

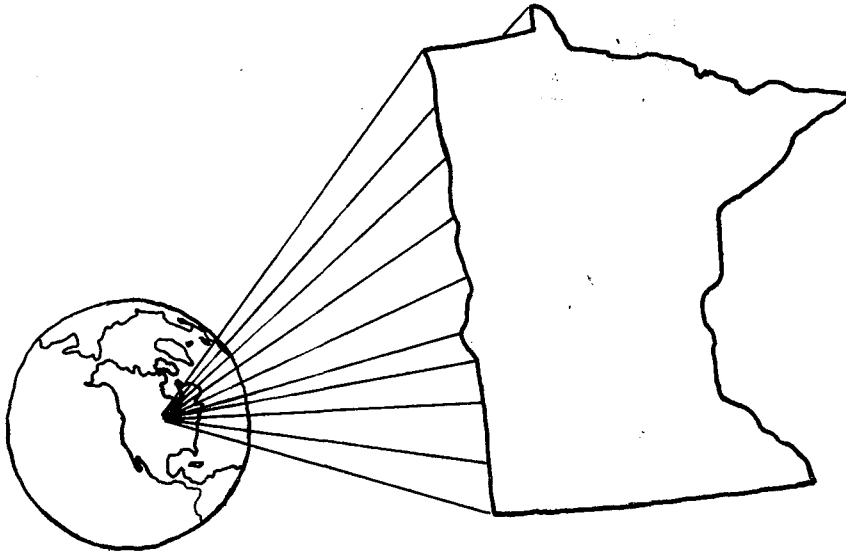


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GOVERNOR RUDY PERPICH

The State Of The State



A Message To The Minnesota State Legislature And The Citizens Of Minnesota

January 10, 1984

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1984 STATE OF THE STATE ADDRESS

STATE OF MINNESOTA

GOVERNOR RUDY PERPICH

HOUSE OF REPRESENTATIVES

STATE CAPITOL

ST. PAUL, MINNESOTA

JANUARY 10, 1984

MR. SPEAKER, MR. PRESIDENT, MR. CHIEF JUSTICE, MEMBERS OF THE COURT, MEMBERS OF THE LEGISLATURE, CONSTITUTIONAL OFFICERS, FORMER GOVERNORS AND FELLOW MINNESOTANS.

IT IS MY DUTY UNDER THE CONSTITUTION TO AGAIN REPORT TO YOU ON THE "STATE OF THE STATE." I WANT TO SHARE WITH YOU MY PERSPECTIVE OF WHERE WE HAVE BEEN . . . MY SENSE OF WHERE WE ARE . . . AND MY VISION OF WHERE WE CAN GO.

I AM PLEASED TO SAY THAT WE CAN LOOK BACK ON A YEAR OF HARD WORK AND ACCOMPLISHMENT.

THE STATE OF OUR STATE IS MUCH IMPROVED TODAY FROM A YEAR AGO.

AND I CAN ALSO SAY THAT WE CAN NOW LOOK AHEAD WITH A SENSE OF OPTIMISM, OF CONFIDENCE, THAT WAS NOT POSSIBLE A YEAR AGO.

AS A RESULT, WE CAN TAKE HOLD OF OUR DESTINY ONCE AGAIN.

WE CAN RESTORE MINNESOTA TO ITS PLACE OF GREATNESS AMONG OUR STATES.

WE CAN SHAPE A MINNESOTA THAT WORKS NOT ONLY FOR THE REST OF 1980S BUT ALSO FOR THE 1990S AND BEYOND.

* * *

FIRST, LET'S LOOK BACK TO ONE YEAR AGO,

WE WERE REELING FROM ONE SPECIAL LEGISLATIVE SESSION TO ANOTHER. THERE WERE FIVE SPECIAL LEGISLATIVE SESSIONS IN ONE YEAR . . . PROMPTED BY OUR RECURRING BUDGET CRISIS.

YOU IN THE LEGISLATURE WERE FORCED TO RAISE TAXES AND CUT SERVICE . . .

WE WERE DESPERATELY TRYING TO PREVENT BANKRUPTCY. ONE BUSINESS COLUMNIST WAS PREDICTING THAT THE STATE WOULD BE BANKRUPT BY NOVEMBER 1, 1983.

WE WERE CONFRONTED BY A MASSIVE FINANCIAL DEFICIT.

OUR TRIPLE-A CREDIT RATING WAS GONE.

UNEMPLOYMENT HAD GONE BEYOND 10 PERCENT.

THE THREAT OF FARM FORECLOSURES WAS RUNNING HIGH, AND FOOD SHELVES WERE RUNNING LOW.

MINNESOTA - THE STATE THAT WORKED - WAS SPATTERING.

OUR PEOPLE HAD LOST CONFIDENCE IN THEIR STATE GOVERNMENT.

IT WAS NOT A HAPPY TIME FOR MINNESOTA.

WE TOOK OFFICE WITH NO EASY SLOGANS, NO QUICK FIXES.

BUT WE DID MAKE ONE PLEDGE:

TO MAKE STATE GOVERNMENT WORK AGAIN . . .

AND TO HELP PUT MINNESOTANS BACK TO WORK.

THAT PROMISE HAS BEEN KEPT.

* * *

WHEN WE CAME INTO OFFICE ONE YEAR AGO, I LAID OUT TWO IMMEDIATE GOALS
FOR MINNESOTA:

RESTORE FISCAL STABILITY AND PUT OUR PEOPLE BACK TO WORK.

I AM HAPPY TO REPORT THAT WE ARE DOING WELL ON BOTH FRONTS.

OUR BUDGET IS BALANCED AND WE PAID OFF MORE THAN 500 MILLION DOLLARS IN
OLD BILLS.

WE ARE STARTING TO GET OUR GOOD CREDIT RATINGS BACK . . . AND THERE IS
MONEY IN THE BANK.

* * *

IN PLACE OF A MASSIVE DEFICIT, WE HAVE A SOLID BUDGET RESERVE.

MINNESOTA, I'M PROUD TO SAY, APPEARS TO BE IN THE HEALTHIEST FINANCIAL SHAPE OF ANY STATE IN THIS COUNTRY.

AND I INTEND TO KEEP IT THAT WAY.

* * *

THIS PAST YEAR IN STATE GOVERNMENT CAN BE SUMMED UP IN THREE WORDS: STABILITY, CREDIBILITY AND DEPENDABILITY.

THE CREDIT FOR THIS IMPRESSIVE TURNAROUND MUST BE SHARED . . . WITH THE PEOPLE OF MINNESOTA, AND WITH YOU, THE MEMBERS OF THE LEGISLATURE.

IT WAS YOUR WILLINGNESS TO MAKE THE TOUGH DECISIONS LAST SPRING THAT PUT OUR FISCAL HOUSE IN ORDER.

IT WAS A TEAM EFFORT, AND IT WORKED.

MINNESOTA'S ECONOMIC RECOVERY IS STRONG, AND OUR PEOPLE ARE GOING BACK TO WORK.

82,000 MORE MINNESOTANS ARE WORKING TODAY THAN ONE YEAR AGO.

OUR UNEMPLOYMENT RATE HAS DROPPED FROM 10.4 PERCENT LAST JANUARY TO 6.8 PERCENT. THAT'S BELOW THE NATIONAL AVERAGE.

THE JOB-CREATING PROGRAMS, WHICH YOU APPROVED LAST SESSION, ARE WORKING WELL.

WE HAVE PUT MORE THAN 7,200 PEOPLE TO WORK ON THE EMERGENCY JOBS PROGRAM.

THE CONFIDENCE OF MINNESOTA BUSINESS LEADERS WAS BADLY SHAKEN BY THE FISCAL NIGHTMARES OF THE PAST.

BUT OUR DETERMINATION TO PROVIDE FISCAL STABILITY . . . AND OUR DETERMINATION TO MAKE GOVERNMENT WORK . . . HAS GIVEN RENEWED CONFIDENCE TO DECISION-MAKERS IN THE BUSINESS WORLD.

* * *

THEY NOW SEE A STATE THAT BALANCES ITS BOOKS . . . THAT MEETS PROBLEMS HEAD ON . . . THAT INSISTS ON TOUGH FISCAL MANAGEMENT.

AND THEY HAVE AN ADMINISTRATION THAT LISTENS . . . THAT CARES . . . AND KEEPS ITS PROMISES.

* * *

ONE OF THE PROMISES I MADE A YEAR AGO WAS TO NURTURE A NEW ERA OF COOPERATION IN MINNESOTA . . . INVOLVING LABOR, BUSINESS, EDUCATION, AGRICULTURE AND GOVERNMENT. I CALLED IT A NEW "PARTNERSHIP."

BUT LATELY I HAVE BEEN REFERRING TO IT AS OUR "MINNESOTA FAMILY" -- MADE UP OF OUR DIVERSE ETHNIC AND ECONOMIC GROUPS -- A FAMILY WHOSE MEMBERS HELP EACH OTHER THROUGH THE TOUGH TIMES.

THAT IDEA -- WHETHER YOU CALL IT PARTNERSHIP OR FAMILY -- IS VITAL TO THE LONG-RANGE ECONOMIC HEALTH OF OUR STATE.

WE MUST BUILD BRIDGES -- NOT DIG CHASMS -- BETWEEN THE SEGMENTS OF OUR SOCIETY.

ONE OF MY FIRST ACTIONS AS GOVERNOR WAS TO APPOINT ECONOMIC RECOVERY COMMISSIONS, BI-PARTISAN IN MEMBERSHIP AND CHAIRED BY SOME OF MINNESOTA'S MORE PROMINENT CITIZENS.

THESE VOLUNTEER COMMISSIONS WORKED RAPIDLY TO PRODUCE RECOMMENDATIONS . . . I ACCEPTED THEIR RECOMMENDATIONS . . . AND YOU ENACTED MANY OF THEM INTO LAW.

THE RESULTS HAVE BEEN IMPRESSIVE. FROM WOOD PRODUCTS TO TOURISM TO TECHNOLOGY, WE ARE SEEING THE BENEFITS OF THIS NEW SPIRIT OF COOPERATION.

LET ME CITE SOME OF YEAR'S HEADLINES:

FORD MOTOR COMPANY ANNOUNCED A 250 MILLION DOLLAR EXPANSIONS IN ST. PAUL, ONE OF THE LARGEST INDUSTRIAL EXPANSIONS ANYWHERE IN THE COUNTRY.

APACHE CORPORATION DECIDED TO STAY IN MINNESOTA AND EXPAND.

IBM, ONE OF OUR MAJOR EMPLOYERS, OUTLINED A LONG-TERM GROWTH PROGRAM.

ETA SYSTEMS SELECTED ST. PAUL AS ITS HEADQUARTERS, ASSURING THAT MINNESOTA WILL BE THE SUPER-COMPUTER OF THE WORLD.

LOUISIANA PACIFIC PICKED MINNESOTA OVER SEVERAL OTHER STATES FOR A NEW WOOD PRODUCTS PLANT.

PRUDENTIAL ANNOUNCED PLANS TO MOVE A MAJOR DIVISION TO MINNEAPOLIS, ADDING SOME 1300 JOBS.

H.B. FULLER COMPANY DEDICATED A 12 MILLION DOLLAR RESEARCH AND DEVELOPMENT CENTER IN VADNAIS HEIGHTS . . .

AND HONEYWELL ANNOUNCED PHASE ONE OF A THREE-PART 43 MILLION DOLLAR BUILDING EXPANSION.

WHETHER IT'S SANBORN MANUFACTURING EXPANDING IN SPRINGFIELD . . .

I.D.A. CORPORATION GROWING IN MOORHEAD . . .

OR THE BIOSORB COMPANY MOVING FROM NORTH DAKOTA TO MINNESOTA . . .

THE STORY IS THE SAME, WHEREVER I GO:

MINNESOTA WORKERS ARE AMONG THE MOST PRODUCTIVE IN THE COUNTRY.

LET ME GIVE YOU A FEW MORE EXAMPLES.

WATLOW ELECTRIC COMPANY HAS PLANTS IN ILLINOIS, IOWA AND WEST GERMANY.

THEY COULD HAVE EXPANDED IN ANY OF THOSE PLACES. BUT THEY CHOSE TO ADD HUNDREDS OF JOBS IN WINONA BECAUSE OF THE QUALITY OF THE WORKFORCE.

EXECUTIVES OF FORD MOTOR COMPANY TOLD ME THE SAME THING . . . SO DID THIN FILM TECHNOLOGIES OF NORTH MANKATO . . . AND SO DID STAR TECHNOLOGIES WHEN THEY OPENED A RESEARCH FACILITY IN BROOKLYN PARK.

* * *

THERE ARE JUST A FEW EXAMPLES, BUT THEY TELL AN IMPORTANT STORY:

MINNESOTA HAS TURNED THE CORNER AND IS ON THE MOVE.

WE HAVE MADE A BIG START TOWARD THE MAJOR LONG-RANGE GOAL OF THIS
ADMINISTRATION:

TO MAKE MINNESOTA THE BEST PLACE TO LIVE . . . WORK . . . PLAY . . .
AND . . . THE BEST PLACE TO DO BUSINESS.

* * *

BUT WE CANNOT STOP HERE. OUR AGENDA REMAINS FULL. AND IT WILL REQUIRE
MORE BRIDGE-BUILDING . . . MORE PULLING TOGETHER AS A MINNESOTA FAMILY.

OUR FIRST AND FOREMOST OBJECTIVE IS TO MAKE MINNESOTA COMPETITIVE WITH
THE REST OF THE COUNTRY.

SOME OF OUR STATE TAXES ARE TOO HIGH AND MUST BE REDUCED. OUR CITIZENS
ARE WILLING TO PAY FOR QUALITY SERVICE, BUT THEY ARE PAYING TOO MUCH TODAY.

THAT'S WHY MY TOP PRIORITY FOR THE 1984 LEGISLATIVE SESSION IS TO CUT
TAXES. I AM PROPOSING FIVE IMMEDIATE TAX CHANGES.

FIRST, REPEAL OF THE 10 PERCENT INCOME SURTAX ON JULY 1ST. THIS WILL
PUT 230 MILLION DOLLARS INTO THE POCKETS OF MINNESOTA TAXPAYERS OVER THE
NEXT 18 MONTHS.

SECOND, TRANSFER OF THE MOTOR VEHICLE EXCISE TAX INTO THE HIGHWAY CONSTRUCTION FUND, RETROACTIVE TO LAST JULY 1ST. THIS WILL PUMP AN ADDITIONAL 93 MILLION DOLLARS INTO HIGHWAY CONSTRUCTION AND TRANSIT, IMPROVING OUR TRANSPORTATION SYSTEMS AND PUTTING PEOPLE TO WORK. IT KEEPS A PROMISE ALREADY MADE.

THIRD, REPEAL OF THE UNITARY TAX ON CORPORATIONS, HELPING MINNESOTA FIRMS IN THE WORLD MARKETPLACE.

FOURTH, ADOPTION OF SEVERAL INCENTIVES TO ENCOURAGE OUR BUSINESSES TO ENTER WORLD MARKETS. THIS WILL COST US LITTLE, BUT WILL SEND AN IMPORTANT SIGNAL.

FIFTH, REPEAL OF THE STATE'S SHARE OF THE ESTATE TAX . . . EASING THE BURDEN ON OUR SENIOR CITIZENS, AND ENCOURAGING OUR RETIRED CITIZENS TO STAY IN MINNESOTA.

THESE CHANGES ARE NECESSARY AND URGENT TO KEEP OUR ECONOMIC MOMENTUM.

THESE REDUCTIONS WILL SET THE STEPS FOR FURTHER AND MORE COMPREHENSIVE TAX REFORM RECOMMENDATIONS FROM THE LATIMER TAX STUDY COMMISSION, WHICH I APPOINTED LAST YEAR.

THIS BI-PARTISAN COMMISSION WILL CONDUCT A TOP-TO-BOTTOM REVIEW OF OUR TAX STRUCTURE, AND MAKE RECOMMENDATIONS TO THE 1985 LEGISLATURE. IT WILL BE THE MOST THOROUGH ANALYSIS OF TAX POLICY IN 30 YEARS, AND IT WILL POSITION MINNESOTA FOR ECONOMIC LEADERSHIP FOR GENERATIONS TO COME.

BEYOND THESE IMMEDIATE TAX-REDUCING PROPOSALS, MY LEGISLATIVE PROGRAM WILL BE BRIEF AND TO THE POINT.

THE MOST IMPORTANT OBJECTIVE WILL BE TO HOLD SPENDING TO AN ABSOLUTE MINIMUM.

WE HAVE WORKED HARD TO PUT MINNESOTA BACK ON ITS FEET FINANCIALLY . . .

AS PART OF OUR EFFORT TO MAKE MINNESOTA A COMPETITIVE LEADER IN THIS COUNTRY, WE MUST CONTINUALLY RE-EXAMINE OUR STRUCTURE. WE MUST PRUNE . . . REORGANIZE AND STREAMLINE. OUR GOAL MUST ALWAYS BE TO ELIMINATE RED TAPE AND FAT.

HOWEVER, I MUST ALSO POINT OUT THAT THE NUMBER OF NON-FACULTY EMPLOYEES ON THE STATE PAYROLL HAS DECLINED OVER THE PAST 10 YEARS. STATE EMPLOYEES ARE DOING A GOOD JOB -- ANYONE WHO DRIVES ON CLEAR HIGHWAYS WITHIN HOURS AFTER A BLIZZARD CAN TESTIFY TO THAT.

AS A MEANS OF PROMPTING AN ON-GOING REVIEW OF STATE GOVERNMENT, I AM RECOMMENDING THAT REFORMS BE MADE IN ALL THREE BRANCHES -- EXECUTIVE, LEGISLATIVE AND JUDICIAL.

FIRST, A CITIZEN COMMISSION WILL REPORT SOON ON SOME OPTIONS RELATING TO CONSTITUTIONAL OFFICES. SEVERAL ELECTED OFFICIALS HAVE PROPOSED SUCH A REVIEW, AND I BELIEVE THE TIME IS RIGHT FOR A CONSTITUTIONAL AMENDMENT TO BE CONSIDERED.

SECOND, I AGAIN STRONGLY RECOMMEND THAT THE LEGISLATURE MAKE A SERIOUS ATTEMPT TO AGREE ON A REDUCTION IN SIZE. WHILE I AM NOT FIRMLY COMMITTED TO A PARTICULAR NUMBER, A HOUSE OF 100 MEMBERS AND A SENATE OF 50 SEEMS TO MAKE SENSE. IF THIS CHANGE CAN BE ENACTED, IT SHOULD BE WRITTEN TO TAKE EFFECT FOR THE 1992 ELECTIONS, FOLLOWING THE NEXT CENSUS.

THIRD, A COMMISSION CREATED BY THIS LEGISLATURE HAS RECOMMENDED UNIFICATION OF OUR COUNTY AND DISTRICT COURTS. I HAVE APPOINTED ALL 12 MEMBERS OF OUR NEW COURT OF APPEALS, AND THAT COURT HAS PLUNGED INTO ITS WORK. IT IS TIME TO HAVE A COURT SYSTEM OF THREE LEVELS -- NO MORE.

THESE IMMEDIATE ACTIONS . . .

TAX REDUCTION

SPENDING RESTRAINT

AND REDUCING THE SIZE OF GOVERNMENT . . .

WILL SEND A CLEAR SIGNAL THAT MINNESOTA CAN RESPOND POSITIVELY AND AGGRESSIVELY TO THE NEEDS OF THE 1980s . . . AND PREPARE ITSELF FOR THE 1990s.

* * *

ONE OF THE MOST DIFFICULT -- YET IMPORTANT -- PROBLEMS YOU WILL FACE THIS SESSION IS REVISION OF OUR UNEMPLOYMENT COMPENSATION PROGRAM.

IN THE PAST, WE CHOSE TO BORROW FROM THE FEDERAL GOVERNMENT RATHER THAN ADOPT A PAY-AS-YOU-GO SYSTEM. THAT IS ANOTHER OVERDUE BILL WHICH MUST BE PAID.

YET, BUSINESS -- PARTICULARLY SMALL BUSINESS -- NEEDS RELIEF. BUT WE CANNOT TURN OUR BACKS ON THE UNEMPLOYED WORKER WHO WANTS TO WORK BUT CANNOT FIND A JOB.

A SPECIAL COMMISSION WITH REPRESENTATION FROM BOTH LABOR AND MANAGEMENT IS HARD AT WORK ON THIS ISSUE, AND IS MAKING PROGRESS. THIS ISSUE IS TOO IMPORTANT TO THE WORKERS AND BUSINESSES OF THIS STATE TO BECOME A POLITICAL FOOTBALL. HERE AGAIN, LET US THINK OF BUILDING BRIDGES -- LET US WORK TOGETHER TO FIND A PERMANENT SOLUTION.

THIS ISSUE -- AND MANY OF THE ISSUES WE WILL DEAL WITH -- AFFECT THE SMALL BUSINESSES OF MINNESOTA. MOST OF THEM DON'T HAVE PUBLIC RELATIONS FIRMS, AND DON'T MAKE FLASHY ANNOUNCEMENTS WHEN THEY OPEN OR EXPAND. BUT THEY PROVIDE 80 PERCENT OF THE NEW JOBS IN MINNESOTA EACH YEAR -- AND THEIR VOICE MUST BE HEARD.

* * *

THIS SESSION OF THE LEGISLATURE SHOULD BE SHORT AND LIMITED IN SCOPE. YOU HAVE MY PLEDGE OF SUPPORT TO COMPLETE THE SESSION IN SIX OR SEVEN WEEKS.

AS ALWAYS, I AM ALWAYS AVAILABLE TO MEET WITH MEMBERS OF THE LEGISLATURE TO FACILITATE THE WORK OF THE 1984 SESSION.

* * *

HERE IN MINNESOTA, I SEE 1984 AS A TURNING POINT. WE ARE POISED TO MOVE IN NEW DIRECTIONS.

THANKS TO THE FORESIGHT OF OUR LEADERS AND THE SACRIFICE OF OUR
CITIZENS, WE HAVE A FINE EDUCATION SYSTEM . . .

MINNESOTA IS KNOWN THROUGHOUT THE WORLD FOR HIGH TECHNOLOGY . . .

WE HOLD A PRE-EMINENT POSITION IN MEDICINE AND HEALTH CARE, MEDICAL
TECHNOLOGY AND TELE-COMMUNICATIONS . . .

FEW OTHER STATES CAN CLAIM A STRONGER AGRICULTURAL BASE . . .

OUR RECORD OF NURTURING SMALL BUSINESSES IS A STRONG ONE . . .

AND NO OTHER STATE HAS TAKEN BETTER CARE OF ITS INFRASTRUCTURE,
ENVIRONMENT AND QUALITY OF LIFE.

* * *

SO IT'S CLEAR THAT THE INGREDIENTS ARE ALL THERE FOR MINNESOTA TO LEAD
AND PROFIT FROM THE ECONOMIC REVOLUTION THAT'S SWEEPING AMERICA.

WE MUST INVENTORY OUR STRENGTHS AND CAPITALIZE ON THEM . . .

WE MUST IDENTIFY OUR WEAKNESSES AND CORRECT THEM . . .

AND ABOVE ALL, WE MUST HAVE THE COURAGE AND FORESIGHT TO TURN FROM THE
PAST AND EMBRACE THE FUTURE. WE CANNOT AFFORD THE LUXURY OF LOOKING ONLY TO
NEXT MONTH OR NEXT YEAR. WE MUST ANTICIPATE AND PLAN FOR 1990 AND BEYOND.

IN THE NEXT FEW WEEKS, 11 MEMBERS OF MY ADMINISTRATION WILL BE REPORTING IN DETAIL ON LONG-RANGE PLANS FOR MINNESOTA. I WANT THESE SPEECHES AND MESSAGES TO BE VIEWED AS FOLLOW-UPS TO THIS "STATE OF THE STATE" MESSAGE.

THEY WILL COVER EDUCATION, THE ENVIRONMENT, REGULATION AND DE-REGULATION AND A VARIETY OF OTHER SUBJECTS. I HOPE YOU WILL FIND THIS SYSTEM A USEFUL DEPARTURE FROM THE PAST.

IN THE FEW MINUTES REMAINING I WOULD LIKE TO UNDERScore SOME OF THE HIGHLIGHTS . . .

PIVOTAL TO OUR FUTURE IS THE OVERHAUL AND MODERNIZATION OF OUR TAX STRUCTURE -- AND THE STREAMLINING OF GOVERNMENT -- TO GIVE MINNESOTA THE COMPETITIVE EDGE IN THIS COUNTRY. WE HAVE TAKEN STEPS TO REDUCE THE COST OF WORKERS COMPENSATION AND WE WILL ACT TO REDUCE OTHER COSTS OF DOING BUSINESS.

MINNESOTA WILL BE A STATE THAT MEANS BUSINESS.

* * *

EDUCATION IS THE FLAGSHIP OF OUR FUTURE . . .

WE MUST VIEW EDUCATION IN GLOBAL TERMS . . . WITH PARTICULAR EMPHASIS ON MATHEMATICS, SCIENCE, LANGUAGES AND TECHNOLOGY.

WE MUST ENCOURAGE THE WORK OF OUR GIFTED AND TALENTED YOUNG PEOPLE.

AND, WE MUST SUPPORT OUR COLLEGES AND UNIVERSITIES IN THEIR EFFORTS TO EXPAND PARTNERSHIPS WITH BUSINESS AND INDUSTRY.

THIS DEMANDS INVESTMENTS IN EDUCATION PRIORITIES AT ALL LEVELS.

MANY COMMISSIONS -- BOTH IN GOVERNMENT AND IN THE PRIVATE SECTOR -- ARE STUDYING OUR EDUCATIONAL SYSTEM. THIS IS GOOD.

WE MUST ALWAYS LOOK TO RETAINING TRADITIONAL VALUES IN EDUCATION, BUT WE CANNOT BE AFRAID TO DISCARD OLD METHODS WHEN NEW ONES ARE BETTER.

WE MUST LOOK TO NEW GENERATIONS OF COMPUTERS AND OTHER TECHNOLOGIES, BUT WE ALSO MUST LOOK TO NEW EMPHASIS ON ARTS, MUSIC AND FOREIGN LANGUAGES IN OUR SCHOOLS.

WE MUST SOFTEN THE HARD EDGES OF TECHNOLOGY WITH THE SONGS, POETRY AND LITERATURE OF THE AGES.

* * *

NOTHING WILL ENHANCE THE FUTURE STRENGTH OF THIS STATE MORE THAN ENERGY SELF-SUFFICIENCY -- A PRIORITY THAT I HAVE REPEATEDLY STRESSED FOR THIS ADMINISTRATION. WE ARE CURRENTLY PAYING OVER 7 BILLION DOLLARS A YEAR FOR OUR ENERGY NEEDS. AND MORE THAN HALF OF THIS 7 BILLION DOLLARS IS LEAVING OUR STATE TO ENRICH OTHER PARTS OF THE WORLD.

THAT'S WHY WE MUST DEVELOP OUR STATE'S OWN ENERGY RESOURCES. WE MUST KEEP OUR ENERGY DOLLARS . . . AND THE JOBS THEY PROVIDE . . . AT HOME IN MINNESOTA.

* * *

MINNESOTA IS NOW POSITIONED TO MOVE AGGRESSIVELY INTO INTERNATIONAL MARKETING.

MANY OF THE GREAT MULTI-NATIONAL CORPORATIONS ARE HEADQUARTERED HERE . . .

WE HAVE A FIRST-CLASS TRADE OFFICE . . .

AND THE DEVELOPMENT OF THE WORLD TRADE CENTER WILL MAKE MINNESOTA THE HUB OF INTERNATIONAL ACTIVITY IN THE MIDWEST.

TO SOLIDIFY OUR LEADERSHIP POSITION, I WOULD LIKE TO SEE A GRADUATE SCHOOL OF INTERNATIONAL BUSINESS ADDED TO ONE OF OUR COLLEGES OR UNIVERSITIES.

* * *

ONE OF THE GREAT TRAGEDIES OF OUR TIME IS THAT THE ABILITY OF AMERICAN FARMERS TO PRODUCE IS TURNED INTO SURPLUSES . . . RATHER THAN FOOD FOR THE HUNGRY.

DESPITE MODEST INCREASES IN GRAIN PRICES, WE STILL HAVE HARD TIMES -- PERHAPS EVEN A DEPRESSION -- IN OUR FARM ECONOMY.

THAT IS NOT SOMETHING TO BE SHUNTED ASIDE, BECAUSE AGRICULTURE ACCOUNTS FOR 40 PERCENT OF MINNESOTA'S ECONOMY.

OUR GOAL IS TO WORK WITH FARM LEADERS AND THE AGRI-PROCESSING INDUSTRY TO OPEN NEW MARKETS IN 1984. WE CAN ADD VALUE TO FARM PRODUCTS BY PROCESSING THEM IN MINNESOTA.

WE NEED BETTER PROMOTION -- MINNESOTA POTATOES NEED NOT TAKE A BACK SEAT TO THOSE FROM IDAHO. MINNESOTA CHEESE MATCHES THAT MADE IN WISCONSIN. OUR APPLES ARE AS TASTY AS THOSE GROWN IN WASHINGTON.

OUR AGRICULTURE DEPARTMENT HAS BEGUN A "MINNESOTA GROWN" PROMOTION EFFORT, AND I ENDORSE IT FULLY.

* * *

NO STATE HAS DONE A BETTER JOB OF PROTECTING ITS ENVIRONMENT . . . AND THAT EFFORT WAS RECOGNIZED A FEW WEEKS AGO.

A FOUR-YEAR STUDY BY THE CONSERVATION FOUNDATION RANKED MINNESOTA FIRST AMONG THE 50 STATES IN EFFORTS TO PROTECT THE ENVIRONMENT. THAT'S A RANKING WE DON'T WANT TO LOSE.

JUST AS IMPORTANT -- THE STUDY FOUND THAT A STATE DOES NOT HAVE TO WEAKEN ITS ENVIRONMENTAL REGULATIONS TO ATTRACT JOBS AND INDUSTRY.

THAT VIGILANCE WILL CONTINUE.

WE CAN GET RID OF MOUNTAINS OF OLD TIRES, OLD RAILROAD TIES, AUTO JUNKYARDS, SOLID WASTE DUMPS -- AND ANYTHING ELSE THAT IS A BLIGHT ON OUR ENVIRONMENT.

WE WILL SCRUB MINNESOTA CLEAN.

WE MUST LAUNCH A MAJOR PROGRAM TO UPGRADE SEWAGE TREATMENT PLANTS THROUGHOUT MINNESOTA. ALONG WITH PROTECTING OUR WATERS, A STRONG WASTEWATER TREATMENT SYSTEM IS NECESSARY FOR INDUSTRIAL EXPANSION.

ONE OF THE FOLLOW-UP MESSAGES WILL DEAL WITH OUR EFFORTS TO COMBAT ACID RAIN. MINNESOTA SHOULD BE A LEADER IN THIS EFFORT. WE RECOGNIZED THE PROBLEM EARLY, AND WE BROUGHT IT TO NATIONAL ATTENTION.

I INTEND TO MAKE ACID RAIN A MAJOR AND CONTINUING TOPIC IN THE NATIONAL GOVERNORS' ASSOCIATION.

* * *

THANKS TO YOUR COURAGEOUS VOTES LAST SESSION, WE HAVE ALREADY BEGUN THE LONG PROCESS OF REBUILDING AND REPAIRING MINNESOTA'S CRITICAL ROAD, HIGHWAY AND BRIDGE NETWORK.

EVEN WHILE THAT IS UNDERWAY, WE SHOULD DEVELOP A LIGHT RAIL TRANSIT SYSTEM IN THE METROPOLITAN AREA TO REMOVE SOME TRAFFIC FROM OUR INCREASINGLY CROWDED STREETS AND FREEWAYS.

* * *

MINNESOTA STANDS TO GAIN MORE FROM TOURISM THAN MOST STATES . . .

AND THANKS TO ACTIONS OF THIS LEGISLATURE, WE NOW HAVE A GREATLY EXPANDED PROMOTION PROGRAM UNDERWAY. INQUIRIES TO OUR TOURISM OFFICE ARE UP BY MORE THAN 25 PERCENT.

1983 WAS A GOOD YEAR FOR OUR RESORT AND HOSPITALITY INDUSTRY, AND 1984 SHOULD BE EVEN BETTER.

LET ME INTERJECT AT THIS POINT A SUGGESTION THAT WE DEAL WITH SEVERAL GAMING ISSUES THIS YEAR -- AND PUT THEM BEHIND US. QUESTIONS OF A LOTTERY, GREYHOUND RACING AND EXPANDED BINGO ARE PUBLIC POLICY ISSUES THAT DESERVE OPEN, PUBLIC DEBATE. BUT THEY NEED NOT CONSUME OUR INTEREST FOR YEAR AFTER YEAR.

* * *

SPORTS AND THE ARTS ARE NOT ONLY GOOD FOR THE BODY AND SPIRIT . . .
THEY ARE GOOD FOR THE STATE'S ECONOMY.

WE MUST DO MORE TO BUILD PRIVATE AND PUBLIC SUPPORT FOR THE ARTS . . .

AND WE ARE GOING ALL-OUT TO PROMOTE A SUCCESSFUL, COMPREHENSIVE SPORTS
PROGRAM WITH THE BEST MAJOR LEAGUE AND COLLEGE TEAMS IN THE COUNTRY.
MINNESOTA DESERVES THE BEST.

I PLAN TO APPOINT ANOTHER CITIZENS COMMISSION TO STUDY HOW WE MAY
BETTER NUTURE THE ARTS IN MINNESOTA.

OUR MUSIC, ART AND LITERATURE CAN LINK US TO FOREIGN LANDS.

AS I TOLD THE MINNESOTA EDUCATION ASSOCIATION LAST WINTER, "WE LIVE IN
A WORLD WITH A MULTIPLICITY OF LANGUAGES, MANY RELIGIONS AND DIFFERENT FORMS
OF GOVERNMENT. ART IS THE COMMON DENOMINATOR, THE UNIVERSAL LANGUAGE."

* * *

IN THIS TIME OF CHANGING PRIORITIES AND AUSTERE BUDGETS . . .

WE SHOULD NOT, AND WE SHALL NOT . . .

ABANDON OUR COMMITMENT TO THOSE WHO NEED HELP THE MOST . . .

THE HANDICAPPED . . . THE ELDERLY . . . THE POOR AND THE UNEMPLOYED
. . . MINORITIES WHO ARE VICTIMS OF DISCRIMINATION . . . AND WOMEN WHO ARE
UNDERPAID SOLELY BECAUSE THEY ARE WOMEN.

MINNESOTA'S COMPASSION FOR THOSE IN NEED WILL BE MAINTAINED.

* * *

MINNESOTA'S FUTURE WILL BE GREATLY ENHANCED BY OUR ABILITY TO FORGE
STRONG WORKING RELATIONSHIPS WITH OTHER STATES, PARTICULARLY THOSE IN THE
MIDWEST.

FOR THAT REASON, I HAVE ACCEPTED ASSIGNMENTS AS CHAIRMAN OF THE MIDWEST
GOVERNORS' CONFERENCE, AND AS A MEMBER OF THE EXECUTIVE COMMITTEE OF THE
NATIONAL GOVERNORS' ASSOCIATION.

TOMORROW WE OPEN THE SECOND SESSION OF THE MINNESOTA-WISCONSIN DIALOGUE
TO DISCUSS JOINT EFFORTS IN POLLUTION CONTROL, ACID RAIN, INTERNATIONAL
TRADE, EDUCATION AND RESOURCE DEVELOPMENT.

WE WILL SOON UNDERTAKE SIMILAR DISCUSSIONS WITH SOUTH DAKOTA AND IOWA.

AND LATER THIS WEEK, WE HOST A MEETING OF THE NORTHEASTERN AND
MIDWESTERN STATES ON THE SUBJECT OF ENERGY.

* * *

IN CLOSING, I WANT TO THANK THE LEGISLATURE AND THE PEOPLE OF MINNESOTA FOR HELPING TO TURN THE STATE AROUND AND PUT IT FIRMLY ON COURSE.

MINNESOTA IS ON THE MOVE . . .

STRATEGICALLY POISED IN THE LEADERSHIP POSITION AS THE NATION'S ECONOMIC TRANSFORMATION ACCELERATES.

OUR GOAL IS TO MAKE THIS STATE THE BEST PLACE IN THE COUNTRY TO LIVE AND WORK AND PLAY AND DO BUSINESS.

WE HAVE MADE GREAT PROGRESS, BUT WE HAVE MUCH MORE WORK AHEAD.

THERE ARE FAR TOO MANY MINNESOTANS WHO WANT A JOB AND CANNOT FIND ONE.

OUR TAX BURDEN IS TOO HIGH AND MUST BE REDUCED.

OUR EDUCATIONAL SYSTEM, THE HEART OF OUR FUTURE, MUST BE IMPROVED.

WE MUST MAKE GOVERNMENT WORK MORE EFFICIENTLY AND AT LOWER COST FOR THE BENEFIT OF OUR CITIZENS.

WE FACE SOME VERY IMPORTANT CHALLENGES FOR 1984. BUT I WANT US TO LOOK EVEN FARTHER AHEAD THAN THAT. AS I LEARNED DURING MY RECENT YEARS IN BUSINESS, YOU CAN'T JUDGE RESULTS IN A FEW MONTHS OR EVEN A YEAR. WE HAVE TO LOOK TO THE KIND OF MINNESOTA WE WANT FOR THE REST OF THE 1980S AND FOR THE DECADES WHICH LIE BEYOND. THIS IS MY GOAL:

TO POSITION MINNESOTA FOR GREATNESS IN A RAPIDLY CHANGING WORLD. IT IS WHY I HAVE PLACED MUCH EMPHASIS ON MY OWN PERSONAL TRAVEL AND UPON INTERNATIONAL TRADE.

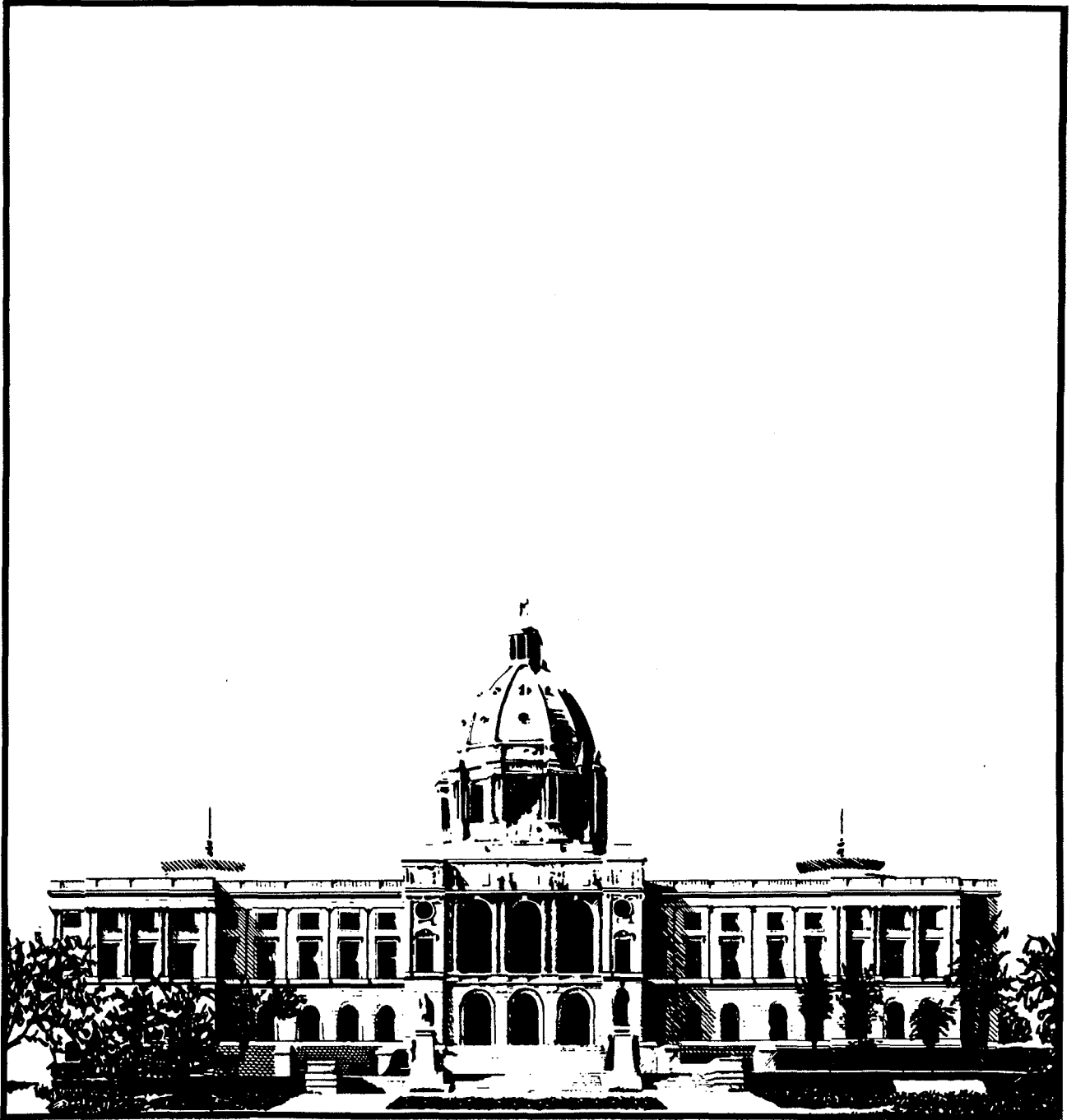
I SEE IT AS THE FUTURE, AND WE MUST CAPITALIZE ON THAT FUTURE.

I AM CONVINCED THAT MINNESOTA CAN BECOME ONE OF THE GREAT CENTERS OF CULTURE AND COMMERCE, OF EDUCATION AND OPPORTUNITY, OF SPORTS AND RECREATION . . . A MECCA WHERE CITIZENS FROM ALL BACKGROUNDS AND ALL PURSUITS CAN LIVE AND WORK EFFECTIVELY TOGETHER . . . BEACON OF SUCCESS AND OPPORTUNITY FOR THE NATION AND THE WORLD.

THIS IS A GREAT CHALLENGE AND A WORTHY GOAL.

I INVITE YOU TO JOIN WITH ME IN STRIVING TOWARD IT.

THANK YOU.



1983

... the events

JANUARY

Governor Rudy Perpich is inaugurated as the 36th Governor of Minnesota, in a ceremony at Hibbing High School . . . In his state of the state message, the Governor said, "The State of the State is not good." He called for state investment in key industries; for local and state governments to join churches and charities in caring for the homeless; for cutting government bureaucracy; reduction in workers' compensation rates; a \$250 million reserve fund; reduction in the size of the legislature; and assistance for helping unemployed get jobs . . . Governor completes creation of 10 economic recovery commissions, charged with making recommendations on what can be done to help growth industries in Minnesota . . . An administration official says Minnesota is facing an \$8.5 million budget deficit at the end of the fiscal year on June 30th -- The Governor orders a freeze on all non-essential hiring, purchasing and travel . . . Governor orders \$1 million in federal discretionary funding to be used for emergency food and shelter programs this winter . . . Rick Nolan, former congressman, named to head a special committee exploring the feasibility of a world trade center for Minnesota . . . Governor hosts a meeting with Ontario Premier William Davis, in which the two agree to continue dialogue on proposed Canadian fishing regulations affecting the northern border, and on acid rain . . . Governor announces plan to restructure tuition reciprocity agreements with bordering states, and will meet with Wisconsin Governor Anthony Earl . . . Governor proposes a \$100 million jobs program through jobs in the public and private sector . . .

FEBRUARY

Perpich names Secretary of State Joan Grove to head a study on ways to streamline state government . . . Perpich will recommend retention of the state's 10 percent income tax surcharge, and the 6 percent sales tax as part of the '83-84 budget . . . Governor delivers investment budget message calling for no significant new taxes . . . also creation of new engineering schools in Minnesota . . . Governor Rudy Perpich and Governor Tony Earl from Wisconsin agree to modify a tuition reciprocity agreement between the two states . . . Perpich offers a \$9.8 billion budget, saying it will "make Minnesota work again." The proposals include: retention of the 6 percent sales tax and 10 percent income tax surcharge, and a 5 cent per gallon tax on gasoline. Spending provisions include: a \$75 million jobs program, \$300 million in property tax relief for small business, \$250 million for a set aside reserve fund, and a 12.3 percent per pupil increase for school districts. The budget is a 19 percent increase of 1981-82, but the Governor says he actually is proposing a spending increase of only 9.7 percent because of \$508 million in shifts from the previous budget, a \$250 million budget reserve, and \$256 million state hospital appropriation which will be put in a separate fund . . . Governor flies to Fargo/Moorhead and Duluth for a series of news conferences . . . Walter Mondale announces his candidacy for president, in a speech before the legislature . . . The former vice president is introduced by Governor Perpich . . . The Governor and legislative leaders decide to allocate \$117,000 to keep Amtrak running between Duluth and the Twin Cities . . . Governor Perpich, attending the National Governors' Association midwinter meeting in Washington, joins 15 governors in calling for drastic cuts in military spending by the Reagan Administration . . . Perpich is elected vice chairman of the Midwest Governors' Association . . .

MARCH

Governor Perpich, speaking before the National Governors' Association in Washington, says the nation's governors have become a collective political power and will be more aggressive in fighting the Reagan Administration attempts to divert economic woes from the federal government to the states. The Governor also says he will seek to open a state government office in Washington . . . Perpich announces the structure and key personnel for a new International Trade and Marketing Division in state government . . . Governor tours correctional facilities in the state and says there would be some "real problems" with moving women inmates from the Shakopee women's prison to Sauk Centre . . . State Finance Commissioner Gus Donhowe says \$10 million should be trimmed from state spending during the next four months, due to sales taxes coming in below expectations and income tax refunds being higher than expected . . . Minnesota would enter the "big leagues" in tourism advertising and promotion under legislation introduced in the legislature . . . Minnesota House passes a 3¢ increase in the state's gasoline tax . . . Senate passes a 4¢ a gallon gasoline tax increase . . . The Governor endorses a \$8 million plan for a proposed natural resources research center in Duluth . . . The Governor's Task Force on Emergency Food and Shelter recommends restoration of welfare benefits for able-bodied unemployed and a moratorium on mortgage foreclosures . . . House-Senate conference committee agrees to a 4¢ increase in the gasoline tax . . . measure is passed by both houses and Governor Perpich is credited with his "first major victory" of the 1983 session . . .

APRIL

Governor Perpich names a six-member Business Emergency Task Force, composed of business and government leaders who will be asked to respond when companies propose to close plants or to leave Minnesota . . . Governor signs gas tax bill . . . a special eleven-member commission is appointed by the Governor, to explore how to maintain quality higher education in Minnesota, while enrollments dwindle and money becomes tighter . . . Minnesota and Wisconsin swap ideas in a unique meeting between governors and state officials called "Minnesota-Wisconsin Dialogue" . . . Governor sends legislators a message that he opposes removing federal tax deductibility . . . the Governor, after serving his first 100 days in office, says this term is much more difficult than his previous administration, but that he can already point to a few accomplishments and has been able to "avert disaster" with an inherited budget crisis . . . The Governor asks utilities to postpone power shutoffs for people protected under the state's cold weather rule, for an additional two weeks, because of inclement weather . . . The Governor plans to cut up to \$80 million in state spending during the next two months to prevent a budget deficit when the two year budget period ends June 30 . . .

MAY

Governor Perpich appoints a tax study commission headed by St. Paul Mayor George Latimer . . . Commission will make "top to bottom review" of the state's tax system . . . The state's revenue picture brightens as April revenues step 30 percent ahead of projections . . . House and Senate pass a "superfund" cleanup bill, and Governor Perpich says he will sign it . . . Governor Perpich signs the "Lemon Law" which provides protection for auto owners . . . Governor's Fishing Opener is held at Ely . . . Peter Popovich is appointed by the Governor to head new court of appeals . . . The Governor signs the parimutuel bill, making horse racing legal in Minnesota . . . House and Senate adjourn at midnight, sending the Governor a workers' compensation accord, and a tax bill . . . Mark Dayton is named commissioner of the newly established state office of Energy and Economic Development . . .

JUNE

Several hundred people paid \$250 each to attend a reception to raise more than \$45,000 to help pay Governor Perpich's out-of-state travel expenses . . . After signing 1,054 bills, including 797 during his first term in office, Governor Rudy Perpich vetoes a bill that would have prohibited any city, county or township from imposing rent controls . . . Governor announces that the Minnesota treasury could end the fiscal year June 30 with as much as \$60 million in the black . . . The Governor names his chief policy adviser, Tom Triplett, to head the State Planning Agency . . . Governor names a commission to review operations of the Metropolitan Waste Control Commission, including allegations of poor planning, mismanagement and financial waste . . .

JULY

Governor Rudy Perpich may ask that the 10 percent income tax surcharge be lifted in 1984 . . . The Governor says Minnesota's economy deserves his full-time attention, and he no longer plans to tie up his daily schedule with public speaking engagements, but rather will devote his time to economic development . . . Minnesota plans to spend a record \$580 million in highway construction during the next two years, and that should create about 24,000 new jobs . . . Governor Perpich is going to make a pitch to have the National Football League schedule a Super Bowl game in the Metrodome . . . Minnesota's credit rating improves, saving about \$1 million in short-term borrowing . . . Governor Perpich is in Atlanta seeking investment in the Minnesota wood products industry . . . Governor Rudy Perpich and Governor William Janklow of South Dakota will announce a tuition reciprocity agreement between the two states . . . The state kicks off the emergency jobs program (MEED) by designating service areas and area administrators . . . Joe Samargia, named by Governor Perpich to head the program, says he hopes the program will create 12,600 jobs.

AUGUST

Minnesota and Ontario agree to work together to control acid-rain. The agreement follows a series of meetings beginning with a meeting between Governor Perpich and Ontario Premier William Davis in January . . . Governor announces plans for a three-week trip to Europe and Russia . . . schedule includes inspection of the European peat industry and meetings with potential foreign investors . . . Perpich backs a four-year college program for Rochester . . . Perpich restructures his 33-member cabinet by removing 10 people and creating six subcabinet positions . . . The Governor, joined by five legislators, departs on a European trade mission . . . Minnesota begins a battle against encephalitis-carrying mosquitoes and the Governor's office requests help from the White House . . . Washington responds by sending special aircraft to aid in the spraying . . . In an unprecedented midnight session, the Minnesota Supreme Court halted an Otter Tail County Judge's ruling which temporarily stopped the state's mosquito spray program . . . Governor Rudy Perpich announces from Europe that Minnesota will open a trade office in Sweden on October 1st . . .

SEPTEMBER

A Moorhead firm, IDA Corp., says it will stay in Minnesota and expand . . . Governor and Energy and Economic Development Commissioner Mark Dayton had met with the firm in August . . . State tax collections are \$16.2 million over estimates for August . . . After returning from his European trip, Governor Perpich says Minnesota can be a foreign trade leader . . . Governor is "confident that Minnesota will become a world-class state" . . . Governor tells the Minnesota AFL-CIO that conversion away from burning oil and gas, and more aggressive marketing of Minnesota products at home and abroad will help ensure a bright economic future for Minnesota . . . Governor Perpich travels to Washington to request disaster aid for Minnesota farmers . . .

OCTOBER

Governor Perpich is elected chairman of the Midwestern Governors' Conference . . . Governor unveils some legislative goals, including removal of the 10 percent income tax surcharge, transferring money from the 6 percent motor vehicle excise tax from the general fund to the highway and transit funds, reducing the size of the legislature, and reducing the number of constitutional officers in Minnesota . . . Governor Perpich announces a \$60,000 grant to the Minnesota Motion Picture and Television Board to boost the board's efforts to make Minnesota a major center for movies and TV . . . Duluth officials and DFL legislative leaders announce an agreement to divide \$10 million in tax breaks for Minnesota border cities . . . Duluth promises to wait until June for its share of the money, so border cities can take advantage of the full amount . . . Governor leaves for Australia where he plans to promote

Minnesota's world trade center efforts . . . The Minnesota Department of Economic Security announces the second biggest one-month improvement in Minnesota's unemployment rate, occurring in August . . . Presidential candidate Walter Mondale names Governor Perpich to chair his Minnesota campaign . . . The Governor says he will ask the 1984 legislature to repeal the unitary tax, which taxes Minnesota companies on earnings of out-of-state subsidiaries . . .

NOVEMBER

After returning from his Australian trip, Governor Perpich says he is more convinced than ever that a world trade center in Minnesota would create many new jobs and business opportunities . . . Apache Corporation, an aggressive oil and gas exploration firm, decides to keep its corporate headquarters in Minnesota . . . Apache board chairman Ray Plank gives Governor Perpich most of the credit for the decision to stay . . . Koch Refining Company holds a Capitol news conference with the Governor to announce a \$200 million expansion . . . Governor Perpich announces that ETA Systems, will remain in Minnesota, and will seek to make Minnesota the "Supercomputer Capital of the World" . . . Governor also announces plans to ask the legislature to establish an "Institute of Supercomputing" at the University of Minnesota . . . Governor meets with Twins' President Calvin Griffith and offers to help the team remain in Minnesota . . . The Governor joins in announcement that the Minnesota Strikers, a professional soccer team, will be moving to Minnesota from Florida . . .

DECEMBER

Governor Perpich announces that Louisiana-Pacific Corp. will build a waferboard plant in Two Harbors . . . plan unveiled to sell the former Rochester State Hospital to the Federal Bureau of Prisons, with funds earmarked for a new college building and garbage-to-steam energy system . . . firms announce call-back of 1,900 laid-off taconite miners in time for the new year . . . Perpich leaves for a three-week trip to China, paid for by the National Governors' Association . . . The Governor names an eight-member commission headed by former Chief Justice Robert Sheran, to study changes in the lineup of Minnesota's constitutional officers . . . Governor's phone call to Lou Holtz, the new University of Minnesota football coach, was said to be a factor in convincing Holtz to take the job . . . St. Paul, Minneapolis, and Bloomington will seek joint designation as a foreign trade zone . . . Governor predicts the state will legalize lotteries in 1984 . . . The Greyhound Racing Commission files its report with the Governor, and recommends a constitutional amendment which would legalize the sport . . .

TOTAL EMPLOYMENT IN MINNESOTA

