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GOVERNOR RUDY PERPICH

The State of the State

A message to the
Minnesota Legislature
and to the people
of Minnesota

January 10, 1985

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STATE OF THE STATE ADDRESS

1985

GOVERNOR RUDY PERPICH

House of Representatives
State Capitol
St. Paul, Minnesota
January 10, 1985

Mr. Speaker, Mr. President, Mr. Chief Justice, members of the court, constitutional officers, members of the Legislature and my fellow Minnesotans.

Two years ago I began this address by stating that the central goal of this administration would be job creation and economic recovery, achieved through a partnership between the public and private sectors.

I am pleased to report to you that we have made giant strides toward this goal. The state of the state is greatly improved and getting better.

Two years ago Minnesota's unemployment rate stood at an all-time high.

216,000 of our people were out of work.

The Legislature had staggered through six special sessions, raising taxes, shifting spending and cutting services.

Minnesota's valued triple-A credit rating had been lost, and another deficit was looming on the horizon.

Our state faced the most severe financial crisis in its history.

* * *

In contrast today . . .

There are more than 170,000 additional Minnesotans employed.

In fact, there are 57,800 more people working now than ever before in the history of our state. For the year ending in October, Minnesota ranked second nationally in total employment gains.

Our state's bank account is in the black instead of the red . . .

We are re-gaining our top credit ratings . . .

We have a surplus in place of a deficit . . .

And this month we shall pay off our last outstanding loan.

The turn-around has been one of the most dramatic and impressive in the nation.

* * *

In the past two years, we joined together . . . a family unified by stress . . . and we found our way.

We've helped each other . . . we've reached out with compassion to those in need . . . and we've restored confidence and pride in our great state.

To each of you who helped during these difficult days . . . thank you from the bottom of my heart.

I am grateful for your assistance, I am proud of your effort, and I am honored to be your Governor.

Special thanks go to you, the members of the legislature, for helping us make the difficult but necessary decisions.

New leaders have been chosen for this session of the Legislature, and I look forward to working with you.

For the first time in our state's history, a woman . . . Connie Levi . . . is the majority leader of the House of Representatives in Minnesota. I congratulate you, Connie, and I wish you well.

* * *

Now we turn our attention to the future, determined to build Minnesota to a position of strength in 1985 and the years ahead.

The challenge for the 1980s and 90s is to achieve vigorous, sustainable economic growth in rapidly changing times.

And I'm convinced that the state which will lead the nation is the one that best develops and harnesses the talents, energies and ingenuity of its people.

Here, Minnesota has a natural advantage with well-educated, productive people. We must capitalize on our strengths.

The key to Minnesota's success lies in our ability to adapt this state to a nation and world of profound change. We must embrace change, and shape it, to meet tomorrow on our terms.

If we prepare for change . . . Minnesota will do well. Minnesota will do well because knowledge will be the steel of this post-industrial economy. Minnesota has the potential to become the number one brainpower state in the nation.

And believe me . . . we will be the brainpower state in the nation.

* * *

The path to permanent prosperity in Minnesota will require bold leadership and courageous legislative action to make our state more productive and competitive.

We must move decisively on four major fronts.

First . . . we must reduce personal income taxes and simplify our tax forms.

Second . . . we must control spending and guarantee fiscal stability.

Third . . . we must strengthen our educational system.

Fourth . . . we must accelerate our efforts in economic development and international trade.

All of these actions are aimed at one main strategy;

To create jobs . . . quality jobs . . . for all Minnesotans, now and in the future.

* * *

Our first priority . . . our first action . . . must be a major reduction in personal income taxes.

My plan will save Minnesotans 604 million dollars, and will drop our maximum tax rate from sixteen percent to nine-point-nine percent.

For a family of four with one wage earner . . . making 15,000 dollars a year . . . Minnesota now ranks number one among all 50 states.

This tax cut will drop us to number 18 in that category. That makes me very happy I'm sure it does you too.

And for the first time in many years, Minnesota will no longer rank number one in any personal income tax category.

Were it not for the severe economic hardship in parts of Minnesota, we could make significantly larger tax reductions. However, we will not turn our backs on the thousands of Minnesotans who desperately need our help.

* * *

Along with this major tax cut, we must drastically simplify our tax forms.

I don't have to remind you what a hassle it is each year to fill out this tax form.

It's three pages long . . . contains 32 pages of instructions . . . and requires you to fill in over 100 spaces. It's a taxpayer's nightmare to say the least.

Under our plan . . . you will have a simple one-page form.

It will have only 16 lines, and it should take most of us less than 15 minutes to complete the form.

Minnesotans want, need and deserve tax reduction and simplification.

So I am appealing to the legislature to to make this tax reduction retroactive to January first of this year.

* * *

Our second major priority is spending control and fiscal stability. Stability means a strong state savings account . . . a budget reserve . . . a rainy day fund.

It goes by many names, but it means one thing . . . an insurance policy against bad times . . . a guarantee that Minnesota will never again go through the financial chaos of a few years ago.

The reserve should be increased to 500 million dollars. I have a surprise for you. We have the money in the bank already. Just don't spend it.

An adequate reserve means we can pay our bills, make payments to local governments on time, and regain our triple-A credit rating.

Having a budgeted reserve is good, sound business practice . . . and I am determined to get it enacted.

* * * *

A strong budget reserve must be coupled with controls on state spending. Our budget team, under the direction of Finance Commissioner Donhowe, has spent nearly six months analyzing every conceivable way to cut the growth of government spending.

Thanks to their work, the budget which I will submit holds average spending increases to less than six percent a year, the smallest percentage increase in state spending in 20 years.

I can assure you that this budget contains only the most essential elements to provide quality services to our people.

I am determined to give Minnesota a national reputation for excellent fiscal management. My department heads will be judged by their ability to reduce spending and streamline state government. Our over-riding objective shall be to deliver quality services to the people of Minnesota as efficiently as possible.

We have proven that government can be lean without being mean.

It is my hope that by the time I leave the Office of Governor, our state will be run with such efficiency . . . and such foresight . . . that stockholders throughout the United States will ask "Why can't business be run like government in Minnesota."

On this issue, the federal government should take lessons from Minnesota.

Had Washington operated like Minnesota for the past two years, the federal government might be operating in the black instead of the red.

Unfortunately Washington doesn't have the discipline or ability to control spending.

The federal deficit is retarding the economic vitality of this country, and it must be brought under control.

I am announcing my support of a constitutional amendment requiring a balanced federal budget.

This is a dramatic step, but it must be taken.

Minnesota and other states are required to balance their budgets and I ask you, why not the federal government?

* * * *

Positioning Minnesota for a dynamic future also requires investment. Investment to stimulate growth and create jobs . . . investment in economic development and international trade.

There's a line from the Broadway play "The Music Man" about a traveling salesman. "You've got to know the territory."

Our territory . . . in 1985 and beyond . . . will be the world -- not just Minnesota, not just the Midwest, not just America -- but the world.

If you are a teacher . . . you will be teaching more about other countries.

If you are a business person . . . you will be learning more about exporting.

If you are a worker . . . you will be looking at how your counterpart in another country does the job.

If you are a parent . . . you will see your children traveling more . . . learning more languages . . . and working in different parts of the world.

You will see that your children have opportunities which you . . . and your parents . . . never dreamed were possible.

Our state government must move forward with the rest of the world.

We must know the territory.

Where would the Japanese be today if they had stayed home?

Or more importantly, where would our steel industry be today if American steel executives -- rather than remaining complacent -- had decided to get to know the territory and make the world their marketplace?

We . . . not the Japanese . . . should be controlling the world steel markets.

Japan is not rich in natural resources. It imports 99 percent of its iron ore . . . 80 percent of its coal . . . 99 percent of its oil . . . 60 percent of its timber . . . and about one third of its food.

Yet, each year it records trade surpluses in the billions of dollars.

Japan is a world leader in consumer electronics, watches, motorcycles, cameras, automobiles and steel production.

Japan has succeeded because it strived in every way to become competitive. It developed and utilized technology. and then it headed around the world to sell its products and make investments.

We in Minnesota are following Japan's example . . . opening a bigger market for Minnesota's products, services and technologies.

It makes sense for us to do this because, Foreign trade is the wave of the future, and Minnesota must be ahead of the rest of the country. We must prepare now for the time when the value of the dollar is more realistic, and American products will once again be competitive in world markets.

International trade means expanded business for Minnesota, and business expansion, of course, means more jobs for Minnesota workers.

I will travel and continue to travel to any community in this state, any city in this nation, any corner of the world to bring jobs to Minnesota.

We must remember that Minnesota works best when its people are at work.

* * * *

Jobs for tomorrow depend upon education and training today, which is our other major priority to position Minnesota for the future.

Education is the fuel that drives the engine of economic growth and job creation in America's modern society.

Minnesota has a head start here . . . thanks to the long-standing support of public and private education by our people.

Our education system . . . at all levels . . . is one of the best in the country. But we must . . . and we shall . . . do better.

Last week I announced a bold, new plan for elementary and secondary education. A plan for access to excellence. This is a plan which ensures that all Minnesotans can participate in determining the highest quality of education for our young people.

Access to excellence will clarify the role of the state . . . strengthen local control . . . increase the productivity of our students . . . and allow parents and students to make decisions about the quality of education.

This is a plan which allows our young people to realize their full potential . . . and to enjoy the brightest future possible.

In less than three weeks, I will submit a budget which significantly increases support to our post-secondary schools. About one-fifth of our budget will be invested in post-secondary education.

We need a strong vocational-technical system to support the workforce needs of our businesses.

We need a strong community college system to provide life-long learning opportunities for all citizens.

We need a strong state university system to educate our young people and to serve the economic development of our regions.

And we need a university which is strong, and world renowned for its graduate programs and research. We have a choice. We can be mediocre or we can be the best. I am sure that we in Minnesota want the best.

I want all Minnesotans to have access to the highest-quality education.

Education for me and many of my generation was a passport out of poverty.

Education for my children and yours will be a passport to prosperity.

Minnesota will become known . . . throughout America and the world . . . as the brainpower state.

Our brainpower will fuel the information-based and technology-based industries already flourishing in our state. It will give rise to new enterprises . . . new ideas . . . and new technologies which can be marketed around the world.

* * * *

These major legislative actions . . . will sustain our momentum and position Minnesota for a strong future.

Mr. Speaker, Mr. President . . . I view this 1985 session not only as the midpoint of the 1980s, but literally as the turning point for our state.

* * *

While I am pleased by the progress we have made . . . and while I see many signs for optimism . . . I am greatly disturbed by what I see happening in much of rural Minnesota.

It is increasingly apparent that Minnesota is becoming a two-economy state, with prosperity in the metropolitan area and depression in many rural parts of Minnesota.

Although there are now 57,800 more Minnesotans working than ever before in our state's history . . . that is no consolation to the steel workers on the Iron Range, to the wood workers in International Falls, to the implement dealers in Dawson or the farmers in Fairmont.

The farm crisis and the severe problems of structural unemployment will require a massive, bi-partisan effort that

includes a major commitment from Washington. The problem goes far beyond our control. The state can help . . . and we will . . . but our Senators and Congressmen must work with us. As a nation pulls together in time of crisis, our state must pull together in this time of economic disaster in rural Minnesota.

I want to work with all of you in developing permanent, long-term solutions for our economically depressed areas.

To those people . . . hard-working people whose lives are being devastated . . . to all who may feel this despair . . . let me say that I know from personal experience the heartache you are going through.

I can remember my days growing up in Carson Lake . . . a small mining town on the Iron Range. When my father's lunch box was on the shelf, it meant no work, no income for our family.

I know what it's like to need a job and not have one. I know what it's like to face the loss of home and community, since my hometown of Carson Lake is gone forever.

I want you to know that I will not rest in my efforts until all Minnesotans share in our improving economy.

I want you to know, also, that I am committed to making Minnesota benefit . . . not suffer . . . from the changes that are sweeping America and the world.

Resisting change is a losing battle. Shaping change is the real challenge. And accepting change can mean new opportunities.

Many times in my own life I have learned this lesson.

When I was five years old . . . a first generation American who couldn't speak English . . . dedicated teachers taught me the English language and opened a window on the world.

Many years later, I suffered the deep personal disappointment that follows a political defeat.

You could not have convinced me that any good could come from that. But . . . in fact . . . it was a bright, new beginning.

Again, the world opened up. I learned much more about business, international trade, the arts, the cultures of other people. And I developed a closer bond with my own family.

I returned to the Office of the Governor with a new perspective . . . a broader view . . . a clearer vision of what Minnesota can be.

And I entered the job with a new enthusiasm for the state and the people I love.

It's an enthusiasm . . . I believe . . . that flows from a special Minnesota spirit.

A spirit that we saw this holiday season when empty food shelves were filled to overflowing once the call for help went out.

It's a spirit that captures the attention of national observers such as Neil Peirce who, in his Book Of America; Inside The 50 States, he said:

"Search America from sea to sea and you will not find as close a model to the ideal of the successful society as Minnesota."

As we look ahead to the 21st century . . . just 15 years away . . . it occurs to me that we are all immigrants sailing to a new land.

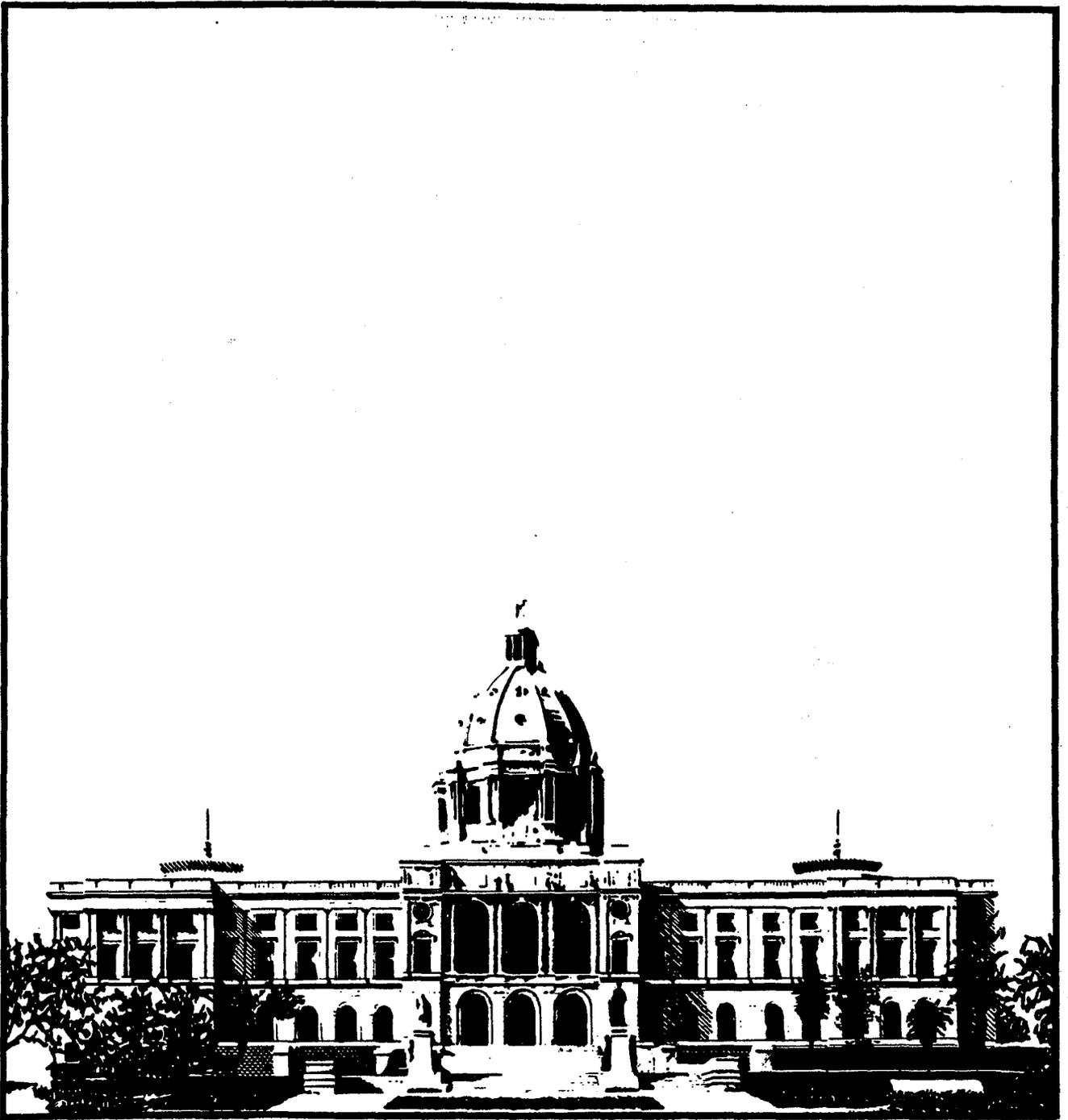
The technological language and culture of tomorrow are unknown to us today. But I am hopeful as I was . . . when I

first began to learn English as a second language . . . that
our voyage into the future will be successful.

By nurturing our sense of family . . . by continuing
our spirit of cooperation . . . by adopting common goals . . .
by preparing for change . . . we can reach our goal.

We can make Minnesota productive and competitive . . .
and meet the future on our own terms.

Thank you very much.



1984

... the events

JANUARY

Governor Rudy Perpich endorses most recommendations of the Metropolitan Waste Control Commission task force, which included a full-time executive chairman and adding more commission members.....United Press International rates Minnesota's economic recovery in 1983 as the year's top news story.....The Governor appoints a 20-member commission headed by former Minneapolis Lakers' star George Mikan, to lure a National Basketball Association franchise to Minnesota.....The final five judges of the new Minnesota Court of Appeals are named bringing the court up to its full complement of 12 judges.....Minnesota ranks near the top of educational excellence, according to figures released in Washington....."Minnesota is on the move again," Governor Perpich tells lawmakers in his State of the State Address. Perpich calls for removal of the 10 percent income surtax, transfer of revenues from the motor vehicle excise tax from the general fund to transportation funds, repeal of the unitary tax, a \$10 million tax incentive package to encourage Minnesota businesses to enter world markets, and repeal of the estate tax.....Governor Rudy Perpich is the most popular elected official in Minnesota, according to an Independent Republican poll.....Perpich endorses a \$9 million plan to upgrade the University of Minnesota athletic facilities.....Governors Perpich and Earl sign a joint trade cooperation agreement aimed at improving cooperation between Minnesota and Wisconsin.....Governor names a Commission on Economic Vitality in the Arts, which will explore the possibility of a residential high school for students talented in the arts.....A Department of Administration report is critical of the state Human Rights Department, and Governor Perpich promises quick action to cut a backlog of unsolved cases.....

FEBRUARY

Governor Rudy Perpich calls for development of a "world class" convention center in the Twin Cities area and names a nine-member commission to recommend a site and start planning.....Perpich urges the U.S. Senate Environment Committee to approve legislation that would require coal-burning power plants and factories to reduce their sulphur emissions sharply.....The Governor proposes a \$192.7 million capital improvements program to be presented to the '84 Legislature.....Minnesota Human Rights Commissioner Irene Gomez-Bethke resigns after being advised by the Governor that a change in leadership was needed for the department. She is replaced temporarily by Kathryn Roberts of the Department of Administration.....Lt. Governor Marlene Johnson and Ontario resources officials agree to delay enactment of a \$3 daily fishing fee for Minnesota anglers using Canadian waters.....

...Perpich will call for a tax amnesty program to give Minnesotans a three-month period to pay overdue taxes without court action.....The Governor proposes a \$1 tax on new tire purchases and a \$1 tax on motor vehicle transfers to help get rid of scrap tires and start a roadside beautification program.....

Perpich ties repeal of the 10 percent income tax surcharge to increasing the state's "rainy day" reserve fund to \$375 million.....A nationwide report singles out Minnesota as a state that has substantially improved its fiscal condition. The report by the National Conference of State Legislatures said Minnesota is one of six states with the largest budget reserves in terms of dollars.....A task force, headed by the Governor, will promote business expansion in economically depressed Northeastern Minnesota.....

MARCH

Mark Dayton, commissioner of Energy and Economic Development, defends Minnesota's business climate in an "economic state of the state" speech. He said non-agricultural employment increased by 73,000 jobs last year including a 5.7 percent increase in manufacturing.....Governor Perpich names a 15-member panel to serve as an advisory panel for development of the World Trade Center, until the legislature acts to create a permanent commission.....Perpich accuses the Reagan administration of being stuck in neutral on the acid rain cleanup issue. The Governor supports a National Governors' Association proposal calling for a \$3.6 billion, 13-year acid rain cleanup.....Governor asks Minnesota law firms to donate time in order to help the Minnesota Human Rights Department speed up processing on a backlog of cases going back three to five years.....The Minnesota Poll gives Governor Perpich a 60% approval rating.....The Minnesota Department of Public Safety says all types of reported crime in the state decreased in 1983.....Governor Perpich joins officials of CDI sales Corporation and Scandinavian Transport Company in announcing business expansions in Minnesota.....Perpich and DFL legislative leaders propose \$261 million in tax cuts aimed at helping improve the state's business climate.....The Governor announces a \$30 million state fund to finance energy conservation improvements for public school districts.....Minnesota's jobless rate dips to 7.4 percent in February.....An official of the U.S. Ski Association tells the Governor that the Giant's Ridge Ski area near Biwabik, Minnesota is considered the prime site for a U.S. Olympic training facility.....Shakopee will be the site of Minnesota's first horse racing track with pari-mutuel betting.....

APRIL

Minnesota's economic recovery breaks into a brisk stride in January with the Minnesota index of leading economic indicators showing an advance of 3.9 percent, the largest month-to-month gain since May of last year.....Governor Rudy Perpich and DFL legislative leaders agree on a \$359 million tax-cut package that includes repeal of the 10 percent surtax on personal income taxes retroactive to January 1st.....Despite a Minnesota Poll which says seven out of 10 want a lottery, the legislature rejects the idea for this session.....A bill that would have lopped 33 members from the 201 member legislature is scuttled in favor of a study on the subject.....Governor Perpich refuses a request by business and industry leaders to repeal a state law which holds companies responsible for personal injuries and damage resulting from disposal of hazardous wastes, saying he is satisfied with the present superfund law.....A legislative conference committee agrees to a tax package which will give taconite companies \$22 million in tax breaks. In return, the taconite companies will drop all pending lawsuits against the state.....The 1984 Legislature adjourns and Governor Rudy Perpich proclaimed the session "one of the most remarkable in history." Some of the major items include:

- * \$359 million in tax cuts
- * A \$197 million spending bill
- * An increase in the budget reserve to \$375 million
- * State licensing of bingo and funds for a new arts school
- * A new holiday to honor Martin Luther King
- * A moratorium on the search for a hazardous waste site
- * Elimination of Minnesota's tip credit law
- * Restructuring of the Metropolitan Transit Commission
- * Repeal of the controversial 'Buy Minnesota' law
- * Doubling penalties for drunken drivers
- * A 7.5 percent increase in school aid

Governor Perpich vetoes a bill that would have replaced gun control ordinances in Minneapolis and St. Paul with looser state gun laws.....

MAY

Describing the Rev. Martin Luther King Jr. as a man who sought justice through peace and love, Gov. Rudy Perpich signs into law a bill that establishes a state holiday on behalf of the slain civil rights leader.....Governor Perpich hints that he might call a special session of the Minnesota Legislature if a new agreement can be reached on ways to revamp the state's unemployment compensation system.....Minnesota announces plans to open a trade office in Norway, similar to the one opened last year in Sweden.....The constitutionality of the 1983 law creating the Minnesota Energy and Economic Development Authority is affirmed by the Minnesota Supreme Court.....Giant's Ridge Ski Area near Biwabik, will become a training site for potential Olympic competitors, directors of the U.S. Ski Association announced. Governor Rudy Perpich and Iron Range officials had lobbied the 35-member board intensely for months.....Governor tells agency heads to show restraint in the next biennium to save money for tax revision.....Tom Triplett is named chairman of the Environmental Quality Board and will head a study to determine whether it should be restructured or disbanded.....Minnesota Speaker of the House Harry Sieben announces that he will retire from the legislature at the end of this year.....Governor Perpich says Minnesota "absolutely" must change its banking laws to permit banks from other states here. "We could become a major financial center in the Midwest if we do it. All we need to do is open it up, and a number of new banks would move into Minnesota," Perpich said.....Minnesota loses its bid as a site for the 1987 or 1988 National Football League Super Bowl when team owners pick two southern California cities for the January football extravaganza. Minnesota's proposal will remain before the owners as one of 12 for the 1989 and 1990 games.....

JUNE

The State of Minnesota sold a record \$150 million in general obligation bonds at a lower interest rate than expected. Money from the sale will finance highway construction and other capital projects for the 1985 fiscal year.....Governors of four states and four Canadian provinces meet in Minneapolis to consider transnational air and water issues, energy conservation and international trade. The one day meeting of the Midwestern Governors' Conference was called by Governor Rudy Perpich, who is conference chairman.....TIME magazine singles out Minnesota's alliance of public and private interests as a unique force that is helping the state to resist the flow of jobs to the Sun Belt. In a full-page article, TIME calls the state a breeding ground for new high-technology enterprises "at a rate rarely seen outside California's Silicon Valley.".....Secretary of State Joan Grove claims DFL endorsement for the U.S. Senate after an arduous 26-hour battle for 60 percent delegate supportIn a letter to the Latimer Tax Commission Governor Perpich says Minnesota's top tax-revision target for 1985 should be lower personal income taxes.....Under a new federal law, Minnesota has until October 1, 1986, to raise its drinking age to 21, or lose substantial amounts of federal highway construction funds.....

JULY

Governor Perpich ends a two-week trade mission to the Far East and says new markets will open for Minnesota products.....Perpich proposes that the state launch a major effort on mosquito control research. The Governor will seek funds for a program from the 1985 Legislature and also will try to get funds from private industry, the federal government and other states.....Walter Mondale, a symbol of the Democratic Party's tradition and establishment, broke with the past in a spirited ceremony at the Minnesota Capitol, introducing Rep. Geraldine Ferraro of New York as his running mate.....Governor Rudy Perpich, saying he does not want to commit himself now to running for reelection in 1986, has decided not to seek the chairmanship of the National Governors' Association.....The one year Minnesota emergency jobs program has put twice as many people to work as expected. The \$100 million MEED program set a one-year goal of placing 7,000 people and hoped to find jobs for 12,500 people by June 30, 1985; but 15,216 people had jobs during the first year.....State revenue officials expect an additional surplus of \$128.4 million by the end of the 1984-85 biennium.....Governor Perpich meets with Midwestern governors to seek support for a regional consortium to develop international trade ties.....Governor Rudy Perpich of Minnesota and Tony Earl of Wisconsin announce a multimillion-dollar, five-year plan to halt the yearly flow of 4.6 billion gallons of raw sewage into the Mississippi River.....The National Governors' Association adopts a resolution of Governor Perpich in support of pay equity for female state employees.....

AUGUST

Iowa Governor Terry Branstad says his state may join Minnesota and Wisconsin in uniform implementation of the 21 year old drinking age.....I-R leaders are cool to the suggestion of a special session to consider the lottery question. Governor Perpich says a poll taken for him in June indicates 73% of Minnesotans favor a lottery.....MN/DOT announces a \$243 million highway construction plan for the next five years.....61% of Minnesota adult women are in the work force, compared with 54% nationally, according to the U.S. Census Bureau.....Perpich tells state agencies to set aside five percent of their current budgets for possible cuts and to tighten up on 85-87 budget requests..... Governor Perpich says he will not call a special session to deal with a state lottery because of the the reluctance of legislative leaders to have one.....The population of the seven-county metro area grows 3.6% since 1980, to 2,056,820.....A Minnesota Poll says Governor Rudy Perpich has a 72% approval rating among Minnesotans, the highest rating at mid term for any governor since four-year terms began in 1963.....The number of crimes reported in Minnesota during the first six months of 1984 are down ten percent from last year.....Drunken driving laws which go into effect on August 31, make Minnesota among the toughest states to crack down on drunk drivers.....The world's largest trading company, Mitsubishi Trading Company of Japan, opens a trade office in Bloomington.....Minnesota's per capita income rose 33.9% from 1979 to 1983, ranking it 17th in the United States, the Commerce Department reported.....

SEPTEMBER

Minnesota's tax amnesty program brought in more than \$1.25 million in past due taxes during the first month.....Governor Perpich tells higher education leaders that post-secondary schools that don't try to attract more students and improve the quality of their programs could be closed.....The Minnesota Convention Facilities Commission chooses Minneapolis as the site of a new convention center. The actual site in downtown Minneapolis will be selected later.....Governor Rudy Perpich proposes a major reorganization of the state capitol complex which includes moving the offices and departments of four of the six elected state constitutional officers and remodeling the Capitol itself.....Grove, Boschwitz win primary contests for the Senate.....Perpich sends letters to 131 DFL House candidates urging them to stress tax reduction in their campaigns..... Ground is broken for the new Minnesota Correctional Facility for Women at Shakopee.....Minnesota's rate of growth in employment during the last fiscal year was tied for third highest in the nation, according to figures compiled by the Minnesota Department of Energy and Economic Development.....

OCTOBER

Gov. Rudy Perpich meets with representatives of the Twin Cities recording and music industries to discuss how to promote and recognize those local businesses.....Lt. Gov. Marlene Johnson and Lola Perpich lead a delegation of 23 women on a nine-day trade and cultural mission to Egypt.....Inc. Magazine rates Minnesota's business climate fourth best in the nation, up from fifth in last year's rating.....Eleven are appointed by Perpich to a panel which will supervise bingo games throughout the state.....A trade delegation from the Republic of China, Taiwan, purchases \$65 million worth of corn, soybeans and industrial goods from Minnesota businesses in a ceremony at the State Capitol. It's the largest grain deal in state history..... Calling Minnesota the "Northern Gateway" to American products, Governor Perpich tells more than 100 executives gathered in London, England, that Minnesota's work force, educational system, improving business climate and leadership in high technology make the state a prime place to do business.....Minnesota, which faced a \$1 billion deficit a few years ago, will have a \$1 billion surplus by the end of the 1985-87 biennium, according to a revenue forecast by the Department of Finance.....Directors of the Minnesota Public Retirement Association suspend two executives of the state's largest public pension funds after hearing allegations of wrongdoing.....The tourism industry in Minnesota shows an 18 percent growth in 1983, compared to 1982.....

NOVEMBER

The Independent Republicans gain control of the Minnesota House for the first time in 14 years, winning a majority in Tuesday's elections. "The voters have spoken," DFL Governor Rudy Perpich said. "I hope we may now put the campaign behind us and get on with the people's business.".....Five DFL'ers, three Republicans returned to Congress.....Sen. Rudy Boschwitz easily defeats Joan Grove.....Minnesota is the only state in the nation to favor presidential candidate, native son Walter Mondale..... Assistant Attorney General Jean Stepan is named by Governor Rudy Perpich to the Minnesota Tax Court, the first woman to hold that post.....Governor Perpich proposes a \$500 million tax cut and a simplified one page tax form. "It's a once in a lifetime opportunity," Perpich said.....Perpich gives a strong message that he'll be a candidate for reelection in 1986. "I'm sure I'll be running again," he said.....The House IR Caucus picks Rep. David Jennings for speaker of the house, and Rep. Connie Levi for majority leader.....Rep. Fred Norton gets the nod for minority leader from DFL colleagues.....The IR senators pick Sen. Glen Taylor to succeed Sen. James Ulland as Senate minority leader.....Minnesota is the fifth highest taxing state in the nation, according to figures compiled by the Minnesota Taxpayers Association.....

.....Minnesota's unemployment rate drops to 6.4 percent.....

.....Midwest governors endorse uniform implementation of the 21 year old drinking age as proposed by Governor Perpich.....

House Speaker-elect David Jennings supports in principle Gov. Rudy Perpich's proposal for the state to assume 100 percent of public school costs.....Minnesota's emergency jobs program gets good marks from employers who have used the program.....

DECEMBER

The Minnesota Tax Study Commission recommends cutting income taxes by 20%, extension of the sales tax to clothing and personal services, and simplification of property taxes. Reaction to the plan is mixed.....Dave Roe retires as president of the Minnesota AFL-CIO after 18 years of service. Dan Gustafson is the unanimous choice to succeed him.....Governor Rudy Perpich, on a trade mission to Europe, signs an agreement with Korf Engineering Company to seek funding for construction of an iron reduction plant in northern Minnesota..... Perpich, who spent two days in Moscow, telegrams the president urging Reagan to visit the Soviet Union in search of peace. "Feelings are much warmer and friendlier than they were 14 months ago when I was last in Moscow," Perpich said.....The average life expectancy in Minnesota rose from 73 years in 1970 to 76.2 years in 1980, the state demographer reports.....A six-block area adjacent to Butler Square in downtown Minneapolis is chosen as the site for the state's proposed new convention center.....Governor Perpich says he will ask the 1985 Legislature to slash income taxes by \$594 million, and proposed simplifying state taxes with a new one-page tax form.....Perpich will propose interstate banking between Minnesota and neighboring states in 1985. State Commerce Commissioner Mike Hatch said the bill "is important if Minnesota is to remain the commercial hub of the Upper Midwest."..... Governor Perpich confirms in television interviews that he will be a candidate for reelection in 1986.....