

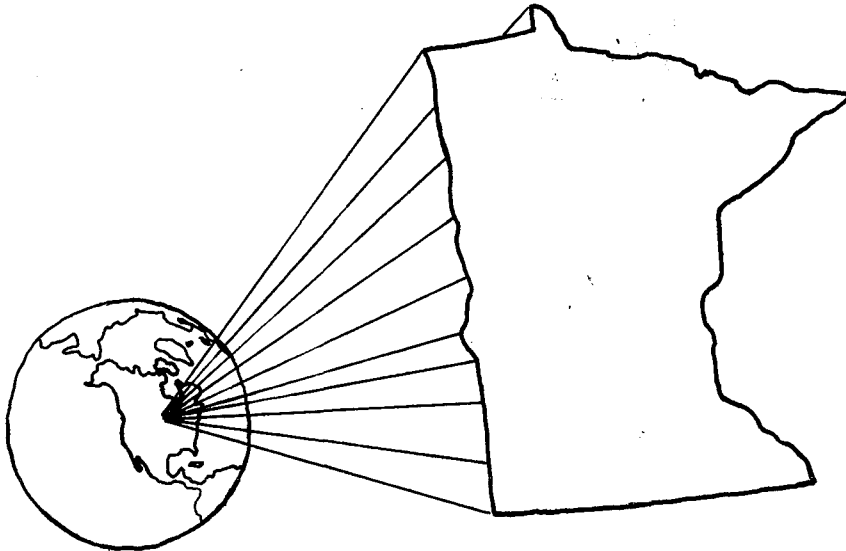


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GOVERNOR RUDY PERPICH

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.

