collaboration in the federation beyond the borders, we should realize it is pretty tough to cooperate even internally sometimes.

This is the only region where towns were chartered by royal governors and the town is an entity of local govern-

ment, a political establishment that's much more historically significant than it is elsewhere around the country, and I think it is very hard to give that up.

Speaking of towns, obviously the best choice for capital would be the smallest capital in the United States and the only one without a McDonald's: Montpelier.

Arnesen: I think we are a bunch of old political hacks who have been around so long that we already know all the no's, but can't figure out what the yes's are.

More and more of the population understands that borders are porous. My tiny town of Orford, New Hampshire, right on the Connecticut River, is going to create the first K through 12 school system to include a number of communities in Vermont. So communist Vermont and conservative New Hampshire can cross the Connecticut River, come together and form the first K-12 system in the United States involving communities from more than one state.

People are looking for solutions. As Bella Abzug said, "You have to lose, lose, lose to win." Well, that's really what this is about—going back and figuring out what you did wrong, going back and recognizing that people are looking for a solution. And the solution has very little to do with state boundaries; it has everything to do with responding to their needs. That's the opportunity of regionalism.

Pingree: We should never assume under the umbrella of regionalism that every regional idea is a good one. I think the reason I emphasize that Maine is a small-town state is that small-town ways are at the core of our values. No matter how hard people try to regionalize our fire departments, for example, there is something sacred to us about having a fire truck in every town, spending a lot of money on it, going to the station on Saturday nights, polishing it up and checking to make sure it is OK. That's just the way we maintain our sense of community, and nobody is going to take that away from us until we are ready.

I live on an island of 350 people and next to me is Vinalhaven, an island of 1,100 people. They have 150 kids in their school, we have 80 kids in our school K through 12. We are both about to build new schools, we are separated by about 100 yards of water and there is no way we will come together to build common schools. That's just an important part of our community identity, and nobody is going to take that away from us. And if they started to, life would change for us. We wouldn't be able to volunteer at school as much. We wouldn't

do the things that we do now. It is important to us.

In Maine, we talk about combining school superintendents but never about combining the school districts. Maybe there is some way we could share a school business function but the schools still stay separate, because schools are integral to our communities and that's the way we want it.

Yet I don't think we should just use examples of all the things that didn't work because then things will never work. Organizing a pension fund together is very different than moving two small towns' schools together.

Lastly, in terms of the pension fund idea, never underestimate the power of a great idea. And often a great idea with a good leader to push it will happen even though we have lists of reasons why we thought it could never happen and arguments about why it wouldn't work. But don't ever kill a good idea.

Sundlun: I think it is a great idea. Rhode Island's pension fund is about \$6 billion. There are six states, so six times six is 36 and then double it for Massachusetts and Connecticut which are big rich states, and you are looking at about \$72 billion, and we may not be far off at that. Mr. Treasurer, you can get a much better rate and a much better return and you will have a hell of a lot more money for education and for health care and for all the things we are taking about.

This is a simple plan that really could work and could produce something with real cash benefits. The question is: have we got the political will to get it done?

Sullivan: At the risk of returning to the question briefly, Arnie and I have collaborated a bit already. At the outset, we decided that the capital of New England should be www.ne.gov. And that is not in jest. I think it suggests that we have a context in which to think differently—a technological and symbolic context in which to think differently about what it means to be a region.

If regionalism means a larger, consolidated entity, forget it. Half the world is discovering the virtues of what Chellie Pingree was talking about in terms of locality, community, closeness and accessibility.

It is one of the reasons I reject the notion of a State of New England out of hand. I don't want a megastate. I don't think mega- anything works well.

So if we can embrace the idea of cooperation without losing those virtues of community and closeness, then we've got something. But if we are coming together to talk about how to kick

decisions upstairs to some new level of government, I don't think we are going to serve our region or its parts particularly well.

Arnesen: What might be exciting about a regional concept is to recognize the porousness and let the creativity of residents and communities be on top so they work together without the artificial boundaries. Regionalism is not about bigger. It's about better and more responsive. It's about looking at natural regions.

The reason those states were created had to do with some king. Well, I don't know that king. The way the demographics and the communities have changed allows them to respond in a way that actually fits them—that's the opportunity that the State of New England can provide because it is not about big. It is about nimble and flexible, similar to what we are seeing in the business sector.

Question: *Would it make sense to establish a regional incentive fund supported perhaps by foundations, the private sector and possibly the public sector to fund proposals for collaboration and cooperation along the lines of what has been discussed?*

Sullivan: There is a need for collaboration among the collaborationists. The New England Board of Higher Education is a longstanding, if somewhat quiet, success in terms of cooperation. One of the missing ingredients perhaps is to bring together the people who are already doing regional things with one another, because we have lots of subsets of this regionalism to date, which have absolutely no relationship to one another.

So maybe a necessary first step is to discover the commonality of what we are already doing regionally, connect those things up even if we do it *on-line* and begin to share among the various experiments already underway.

We may not need to invent a damn thing. We may simply need to make sense out of what we are already doing.

Question: *Is it better for New England to try to deal with the economic crunch that average citizens are feeling by lowering costs or by raising income?*

Sullivan: In partial response or at least using the question to segue, which is one of the things we are good at, there is one area that interestingly none of us really mentioned nor did any of the questions. It fundamentally raises the very question that you have put forward. Over the next 20 years,





New England faces a wholly unanticipated demographic shift of age that we are utterly and totally unprepared for in any area of public or private policy.

If there is ever a crunch that will test whether we raise standards of living or lower cost burdens, it will come when all our enthusiasm and pressure for investment in early childhood collides with a population that is disconnected from problems people encounter below the age of 65.

The Y2K problem is a piece of cake compared with the implications of the failure to begin a conversation regionally now about what it will mean for policymaking when our population is overwhelmingly dominated by the issues and culture of aging.

Arnesen: The Canadians did not figure out universal health care as a nation. They went one province at a time. It did not get switched on all at once in Canada. They actually did the experiments.

So part of what we have to recognize is that universal health care is possible. You may be afraid of it unless you're the family that can't afford it. Then it is no longer just about political fear, it is about recognizing you can't keep your family together because the costs are so exorbitant. In 1900, the average female took care of kids for 18 years and took care of older parents for about four to five years. By 1990, the average female took care of kids for about 18 to 20 years and of parents for about 18 years.

CLOSING STATEMENTS

Sundlun: I told you in my opening statement that I thought this was all sort of a joke. But it hasn't been a joke. Some very good ideas have come up. And I, at least, am walking away with one practical idea and tomorrow morning I am going to talk to the newly elected treasurer of Rhode Island and put him in touch with Jim Douglas and with Sen. Sullivan to see who we talk to in Connecticut, because this one is simple: all you've got to do is get authority. The rest of it is easy, there are plenty of pension funds that are administered by good organizations that are much larger than the aggregate of all our pensions. We can get the benefit from the larger sum and the lower rates and the lower fees. There is no doubt about it. The only thing we need is the political mechanism to do it.

Tourism, we all agree, is a major industry, but we suffer because we don't have a regional airport. You can't get to New England without going someplace else first, particularly if you

are outside the United States. You've got to go to New York or Chicago or Los Angeles. We ought to have a regional airport in New England. I don't care where it is. There are some good abandoned military bases that could be easily transformed, or we could build anew in some central area. But it would benefit all of us and I think we all ought to contribute to it.

Sullivan: If I were to finish with any thought it would simply be that this isn't about structuring the debate or structuring the solution. It is about finding commonality. I would suggest voting for all of us, not any one of us, because that's the only way this is going to go forward.

There is not going to be any governor of New England; there is not going to be any one person who dictates from on high what New England is going to be about. We are going to rely on a combination of old community spirit and new technology to try to find a way of connecting and working together. The question about connecting regional initiatives to one another is about discovering what works and what doesn't work on a case by case, issue by issue, problem by problem, basis.

It may be the pension issue, it may not be. (Of course, I would rather have the region take my unfunded liability than my pension funds.) The solution really is in our ingenuity, and in the last analysis I suppose that's what we're supposed to be about as New Englanders. So we need to go back to our core values, our core skills, and stop trying to find the perfect need, the perfect forum, the perfect issue. Let's just do it. Then, we will discover a regionalism that's practical, pragmatic and, we hope, successful without the politics.

Pingree: I'm very glad that I live in a fishing community and that my kids got to grow up with kids who knew how to run outboards, start a wood stove, plow a driveway as well as kids who were ready to go on to some of the best educational institutions in the country, many of whom were both at the same time. And I think each of us, whether we are from the city of Boston or the city of Hartford or the mountains of New Hampshire, have our favorite stories of why we want to live here.

A lot of what we've been talking about today is exactly this: how do we preserve this wonderful region with special qualities, with great diversity from the north to the south *and* work on regionalism?

I think we've come up with some good ideas today, and we're thinking of how the technologies of tomorrow will allow us to continue wonderful lives in rural communities or

in inner cities. I think about how wonderful access to the Internet and great telephone service have brought a whole new kind of industry to Maine and allowed people to live in our small communities but be connected to big cities, to educational institutions and to the stock market.

Good infrastructure and roads connect us. Tourism connects us. All kinds of things allow us to participate with each other and preserve what we've got. And, in fact, ideas like regionalizing health care may allow people to live in communities where the wages aren't as high—whether it's the inner city or rural areas—but still make ends meet.

I think we've come up with some wonderful ideas today and have a great opportunity to continue working together to keep both things—our great creativity and our regionalism—so that together we can do something wonderful.

McGovern: Thank you very much. Again, I agree with Kevin. If I were to vote, I would be happy to vote for any of my five colleagues.

We live in a special region of the country. For me, the issue is: how do we preserve that uniqueness, that individuality, that home rule spirit that we've had for 300 years, while finding ways to collaborate, ways that we can save money or solve problems. There are things we can do better together than alone. How do we find out which things those are?

It was suggested that perhaps an inventory be taken of groups such as NEBHE or the Dairy Compact. There are lots of things we already do as a region. Does there exist a list of those groups and those efforts? We need such a compendium.

So let's preserve what we are that's special and unique, our history and our tradition, and let's try to find ways to work together that will help all the people of this terrific region.

If we're going to survive and thrive—with an aging population, with a population that's outmigrating, with a high cost of living—we have to work together, find things we can do together, and most importantly, find ways to change the way we think.

Douglas: I got to thinking this is probably the purest election in history, with no phone banks, no massive fundraising efforts, just the ideas that we've been able to kick around today, which I think have been very interesting and helpful and I hope will lead us to an era of greater cooperation in the region whether we have a formal political amalgamation or not.

I talked in my opening statement about the rugged independence of Vermonters, but we also understand the importance of interconnectedness. Two centuries ago, Vermont

farmers walked all the way to Boston to bring turkeys to market. They took many days to bring them here. Later, we had water transportation and railroads. We now have an interstate highway (which I used today and paid the outrageous toll in New Hampshire on my way to Boston). Vermonters understand interconnectedness and the need and responsibility of working with our colleagues around the region to find solutions to the many problems that we've talked about. We have a lot to offer each other, and I hope we'll have opportunities through NEBHE or others to do exactly that.

Arnesen: We need to let the public know how successful we've been in our regional collaborations. Then we can begin to look at things like pooling our pension dollars.

I also suggest that we come up with a theme, and I think *Think Regionally or Die* is very appropriate. It's also appropriate that a liberal Democrat should end with a quote from the conservative CEO of Citicorp. Walter Wriston writes: "We seem to have raised a generation of elected officials to whom the word *risk* is an acceptable term only when used in connection with promoting a state lottery or legalized gambling. The worst thing that could happen to a society, as to an individual, as to a region, is to become terrified of uncertainty. Uncertainty is an invitation to innovate, to create, uncertainty is the blank page in the author's typewriter, the granite block before a sculptor, the capital in the hands of the investor or the problem challenging the inventive mind of a scientist; in short, uncertainty is the opportunity to make the world a better place."

Maybe we start dreaming today.

Loth: I think we've learned that there's more that unites us than divides us. And that, particularly with Washington doing less all the time to affect people's lives, either to help or thwart (depending on what you think of Washington) the prosperity and social security of this region, it's more and more important for there to be regional cooperation to make our six voices louder.

Moreover, as the government in Washington continues to devolve responsibilities to the states, we need to resist the beggar-thy-neighbor race to the bottom that other regions of this country are succumbing to.

We in New England will never be able to compete on price. We are an expensive region, a high-quality region. I think we need to continue to emphasize the quality that we represent and stop trying to be cheaper than Alabama. It's just not going to happen. And I think we're smarter than that. It's up to us to prove it.