

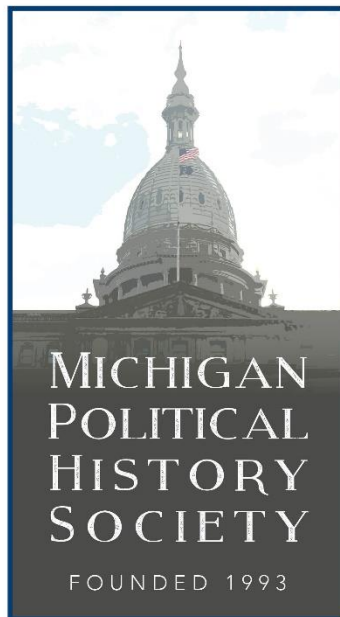
Governor John M. Engler

Interviewed by Bill Ballenger

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Bill Ballenger:

Governor John Engler, it's great to see you again. I want to ask you an opening question. Who were the Englers?

Governor John Engler:

Well, the Engler were a family in central Michigan, Beal City in Isabella County was where they settled.

Bill Ballenger:

In the 19th century?

Governor John Engler:

Yeah. It would be my great-grandfather, I think, would've been the patriarch, at least that started that farming area. We always wondered why they didn't go to the Saginaw Valley where the land was a lot better and more productive, but instead we had a lot of clay and a lot of stones to pick as kids growing up.

But, actually, where I grew up, it was called Engler Brothers because my grandfather and his brother were the two operators of the Engler Farms. And then they each had a son, my dad and his first cousin. And then when those gentlemen became of age, Francis wanted to go into the dairy business. My dad wanted to be in the beef cattle business, and so they actually divided up the farm.

And so, there was, Matt Engler had his beef cattle operation. They switched barns. Actually, the cows went across to the other barn and the beef cattle was where we were living and that's where I grew up and we are still there. Now, the farm is all united under a son of my, not our family, the three boys, none of them farmed.

The other family had their son and he is farming, although he's now been a county commissioner for a lot of years and there's no dairy cattle there anymore and there's no real cattle on the farm. So, just a cropping operation. But it's interesting, agriculture has changed dramatically.

When I went to Beal City High School, there were I think 42 kids in our class, and I'll bet 30 of them probably were on farms, operating farms, even if the father maybe worked somewhere else. But most of them were full-time farming operations. Today, I'll bet there aren't three farmers that operate all that land and farm all that land. So, it's the mechanization changed big time.

Bill Ballenger:

Do you know where in Germany the Englers came from?

Governor John Engler:

I don't. Actually, I should know more of this.

Bill Ballenger:

Was it like Bavaria?

Governor John Engler:

They would've been the Bavarian area. My mother's side is all Austrian. My father, we actually had this fasting thing, where that grandfather and his brother each married sisters, so you had these double cousins all the way down, but the cousins were Irish. So, you had the German side from Engler and the

O'Brien side from the Irish side. So, I have that German Irish. Then my mother's side was all Austrian and they came over from the Bregenz area, Bodensee, not too far from the German border, but they came over.

In fact, one of her sisters actually came. Jacob and I or her father came over, went back. One of the sisters was born in that generation in Austria, but then came back, was brought back as a child. And the Neyer family was pretty large. One of the interesting things is there's actually a Neyer going to win a house seat up in central Michigan. A guy named Jerry Neyer. Jerry's grandfather would be a brother to my mother.

Bill Ballenger:

No kidding. Wow.

Governor John Engler:

So, there's a shirttail relationship there.

Bill Ballenger:

Wow. That's interesting. Well, Roman Catholic, probably on both sides of the family.

Governor John Engler:

Yeah. The community were predominantly Catholic and there were Irish families and then predominantly, German. I mean, you had a community full of Schmitzes, Schaefers, Schumachers, Panz, Gross, I mean all of those names. And a number of them I think to some extent, even maybe in my family, came over in that Pewamo-Westphalia area, just outside Lansing, a lot of people came through that Westphalia area and then came up north.

So, some of those names, Thelens, are in both places. There are a lot of names that are shared among those two communities. And so, in the old days when a Fowler Beal City matchup occurred, you'd have some similar names on both sides of that football field or basketball court.

Bill Ballenger:

Now, your father, Matt Engler, he not only was a beef feeder, but wasn't he really prominent? Wasn't he president of the Michigan Beef Feeders Association?

Governor John Engler:

Right. There was a Michigan Cattlemen's Association that he and one of his very good close friends, guy named Milt Brown were leaders in that. And then for a while, he actually, when he was sort wrapping up the farming, actually represented them in Lansing. And there was a beef commission that was set up, actually legislation I sponsored in my early days in the House of Representatives. But that was to help the beef industry. And that represented not only the people that were raising cattle, but it was also the marketing side.

And the whole idea was just to have that industry explained and some of the issues they were beginning to deal with. And as these operations got larger in scope, there were lots of things that they dealt with. And so, he really enjoyed that. He did not go to college. He came to Michigan State University and completed a short course. He always had wanted to go to college, but it didn't work out.

His timing wasn't perfect on that. He was born in '23, and he graduated from high school early. I think he was done at 16 in high school. So, he did the short course, but he was an only son and only child actually, and really couldn't get away.

And then, there was a world war. He wasn't drafted because he was working on the farm, but he never had a chance really. But he was always a voracious reader and very interested in government and community affairs and spent probably 20 years on the Beal City School Board.

Probably most notable about that aspect of his life was that he and his colleagues on that board, it was an interesting school board because there were always probably on that public school board, six of the seven were Catholics, but they always made sure there was somebody who wasn't Catholic to be on the public school board. And they had very good relationship with the local parish and it worked out quite well.

And in those days, there was a parochial elementary school. So, you would have this situation where there were about three rooms for the pre high school kids in the public system, but then everybody went from the parochial school to the public high school. And the school board though resisted the pressure that was pretty prominent in the early s'60s to consolidate all these school districts and they would not absolutely refuse to do that, didn't want to give up the local school.

Later on, it's interesting because when we started to reform education and create a lot more choices and options, school choice, public school choice became part of the law in Michigan. And suddenly, all of these students who were in the neighboring school districts, there was one that was consolidated called Chippewa Hills, and it took in Weidman, Barryton, Remus. These were all individual school districts. Now suddenly, they're in one district, but they wrapped all the way around Beal City.

But a lot of these kids were very close to the Beal City schools. Buses going by their house, but they couldn't get on those buses. Well, now all of a sudden, it changed and a whole host of these kids came over to Beal City and have ever since gone there.

And so, it's an interesting, I suppose, history only in the sense that I suppose it, whether consciously or not informed some of my thinking about the idea that really students and parents ought to have choices about where they go to school. Accidents of geography shouldn't just be what dictates or one's wealth and the ability to buy that home.

Bill Ballenger:

Right. Absolutely. Now, your mother and father had a number of children in addition to you, John Engler. How many brothers and sisters did you have?

Governor John Engler:

Well, after me were two brothers and four sisters, and they're still all living in Michigan. During the pandemic, I would talk about Michelle. I married Michelle from San Antonio, and so we're back there after 30 years of her being up north. She wanted to be home with her parents and especially her mother had a stroke and had some health issues the last several years of her life. And she passed away in 2021.

So, when we got back there, but COVID and everybody's locked down. Texas opened up much, much earlier. Schools were open, the communities were open, and Michigan, they're sort of under house arrest up here. It was quite a stark difference and I would say the brothers and sister a little envious of the freedom we had in Texas.

Bill Ballenger:

Well now, in 1968, if I remember correctly, your father decided he's going to run for the State House of Representatives.

Governor John Engler:

He got talked into it. Some people came and I was at Michigan State at the time. He'd never really been active in a political party. I mean, the school boards are nonpartisan elections. I guess, he spent a term or two maybe on the county commission, but he was mostly school board stuff and they talked to him into running.

Bill Ballenger:

Against an incumbent.

Bill Ballenger:

Russell Strange.

Governor John Engler:

Yes, who would then in the historical footnote is interesting because Russell Strange in 1956 is elected to the House of Representatives. At the time, the youngest person ever to be elected to the Michigan House. And he had a September birthday that comes into play a little bit later on. But Russ had been there for all of those years.

Bill Ballenger:

Twelve years.

Governor John Engler:

In that case, 12 years, I guess, in '68. At the same time, people were talking to my dad about running down in Montcalm County. And the district was two counties. It was Isabella and Montcalm. Those days, they paid a little more attention to county boundaries and communities of interest. But that's all gone by the boards, too.

But in Montcalm County, they're talking to the mayor of Greenville, a guy named Lloyd Walker, and they talked Lloyd into running. So, you've got Lloyd running in Montcalm County, my father running in Isabel County, and Russ Strange, the incumbent. As it turns out, both the challengers won their respective counties, but Strange was second in both and had enough votes to be renominated and easily win reelection.

Bill Ballenger:

Were you involved in that campaign?

Governor John Engler:

A little bit, because I was home that summer because I was always working, but what can I do to help? And so, I went out. I tried to do some scheduling. I'd never done any of that stuff and tried to figure out what might make a difference. I didn't know anything about politics, or campaigns really. But it was completely chaotic and disorganized. And I didn't know anything, but I knew that didn't seem to be working very well.

And these campaigns are only about a month long, so really 4th of July rolls around, okay, better have a campaign. Well, what are you going to do? And I remember setting up meetings and having my dad go places. And there was a brochure, so I'd hand out brochures or a bumper sticker here and there.

Anyway. He loses. But I was so intrigued, I guess. I was an ag econ major at Michigan State, but that gave me a fair bit of flexibility on other courses. And so, actually took a political science, a couple of political science courses. And one was on Michigan government.

And for the project, one of my buddies, we were in the class together, so we wrote this paper on how you should run a campaign, how you could beat this incumbent, this guy named Russ Strange. And there was a county treasurer at the time, good friend of the family, good guy. And I thought he was going to run. It was always some talk about Ron Demlow being on the run for the legislature because he was a real smart man. But as it turned out, he didn't want to do this.

We're now fast forwarding to 1970. So, I'm supposed to be finishing up at Michigan State. We've got this blueprint and that blueprint, Ron doesn't want to run. And I said, "Well, I think this will work. Maybe I'll run."

Bill Ballenger:

What'd your father say about that?

Governor John Engler:

I think he was more than a little surprised. And I was like, "Well, I've got nothing to lose and why not"? But we took our little blueprint and interestingly enough, I think it was my dad who said, "You ought to meet this guy, Dick Posthumus." I was at the state FFA convention. He's the FFA president and he's a pretty sharp guy.

Bill Ballenger:

He was over in Kent County.

Governor John Engler:

Yeah. Caledonia. Now, oddly enough with Dick, he and I had an encounter earlier. When I was a senior in high school, Dick was a sophomore and we were both active in FFA. He rose to great heights. I was merely somebody was active. But as it turned out, we both had parliamentary procedure teams. That was one of the leadership contests that the FFA had. And Beal City lost to Caledonia in the regional finals in a disputed contest, because the timekeeper had a stopwatch and he thought the 30-second hand was a minute.

And so, he had the timing wrong and we knew he was wrong. So, we ignored that and demonstrated our proficiency. But the judges, I always told Dick, he had homers. So, they gave Caledonia the gold medal at first place. We got a gold medal, but not first place. They went on then were the state champions in this.

Bill Ballenger:

Oh, my god. He's probably never let you forget that.

Governor John Engler:

No. And I don't let him forget it. So, it was very funny. But we didn't really know each other well, but obviously we had with this encounter. But then I talked to him, it turned out he was actually living in

Shaw Hall where I was. And so, I said, "Why don't you, it's probably something you've thought about, but you ought to come and would you be interested in helping on this campaign?"

So, here's Dick milking cows in Caledonia in the morning on their little farm. And then he would drive up near an hour drive to get up there and he'd help the campaign. So, he was the campaign manager or became the campaign manager. And we won that primary by 162 votes. And I think we spent about \$4,000 or something on that at the time.

And I think, I don't know if my grandmother, somebody had, there was a little tiny insurance policy was worth \$1,000 dollars and we cashed that in. So, that was some of our money. And I remember the first \$100 check we got, which is a big deal, and I think that was the largest check we got from anybody, but we got a few of those and a few other \$20 here and \$30 there. But won that primary.

Bill Ballenger:

You pulled off the shocking upset.

Governor John Engler:

Yeah. Well, here we are. Russ Strange is the caucus chairman. He's been there 14 years, completely solid and safe. Now, I mean, in fairness to Russ, he'd gotten in some kind of, I think it was a boating accident or something. He threw his back out. And so, he was laid up, couldn't campaign, probably, I think also thought he had no real worry here.

And part of the strategies, you had to have one-on-one. You didn't want to split any of the opposition to the long-term incumbent. You wanted to get all that. And anyway, by 162 votes, I think was the margin in that race. And these townships would come in and you'd win 40 to 37 or something.

And I remember a farmer, a guy named Bob Hayford, a good friend of the family. Well, more pluses and minuses. Well, they added up. Anyway, and I will say to Russ' great credit, after that was over, he was unbelievably gracious. He offered to have me come with him down to Lansing. He introduced me to a bunch of people. And so, here I am, and now I'm 21 at the time, I turned 22 in October. Now, the significance of that is my birthday was a month later than his. So, not only did he lose his seat, he lost his record in the same election.

Bill Ballenger:

Yeah, exactly.

Governor John Engler:

And so, that's how it all started.

Bill Ballenger:

Right. Well, it was a Republican district, so you all of a sudden find yourself in the Michigan House of Representatives.

Governor John Engler:

Yup. First person I hired was Carol Morey at the time, who becomes Carol Vivenzi and Carol, a lifelong friend. I figured I'm going to make a lot of mistakes so we need to get somebody who's going to be here with me, who there was such a network down there. I didn't want one of the veterans. Every time I screwed up something, everybody in the building would know it. At least, Carol and I could make these mistakes and stay quiet.

It was interesting, another history repeating itself. I'm paired in the office. In those days, you all shared an office and they didn't have nearly as much staff as around now, but I was put in with a first term lawmaker because that's first term people shared office with other first term people. My office mate was a guy named Richard Friske.

Bill Ballenger:

Oh, boy. Whoa.

Governor John Engler:

... up in northern Michigan. Friske Orchards.

Bill Ballenger:

Wow. You just mentioned something about Friske.

Governor John Engler:

Yeah. Well, I mentioned him because his actual son is going to be in the legislature come January of 2023. I met the son at a function some weeks back, and I blamed him. He didn't know that I had been the office mate with his dad. And we always laughed because his dad was a character. He was pretty staunch conservative. But in his campaign, he campaigned as a veteran of World War II when he didn't mention he was in the Luftwaffe because he was German.

Bill Ballenger:

I know. He was a real German.

Governor John Engler:

Yeah, he was. He came here as a POW and stayed and built a life. And he was only there at term.

Bill Ballenger:

Did you feel you learned anything from him or?

Governor John Engler:

No. I mean, we had a cordial relationship and we're sitting about as close as we're sitting at our desk are side by side, inside a little office. And in those days, the capitol had been chopped up into pieces really by Charlie Zeller Garlin.

Bill Ballenger:

Reconstruction of the ... Yeah.

Governor John Engler:

Yeah. Well, I think there was a whole idea, maybe we get a new capitol here at some point because there was that movement at the time. Later on, I play a little bit of a role in helping to restore the capitol, but I was on one of those over floor offices. And so, no, Representative Friske and I, cordial, you're cordial. And you realize I think quickly that there's 110 members in the house.

So, you've got all kinds of personalities, all kinds of backgrounds. It's a real melting pot of people and thinking and personalities. So, no, it was fine. And from there, redistricting looming in 1970 and '72, the district's completely different. Not completely different.

Bill Ballenger:

Okay. So, you're in the legislature and then right away here in your first term, you're confronted with reelection in a new district. And as I remember it, you ended up having to run against a fellow state representative, right?

Governor John Engler:

Right. Dick Allen.

Bill Ballenger:

Yeah. So, tell us about that.

Governor John Engler:

Well, Dick was from a legislative family. His father, Lester Allen had been in the legislature, so he was a legacy also. So, the Allen name, and they're a Gratiot County family. We're an Isabella County family. What happened though, in the drawing of the map, it was Isabella County, part of Gratiot and part of Montcalm. Well, I had for two years at least, represented Montcalm and Isabella, never had represented Gratiot.

And we looked at that, we said, "Well, Dick's going to win Gratiot. That's homebase for him. I'm probably going to win Isabella. Better fight this out in Montcalm." And that was our strategy. And I think by now, that was a 700-vote win or something. But we always felt very comfortable that the math favored us. And if we ran a good campaign.

It was interesting. One of the issues in that campaign, this is 1972, so it's pre-Roe v. Wade. There was a pretty significant debate about abortion. And Dick was a veterinarian and a Michigan State guy as well. But Dick had been the sponsor of the liberalization of the abortion law.

Bill Ballenger:

Yeah. That was on the ballot, too. It was a ballot proposal that year.

Governor John Engler:

It was. And I believe it was on in '72.

Bill Ballenger:

It was on in '72 by petition of the people who wanted to liberalize the law.

Governor John Engler:

That's right. And so, that failed. And Dick was, I think, widely viewed as a leading proponent and very close at the time with the Milliken, well, certainly with Governor Milliken himself, but also the, I don't want to call the wing of the party.

Bill Ballenger:

The pro-choice faction of the Republican Party.

Governor John Engler:

Yeah. That'd be a good way to say it. And the other guy that was very close to Dick, very prominent in the Republican Party in those days, a guy named Dr. Jack Stack, who was in Gratiot County. And Jack, as a medical doctor, was one of the leading proponents of the liberalization of the abortion law.

Bill Ballenger:

Well, there was a heavy pro-life constituency in that district, wasn't there really, what we would call pro-life now who were against abortion?

Governor John Engler:

Yeah. I had a pro-life perspective that I was very comfortable with and consistent throughout really my career in elective office. And there's no question that played a role in that. I mean, places like Montcalm maybe not as much, but certainly in parishes, like Mount Pleasant had Sacred Heart Parish, big parish, probably that was more of a, I would say a constituent would be a little more prone to ticket splitting anyway for a general election. But as it turned out, we had a lot of support in the primary because they came out to support me.

And even in Alma, which is in Gratiot County, there was some support there that probably wouldn't have been there, but for that issue. So, yeah, one thing I should mention, we talk about Russell Strange, you probably talk about Beal City in the race against Strange, I'll never forget this in Nottawa Township, which in Beal City, I think we won one of those precincts, 165 to four or something. It was an amazing vote. We always joked about who were the four votes, but that was clearly in those early days.

Bill Ballenger:

That was almost a margin of victory overall in that.

Governor John Engler:

Right. In that one township, Nottawa Township.

Bill Ballenger:

Unbelievable.

Governor John Engler:

Yeah. There would've been, I would guess, in Nottawa Township alone would've provided a margin of victory.

Bill Ballenger:

Amazing.

Governor John Engler:

It was pretty big.

Bill Ballenger:

Okay. So, you get through those two elections, '70, '72, you're in your second term, '73, '74, you're in the house-

Governor John Engler:

Watergate.

Bill Ballenger:

... through '78. Yeah. And then Watergate comes in '74. But I mean, what was your experience in the house while you were there?

Governor John Engler:

Well, I was in the minority. I hated that. I mean, I didn't have any real appreciation until I got there.

Bill Ryan was the speaker of the house. Bobby Crim was the floor leader for four years, and then the second four years, Bobby Crim was the speaker. And you've got some pretty strong personalities there. Gary Owen would be one. I mean, Bill Copeland, then Dominic Jacobetti, chair on the appropriations committee.

I'll tell you though, the one thing that helped me a lot, and the house was incredibly educational if you were interested in learning, because I sat on the floor, and here's Marty Booth, who knows about everything about local government, you could want to know. Here's Stanley Powell, who, I mean, a remarkable man because he's elected to one term in the house in the '30s, loses because of the depression, and then goes to the Con-Con and comes back after being constitutional delegate in the '60s and then has a lengthy career.

You had Roy Smith, who was an expert on property on taxes. Roy Spencer was an expert on school finance. You had Jim Farnsworth, was a great appropriations guy. We had people, Bill Hayward, who really knew a lot about insurance. He'd been on that committee for a lot of years.

And so, there was great, great knowledge and experience that was there, and you could draw from that. And that's what term limits wiped out. It deprived all these incoming members of any kind of institutional knowledge. And so, you had people sitting there who could say, "Well, we've tried this in the past. This is why it didn't work. This is what we wanted to do."

And so, for me, it was graduate courses in government and in policy, and it was very, very helpful. Also, there were people who just knew the rules of the house. In those days, you had a lot of debate on the floor. That's also something that seems, they tell me to have receded almost to the point of non-existent.

Bill Ballenger:

Yes, exactly.

Governor John Engler:

And boy, that was not the case then. And I learned in those days a lot about something called the Legislative Service Bureau. I went up and I had guys like Arnie Rich who was there, prolific bill drafter. I learned what the bill drafting manual was, how you wrote amendments, how bills came together. And so, I ended up with a tremendous amount of just institutional knowledge, because one thing you can do in the minority, you can't influence a lot, but you can learn a lot.

And so, of course, the more you know then the more frustrated you are because you're frustrated about not being able to do much about it. But we did have a lot of fun. I had some good colleagues and some troublemakers. Bob Edwards and I were seatmates for a while. Bob in 1976 actually runs for state party chair.

Bill Ballenger:

I remember that.

Governor John Engler:

And nearly beats Governor Milliken's chair. Came very close. And that was when I first got to know Peter Secchia because he came into that. We got him in that race. I got him in trouble. Joyce Braithwaite, some of the powers that be in the Milliken administration, because he wasn't loyal enough to their liking. But it was a great time for us to try things, to learn things. And there's no question it helped me later on because it gave me a lot to draw upon.

But by '78, I have to get out of there. I mean, I just can't. Governor Milliken won his first election in '70 as did I, then in '74. And both of those elections for Governor Milliken were against Sander Levin. So, '74 was a tough year. But by that time, Governor Milliken, I think he was pretty well established. And the rerun against Levin, those are tough to do, I think if you're the challenger especially. By '78, it's Bill Fitzgerald. And it was, I would say a walk over there.

Bill Ballenger:

Yeah. It was. Yeah.

Governor John Engler:

But it was also in '70s when Bob Griffin, he was on the ballot, too. So, I got to know a lot of people during that whole period.

Bill Ballenger:

Did you find yourself in the house, even though you're very frustrated in the minority getting more aggressive and assertive against the majority, against Bill Ryan and Bobby Crim? They weren't too happy with you.

Governor John Engler:

They weren't very happy. Well, we felt that the minority was not our natural state. We believed, at least a fair number of us, that we should be in the majority. My first four years, Clif Smart was the leader, and Dennis Cawthorne was the floor leader. Then Dennis became the leader, the Republican leader those last two terms. Dennis a little more, well, a lot younger, real smart, obviously. And so, he was a little more freewheeling about opening things up.

And by that time, I'd been there long enough to start, this is where one of the first people I got to know in the house representative on the staff was Lucille Taylor, because I was on the insurance committee, and Lucille happened to be staffing that committee. She was a young lawyer. I knew Bill Gnodtke.

But that's where we got people, like we said, the staff needed to be upgraded. And so, some of us got a chance to help then start to recruit people to be on the staff and raise the quality of the staff. And that at the same time then helped us get probably some of these ideas into the point where we could now maybe offer an amendment.

And some of those amendments weren't depreciated by Bobby Crim very much. There was a point at which he had said, this was probably the mid '70s or something where he said he'd trade five seats to get rid of me, because I was apparently becoming a bit of a problem for him.

And I, of course, promptly offered to go if I could pick the five that went with me. But I mean, we had some pretty vigorous debates in those days. And I do think, I tell legislators today that, I mean, it's a serious process. It's a privilege to serve, but at the same time, understand that this debate's important, this conversation, and you shouldn't shy away from it. And you certainly shouldn't feel as though you can't speak up. But by '78, I just said, "Look, I was getting old. I was going to be 30. Either I move up or move out."

Bill Ballenger:

So, you decided to run against another incumbent. I mean, you've already beaten two.

Governor John Engler:

The third race against an incumbent.

Bill Ballenger:

Jack Toepfer, who was the state senator from Cadillac. Much bigger district senate district.

Governor John Engler:

And I was in the district, the way it was drawn, Isabella County was in the very southern bottom of that district. The whole district went all the way up through the Leelanau peninsula, northwest Michigan. Traverse City was in the district, so it was Governor Milliken's senator.

By that time, we had been involved in some criticism, let's say, of the party operation, because one of the irritants was, there was an absolute belief in the ... And I don't know if this was the Governor Milliken's belief, but clearly some of the people around him had the view that Michigan, if you go back, one of the books I read in college was Walt DeVries, the Ticket-Splitter.

Well, they had this belief that Michigan was such a ticket splitting state, that you were never going to be able to win both offices and both offices being, let's say, the governor's race and the US Senate race couldn't win both of those. And that was almost like an admission against interest in the sense that you're, "Okay, somebody's going to lose. It's not going to be me. It's going to be the other guy."

I always felt that was what happened to Bob Griffin. And when he announced that he was no longer going to run for office for the United States Senate, he was stepping down and Phil Ruppe stepped up. He was going to run. And we knew Phil because he had a marvelous woman. He was married to Loret Ruppe, who became a dear friend. So, Phil and Loret were out there. Bob Davis, who was the state senator, was going to run for the congressional seat and change was happening.

But this is 1978, and Bill Milliken's up for the third election. And if elected, he'll become the longest serving governor in Michigan history. He'll see 14 years if he serves that whole term. They go and they talk Bob Griffin back into running again. And Griffin was already out. And when he announced that his attendance had slipped. I mean, he'd been a force in the senate, but all of a sudden, he's leaving. And so, he wasn't there. He certainly hadn't been, let's just say, tending to the duties. And here comes the city council president out of Detroit, Carl Levin.

Bill Ballenger:

Well, not only that. In the primary, Brooks Patterson ran against Bob Griffin and beat him over the head over exactly what you just described.

Governor John Engler:

Well, that's exactly right. Yes. That's right. Because that's, let's just say, softened him up.

Bill Ballenger:

And then Levin basically said in the general election, "Hey, don't listen to me. Listen to what Brooks Patterson is saying."

Governor John Engler:

Well, exactly. And I don't think Bob's heart wasn't really in it at that point. I mean, I think he was a reluctant candidate. The honorable Phil Ruppe stepped back and said, "Okay," but then he also didn't go back to the Congress because he said he wasn't going to run, and Davis was already out there.

Bill Ballenger:

He said, "I won't do what Bob Griffin just did to me. I won't do that to Bob Davis."

Governor John Engler:

That's right. Yeah. I mean, we have this amazing past. If you go all the way back, this is actually slightly before my time, but Bill, you would remember this, look what happened to Riegle when he wanted to run for the senate. That was George Romney and Lenore, but a similar kind of thing. Although Riegle's were actually a little less generous than Ruppe. He ends up leaving the party and all kinds of ... But anyway.

Bill Ballenger:

So, how did you win this race against Jack Toepp?

Governor John Engler:

So, Jack Toepp was, again, the senate in those days and I'll tread lightly here. But I mean, there were a lot of members who I think had some personal issues. I think there were a lot of alcohol around the senate in those days. I mean, I think people had some issues, but Jack, I think more of the point with Jack Toepp.

Very nice man, and we'd had a cordial relationship and he wanted to see me and he wanted to talk to me. He said, "Please, please, if you wait four years, I'll leave." But that was going to be redistricting in any case. So that's kind of like, well, not really. I kind of know how this works. I've seen this play before.

And I said, "Look, I am sorry. It's either time. You may well win." Although we didn't think he'd win because we looked at the district and said, "We can win this." And he had been there. He was a senior guy. I think he might've been the floor leader, he was clearly a senior member. He was part of the ruling group in the Senate, if you will. The Senate didn't think, I remember some friends who were on the Senate staff, "Well, there's no way you can win this race." And we're looking at it and there's no reason we won't. And we won by, I think, 2,000, 3,000 votes. It was actually a pretty comfortable race.

But I did have, one of my good allies in that race is none other than State Representative Connie Binsfeld who had the northern part of that district. I used to stay at Connie's house. The thing about that

campaign, I always said that was helpful for me later on, especially in 1990, I guess running statewide, you really learned the importance of scheduling and planning because your district was three and a half, four hours from top to bottom.

You couldn't run up four hours, do an hour to meet, and then come back because now there's eight hours of travel, one-hour meetings. You had to figure out how to use your time properly. It was a great district and wonderful people took me all the way over to Newaygo County was in that district, or not all of it, but part of it. There was even Custer Township in Antrim County was in there, so it was a sprawling district, but we just had a good plan.

Bill Ballenger:

Well, did you feel you outworked Jack Tapp as well?

Governor John Engler:

Oh, yeah. No, I think we outworked him. We had a tremendous grassroots support base. And Jack, frankly, probably is at the point where, I mean, if all things being equal, he might've chosen, probably should have retired because I think he'd been there long enough that you just get, and this happens, you get comfortable in these districts and you aren't going to the meetings. You aren't showing up the way you used to show up, or you get into a routine and you go two or three places and that's kind of all you do.

Bill Ballenger:

Were there any real issues in that campaign other than just hard work, strategic planning?

Governor John Engler:

Not really. I like Jack Toepp, he was a friend. It wasn't something where I was... It was more about building a majority. They didn't have majority in the Senate either. And I thought there was an opportunity to build a majority. In fact, I thought in that election we had a chance to elect one because we thought Milliken in the '78 was going to run pretty strong.

Bill Ballenger:

He did. Unfortunately, Griffin did not run too strong.

Governor John Engler:

No, he did not. And it was frustrating because we get there and we're a couple of seats short, and frankly, a couple of ones that we didn't win, we thought we should have. But nonetheless, I get to the Senate and Harry Gast came over at the same time because Zollar had stepped down. I think Jack Moet came there at the same time from Jack from Lenawee county. So I think Bob Young got there roughly that time.

Bill Ballenger:

From Saginaw.

Governor John Engler:

Yeah. So we had a group of us that had been in the house that came over. We weren't the majority of the caucus, but a lot of new blood all of a sudden showed up and I think a lot of energy.

Bob VanderLaan was the leader, the Republican leader, but not, unfortunately, the majority leader. By that time, Bill Faust had succeeded. In fact, I think if I got this right, I'd have to remember this detail because I think Fitzgerald maybe stepped down while he was running for governor, and Faust became the leader actually before the election of '78.

Bill Ballenger:

Yeah, he actually was ousted by his own caucus as leader.

Governor John Engler:

That's right. You were there for...

Bill Ballenger:

No, I was gone by that time.

Governor John Engler:

Okay, you'd already gone. Okay. That's right though. You're right.

Bill Ballenger:

But in any event so you're here with these new members and it's like '79, '80.

Governor John Engler:

Well, I'm thinking we ought to get some of us, the newbies, ought to step up here. But the incumbent leadership had the, I would say, the guile and the smarts to be able to divide us rather quickly. Those who made the first deals, first ones in, got the best deals. Guys like me who didn't come in until the end, there wasn't much left for us.

Bill Ballenger:

You didn't even have a very good committee assembled right away.

Governor John Engler:

No.

Bill Ballenger:

But you eventually got them.

Governor John Engler:

What I was offered were so bad in terms of committees that while I was happy to be in the Senate, these committees were terrible. I told Senator VanderLaan, I said, "Look..." And I'd come with a tiny bit of reputation for the House, I guess, willing to mix it up on the floor periodically. One of those examples from the House, which was very frustrating for Mr. Crim when he was speaker, on opening day when it's very ceremonial, the families are all there, the flowers are on the desks, everybody's getting sworn in, they're picking their seats, but you adopt always your temporary rules, but that's a motion to adopt the rules.

Well that was the first time somebody had a set of alternative rules to be pending. So I had an amendment ready to go. We offered the amendment in the ceremonial sessions and the rules.

Bill Ballenger:

Oh my God.

Governor John Engler:

"What are these?" And they were things like, we had had a hard time getting recognized for record and roll call votes. We were trying to kind of clean that process up or there's something called immediate effect, a law that's passed by the legislature with a two-thirds vote can be made to be effective immediately upon signature by the governor. Without that two-thirds vote of the House and Senate then it has to wait until the session is over and 90 days after that. We had felt that our rights were impaired by not having a record roll call, maybe on the granting of immediate effect, they would gavel it through.

By the time you could get recognized, they would regretfully announce that the bill had left the chamber. It wasn't there. Now, this for our listeners, what in the world is all this stuff? It's all the procedure of the legislature, and legislature, if nothing, is a body, as is Congress, where procedure matters. But it also matters who's got the gavel and who's interpreting the rules. And so we were on this opening day back in the House in the day, we're trying to just clarify how the minority could possibly have its rights respected a little bit more.

Well, this led to a roll call on opening day, and they were not happy about that. So I'm in the Senate, and so there is some of this, I guess, reputation that's there. So I said to Senator VanderLaan, "Look, rather than give me these committees, which are so awful, why don't you give them to somebody else? And I'll just work on bills when they come to the floor, and if there's something that's of interest, then I can offer it. That'll give me a little more flexibility. And then you can give these committees to somebody who's worthy of them."

Bill Ballenger:

Well, what was his reaction to that?

Governor John Engler:

"Well, I didn't want to do that" he thought, and I said, "No, that's okay. I don't mind at all." And so we ended up negotiating. At least I got an appointment to the judiciary committee, which at the time was a primary committee chaired by Basil Brown. So I got a chance to know Senator Brown, work with him. But it was a committee that did substantive work.

Bill Ballenger:

Also did you also start being assertive on the floor just like you were in the House?

Governor John Engler:

No, I was a bit more circumspect. But the other thing I decided to do, now I've got a four-year term for the first time, and I mentioned Carol Viventi, Carol Moray. Carol had decided to go to law school. One of the other persons that I was close to, we talked earlier about the selection against Dick Allen. One of the people that got recruited for that election to help was a guy named Dennis Coons. Dennis was from Kent County. Dick Posthumus knew him. Dick came back to run the campaign in '72. Dennis was actually

driving the children's train in John Ball Park Zoo in Kent County. Dick knows him because of, Dick's wife Pam, somehow Dennis is kind of a friend. We recruit Dennis to leave the John Ball Park Zoo train and come. He's never worked on a campaign, but we explained what we want done. He has good attention to detail.

Now, Dennis, you talk about how things change. As we know, Dick Posthumus later on becomes Lieutenant Governor, leader of the Senate, and then Lieutenant Governor. Dennis becomes the chief of staff eventually in the Senate, he gets a law degree, eventually becomes the president of the Michigan Bankers Association. He had a very distinguished career. So it was fun to see these young people who had no exposure to politics suddenly become involved in government and later on rise up to do wonderful things.

Bill Ballenger:

But Carol Viventi

Governor John Engler:

Carol and Dennis were going to go to law school.

Bill Ballenger:

And so that kind of inspired you?

Governor John Engler:

Well, it did. And the other issue is that I think for legislators, once you're there, in my case, I'd already been there eight years. I mean, I have legislative experience now but what does that translate to? What does that mean? Especially if I leave the legislation. So I thought it might be smart to get a law degree. Now could I do that? Cooley had opened up in the '70s, the law school, literally across the street from the Capitol started by the former Chief Justice Tom Brennan. So I go to see Chief Justice Brennan, who's still president of Cooley Law School, and I said, "I want to go to law school." And he said, "Well, you have to take the LSAT." And I, "well, what's that?". "Okay, you better." "I understand." "Look, we want to be accredited by the Bar Association. Students can't come here. Here's the process."

So I couldn't start in January, so I took the LSAT, did well and was able to get into the law school.

Bill Ballenger:

Was that a tough thing to do serving in the Senate and go to law school all of the time?

Governor John Engler:

Well, sure, lots of people have, and Cooley was actually designed, it was a night school, so it was designed for students who had busy lives. You had doctors that were there. You had all kinds of people. Brennan's concept, I think, was right. He attracted, especially in those early days, some pretty abled students because it wasn't the idea you went away for three years, went to law school and came back. You carried on with your life, went to law school, you just became a lot busier.

Bill Ballenger:

Right.

Governor John Engler:

My case, I wanted to graduate with Carol and Dennis, so I had to catch up a term so I was able to graduate term early. The key to that was one summer when, in this case it would've been 1980, the Senate's not up for election, the House is. Legislature kind of pauses a little bit there. So that summer almost took a double load because we didn't have the session interfering.

So I got through and I had to take the bar. I knew I had to take the bar in February of '82, and Carol, Dennis and I all took the bar at that time. We all passed the bar, and that was done.

And then '82 is redistricting again. That opened up the door for all kinds of new members coming in, new districts, my district, for the first time, I lost all of Northwest Michigan. Connie then became a senator. She had a district literally that worked out perfect for her. Midland became part of my district. So that was my exposure and introduction to that area. At the same time, Dick Posthumus, there's a seat in Grand Rapids, he runs for that and is successful. A guy named Norm Shinkle winning down in Monroe. Dan DeGrow over in St. Clair County in Port Huron, Doug Cruce in Oakland County. And all of a sudden all these people are coming in who either were in the House or were in the case like Dick and Norm, just good friends.

So we show up after the 82 election and there's 18 members again, we fall short of winning the majority.

Bill Ballenger:

You picked up a lot of seats, but you didn't quite make it.

Governor John Engler:

Yeah, you're in the minority. We still 18, but 11 of the 18 are brand new to the Senate, and almost all of them are friends. So I am able to be the, I'm elected senate leader, Republican leader. And Jim Blanchard at the same time has defeated Dick Headley.

Bill Ballenger:

For governor.

Governor John Engler:

For governor. Again, Bill Milliken had run with Jim Brickley in 1970. And that made sense because Brickley was also a Detroit councilman. He's running against Levin, so he wanted that balance. Brickley by that time is four years, wants to leave, he picks Jim Damon.

Bill Ballenger:

State rep.

Governor John Engler:

Good man. State rep. Good friend. And Jim and Peg were dear friends, but for a variety of reasons, that is not a marriage that works.

Bill Ballenger:

So in '78, Milliken brings Brickley back.

Governor John Engler:

Brickley, he'd had a stint by that time as president of Eastern Michigan, I believe.

Bill Ballenger:

Correct, correct.

Governor John Engler:

And I think he was looking to get out of that, and it sort of all worked. But then the idea, clearly for Brickley, was he comes back lieutenant governor then can run for governor in '82.

Bill Ballenger:

So he's opposed by Dick Headley and Brooks Patterson.

Governor John Engler:

That's right.

Bill Ballenger:

I'll never forget that primary.

Governor John Engler:

It was an amazing primary.

Bill Ballenger:

Unbelievable.

Governor John Engler:

And big shock. I'm one of two people in the Senate supporting Headley. Dick Headley was a constituent of mine. He was up in Winn, Michigan. He came to Michigan to help George Romney become president. That didn't happen. But Headley and the Headley family stayed there.

Bill Ballenger:

Right. Rose Bush, wasn't it?

Governor John Engler:

We lived in Rose Bush and ran, it was down at Morbark Industries in Winn, Michigan, working for one of the most unforgivable characters you'll ever meet, a guy named Norville Moray. Nub Moray. Nub was a guy, sixth grade education, I think, before he dropped out of school and was logging and builds this fabulous company and brings Headley in. He once joked about Headley that he had to get him out of there because he was too damn smart, he'd end up owning the whole damn company.

But anyway, that's how I get to Headley. And then of course he was, by this time, he's long left Morbark Industries, and he's running a company called Alexander Hamilton, a life insurance company. That's where he was when he was running for governor down in Oakland County. So, I help Headley, another Senator named Harry DeMaso is on board, but that's it. But Headley prevails. He's a very, one would say acerbic perhaps.

Bill Ballenger:

Acerbic? Yes.

Governor John Engler:

Very funny guy.

Bill Ballenger:

Yeah, he was funny.

Governor John Engler:

He got himself in some trouble at various times with things that he said.

Bill Ballenger:

But anyway, he loses to Blanchard, and then you're with this new gang of new members in 1983, you're in the minority again, but by a narrow margin. Blanchard is governor.

Governor John Engler:

Gary Owen was speaker.

Bill Ballenger:

And Gary Owen was speaker over in the House and the governor proposes an income tax increase. So what happened after that?

Governor John Engler:

Well, and he has some smart guys working for him, like Bob Bowman, who was his treasurer and kind of point man on all this stuff. There's all kinds of conversation, negotiation going on. And there probably was a way, because there was no question, there was a fiscal deficit to be addressed. But they were going to do it all through new revenues and taxes and that wasn't going to sell in the Republican caucus in the Senate.

So back and forth the conversation goes, and eventually they put together the votes to put the income tax above 6% without us. I mean, they peel off a couple of Republicans and they get it done. There's been enough of a debate, enough of a discussion publicly that people are not exactly caught by surprise, they're unhappy, and it prompts a recall of two members of the Senate and sort of unprecedented. There hadn't been recalls. I don't know if there'd ever been recalls, but certainly not of sitting legislators over a tax vote.

Bill Ballenger:

I don't think ever. And those two senators were David Serotkin and and Phil Maston.

Governor John Engler:

Kirby Holmes and Ruby Nichols. When those two, the senators, are recalled. Suddenly the 20-20 Senate is 18-18 with two vacancies that are going to be filled in special elections in January, I think it was January 31 of '84.

Bill Ballenger:

'84.

Governor John Engler:

We win both those special elections and we've got a new majority leader. And that's me, as it turns out, and new committee chairs. One of the things that was done then that I am proud of, that I think made an impact, probably for a long time, was that we really did, when I was minority leader, we made the decision that the seniority system wasn't serving us well. It was never a written rule. It was sort of honored, if you will.

Bill Ballenger:

By expectation.

Governor John Engler:

But we really kind of set that aside and put best people in spots. So here's Dick Posthumus as the ranking Republican on the Commerce Committee or different people. Harry Gast was approp because he'd had experience there. But a guy like Dan DeGrow was suddenly playing a major role, even though he'd just arrived in the Senate or Norm Shinkle over on the finance committee.

As a result, when the majority flipped, all of a sudden here comes Dick Posthumus, now chair of the Commerce Committee in his basically after 13 months in the Senate, or Shinkle, chairing in finance. But then we also paid attention to who the other members of the committee were so that you had very strong commerce committee, very strong finance committee. And I think the effect of that was to give us individuals in positions with key committees that were able to articulate what we were trying to do as an agenda. This was what we believed and this is what we stood for. And it really, over a period of years, I think, served us quite well with those people. Had we stuck with what might've been the old system and said, "Well, this person has been here five years longer than this person, then they get it," and we had enough support in the Senate to kind of tip that old system over.

Bill Ballenger:

Change them. Yeah.

Governor John Engler:

And I would guess that you'd have to say term limits, to whatever extent there was something of the seniority system left, term limits finished it off.

Bill Ballenger:

That's for sure.

Governor John Engler:

But we'd made that start in the '80s, and I'm convinced that that was one of the reasons that we were able to survive in 1986, because if we fast-forward to the next election here, Bill Lucas becomes the Republican nominee. Bill had been a Democrat official, a sheriff in Wayne County, the first county executive.

Bill Ballenger:

Then he switched parties.

Governor John Engler:

Switched parties. His consigliere was none other than Dennis Nystrom, who had been one of Dick Headley's top people. Nystrom had a lot of experience. But that switch, that was thought that Lucas is a Fordham grad, a lawyer...

Bill Ballenger:

Former FBI agent, I think.

Governor John Engler:

Yeah, no, he had a sterling background. But he also had not really been in partisan politics and the switch made him suspect to some people and whatever. He turned out, let's just say the campaign didn't go well. Blanchard of course had a unified party behind him and probably pretty hungry party after the recalls that had cost him the Senate. Which is interesting because to this day, from 1984 to present, the Republicans have controlled the Senate ever since.

Bill Ballenger:

Yeah, exactly.

Governor John Engler:

And so they've never yielded that.

Bill Ballenger:

Also, the economy had recovered completely by 1986 and the income tax hike was three years before. And so Blanchard ends up winning this huge landslide victory. Well, that had to be a huge threat to the Republican narrow 20-18 majority. How are you going to hold on to control the Senate with the coattails from a democratic governor that deep.

Governor John Engler:

To this day, those of us that were involved in that considered our finest hour, if you will, in terms of just election success, because it was, I would say, universally thought to be impossible to hold the Senate. But we had good candidates, and I think we had great campaigns. We also had the benefit of really excellent talent in all the right spots because at the time, Spence Abraham was the party chair, but his chief of staff and top guy was Dave Doyle over there. Dave and Spence in their prime were very, very, very good.

Tom Shields was running a company called MRG, but Tom was on the rise. He'd had some success. And the people he had at his firm were very good. Dick was there, Posthumus, he's very talented. We had just sort of a convergence of all of the kind of right people. We literally were meeting almost every night to talk about what happened that day, what's going to happen the next day, what's going to happen the next week, and thinking these things through. We had started early with fundraising to be able to have enough money to win these seats. We thought there might be an opportunity. Let's see, Ruth Braun was running against Jerry Hart, I think, in '86.

Bill Ballenger:

I remember.

Governor John Engler:

I think that's right. And Ruth was a very able candidate, a wonderful person, and Jerry had had some health setbacks. So there was a thought that there might be a chance in that seat. There was another one where, I'm trying to think what, there were a couple others that we thought, could we play for any gains out there? Was there anybody that could lose?

Bill Ballenger:

To offset what the Democrats might pick up?

Governor John Engler:

Yeah. Is there going to be a loss that we don't see? And so where could there be a gain? As it turned out and as we went along, we literally had to almost pull right back and just say, "Look, any pennies and dimes that we've got have to go on the 20 incumbents and we're going to have to go with that. At the end of the day, Ruth probably is not going to be able to make this happen."

Bill Ballenger:

I Remember Allen...

Governor John Engler:

One other, I've forgotten which other seat. There were a couple of them that we were playing in, but we pulled back and the Grand Rapids seat with Vernie Ehlers, I think it was a challenging one. Although Vern, again, very good candidate, and later goes on to validate that with lots of terms in Congress. So it just all worked together, the kind of candidates we had, the kind of campaigns that were run. And I think Democrats probably had, I think in some cases they probably would've loved to have had different candidates in a couple of these districts. But we survived. And it was absolutely remarkable. I think people were stunned. That's set the stage coming back again for what we were able to do prospectively.

Bill Ballenger:

Right, in the next four years. Well, sometimes not running for something is a wise decision just as much as knowing when to run. For something like in '86, you could have run then.

Governor John Engler:

I could have perhaps. I didn't think I was necessarily ready.

Bill Ballenger:

But after four years in '90, you decided, "I've been leader for seven years. I am ready. Enough of this. I want to challenge the Democratic governor, Jim Blanchard running for a third term."

Governor John Engler:

Yeah and we didn't know for sure that he was going to run until, but then it became clear that he would. Had he not, it would've been interesting because I don't, again, there wasn't a logical person. I think Jim Blanchard had picked Martha Griffiths to run with him initially. She was a great asset to him, I think.

We'd gotten to know Martha quite well, because she was the Senate president. And then he disinvited her to run in that third race. That clearly hurt him.

Bill Ballenger:

That hurt him.

Governor John Engler:

And that set up, I think I was inclined. Anyway, we were able to keep it completely quiet as to where I was going with a running mate choice, but Connie became more and more logical as to be the right choice, because I was trying to think how does it work? And again, it's a bit counterintuitive because I'm from Mount Pleasant or Central Michigan. Now I'm picking somebody from Northwest Michigan. But Connie had spent much of her life in Oakland County. She'd been Mother of the Year, she'd been the Girl Scout leader. She'd raised her family there before she moved up and became a county commissioner, a state rep, and a state senator. And we knew that we had a good relationship, Connie and I. When Governor Blanchard decided to make the change from Martha Griffiths, we thought this really kind of seals the deal, because if we pick Connie...

Bill Ballenger:

He's almost going to have to pick another woman.

Governor John Engler:

He's going to pick another woman. And you looked at the Democrat candidates at the time, you said, "Well, who in the world could it be?" And he ended up with Libby Maynard. Nice person.

Bill Ballenger:

Very nice person.

Governor John Engler:

But didn't do anything for these tickets at all.

Bill Ballenger:

No.

Governor John Engler:

And either from a campaign standpoint or a strategic standpoint, she brought nothing with her. There's no constituency came with her that he didn't already have completely locked up.

Whereas Connie was helpful for me because I was single, so I think Connie was somebody that just complimented me nicely, and I think our ability to work together was quite good. So I always felt very good about and loved Connie and John. They were good friends and that really worked out quite well.

Bill Ballenger:

Now, 1990, you really are an underdog in this race. At least as much, if not more than you were against Russ Strange in 1968.

Governor John Engler:

And now the incumbent's with the other party. It's one thing to beat incumbents in primaries. It's quite another to beat them in general election.

Bill Ballenger:

So how did you pull it off in your estimation? When all is said and done, there's so many theories about how you pulled off this miracle.

Governor John Engler:

Certainly, we prepared hard. I think one of the advantages I had, there was no learning curve in terms of state issues or the agenda. I had 20 years in legislature, so I'm coming into a campaign as fully prepared about to discuss any issue that people wish to raise.

Bill Ballenger:

Right, sure.

Governor John Engler:

I, leading up to this, had been going out doing these county visits. The entire first term, I was able to do that. But before the election, for two consecutive years, I'd been in every county in the state, and we had the advantage of not having a serious primary. There was a primary gentleman named John Love who was in the primary. So there was that.

But really I had a unified party. Mostly unified in the belief I couldn't win. So we can be for him, he can't win anyway, but that really helped. We had a very small campaign, in the sense of paid people. Dan Pero was a campaign manager. Dan had come back from Texas, he'd always said years earlier, he joked about it, but he said, "Well, I'm holding you to this. If you ever run for governor, I'll come back and run the campaign." Dan and Colleen were in Texas, but brought them back. That's how I met Michelle. It was through Dan and Colleen.

Bill Ballenger:

Right.

Governor John Engler:

Dan and Colleen came back and were instrumental in the campaign we had in 1988, what was very important experiences in helping George Bush prevail in a convoluted caucus process. Leanne Reddick was very much part of that, Leanne Wilson, because she was kind of the political director of the Bush campaign, and she'd worked for me before, but she had a lot of experience. So, Leanne was there, she was Dan's deputy and the political director of our campaign. Jim Brandel came over and he joined us. Andrea Newman, Andrea Fisher, is our finance chair, although she was not a paid staffer. And John Truscott, I mean the youngest press secretary in the world, comes forward, but again, a real talent.

That was kind of the team, a couple others. So, we had experience on that small staff team and the ability to build the network the Bush connections had given us, and then ultimately it became, when Kemp and Bush aligned, it gave us a big broad base out across the state so we could draw upon that. I marveled in this last election, people struggled to get petitions signed. Our only issue was we wanted to have a petition for every county since we'd been in all the counties. So, we ought to get one. And we did.

There were a couple of them that we were like, "Where's that last petition from?" I forget where it was up at some place. Montmorency maybe, I don't know. It was one of these smaller counties. But no issue at all. We didn't pay for a single signature. We had also started a little club, a \$100 club, and that was for purposes of ultimately having matching monies and were going to take the matching funds because we didn't have a lot of money, so we would do that.

So I think it was very well organized. Not only did I work hard, but the team worked hard.

Bill Ballenger:

Let me switch gears a little bit and talk about issues. The big issue I remember in 1990 was property tax relief and taxes and a tax cut. I remember there were two ballot proposals. I think the spring of 1989, they both were defeated because the public was very suspicious, "What is this?" Look, this was a seminal issue in 1990. You made great use of it. You came up with what people have called ever since the nickel ad. And so tell us about that.

Governor John Engler:

Congress came out with a proposal much, maybe to our surprise, whereas about, I remember the big number was \$68 million or something. I don't know if it was John Cost or somebody on the staff, and this is another probably asset that I had, when we were in the minority in the Senate and then those years when we had the majority in the Senate, but we're a minority in state government, we always described ourselves as a government in exile. We worked hard to have that mentality that almost in a parliamentary way that we're the opposition party.

Bill Ballenger:

It's only a matter of time before you can get in there.

Governor John Engler:

Only a matter of time. And so there was great care given to hiring some very talented and able people on our staff. So you had Lucille Taylor as the counsel. Lucille ends up being my lawyer for 19 years, all seven as majority of the Senate, and then 12 as governor. A guy like Dennis Schornack, a man like John Cost, and on it went. People in each of these areas were quite good, so there was a constant flow of some pretty good ideas.

The Senate fiscal agency, that's an agency that served everybody and appropriately so, but it was headed by Patty Woodworth and Doug Roberts. So two people later on who would become a budget director and a treasurer. Again, people with abilities and skills that helped us in terms of policy and understanding. So when somebody says, as the governor did \$68 million, some smart person on staff it was a nickel a week. He was on the ascent at that point, he'd had a couple of campaigns and he'd been very creative, a guy named Mike Murphy, comes in and is the ad man.

Bill Ballenger:

Wow.

Governor John Engler:

Mike, working with Dan Pero, who had an excellent creative side as well, were good at crafting these messages. And so that nickel-a-week. Then we also realized it was actually cheaper to hand out a nickel than to pay for a brochure, which was costing more than a nickel to make. And so we ended up getting

these bags of nickels and everywhere we'd go, "Hey, look, governor's tax plan is a nickel a week. I'll give you a nickel, but we can do a hell of a lot better than that." So that became a little bit, and it kind of caught on, and people were making nickel pins, there were clocks with nickels in them.

Bill Ballenger:

There's a TV ad too.

Governor John Engler:

Yeah.

Bill Ballenger:

The TV ad was great.

Governor John Engler:

Skating down. Yeah.

Bill Ballenger:

Absolutely.

Governor John Engler:

And so that was part of it. Again, it's part of sort of my theory. You've got to make these things a little bit fun too, because I do think humor is a lost art. Everybody's so grim and solemn and sullen. I always just say, you never underestimate the common sense. There's more common sense in the coffee shops out across the state than there is in the committee rooms in Lansing, and there's a lot of truth to that.

Bill Ballenger:

There is.

John Engler:

So that campaign just had a lot of stuff coming together. I mean, I had people, even the ones that would write a check, say, "Well, I don't think you'd win, but you're working hard and we'll support you, blah, blah, blah." Well, literally, I joked that we got to the finish line, sort of fell over. If the campaign had lasted a day shorter or been a day longer, we probably wouldn't have won. But it just happened to all kind of come together and 17,000 vote margin.

Bill Ballenger:

On Election Eve, did you feel fairly confident, at that point, that you thought you could pull it off?

John Engler:

We did. We clearly knew we had the momentum. We were dealing with one of the curses of modern campaigns, and that's the press, who rather than working hard to cover a race, they prefer often to create the story by paying for a poll themselves and then writing a story about the poll they took, which is not news at all. It's just they'd make up a story and they're still at it. And the polling back then wasn't any better than some of it is today. And we knew that poll was way off and it was kind of a race against

time. We didn't know if we'd get there. You could see it moving, you could see it was going to be very close.

Bill Ballenger:

Question is whether you could get it there by election day.

John Engler:

Can we get there by election day? And I think we worked hard to try to create advantages and everything just kind of came together. And there's no question there was overconfidence on the other side too. I mean, some of the stuff I've read after the election in some of the cases years later, is that they also picked up right at the end, there was momentum going against them. But by that time, it was a little bit late. There wasn't too much ability to change that.

Bill Ballenger:

What about the situation between, let's say, Jim Blanchard and Coleman Young, who was mayor of Detroit, was not that great. And I think basically Blanchard didn't want Young mucking around in the campaign. He thought that would be disadvantageous for him. And so he basically said to Young, "Hey, we got this. Stay out of it." And Young said, "Okay," and people just didn't turn out in Detroit.

John Engler:

There was no question there was some of that. And the personal relationship wasn't that good. Young had had this great relationship with Milliken.

Bill Ballenger:

With Milliken.

John Engler:

And that was very tight. As a senate leader, I had the opportunity to work with the mayor. And so we had an open line of communication and we did talk. And the thing that was very important to Coleman Young... And we did have this connection since he'd served in the state senate and we knew a lot of people in common still. There was a regard for that legislative background. Jim Blanchard had been in Congress but never been in the legislature. So I think there was a possible disconnect there and a little bit of, I think on the mayor's part, a perception that these guys in Washington don't actually know everything kind of a thing. I mean, there was some of that, I think. And you also had a natural suburban Detroit. The Oakland County, Detroit relationship was never awesome.

Bill Ballenger:

No, not good.

John Engler:

So that gets picked up too a little bit. I didn't have any of that baggage because I'm from Mount Pleasant. We don't have any nexus there. And the other thing I think that was important, and I would like to think this is true with everyone, is that there was never any BS about we could do this or we can't do it. And if we said we would do it, we did it. And as senate leader, I think we were able to, and the Senate was able to, if we promised somebody that we could make something happen, it would then

happen. And so we didn't have any of these broken promises where, oh yeah, they talk a big game, but when it comes time to produce, they don't.

Bill Ballenger:

They don't. Yeah.

John Engler:

And I think there was some of that with perhaps the executive office on some issues. I'm not sure I even know all of the interrelationships there, but there's no question that we had, throughout the campaign, plenty of access to the mayor and the ability to talk.

Bill Ballenger:

That helped.

John Engler:

And to have an understanding of how we would relate, were I to be the governor and he's the mayor. So you never know what that's worth. But I think it's clearly, when you look at a close election, you say everything like that helps to some extent.

Bill Ballenger:

So let's look at the big elephant in the room here. We've been touching on it with your campaign in 1990, and that is property tax relief, the whole funding mechanism for the Michigan school system, K through 12 funding. It was an issue when you ran against Russ Drake in '68 and '70. All through your legislative career.

John Engler:

That is totally true.

Bill Ballenger:

And you're immediately confronted with it. You become governor, it's still not solved. And so it leads all the way up to the famous Proposal A. But just give me your perspective, the broad sweep of your experience with that issue, because it really dominated things way more than it does today. I mean, sure, school finance is a big issue today, but in those days it was huge.

John Engler:

You're exactly right. I mean, I actually came across one of those old brochures from that very first campaign. And you're exactly right, 1970, more than a half century ago now, the first brochure was talking about high property taxes. And that lasted through the entire time of my service in the legislature and into that first term as governor. And in fact, the first two years as governor, we tried twice with the ballot proposals, as did Governor Blanchard. We failed. We came actually closer than the Blanchard proposals, but we also failed. We got the closest ever defeat.

Bill Ballenger:

Yeah, I think the one in June of '73, remember? I think you won in every county in the State. Excuse me, '93. Except for Wayne, Oakland and Macomb. You lost those three and you lost. So then what happens?

John Engler:

Well, needless to say, there was a lot of frustration and an awareness that if we don't get something done here, this is not going to end well because it is what we had talked about sort of incessantly. And we knew how vexing the problem was because it's been around for so long. And yet we were frustrated. And the idea, by '93, is, gosh, next year's election year and we've got a lot of work to do.

Bill Ballenger:

You want to prove you can deliver. That's what you were telling Coleman Young.

John Engler:

Yes.

Bill Ballenger:

We say something's going to happen, it's going to happen. All of a sudden you're saying, "We got to make it happen."

John Engler:

Well, we told a lot of people in Michigan it was going to happen and it hadn't happened yet. And I'm not sure I'm right on the number, but it was a 25% or 30% reduction or something in property taxes, that somebody figured out. And it was going to be attached to this bill. The bill comes over from the House to the Senate. And in the Senate, the conversation most assuredly is this, at least among the minority at the time, Democrat minority, we're not going to give him a win on this. We're not going to bail him out, especially him. And they come up with this idea to, I think just embarrass the Republicans or to embarrass maybe the Republican governor-

Bill Ballenger:

Put him on the spot. This is Debbie Stabenow, the state senator.

John Engler:

Stabenow was very much part of this because whether she was the first one or not, it's often suggested that she was, but I remember Art Miller when he came and sort of-

Bill Ballenger:

He was the Democratic Leader.

John Engler:

Art was the Democratic leader, pretty good friend, the late Art Miller now. But Art, we had again, an open line of communication with Art and he came and said, "Look, you ought to know this is what we're thinking about." So we got a little heads up from him.

Bill Ballenger:

Oh, you did have that. Okay.

John Engler:

Yeah, it wasn't a surprise.

Bill Ballenger:

Well, basically Stabenow recommended just wiping out all property taxes.

John Engler:

Yeah, basically. And I think the idea was let's put up a vote to eliminate all property taxes, that'll embarrass them.

Bill Ballenger:

Yeah, because in other words, she's challenging the Republicans to put their money where their mouth is. If you guys really want this. Here's a big one, how can you vote against this?

John Engler:

Exactly. Exactly. And I think everyone thought that was going to be really cute. That was going to be a very funny thing to watch that one happen. But when Art Miller indicated that's what we might be confronting in the Senate, we said, "Well, let's think about this for a minute." And so we had a couple of conversation sessions, if you will, and Dick got involved. He was the leader in the Senate, Dan DeGrow, because he was very much involved in school finance issues, Hillemonds.

Bill Ballenger:

He was the house Republican leader.

John Engler:

He was the co-speaker.

Bill Ballenger:

Co-speaker.

John Engler:

Because the first two years we had a Democrat house. And then in 1992 we end up with a tie: 55, 55.

Bill Ballenger:

So you had co speakers.

John Engler:

Co-speakers Curtis Hertel and Paul Hillemonds. And the way that worked was a very novel solution because they couldn't quite figure out how to split a 110 member house. It was divided equally. So they said, okay, we'll make everything equal, but one month, one party will chair the committees and the other party will have the speakership. The next month we'll flip it, the other party, somebody will have a speaker and then the other guys get the committees. So we looked at as load and reload. So you had one month, you'd get your bills out of committee, the next month you get them past the house if all went well. And it actually worked pretty well.

Bill Ballenger:

It worked pretty well.

John Engler:

It's interesting Hertel's chief of staff in those days was none other than the current president of Blue Cross Blue Shield, Dan Loepp.

Bill Ballenger:

Dan Loepp, yeah.

John Engler:

And anyway, this all came past it. Maybe Loepp was the one who wrote the book. He might've. I forget. I think it was a book in there or out there.

Anyway, it so happens that all this is happening when Hillegonds is the speaker. So he's got the control of the floor. We kind of have this conversation. The more we talk about it, I'm ready to try about anything. And we had always been frustrated in the school finance reform debate by the gap that couldn't be resolved, or the split, I guess maybe is a better way to say it, that existed among districts because you had rich districts and not rich districts. Rich districts were those school districts that had tremendous property tax wealth. And some of them could be just from affluent areas. But there were others like Bridgman down in southwest Michigan, they happened to have the Cook Nuclear Power Plant sitting in their school district; a small district, big power plant, lots of money.

Bill Ballenger:

Lots of money.

John Engler:

So you can keep your individual taxes very low, you still have lots of cash flow.

And there was nothing you could ever do to satisfy the rich districts. And I used to joke, it was like the perfect was the mortal enemy of the better because every time you'd say, this is better than what we've got, they would say, "No, wait a minute. We know there's a perfect plan. It's hiding. You've got it in the bottom drawer. You haven't shown it to us yet." Or, "You can do better than that." There's clearly a better, a more perfect answer somewhere out there. And you just couldn't get past this. And there were enough votes that it always ended up stymieing you.

Well, the one thing about a bill that eliminates all property taxes, there's no rich districts anymore. They're all poor. Nobody's got any money and everybody now has to come to the table. So that was definitely a factor to think through.

Bill Ballenger:

I mean, Michigan was one of the highest property tax states in the nation, one of the lowest sales tax states in the nation.

John Engler:

That's correct.

Bill Ballenger:

Income we're kind of like right in the middle, income tax. And so what this is, it flipped it really.

John Engler:

It completely changed things. And I will say we did not know what the answer was going to be, but we said this will change the debate. That we knew. That was for sure. And so basically the setup was this, I don't know if they'll really offer this amendment.

Bill Ballenger:

But you were ready.

John Engler:

... I know they think they're going to be cute.

Bill Ballenger:

You were ready though, the Senators.

John Engler:

We were ready and we knew it was coming. So it was basically set up that Dick and Dan would have questions they'd be concerned about it, but have a guy like Jack Welborn who was happy to vote for it, have Jack get up and say, "By gosh, this is the best thing ever." And the Democrats sitting there, well, Jack doesn't really speak for that caucus. I mean, they literally talked themselves right into it, "Yeah, yeah, yeah."

And even though there were, I'm sure some things, I'm not sure it's a great idea, by the time the debate was done, everybody's, they're all riled up, ready to go, and they're thinking the Republicans going to vote no because instead they wait and all of a sudden all the green lights are up, and the damn thing passes. And Al Short, who was the lobbyist for the Michigan Education Association, was probably ready to jump out of the gallery onto the floor. I mean, because I think what he thought was a clever idea all of a sudden is in flames. I mean, oh my God, this is a bill that's just passed the state senate. Now it's going back to the House.

And the bill was a House bill. And procedurally what happens, that comes back from the Senate, the first vote in the House is you want to concur in what the Senate did. Well, here's all these House members, 110, they look over and their senator just voted to eliminate property taxes. Now, do you think they want to now say, "Wait a minute. No, I love property taxes." Hell no. They wanted to vote for it too.

Bill Ballenger:

Sure.

John Engler:

And next thing you know, and this is all happening literally in 24 hours. So there's no time to rally the forces because this thing's over. The vote takes place, I don't know, it was morning, late morning or early afternoon whenever it takes place. But the next morning, because the Senate would be earlier in the day and the House was coming in the morning, boom, it's done.

And of course the editorials and the people are just going crazy. I mean, what are you doing? You can't do this. Sure, we can you just watch. And so we had a big bill signed down on Henry Ford at the Greenfield Village, the old one room schoolhouse. And there we go. And I had said when I signed it that I'll come back to the legislature in the fall when they come back to session because this was a year hence so it wasn't immediate. So they run their last year of property taxes, then there'd have to be something else. And I said, come legislature, and I did in early October of 1993, laid out a plan. But then over the summer what we worked on said, well wait a minute. This is such an historic opportunity. Not only can we fix the way we fund schools, but now we can get at the fundamental issue of school reform.

And so that then opens the door to have dramatically expanded choice among public schools, the traditional schools, as well as the establishment of new types of public schools called charter public schools. And with that, well, who can authorize those? Well, not, I think I used the phrase in the speech, a monopoly of mediocrity is what we had. So you couldn't trust the monopoly to be adventuresome and create new schools that would become competitors. So that allowed, I mean, a school could charter, so could the intermediate school, but also the universities could. And the universities were important because the governor appoints the governing boards there. So you have the ability to have on those governing boards people who would share your philosophy about let's have competition.

And in higher education, competition is not at all a new concept. That's what they do is they compete mightily for students and programs and reputation. So it was pretty, and frankly, and even in governmental services or public services, there's a lot of competitions out there in almost every area except the K-12 system, which had created exclusive franchises based on geography, and at the same time provided an exit card for anybody who had affluence, who could buy a house someplace else.

So we always had unlimited choice. And this was so I think compelling. It was frustrating to the, I would say the progressives on the left. And charter schools originally, those were Democrat ideas anyway. They started, Ken Cory in Minnesota was somebody that we'd looked at what they'd done. Roy Romer in Colorado, who had been active there, even Bill Clinton.

And one of our finer moments later on is when Clinton, some years later, we're able to have him come to the Michigan legislature and deliver a speech.

Bill Ballenger:

I remember that.

John Engler:

And he's an advocate for charter schools. And here sits all his party members wanting to chew off their hands because they can't clap for that. They've been fighting. But Clinton's an advocate. He's there. We're putting federal money. We want to have more of these, more schools, more choice.

And anyway, so the speech gets delivered in October, lays out reforms of education as well as new funding. And the proposal that we made is, look, let's raise the sales tax from four to 6%. I think we'd put a small hike in the cigarette tax was in there as well. And to make this work, we come up with a concept of a constitutionally guaranteed foundation grant. And that opens the door now to basically the money following the student. And that again, is very different because school funding was always based on the accident of wealth. And now it's different. And suddenly the students sort of at least has the hope that maybe they're coming first now and that there's a competition to serve them.

And so this debate plays out, and I think one of the more novel things that emerges, because the counter then from Democrats and legislature was, well, sales tax, we argued, well, sales tax, at least we can export some of it to our tourists because we lot tourists here. And in it's somewhat discretionary.

Food wasn't in there. So it removed that, which could be said to be a regressive aspect of that. They want to do the income tax. Well, we're going to be at loggerheads there.

And so we come up with this idea eventually, which again, it's somewhat unprecedented. I'd never seen anything like it before. But the more we thought about it, the more we said, we're going to have to take the risk.

Bill Ballenger:

Give voters an option.

John Engler:

Give the voters the truth.

Bill Ballenger:

What do you want?

John Engler:

Give the truth. Let the voters decide.

Bill Ballenger:

An income tax hike or a sales tax hike?

John Engler:

And what wasn't on the ballot was what had always defeated us in the past: the status quo. The status quo was gone. You couldn't say, "No, I'm going to vote no, because I know they've got a better plan somewhere else." And every time we lost to the better plan somewhere else that nobody's showing me yet argument. In this case, we said, "Look, what we had is no good. It's either going to be A or it's going to be B." Now to get us to that point, we had to get conservatives in the legislature to vote for a big income tax. And that was actually passed and put into effect and would go into effect unless the ballot proposal passed. And for the life of me, I mean, my argument with the legislators was, "Look, this is an easy vote. There is no way we're losing this election. There's no way."

Bill Ballenger:

You were convinced that sales would trump income.

John Engler:

Absolutely. We just didn't think that was even going to be a close call. It turned out we got 70% in virtually, I think 82 of 83 counties. Maybe the only place we didn't is Wayne County. We didn't get 70%. It passed there too. But I mean, it was a rout.

Bill Ballenger:

It was a rout.

John Engler:

We won everywhere.

Bill Ballenger:

Yeah, absolutely.

John Engler:

And so the sales tax went up, the foundation grant was established. And here we are. This is 1994. Now, the election happened.

Bill Ballenger:

Correct.

John Engler:

... I think it was on St. Patrick's Day of 94, I believe.

Bill Ballenger:

It was. Yeah.

John Engler:

And so here we are now almost 30 years later, and it's proved to be durable. And frankly, we've built off of this. Now that foundation grant is almost \$10,000 a student. And when you start thinking about that, the next frontier perhaps, is probably to almost a completely portable grant that students, and maybe they'll just be high school to start with. Maybe they'll be everything. But I mean, you're going to be able to have this parent make this choice and look at a wide array of educational opportunities and say, I think this is what's best for my child and this is what we as a family are going to do. And to me, that will be one of those moments when you really, again, then see educational improvement at a much more rapid rate.

Bill Ballenger:

Right. Let me mention one other issue going back to the late eighties, leading into 90 always has intrigued me. I think you and Dick Posthumus sponsored a bill on emergency managers.

And it was signed into law by Jim Blanchard. And it had passed unanimously, almost unanimously. I mean, there were a couple of scattered votes in the House and Senate. And flash forward all these years with all the problems and controversy over how emergency managers have worked in the various cities around Michigan. And then Rick Snyder came in 2011. He wanted it strengthened to give the executive a little more power. It passed with democratic opposition by that time. But flashing forward, we've had all sorts of other things happen with it. 2012, it was on the ballot and the people said, "Okay, let's get rid of this." And then Snyder and the Republican legislature went back and kind of redid it. And it's still in effect today.

What is your thought, just overall broadly about whether the idea of an emergency manager is a good thing and the evolution in time over 30 years of what's happened with this issue in Michigan and where Michigan ought to go with it going forward?

John Engler:

Well, it's really a very good question, and it is something, and I would readily acknowledge that we were not flying blind, but we were going where no one had sort of gone before with the initial approach on

emergency manager. And I don't think when we were doing that, we certainly didn't have the full understanding of what the authority of an emergency manager could be. And I would say that the Snyder administration, when they came back to this debate, had the advantage of, in some cases, court decisions and some experience to be able to flesh out the authority and the power of the emergency manager more than we did. I mean, it was an attempt. The reason there were two laws, I think we had to do one for units of government and we did one for schools. That's why I think there were two, because one was in the school code, I think, and the other one general.

But I do think that I believe in local control, but I don't think local control, like I've said in the schools, I don't think it should include the right to decide if failure's an option. We're in charge and the hell with it, we're going to let it burn to the ground. I don't think you can do that. Or at least I don't think that should be the case. And I don't think if that is the case that state government ought to sit silently by and say, "Well, they decided it."

Bill Ballenger:

Well, almost every state in the country has some kind of an emergency management statute.

John Engler:

And I don't statute think we did a good enough job initially because I don't think we understood all that probably we should have about what might [inaudible 00:27:40]

Bill Ballenger:

Well, as you understand the way the law is right now, do you think it is pretty sensible?

John Engler:

I think so. I mean, again, I am not familiar. I know it was changed, and I'm certainly aware and obviously aware of the controversies that broke out with Flint. I think some of the emergency oversight of the schools has been good. I would go further with school governance, probably. I've felt for a long time the mayor of Detroit ought to be the person in charge of schools in Detroit. I don't think there's anybody that's got a more vested interest. And Dennis Archer would not take that when we were able to give it to him. I don't know if we would've had the votes, but we probably should have tried to say, I don't care if you want it or not, you have to take it because...

Bill Ballenger:

You have to take it.

John Engler:

Because what we have has never really worked very well there. And there's probably other schools where that makes sense. And I think you might even say of cities of a size, rather than have a school board that's not very accountable, put it under the mayor and make them accountable. And it gets to be more important and easier to do if there's a more robust school of choice, because then the mayor will run the school in the city. And if they have good schools, people want to come into that city school. If they're not, they're not bound to stay there.

It used to be that again, that wealth factor, that property tax really tied your hands a little bit. Now it's not as much. It's like, I don't know, it's a city service, if you will. I mean, there's other city services that one can think of and maybe that school ought to be under a mayor. A lot of states, North Carolina, the

schools are organized on the county basis. I don't know if that makes sense in a big county, but would one school board in Isabella County work for Shepherd, Mount Pleasant, and Beal City? Possibly.

I always said when I was governor, I learned this lesson a long time ago, "Don't mess with the mascots." We're not going to force the districts to consolidate. But could one superintendent handle three schools in Isabella County? For sure. You don't need two. And let there be local advisory boards that work there. But administrative structure, we are paying for way too much administration these days. And that should be squeezed out in my view.

Bill Ballenger:

Let me ask one other issue that was big in the eighties when you were in the Senate and Jim Blanchard was governor, and that is what I'd call corporate welfare; the whole idea that the state should have a role in economic development, tax incentives, credit so forth, or should state government stay out of it and let the private sector deal. And as I remember, Blanchard tried to develop economic development using tax incentives at the state level. There was pushback by a lot of the legislature, mainly Republicans, I think even you. But then you became governor and it was like, wait a second here. There's some stuff going on out there.

John Engler:

That's fair.

Bill Ballenger:

So what do you think?

John Engler:

The strategic fund was the Blanchard proposal to create the strategic fund and it passed the Senate. It was one of about three votes that we lost when I was leader that we would've preferred not to. And I think on that one, I think that was Senator DeMaso, maybe Senator Sederburg joined that one, I'm not sure. But we lost a couple of our caucus members and he prevailed on that. In those days, that was going to be administered in the Department of Commerce. And the other thing I should say is, I guess the entry point here is that states do compete for jobs and investment, and states do play a role in the competitiveness or state policy plays a role in the competitiveness of the state. Corporate welfare is an interesting phrase because...

Jim Edgar and I, when we were both first term governors, Jim was from Illinois, we talked to some of our colleagues about, look, this competition among the states about who could hand out the most money to attract to business is probably not the smartest competition to have. We ought to be really competing on the quality of the workforce, and we ought to be putting our investments into the things, the infrastructure, to the roads, but not just the company would use, but everybody else gets to drive on too or put it into the workforce. And those skills are there for not just one company, but for all companies. And so that would make more sense. But we were up against southern states, small southern states, who had very attractive incentive packages and there was just no interest, zero interest in their part in saying, we want to do something else because they could cherry-pick and try to attract. And they were particularly aggressive in attracting foreign enterprises to come to their states. And that's why you see Germans and Japanese and auto suppliers in places like South Carolina, Kentucky, North Carolina. So they had these programs.

We also recognized, I think that if that's the game we have to play, the larger states with more resources can play it better. We're bigger, richer, or we were. Now, some of that's changing a little bit and has

changed a lot. And it was also my view at the time that a government entity is a very poor kind of decision maker because they're too susceptible to who's putting the pressure on. I'll give two examples that kind of hopefully illustrate this point. One was a policy that we ended immediately about prison locations. What's after that economy? It's just how governments make decisions.

There was a mindset that we were, and the Department of Corrections at the time, they were trying to force, they wanted to have prisons sort of geographically spaced around the state. And you had communities like Ionia that said, look, we'll take the prisons. We're used to this. We've got a workforce here that knows how to handle this. We love that investment. So why would you spend lots of money and a great deal of effort trying to force one into Oakland County where they didn't want it as opposed to putting it in Ionia. And so we said, look, these are prisons and therefore the protection of the public. They're not for the convenience of the prisoner. We'll take the path of least resistance there, so ending that kind of attitude.

There was also, from an economic development standpoint, this is much more relevant, a policy at the time while we're trying to really sell Southeast Michigan. And so here are the sites. Meanwhile, the company's looking at, I don't want to be there, too close to the UAW headquarters, too close to whatever. It's not where we want to be. Well, we've got a site in Grand Rapids or in Ottawa County, you'd love that site. Oh, show it to us. Or Battle Creek. Show us.

So we simply said, look, we're not going to try geographically direct anybody here or there, but I think that's the tendency when you get the government agencies trying to make these decisions. That's what led to the development of the Michigan Jobs Commission, which then under Doug Rothwell's very capable leadership morphs into a Michigan Economic Development Corporation. So sort of pulls it outside of state government, if you will, and gives it some independence. And now it functions truly as a promotion agency. And if we can put the jobs in Cass County, if that's where they want to go because that's close to Indiana and it's close to the interstate, the toll road, fine. That's where we'll go. We're not going to try to make the round peg in the square hole, vice versa.

And I think there's greater justification for that. Now, what's happened in recent years is the size of these grants have gotten amazing. And we didn't quite have to confront that, but you've seen where Ford takes jobs and goes down south with those. They didn't talk to Michigan officials. We didn't know they were even looking. And that should never be the case. Because one thing that Doug Rothwell started, and this was fascinating because we found there were a lot of what I'd call non-economic ways to help attract or retain business. And one of the most effective ways to increase the number of jobs in your state is to make absolutely dead certain you're taking care of the people who are here. And that was the other problem that I had, that there's such a fascination about going out and chasing the new thing that you don't look over your shoulder and say, what about these guys who've been here for a hundred years? What are we doing for them? And well, they needed an all-weather road. They needed access to a freeway, they needed a rail spur, all this stuff.

Well, suddenly we went from not really knowing to, I think under Doug Rothwell, at a peak, they were having four to 5,000 visits a year with companies, businesses. The staff wasn't sitting in office. They were on the road knocking on the door and saying, "Look, we want to understand your business. What are the barriers to growth? What are the things that if they happened, would make a difference?" And time and time again, we learned it was training for employees, but we also learned about some of these other things. It was the utility rate or the fear that they were going to be given an interruptible supply that could, if there was a particularly hot day or a particularly cold day, they might get... So.

John Engler:

There were a hundred little things. And by having those communications, we learned all that stuff. And when we got the unemployment rate, I think at one point it got down to 3.1 or 3.2%. I mean, partially it was just because everything was humming at a very high level and we knew exactly what people wanted and we knew if somebody was thinking about 30 new jobs, what were the three factors that were going to determine where those 30 jobs were going to be in St. Clair County or they were going to be in Ohio.

Bill Ballenger:

Yeah. Yeah.

John Engler:

So to me it's a mixture, and I think we concluded that, yeah, there are times when some incentives are going to be necessary, but there's a whole lot more jobs going to be created by taking care of the people that are here than you are with that shiny new investment. And some of these shiny new investments blow up too. I'll use Wisconsin, but they made a huge offer to Foxconn for this big plant, but never materialized.

Bill Ballenger:

Right. Right. Right. Well, your governorship, 12 years tied with Soapy Williams next to Bill Milliken is the longest governorship in the history of Michigan. So many issues we could touch on. Let me just ask you, what are some of the other ones that you feel are most important and that maybe you're proudest of? I mean, let me just throw out one. What about Detroit Metro Airport working with Ed McNamara?

John Engler:

Well, that's one that happened sort of late along, but I do count that as significant because that was something where we'd had a good relationship with Ed McNamara and at that time, Mike Duggan, it was his top aide and there was a conversation, I mean, while Ed was the county executive, he could kind of make things happen. But as Ed realized he's not going to live forever or be county executive forever, we're not always going to have maybe an executive in the governor's office and in the Wayne County Executive's office that are going to be able to talk to each other. And the road commission was not the right way to manage a major international airport. And it was understood that in this century, air travel pretty darn important, and that meant freight travel and passenger travel, and it also meant perhaps related economic development.

And so the whole idea was how do we assure that Detroit Metro Airport, because the airlines had had lots of complaints about some of the requests and some of the behavior, the Road Commission and officials appointed by the Road Commission. So they were very anxious to have change. And so that was a conversation we got together and came up with the authority and talked about how it could work, what would be required. The governor has an appointment on there, the Wayne County exec has appointments, and now if you look at that airport, they're constantly improving it. And just the attractiveness of the airport, I mean, they've sort of cleaned up the entrance. They're cleaning up all of the trashy areas. It is looking good and it's functioning very well in winning it seems like every year awards as one of the best airports in the world for travelers and passengers and airlines. And it's a huge asset to the state. And that was just something that we got done because we were able to work together and put that in place.

I'll give you another one. It's a Wayne County issue, kind of an interesting one. Again, it was just one of these that was around for a long time, a bit of a relic probably, but Detroit Recorder's Court and I heard for all the time when I was a candidate, I heard this a lot running for governor down in Wayne County,

how irritated people would be if you lived in Westland or you were down in Trenton and somebody gets arrested for a crime and they go into Recorder's Court, they say, "Well that's nothing," and they're on probation. And meanwhile that same crime, maybe in Oakland County, they'd be spent a year in jail or maybe even a prison sentence, but you had a Recorder's Court elected by the people of the city of Detroit passing judgment on crimes all over Wayne County. So we simply got rid of the Recorder's Court and that the fear at the time was, well, gee, does this mean there'll be no more Black judges elected? Well, no. In fact, it hasn't really had any impact at all. And now you've got one system of justice for the whole county.

Bill Ballenger:

Well, so those cases would go to district court or what other courts?

John Engler:

Well, no. Now it's just a circuit court.

Bill Ballenger:

Circuit court?

John Engler:

Yeah. The Wayne County Circuit Court handles civil cases and criminal cases, but now you've got to draw. So the judge, you won't just have a Detroit elected judge passing judgment on a Wyandotte case. You could have somebody from Detroit, you could have somebody from Grosse Pointe.

Bill Ballenger:

What about the environmental cleanup bond issue?

John Engler:

Well, again, an area where I think every governor, and certainly Governor Milliken stressed everything. Yeah, we have the trust fund that was set up with oil and gas revenues that happened in the Milliken years. We did an environmental bond issue, clean Michigan Bonds at the time. We had a couple of goals that were really important there. It was Michigan because we were an industrial state early on, we had an awful lot of industry along waterfronts. But it was also quite clear that in many of these communities, whether it's Muskegon or Detroit, I mean much of that went to help Detroit. I mean, it was part of ... We didn't get them moved during the time I was there, but we were starting the process of getting those cement plants off the Detroit River. And now we did some of the early work, which now runs all the way from Belle Isle to South.

I mean, I don't know how far it goes past downtown, heading south toward, it doesn't go to Wyandotte, but it goes down that waterfront. And you have to look at decisions like ... I think it was ... What was it, Detroit News? One of them built the printing plant on the riverfront, a printing plant with brick in walls sitting on the waterfront. What on earth was somebody thinking about that? But in this bond issue, we started saving money for and really accelerated. I think we did a lot on Brownfield cleanup, and that's what led to Bay Harbor being able to be developed. An old quarry suddenly is beautiful. But one other thing, it is just a small little thing, but we were always proud of it because Michigan, the state of Michigan's a regulator. We tell everybody in the private sector what you can do and what you shouldn't do and what you need to clean up. But we'd never really looked at what the state situation was.

And did we have problems? Well, guess what? When we started looking closely, I picked up the cover and looked under there, here's all these state police posts had leaking underground fuel tanks. Those had to come out, be cleaned up. We were telling a gas station they had to do it, but here we were. We'd tell a business you had to do it, but we hadn't done it. So we took care of that. We found that the public health department, once upon a time, had dumped needles and trash out and back on the back quarry because state had a lot of properties that buried out there out of sight out of mine. We cleaned those things up. One of the most polluted areas, which you can only do so much with, but Camp Grayling, it was because of all the armament up there and all of the exercises. And we're very proud of Camp Grayling, but we had a lot of stuff that we had to clean up there.

And so that Clean Michigan Bond set up, and we had a fellow, Keith Harrison went through, and every agency, every department had to go through and is there anything that is a problem? And we tried to identify all of those and get those cleaned up. Because if you're going to be the regulator, you better look in your own closet. And so that was a little thing. And I think over the years, and one thing that we probably did, maybe we always said we don't know what'll happen in the future, but it served us well, is that I was blessed with some very talented legal help. And I always said, I had the view as a legislator that in the legislative branch, we should be robust in the exercise of our powers as the legislative branch. But I had the same view as an executive, executive ought to be robust in exercise of powers. And we were able to use the reorganization articles of the constitution that were put in.

Much of that was in the 61, 62 Constitution. Where in effect, what the Constitution does is give the governor a legislative power to reorganize state government And it gives the executive veto power to legislature. If they don't like it, they can turn it down. And we use that to, I think bring a lot more accountability to state government. One of the areas that we actually got to the point, we won some recognition, and I always fill the people from the Center for Digital Government that they gave an award to Granholm in their first year. But it really was our award because we had created a department to deal with technology.

And it was interesting. I found the same thing when we went to Michigan State for that year as a president there. In state government, it was all decentralized, and we had these different email systems and we got everybody onto the same email system, mi.gov. And we started getting rid of all of these different storage locations that were tucked away in different departments, some of them not at all secure, and really enhancing rather dramatically the security and the services available through our Department of Information Technology. And John Cost did some amazing work there. And then we had some people come in and build upon that. When I got to Michigan State, I think they had 76 different email systems in the university.

Bill Ballenger:

Wow.

John Engler:

We Didn't get rid of all of them in the year, but I think we were down to single digits by the time I left. But you had departments fighting to say, "Well, we have to keep our own email system, and why is that?" There's a department of astrophysics or something at Michigan State. And I remember saying, so you have interplanetary communications, we don't know about that you have to have your own system. And we had very poor security, which I was very concerned was going to lead to some kind of horrific problem down the road.

Bill Ballenger:

Hacking. Yeah.

John Engler:

So that kind of stuff. And I think over 12 years, and as we talk about this, there's so much, I think one area that we haven't talked about, but it was a combination of federal and state. And I think it probably is one of the more interesting accomplishments. And unfortunately, in latter years has been somewhat undone in part by federal attitudes that changed. But we mentioned earlier how Bill Clinton came in and gave a talk. One of the things he was talking about around that time also was welfare reform. And I had been part of the National Governors Association negotiating team, if you will. There were three Democrat governors, three Republican governors. The three Democrats were Roy Romer from Colorado, Governor Lawton Chiles from Florida, Governor Bob Miller from Nevada. The three Republicans were Tommy Thompson from Wisconsin, and Mike Leavitt from Utah, both of whom came HHS, secretaries and myself.

And so the six of us, we figured that we probably spent a hundred hours face-to-face just talking about welfare reform and Medicaid reform. And this all comes to fruition because of Newt Gingrich becoming speaker. And prior to that, he had put out a contract with America, and he talked about welfare reform in there. They had not done any of the detail work on what that all meant, but Newt was smart enough to bring in some of the governors and say, "Look, what do we need to do here?" And so we worked on that, and Tommy had been doing things. We'd done a lot of things in Michigan. So we'd kind been competing back and forth about different approaches. Well, now we could kind of take that the national level and other states had been doing some things, but I think Wisconsin and Michigan were kind of viewed at the time as kind of being out in front.

Medicaid was something different because we had that on the table. Again, so this is after '94, so this is '95, '96. And the situation was such that Newt's the speaker, Bob Dole's the leader in the Senate, but Bob Dole wants to run for president in '96. So he was pretty amenable, even if he didn't love working with Newt and the governors. I mean, he kind of always thought Bob had a little sense about these states being pretty much subordinate to the federal government. But anyway, Newt really empowered us. And the first two bills that went to President Clinton got vetoed because we had Medicaid block grant in there. The third one, we finally had to remove it, and then it was signed by Clinton, but it empowered us. And it was in that timeframe.

And I'd asked Jerry Miller to come back a very familiar name to Michigan, because Jerry had been the budget director under Governor Milliken. He was in Washington heading a National Association of State budget directors. And I said, would you come back? And what I'd like you to think about is would you run the Department of Social Services? And Jerry's an amazingly compassionate and smart individual. He'd worked for Lockheed Martin. He'd actually done workforce stuff for them in systems, but he and Sharon, they've had in their own family children with special needs and they've really wonderful individual. He really cared about family empowerment. That's where ultimately the name of the Family Independence Agency, because we said, what is our purpose? Our purpose is to help families become independent.

So we changed the name of the agency and all of a sudden people have been there for years. And I would say some maybe a bit cynical about what that job was because Jerry was trying to liberate them from the paperwork and the drudgery of what these systems were demanding and get them back interacting with people. Well, we started this Project Zero. And what was that? Well, that was an idea to say, look, if we view welfare as transition, how do we help somebody who's for whatever reason has been unable to fully support themselves and their family? How do we help them move back?

And the common sense stuff. One of the first things that we got done, it used to be if you went to work, you immediately lost money because you had to take it away. And so why is that making any sense? We want people to work and we think the work experience is a good thing. And if you start working a little bit, you may wish or find yourself able to work even more. And there's no question, if you work more, you're going to have more income than if you stay on public assistance. So we said the first \$200, you keep it all. So obviously any work immediately paid and then it continued to pay along the way. And the idea was to get everybody doing something, even if that's something, if it wasn't for pay, maybe it was in a training program, maybe it was in a volunteer, but to create activity.

Well, we had county after county that was achieving that goal because now suddenly the people working for the state are saying, "Okay, what's the need? Is it transportation? Is it proper clothing? Is it a childcare need? What's going on that represents barriers? How do we remove the barriers? How do we enlist others in the community to help?" And Jerry did a marvelous job with that. And so we saw historic low numbers on public assistance. Later on when the Obama administration comes, they started to change all that stuff. And now you have a situation where it almost doesn't seem to matter how low the unemployment rate goes. The food stamp participation still stays sky-high, and they've changed a lot of these things. But I still think for the country, this needs to be a priority for governors out there to look at how you help people take charge of their own lives.

Bill Ballenger:

Well, even before '95 and '96, and Clinton and Gingrich, you kind of kickstarted that in Michigan in '91 with general assistance.

Bill Ballenger:

General assistance welfare, 75,000 you said, gone. That was an early controversy.

John Engler:

Well, 35 other states that never had that. Well, if they had it, they certainly didn't have it at the time. We were looking at a deficit in the state budget of nearly, I don't know, 800 or so million dollars. We said, "Well look, here's one thing. Understand, we're not raising taxes, so let's start figuring this thing out." Well, one of the programs we looked at was that one, and this was to understand who the population was single able-bodied adults. I mean, doesn't mean if aches and pains or some issues, but they were able to work and there were no children there.

So they weren't home because of childcare or something else. It was just a payment being made. One of the things that we found out is when we eliminated that ... You're right, that number 65, 70,000 people, a third never showed up anywhere again. So we had to conclude we probably had a tiny bit of fraud in the program. Others, it was amazing. And you haven't heard now in 15 years, I haven't heard anybody come forward and say, "Oh, we'll put that program back." No. And I think it was a terrible program. And this was also led to another innovation, which again, I don't know where it is today, but the press were somewhat hysterical.

Bill Ballenger:

As usual.

John Engler:

Well, sometimes for sure. And anyway, there was all of this, "Well, what's going to happen when winter comes?" But that's when Jerry Miller came with Clarence Harvey, who was the head of the Salvation Army in the state at the time, and said, "Look, the Salvation Army's been doing this for a century. Let's enter into an arrangement whereby we worked together. If there's someone who is homeless, someone who's truly at risk, we can connect them with the Army. We'll have a contract." And so that's what we did. And so the press would now, if they were to find someone, their obligation to help them connect to the Army, don't come to me because we've got a way to deal with this. Please. If you're saying, we've found Mr. Jones here and he's on this great, and it's going to be 10 below tonight, well, did you call the Army? They won't come.

I mean, this is why they're there. This is what this purpose is. We have a plan. It's not that we're going to let Mr. Jones freeze here. And I think that led to some interesting stories because we would have people who would say, "Well, I'm not going to the Salvation Army because the no alcohol policy, or I'm expected to work." And in the public, we have a lot of questions about that. "Well, wait a minute, I mean if we're ... I'm sorry, what is going on here? You won't go to this shelter because?" So I think we got through that with I think an approach that I think was helpful to people and it hopefully help people get back. I mean, society we got a lot of challenges. They're there today. I do believe coming back to education, that's one of the great challenges in education today is to have a better result.

We cannot have a system where children after four years in school aren't proficient in reading. How is that even possible? How is that tolerable? How can we accept that? I don't think we can. COVID is giving us a big learning gap that has to be closed. But beyond that, we had learning gaps among school districts too. And that needs to be addressed. When I look at 12 years, I mean, we've got an awful lot that we can point to where we ... We got the state. When I left, we had the AAA bond rating back. It was 25 years since Michigan had AAA bond rating. Well, what's that matter? That's just a number, but it's a number that makes the cost of borrowing for every unit of government. Everybody in the state, in a public entity, it's cheaper because of that. And that's just good management. And it lasted about a year before the Granholm administration lost it. And they kind of like, "Well, okay, it's gone. But it was kind of a big deal." I mean, a lot of states think that's really important to have.

Bill Ballenger:

What about the public health laboratory?

John Engler:

That's a good story. That's one of those. And let's put the accident fund with it because there's two privatizations. There were other things that we tried to move out of state government, but the public health laboratory, I'll start with that one first. Although it did come second, we were one of two states, I think, and we thought we were on the path to be the last state that actually had years ago, all states had public health laboratories. That was just something that was done. But that over the years became, I guess pretty inefficient. And drug companies and others took over a lot of that responsibility.

Probably the federal government maybe took over some of it, but Michigan still had one. We were the largest producer of the Anthrax vaccine. When troops were in the Middle East, there was a threat that anthrax might be used by, I don't know if it's Saddam Hussein or by evil forces, wherever they might be. We were the producer. We had a colony of monkeys. Very few people knew that. We're not talking about the legislature. We're talking about actual monkeys.

Bill Ballenger:

Okay, all right. We sold those off.

John Engler:

I think somebody in Texas bought those. This is all out on North Logan out by the airport.

Bill Ballenger:

Really? Oh, my God.

John Engler:

And this lab, we have some dedicated people there, but we couldn't afford to make the upgrades that were going to be needed. Obviously, the requirements had gotten a lot tougher in terms of what you have to do to manage a lab. And it was going to be a losing proposition. So we started saying, "What can we do? And is there a value to this?" And in this case, the value was maybe did minimus it. Some of it was going to pay a lot for this. But we knew those employees would be out of jobs. I mean, those were some pretty good jobs. We had some pretty smart scientists there, excellent director of the lab. But Dennis Schornack took this project on, and Jim Haveman, and by golly, over a period of time over the unbelievable unrelenting opposition of Lingg Brewer, a state representative of Ingham County just was ... I mean, he couldn't understand.

I don't think he understood what was going on out there, but he sure couldn't understand what we were trying to explain that the jobs are going to go away. This will close. Is there something we can do to help? Well, what emerges from all of this is a sale to a private entity. One of the key guys, and this is a former chairman of the Joint Chiefs of Staff, Admiral Bill Crow. And this company, the lab is acquired. Now it's been through a couple of iterations, but I believe today we have this brand new facility that's out there. I am sure there's more than a thousand employees there now. So it's grown by leaps and bounds. And when we got into it, we even found in the deep freezers there, Dennis Schornack was telling me about this, some pretty amazing and wrong things to have in the freezer, so all this stuff got ... I mean, I don't ...

Bill Ballenger:

Like what?

John Engler:

Well, maybe a little smallpox or something in there. There was stuff, I should be very careful because I don't know personally, but I mean, it was just like, are you kidding? What's down in there? But all that stuff's been cleaned up. It's spick and span. It's a sparkly new investment out there and some very good jobs now from my understanding.

Bill Ballenger:

What about the accident fund?

John Engler:

Well, the accident fund was a state agency or a state operated workers' compensation fund. Very well run, well regarded. But here it is. It's part of state government. Well, there's no rationale for that to have to be in state government. Obviously, there's plenty of private sector companies out there.

Bill Ballenger:

Wasn't there some controversy over time, whether it really was a full part of state government?

John Engler:

Well, there was a debate. I mean, but clearly the employees were state employees at the time, and they were in the state pension system, I believe. So it's the old looks like, walks like, quacks like. It probably is a duck. So we said, what can we do? Well, first of all, we thought we could realize some money from the sale of it, but we also thought it would be a better, again, a stability or a stabilizing for the people that work there and that it could have a bright future. So this was a long involved process. We had to use some pretty talented outside counsel on this, but we ended up, I think the Barclays International Company was hired to market this.

And we thought Michigan's had long been an entry port for foreign companies, particularly Canadians. Insurance companies come into the US market. They have to come in and be regulated somewhere. And so the Michigan Insurance Bureau always had that expertise, and we were the support of entry. We thought somebody certainly will see this as an opportunity working with experienced Michigan regulators to acquire the accident fund and maybe begin to build out a book of business. Turned out that really wasn't the case. We didn't attract the foreign companies. They didn't come in. And then none of the domestic ... Michigan companies decided they didn't want to bid on it. It ends up Blue Cross Blue Shield of Michigan smartly figures this thing out. And I think their winning bid was like \$250 million to acquire the accident fund. Now, at the time, that is the largest privatization of a government asset in the country.

Bill Ballenger:

Really? Wow.

John Engler:

Yeah, nothing had ever been over a billion dollars, but we got the check and they got the accident fund. Today, the accident fund is one of the most profitable aspects of Blue Cross Blue Shield. It has grown dramatically, and it is a business that will continue to grow. And even those who might've said, well, I don't know if the Blue's can run anything. Well, this, they have built and managed very, very effectively. And so again, I don't know how many employees are now there, but it's headquartered in downtown Lansing.

It's about one of the only things that's in downtown Lansing it seems like. But that's doing very well and the state got paid. And so those are the kinds of things, and I think we probably, we have to look ... I mean, there may well be other aspects of state government where there might be some opportunities. I don't know. This is part of the being gone a number of years now. I've not kept up. And are there things and the world is different. So there may be things that we didn't look at in the past that now you could look at in the future.

Bill Ballenger:

Sure.

John Engler:

There's also, in my view, an opportunity to be creative if we ever get the right partner in Washington, the federal government. We have three national forests in Michigan. I'm convinced that the Michigan Department of Natural Resources could run those forests and manage them better than the US Forest Service. Because I mean, if you look at how much land out west is federally owned, I suspect our three national forests like the Manistee, we're probably a little bit of an afterthought in the world of the US Forest Service. But boy, if you put Michigan's Department of Natural Resources in, and I've always said

in Washington, we'll take 90% of what you spend will improve the management and we'll put money in our pocket.

Bill Ballenger:

And wasn't Mackinac Island once a national park?

John Engler:

Yes, it was.

Bill Ballenger:

It became a state park.

John Engler:

Yes, it was. A hundred plus years ago.

Bill Ballenger:

Yeah.

John Engler:

That's exactly what happened there. So we've done well with our under sea parks. That's kind of something that's kind of ... I mean, that was, again, Dennis Schornack, one of those talented guys who had a lot of capacity to do different things. That was something he worked on. We created those parks to protect some of that.

Bill Ballenger:

What about Amtrak?

John Engler:

That I don't know much about. I think there still is probably some state support for the Amtrak route that runs, what? Port Huron to Chicago. But that I would confess, I'm not sure.

Bill Ballenger:

Okay. Is there anything else that you can think of right now during your tenure that we haven't talked about that you think is worth discussing or bringing up?

John Engler:

There are probably lots of things that people would like to ask.

Bill Ballenger:

We could keep going on.

John Engler:

Maybe wish I would talk about. I would say that the one thing that we got done that is a bit of a ... It's a huge gift to taxpayers prospectively because it took care of a major, major problem. And that is the

changes that were made in the public employees retirement system. Michigan's indebtedness now compared to other states, it's a fraction of what some of these states face. There are states that are going to absolutely struggle, and especially as we tape this, the US economy probably is headed toward a recessionary period, or it looks like it's about to tip in. The inflation numbers continue to be unacceptably high, and that's causing all kinds of consequences. But we were able to close off the old defined benefits system. The people in it could stay in, but prospectively new hires came into a defined contribution program. And that meant from day one, they could begin to accumulate some savings for the retirement. When we looked at the retirement system, over half the people that ever joined, ever qualified, because their stay in state government often fell below 10 years.

And if they left at nine and a half years, they got nothing. So we fixed that and it made it a much more portable personal system. And we failed at the time by two votes to have the same reforms put in place for the public school retirement system. Now, Governor Snyder, I think in the past they've made a number of changes. I am not able to speak to what they've accomplished there, but I do know for the state system, tremendous change there. And we think that it probably put us on a much more sustainable path. Well, we know it did. I mean, the numbers are stunning. Doug Roberts considers that to be, one of the things he's most proud of is getting that done that. And he played a big role, obviously in proposal in the school finance reform. But Doug looks at that and he said, "This is something that sets us apart, and we were the first state." Brooks Patterson, when it was Oakland County executive, was I think the first county to move in this direction.

Bill Ballenger:

Right.

John Engler:

But the state of Michigan is there. And I mean what Illinois or New York, California would give would be incalculable to have something like our system.

Bill Ballenger:

What about judicial appointments, particularly to the state Supreme Court?

John Engler:

Well, again, an area that I think the stewardship was good. And my philosophy, and this is really formed by years in the legislature having sort of been on the losing end of these kind of issues, I can't tell you. There were multiple occasions where, and one in the Milliken years there was this big, what was called the honorable compromise, when there was a deal struck about increasing, in this case it was workers' compensation payments, but at the same time reigning in some of the court decisions, which had allowed for, oh, somebody leaves at noon, goes and drinks their lunch, is impaired and then comes back and is involved in some accident. That's their fault because of their drinking. But that's determined to be on the job injury because while they were actually at work, they came into work in the morning, I mean this kind of stuff or decisions that took somebody and said, "Well, there's a mental disability for, in some cases, that got to be pretty extreme examples or pretty far removed from the workplace."

And so the idea was, look, let's get the comp system back to really trying to help people who get injured on the job. And for those people, we ought to do more for them. There ought to be a bigger payment. Well, of course the bigger payments were allowed, but all the reforms got thrown out by the court. And so you end up, you say, "Well, what's this compromise here?" Everything I wanted is gone and all of the benefits and the costs they've gone up. And so I always argued that it was important to have a rule of

law court. And what does that mean? To me, a rule of law court is one that understands, it's a judicial branch, not the legislative branch. And we used to have a couple of former governors on that Supreme Court, and they kind of thought at times, I think they were still in the executive branch, or even in one case, the legislature because wanted to come from the legislature. But I said, the legislature gets to write the laws. But once we decide, then that ought to be the law.

Governing, not having a judicial body say, "Well gosh, if I'd been legislator, I wouldn't have written that law." Well I said, "Run for the legislature, but you don't get a second bite of this thing over there just because you're on the bench and wearing a robe."

And one of things I was so pleased to see, and you see this over time, is that once the law is settled...I remember hearing Justice Taylor talk about the court having to, "the cause of" or "a cause of." The difference between "the" and "a"; they were confused on that. The court cleaned that stuff up and all of a sudden the caseloads dropped dramatically because now a lawyer could actually read something. If this is what the plain English said, that was what the court was going to.

The court may say, "Well, maybe it shouldn't say that. Maybe somebody ought to amend the law, but this is what it says." So, we had something like a reduction of more than one third of the number of appeals, because people could: "It is the law." And to follow the Constitution we found ourselves repeatedly having cases lost in the Ingham circuit because we had a crazy circuit here with people like Giddings and Colette, and now they're gone.

I don't know what it's like now. This we didn't get done while I was here, but it got done shortly thereafter, was to have the court of appeals because they ended up with enough extra time. So now they sit on a rotating basis as the court of claims, and they come from all over the state versus having the Ingham circuit always be the court of claims. And given the political disposition of the Ingham circuit, you almost always assured a loss before that had to go to the court of appeals. And so that reform has worked wonderfully well.

Bill Ballenger:

Let's close this out by going back to the campaign trail and talk about your last two campaigns, 1994 and 98. And by the way you are, as far as I know, the only person in Michigan history since World War II, who has knocked off for state office on a partisan basis, four incumbents--three of your own party, and one from the opposition, the Democrats in 68, 72, 78 and 1990. But then we go to 94 and this is after Proposal A passes and you're running for a second full four-year term. And then in 78 you're running another last time. And there was some debate leading up to that, as I remember, about whether you'd run again.

John M. Engler:

There was; I had not decided. Michelle and I, the girls, our daughters were born November 13th of '94, so they were born five days, I think it was, after the election. Dan Pero always argued he was hoping to have the births earlier and have one niche media market, but it's a good line. Michelle didn't appreciate it very much, but she just wanted the births over with; she was ready. But that was Howard Wolpe in that campaign. It was a fine campaign, but it was because of the success Proposal A. I mean, our numbers went up over 60% and it was a pretty easy campaign.

Bill Ballenger:

It was nationally a huge Republican year.

John M. Engler:

We had a very good year because obviously it had the good fortune to be running, it was Bill Clinton's midterm, midterm of his first term, and we did well in the legislature. We did well; Spencer Abraham was elected to United States Senate that year. So we did very well. And it was a pretty easy campaign in many respects. And then in '98, we were just running against a crazy person, guy named Geoffrey Feiger.

Bill Ballenger:

But you had to make up your mind to run in the first place.

John M. Engler:

I did. I wasn't sure on that one. In '96, I'd had a couple of conversations with Bob Dole. He was looking for a running mate at the time, but when he brought me down for this, we had the second interview and it was really down to three people. I guess I was the last governor standing. But then they had, as it turned out, it was Connie Mack in the US Senate was senator the last Senate, and then Jack Kemp. And once I'd heard that Jack was named...I would've been third in that field of three, because Dole never had a lot of affection for governors, to be blunt.

Bill Ballenger:

He didn't think that much of the states.

John M. Engler:

He didn't really think that much. They were kind of a nuisance, which was so odd because here's the man who carried, he kept pulling that 10th Amendment card out. Well, okay, what about the 10th Amendment? That's us. But I thought Kemp was an excellent choice for him, and Jack was a happy warrior; I love Jack. So we went through that. That convention was out in San Diego. I remember the girls were pretty little at that time. They were three. But we go out there, I guess they were going to turn four later in the year in 98. Sorry, 96. They were only two. They go out to the Convention and they were the hit out in San Diego. We had a good convention. But I came back and I wasn't sure, but then Michelle and I, we talked about, in part, they were so young and we thought if we do one more, we could. I'm not sure, but gosh, they'll really remember. They'll have some experiences that might stick with them. And that did turn out to be the case. Plus, I thought Michelle ought to have to go through a campaign. We weren't married the first time in 90, 94 she was pregnant, so she missed that one. So in 98 she finally did a little.

Bill Ballenger:

So you almost did it for family reasons.

John M. Engler:

Family reasons, yeah. Let her work in the campaign, but let the girls get some experience. And they did. Their fondest memories are of Michigan and really that last term, getting a chance to go up the Mackinac. And we also knew that would be the last term and it gave me time.

Bill Ballenger:

There was some unfinished business?

John M. Engler:

To get ready for departure. We had an archivist come in, Gleaves, Whitney oversaw that. And so we had all the papers organized. So they went down to the Bentley Library where most of the governor's papers have gone. So it was an easy transition and it gave me a chance. I wasn't sure where I was going to go and I ended up going out to Washington, and I had one opportunity to stay in the state. Another one: initially I went to work as vice president for EDS. Actually, my technical term was president of state and local government, so I had all of about a \$1.3 billion P&L on a lot of the Medicaid management systems, a lot of technology. So I enjoyed that. But then Dick Dauch from American Axle in Detroit came and said, "Look, the fellow who heads the National Association Manufacturers is going to retire. We'd like you to think about coming over there." And that gave me a chance to put some of the policy interests I had together with an opportunity to run a major association. So I did that and then ran the business round table after that, each house for about six/seven years.

Bill Ballenger:

Well, you mentioned EDS. What about Ross Perot?

John M. Engler:

He was already gone, he had sold the company; interesting man, lots of interesting stories. I never met Ross Perot. I certainly was sitting out at Michigan State in the Wharton Center that year, there was a debate and that was an incredible debate.

Bill Ballenger:

Clinton, Bush, and Perot, where Bush looked at his watch.

John M. Engler:

He looked at his watch. It wasn't as though he was bored, but everybody blew him up. It was terrible.

Bill Ballenger:

It was not a good move.

John M. Engler:

No, and Perot cost him that election. There's no question about that. And it reminds one of how unfair things can be at times, because if you remember Clinton--the Carville and Stephanopoulos team that was there with him--they kept saying, well, the economy's stupid. In the fourth quarter of 1992, GDP growth was 4.4% plus. But the communication skills of the Bush campaign were just abysmal. And I remember we finally was somewhat involved in that campaign, because Bob Teeter was with us then and Bob was very deeply involved. "Please give the economic speech." He gave the major economic address, at the Detroit Economic Club that year, but it came very late. And the image of Dick Darwin and Nick Brady were such that, had he made a change in the spring in those roles, but he's so loyal. George H. Bush, wonderful, wonderful man, he wasn't going to do that. And so he ended up riding that to the bottom and history's going to be very kind to him because his management of the end of the Cold War, that whole transition period was pretty impressive. But I really felt '94. In '98, we improved our percentage again. So we had three elections in a row where our percentage went up each time. And Dick Posthumus by that time in the third term was Lieutenant Governor, ran for governor against

Jennifer Granholm and had a very clear shot at it. I mean, it was close, much closer than people remember it being.

Bill Ballenger:

Only four points. If he'd gotten money early, I think he would've won.

John M. Engler:

I think that's right.

Bill Ballenger:

Because the Republicans did well, all the rest of the ticket.

John M. Engler:

Yeah. Well, Mike Cox won the AG's office that year.

Bill Ballenger:

Absolutely. And Terri Lynn Land won. It was a great year in the legislature.

John M. Engler:

No, it was unfortunate. And those things will happen. The interesting thing is Granholm, she's an accidental governor anyway, because had John Smietanka been not nominated in 1998 to run for Attorney General and Scott Romney, Granholm never would've won and never would be the nation's energy secretary. I'll leave it there.

Bill Ballenger:

Let's leave the interview that way. Thank you very much, governor.

John M. Engler:

Bill, thank you very much. It's been a joy and if we need to do a chapter-two someday, we'll do that. But this has been a lot of fun.

Bill Ballenger:

This has been great. Thank you very much.

John M. Engler:

You're very welcome.