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Pete du Pont honored for role in Delaware's history

Historical Society Recognizes Former Governor

Written by Ginger Gibson

History may call former Gov. Pete du Pont a moderate, but the people who served with him won't.

Republicans and Democrats alike are reluctant to apply that label, and not because they think it's incorrect.

"He took me to task," Republican Rep. Bill Oberle said of his prior attempts to call the two-term Republican governor a moderate. "But he was a moderate governor, and he ruled from the middle."

Since his two terms as governor more than two decades ago, du Pont has clearly defined himself as a conservative: running for president on a far-right platform, heading up the National Center for Policy Analysis and, most recently, speaking to tea party crowds about the virtues of fiscal conservatism.

Du Pont is best known in Delaware for his work as governor, passing landmark legislation during his term including the Financial Center Development Act, creating the Rainy Day Fund, outlawing drinking and driving and overseeing landmark desegregation initiatives.

Du Pont, 75, was honored by the Delaware Historical Society on Wednesday with the

organization's History Maker Award during an event at the Center on the Riverfront in Wilmington. This is the fourth year the award has been given. Vice President Joe Biden was the recipient last year.

"Pete has made an extraordinary and lasting contribution to the quality of life in Delaware," Bill Wade said when introducing du Pont to the crowd of about 220. "Under Pete's watch, Delaware was returned to a fiscally responsible environment."

When du Pont took office as governor in 1977, there was no honeymoon period. The Republican du Pont and the Democratic-controlled Legislature had an immediate showdown over the budget, culminating in his veto of the budget on July 1, the deadline for passage.

In his veto message, du Pont said the budget was not balanced, forcing the Legislature to be called back into session after having recessed for the summer.

When legislators overrode his veto, du Pont declared the state bankrupt. His declaration was heard all the way to Wall Street, and the state's bond rating tumbled. Du Pont quickly found himself in New York couching his

words and assuring lenders that the state would meet its obligations.

"It was just part of the learning curve, an off-the-cuff remark he probably regrets to this day," Oberle said.

Du Pont was the last governor to veto a budget.

Bipartisanship, fiscal reform

When he took office, du Pont announced that he wanted to run the state more like a business.

Known for his skill in negotiation, du Pont carried a plain, white envelope around in his jacket pocket. He would take it out and scribble notes, said House Speaker Bob Gilligan, who served as the Democratic House majority leader in the late 70s.

"His word was his bond," Gilligan said. "He kept the envelope to remember what he had agreed to."

As the legislators got to know him better after that tempestuous first year, relations improved. Under his leadership, a climate of bipartisanship grew that had not existed before and remains today, Gilligan said.

"Until he came, the state of Delaware was run like a corner grocery," former Sen. Roger A. Martin wrote in his book "A History of Delaware Through Its Governors: 1776-1984."

In his acceptance speech Wednesday, du Pont said he gained experience working with people during his four years as a U.S. Navy officer supervising maintenance at a base in Maine.

"I was working with people and learning how to work with other people, and that's important," he said.

Du Pont pushed for legislation to establish the Delaware Economic and Financial Advisory Council, known as DEFAC, that is responsible for establishing revenue estimates used to craft the budget. The nonpartisan group has helped avoid budget standoffs like those of 1977.

Du Pont also worked to lower taxes, cutting the income tax rate in half in 1979.

Last night, he called for a new round of tax cuts, advocating supply-side economics.

"We need the tax rates to be lower to get the jobs," du Pont said. "Tax rate reductions raise tax receipts."

He also pushed for two constitutional amendments in 1980 that remain in place today. One required all tax bills receive a three-fifths majority.

The other put a limit on state spending of 98 percent of expected revenues and established the Rainy Day Fund. The state's strict hands-off policy toward those funds has been credited with improving the state's bond rating.

"He said, 'We're going to run Delaware like a business,' and so that's my first recollection of Pete du Pont," Oberle said.

Building on consumer debt

A string of bad economic news left Delaware facing the loss of thousands of jobs, said Ruth Ann Melson, the Legislature's librarian since 1976.

The National Cash Register company in Millsboro announced it was closing. As the largest employer in Sussex County, that would have meant the loss of thousands of jobs.

When a factory exploded in New Castle County and the state was forced to help bail out the Chrysler Corp., things looked pretty bad, Melson said.

That "perfect storm" formed a bond between du Pont and Millsboro-based state Sen. Richard Cordrey, a Democrat who represented the district that included NCR's operation.

When du Pont took office, Cordrey had assumed the role of president pro tempore of the Senate, a position that gained substantial power under his control.

Cordrey would sponsor the legislation that became known as the Financial Center Development Act, the product of du Pont and the brain trust with which he had surrounded himself.

The legislation led to growth in the credit card and financial industry, spawning former credit card giant MBNA and creating tens of thousands of jobs.

"They worked well together," Melson said. "Surprisingly, the Democrats in the Senate worked well with du Pont. It was a common-sense group."

On Wednesday, du Pont said people often ask him to identify the next revolutionary economic development initiative to equal the Financial Center Development Act.

"I don't know where the next one is, but we better find it," he said.

Desegregation and DUI

Du Pont approved many laws people now take for granted, said Melson, who is responsible for engrossing all of the bills passed into law.

When the state was faced with an order to desegregate public schools, du Pont called lawmakers into special session.

When a blizzard made the roads impassable, du Pont sent his helicopter to retrieve snowbound lawmakers.

Once he got everyone to Legislative Hall, du Pont was able to negotiate a standoff by Wilmington-area lawmakers and get the necessary legislation to comply with desegregation orders, she said.

In 1983, du Pont pushed for legislation that required all public officials to file financial disclosure forms, Melson said, a landmark move at the time.

Du Pont also signed legislation that outlawed drinking and driving, Melson said.

Fiscal responsibility always came first with du Pont. When the legislators first passed the DUI bill, du Pont concluded the state couldn't afford it and vetoed the bill.

"When we got much more money than we expected, he signed it," Melson said. "It really changed the way of driving for the public."