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REPRESENTATIVE BILL FRENZEL OF MINNESOTA

*6 nations
meeting Puerto Rico
for an Economic
summit -*

GAVE ME THIS VERY SPECIAL BUTTON.

IT SAYS "BETTY'S HUSBAND FOR PRESIDENT IN '76."

AND THAT'S THE REASON I'M HERE, BECAUSE I BELIEVE IN MY HUSBAND

AND WHAT HE HAS DONE FOR THE COUNTRY. *Bringing common sense to a country that was in chaos 22 mos. ago*

YOU REMEMBER WHAT THE COUNTRY WAS LIKE WHEN HE TOOK OFFICE,

the last AND IN 22 MONTHS HE HAS REALLY TURNED AMERICA AROUND.

It has been like a breath of fresh - Like throwing ^{open} the window ~~open~~ and letting the sunshine in -

In a matter of 22 short months he has 2.

1. *BROUGHT US OUT OF ECONOMIC CRISIS. *In fact MINN is a good example of how much better employment is.*

2. *WITH HELP OF BILL FRENZEL, AL QUIE AND TOM HAGEDORN, *He* HAS VETOED BILLS THAT SAVED TAXPAYERS 13 BILLION DOLLARS *and I mean established* AND ESTABLISHED A CONSERVATIVE APPROACH TO SPENDING. *And that means your dollars and mine*

He HAS 3. *PROVIDED STRONG, CALM LEADERSHIP AT HOME AND ABROAD. *Handling delicate foreign relations with a cool*

*RESTORED HONESTY AND INTEGRITY TO THE WHITE HOUSE. *calm approach*
Pres. Ford has

I WANT TO SAY SPECIAL THANKS TO ALL THE PRESIDENT'S

3.

SUPPORTERS IN MINNESOTA---ESPECIALLY BILL FRENZEL, AL QUIE

AND TOM HAGEDORN. HE APPRECIATES THEIR VOTE OF CONFIDENCE

IN HIS RECORD AND THEIR WORK IN THIS CAMPAIGN.

AMERICA NEEDS A STRONG, DECENT AND HARD-WORKING LEADER

TO BEGIN OUR THIRD CENTURY. JERRY FORD IS THAT LEADER, ^{IN}
He has proved this during his 22 mos. office
AND HE NEEDS YOUR SUPPORT TO STAY ON THE JOB. ~~MINNESOTA~~

This is no time To change our leadership.

CAN ~~HE~~ MAKE **THIS** BUTTON READ: "BETTY'S HUSBAND IS PRESIDENT."

AND MINN with your help CAN make

#

Minnesota GOP Convention, June 25, 1976

This button says: "Betty's husband for President in 76." And that's why I'm here. This really is a Minnesota button, because ~~he~~ it came from Congressman Bill Frenzel. And I want to thank Bill, Al Quie and Tom Hagedorn for their support. All of them have helped the President on those important money-saving vetoes. I know how much he appreciates their help in Congress~~x~~ ~~x~~ and values their ~~xxx~~ friendship.

I'm here to help
I'm in Minnesota to help make that button come ~~xxxx~~ true. *the cause* I believe in my husband and what he has done for the country. If you remember what the country was like 22 months ago, you know how much he ~~w~~ has accomplished in a short time.

*Brought us out of the economic crisis

~~E~~ *Provided strong, calm leadership at home and abroad

*Restored honesty and integrity to the White House

America needs a strong, decent and hard-working leader to

begin ~~our~~ our third century. ~~The President~~

~~SR~~ The President is that leader, and he needs your help to

stay on the job. *We're counting on Minnesota to help, & next year the button will say Betty's husband is President*

Dear Mrs. Ford,

I've written an open, talking points and close,
~~xxxxxxxx~~ similar to the one for the Iowa delegates.

~~SINCE~~ You do such a marvelous job on ^{these} ~~this~~ "stump"

^{Remarks,} ~~speech,~~ and the Minnesota people very much would like

to have ^{these} ~~this~~ type of ^{and remarks} ~~speech~~ from you. You will appear

right before Rep. ~~XXXXXXXX~~ Frenzel, and he will deal

more with the specifics of the President's record.

I've also compiled a background paper, based on
information from the President's side, ~~XXXX~~ conversations

with PFC people here and in Minnesota and the Almanac

of American politics. The Twin Cities information comes

from my years in graduate school at the ~~UNIVERSITY~~ ~~OF~~ University

of Minnesota. Other attachments are suggestions ~~for~~

from different people, and the sources are on them.

Do you need anything else?

Kaye

THE WHITE HOUSE

WASHINGTON

June 18, 1976

MEMORANDUM TO: PETER SORUM
FROM: SUSAN PORTER
SUBJECT: Action Memo

Mrs. Ford will attend the following event:

EVENT: Minnesota Republican State Convention

DATE: Friday, June 25, 1976

TIME: Remarks: Approximately 1:00 p.m.

PLACE: Civic Center
St. Paul, Minnesota

CONTACT: -Hal Levander, Minnesota PFC Chairman
O: (612) 451-1831
Headquarters: (612) 831-4227
H: (612) 739-4553

-Dorothy Lilligren, Minnesota PFC Co-Chairman
Headquarters: (612) 831-4227
Home: (612) 473-0782

-Chuck Slocum, Minnesota GOP Chairman
O: (612) 291-1286
H: (612) 447-5660

COMMENTS: Mrs. Ford will represent the President at the Minnesota State Convention. The Convention, as the background material reflects, is being held June 24-26 to nominate 18 at-large delegates to the Convention. 24 delegates and the section of the 18 at-large delegates will complete the Minnesota slate. It is my understanding that Governor Reagan will address the Convention followed by former Vice Presidential candidate Bill Miller who will deliver the keynote speech. It is felt that the optimum time for Mrs. Ford to appear before the Convention is a bit after 1:00 p.m., prior to the straw vote.

Chuck Slocum mentioned they would also like Mrs. Ford to participate at some point in a question/answer session and Dorothy Lilligren mentioned that from 12:00-1:00 a box lunch is being held and might be a good opportunity for Mrs. Ford to circulate among the delegates. Mrs. Ford will return to Washington following her appearance at the Convention. The file is attached.

Thank you.

c: BF Staff
Red Cavaney
PFC Staff
Jerry Jones
William Nicholson
Warren Hendriks
Terry O'Donnell
Rex Scouten
Staircase

President Ford Committee

1828 L STREET, N.W., SUITE 250, WASHINGTON, D.C. 20036 (202) 457-6400

MEMORANDUM

TO: SHEILA WEIDENFELD DATE: JUNE 14, 1976

FROM: TIM AUSTIN

RE: MRS. FORD'S PARTICIPATION IN THE
MINNESOTA REPUBLICAN STATE CONVENTION

On June 24, 25 and 26, the Independent Republicans of Minnesota (a euphemism for the Minnesota GOP) will be holding their state convention to nominate 18 at-large delegates to the National Convention in Kansas City. With the selection of these 18 delegates, the Minnesota delegation will be complete. Twenty-four delegates have already been selected at Congressional District Conventions (3 each in the eight Congressional Districts). The breakdown of these 24 is 16 for Ford, 4 for Reagan and 4 uncommitted. It is the belief of our Minnesota organization that all 18 at-large delegates can be Ford supporters if a good convention plan is put together.

An important part of this plan is the representative for the President who will be allowed to address the convention at approximately 1:00 p.m., Friday, June 25, for 10 minutes. (A Reagan representative will receive an identical opportunity.) Mrs. Ford is the strong choice of the Minnesota PFC, a recommendation in which the Washington headquarters concurs. Mrs. Ford is widely respected in Minnesota, and her presence would help insure our success. Note: Immediately following the two speeches for the candidates, a straw poll will be taken of the delegates as to their preference for President. Actual selection of delegates takes place Friday evening.

In addition to this speech, Mrs. Ford could eat lunch with the delegates prior to the 1:00 p.m. session and meet individually with the key Republican leaders and delegates already chosen to go to Kansas City. I would also suggest that a non-political event or activity be considered during her visit.

The convention will be held at the Civic Center in St. Paul with the 1976 delegates and alternates in attendance. Former Congressman and Vice-Presidential candidate Bill Miller of New York will deliver the keynote speech Friday morning. (Miller is an ardent supporter of the President).

Any early indication you could give me on Mrs. Ford's availability would be appreciated. If she cannot attend, another advocate will have to be secured.

Thanks for your assistance.

cc: Rogers Morton Stu Spencer Ed Terrill
Roy Hughes Jim Baker Susan Porter

The President Ford Committee, Rogers C. B. Morton, Chairman, Robert C. Moot, Treasurer. A copy of our Report is filed with

Memo to Betty Ford

From Elly

Re Trip to Minnesota

We have had a difficult time getting the proper PR on Women for President Ford. Therefore, you will be signing up in Minneapolis as their No. 1 signature and hopefully we can get some press on this. It would * be nice to mention in your speech later how pleased you * are to have Women for President Ford off the ground - how supportive he is, etc.

Cong. Acher Nelson also suggested that you might want to say how grateful the President is to the minority members of Congress who have stuck with him on the vetoes to insure some stability to the nation's finances - and also to those Jeffersonian Democrats who have been helpful and say how pleased he is that the Minnesota Steering Committee has the three members of the Delegation on it: Quie, Frenzel and Hagedorn.

This latter statement is especially good as some feel that occasionally Cong. Hagedorn wavers a bit - and I know that Mrs. Lund did ask the President to give him a ring when she was in last week.

Have some questions on how to go about handling the Senators, Congressmen's wives who are helping us and I'll get to you soon for your advice

Thanks for everything - Dor McHugh said you were a smash in New York!

**Patti reports that since the group sponsoring the Women for Ford in Minnesota is the Feminist Caucus, a liberal organization, you probably would not want to mention this signing up in your remarks. There will no doubt be press attention to the sign up anyway, and the convention appearance is more oriented toward conservatives.

Minnesota

Entered the Union: May 11, 1858, the 32nd state
Capitol: St. Paul
Nickname: North Star State, Gopher State
Motto: "L'Etoile du Nord," Star of the North
Area: 84,068 sq. miles (ranks 12th)
Population: 3,804,971 (ranks 19th)
Misc: Name Minnesota is from a Sioux word meaning clouded
or milky, referring to the Missouri River

Economy

Despite its northern location and sometimes bitter weather, Minnesota is one of the Nation's leading farm states. Two thirds of the state is rolling prairie with prosperous farms. The products of these farms bring in receipts of over two billion dollars a year.

Livestock is the chief source of farm income. Minnesota also is one of the major dairy states. It ranks third in dairy cows and first in the production of butter. Turkeys and hogs also are important.

Minnesota ranks first in the production of oats, second in hay and fourth in corn, but most of this grain is used as livestock feed. The state is also an important producer of soybeans, flaxseed, barley, rye and sugar beets.

The state also has rich mineral deposits. It is the leading iron ore producer, mining more than half the Nation's yearly output. The famed Mesabi Range (in Northern Minnesota)

Background, Page Two

and the iron rich Vermilion and Cuyuna ranges are located in the state. Minnesota is third Nationally in granite production.

Manufacturing is gaining a foothold in the state. Long a center of the flour milling industry (Pillsbury is headquartered in Minneapolis), southern Minnesota now produces such products as electrical machinery, chemicals, paper, stone and glass products and lumber.

The Twin Cities are thriving centers of business, cultural and sports activities for the upper Midwest. The University of Minnesota, one of the largest University systems in the Nation, has its Main campus in Minneapolis and a smaller campus, primarily for agriculture-type courses, in St. Paul.

Minneapolis also has a resident repertory theatre, the Tyrone Guthrie, an outstanding symphony, an art museum, and the downtown area also was one of the first cities to have a mall. (Seen in the opening scenes of the Mary Tyler Moore)

The sports complex, where the Vikings and the Twins play is located in Bloomington (near the commercial airport), because Bloomington is between the two cities. Although side by side, St. Paul and Minneapolis are distinct cities

with different personalities.

St. Paul, the smaller of the Twin Cities, is an old river town. It was for many years the larger of the two. While Minneapolis attracted Swedes and WASPs, St. Paul got more Irish and German Catholics. Minneapolis, the Nation's largest grain-milling center, is the more metropolitan of the two with more of the business offices centered there. Companies like 3M, General Mills, Control Data and Investors Diversified Services are based in the Twin Cities.

Minnesota is known as the land of ten thousand lakes (actually it has 15,290 lakes over ten acres in size) and has more inland water than any other state. The lakes coupled with the beautiful forests with their abundant game attracts many vacationers and sportsmen. Out-of-state visitors bring over \$800 million to the state annually.

Winter sports naturally are very big in Minnesota, although there are few good ski areas in the state itself. Ice hockey is a great favorite, and the annual state-wide high school tournament is a major event. In the winter, the many, many parks in the Twin Cities always have an area for ice skating.

Background, Page Four

The population of Minnesota is 98 percent white. Almost ten percent of the population is first or second generation Germans, Swedes or Norwegian. The Scandinavian-German influence is reflected in many ways, especially the strength of the Catholic and Lutheran Churches.

Political

The Governor, both Senators and five of the eight Representatives from Minnesota are Democrats, or rather members of the Democratic-Farm-Labor Party. The DFL was formed from the populist Farm-Labor Party, very strong in Minnesota in the 1930s, and the Democrats in the 1940s. Hubert Humphrey was the leading organizer of the merger, which resulted in a DFL sweep in 1948 and dominance in Minnesota politics since then.

The three GOP Congressmen are Al Quie, Tom Hagedorn and Bill Frenzel. Quie represents the 1st district, whose farms, grain elevator towns and small, pleasant cities are more like the rest of the rural Midwest farther south. This southeast corner of Minnesota is much like Iowa and more Republican than the state of Minnesota as a whole.

The district's largest city is Rochester, home of the Mayo clinic, and former home of Supreme Court Justice

Background, Page Five

Harry Blackman.

Congressman Quie is described by the Almanac of American Politics as "the most politically safe Republican in the entire state." He was first elected in a special election in 1958. He is ranking ^{GOP} member of the Education and Labor Committee with a reputation for hard work on constituency matters and moderation. Quie, 52, is a former dairy farmer.

Rep. Tom Hagedorn, 32, was elected to represent the 2nd District in 1964. This was Ancher Nelsen's old seat. The 2nd is in south central Minnesota, and most of the people live in the valley of the Minnesota River. Most of the towns are old and strongly Republican. Hagedorn, a farmer, was considered one of the most conservative members of the Minnesota House. In the U.S. Congress, he got a seat on the Agriculture Committee.

Rep. Bill Frenzel from the 3rd District was first elected to Congress in 1970, when Clark MacGregor left the House to run for the Senate. The third is composed mostly of the suburban areas of Minneapolis. Despite the fact the District has the highest median income ^{of any Minnesota district,} it is by no means heavily Republican.

The district includes a string of suburban cities, one of which, Bloomington, is Minnesota's 4th largest city.

Frenzel, 47, is a former State Representative and former President of the Minn. Terminal Warehouse Company. He is a member of the Ways and Means Committee.

The 6th district is now represented by a Democrat, who was elected in 1974 after Republican John Zwach retired. The 6th, considered marginal, is farm country, the beginnings of the great wheat fields in the Dakotas and Montana.

NOTE: This is one of the areas affected by the drought in Minnesota. See attached.

Miscellaneous

The Minnesota Republicans call themselves the Independent Republicans of Minnesota. The name change is an effort to attract more voters. They are very proud of this name and feel it has been successful in broadening appeal.

All three GOP Congressmen are members of the President Ford Committee Steering Committee. Tim Austin at the PFC suggests you might especially want to mention that in your conversations with them. Hagedorn, a first-termer, could use some bolstering, according to PFC.

The Minnesota PFC CHairman, Hal Levander Jr., is the son of former Governor Harold Levander.

FOOD STAMP PROGRAM REFORM

Q. Why do you feel so strongly about administrative changes in the food stamp program?

A. Reform is needed in the \$5.7 billion food stamp program in order to provide more assistance to those who really need help -- and to eliminate abuses in the program. I directed the Department of Agriculture to make administrative changes which would save taxpayers around \$1 billion after the Congress failed to make seriously needed changes.

Before the changes were to become effective on June 1, a coalition which includes 26 states, 53 labor unions, 20 national religious groups and the U.S. Conference of Mayors filed a suit which alleges that our proposed program changes would deny food stamps to those who need them and raise administrative costs.

A federal judge has issued a preliminary injunction to keep the changes from becoming effective until a full hearing can be held on the case. In the meantime, I have directed the Attorney General and the Secretary of Agriculture to determine how this court action can be dealt with most promptly and effectively to bring about the reforms needed in the Food Stamp Program.

The new regulations would:

- save taxpayers about \$1 billion a year, while eliminating 4.14 million persons from the food stamp program.
- increase benefits to about 6.89 million persons -- those who truly need assistance.

6/18/76 SJ

MINNESOTA

- Q. What is the administration doing to provide needed doctors to nursing homes in medically underserved rural areas?
- A. We recognize that there is an overall problem due to the lack of doctors in rural areas, and efforts are being made to resolve the issue. In the case of nursing homes, HEW is considering waiving the requirement preventing the Medical Director from serving on the Utilization Committee.

Background:

In the sparsely populated counties of Minnesota there are not enough doctors to serve on Utilization Committees. The Office of Long Term Care is considering waiving the prohibition against the Medical Director serving on the UR Committee. OLTC will review the matter on a case by case basis.

SCM
6/18/76

MINNESOTA

- Q. Small nursing homes for the retarded are not following Federal regulations. Is the Government going to crack down on them?
- A. Apparently homes with 15 beds or less have made an interpretation of the regulations which they believe applies only to the larger facilities. HEW is conducting a six month trial with simplified guidelines and will review the issue in March, 1977.

Background:

Small (15 beds or less) Intermediate Care Facilities for the Mentally Retarded group homes in Minnesota believe the Federal regulations apply to large institutions and are not realistically applied to Intermediate Care Facilities for the Mentally Retarded community based homes. Interpretation and guidelines were developed jointly by OLTC, the Minnesota Departments of Health and Public Welfare, Minnesota Association of Retarded Citizens and the Association of Residences for the Retarded in Minnesota that will permit these homes to participate.

MINNESOTA

- Q. What is the Administration doing to reduce fraud and abuse in the Medicaid program?
- A. The Department of Health, Education and Welfare recently announced a campaign to combat this very problem. Additional investigators are being hired, Federal-State teams are conducting comprehensive audits in key States and -- here in Minnesota -- the State has adopted HEW's computerized Medicaid Management Information System to aid in the processing of claims.

I'm sure you know from reading the papers in the Twin Cities that there have been indictments of two nursing home administrators and a pharmacist for fraud under Medicaid.

Background

Minnesota installed the computer in 1974, and it became fully operational by the end of that year. Prior to this, the State was unable to conduct any cross checks or establish any profiles on the providers and their invoices. Minnesota has 87 counties. The State Welfare Department received 20,000 bills a day and spends \$300 million annually on Medicaid.

SCM
6/18/76

MINNESOTA

- Q. Why is HEW asking Head Start families to submit records of their income?
- A. The proposed income verification regulations are meant to eliminate those families whose incomes exceed allowable limits. These regulations are only in the proposal stage and we welcome your comments to guide us in drafting the final regulations.

Background:

Head Start families and grantees in the State of Minnesota have charged that the proposed regulation on income verification (proposed on May 5) is an invasion of privacy and have launched a letter-writing campaign. The regulation was written because auditors felt that a more accurate method of verifying income other than the "simple declaration" was needed in order to eliminate families with incomes in excess of allowable levels. The letters are being directed to John Meier, Director, Office of Child Development and Stanley Thomas, Assistant Secretary, Office of Human Development. The final comments on the proposed regulations must be received by June 21.

SCM
6/18/76

MINNESOTA

- Q. Why isn't HEW paying health providers in Minnesota amounts comparable to what other Federal agencies are paying for care provided to migrant workers?
- A. There are inconsistencies between HEW and DOL payment levels. HEW and DOL are working together to find a way to resolve the problem.

Background:

HEW grantees in Minnesota are experiencing problems with health providers as a result of the different policies and pay schedules of HEW and DOL for reimbursement for health services provided to migrants. In many cases, the provider -- a physician or hospital -- is paid different amounts by HEW and DOL grantees for the same service. These problems are caused by differences in legislation, and by differences in the way agencies administer their own programs. DOL has had agency responsibility. The HEW Regional Director has suggested that various operating components within HEW (primarily Office of Planning and Evaluation) meet with DOL.

SCM
6/18/76

CANADIAN CRUDE OIL EXPORT REDUCTIONS

Question

Are any shortages of crude oil anticipated in Minnesota as a result of the Canadian export reduction schedule?

Answer

No shortages are anticipated in Minnesota through this winter, based on the current Canadian export reduction schedule.

To deal with future reductions of exports by the Canadians, the FEA has issued new regulations which provide for the preferential allocation of Canadian oil to priority classes of refiners and other firms over the next three years.

Under the proposed allocation program, which will cushion the effects of the cutback for refiners without an alternative source of supply, all three Minnesota refiners will receive 100 percent of their base period allocation for the remainder of the year.

Background only

In October 1974, the Canadian Government announced its intention to phase out all crude oil exports to the United States by 1982. It is anticipated that the major export reductions will be scheduled by 1978.

GRS
6/21/76

CANADIAN NATURAL GAS PRICE INCREASE

Question

Will those of us in Minnesota who are dependent on Canadian Natural Gas experience shortages this winter?

Answer

We fully expect that there will be adequate supplies of Canadian natural gas available this winter, although the price will be higher than last winter. The latest price increase is regrettably the fourth since 1973.

Beyond this winter, FEA is studying alternatives for providing heating fuel and negotiations are continuing with the Canadians to assure an adequate natural gas supply at a fair price.

Nevertheless, this action by Canada underscores our energy vulnerability because of our continuing dependence on foreign supplies. For the long term, the only real solution is removal of Federal price controls from new natural gas supplies to stimulate additional domestic production.

GRS
6/21/76

ALASKAN NATURAL GAS

Question

What is being done about the proposal to bring natural gas from Alaska and the mid-west by pipeline across Canada?

Answer

The agencies (principally FPC and Interior) now responsible for making this decision are considering alternative routes, including the Canadian pipeline, but they have not reached a conclusion.

It is in the best interest of the country to have this decision as soon as possible after a thorough evaluation of the alternatives has been completed. To expedite this process and to assure that all relevant factors are considered, I proposed legislation to the Congress in February that would establish a special, expedited decision-making process. This process would allow agencies a reasonable amount of time to complete their work but would assure a decision by mid-1977. I am gratified that the Congress seems to be favoring legislation of this kind.

Background only

The FPC is currently considering three applications: the Arctic Gas proposal to build a pipeline across Alaska; the El Paso proposal to build a gas pipeline paralleling the trans-Alaskan oil pipeline; and the Northwest Pipeline Corporation proposal to build a pipeline from Purdhoie Bay on the north slope of Alaska to the Alcan Highway in Canada linking up with existing Canadian pipelines.

GRS
6/21/76

OIL COMPANY DIVESTITURE

Question

There seems to be more and more talk in Congress about breaking up the major oil companies. You have said elsewhere, I believe, that you oppose the divestiture proposal. Why?

Answer

I am very concerned about the thrust of the divestiture bill recently voted by the Senate Judiciary Committee.

It assumes that, by breaking up a major segment of the oil industry, we can lower prices and increase secure supplies. I have not seen any evidence to indicate that these results would occur.

If it could be positively shown that divestiture would improve the delivery of secure volumes of oil at lower prices to the American people, I would favor it.

The advocates of the bill reported by the subcommittee have not made that case. There is a good chance that the bill would retard rather than expand domestic production and actually increase our dependence on high prices foreign oil and our vulnerability to disruption from an embargo.

Until it can be demonstrated that divestiture legislation would improve rather than worsen our energy situation, I must oppose such proposals.

GRS
6/21/76

SOLAR ENERGY AND THE
SOLAR ENERGY RESEARCH INSTITUTE (SERI)

Question

Why has ERDA scaled back its plans for the Solar Energy Research Institute (SERI)? Is this another signal that the Administration is going to slow down the development of solar energy -- while it continues to push nuclear?

Answer

First, let me point out that we are greatly increasing the Federal effort on solar energy. My 1977 Budget requests \$142 million for solar energy R&D -- an increase of 28 percent over 1976, and some 3-1/2 times over 1975.

Second, with respect to the proposed solar institute, ERDA did a thorough study to determine the best way to proceed. ERDA concluded that the Institute should begin with those functions that can now be specified as essential to the solar energy program. The Institute would then be expanded as the needs of the program dictate and the performance of the institute warrants.

Follow-on Question

We would like to have the new SERI located in our State. What are our chances?

Answer

On March 15, 1976, ERDA issued a request for proposals covering the establishment of the proposed Institute. Any responsible organization is qualified to respond to the request.

Proposals are due to ERDA in July, and I understand ERDA is expected to receive a large number. ERDA will evaluate these and make a selection sometime in December. I would urge you to get your proposal in to ERDA so that you will be in the competition.

GRS
5/20/76

GASOLINE SUPPLIES AND PRICES

Question

Will there be a shortage of gasoline this summer and are prices expected to go up again?

Answer

Supplies of gasoline should be adequate to fulfill our needs throughout the summer months.

However, gasoline prices are increasing over the summer months because of several factors:

- . First, gasoline prices normally rise during this time of year.
- . Second, we are becoming more and more dependent upon higher priced foreign sources of crude oil.
- . Third, the Energy Policy and Conservation Act which became law last December will automatically increase domestic crude oil prices by about 75 cents per barrel over the coming year.

In total, gasoline prices may go up about 5 cents per gallon of the summer and then decline somewhat during the winter months.



SUPPORT OF PRE-COLLEGE CURRICULUM DEVELOPMENT

QUESTION

Why is the National Science Foundation (NSF) spending taxpayer's money to develop and promote pre-college course material which many people feel undermine American family and religious beliefs and local school autonomy?

ANSWER

The National Science Foundation has taken steps to make certain that it does not, through its curriculum development activities, infringe upon values and rights of parents and local school authorities.

The NSF program to support the development of improved science course materials for pre-college levels was a response to widespread concerns following the launching of Sputnik that science was not getting adequate attention in the schools. I understand that course materials dealing with physics, chemistry and mathematics were developed and have been well received. However, materials dealing with biological and social sciences have raised questions involving beliefs and values.

NSF now makes sure that all pre-college materials are made available for inspection by parents, teachers and the public before possible adoption. The decision as to whether or not to adopt this material must and does remain with the local communities.

Background Only

Strong criticism has been voiced concerning NSF involvement in a pre-college social science course called MACOS (Man: A Course of Study) and a pre-college biology course materials based on evolutionary theories. NSF may have provided financial support to organizations promoting the use of this material, but that has been stopped.

In general, the strongest criticism has come from groups that have strong fundamentalist religious views and conservative political philosophies, particularly with respect to local school autonomy.

GRS
6/17/76

SIGNING OF THE ENERGY BILL (EPCA)

QUESTION

Ronald Reagan has said that one of your biggest political mistakes was signing the Energy Policy and Conservation Act (EPCA) which not only rolls crude oil prices back but keeps this country under price and allocation controls for at least three more years. Do you agree that you made a mistake in signing that bill?

ANSWER

Absolutely not. I deliberated long and hard last December with my advisers as to whether I should sign that bill. I felt strongly and still do that it was the very best energy bill that we could get from the Congress upon entering an election year.

I agree that the bill is by no means perfect, but it does provide for a strategic petroleum storage program and some very important conservation programs. Moreover, the oil pricing provisions do permit phasing out crude oil controls over the next three years and allows for an orderly dismantling of all Federal controls on oil.

I also stated when I signed the bill that I intended to utilize fully the authorities granted to me to implement the pricing provisions in a way that would stimulate added production, and to get the Government out of the price control business at the earliest possible time. This is being done now.

The bill provided a step in the right direction, but not as far as I would like. We still have a long way to go.

GRS
6/17/76

FUEL OIL PRICE DEREGULATION

Question

How will the decontrol of residual fuel oil and proposed decontrol of distillates (heating oil, and diesel fuel) affect prices and supplies of these products in Minnesota?

Answer

We fully expect supplies of residual oil, heating oil, and diesel fuel to be adequate. Residual fuel oil prices are not expected to increase as a direct result of decontrol. Prices of heating oil and diesel fuel may increase somewhat but probably no more than 2 cents per gallon.

GRS
6/21/76

THE WHITE HOUSE

WASHINGTON

June 22, 1976

MEMORANDUM FOR: JIM SHUMAN
FROM: STEVE McCONAHEY
SUBJECT: Minnesota Issues

The following are our issues for Minnesota based on discussions with the State House and Senate Minority Leaders, former Governor LeVander, and others:

1. Drought

The drought in the western part of the State, encompassing twenty counties, is the issue of greatest concern at the moment. This drought will affect a number of crops, and Governor LeVander estimates that farm income in this area may drop 50%. The President declared this a disaster area last week, and the Federal government will continue to provide appropriate assistance. Rain in this area during the past several days has brought some relief but the situation is still serious.

The farmers in Minnesota, however, have experienced in the past several years bonanza crops, and are considered very well off. They are not happy with the grain embargo policy or the failure to raise milk prices. This is the constituency where the President's support is the softest. However, the USDA Crop Report, to be issued within the next several weeks, purportedly will predict good news for the farmers this coming year.

2. Western Reserve Mining Case

This is a highly controversial issue, especially in the northeast part of the State, which the President should avoid commenting on, if possible. Western Reserve Mining Company, which has been disposing taconite tailings into Lake Superior over the years, is under court order from a suit brought by environmentalists to implement an on-land disposal system by July 1, or shut down in one year. The Court has ordered the State and the Company to select jointly an appropriate site, but there has been difficulty in reaching a compromise on the selection. The Company claims it cannot economically compete with the new restrictions, especially if the State-selected site is used. The complex is a \$300 million investment, with 3,000 employees. This is a classic example of environmental interests conflicting with economic forces. Public sympathies in Minnesota are evenly divided, with the Governor not taking a strong stand.

3. Unemployment

Unemployment in Minnesota is traditionally lower than the National average and is the case at present, with the rate at approximately 6%. However, the business community is facing problems which are likely to aggravate the unemployment rate. State fiscal and tax policies are forcing highly mobile industries out of the State, along with growing costs of Federal and State red tape. There is worry that insufficient jobs will be created in the long term.

4. State Fiscal Policies

The State has had a 40% budget increase over the last two-year period, totalling \$1.4 billion. Under the State tax structure, Minnesota receives a windfall from Federal tax reductions, with a windfall estimated at \$36 to \$40 million during this past year. The result is a State budget surplus and a continuing proliferation of new State programs.

The State government is under one-party control, with the election laws favoring a continuation of one-party rule.

5. General Revenue Sharing and Block Grants

Revenue Sharing is popular, except within the right wing of the Republican Party. A plank opposing General Revenue Sharing in the State party platform was almost adopted at a recent District Convention.

On the other hand, block grants have been passed by the State to local governments over the years with great success. Sixty percent of the education budget comes through State block grants. There is growing support among some key state Democrats for the President's block grant proposals, with the Speaker of the House recently testifying on the Hill in behalf of the education block grant, and Senator Mondale expressing increased interest in this legislation.

6. Minneapolis Area Intergovernmental Cooperation

The Minneapolis-St. Paul area has been a model of regional cooperation, even to the extent of sharing revenues among individual jurisdictions in order to support regional services. This type of cooperation could be mentioned as an example of how local initiative, planning and decision-making can yield positive results.

7. Miscellaneous Notes

- In general, conditions in Minnesota are good and problems mild. The State is prosperous and, except for the drought, the future is promising.
- The President has strong support in the metropolitan areas, out-polling even Carter. His support is softest with the farmers, who are for Reagan.
- The President's proposal for increasing the inheritance tax is popular with the farmers, especially with land values increasing rapidly.

- Party registration breaks down as follows:

- 17% Independent - Republican
- 38% Democrat - Farmer - Labor (DFL)
- 45% Independent (with approximately 60% Republican)

8. Minnesota Party Platform *

Attached is an advance copy of the 1976 Platform, to be adopted at the State Convention this weekend. This was sent to us by former Governor LeVander with the comment, "The President can certainly endorse the ten principles."

*I did not attach the platform, which basically is very broad, general statements of traditional party faith.

Attachment

BACKGROUND INFORMATION ON THE PRESIDENT'S TRIP
TO MINNESOTA BY REP. AL QUIE

- The President should stress the differences between Republican proposals in the Congress and those offered by Democrats.
- Stress that the Republican programs such as revenue sharing retain the freedom of decision-making at the local level.
- Besides revenue sharing, other issues such as adequate defense, operating the government in the open (sunshine law), the President's program to help people without putting them on welfare.
- The economy of Minnesota is agricultural. They are concerned about any embargoes on agricultural products and the problem of reduced crops this year because of the drought. Secretary Butz has been asked to send someone out to view the drought conditions and if this has not been done and if the rains have not arrived by the time the President arrives, he should be prepared to announce some sort of action.

BACKGROUND INFORMATION ON THE PRESIDENT'S TRIP
TO MINNESOTA CALLED IN BY REP. TOM HAGEDORN

1. Suggests the President play on the economy because Minnesota has not suffered as much as the rest of the country. He said the talk should center on the economic recovery and renewed confidence.
2. The President should bring out how he has restored integrity to the office of the President considering the difficult time when he took over.
3. Agriculture and related foreign sales of agriculture products.
4. Estate tax reform - suggests criticism of Ullman position
5. Mention drought conditions in the midwest, especially Minnesota. (Mr. Hagedorn mentioned a helicopter review by the President of the drought situation in the 2nd and 6th districts after the planned events in Minnesota. He would be happy to accompany the President and also suggests inviting the 6th district Republican candidate.)

MINNESOTA DROUGHT

Q: What has your Administration done to aid farmers in Minnesota hurt by the current drought?

A: On June 16, 1976, I declared emergencies for the States of Minnesota, Wisconsin and South Dakota, which provide Federal assistance for the transportation of hay to feed the livestock of the stricken areas. This action complements the Department of Agriculture's sale of oats at a reduced rate to livestock owners.

BACKGROUND

The requests for Federal assistance by the governors of the three States in question included full purchase of livestock feed as well as transportation. The emergency declaration and complementary USDA action, however, only provide for transportation of hay and the sale of oats from government surplus, which conform with past Federal precedent.

The drought is continuing in the three State area and may cause crop damage but this can not be determined immediately.

FLM
6/18/76

Minnesota

Entered the union May 11, 1858, the thirty-second state.

Capitol: St. Paul

Nickname: North Star State, Gopher State

State flower: ~~Lady's slipper~~ Motto: "L'Etoile du Nord", "Star of the North"

State tree; Red pine

State bird: Loon

Area: 84,068 sq. miles (ranks twelfth)

Population: 3,804,971 (ranks nineteenth)

Misc.: Name Minnesota is from a Sioux word meaning clouded or milky, referring to the Missouri River.

Despite its northern location and sometimes bitter weather, Minnesota is one of the nation's leading farm states. Two thirds of the state is rolling prairie that supports prosperous farms. The products of these farms bring receipts of over two billion dollars annually, ranking Minnesota fifth among the states.

Livestock is the chief source of farm income. Minnesota is one of the major dairy states. It ranks third in dairy cows and first in the production of butter. Turkeys and hogs are also important.

Though crop production is secondary in the state, Minnesota ranks first nationally in oats, second in hay, and fourth in corn. Much of this grain is used as livestock feed. The state is also an important producer of soybeans, flaxseed, barley, rye, and sugar beets.

The 1969 Census of Agriculture counted 10,747 farms in the state, sixteen percent fewer than in 1964. The average farm size increased by twenty-five acres.

Value of all agricultural products-	\$2.01 billion
livestock and poultry-	\$1.35 billion
crops-	\$65 million

Minnesota has rich mineral deposits. It is the ~~maximax~~ leading iron ore producer, mining more than half the nation's yearly output. The famed Mesabi Range and the iron rich Vermilion and Cuyuna ranges are located in the state. State is also third in granite production. Mineral production is worth \$650 million annually, \$590 million from iron.

Manufacturing is gaining a foothold in the state. Long a center of the flour milling industry southern Minnesota now produces products such as electrical machinery, chemicals, paper, stone and glass products, and lumber.

Minnesota is known as the land of ten thousand lakes (actually it has 15,290 lakes over ten acres^{10,512²}) and has more inland water than any other state. The lakes coupled with the beautiful forests with their abundant game attracts many vacationers and sportsmen. The out-of-state visitors bring over \$800 million annually to the state.

Rochester, Minnesota is the home of the famous Mayo Clinic, that has attracted patients from all over the world since it was founded by Drs. William and Charles Mayo.

The state was not settled early, but once the area was opened its settlement and growth were incredibly rapid. The first white men in the area were the French who explored the region around 1680. They established a few short-lived forts and trading posts. The territory was divided temporarily when the French ceded the land east of the Mississippi to the English after the Seven Years War. The previous year they had ceded the western portion of the land to Spain in a secret treaty.

After the American Revolution the English gave up their portion of the land to the victorious United States. No attempt was made to oust the British from the area; they continued to operate trading posts there until after The War of 1812. Soon after France regained the western part of the area from Spain they sold it to the U.S. as part of the Louisiana Purchase in 1803.

Settlement was initially slow. Congress did not organize the territory of Minnesota until 1849, and the 1850 Census showed only six thousand people lived there. This changed dramatically when, in 1855, a treaty was negotiated with the Sioux and Chippewa that eliminated the Indian title to two thirds of the territory. There was a rush to the new land. A 1857 census counted 150,000 people. ~~On~~ May 11, 1858 Minnesota was admitted to the union.

The population boom continued through the 1860's; a large majority of ^{these} settlers came from the Scandinavian countries.

Minnesota, the second youngest state was the first to volunteer to defend the union. The governor was in Washington when Sumter fell ~~to~~ ^{AND HE} immediately offered troops to Lincoln.

More important to the state at ~~the~~ ^{that} time than its role in the Civil War was defense of its frontiers. In 1863 the Sioux rebelled against attempts to keep them on reservations. Expeditions led by Gen. Sibley and Gen. Sully drove the Indians beyond the Missouri.

The political history of Minnesota is unique. A number of strong third parties were ~~formed in the state~~ powerful in the state. The ^{an} Populists, the Farmer-Labor Party and The National Grange all had impact on state politics. The Republicans were the dominant national party until the Depression.

Major Cities-

Minneapolis	434,400
St. Paul	309,980
Duluth	100,578
Bloomington	81,970
Rochester	53,766

Population Characteristics-

Total	3,804,971	
urban	1,553,885	40.8%
suburban	973,423	25%
rural	1,277,663	34%

median age- 26.8 years (national 28.1)

education- (over age twenty-five) 58% four years high school
14% four years college

median income- \$9,928 ranks seventeenth (national \$9,586)
white families-\$9,961
black families-\$7,672

About 8% of the families were below the poverty level

work force-

Total	1,533,925	
men	951,869	62%
women	582,056	38%



unskilled operatives	98,618	8%
Men-skilled blue collar	175,147	18%
professional-technical	137,051	14%
managerial	107,184	11%
clerical	60,518	6%
Women-clerical	191,610	33%
service	114,310	20%
professional-technical	92,929	16%
unskilled operatives	59,326	10%
sales workers	11,234	2%

Racial Makeup-

White	3,736,038	98%
Black	34,868	1%
American Indian	23,128	.6%
Japanese	2,603	.07%
Chinese	2,422	.06%
Filipino	1,456	.04%

Ethnic Groups- (first and second generation)

Germany	137,442	3.6%
Sweden	114,512	3%
Norway	114,221	3%
Hispanic	23,198	.8%

OFFICE OF
THE SECRETARY OF AGRICULTURE

June 23, 1976

Kaye:

Attached is the material which we discussed which may be useful in connection with Mrs. Ford visit to Minneapolis.- St. Paul.

Regards,



PAUL A. THEIS
Deputy Under Secretary
For Congressional and
Public Affairs

SUGGESTIONS FOR MRS. FORD'S STATEMENT IN MINNEAPOLIS-ST. PAUL

All over the United States, agriculture plays a most important role. Here in Minnesota, it is a leading factor in your economy. In some sections of the country, it's fashionable to be critical of farmers. I saw a bumper sticker in Washington the other day on a car which read: "When you criticize farmers, don't talk with your mouth full."

Farmers deserve our greatest praise for their productive efficiency. And they are earning better incomes without government payments these days.

Our dear friend, Ancher Nelsen, says it best when he tells people that for the first time in the lifetime of many American farmers they are producing their goods for a market other than the federal government.

The President earlier this year took note of the significant progress farmers are making when he said, "The last 3 years have been the 3 highest net farm income years in history. That's the way it should be. It took hard work on the part of all farmers and it took the right kind of farm policy. I want to keep that good climate. I think you do too."

Then he talked about some of the things he's concerned about. First, he said, "I am firmly opposed to holding your reserves in a government bin or warehouse. I am against policies that would have

farmers producing again for a government storage bin and a government check. I am firmly opposed to subsidizing imports. I don't want American farmers competing against the treasuries of foreign governments."

He said at the same time he supports our agricultural exports and is proud of the record of this Administration. He said, "Farm exports thus far in the 1970's will total 2-1/2 times more than in the same period in the 1960's." He went on to say, "We want our agricultural exports to promote trade and help keep the peace. We want to keep your boys on the farm and send your bushels overseas -- and at good terms of trade. I oppose policies that would keep your bushels at home and send your boys overseas."

We all know that we have a beautiful country of great resources. We all know that the greatest technology available in the world is available for our farmers, but as the President also said, "Some Nations with other economic and political philosophies have virtually the same combines and tractors that our farmers use. But those Nations do not have the greatest piece of farm machinery built -- the free enterprise system."

"We have turned things around in rural America, and we must keep it that way. We have more to do and I want to work with you to get it done."

Background on Delegates

Minnesota has 42 delegates. Twenty-four delegates have already been chosen; three each from the eight Congressional districts. Of these 24 delegates, 16 are committed to the President, five to Reagan and three are uncommitted.

The convention, which has 1976 delegates, will choose the remaining 18 delegates. Of the 1976 delegates to the state convention, PFC people estimate 55 to 60 percent are for the President. An effort is underway by the PFC in Minnesota to structure the rules to give the President a better chance of getting all or almost all of the 18 at-large delegates. You will be briefed by PFC people about the outcome of that effort.

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INDEPENDENT REPUBLICANS OF MINNESOTA

'PUTTING IT TOGETHER'

1976 PLATFORM

Platform Committee Proposal

LeVander, Chairman
Bond, Dodge Center
Niffke, Hayward
Ranson, Eden Prairie
Reid, Shoreview
Russe, Minneapolis
Payne, DeGraff
Jackson, Fosston
Leuben, Grand Marais

IRM STATE CONVENTION
June 24-26, 1976
Civic Center Arena
St. Paul, Minnesota

DECLARATION OF INDEPENDENT-REPUBLICANS

In this Bicentennial year, when we should be reminded of the introduction to our Declaration of Independence:

"We hold these truths to be self evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights, Governments are instituted among men deriving their just powers from the consent of the governed..."

It is appropriate that the Independent-Republicans of Minnesota state and reaffirm their beliefs as expressed in the following:

TEN PRINCIPLES FOR THE INDEPENDENT-REPUBLICANS OF MINNESOTA

We believe in the fundamental dignity, freedom and responsibility of the individual. This freedom demands that people be allowed to choose a way of life according to their own God-given abilities and without restriction because of color of skin, class, sex, ancestry, or religious beliefs.

We believe that too much concentration of power in central government means too little freedom for the individual. The expansion, concentration and centralization of power in the federal government has reached dangerous proportions. State government should not make the same mistake by taking over the functions that should properly be handled at the county, city or village units of government. Dependence and reliance on big government, whether federal or state, will destroy liberty and our very way of life.

We believe in economy and efficiency in government. Increased taxation to support unnecessary government services and a gigantic bureaucracy is a threat to our entire economic and social well-being. Deficit government spending at every level contribute to the economic cruelty of inflation. Taxation is the means of paying the costs of essential government services and should not be a tool for the redistribution of the nation's wealth.

We believe that our society has a humanitarian responsibility to those in need, such as: the aged, the infirm, the mentally ill and others. Government responsibility begins only when the resources of the family, church and private agencies are unable to meet these needs. Government support cannot and should not be a substitute for individual moral responsibility. Strict adherence to eligibility standards for government aid should be adhered to, to avoid breakdown in public confidence.

We believe we must provide educational opportunity for our youth as a condition to the survival of self-government. This is predominantly the State's responsibility as spelled out in our Minnesota Constitution. This requires a strong public school system which we believe to be capable of the highest attainments only when locally controlled. We must develop effective measurements of performance obtained for every tax dollar. The independent contributions of private institutions to quality in education deserves public recognition and encouragement.

We believe in individual enterprise and private ownership of property. This system has produced America's standard of living which is the envy of every other nation. Too much government interference or regulation with agriculture, business and social conduct (which we now have) serve only to dull initiative with the result that a healthy economy is stifled.

We believe that working men and women have the right to organize and bargain collectively. Union members must be guaranteed the right to an effective voice and access to full information on all operations of their unions. We further believe that union leadership, like all other leadership in our society, has a grave responsibility to safeguard the public interest. America's strength depends upon the freedom and prosperity of its working people, whether organized or not, without discrimination and without special privilege.

We believe our people have the right to enjoy and the duty to protect our natural resources. Only through dedicated conservation practices can we protect this right and discharge this obligation to posterity. We recognize that a complex society with ever-growing population and industrial growth puts a pressure on our environment, but we believe that our environment can and should be protected without the crippling of technological advances.

We believe that our state has been and will be best served by a citizen legislature. A full-time, professional legislature will increase government control and interference, be expensive, staff dominated, self-perpetuating, and become insensitive to the real problems and wishes of the people.

We believe our foreign policy must be dedicated to preserving a free America. This calls for a strong national defense so that in our quest for world peace we can nego-

tiate from a position of strength.

This statement reflects the principles which guided our party's first president, Abraham Lincoln:

You cannot bring about prosperity by discouraging thrift. You cannot strengthen the weak by weakening the strong. You cannot help the wage earner by pulling down the wage payer. You cannot further the brotherhood of man by encouraging class hatred. You cannot help the poor by destroying the rich. You cannot keep out of trouble by spending more than you earn. You cannot build character and courage by taking away man's initiative and independence. You cannot help men permanently by doing for them what they could and should do for themselves.

FINANCIAL MANAGEMENT

In view of the alarming growth of taxes in Minnesota the IRM again voices its concern over facts such as these:

- a) Minnesota's progressive personal income tax coupled with inflation clearly results in taxes taking an increasingly larger bite of the taxpayer's spendable income despite cost of living wage increases.
- b) Minnesota has the highest corporate income tax in the nation and one of the highest personal income taxes.
- c) Our bonded indebtedness has doubled in the last five years.
- d) Our DFL-controlled state government increased spending 42% in the past two years and 75% over the past four years. The cost of operating the legislature has increased 300% since 1972 and there has likewise been a staggering increase in the personnel and cost of operating the governor's office.

To curtail spending and limit unrestricted tax increases, the IRM recommends a constitutional amendment limiting legislative authority to increase taxes more than the cost of living increase plus 5% without a referendum. An increase of the bonded indebtedness of the state by more than fifty million dollars should require two-thirds vote of each house.

Many middle income Minnesotans are being pushed into higher income tax brackets when they receive a cost of living pay increase, resulting in a net decrease in the amount of their spendable income. Our party believes that a study should be made toward the goal of adjusting the income tax brackets so that cost of living increases do not result in less spendable income.

HEALTH/CORRECTIONS/WELFARE

CORRECTIONS

The IRM calls for a determinate sentencing system. The certainty that a convicted offender will go to prison for a specified period of time is more of a deterrent to crime than the present system of indeterminate sentences. The parole board should be eliminated. A new commissioner of corrections should be appointed and there should be a drastic policy revision in the handling of inmates.

With the Governor's Crime Commission receiving approximately ten million dollars a year from the federal government, and crime continuing to increase at an alarming rate, the IRM urges that a legislative investigation be conducted to ascertain whether the large expenditure of funds is being properly directed into areas where they can reduce crime.

WELFARE

The IRM does not feel it should be necessary for a federal district court to dictate the level of care at state hospitals such as Cambridge. So that patients may be properly served, we recommend that the Legislature conduct an investigation of what care and services the State Department of Welfare provides at our state hospitals.

HEALTH

The IRM supports existing programs whereby both private and public health care providers maintain preventive health care facilities at the local level. The long-term benefits of those programs will be the reduction of illness with concomitant control of health care costs. The party encourages increased cooperation and partnership on the part of all health care providers, and especially the health care measures, public health education programs and preventive health screening facilities with the goal of detecting illness at the earliest possible time.

*Minnesota Taxpayers Association data

MEDICAL MALPRACTICE

Before the malpractice problem becomes as acute in our state as in some others, and because careful drafting is essential to balance the rights of patients with continued adequate and highly qualified health care, the IRM believes that a study commission containing representatives of the medical profession, the hospitals, the bar association, the insurance companies and the public should be created by the legislature early in the session or assigned to a present subcommittee and charged with the responsibility of developing a feasible plan for legislative action for handling malpractice claims in the next session.

GOVERNMENT OPERATIONS

SUNSET LEGISLATION

The IRM recommends the passage in Minnesota of Sunset legislation that would accomplish the following:

- a) Provide for the automatic termination of all new programs calling for expenditure of money within six years.
- b) Require all programs and agencies to adopt program budgeting to justify its continued activities every two years.
- c) Require a thorough legislative oversight to be completed at least six months prior to the legislative session during which the program will expire.

EXECUTIVE BRANCH

Under the present administration, we have witnessed an alarming growth in the number and size of state boards, commissions, and agencies. The IRM is particularly concerned with the Governor's practice of "creating" state positions for his political friends. Therefore, the IRM calls for the following:

- a) A study of the number of agencies and persons employed therein; such a study should place particular emphasis on the duplication of services performed by such agencies.
- b) The legislation which was passed by overwhelming support requiring advance notice and opportunity to apply or make recommendations for executive appointments which was vetoed by the Governor after the Legislature adjourned should be repassed early in the next session so that his veto can be over-ridden.

BIENNIAL LEGISLATURE

In order to reduce the resignations of qualified legislators who cannot give full time the legislature should meet every two years for a period not to exceed 120 days unless called into special session.

Reducing the size of the legislature will not make a major tax savings because it will result in increased staff and will reduce the representative character of the legislature by making the districts so large that the representatives will not be available to their constituents.

LEGISLATIVE INTERNAL OPERATIONS

The dismal performance of the last two sessions of the legislature under DFL control highlights the need for significant changes in the internal operations of the legislature among which should be:

- a) A legislative training program for new legislators prior to the commencement of the session.
- b) The creation of a joint budget committee so that the time delay by double presentations to two budget committees would be eliminated.
- c) That major appropriations bills should be allowed to be introduced and passed only during the session in the odd-numbered years.
- d) That the method of financing should be stated in all bills with revenue impacts that exceed one million dollars or will continue for a five-year period.
- e) Both houses should be committed to abide by the constitutional provision that a bill can deal only with one subject and that amendments must be germane to the main object of the bill.
- f) The joint budget committee should develop its own priorities rather than simply respond to the governor's budget proposals.

POSITIVE ACTION/JUDICIARY

COURTS

The IRM recommends that courts and court-related services be made more accessible to the public and be expedited by extending the hours of court sessions to begin at 9:00 am and close at 5:00 pm where calendars are congested. Interrogatories and pre-trial discovery should not be allowed to become a delaying tactic.

COURT USURPATION

The IRM believes in the separation of powers among the three branches of government and, therefore, is concerned that courts should not assume legislative and executive powers for which they are not equipped and which go beyond the adjudication of legal rights.



NEIGHBORHOOD SCHOOLS

The IRM favors requiring school boards to locate school boundaries and schools in such a manner as to maximize racial integration to the greatest possible degree while remaining consistent with the concept of neighborhood schools.

EDUCATION

LOCAL CONTROL

It is the goal of the IRM to insure that control of education remains at the local level. The increase in state appropriations for education, accompanied by imposed local levy limits, has in fact removed the final prerogative of local districts to control education through their elected officials. Through the appropriations of state aids, non-elected officials of state agencies have in fact used the threat of withholding funds. The IRM demands promotion of local controls through the following steps:

- a) Consolidation of federal categorical aids into block revenue sharing grants, returned directly to the local school district for implementation by locally elected officials.
- b) Allowance of more flexibility regarding the levy limitations now imposed upon local school districts.

LEGISLATIVE AUTHORITY

The Minnesota Legislature should adopt legislation requiring that rules and regulations promulgated by the Department of Education be reviewed and approved by appropriate education committees of the legislature to insure legislative intent. We also urge that the state administrative agencies and the State Department of Education in particular strive to deliver services requested by local districts rather than regulate. Cooperative services should be provided only through requests of local districts and be governed and funded as determined by the districts concerned.

PROMOTION OF OUR FREE ENTERPRISE SYSTEM

Our party urges the State Department of Education to endorse and promote a comprehensive school curricula program which would provide basic instruction in the economics and benefits of the free enterprise system.

AGRICULTURE AND ENVIRONMENT

EXPORT OF AGRICULTURAL PRODUCTS

The IRM supports the following measures toward the growth, development and prosperity of the agricultural industry:

- a) America's agricultural resources should be used at their full potential. Agricultural exports help our balance of payments and should be continued. We need substantial agricultural exports to help balance our imports of petroleum.
- b) The agricultural industry of this nation should be guaranteed access to foreign markets except where those exports are contrary to the national interest. Agriculture export policy should be formulated by the Agriculture Department, and the State Department should intervene only when national interest demands it.
- c) To maintain and expand our foreign markets we recommend a closely supervised private inspection system that would guarantee top quality and full weight measure to our foreign customers. Foreign buyers should be allowed to inspect products as they are being loaded. Grain reserves should be held in private hands. An international monetary reserve should be established to purchase commodities from nations with available supplies as needed to meet food emergencies in the world. All nations should contribute to this reserve and control of the fund would be in proportion to the amount contributed by each nation.

FARM REAL ESTATE

In many areas, farm real estate carries a disproportionately large share of the cost of local government and has little relationship to its productivity. All too often it becomes necessary for agricultural operations to be liquidated in order to pay federal estate taxes. Large corporate and individual investors have for some time used the basic agricultural industry as a tax shelter. The IRM backs these tax reform measures:

- a) Raising federal estate tax exemptions for everyone to a more realistic level and then tying them to a price index that would let them fluctuate with the rest of the economy.
- b) Real estate taxes should be based on land use and productivity as long as it continues to be used for that purpose.
- c) Tax laws that encourage investment by large investors in basic agricultural production should be changed to assure that agriculture will not come under the control of large investors who may force individual farmers out of business.

ENERGY

The IRM calls for the following steps towards energy independence:

- a) a nationwide commitment to conserve energy;
- b) the development of energy conservation programs for industries, cities and

- transportation needs;
- c) further research and development of alternative, non-polluting sources of energy;
- d) an insistence that environmental quality not be sacrificed for short-term gains;
- e) and legislation to grant state tax credits for the installation of energy-conserving systems in both existing and new facilities.

NATURAL RESOURCES

The State and Federal governments should continue to support research programs towards a better understanding of our hydrologic system and to improve the quality of both ground and surface waters.

The multiple use concept of natural resource management should be supported.

Finally, more effective methods of separating and recycling waste materials should be developed and supported.

LOCAL GOVERNMENT

STATE PROGRAM SUPPORT

Counties, municipalities and townships are often required by the state to initiate numerous costly planning and administrative programs. These programs are instituted at considerable cost to local units of government. State monies are often not specifically provided to lighten the financial burden of state programs on local units of government. The IRM supports the allocation of state funds to support programs required of local governments by the State.

REVENUE SHARING

Federal revenue sharing has a beneficial impact on local units of government, but the requirement that monies be used for very specific programs limits the effectiveness of the federal monies. This party supports a policy of federal grant monies supplied with fewer limits on their use.

PARTY DESIGNATION

Local units of government have functioned well without party designation in the past. Therefore, the IRM supports the continuance of a nonpartisan ballot for election of all local government officials and the removal of party designation in elections in the cities of the first class.

ELECTION REFORM

BALLOT ROTATION

Equal opportunity for all candidates to be selected by the voters based solely on their merits is fundamental to our system of government. A fair and equitable process is made unfair by giving all candidates of one political party the first position on the ballot. To assure maximum equity to all candidates, our party continues to support the rotation of candidate names on all election ballots.

EQUAL SHARING OF PUBLIC FINANCING

To achieve a strong two-party system of government, we cannot weaken one of the major parties at the expense of the other. Special interest contributions go overwhelmingly to sure or probable winners. The additional funding provided by public financing that favors candidates of the majority compounds the inequity. Therefore, direct public funding from the State checkoff system must go to candidates only, and in equal amounts to all qualifying candidates for the same office.

INVOLUNTARY USE OF INDIVIDUAL CONTRIBUTIONS

Individuals must have the right not only to vote their own conviction but also to control their political contributions. Contributions by members of any private organization that contributes to candidates and elections must be voluntary. Each member should have the right to designate the candidate or candidates (or party) to whom his or her contribution is to be given.

STRONGER ETHICAL PRACTICES BOARD

At the present time our election laws are implemented by the Secretary of State. Moving these politically sensitive functions to the bi-partisan Ethical Practices Board would eliminate the potential for any partisan advantage. The Ethical Practices Board should be given the following responsibilities:

- a) to specify placement of candidate position on the ballot;
- b) to provide training programs and simplified manuals describing the various duties and responsibilities of election personnel;
- c) to recommend additional safeguards for election day voter registration;
- d) to set rules and regulations for experimental voting systems and evaluate the credibility of companies selling these systems;
- e) to regulate major changes to start during off-year elections instead of general election years; and
- f) to recommend standards of conduct for public employees and officials.

FUNDING OF ETHICAL PRACTICES BOARD

The IRM also urges the legislature to provide adequate funding to permit the Ethical Practices Board to carry out its duties.

METROPOLITAN AND URBAN AFFAIRS

MASS TRANSIT

In the metropolitan area today transportation is essential to the everyday lives of all. Recognizing that the nation's supply of energy is not as abundant as once believed, and also recognizing that government's supply of money is limited to what the people can afford, the IRM believes that any plans for future transit in the metropolitan area should utilize existing facilities which serve the area now. Additions should be created to complement and integrate existing systems. All transportation systems (existing and future) should share common terminals, provide convenient service to all people and allow for alternatives to accommodate individual needs.

JOB DEVELOPMENT

ECONOMIC AND JOB DEVELOPMENT TASK FORCE

The legislature should mandate the Department of Economic Development to create an economic and job development task force with a two year life including labor, business and public representatives with members from both political parties to develop an overall strategy for economic development with increased job opportunities.

PURCHASE OF SERVICES

Our party places its top priority for job development in the private sector of our State's economy. The continued growth in the number of State employees adds to the tax burden of Minnesota individuals and businesses. Necessary public services should be provided with as little tax burden as possible, and job growth in the private sector should be encouraged. Therefore, we propose legislation that will require all public agencies in the State to thoroughly evaluate the option of providing part of, or all of, their services through purchase contracts with private vendors to determine whether these services can be provided at a lower or equal cost in the private sector. Such legislation would make the State Auditor responsible for this activity.

LEGISLATIVE PROGRAM FOR JOB DEVELOPMENT

The IRM recommends the following program to encourage capital to be invested in Minnesota rather than in neighboring states:

- a) Allow the employer an income tax deduction for each employee hired above the employer's present level. Such deduction would be equal to the employee's first month's salary or to the maximum of \$1,000. A decreasing deduction would be allowed for each of the next two years if the level of employment above the base would be maintained.
- b) All on a 10% investment credit similar to the federal investment credit.
- c) Amend the Industrial Revenue Statute to allow the terms of the lease agreements and bonding limits per community to be increased to accommodate expansion.
- d) Permit a two-year income tax deduction for employers who locate in high unemployment areas.
- e) Because of its detrimental effect on job development, the payroll tax should be eliminated.

NATIONAL AFFAIRS AND CONCERNS

FOREIGN POLICY

The IRM believes in a foreign policy that pursues sound trade relationships. It applauds the successful efforts to reopen relations with China and the effective measures taken to keep peace in the Middle East. In the nuclear age we believe it imperative to undertake policies that will help the world move from terror to trust, but in no way compromise the national interest and national security. As the party of peace, we will continue diligent efforts to build a permanent, powerful community of nations.

SOCIAL SECURITY

We favor a rigorous review of our Social Security System with a view to remove its inequities and to insure that it is soundly funded.

FEDERAL SUNSET

We recommend a self-destructing provision in every new federal agency that is created. At the end of a specified period, the agency is reviewed and if not approved for renewal by appropriate legislative sanction, it would be eliminated.

DAYCARE

The pattern of employment in the U.S. has changed dramatically, and women now constitute half the work force. This leads to the need for daycare centers that are going to care for the children of working parents. Daycare centers should not be government-funded, but government should provide incentives to the private sector to encourage development of such daycare centers.

BUSING

The IRM is against mandatory busing and support quality education in the community where a child is growing up.

OPPOSE HUMPHREY-HAWKINS BILL, SUPPORT FREE ENTERPRISE

The IRM supports job development. Through jobs, people can support their families and pay the taxes that provide the quality of life desired by all. Unemployment is depressing and frustrating to the individual and is also burdensome to the taxpayer. We commend the Republican administration's efforts which have reduced unemployment, provided the largest work force in our history, controlled inflation, and caused a steady improvement in our economy. We realize that a free economy, unfettered by unnecessary governmental controls, is the best way to create jobs for our citizens.

Therefore, we reject the Humphrey-Hawkins bill as inflationary, unworkable, unrealistic, destructive of free enterprise, counterproductive and financially unsound. We urge its defeat in Congress.

SEE REVERSE SIDE FOR SAMPLE ISSUES STRAW BALLOT.