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Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Speech File Backup Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13730
Folder ID Number: 13730-007

Folder Title:
Minnesota Gubernatorial Reception and Breakfast 9/27/90 [OA 8316] [1]

Stack:	Row:	Section:	Shelf:	Position:
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TRANSFER SHEET
BUSH PRESIDENTIAL MATERIALS PROJECT

COLLECTION Bush Presidential Records
Office of Speechwriting
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1 VHS Tape labled "Grunseth Video" (John Grunseth for Governor)
(120 min)

SERIES Bush Presidential Records Office of Speechwriting Speech File- Backup	BOX NO. 1990 - 31
FILE FOLDER TITLE: Minnesota Gubernatorial Reception and Breakfast 9/27/90 [OA 8316]	
TRANSFERRED BY: RFH	DATE OF TRANSFER: 7/5/96
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AM-BUDGET-BUSH

BUSH WARNS OF DRASTIC CUTS WITHOUT BUDGET AGREEMENT

By Jacqueline Frank

CLEVELAND, Ohio, Reuter - President Bush said Thursday drastic federal spending cuts if Congress fails to pass a budget by Monday will hit hard at all Americans and new funds for cleaning up the country's worst hazardous waste pollution sites will be halted.

''One hundred billion dollars in budget cuts will hit hard against all Americans,'' Bush said in a speech at a fundraising lunch here for Ohio Republican candidates. Industrial pollution is a major political issue for Cleveland residents.

On a two-day fundraising trip to Ohio, Illinois, Minnesota and Michigan, Bush has spoken of personal hardships Americans will face if the cuts in government services take place.

His examples have been taken from the most basic government services and the most politically sensitive -- a delay in sending out Social Security checks to the elderly, a slowdown in air traffic when fewer air controllers are on the job, and less meat in the stores when fewer meat inspectors are working.

The cuts are to take effect in mid-October if Congress and the White House have not reached agreement on a budget for the new 1991 fiscal year which starts Monday (Oct. 1). They are to bring the deficit below the limit of $64 billion.

Bush, on a two-day trip to five Midwestern cities, has been sounding the alarm of a coming government financial disaster. He left his top budget officials back in Washington to continue closed-door negotiations with Republican and Democratic congressional leaders.

Asked why Democrats in Congress seemed to be more optimistic than Bush about reaching an agreement soon, White House spokesman Marlin Fitzwater said Bush was optimistic.

But he has not revised his stance on one of the most controversial issues in his budget plan, the proposed cut in capital gains tax rates for investors. This is the maximum 28 percent tax investors pay on the profits from the sale of stock, bonds, real estate and other assets.

''We are still talking. Everything is on the table. We're flexible,'' Fitzwater told reporters in Cleveland.

Bush has been pushing Congress to make deals on domestic spending cuts to go along with any tax increases they may decide to include in next year's budget.

However, Bush has been telling Republicans he was extremely reluctant to put new taxes on the negotiating table last June. He said in each speech he did so only as a last resort to get the talks moving.

Earlier in Minneapolis, he said Congress needs to change the budget process so they won't go through this every year.

''Lacking discipline of their own, they've delayed so long that the Gramm-Rudman meat ax is about to do it for them,'' he said.

He said he will not extend the Oct. 1 deadline, which he sees as necessary to get Congress to act.

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^Bush's Fund-Raising Speeches Sound Warning About Budget Cuts(
^With AM-Budget Talks, Bjt(
^By TOM RAUM=
^Associated Press Writer=

CLEVELAND (AP) - President Bush monitored budget negotiations from afar on Thursday as he repeated to Republican fund-raising audiences a message not usually heard from incumbent politicians: how bad things could get.

Bush has been painting a nightmarish picture of what will happen to government services beginning Monday in the absence of a budget agreement as he winds up a tour that is raising $4 million for Republican candidates in Ohio, Minnesota, Illinois and Michigan.

No matter that Bush himself - who convened the so-called budget summit last spring - is far from the bargaining table. He has been blaming Democrats for the failure to move the talks along.

He also suggests that, when his presence is needed, he'll join the talks.

At a Cleveland luncheon for GOP gubernatorial candidate George Voinovich, Bush said automatic budget cuts would mean an end to federal clean-up of toxic waste sites.

Earlier Thursday, he told a Minneapolis breakfast for GOP gubernatorial candidate Jon Grunseth that many of ''Minnesota's spectacular parks'' would close and there would beHHead Start teachers ''who can't go to work.''

And, Bush said, ''there may be senior citizens wondering why their Social Security checks are late.''

The night before, in Chicago, he raised every travelers' worst fears: the specter of ''untold hours of flight delays'' at busy O'Hare Airport.

And, in Akron, Ohio, he told an audience that under budget cuts, poor kids would not be able to attend Akron University.

''Four days from now, the fiscal year ends and still no budget agreement,'' Bush told his Cleveland audience, calling the impasse in Washington a ''fiscal fiasco.''

The last thing the nation needs, he added, ''is a budget breakdown that puts them on the road to recession.''

Administration officials said privately that a budget accord seemed to be near. One official, speaking on the condition of anonymity, said that a pact seemed likely by the weekend.

Their new optimism matched expressions of optimism voiced by congressional budget negotiators.

Some Democrats have said that the president's criticism of Democrats from the campaign trail hasn't helped the negotiating process.

Even so, Bush on Thursday told his Minnesota audience, ''I hope there will be the compromise needed to help this country from coming to a screeching halt.''

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

MID-SESSION REVIEW OF THE BUDGET

NOTICE:

Embargoed: There should be no release of this document until 9:00 a.m. (E.D.T.) Monday, July 16, 1990

July 16, 1990

July 26 -- Both sides agree to put budget plans on the table. The Administration and Republican negotiators develop a plan to produce $50 billion savings in the first year and $500 billion in savings over 5 years.
-- No plan from the Democrats.
-- Administration states and restates its willingness to exchange offers.

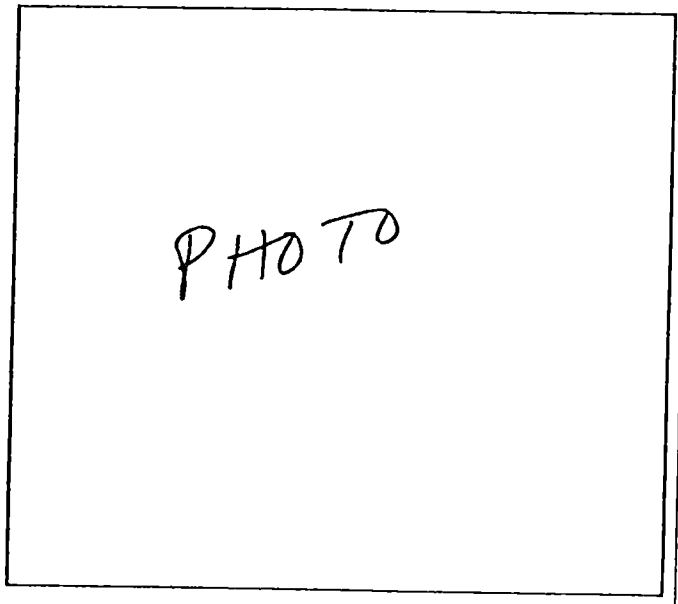
July 31 -- When in doubt, go back on recess. Unable and unwilling to come up with their own plan, Democrats propose to delay exchange until after the August recess. Eighty six days after the President called on Democrat leaders to work out a bipartisan budget solution, they had yet to offer one single proposal.

August 1 -- Enough is enough. The President announces he will veto each and every spending bill the Democrats write that busts the budget, and tells Republicans in Congress that when it comes to dealing with the Democrats, all bets are off.

Here's a Few Examples of What the $100 billion Sequester Will Mean:

The following are just a few of the effects should a sequester order take place on October 15, 1990:

For defense, reductions of up to one million military personnel, about half the force, if military personnel are not exempted. And if military personnel are exempted, reductions-in-force or furloughs of up to 850,000 defense civilian employees along with a severe degradation of military force readiness.



For the Federal Aviation Administration, major cutbacks in air traffic controllers, extensive closure of facilities, the curtailment or removal from service of over 100 air traffic control towers, a substantial reduction in the number of flights, and an increase in traveler delays of 400 to 600 percent.

For Superfund, a halt in all new cleanups of toxic waste sites.

For INS, no new hiring of Border Patrol staff and building of new traffic checkpoints to intercept drug and alien smugglers.



For white collar crime, a drop of about 25 percent in completed investigations and about 1,000 fewer convictions. Prosecution of those who have perpetrated S & L institutions fraud would be slowed.

For student aid, the outright elimination of Pell grants to 1.2 million students and a 22 percent reduction of all other Pell grants to 2.2 million additional students.

For meat and poultry, the absence of inspection services for about 140 days, thus forcing the shutdown of many processing plants.

VI. POTENTIAL EFFECTS OF $100 BILLION SEQUESTER

If the Budget Summit negotiations do not produce a satisfactory deficit reduction program, a large sequester will ensue. With that possibility in view, this section discusses the sequester calculations and the potential effects of a 1991 sequester of $100 billion.

For purposes of determining the sequester amount, it seems reasonable to assume the continuation of the food stamp program, and a return to normal operating levels for the Census Bureau. Spending from the Resolution Trust Corporation (RTC), however, including administrative expenses and interest payments to the Federal Financing Bank, is excluded from the baseline totals at this point—in part because current law limits total RTC spending and in part because many believe that RTC expenditures should be excluded from G-R-H sequester calculations. Under these assumptions, the adjusted baseline deficit would be $168.8 billion in 1991, $104.8 billion above the $64 billion deficit target required by the G-R-H law. Thus if no additional policy actions were taken to reduce this adjusted baseline deficit before the initial sequester report is issued on August 25th, the President must issue an order to withhold roughly $100 billion effective October 1st. If no policy actions were taken before the final sequester report is issued on October 15th, a sequester of roughly $100 billion would be required. (If RTC were authorized to spend more, and if such expenditures were included in the sequester calculation, the likely sequester would exceed $150 billion.)

Sequestration Calculations

Reductions associated with a $100 billion sequester would be determined using the following steps, as shown in Table 11.

Table 11. MID-SESSION REVIEW: SEQUESTRATION CALCULATIONS FOR 1991

(Outlays in billions of dollars)

	Outlays
Required deficit reduction (assumed as of July 15, 1990)..	100.0
Defense (military personnel sequestered): [1]	
Total required reductions	50.0
Estimated outlays associated with across-the-board sequesterable budgetary resources	198.8
Uniform reduction percentage	25.1%
Nondefense:	
Total required reductions	50.0
Estimated savings from automatic spending	0.1
Estimated savings from special rules	1.8
Amount remaining to be obtained from uniform percentage reductions of budgetary resources	48.1
Estimated outlays associated with across-the-board sequesterable budgetary resources [2]	125.3
Uniform reduction percentage	38.4%
MEMORANDUM	
Defense (military personnel exempt): [1]	
Total required reductions	50.0
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

[illegible] food stamp program
[2] Includes $5.7 billion in estimated 1991 outlays for [illegible]

First, one-half of the required deficit reduction, $50 billion, would be assigned to defense programs (budget accounts in the national defense function, 050, excluding the Federal Emergency Management Agency) and the other half to nondefense programs.

Second, savings from eliminating automatic spending increases in three specific programs (the National Wool Act, the special milk program, and vocational rehabilitation) would be applied to the required reduction in outlays for nondefense programs. Savings from eliminating these adjustments would be $58 million.

Third, the amount of outlay savings to be obtained by applying four special rules would be calculated. These special rules are for guaranteed student loans, foster care and adoption assistance, medicare and certain other health programs. The estimated savings from these special rules, $1.8 billion for 1991, would be applied toward the required spending reductions in nondefense programs.

The reductions in defense programs and remaining reductions in nondefense programs would be taken on a uniform percentage basis, computed separately for each category. Under the adjusted baseline estimates, the uniform percentage reductions would be 38.4 percent for nondefense programs. For defense programs, the uniform percentage reduction would be 25.1 percent if military personnel accounts were sequestered and 41.3 percent if these accounts were exempted by the President from sequestration.

In the event that a sequester is required, not all programs will be subject to reductions. For defense and nondefense programs combined, about 67 percent of total outlays are associated with budgetary resources exempt from sequestration. The burden of sequester falls on programs that comprise the remaining 33 percent of budget outlays. Of these outlays, defense programs account for 47 percent, special rule nondefense programs for 25 percent, and other nondefense programs account for 28 percent.

Programmatic Impact of a $100 Billion Sequester

In addition to the sequester effects described for individual programs that follow, most, if not all, Federal agencies would be forced to reduce staff costs through reductions-in-force, furloughs, and hiring freezes.

Reductions-in-force are required to be implemented in an orderly way, generally using the criteria, within Federal job classifications, of abolishing positions, thereby terminating the employment of the most junior and non-veteran employees first. Severe reductions-in-force (of the size necessary under this sequester) also can affect senior employees whose jobs are abolished. These employees may then "bump" more junior employees in other job classifications for which the senior employee is qualified.

Furloughs involve telling employees not to come to work for a certain length of time and then not paying them for that time period (e.g., involuntary leave without pay). By law, military personnel cannot be furloughed.

Hiring freezes result in the random loss of employees and frequently the loss of the most critical specialties and the creation of imbalances within an organization.

Legal requirements, the regulations of the Office of Personnel Management, and labor-management agreements must be followed in administering both reductions-in-force and furloughs. In order to yield any savings, the reduction-in-force process should begin at the time of the initial sequester report on August 25th or not later than the issuance of the final sequester report on October 15th. Termination expenses (payments for unused annual leave, return of retirement contributions, unemployment compensation payments, etc.) offset the savings made possible by discontinuing employment. Separating a person at the beginning of the year on average saves only $11,500 or 35-40 percent of compensation and benefits during the first year after a reduction-in-force. In subsequent years, the former employees' full compensation and benefits would normally be saved. On this basis, the separation of 100,000 employees through a reduction-in-force would save only $1.1 billion in 1991. Many thousands

of dependents, businesses, and creditors who depend upon the income and purchasing power of Federal employees would be hurt by these actions.

Agencies also would reduce travel, training, printing, contractual services, and supply and equipment purchases. Those employees who remained would be hampered in their efforts to enforce the law, carry out agency missions mandated by law, and supply previous levels of services not only because of the reduced number of personnel, but also because of organizational disruptions created by adverse personnel actions and by the lack of non-personnel resources.

While the description of the effect of the sequester by program that follows is extensive, it is not comprehensive and is *intended for illustrative purposes only.*

Department of Agriculture

Commodity Credit Corporation (CCC)

A sequester applies to CCC cash deficiency payments and commodity loan programs by crop year. Based on projected 1991 crop year cash deficiency payments of $7.1 billion, a sequester would require a reduction of $2.7 billion in deficiency payment outlays in fiscal years 1991 and 1992. The value of 1991 crop loans estimated in fiscal years 1991 and 1992 is $6.0 billion. Checks written during harvest time to farmers who place crops under loan would be reduced by about $2.3 billion in 1991 and 1992. Reductions in CCC outlays, net of loan repayments would be $3.9 billion during fiscal years 1991 and 1992.

To illustrate the wide-spread impact of a sequester, note that approximately 300,000 commodity loans and 9,000,000 deficiency payments are currently issued through the CCC. For 1989 crop programs, the following number of farms received cash deficiency payments for crops:

Cotton	100,000
Feed grains	1,100,000
Wheat	435,000
Rice	18,500

In addition, an estimated 175,000 dairy producers would face large assessments on their milk marketings (the assessment of 10.4 cents per hundredweight of milk markets would reduce cash receipts of dairy farmers by approximately $150 million), and 40,000 peanut farms and 424,000 tobacco farms would be affected through loan proceeds reductions.

The average deficiency payment for the 1989 feed grain crop was $4,363, and the average for all commodity loans was $13,771. A sequester would reduce the average deficiency payment by $1,658 and the average commodity loan by $5,233.

Conservation

The 1985 Food Security Act (FSA) established the Conservation Reserve Program. People who agree to retire highly erodible land for 10 years receive an annual rental payment and financial assistance in establishing a permanent cover on the land. Under a sequester, annual rental payments due under the nearly 334,000 conservation reserve program contracts with farmers could not be paid in full.

The FSA also established several new conservation initiatives that require Soil Conservation Service (SCS) technical assistance. Under the law, SCS is responsible for defining highly erodible lands (HEL) and wetlands and for helping farmers develop and install conservation plans that producers will need if they are to continue receiving program benefits from the Department of Agriculture. While conservation planning and HEL determinations have been completed, only about 30 percent of the measures have been installed. The law requires that producers install the approved conservation systems by December 31, 1994. The "swampbuster" provisions of the FSA require that SCS also conduct wetland determinations and inventories to help farmers recognize wetlands and prevent unintentional conversions. The target date for completing the wetland determinations is

December 31, 1991 with wetland inventories being scheduled for completion by the end of 1992. In addition to these efforts, SCS must provide technical assistance for the conservation reserve program, for any necessary revisions to FSA plans, and for compliance reviews to ensure that conservation plans are properly installed.

A sequester would require that SCS emphasize meeting the provisions and deadlines mandated by FSA at the expense of other conservation operations such as the water quality initiative, soil mapping, and plant center renovation, which are authorized but not subject to statutory deadlines. Even with best efforts to meet the highest priority needs, it is unlikely that many of the FSA conservation targets could be met. Continued assistance to the nearly 3,000 conservation districts would be jeopardized and service would be reduced at most SCS field offices. Watershed planning and construction would be delayed or terminated for many projects that address high priority national problem areas such as local flood control, emergency assistance, land treatment, and water quality. Cost sharing projects would be stopped or slowed down.

Cooperative State Research and Extension

Under a sequester (that must be applied uniformly), higher priority projects could not be preserved by applying larger reductions to (or canceling) lower priority projects. Across-the-board cuts would reduce USDA's National Research Initiative (designed to use competitive research grants to enhance production efficiency, food safety, and environmental quality). One important component of this initiative is an effort to map the genomes of plants to permit scientists to explore more fully the genetics of plants. Other research that would be cut could contribute to the design of more economical production practices and to dealing with pests and disease in ways that protect the environment. A large number of special interest research grants and construction projects would also be affected.

Farmers Home Administration (FmHA)

A sequester would impair efforts to service FmHA's portfolio of almost $59 billion in outstanding debt. This would reduce borrowers' chances of success in meeting their loan obligations and increase losses to the Government. In particular, efforts to restructure about $5 billion in delinquent farm loans would be delayed, causing borrowers undue hardship and reducing the recovery value of these loans.

Federal Crop Insurance Corporation

A sequester would reduce the funds available for commission payments on insurance policy sales made by private insurers, causing a suspension in sales when funds run out. The reduction in the amount of insurance sold would also reduce the premiums paid to the Government.

Federal Research (Including Buildings and Facilities)

Under a sequester (that must be applied uniformly), higher priority projects could not be preserved by applying larger reductions to (or canceling) lower priority projects. Such reductions would reduce USDA's Food Safety Initiative and the collection of food safety information. This information is expressly intended for further use in setting Federal food safety policies and regulations. Other research, such as water quality research projects included in the Water Quality Initiative and federally sponsored human nutrition studies, also would be constrained.

The layoff of Federal scientists and technicians would impede the delivery of new technologies to improve agricultural competitiveness and address environmental issues. Reductions in research programs at 59 agricultural experiment stations, as well as at other colleges and universities, would impair the ability of States to continue a full range of research to address local and regional concerns. Most adversely affected would be the historically black 1890 colleges and Tuskegee University that receive nearly 100 percent of their research funding from the Federal Government.

Foreign Agricultural Service

A sequester would compromise the execution of trade policy responsibilities, including those related to the Uruguay round during the most crucial stage of this multilateral trade negotiation. Reductions in our overseas presence, including attaches and counselors, would impair the collection and reporting of agricultural intelligence and the administration of export and market development programs. Some overseas cooperator offices would have to be closed and some smaller cooperator organizations would have to end participation in the program. Since agriculture is the one major "positive" in U.S. trade, these reductions would have a detrimental effect on the balance of trade.

Forest Service

A sequester would severely affect the ability of the Forest Service to maintain projected targets for recreation, wildlife and fish habitat management, and timber sales. Timber sales could decline to below eight million board feet. Timber preparation work would be greatly reduced, reducing 1991 and out year sales. Receipts to the Treasury and to States and counties would decline significantly. Economic effects, particularly in the West, would be substantial.

Certain campgrounds and other recreational facilities would be closed. Services at remaining sites would be significantly curtailed. Efforts to protect and improve habitat to achieve recovery goals for endangered and threatened species would be substantially reduced.

No seasonal hiring would occur, further inhibiting quick response to fire fighting emergencies and significantly curtailing services (e.g., garbage pickup and rest room cleaning) at the recreational facilities that remain open. Road maintenance and most other field work would all but cease, resulting in the deterioration of roads and facilities and ultimately road closures for safety concerns.

Meat and Poultry Inspection

The Federal Meat Inspection Act (P.L. 90–201) and the Poultry Products Inspection Act (P.L. 90–449) require carcass-by-carcass inspection by Federal inspectors in establishments slaughtering food animals. All plants engaged in further processing of meat and poultry must also be inspected by Federal inspectors. Since meat packing plants cannot operate without these Federal inspectors, the meat and poultry slaughter and processing industry would be forced to limit or curtail production by the same extent that inspectors are not available. The meat and poultry industry is one of the largest in the country. It employs over 400,000 people at 7,800 meat and poultry plants and has an annual retail value of more than $100 billion. Many thousands more people are employed in the breeding, raising, transportation, storage, and distribution of food animals. The economic loss from any shut down due to a sequester would result in the loss of billions of dollars to the American economy. In addition to the economic disruption, the limited inspection coverage would erode the high level of safety of the nation's meat and poultry products.

A sequester would result in the absence of inspection services (and the shutting down of meat and poultry slaughter and processing plants) for about 140 days.

Quarantine and Inspection Activities

A sequester would defeat recent progress by the Animal and Plant Health Inspection Service to eliminate pseudorabies, brucellosis, and the Russian wheat aphid. Emergency eradication of the Mediterranean fruit fly and grasshopper would be defeated. All 39 quarantine and inspection activities would be reduced. This would result in serious delays in import shipments of plants and animals as well as baggage inspection for international travel. Extensive delays or disruption of service could cause significant losses of plants and animals in quarantine or awaiting inspection. It would also drastically reduce the number of inspections and thus increase the risk of introducing serious animal and plant diseases and pests into the United States. Implementation of the pending regulations on animal welfare might not be possible.

The Federal Grain Inspection Service would totally eliminate contractual research including aflatoxin research outlined in the Administration's farm bill proposal. The Agricultural Cooperative

Service would not be able to conduct research studies in support of farmer cooperatives and the Office of Transportation would not be able to assist in solving transportation problems related to agriculture.

Department of Commerce

National Oceanic and Atmospheric Administration (NOAA)

A sequester would severely impair several high priority research programs, in particular, NOAA's contribution to the interagency U.S. Global Change Research program and the Coastal Ocean Science program. Several major system procurement actions supporting the modernization of the Weather Service would be canceled or deferred including such safety programs as the NEXRAD doppler radars (that detect severe weather patterns) and the next generation of geostationary weather satellites.

It would severely reduce fisheries stock assessments and research, thereby requiring an extremely conservative fisheries management regime including closure of certain grounds to commercial fishing. Operations of the NOAA research fleet and air wing would be reduced to the minimum required to support hurricane reconnaissance responsibilities. These actions would be required to ensure that NOAA would be able to provide weather warnings and, on a less frequent basis than normal, weather forecasts.

Department of Defense—Military

Military personnel exempted.–The President can exempt up to 100 percent of the military personnel accounts from sequester. If he chose to do this, force readiness would be severely degraded. Because a sizeable portion of operation and maintenance expenses are relatively fixed in the short term (e.g., hospitals and other required medical costs and bases that cannot be closed according to the G-R-H law), readiness related activities (training, flying, steaming, and maintenance) could be cut by more than 50 percent. Substantial cuts in operating rates would result. For example, the flying time for Air Force pilots would be reduced to less than 10 hours per month (compared to the current 19.5 hours per month that is considered the minimum necessary for adequate readiness). Navy steaming time for the deployed fleets could be reduced to less than 25 days per quarter from the normal rate of over 50 days per quarter and many ships would rarely leave their home ports. The operating rate reductions would require substantial adjustments in naval deployments and operations, reducing the President's flexibility to deploy forces where needed, including drug interdiction missions. It would also require reductions-in-force (RIFs) or furloughs of up to 80 percent of the requested level of 1.1 million civilian employees. Contractor personnel also would be reduced significantly. Roughly $8 billion of equipment maintenance and $3 billion of real property maintenance would have to be deferred.

Modernization programs would be delayed and quantities planned for purchase would be cut. For example, about 115 fighter aircraft could be cut from the 276 requested, six major combatant ships could be cut from the 15 requested, and about 250 Army fighting vehicles could be cut from the 600 requested. Similar cuts would be made in all other procurement programs. Unit production costs would increase. Research and development programs would be disrupted, resulting in delays in new weapon programs, including high priority strategic systems.

Military personnel not exempted.–Not exempting military personnel could result in a reduction of up to 1.0 million military, about one-half of the force. A sudden force cut of this magnitude would severely weaken our ability to react to any major crisis. Morale and force readiness would be severely degraded. Force structure cuts would include up to eight Army divisions (16 requested in 1991 versus 18 in 1990), the equivalent of one Marine Corps division and air wing (3 divisions and wings requested), twelve Air Force tactical air wings (24 requested), and seven aircraft carrier battle groups (11 requested).

Force readiness would be severely degraded. Because a sizeable portion of operation and maintenance expenses are relatively fixed in the short term (e.g., hospitals and other required medical costs and bases that cannot be closed according to the G-R-H law), readiness related activities (training, flying, steaming, and maintenance) could be cut by over 30 percent. Substantial cuts in operating rates would result. For example, the flying time for Air Force pilots would be reduced to less than 14 hours per month (compared to the current 19.5 hours per month that is considered the minimum

necessary for adequate readiness). Navy steaming time for the deployed fleets could be reduced to less than 35 days per quarter from the normal rate of over 50 days per quarter and many ships would rarely leave their home ports. The force reductions in conjunction with the operating rate reductions would require substantial adjustments in naval deployments and operations, reducing the President's flexibility to deploy forces where needed, including drug interdiction missions. It would also require RIFs and furloughs of up to one-half of civilian employees (requested level is 1.1 million). Contractor personnel also would be reduced significantly. Roughly $6 billion of equipment maintenance and $3 billion of real property maintenance would have to be deferred.

Modernization programs would be delayed and quantities planned for purchase would be cut. For example, about 70 fighter aircraft could be cut from the 276 requested, four major combatant ships could be cut from the 15 requested, and about 150 Army fighting vehicles could be cut from the 600 requested. Similar cuts would be made in all other procurement programs. Unit production costs would increase. Research and development programs would be disrupted, resulting in delays in new weapon programs, including high priority strategic systems.

Department of Defense—Civil

Army Corps of Engineers

The effect of a sequester on the civil works program would be twofold: substantial reductions in personnel in labor-intensive activities, and contract delays and cutbacks in the construction and operation and maintenance of water resources development projects.

A sequester would require reductions-in-force (RIF) affecting some 3,300 positions. A RIF of some 950 work-years is likely for the Regulatory program and General expenses accounts. Such cuts would require delays in some, if not all, non-cost-shared preconstruction engineering and design studies; and handicap new partnership arrangements with non-Federal cost-sharing project sponsors.

A RIF of 450 staff years would be required in the Corps labor intensive Regulatory program under which the Corps administers Section 404 permits for dredge-and-fill activities in wetlands and other waters, and for section 10 permits construction and other activities in navigable waterways. These RIF's would adversely affect support for the environmental initiative to improve permit enforcement and compliance.

Construction contracts on non-cost-shared projects, including seven Inland Waterways lock and dam projects, would be delayed and in some cases terminated. Work would be postponed for previously funded, cost-shared new starts for which a local cooperative agreement had not been executed. Some continuing contracts for cost-shared construction projects would be terminated.

The Operation and maintenance program would experience reductions in service delivery and increased backlogs. Specifically, the use of seasonal labor would be minimized, the recreation season shortened, recreational and other dredging deferred, and the number of shifts employed for the operation of the locks on the Inland Waterways System constrained. Moreover, there would be insufficient funds available to retain the number of employees needed to safeguard public safety and health and to assure the integrity of project operations and work placement. Recreational facilities would be closed and maintenance for flood control and navigation projects would be cut. Revetment (repair of embankments) of the navigation channels of the Mississippi River and its tributaries would be reduced by over 60 percent. Reductions would be imposed on the supervision and inspection of work placement and the engineering and design of follow-on construction contracts. Additionally, new programmed maintenance would be deferred, including channel and harbor dredging, lock and dam repairs, and hydropower maintenance.

Department of Education

Pell Grants

In the major discretionary student aid program, Pell grants, the 1991 request would provide an average award of $1,443 to 3.4 million students. Under the Pell law, the reduction in the appropriation

is translated into award reductions in accord with a specified "linear reduction" schedule that protects awards to the poorest students. However, a sequester above 24 percent would reach the awards to the poorest Pell grant recipients (those with expected family contributions of $200 or less).

If these students are not protected, then a sequester would eliminate grants to 1.2 million students, at an average grant of $1,000, and reduce all remaining grants (2.2 million recipients) by $320 each, or 22 percent of the average grant under the 1991 request.

Department of Energy (DOE)

Atomic Energy Defense Activities

A sequester would require a delay in cleanup activities, deferral of operational safety improvements, a decimation of the ability of DOE to support future nuclear weapons production, and a serious detriment to our nuclear deterrent. As an illustration only, the cut would require:

- A 12-month delay in cleanup activities at contaminated sites.
- DOE would not be able to meet the terms of agreements with States for obtaining compliance with environmental requirements.
- Deferring the operating safety and environmental measures that are now being instituted for assured safe operation of the tritium production reactors.
- Deferring work on safety improvements at weapons production facilities and suspending production of new nuclear weapons.
- Placing all plutonium processing facilities on standby at the very time we are returning weapons to be reprocessed due to successful START negotiations.
- Deferring indefinitely all design and construction activities for new facilities, which include improvements for environment, safety, and health deficiencies found by the DOE Tiger Teams.
- Substantially reducing nuclear weapons testing, and cutting research and development by about 25 percent, which will severely imperil initiatives to enhance nuclear weapons safety.

To effect the savings, contractor employees at the shut-down and deferred facilities would have to be laid off. Significant numbers of personnel would have to remain, however, to ensure safety and security of facilities. The maintenance of facilities in safe and secure conditions (even with no production) could be somewhat compromised. Rehiring of employees after such a major disruption would take years.

This would, in essence, force the Defense Weapons complex to proceed expeditiously to shut down all operations, and place them in as safe a standby position as possible.

Energy Conservation Grants

A sequester would reduce the number of low-income homes weatherized through the Weatherization Assistance program from approximately 125,000 to approximately 85,000 homes. This decrease would place increased burdens on State and local governments in the colder winter months and would create a hardship for many poorer American families. The number of grants to schools and hospitals for weatherization activities would be reduced by 250. Grants to States for energy conservation planning and extension activities would also be reduced. Because a sequester must be applied uniformly, higher priority research and development projects could not be preserved by applying larger reductions to (or canceling) lower priority projects.

General Science Program

A sequester would force the cancellation or delay of facility upgrades at several sites by at least a year. Start up of the Continuous Electron Beam Accelerator Facility in Virginia as well as construction of the Relativistic Heavy Ion Collider facility at Brookhaven National Laboratory would also be delayed. Operating levels of high energy facilities (Fermilab, Stanford Linear Accelerator Center, and

the Los Alamos Meson Physics Facility) would be reduced by 50 percent or more. The impact of layoffs of highly skilled staff would take years to reverse.

It would severely reduce research productivity at all the major national laboratories (e.g., Fermilab, Brookhaven, and the Stanford Linear Accelerator Laboratory) and at one or more of the smaller accelerator and research facilities. University research programs would experience large cuts in funding.

Superconducting Super Collider (SSC)

A sequester would severely affect the basic ongoing research programs as well as the construction of the Superconducting Super Collider.

Virtually all site work, research and development on detector designs, and purchase of capital equipment for detector systems would cease. Design activities would have to be scaled back significantly from 1990, causing personnel layoffs.

Implementation of the magnet industrialization plan would be impossible. The magnet contract award would be delayed at least one year. This action would increase the total cost of the magnets and significantly delay the project.

Cuts of this size would send a strong negative signal to potential international collaborators about the commitment of the United States to the project and would jeopardize their participation. The sequester would almost certainly result in no foreign contributions to SSC construction. In this event, the United States would have to assume the full costs after the Texas contribution.

Department of Health and Human Services

Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA) Drug Abuse Programs

Activities that address the demand side of the war on drugs—research, prevention, and treatment—would be reduced by over one-third. All new research, including medications development, would be eliminated. Prevention programs for high risk youth and pregnant women would be unable to support new grants, and the number of continuing grants could be reduced by approximately 20 percent.

The Alcohol, Drug Abuse, and Mental Health Block Grant would fall sharply, reducing the number of treatment slots far below Administration goals.

Centers for Disease Control

A sequester would cut the Preventive Health Care block grant, grants for sexually transmitted disease clinics, childhood immunization grants, research on occupational safety and health, health statistics, and HIV/AIDS grants.

A sequester would sharply reduce service to the public, including approximately 1,000,000 children who would not be vaccinated for polio, measles, mumps, rubella, haemophilus influenza b, diphtheria, tetanus, and pertussis. Other effects include: (1) decreased support for block grants could eliminate over 50 percent of States' prevention programs in tuberculosis, smoking, nutrition, and chronic diseases; (2) efforts to prevent the spread of sexually transmitted diseases would be hampered: 300,000 fewer persons would be examined for syphilis, 2,500,000 fewer persons would be tested for gonorrhea, and 1,000,000 fewer persons would be tested for chlamydia; (3) the number of births monitored for changes in the incidence of birth defects would decrease by 60,000; and (4) approximately 200 disease outbreaks would not be investigated.

Food and Drug Administration (FDA)

A sequester could (1) lengthen the drug review process, (2) suspend efforts to make experimental therapies available to patients with no therapeutic alternatives, and (3) reduce inspections of foods,

drugs, devices, and imports. The expedited review proposed for AIDS drugs would be slowed and field inspections and product-related research would be reduced. The number of new orphan drug grants awarded, laboratory equipment, and automobiles necessary for field inspections would be substantially reduced. A sequester also would eliminate proposed enhancements for seafood and generic drug inspections.

HIV/AIDS

A sequester would seriously cripple the Public Health Service's (PHS) efforts to prevent HIV transmission and conduct research into therapies and vaccines, reducing funding below 1989. Fewer promising therapies could be tested, fewer education and prevention programs could be supported, and fewer research initiatives to develop cures and therapies could be pursued. Specifically, about 400 fewer AIDS research grants could be supported, and instead of hiring the 300 additional PHS staff requested in 1991 for fighting AIDS, staff levels probably would be reduced.

Maternal and Child Health Block Grant—Health Resources and Services Administration

A sequester would reduce these block grants $114 million below the 1986 level, and could require the States to reduce sharply perinatal health services for pregnant women and their infants. Perinatal services provided by the States and the ability of States to carry out new requirements contained in the Omnibus Budget Reconciliation Act of 1989 would be severely limited. Cutbacks in perinatal health care will have a direct effect on infant mortality and low birth weight, and will severely hamper State efforts to establish case-management and community-based services that are accessible to the most needy. The number of Special Projects of Regional and National Significance (SPRANS) could be cut by a minimum of 150 (from 445). SPRANS grants focus on improved services to high risk groups, promotion of early and continuous prenatal care, reduction in neonatal mortality, and reduced behavioral risk activities in pregnant women.

Research at the National Institutes of Health (NIH) and the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA)

A sequester would threaten the Federal Government's substantial commitment to pursuing new scientific opportunities and searching for new cures and therapies and seriously curtail efforts to invest in the nation's future health. A sequester could reduce by over 9,000 the number of Public Health Service-supported research grants (from a total of 28,000) and cut by over 4,200 the number of scientists receiving Federal research training assistance.

Social Security Administration (SSA)

A sequester in SSA's Limitation on Administration Expense account would force SSA to postpone new hiring and training, defer most work not directly related to paying and processing benefits (such as issuance of Personal Earnings and Benefit Statements to young workers and reconciling discrepant wage records of young workers), slow down contract payments and other deferable payments, and postpone nearly all automation system upgrades. All of these steps would affect service over time, but not immediately.

After taking these initial cost savings steps, SSA would be forced to slow down or divert staff resources from non-payment related services. For instance, SSA might be forced to focus resources on taking initial applications for social security benefits and to close portions of the 800 number telephone service for a period during the year. SSA would also cut back significantly on monitoring of the benefit rolls (such as evaluations of continuing disability and eligibility for Supplemental Security Income—SSI) which would increase overpayment of benefits that may be difficult to collect.

Even with these cost savings steps, SSA would be forced to develop priorities for claims related [illegible] while deferring or slowing down claims by persons with other means tests income requirement applications.

Timely payment of Social Security and Supplemental Security Income benefits to some new applicants could be threatened. SSA would likely be able to continue to pay benefits to currently

entitled persons, although any post-entitlement changes, such as new addresses, would probably be deferred or significantly slowed. New applicants, however, might have to wait longer to get their first monthly checks.

In addition to reducing Federal staffing available to process work, a sequester of this size would force a significant reduction in the administrative budget available for State agencies determining disabilities for SSA. These agencies, which are budgeted to receive $800 million in 1991, make all initial disability determinations. A reduction in their resources could slow their processing of disability decisions.

Social Services

A sequester would result in: (1) a reduction of $715 million from the budget for Head Start (this would fund the enrollment of 208,400 fewer poor four-year-old children from the planned 548,400); (2) a reduction of $163 million from the budget in grants to support meals for the elderly (this would fund 106 million fewer meals from the planned 258,740,000); and (3) a reduction of $1,065 million from the budget for the Social Services block grant that would require States to decide whether to make across-the-board cuts, redistribute reductions among all service areas, or eliminate certain service categories and maintain others at current funding.

Department of Housing and Urban Development (HUD)

A sequester would:

- Reduce funds available for the extension of expiring housing contracts to a level that might cause some low-income families to lose their housing assistance and possibly become homeless.
- Cut the number of new subsidized households assisted from 82,000 in the budget to 45,000 after the sequester.
- Force some public housing agencies (PHA's) to discontinue their efforts to eliminate drugs in public housing, defer regular maintenance on the housing stock, increase future modernization costs, and possibly threaten the health and safety of residents.
- Delay and hamper efforts to help end homelessness. Funding would be below 1990 and far below the levels authorized in the McKinney Act. Long term solutions to aid the homeless would be prevented.
- Delay efforts to assist tenants adversely affected by prepayment of HUD subsidized mortgages.
- Eliminate proposed improvements in the oversight and monitoring of HUD funds and jeopardize recent improvements. These improvements are aimed at reducing waste, fraud, and abuse in multi-billion dollar HUD programs.
- Impair management of HUD's programs because of a lack of staff—instead of focusing on improvements in monitoring and internal control systems, HUD officials would need to manage staff furloughs to stay within constrained funding. Such furloughs would increase further the risk of waste, fraud and abuse in these multi-billion dollar programs.
- Delay the approval of housing construction projects due to insufficient staff.

Department of the Interior

Bureau of Indian Affairs (BIA)

A sequester would reduce funds from the 1991 request for BIA elementary and secondary school operations by $2,200 per Indian student. At least half (about 80) of BIA's schools would close and the school year would have to be shortened for the remaining schools.

One of BIA's two post-secondary schools would close entirely. The remaining school would have to operate with a shortened school year. All capital expenditures on facilities improvements would be deferred. Aid for post-secondary education would be unavailable for 6,100 Indian students (a 44

percent reduction from the 1991 request). Vocational education training would be denied to 1,300 Indian students.

Funding for the BIA general assistance (welfare) program would be reduced by $20 million below the request. This would prevent the BIA from making assistance payments for almost five months during the year to an estimated 50,000 needy individual Indians.

Bureau of Land Management (BLM)

A sequester would curtail on-the-ground management of public lands, including inspection and enforcement of mining and mineral leasing operations, grazing, timber, recreation, wilderness, and wildlife programs. Reduced inspection of mineral leases would result in reduced revenues from Indian and Federal leases. A major automation initiative, the Automated Land and Mineral Records System (ALMRS) that is part of BLM's integrated Modernization effort, would be postponed, and hazardous materials management inventory and cleanup efforts would be drastically reduced on 270 million acres of public land managed by BLM in 28 States. Also, discretionary fire fighting pre-suppression activities would be cut back, possibly increasing the ultimate cost of emergency fire suppression operations.

The America the Beautiful initiatives for BLM, including Recreation 2000 and Wildlife 2000, would effectively be shut down. BLM's increased drug eradication and interdiction program could not be supported. Land acquisition, maintenance and construction projects would be cut in half. The ability to offer allowable cut timber volumes in western Oregon would be greatly reduced, thereby significantly reducing receipts and payments to Oregon and California counties.

Bureau of Reclamation

A sequester would result in no new contract awards to continue work on water projects currently under construction and no major rehabilitation or improvement work at existing projects. Further adjustments would be required, including the termination of contingent construction contracts (with payment of penalties) for existing projects. This would lead to delays in the completion of projects, the realization of project benefits, and, in some cases, the initiation of project repayment.

Routine preventive maintenance efforts at dams, pumping plants, canals, and other project features would be curtailed, as necessary, in order to continue the operation of project facilities. This might result in higher project maintenance and repair costs in future years. Operations at some existing projects might be curtailed due to a lack of funds for repairs or required maintenance to ensure safe operation of project facilities.

Fish and Wildlife Service (FWS)

A sequester would not permit nine new National Wildlife Refuges to open in 1991 as planned, 100 refuges would be placed in caretaker status, law enforcement activities associated with drug control on FWS lands would be severely curtailed, funding for FWS America the Beautiful land acquisition and resource protection initiatives would be drastically reduced, and the North American Waterfowl Management Plan (that provides the focal point for the restoration of North American waterfowl populations) would not be implemented.

Other examples would be: (1) planned acquisition of water rights to help restore the important Stillwater National Wildlife Refuge in Nevada would not be implemented; (2) FWS would not meet its planned target of restoring some 13,000 acres of high priority wetlands; (3) at least 15 national fish hatcheries would have reduced operations and curtailed production, and several hatcheries would be closed; (4) the environmental contaminants program would be adversely affected, resulting in reduced contaminant clean-up on FWS lands; and (5) substantial funding to States would be delayed for one year for the Wallop-Breaux and Pittman-Robertson fish and wildlife programs.

Geological Survey

A sequester would adversely affect operation of the Global Climate Change Research program; the National Water Quality Assessment program, designed to determine the status and trends of the Nation's ground and surface waters, and which would not become operational in 1991 as planned; and the Advanced Cartographic System (ACS), an effort to develop and implement a new, state-of-the-art cartographic-data collection, analysis, and presentation system.

Ongoing programs adversely affected would be geologic and mineral resources investigations, including important studies in earthquake and volcano hazards and energy resources assessments. The collection and analysis of water resources data would be lessened, possibly resulting in voids in various databases or delays in research dependent on such information.

Operation of approximately 675 water quality streamflow stations would be discontinued in the Federal Data Collection and Analysis program. Approximately 3,000 water quality streamflow gauges and as many as 180 cooperative investigations would have to be discontinued in the Federal-State Cooperative Data Collection and Analysis program. The grant to each of the 54 State Water Resources Research Institutes would be significantly reduced.

Historic Preservation fund

A sequester would translate into smaller grants to State historic preservation offices and to the National Trust for Historic Preservation. Some grants might be eliminated. Fewer properties would be nominated to and placed on the National Register of Historic Preservation; efforts to ensure that State and local development planning and permitting recognize historic values would be reduced; and public visitation to National Trust properties might be curtailed. Efforts that now help to ensure that local planning and permitting recognize historic values would be eliminated.

Minerals Management Service

A sequester would cause major reductions to the auditing staff and reduce the accuracy of revenue collections of royalties from minerals production on Federal lands. Revenues would be reduced due to an inability to audit royalty collections effectively. In addition, there would be a reduction in inspection staff and helicopter support needed to enforce safe and environmentally sound operations of outer continental shelf oil and gas operations. Revenues would be reduced due to the cancellation of new off-shore oil and gas leasing. Environmental studies and lease preparation activities would be curtailed, leading to further delays in off-shore leasing.

National Park Service (NPS)

A sequester would severely and adversely affect NPS's ability to keep parks safe and open to the visiting public. Park operating funds would be reduced to levels available in the mid-1970's. There has been significant expansion of the park system since that time. Many of these newer and smaller units would be closed to permit the "Crown Jewels" (e.g., Yellowstone, Yosemite, and the Grand Canyon) to remain open to the public. Funding for regional repair and rehabilitation programs would be cut to focus only on emergencies. Resource protection efforts would be continued at a suitable level in some areas, while other areas would be essentially closed until greater resources became available.

Seasonal hiring would be eliminated and hundreds of park rangers and maintenance staff would be furloughed. All back country areas would be closed to hikers and campers because there would be no one to patrol the areas. Park Police efforts in urban parks, including drug law enforcement, would be substantially curtailed. Discretionary ecological research projects, such as the effects of acid rain and aircraft noise studies, would be suspended.

The America the Beautiful initiative for NPS covering land acquisition, resource protection, and recreation enhancement would be severely curtailed.

Office of Surface Mining Reclamation and Enforcement (OSM)

A sequester would lead to reduced inspections for surface mine land reclamation activities and oversight of State inspection activities. Reductions in State regulatory grants would endanger the primacy of State oversight programs. OSM's ability to respond to emergency reclamation needs through its emergency reclamation program would be limited. This could lead to increased risks to the health and safety of miners and communities experiencing emergency reclamation requirements.

Payments to States by the Minerals Management Service

A sequester would delay a portion of the payments due to 27 States (primarily in the West) until 1992 and disrupt planned activities. States might not have adequate funding for schools, roads, and emergencies.

The impact on the six largest payments would be:

(In millions of dollars)

	1991 Budget	Reduction	Post Sequester
Wyoming	$202	-$77	$125
New Mexico	101	-38	63
Utah	61	-23	38
Colorado	37	-14	23
California	28	-11	17
Montana	23	-9	14
21 Other States	31	-12	19
Total	483	-184	299

Department of Justice

Drug Enforcement Administration (DEA)

A sequester would eliminate 1991 program enhancements, thereby crippling this element of the President's drug strategy. Across-the-board reductions to domestic marijuana eradication programs, State and local task forces, foreign cooperative investigations, domestic enforcement programs, and intelligence activities would also be required. Training for State and local police officers and implementation of the Chemical Control and Trafficking Act would also be curtailed. Further, planned purchases of investigative and automated data processing equipment and some major computer contracts would be canceled.

In some cities and rural areas, DEA would simply have no presence. Foreign support would be spread so thin that cooperative efforts with foreign governments would be hindered and the security of our agents would be at great risk. All State and local programs such as task forces, training, and laboratory support would be eliminated. The result might be increased drug trafficking because drug dealers are quick to notice the level of effort expended by the Federal Government on law enforcement.

Federal Bureau of Investigation (FBI)

A sequester would leave all 1991 program enhancements unfunded. Funding for the President's Financial Fraud and Crime Initiative packages implemented in 1990 would be reduced. Prosecution of those who have perpetrated savings and loan institutions fraud would be slowed. New investigative programs such as white collar crime investigations aimed at procurement fraud, and investigations of Asian organized crime would be severely impaired. The foreign counterintelligence and drug programs would be diminished substantially. Specifically, the anticipated completion of white collar crime investigations would likely drop by 25 percent (1,000-plus fewer convictions) from planned 1991 levels. The FBI's efforts directed at Asian groups would not advance in 1991 while current investigative efforts would be cut in half. Investigations into La Cosa Nostra and other major organized crime

groups would be cut by 20 percent from planned 1991 levels. Major equipment purchases affecting the fingerprint automation and field office management system programs would be canceled. Training for State and local officers would also be curtailed.

Priority investigative programs and those in which the FBI has sole law enforcement jurisdiction would be affected. As all equipment purchases would be foregone, agents would be inadequately equipped to use the sophisticated investigative techniques required for complex cases. Continued use of obsolete protective equipment would expose agents to possibly dangerous situations. The FBI would be unable to provide adequate support for automated data processing and telecommunications operations integral to information collection and analysis in support of investigative operations. All State and local programs, such as the Uniform Crime Report publications, laboratory analysis of evidence, and fingerprint identification work, would be halted. It is also likely that crime and foreign intelligence activities would increase during this period as the deterrence factor decreases.

Federal Prison System (FPS)

A sequester would prevent newly constructed prisons with 3,315 beds from becoming operational, and force FPS to move 6,595 prisoners out of non-Federal contract facilities and into its already overcrowded facilities, increasing overcrowding to well over 89 percent from the current level of about 70 percent. It would eliminate the staff increases (2,000 work years) necessary to address inadequate staff levels, and require furloughing 5,600 employees. This would eliminate staff training, greatly reduce FPS's administrative efforts, and reduce the quality and amount of food and medical services, inmate security, and inmate supervision.

Virtually every program available to inmates within the prisons (e.g., rehabilitative and educational) would be eliminated, thereby causing FPS to "lock down" all institutions and inviting inmate idleness, violence, and court intervention.

Immigration and Naturalization Service (INS)

A sequester would prevent INS from hiring 200 new Border Patrol staff and building new traffic checkpoints to intercept drug and alien smugglers that are important elements of the President's drug strategy. Such a funding level would hamper INS's border enforcement activities, processing of travelers across our land borders, and efforts to deter illegal immigration through detention of aliens and enforcement of employer sanctions. Such massive cutbacks would be likely to lead to major influxes of illegal aliens that were common prior to the enactment of the Immigration Reform and Control Act in 1986.

Even basic operations would be seriously impacted. Reductions in enforcement activities would immobilize operations and seriously jeopardize the ability of the INS to stem the flow of illegal aliens and the ever-increasing flow of illegal drugs. The ability of INS to detain and process criminal aliens apprehended by the Border Patrol would be constrained because of a lack of detention officers and funding to operate detention facilities. Investigations of major alien smuggling operations would be seriously reduced. Major backups would be experienced at ports-of-entry. Backlogs in processing of refugee and asylum applications as well as adjudication requests would be inevitable.

U.S. Attorneys' Office

Reduced staff resulting from a sequester would prevent litigation of any cases that would have been litigated as a result of increased resources provided for the crime and financial institution fraud initiatives in 1990. Specific areas that would be affected are prosecutions of narcotics cases, bankruptcy and procurement fraud cases, and other criminal fraud prosecutions.

U.S. Attorneys would be forced to abandon almost 25 percent of all ongoing litigation designed to obtain criminal convictions against violators of substance abuse, immigration and civil rights laws, organized criminal groups, and tax evaders. Attorneys would slow down efforts to recover monies from failed institutions resulting from saving and loan and bank fraud violations. All ongoing activities for collecting monies owed to the Government would be limited. Litigation designed to defend the Government from substantial monetary losses as a result of other types of fraud would be reduced.

Department of Labor

A sequester would have the following effects on Department of Labor (DOL) programs, compared with the 1991 request:

- Some 8,000 work years would be lost across all DOL agencies, requiring reductions-in-force in all enforcement programs. Among other effects, some 29,100 fewer work places would be inspected by the Occupational Safety and Health Administration, 27,400 fewer mine inspections would be initiated, increases for improving pension oversight as well as some base funding would be eliminated, and DOL's ability to maintain its core national labor force statistical series would be in jeopardy.
- In the DOL State grant programs area, States would close 250 or more of the 1,900 local offices that process walk-in unemployment insurance claims and provide employment services. Staff at remaining offices and operating hours would be reduced. Claims delays would be universal—taking up to five days in some areas; States would divert any remaining resources from program integrity efforts and devote them to processing claims. The quality control program would be abandoned.
- For the Job Corps, the sequester would mean reducing the program by up to 15,600 slots. This could require closing about 39 of the existing 107 Job Corps centers, reducing the number of centers to 68. Work on acquiring and operating the six new centers mandated by Congress would have to cease if current centers have to be closed. As a result, no funds would be available to operate the two new centers scheduled to open in 1991, while plans to open two new centers in 1992 and 1993 would be postponed or curtailed. The Job Corps anti-drug initiative would be canceled.
- Some 141,000 fewer participants would be served in the President's Job Training Partnership Act (JTPA) training program for severely disadvantaged adults and 260,000 fewer low-income young adults would be enrolled in the new initiatives targeted on this at-risk group. Participation in each program would drop by about 38 percent. Implementation of the President's new JTPA initiative would be curtailed. About 91,000 fewer displaced workers would receive readjustment assistance in JTPA's dislocated worker program.
- Approximately 21,500 fewer subsidized job slots for low income persons age 55 and older would be financed in the Older Americans Employment program, representing a 38 percent cut in program participation.

Department of State

Under a sequester in operations accounts, large infrastructure related projects, such as construction of the new Foreign Service training facility would stop, and procurement and maintenance would be eliminated. Maintenance at over 2,200 Government-owned and long-term leased properties overseas would fall below minimum levels, and the Department would be forced to defer the foreign affairs community's high priority telecommunications enhancement (DOSTN) as well as important consular, procurement, accounting and finance computer upgrades. In addition, nine embassy construction projects at high threat posts planned to begin in 1991 would be put on hold because of a lack of construction security funds, and plans for new construction projects would be eliminated. Major rehabilitations of four high priority posts would also be deferred.

The Department of State would be required to either close, or significantly reduce staffing in, the majority of its over 240 overseas missions. Except in a few critical instances, most diplomatic reporting and representational activities would stop. Public oriented activities such as consular and visa services and trade promotion programs would either cease or be limited to only emergency situations. Services to the public from Washington and other domestic offices in areas such as passport issuances, munitions licensing, Freedom of Information requests, and export promotion would either cease or be reduced to unacceptable levels.

The security of the Department's personnel, property, and classified information would be threatened by reductions in physical and technical security programs. The multi-billion dollar inventory in overseas properties, anti-terrorism equipment, and information management systems would be left

vulnerable to both technical and security failures because of the lack of funds for required maintenance and repair. Overseas inspections, including those of the newly-established Office of Security Oversight, would be eliminated.

The State Department would be unable to meet U.S. treaty obligations for our assessed share of the budgets of international organizations, thereby increasing total U.S. arrearages to over $1 billion. This would likely result in the loss of our vote in some of the UN-affiliated and other international organizations. In addition, U.S. effectiveness would be hurt in shaping the agendas of multilateral organizations that manage programs such as nuclear energy safety, AIDS research, and the peaceful resolution of armed conflicts in important regions of the world such as Central America and Middle East. It would also reduce the U.S. ability to participate in the critical Conference on Security and Cooperation in Europe (CSCE), "Open Skies", and other conferences that are aimed at influencing the fundamental changes occurring in East-West relations.

Anti-narcotics efforts associated with the National Drug Control Policy in the Andean nations of South America, overseas humanitarian assistance, and funded refugee admissions into the United States, particularly from the Soviet Union, would be reduced. Efforts to improve anti-terrorism programs designed to prevent the reoccurrence of disasters like that of Pan Am 103 would be hindered.

Department of Transportation

Federal Aviation Administration (FAA)

Under a sequester, the hours of operation at virtually all airport control towers and, therefore, the number of flights between cities, would be reduced. The air traffic control system would turn into chaos. Reductions of this magnitude would unquestionably require the airlines to cancel numerous scheduled flights with negative financial consequences for the airline industry. Major cutbacks in the air traffic controller work force would produce service interruptions far more extensive than those experienced after the 1981 strike. Delays to air travelers would increase by 400-600 percent. Even worse, a major FAA cutback and disruption in 1991 would affect air travelers for at least three years due to recovery problems.

There would be extensive closure of facilities, including all contract towers. Over 100 control towers would have to be taken out of service or the hours of operation drastically reduced. Implementation activity and training for modernization of the airspace system would be curtailed. Training and hiring for the future air traffic control computer system would fall three years behind schedule.

Delays in repairing navigational aids would cause time-consuming rerouting of aircraft and intermittent closure of some airports. Reductions in safety inspector and security staff, including Federal air marshals, would result in fewer scheduled inspections of aircraft and airports.

Many major computer and radar contracts that are approaching the peak year of their delivery schedules would be canceled or renegotiated. This would add several years to the schedule for modernization the air traffic control system. Contract penalties due to stop-restart requirements of the sequester would exceed $500 million. Critical technical skills would be lost for several years.

FAA also would have to postpone: (1) the replacement of various facilities, such as airport control towers planned for San Diego, Chicago Midway, Kansas City, and Los Angeles and stall construction already underway at Chicago O'Hare, St. Louis, and Newark; (2) upgrading computer software and hardware used by controllers to separate aircraft, which could exacerbate the problem at some facilities of information disappearing from controller radar screens; (3) joint development of long range radar replacements used to ensure safe operation and separation of aircraft; (4) establishment of a voice communications system required for the sector suite system; and (5) maintenance of many FAA buildings and facilities, which would delay FAA work to strengthen buildings in earthquake risk areas and to extend the service life of buildings built in the 1940's that house electronic systems. Cuts of this size would also postpone installation of equipment needed at the new Denver airport and continued expansion at Dallas/Fort Worth.

Installation of approximately 400 items of national airspace system equipment procured in prior years would be delayed. This would jeopardize the safety of the air transportation system and result in further delaying modernization of the system. Such delays would include the upgrade of radar, communications, weather information, automated data processing, and tower and en route center equipment.

Critically needed airport improvement and capacity enhancement programs related to providing new capabilities directly aimed at reducing congestion in the national air system would be deferred. This would include a slowdown in the interim plan to support the airspace system until modernization is completed.

The FAA would be unable to follow-through with current efforts to expand its overseas security presence and full implementation of the recommendations of the President's Commission on Aviation Security and Terrorism would be slowed. Also, FAA would delay implementation of anti-drug activities required by the Drug Control Act of 1988.

Select research and development contracts would be canceled or delayed. Progress on numerous FAA research and development programs that are directly tied to safety and capacity improvements for air traffic control computers would be delayed by more than a year. Progress on new explosive detection technology research would continue but at a much slower rate. The President's Commission on Airline Security and Terrorism recently urged acceleration of this research.

Federal Railroad Administration

A sequester would result in a 40 percent reduction in scheduled safety inspections of railroad track, bridges, equipment, and operations. In addition, DOT's automated track inspection vehicle would have to reduce planned operations from a planned 28,500 miles to 20,500 miles on passenger, hazardous materials, and other priority routes. Federal oversight of the railroad industry's actions to eliminate drug and alcohol usage among railroad workers would be interrupted.

Department of the Treasury

Internal Revenue Service (IRS)

A sequester would primarily affect revenue-generating enforcement activities with an estimated revenue loss of $8.5 billion. The indirect effects on voluntary compliance produced by the perception of a faltering IRS enforcement presence would be even greater. Taxpayer service would fall precipitously and taxpayers would find it more difficult to complete their returns; 15 million fewer taxpayers would receive assistance and busy signals for those seeking assistance by telephone would increase exponentially.

All computer investments, including the critical Tax System Modernization project, would be deferred, increasing the chance of a returns processing breakdown in the future. Returns processing work would demand top resource priority but there would be delays in refund checks. If it takes IRS longer than 45 days to process a refund, interest must be paid to the taxpayer. The impact of the sequester would greatly increase these interest payments. Tax processing errors would increase as fewer employees, struggling to meet workload, would not be able to exercise proper care and attention to their work.

The projected loss of 9,000 workers in returns processing would prevent a closure of filing season work (e.g., returns processing for one year would not be completed before returns for the next year arrived). Inventories of unprocessed returns would grow into subsequent years. There would be no IRS participation in the war on drugs in order to preserve a focus on essential criminal tax fraud issues.

United States Customs Service

A sequester would eliminate all 1991 initiatives, including staffing for the southwest border, canine enforcement teams, money laundering investigations, and financial integrity. Additionally,

staffing cuts of roughly 50 percent would be required, with commensurate declines in enforcement and commercial program effectiveness.

In practical terms, a sequester would mean fewer cargo container inspections (36 percent less than 1990), a 120 percent increase in delays in releasing cargo, lost tariff revenues, and fewer drug seizures. The protection afforded domestic industry by Customs enforcement efforts would erode. Investments in the labor saving Automated Commercial Systems (ACS) program would be postponed. Longer passenger processing delays would occur at border crossings and airports. Many of the smaller ports along the northern border and other locations could be closed or face curtailed service hours.

An estimated $1 billion in revenue would be lost due to lack of adequate processing controls. Contraband entries would expand and the war against drug imports would be severely hampered.

Department of Veterans Affairs

A sequester, compared with the 1991 request, would:

- Require significant reductions in purchases of medical and other supplies and equipment, prevent the opening of new facilities, cancel 1991 initiatives (e.g., increases for drug abuse treatment, quality assurance, physician and nurses pay), reduce medical care staff years by 15,600 or eight percent, and reduce the number of incidents of care (e.g., hospital stays and outpatient visits) provided to veterans by 2.0 million;
- Reduce operating staff associated with the Veterans Benefits Administration, the National Cemetery System, and administrative activities, forgo scheduled computer upgrades and acquisitions, and delay interments in many of the smaller national cemeteries. Staff reductions in regional offices would be inevitable and would reduce the timeliness and quality of benefits claims processing and the servicing of delinquent guaranteed loans below 1990 levels;
- Reduce bed levels (by 350) and clinical services in all proposed construction and renovation projects (medical centers, regional offices, and cemeteries). Project redesigns caused by reductions in the size and scope of these projects would delay planning and construction by at least a year and nine months and hamper the provision of quality health care to eligible veterans; and
- Disproportionately reduce the contributory Montgomery bill program (because over half of the educational programs for disabled veterans' dependents and vocational rehabilitation are exempt) affecting annual benefit payments ranging from $1,300 to $2,200 to nearly 125,000 veterans and service persons.

Other Agencies

Commodity Futures Trading Commission (CFTC)

A sequester would have a devastating impact on enforcement actions, especially in light of the recent trading abuses in the Chicago futures markets. This would permit only 79 enforcement actions to be completed compared to 124 in 1989, a reduction of 64 percent. Market surveillance would be reduced by 25 percent at a time when additional surveillance is needed to protect hedging and pricing functions of these markets. There could be increased commodities fraud as no new enforcement actions would be undertaken. The result would be a less competitive market environment with less protection for market participants. For example, family farmers who forward price their products with county grain elevators would be exposed to greater market risks. CFTC's overall program output would be reduced by one-half, reversing actions to increase and strengthen CFTC's regulatory capacity.

Environmental Protection Agency (EPA)

The major impacts of a sequester would be:

- Severe reductions in State environmental programs, which typically receive half their funding from EPA grants;
- Cancellation of EPA's wetlands initiatives;

- A decreased level of corrective actions undertaken at operating hazardous waste facilities at a time when EPA will be responsible for an expanded universe of regulated facilities and hazardous substances;
- Delays in the development of regulations and inability to meet court-ordered deadlines for various regulations;
- Reduced information made available to the public because of reductions in automated data processing funding;
- Severe limitations on EPA's ability to implement the new Clean Air Act amendments. EPA probably could not meet the first year deadlines in the Clean Air Act amendments and technical and financial assistance to States to implement the amendments would be severely restricted;
- Halting all new Superfund cleanups, undermining the public's confidence in Federal clean-up efforts; and the Government's leverage to make the polluters pay. Decreased enforcement and fewer cleanups funded by responsible parties, and more fund-financed cleanups. Lower cost recoveries would prevent the fund from being replenished;
- Severe slippage in numerous Clean Water Act requirements, including monitoring of water quality, issuance of National Pollutant Discharge Elimination System (NPDES) permits, and development of water quality criteria;
- Serious delays in the cleanups of specific bodies such as the Great Lakes, the Chesapeake Bay, and the 17 estuaries in the national estuary program;
- Reduction of 50 percent in air pollution enforcement activities such as stationary source inspections, notices of violation, administrative orders, and civil and criminal litigation; and
- Curtailed analysis of Toxic Release Inventory (TRI) reports, delay availability of the TRI data base to the public, reduce resources available for data quality assurance, and eliminate enforcement actions against non-reporters.

Judicial Branch

A sequester would have the following effects:

- 30 percent of Federal defenders' cases and 100 percent of panel attorney cases would be dismissed for failure to provide counsel, or counsel would be appointed without compensation;
- 3 percent of the estimated payments committed to pay panel attorneys for prior year case assignments could not be paid;
- Inmates filing new death penalty *habeas corpus* petitions would not have their cases reviewed by a Federal court, or counsel would have to be appointed without compensation;
- Funds would not be available for fees of jurors for civil trials, denying the public their right to a civil jury trial;
- Funds would not be available for fees of jurors for approximately two months of the year for criminal trials;
- The community supervision programs of the probation system would suffer the burden of personnel shortages; 52 percent of the offenders in these programs would not have their supervision enforced;
- Testing and treatment of 19 percent of drug offenders would be terminated; and
- Expansion of home detention (electronic monitoring) of offenders could not be accomplished resulting in increased jail costs.

[illegible]

A sequester would cause a major restructuring of all NASA activities. The Space Station would be canceled (with a termination liability of about $600 million). In space science, technology and aeronautics, the Moon/Mars Initiative and Mission to Planet Earth would be deferred and two to

three major science projects under development would have to be canceled (e.g., Comet Rendezvous/Asteroid Flyby, Advanced X-Ray Astrophysics Facility). In addition, reductions would have to be made in the operations support for spacecraft (e.g., Magellan mission to Venus). With the exception of critical safety-related items, all facility construction and renovation would be stopped.

The 10 planned Shuttle flights during 1991 would be postponed or canceled. The eleven missions planned for 1992 would also have to be postponed or canceled, effectively suspending Shuttle operations until 1993. (Recovery from this suspension would entail a re-hiring and recertification of the contractor work force.) The purchase of critical spare parts, the development of the Advanced Solid Rocket Motor, and the procurement of expendable launch vehicles would be terminated. All planned safety improvements to the Shuttle would be deferred. Additional terminations or postponements would include all shuttle engine ground testing, all orbiter modifications, all planned Shuttle equipment upgrades, and all procurement of upper stage rockets and payload operations. Engineering laboratories and on-line Shuttle facilities would be placed on a "caretaker" status.

National Science Foundation (NSF)

A sequester would terminate support to roughly 28,000 individuals, including senior investigators, graduate and undergraduate students, pre-college teachers, and high school students. In addition, it would defer or terminate all new initiatives and many existing programs, including Science and Technology Centers, Engineering Research Centers, precollege education programs, graduate fellowships, and global change research. It would shut down the U.S. Antarctic program for 1991 operations and defer or terminate any remaining activities in the economic competitiveness and human resources areas.

Office of Personnel Management (OPM)

A sequester of OPM's civilian retirement obligation limitation would: (1) increase existing backlogs in death claims, refunds, and initial annuity payout processing (currently, the initial annuity payment can take as long as six to nine months and lump-sum refunds about 3 months to process) and would likely extend by three to six months the processing of initial annuity and lump-sum payments; (2) stall design and development of the automated Federal Employees' Retirement System (FERS) project that is meant to automate FERS retirement processing and definitely push into 1992 or beyond the major start-up activities for the FERS automated record keeping system. This would result in the continuing build-up of paper records for the FERS system similar to what exists for the Civil Service Retirement System.; and (3) force cutbacks in essential processing staff training and quality assurance activities.

OPM would eliminate all 1991 initiatives including funding for the Public Policy Scholarship, training for front-line workers, and the Commission on the Public Service. The Presidential Management Intern Program would not be permitted to double in size as was authorized by Executive Order. It would eliminate OPM's ability to implement pay reform, would cut current staffing levels, and require the consolidation of area offices and the deferral of the acquisition of new computer equipment. The backlog of National Agency Checks and Investigations would increase by about 32,000 cases as OPM would not be able to provide timely investigations for agencies.

OPM would lose oversight and evaluation capacity and staffing research and development.

OPM's retirement and insurance functions would probably not possess the level of resources for account maintenance activities, to carry out its fiduciary responsibilities, or to provide a minimally acceptable level of services to its beneficiaries.

Civilian retirement claims processing reductions would put in jeopardy the timely payment of monthly annuities to 2.2 million Federal civilian retirees. The typical annuitant receives a monthly annuity of approximately $1,450 ($17,400 per annum) and may have no other source of retirement income. Delays in the payment of annuities could prevent annuitants from being able to finance their basic necessities.

Retirement and insurance processing times for interim payments, annuity cases, death cases and refund claims would double and triple. Workload balances for annuity, death, refund and deposit claims, annuity roll maintenance, and health benefits disputed claims would increase three- to ten-fold.

Congress and senior citizen advocates would strongly object to delayed processing of monthly annuity checks. The lengthy delay in processing initial annuity payments would directly conflict with an Administration goal and a President's Commission on Management Initiatives commitment to expedite new retiree initial annuity payments.

Reductions in the Government Payments for Annuitants would prevent payment of the Government's share of health premiums. A cut in enrollee payments might occur.

Front-line training initiatives would be eliminated. The time needed to fill agency job requests would double or triple, and the Presidential Management Intern Program and other entry-level programs designed to bring new talent into the Federal Government would be eliminated.

The time needed to process special rate requests would more than double and compliance activity and work on classification standards would be cut by half. This would result in less qualified staff Government-wide, thus severely degrading the quality of products and services.

OPM could not pay the Federal Employee Health Benefit carriers the Government share of employee health insurance premiums. The result would be a cut in enrollee benefits. Reductions in the Government Payment for Annuitants would result in the Government being negligent in meeting its statutorily required payment on behalf of annuitants.

Railroad Retirement Board

A sequester would reduce railroad retirement supplemental annuities by $34 million. Supplemental annuities are paid to roughly 200,000 rail retirees who have 25 or more years of railroad service. Railroad unemployment and sickness insurance benefits would be reduced by $40 million from the estimated $105 million. The reduction would affect the welfare of 60,000 railroad workers dependent on unemployment and sickness benefits.

Small Business Administration

A sequester would force as many as 40 field offices to close. Small Business Assistance and Advocacy programs, including programs for the promotion of minorities, women and international trade assistance, would be sharply curtailed. Lending and surety bond program levels would be reduced by more than $2.1 billion.

THE WHITE HOUSE
WASHINGTON

Grunseth changes, 9/26, 5pm

p. 1 - acknowledgement

p. 6 - one of the highest graduation rates

p. 10 - back in January. I sent a budget

relayed to Tina;
checked w/ NLK, 9/27, 8:30 am

Boschwitz: 224-5641 (Jill)
Durenberger: 224-3244 (Julie)
Weber: 225-2331 (Amy)

GRUNSETH FOR GOVERNOR
MINNEAPOLIS HYATT
THURSDAY, SEPTEMBER 27, 1990
8:05 A.M.

Vicki Grunseth:

THANK YOU, JON. VICKI GRUNSETH, SENATORS BOSCHWITZ AND DURENBERGER. ~~[CONGRESSMAN WEBER.]~~ BOB WEINHOLZER, BARB SYKORA [SEE-KORA], FRANK GRAVES, EVIE AXDAHL [EH-VEE AX-DOLL]. ~~[DUANE BENSON AND BILL SCHREIBER.]~~ AND TO RUNNING-MATE SHARON CLARK, LET ME POSE THE QUESTION OF THE HOUR: ISN'T IT ABOUT TIME WE HAD A HOG FARMER ON THE TICKET? \\ TALK ABOUT ROOTING FOR A CANDIDATE... \\

WELL, IT'S AN HONOR TO BE HERE, TO ROOT FOR JON GRUNSETH. HIS TALENTS AS A LEADER HAVE BEEN NOTED AT THE FEDERAL LEVEL FOR SEVERAL YEARS NOW. ONE EXAMPLE: AFTER MINNESOTA EXPERIENCED ONE OF THE WORST PIPELINE EXPLOSIONS IN HISTORY, IT WAS JON WHO WAS CALLED UPON BY HIS CURRENT OPPONENT TO CHAIR THE COMMISSION ON PIPELINE SAFETY. AND I PERSONALLY LOOKED TO THE ENTIRE GRUNSETH FAMILY DURING THE LAST PRESIDENTIAL CAMPAIGN, WHEN THEY SERVED ON THIS STATE'S STEERING COMMITTEE. SO I'M PROUD TO BE HERE TODAY, TO SUPPORT A GREAT CANDIDATE.

[[YOU KNOW, I WAS TALKING A FEW MINUTES AGO WITH SOMEONE INVOLVED IN PLANNING THIS EVENT. SHE TOLD ME THAT OF ALL THE DETAILS AND DECISIONS, WHAT CONCERNED HER MOST WAS DECIDING ON A SPEAKER. I SAID I IMAGINED SHE WANTED SOMEONE INFLUENTIAL. A WORLD LEADER. A CHARISMATIC SPEAKER. AND SHE SAID, "NO, MR. GORBACHEV'S ALREADY BEEN HERE."]]

PRESIDENT GORBACHEV CAME TO MINNESOTA TO SEE SOME OF THE LEADING EDGE TECHNOLOGY BEING PRODUCED BY YOUR PRIVATE SECTOR --THE KIND OF TECHNOLOGY AND AGGRESSIVE ECONOMIC ENTERPRISE JON GRUNSETH UNDERSTANDS, BECAUSE HE'S MADE IT HAPPEN HIMSELF.

TODAY, I'VE COME HERE TO AFFIRM THE KIND OF LEADERSHIP THAT CAN MAKE SURE MINNESOTA MOVES FORWARD -- WITH FRESH IDEAS, NEW LEADERSHIP, AND NEW HOPE FOR THE FUTURE. BUT BEFORE I FOCUS ON CHANGE IN MINNESOTA, I'D LIKE TO MAKE NOTE OF A SIGNIFICANT CHANGE IN OUR RELATIONS WITH MOSCOW.

OVER THE LAST YEAR, IF ANYONE WERE TO ASK ME WHAT IS THE MOST MEANINGFUL AND HOPEFUL SIGN OF CHANGE IN THE WORLD, I'D POINT TO THE KIND AND QUALITY OF REAL COOPERATION NOW SHARED BY THE UNITED STATES AND THE SOVIET UNION, AS WE WORK TO FACE DOWN AGGRESSION IN THE PERSIAN GULF.

OUR TWO NATIONS HAVEN'T SHARED SUCH UNITY OF PURPOSE FOR FORTY-FIVE YEARS. BUT NOW, IN THE HEAT OF CRISIS IN THE MIDDLE EAST, WE FORGE REASON FOR REAL HOPE. HOPE FOR A MORE PEACEFUL, MORE STABLE WORLD ORDER. THROUGH UNCOMMON COOPERATION, WE HAVE MADE PEACE OUR COMMON CAUSE. THAT IS REASON FOR CELEBRATION. \\\

STILL, WHILE THAT KIND OF COOPERATION IS NEW, THERE'S ONE THING WE'VE BEEN ABLE TO RELY ON. THAT'S THE COMMITMENT OF AMERICAN SERVICEMEN AND WOMEN TO CONTAIN AGGRESSION -- AND THE AMERICAN PEOPLE'S SUPPORT OF OUR MEN AND WOMEN IN UNIFORM.

WE'VE SEEN NO GREATER PROOF OF THAT COMMITMENT THAN RIGHT HERE, AMONG THE PEOPLE OF MINNESOTA. MINNESOTA RADIO STATIONS SENDING TAPES OF LOCAL NEWS. PARK CENTER HIGH SCHOOL STUDENTS TRACKING DOWN NAMES OF EARLIER GRADUATES NOW IN THE GULF, AND WRITING TO LET THEM KNOW HOW THE FOOTBALL TEAM'S DOING. AND AMONG SO MANY OTHERS, I HEARD ABOUT A GROUP HERE IN MINNEAPOLIS, NEWLY ESTABLISHED, CALLED "S.O.C.M." ["SOCK 'EM"] -- "SUPPORT OUR COUNTRY'S MILITARY." THEY'RE A VOLUNTEER GROUP, PROVIDING FINANCIAL AND EMOTIONAL SUPPORT FOR PEOPLE WITH FAMILY MEMBERS IN THE MILITARY. WRITING LETTERS AND SENDING BOARD GAMES TO THE TROOPS -- EVEN ARRANGING FOR CHILD CARE, TO HELP THE GRANDMOTHER OF TWO GIRLS, WHO WAS WORRIED HER SON AND DAUGHTER-IN-LAW MIGHT BOTH BE CALLED UP.

THAT KIND OF COLLECTIVE SPIRIT, THAT KIND OF SHARED COMMITMENT, IS IMPORTANT. IT IS THOSE ACTIONS LARGE AND SMALL -- CELEBRATED OR LITTLE-NOTICED -- THAT MAKE POSSIBLE AMERICAN LEADERSHIP AROUND THE WORLD.

BUT LEADERSHIP ABROAD DEMANDS GOOD LEADERSHIP HERE AT HOME. MINNESOTANS ARE GREAT PEOPLE -- THEY DESERVE A GREAT GOVERNOR, AND THAT'S JUST WHAT JON GRUNSETH WILL BE.

YOU'VE GOT A LOT TO BE PROUD OF. NESTLED IN THIS FERTILE LAND OF 10,000 LAKES, OF FORESTS AND ROLLING FARMLAND, THE TWIN CITIES ARE VIBRANT, PROSPEROUS EXAMPLES OF URBAN LIFE THE WAY IT OUGHT TO BE. YOU'VE GOT A DIVERSE ECONOMY -- BUILDING THE WORLD'S LARGEST AND FASTEST COMPUTERS, AND PRODUCING MORE TURKEYS THAN ALMOST ANY OTHER STATE. \\\ [[I HOPE YOUR POLITICAL OPPONENTS DON'T TAKE THAT THE WRONG WAY.]] BUT MINNESOTA'S GREATEST STRENGTH HAS ALWAYS BEEN ITS PEOPLE.

SO TODAY, I'M HERE TO GIVE MY WHOLE-HEARTED SUPPORT TO A CANDIDATE FOR GOVERNOR WHO UNDERSTANDS THE POWER OF THE PEOPLE THEMSELVES -- A CANDIDATE FOR CHANGE, WHO WANTS TO UNLEASH THE <u>FULL</u> POTENTIAL OF THE GREAT STATE OF MINNESOTA: JON GRUNSETH.\\\

JON KNOWS THAT A BRIGHT FUTURE FOR MINNESOTA -- INDUSTRIAL AND AGRICULTURAL -- WON'T BE BUILT BY A BURGEONING BUREAUCRACY. IT WILL BE BUILT BY THE PEOPLE -- EMPOWERED AND ENCOURAGED TO MAKE A DIFFERENCE FOR THEMSELVES AND THEIR COMMUNITIES.

THAT'S WHY JON'S DEVOTED HIMSELF TO REFORMING EDUCATION; PROTECTING THE ENVIRONMENT; AND CONTROLLING STATE SPENDING.

MINNESOTA HAS ALWAYS HAD A STRONG, BIPARTISAN TRADITION IN EDUCATION. BUT NOW, EDUCATION HAS CAPTURED NATIONAL ATTENTION -- AND THAT SAYS SOMETHING ABOUT AMERICA. BECAUSE THE IMPORTANCE OF A WELL-EDUCATED CITIZENRY TRANSCENDS PARTISANSHIP AND POLITICS.

REAL EDUCATION REFORM DEMANDS THAT ALL OF US WORK TOGETHER TO IMPROVE OUR SCHOOLS. YOU'VE ALREADY GOT THE NATION'S HIGHEST HIGH-SCHOOL GRADUATION RATE. BUT YOU ALSO KNOW THAT THE BEST CAN ALWAYS BE MADE BETTER.

AND THAT'S WHY THIS CANDIDATE ISN'T INTERESTED IN WHO'S TAKING CREDIT FOR WHAT PROGRAM. HE CARES ABOUT WHAT WORKS. RESULTS. RESULTS ARE WHAT WE'RE ALL AFTER. AND WORKING TOGETHER WITH JON GRUNSETH, RESULTS ARE WHAT WE'RE GOING TO GET. \\

BUT ALONG WITH DEEPLY-HELD CONVICTIONS ON THE IMPORTANCE OF EDUCATION, JON SHARES THE ENVIRONMENTAL ETHIC SO CRUCIAL TO PRESERVING THE GRANDEUR OF THE GREAT NORTH WOODS.

HE BELIEVES, AS I DO, THAT WE CAN AND MUST RECAPTURE THE HERITAGE OF TEDDY ROOSEVELT. AND HE UNDERSTANDS THE IMPORTANCE OF COMMUNITY INVOLVEMENT IN PRESERVATION EFFORTS, TO CAREFULLY MANAGE OUR WILD LANDS AND WILDLIFE. BUT MINNESOTA'S OUTSTANDING RECORD ON AIR AND DRINKING WATER QUALITY, CONSERVATION, AND RECREATION REFLECT COMMUNITY EFFORTS, AND A SPECIAL VOLUNTEER ETHIC THAT JON GRUNSETH UNDERSTANDS, AND IS COMMITTED TO PROMOTING AND EXPANDING.

AND HE KNOWS WHAT HE'S TALKING ABOUT. JON GRUNSETH HELPED BUILD A BILLION-DOLLAR BUSINESS, APPLYING NEW IDEAS AND NEW TECHNOLOGY IN ENVIRONMENTAL SANITATION. AS GOVERNOR, JON GRUNSETH WILL BE A LEADER FOR THE ENVIRONMENT. \\

AND HE'LL ALSO BE A LEADER IN MANAGING FISCAL RESOURCES. HE'S PROVED HIS PROWESS IN THE PRIVATE SECTOR -- AND HE'LL APPLY THE SAME FINANCIAL FORTITUDE AS GOVERNOR. HE'S CALLED FOR AN "ABSOLUTE CAP ON STATE SPENDING, AND REAL, HONEST PROPERTY TAX REFORM." HE HAS SAID, AS THIS PARTY BELIEVES, THAT THE ANSWER IS NOT TO SPEND AS MUCH AS YOU CAN TAX, BUT TO "TAX ONLY AS MUCH AS YOU NEED TO SPEND." AND HE'S RIGHT.

AS YOU ALL KNOW, WE'VE BEEN TRYING TO REACH AN AGREEMENT ON THE FEDERAL BUDGET FOR MONTHS. FOUR DAYS FROM TODAY, AMERICA FACES SERIOUS, AUTOMATIC, INDISCRIMINATE, ACROSS-THE-BOARD CUTS IN SERVICES OF EVERY KIND.

THAT GROUP HAS GIVEN ITSELF THE AUTHORITY TO TAKE ITS OWN CUTS WHENEVER IT CHOOSES, HOWEVER IT CHOOSES, OVER THE ENTIRE FISCAL YEAR. //

if 32% cut ⇒ $300-400M ⇒ reduce program. ⇒ less teachers
Glennie Murphy - HHS Asst. Commiss. for Head Start

SO COME OCTOBER 1ST, THERE MAY BE TEACHERS WHO CAN'T GO TO WORK IN HEADSTART PROGRAMS -- BUT IN CONGRESS, IT'LL BE BUSINESS AS USUAL. THERE MAY BE SENIOR CITIZENS WONDERING WHY THEIR SOCIAL SECURITY CHECKS ARE LATE -- BUT IN CONGRESS, IT'LL BE BUSINESS AS USUAL. THE AMERICAN PEOPLE DESERVE BETTER. I THINK THE AMERICAN PEOPLE HAVE HAD ENOUGH OF CONGRESSIONAL BUSINESS AS USUAL. ///

OK →

OK →
MB Mid Session Review, p. 26

JANUARY

BACK IN FEBRUARY, I SENT A COMPLETE BUDGET UP TO THE HILL. IN APRIL, THE OTHER SIDE MISSED ITS DEADLINE TO RESPOND. IN MAY, I CONVENED A BUDGET SUMMIT TO GET THINGS MOVING. IN JUNE, THEY STILL WEREN'T MOVING. SO TO GET CONGRESS OFF DEAD CENTER, I PUT EVERYTHING ON THE TABLE, INCLUDING TAXES. IT WAS A TOUGH DECISION. BUT TO PUT OUR FISCAL HOUSE IN ORDER, I DID WHAT HAD TO BE DONE, TO GET CONGRESS TO ACT.

THEY ACTED, ALL RIGHT. THEY ACTED LIKE THEY HAD ALL THE TIME IN THE WORLD. //

SO IN JULY, I OFFERED UP ANOTHER BUDGET PLAN, THAT WOULD SAVE HALF A TRILLION DOLLARS OVER FIVE YEARS. AGAIN, I EXTENDED A HAND TO THE MEMBERS OF CONGRESS, ASKING THEM TO WORK TOGETHER, IN GOOD FAITH. AND AGAIN THEY DID NOTHING.

TWO MONTHS HAVE PASSED SINCE I MADE THAT LAST PROPOSAL -- AND THEY HAVE STILL OFFERED NO SERIOUS PLAN TO REDUCE THE DEFICIT. AND FOUR DAYS FROM NOW, SEQUESTRATION WILL BECOME A TRAGIC FACT OF LIFE.

THE ACROSS-THE-BOARD CUTS WILL BE TOUGH. BUT IF THAT'S WHAT IT TAKES TO BRING THIS DEFICIT DOWN, THE EXECUTIVE BRANCH WILL DEAL WITH IT. THE AMERICAN PEOPLE SHOULDN'T HAVE TO.

SO I CALL ON THE CONGRESS: DEAL WITH THIS DEFICIT THROUGH REAL, ENFORCEABLE SPENDING CUTS, AND MEANINGFUL BUDGET REFORM. \\\

YOU KNOW, EVERYTHING I READ, EVERYONE I TALK TO, TELLS ME THAT THE AMERICAN PEOPLE ARE FED UP WITH FEDERAL LAW-MAKERS' EVASION OF RESPONSIBILITY. WE NEED LEADERS WHO WILL FIGHT FOR FISCAL DISCIPLINE IN EVERY BRANCH OF GOVERNMENT, AND AT ALL LEVELS -- FROM THE WHITE HOUSE TO THE MINNESOTA STATEHOUSE. AND THAT'S REASON ENOUGH TO BE HERE THIS MORNING. BECAUSE I BELIEVE THAT HERE IN MINNESOTA, JON GRUNSETH WILL KEEP SPENDING UNDER CONTROL.

I BELIEVE JON WILL MAKE A GREAT GOVERNOR. IT'S BEEN A GENUINE PLEASURE TO JOIN YOU TODAY. BUT BEFORE I GO, THERE'S ONE MORE THING: LET ME ASK EACH ONE OF YOU TO MAKE AN EFFORT TO GET OUT THE VOTE THIS FALL.

ON THE FARMS AND FIELDS, IN THE SUBURBS AND CITIES, MAKE SURE THAT THE PEOPLE OF MINNESOTA KNOW WHAT'S AT STAKE HERE.

IN AN ERA THAT CELEBRATES THE DAWNING OF DEMOCRATIC FREEDOMS AROUND THE WORLD -- WHEN SO MANY WHO HAVE STRUGGLED SO LONG HAVE AT LAST FOUND THEIR VOICE -- THOSE WHO LIVE IN FREEDOM SHOULD NEVER ROB THEMSELVES OF THE PRICELESS POWER OF THE BALLOT.

ENCOURAGE PEOPLE TO EXERCISE THAT POWER -- TO CONFIRM THE KIND OF LEADERSHIP THEY'RE AFTER -- AND TO PRESERVE THE ENDURING GLOW OF THE NORTH STAR STATE.

BY ELECTING JON GRUNSETH -- AND BY ELECTING A REPUBLICAN MAJORITY IN THE STATE LEGISLATURE -- YOU CAN UNLEASH NEW IDEAS, AND BRING ABOUT CHANGE FOR AN EVEN GREATER MINNESOTA.

THANK YOU ALL -- AND GOD BLESS YOU ALL.

# # #

THE WHITE HOUSE

WASHINGTON

MINNESOTA ACKNOWLEDGEMENTS

((as of 9/24, 1:30 p.m.))

--Jon Grunseth is introducing POTUS

--Senator Rudy Boschwitz

--Senator Dave Durenberger

--((Congressman Vin Weber -- TBD))

--Four MN GOP Officers:
Bob Weinholzer
Barb Sykora (SEE-kora)
Frank Graves -- RNC Committeeman
Evie (EH-vee) Axdahl (ax-DOLL) -- RNC Committeewoman

--Duane Benson -- State Senate Minority Leader
Bill Schreiber -- State House Minority Leader
**of course, we'd like to make them Speaker and Majority Leader!

THE WHITE HOUSE

WASHINGTON

SEPTEMBER 25, 1990

INFORMATION

MEMORANDUM FOR THE PRESIDENT

THROUGH: CHRISS WINSTON

FROM: MARK LANGE

SUBJECT: REMARKS, MINNESOTA GUBERNATORIAL

Attached are draft remarks (15 minutes, cards only) for a breakfast fundraiser for Jon Grunseth, candidate for Governor of Minnesota. The event takes place in Minneapolis on Thursday morning, September 27.

The draft contains some strong language on the budget, which will be amended as events evolve.

(Lange/Cawley)
September 25, 1990
9:00 p.m.
[MINNGOV.DOC]

PRESIDENTIAL REMARKS: GRUNSETH FOR GOVERNOR
MINNEAPOLIS HYATT
THURSDAY, SEPTEMBER 27, 1990
[7:30 A.M.]

[[Thank you, Jon. Vicki Grunseth, Senators Boschwitz and Durenberger. [Congressman Weber.] Bob Weinholzer, Barb Sykora [SEE-kora], Frank Graves, Evie Axdahl [EH-vee ax-DOLL]. Duane Benson and Bill Schreiber. And to running-mate Sharon Clark, let me pose the question of the hour: Isn't it about time we had a hog farmer on the ticket? \\ Talk about rooting for a candidate... \\ ]]

Well, it's an honor to be here, to root for Jon Grunseth. His talents as a leader have been noted at the federal level for several years now. One example: after Minnesota experienced one of the worst pipeline explosions in history, it was Jon who was called upon by his current opponent to chair the Commission on Pipeline Safety. So President Reagan appointed him to the National Board. And I personally looked to the entire Grunseth family during the last presidential campaign, when they served on this state's steering committee. So I'm proud to be here today, to support a great candidate.

[[You know, I was talking a few minutes ago with someone involved in planning this event. She told me that of all the details and decisions, what concerned her most was deciding on a speaker. I said I imagined she wanted someone influential. A world leader. A charismatic speaker. And she said, "No, Mr. Gorbachev's already been here."]]

President Gorbachev came to Minnesota to see some of the leading edge technology being produced by your private sector -- the kind of technology and aggressive economic enterprise Jon Grunseth understands, because he's made it happen himself.

Today, I've come here to affirm the kind of leadership that can make sure Minnesota moves forward -- with fresh ideas, new leadership, and new hope for the future. But before I focus on change in Minnesota, I'd like to make note of a significant change in our relations with Moscow.

Over the last year, if anyone were to ask me what is the most meaningful and hopeful sign of change in the world, I'd point to the kind and quality of real cooperation now shared by the United States and the Soviet Union, as we work to face down aggression in the Persian Gulf.

Our two nations haven't shared such unity of purpose for forty-five years. But now, in the heat of crisis in the Middle East, we forge reason for real hope. Hope for a more peaceful, more stable world order. Through uncommon cooperation, we have made peace our common cause. That is reason for celebration. \\\

Still, while that kind of cooperation is new, there's one thing we've been able to rely on. That's the commitment of American servicemen and women to contain aggression -- and the American people's support of our men and women in uniform.

We've seen no greater proof of that commitment than right here, among the people of Minnesota. Minnesota radio stations sending tapes of local news. Park Center High School students

tracking down names of earlier graduates now in the Gulf, and writing to let them know how the football team's doing. And among so many others, I heard about a group here in Minneapolis, newly established, called "S.O.C.M." ["sock 'em"] -- "Support our Country's Military." They're a volunteer group, providing financial and emotional support for people with family members in the military. Writing letters and sending board games to the troops -- even arranging for child care, to help the grandmother of two girls, who was worried her son and daughter-in-law might both be called up.

That kind of collective spirit, that kind of shared commitment, is important. It is those actions large and small -- celebrated or little-noticed -- that make possible American leadership around the world.

But leadership abroad demands good leadership here at home. **Minnesotans are great people -- they deserve a great governor, and that's just what Jon Grunseth will be.**

You've got a lot to be proud of. Nestled in this fertile land of 10,000 lakes, of forests and rolling farmland, the Twin Cities are vibrant, prosperous examples of urban life the way it ought to be. You've got a diverse economy -- building the world's largest and fastest computers, and producing more turkeys than almost any other state. \\\ [[I hope your political opponents don't take that the wrong way.]] But Minnesota's greatest strength has always been its people.

So today, I'm here to give my whole-hearted support to a candidate for governor who understands the power of the people themselves -- a candidate for change, who wants to unleash the full potential of the great state of Minnesota: **Jon Grunseth.**\\\

Jon knows that a bright future for Minnesota -- industrial and agricultural -- won't be built by a burgeoning bureaucracy. It will be built by the people -- empowered and encouraged to make a difference for themselves and their communities.

That's why Jon's devoted himself to reforming education; protecting the environment; and controlling state spending.

Minnesota has always had a strong, bipartisan tradition in education. But now, education has captured national attention -- and that says something about America. Because the importance of a well-educated citizenry transcends partisanship and politics.

Real education reform demands that all of us work together to improve our schools. You've already got the nation's highest high-school graduation rate. But you also know that the best can always be made better.

And that's why this candidate isn't interested in who's taking credit for what program. He cares about what works. **Results. Results are what we're all after. And working together with Jon Grunseth, results are what we're going to get.** \\

But along with deeply-held convictions on the importance of education, Jon shares the environmental ethic so crucial to preserving the grandeur of the great North Woods.

He believes, as I do, that we can and must recapture the heritage of Teddy Roosevelt. And he understands the importance of community involvement in preservation efforts, to carefully manage our wild lands and wildlife. But Minnesota's outstanding record on air and drinking water quality, conservation, and recreation reflect community efforts, and a special volunteer ethic that Jon Grunseth understands, and is committed to promoting and expanding.

And he knows what he's talking about. Jon Grunseth helped build a billion-dollar business, applying new ideas and new technology in environmental sanitation. **As governor, Jon Grunseth will be a leader for the environment.** \\

And he'll also be a leader in managing fiscal resources. He's proved his prowess in the private sector -- and he'll apply the same financial fortitude as governor. He's called for an "absolute cap on state spending, and real, honest property tax reform." He has said, as this Party believes, that the answer is not to spend as much as you can tax, but to "tax only as much as you need to spend." And he's right.

As you all know, we've been trying to reach an agreement on the federal budget for months. Four days from today, America faces serious, automatic, indiscriminate, across-the-board cuts in services of every kind.

Why? Because Congress couldn't get serious about making real cuts in spending -- enforceable cuts in spending. And they wouldn't get serious about real budget reform. Lacking

discipline of their own, they've delayed so long that the Gramm-Rudman meat-axe is about to do it for them.

What does that mean to you? It means many of Minnesota's spectacular parks, recreation, and wildlife management programs will be closed. Funds to curb demand for illegal drugs through prevention and treatment will be cut by a third. Air traffic control cutbacks will lead to delays and cancellations. And nearly a million and a half college students will lose their Pell grants, because the Congress couldn't do its homework.

These cuts -- 100 billion dollars in all -- will be hard for everyone to take. Well, almost everyone. // There's one select group that's figured out how to soften the blow for themselves. That's right -- the Congress. ///

That group has given itself the authority to take its own cuts whenever it chooses, however it chooses, over the entire fiscal year. //

So come October 1st, there may be teachers who can't go to work in Headstart programs -- but in Congress, it'll be business as usual. There may be senior citizens wondering why their social security checks are late -- but in Congress, it'll be business as usual. The American people deserve better. **I think the American people have had enough of Congressional business as usual.** ///

Back in ~~February~~ January, I sent a complete budget up to the Hill. In April, the other side missed its deadline to respond. In May, I convened a budget summit to get things moving. In June, they

still weren't moving. So to get Congress off dead center, I put everything on the table, including taxes. It was a tough decision. But to put our fiscal house in order, I did what had to be done, to get Congress to act.

They acted, all right. **They acted like they had all the time in the world.** //

So in July, I offered up another budget plan, that would save half a **trillion** dollars over five years. Again, I extended a hand to the members of Congress, asking them to work together, in good faith. **And again they did nothing.**

Two months have passed since I made that last proposal -- and they have still offered no serious plan to reduce the deficit. And four days from now, sequestration will become a tragic fact of life.

The across-the-board cuts will be tough. But if that's what it takes to bring this deficit down, the Executive Branch will deal with it. The American people shouldn't have to.

So I call on the Congress: **deal with this deficit through real, enforceable spending cuts, and meaningful budget reform.**

\\\

You know, everything I read, everyone I talk to, tells me that the American people are fed up with federal law-makers' evasion of responsibility. We need leaders who will fight for fiscal discipline in every branch of government, and at all levels -- from the White House to the Minnesota Statehouse. And that's reason enough to be here this morning. Because **I believe**

that here in Minnesota, Jon Grunseth will keep spending under control.

I believe Jon will make a great governor. It's been a genuine pleasure to join you today. But before I go, there's one more thing: Let me ask each one of you to make an effort to get out the vote this fall.

On the farms and fields, in the suburbs and cities, make sure that the people of Minnesota know what's at stake here.

In an era that celebrates the dawning of democratic freedoms around the world -- when so many who have struggled so long have at last found their voice -- those who live in freedom should never rob themselves of the priceless power of the ballot.

Encourage people to exercise that power -- to confirm the kind of leadership they're after -- and to preserve the enduring glow of the North Star State.

By electing Jon Grunseth -- and by electing a Republican majority in the state legislature -- you can unleash new ideas, and bring about change for an even greater Minnesota.

Thank you all -- and God bless you all.

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(Lange/Cawley)
September 25, 1990
7:30 p.m.
[MINNGOV.DOC]

PRESIDENTIAL REMARKS: GRUNSETH FOR GOVERNOR
MINNEAPOLIS HYATT
THURSDAY, SEPTEMBER 27, 1990
[7:30 A.M.]

[[Thank you, Jon. Vicki Grunseth, Senators Boschwitz and Durenberger. [Congressman Weber.] Bob Weinholzer, Barb Sykora [SEE-kora], Frank Graves, Evie Axdahl [EH-vee ax-DOLL]. Duane Benson and Bill Schreiber. And to running-mate Sharon Clark, let me pose the question of the hour: Isn't it about time we had a hog farmer on the ticket? \\ Talk about rooting for a candidate... \\ ]]

Well, it's an honor to be here, to root for Jon Grunseth. His talents as a leader have been noted at the federal level for several years now. One example: after Minnesota experienced one of the worst pipeline explosions in history, it was Jon who was called upon by his current opponent to chair the Commission on Pipeline Safety. And I personally looked to the entire Grunseth family during the last presidential campaign, when they served on this state's steering committee. So I'm proud to be here today, to support a great candidate.

[[You know, I was talking a few minutes ago with someone involved in planning this event. She told me that of all the details and decisions, what concerned her most was deciding on a speaker. I said I imagined she wanted someone influential. A world leader. A charismatic speaker. And she said, "No, Gorby's already been here."]]

President Gorbachev came to Minnesota to see some of the leading edge technology being produced by your private sector -- the kind of technology and aggressive economic enterprise Jon Grunseth understands, because he's made it happen himself.

Today, I've come here to affirm the kind of leadership that can **make sure Minnesota moves forward** -- with fresh ideas, new leadership, and new hope for the future. But before I focus on change in Minnesota, I'd like to make note of a significant change in our relations with Moscow.

Over the last year, if anyone were to ask me what is the most meaningful and hopeful sign of change in the world, I'd point to the kind and quality of real cooperation now shared by the United States and the Soviet Union, as we work to face down aggression in the Persian Gulf.

Our two nations haven't shared such unity of purpose for forty-five years. But now, in the heat of crisis in the Middle East, we forge reason for real hope. Hope for a more peaceful, more stable world order. **Through uncommon cooperation, we have made peace our common cause. That is reason for celebration.** \\\

Still, while that kind of **cooperation** is new, there's one thing we've been able to rely on. That's the **commitment** of American servicemen and women to contain aggression -- and the American people's support of our men and women in uniform.

We've seen no greater proof of that commitment than right here, among the people of Minnesota. Minnesota radio ~~and TV~~ stations sending tapes of local news. Park Center High School

students tracking down names of earlier graduates now in the Gulf, and writing to let them know how the football team's doing.

And among so many others, I heard about a group here in Minneapolis, newly established, called "S.O.C.M." ["sock 'em"] -- "Support our Country's Military." They're a volunteer group, providing financial and emotional support for people with family members in the military. Writing letters and sending board games to the troops -- even arranging for child care, to help the grandmother of two girls, who was worried her son and daughter-in-law might both be called up.

That kind of collective spirit, that kind of shared commitment, is important. It is those actions large and small -- celebrated or little-noticed -- that make possible American leadership around the world.

But leadership abroad demands good leadership here at home. **Minnesotans are great people ~~-- now~~, they deserve a great governor.** That's just what D.F. will be.

You've got a lot to be proud of. Nestled in this fertile land of 10,000 lakes, of forests and rolling farmland, the Twin Cities are vibrant, prosperous examples of urban life the way it ought to be. You've got a diverse economy -- building the world's most advanced mainframe computers, and producing more turkeys than any other state. \\\ [[I hope your political opponents don't take that the wrong way.]] It's

~~No,~~ Today I'm here to give my whole-hearted support to a candidate for governor who understands the power of the people

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Jon knows that a bright future for Minnesota -- industrial and agricultural -- won't be built by a burgeoning bureaucracy. It must be built by the people -- it is the birthright of people -- empowered and encouraged to make a difference for themselves and their communities.

That's why Jon's devoted himself to reform in education; protection of the environment; and control of state spending.

Minnesota has always had a strong, bipartisan tradition in education. But now, education has captured the national attention ~~of more candidates and constituents than ever before~~ -- and that says something about America. Because the importance of a well-educated citizenry transcends partisanship and politics.

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And that's why this candidate, and we of this Party, aren't interested in who's taking credit for what program. We care about what works. **Results. Results are what we're after. And working together with Jon Grunseth, results are what we're going to get.** \\

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Every time we made the extra effort, the other side said, "Try again." And now ~~the Cynics on the Hill~~ -- incumbents who enjoy some of America's most secure jobs -- want to leave town to campaign for re-election, while abandoning their most fundamental responsibility. They would go and face the voters without a balanced federal budget. I say to the Congress in Washington, **don't leave town without it**.

These across-the-board cuts will be tough. But if that's what it takes to bring this deficit down, the Executive Branch will deal with it. The American people shouldn't have to.

So I call on the Congress: ~~You've got four days to prove to the American people that you can make the choices you've been elected to make.~~ **Prove to the American people that we can deal**

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Well, it's an honor to be here, to root for Jon Grunseth. A man born and raised in the magnificent Minnesota countryside, who's no stranger to struggling. Time and again, he's been the underdog who turned adversity to excellence. Whether as the child stricken with severe polio, who became a nationally-ranked swimmer -- or as the candidate who defied conventional wisdom, won his Party's nomination, and won his primary by an overwhelming margin -- **Jon Grunseth is now Minnesota's best choice and brightest hope for governor.** \\\

Jon's talents as a leader have been noted at the federal level for several years now. One example: when Minnesota experienced one of the worst pipeline explosions in history, it was Jon who was called upon by his current opponent to chair the Commission on Pipeline Safety. It was Jon who was appointed by President Reagan to the National Board that pushed through the

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[[You know, I was talking a few minutes ago with someone involved in planning this event. She told me that of all the details and decisions, what concerned her most was deciding on a speaker. I said I imagined she wanted someone influential. A world leader. A charismatic speaker. And she said, "No, Gorby's already been here."]]

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~~They say that change is everywhere and always with us --~~ and over the last year, what we've seen around the world has been truly astounding. But if anyone were to ask me what is the most meaningful and hopeful sign of change in the world, I'd point to the kind and quality of real cooperation now shared by the United

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Minnesota has always had a strong, bipartisan tradition in education. In recent years education has captured the attention of more candidates and constituents, ~~from all walks of life,~~ than ever before -- and that's says something about America. Because the importance of a well-educated citizenry transcends partisanship and politics.

Real education reform demands that <u>all</u> of us work together to improve our schools. You've already got the nation's highest high-school graduation rate. But you also know that the best can always be made better.

And that's why this candidate, and we of this Party, aren't interested in who's taking credit for what program. We care about what works. ~~And we believe that to improve schools, we should put our trust in **parents**, not bureaucracies -- we should put choice in **their** hands, not simply in the State Department of Education -- and we should measure success not by mandates made and money spent, but by **results**.~~ **<u>Results</u> are what we're after. And working together with Jon Grunseth, results are what we're going to get.** \\

But along with deeply-held convictions on the importance of education, Jon shares the environmental ethic so crucial to preserving the grandeur of the great North Woods.

He believes, as I do, that we can and must recapture the heritage of Teddy Roosevelt. And he understands the importance

of community involvement in preservation efforts, to carefully manage our wild lands and wildlife.

~~Your new Minnesota Valley National Wildlife Refuge, and the restoration of Big Stone Lake, are great success stories.~~ But Minnesota's top-rated national rankings on air and drinking water quality, conservation, and recreation, ~~aren't the result of pronouncements from on high. They~~ reflect community efforts and a special volunteer ethic that Jon Grunseth understands, and is committed to promoting and expanding.

~~It is true that nature serves man's interests. But even more true, that it is in mankind's interest to preserve nature.~~ Jon Grunseth helped build a billion-dollar business, applying new technology and new ideas in environmental sanitation. **As governor, Jon Grunseth will be a leader for the environment.** \\

And he'll also be a leader in managing fiscal resources. He's proved his prowess in the private sector -- and he'll apply the same financial fortitude as governor. He's called for an "absolute cap on state spending, and real, honest property tax reform." He has said, as this Party believes, that the answer is not to spend as much as you can tax, but to "tax only as much as you need to spend." And he's right.

As you all know, we've been trying to reach an agreement on the federal budget for months. Four days from today, the bottom drops out: serious, automatic, indiscriminate, across-the-board cuts in services of every kind.

Why? Because the Congress couldn't get serious about making real cuts in spending. They wouldn't make sure those cuts were enforceable. And they wouldn't get serious about real budget reform. Lacking discipline of their own, they've delayed so long that the Gramm-Rudman meat-axe is about to do it for them.

What does that mean to you? It means many of Minnesota's spectacular parks, recreation, and wildlife management programs will be closed. Funds to curb demand for illegal drugs through prevention and treatment will be cut by a third. Air traffic control cutbacks will lead to substantial delays and cancellations. And nearly a million and a half college students will lose their Pell grants, because the Congress couldn't do its homework.

These cuts -- 100 billion dollars in all -- will be hard for everyone to take. Well, almost everyone. // There's one select group that's figured out how to soften the blow for themselves. That's right -- the Congress. ///

That group has given itself the authority to take its own cuts whenever it chooses, however it chooses, over the entire fiscal year. //

So come October 1st, there may be teachers who can't go to work in Headstart programs -- but in Congress, it'll be business as usual. There may be elderly wondering why their social security checks are late -- but in Congress, it'll be business as usual. The American people deserve better. I think the American people have had enough of Congressional business as usual. ///

Back in February, I sent a compete budget to up to the Hill. In April, the other side missed its deadline to respond. In May, I convened a budget summit to get things moving. In June, they still weren't moving. Instead, they told me they wouldn't talk unless I put everything on the table, including taxes. It was a tough decision. But to put our fiscal house in order, I did what had to be done, to get Congress to act.

They acted, all right. They acted like they had all the time in the world. //

So in July, I offered up another budget plan, that would save half a **trillion** dollars over five years. Again, I extended a hand to the members of Congress, asking them to work together, in good faith. And again they did nothing.

As of today, 63 days have passed since I made that last proposal -- and they have still offered no serious plan to reduce the deficit.

Every time we made the extra effort, the other side said, "Try again." And now the Cynics on the Hill -- incumbents who enjoy some of America's most secure jobs -- want to leave town to campaign for re-election, while abandoning their most fundamental responsibility. They would go face the voters without a balanced ~~the~~ federal budget. I say to the Congress in Washington, don't leave town without it.

These across-the-board cuts will be tough. But if that's what it takes to bring this deficit down, the Executive Branch will deal with it. The American people shouldn't have to.

So I call on the Congress: You've got four days to prove to the American people that you can make the choices you've been elected to make. Prove to the American people that we can deal with this deficit through real, enforceable cuts, and meaningful budget reform.

Everything I read, everyone I talk to, tells me that the American people are fed up with federal law-makers' evasion of responsibility. We need fiscal discipline in every branch of government, and at all levels -- from the White House to the Minnesota Statehouse. And that's reason enough to be here this morning. Because **I believe that here in Minnesota, Jon Grunseth will keep spending under control.**

I believe Jon will make a great governor. It's been a genuine pleasure to join you today. But before I go, there's one more thing: let me ask each one of you to make an effort to get out the vote this fall.

On the farms and fields, in the suburbs and cities, make sure that the people of Minnesota know what's at stake here.

In an era that celebrates the dawning of democratic freedoms around the world -- when so many who have struggled so long have at last found their voice -- no one who lives in freedom should rob themselves of the priceless power of the ballot.

Encourage people to exercise that power -- to confirm the kind of leadership they're after -- and to preserve the enduring glow of the North Star State.

By electing Jon Grunseth -- and by electing a Republican majority in the state legislature -- you can unleash new ideas, and bring about change for an even greater Minnesota.

Thank you all -- and God bless you all.

# # #

McGroarty/Dooley
September 25, 1990
1:00 pm
[CLEVELAND]

PRESIDENTIAL REMARKS: GEORGE VOINOVICH FUNDRAISER
CLEVELAND, OHIO
SEPTEMBER 27, 1990
12:00 NOON

Thank you, George, for those kind words. And my thanks to all of you for this warm welcome.

[Introductory acknowledgements.] I'm delighted to be here with {Members of the Ohio Congressional delegation}. / With one of the most highly respected men in Northern Ohio, Art Modell, owner of the Cleveland Browns. /

[[I don't know how well the Browns will do this year -- but I can tell you one thing: The way those Cleveland fans throw dog biscuits out onto the field, the Browns are Millie's favorite team. //]]

It's great to be back here in Cleveland -- capitol city of the North Coast -- to show my support for one of the real stand-outs up on Capitol Hill, // a man who has been a strong and effective advocate for Ohio in Washington and is now ready to serve this state as Ohio's next Lieutenant Governor: Mike DeWine. ///

And, of course -- center stage -- there's the man who lead this city's comeback. // The man who's served with distinction in a career that spans three decades in elective office. // The

next Governor of the Buckeye state, // Cleveland's own: George Voinovich. //

And I want to say hello to the woman who will make a great First Lady for Ohio: Janet Voinovich. // Barbara sends her best. //

[[I'm always a little leery about having George and me at the same event. Don't want the audience to suffer from charisma overdose. //]] [[But George and I won't speak long. We realize you can only stand so much excitement. //]]

[[Cleveland may be the home to the Rock and Roll Hall of Fame, but let me tell you: come November 6th, George Voinovich is going to make the opposition **shake, rattle and roll.** //]]

You can count on George Voinovich to lead the way -- to make Ohio one of the great path-breaking states in the 1990s. // In Ohio's cities and towns: where crime and drugs breed fear and violence, and threaten our sense of community. // In Ohio's schools: George Voinovich knows as well as I do that the key to competitiveness tomorrow is in our classrooms today. //

George Voinovich will bring the same **drive and determination** -- the same **intelligence and integrity** -- to the Ohio State House that he brought to Cleveland's City Hall. //

The people of Ohio can count on George Voinovich -- **Governor** Voinovich -- to create a climate for growth. To work with the business community to help the Ohio economy adapt and advance, attract new businesses and create new jobs. To help the Ohio entrepreneur realize his dreams. //

Take a look at this man's track record right here in Cleveland -- **the way he retooled this proud smokestack city to meet the high-tech challenges of the 1990s.** // The bottom line is beyond doubt: George Voinovich has developed a formula for success that **can work state-wide -- from Cleveland right down to Cincinnati, and in every city and town in between.** //

George knows what it takes to keep Ohio's economy on the upswing. // Rest assured -- we're going to do our part in Washington to help this state prosper and grow. //

It starts with putting our fiscal house in order. // You all follow the federal budget talks. // Right now, we're coming down to the wire in Washington -- the final few days of the fiscal year -- and still, no agreement in hand. ///

Four short days from now -- the axe falls. An automatic, mandated sequester that will cut $100 billion dollars from the federal budget.

A cutback of this scope is going to hit hard -- and it's going to hit home. //

Everyone will feel the heat -- everyone, that is, with one exception: **the Congress** -- which has given itself authority to take its own cuts whenever it chooses, over the entire fiscal year. // **For federal agencies across the country, Monday morning October 1st may mean empty halls and unanswered phones -- but for Congress, October 1st will be just another day of business as usual.** ///

For the rest of America, here's what that sequester will mean:

For air travellers, it means significant cutbacks in air traffic control -- and substantial increases in flight delays and outright cancellations. //

For anyone living near a toxic waste site, it means no new cleanups -- a complete stop in all new Superfund projects. //

For college students, it means an end to 1.4 million Pell Grants -- 1.4 million, eliminated outright. Add to that a 22% cutback in grants to another 2 million students. // Right here in Cleveland alone, there are over 130,000 college students that could fall victim to Congress' failure to act. //

Let me tell you: The sequester is strong medicine. It's not the way anyone would choose to bring this deficit down -- but, without an agreement, it's the only way there is to force Congress to make tough choices. ///

I've made a good-faith effort to reach a sound and sensible budget agreement. // Let me go back to the beginning -- back to **February 1st**, when I sent a complete budget up to Capitol Hill. And back to **April 1st** -- when the Congress missed its deadline to take action on that budget. [[It may have been April Fools then, but no one's laughing now.]]

A month later, in **May**, I convened a budget summit to jump-start the process -- and **at the end of June**, when the talks bogged down, I made a concession to get Congress off dead center. I put it all on the table -- even taxes. It wasn't easy -- but I

took the heat. // Then **in July,** when both sides pledged to put forward a comprehensive budget plan -- the other side delayed. We delivered. ///

All through the talks, for 135 long days, time and again we made the extra effort -- and each time the other side said, "It's still your move." //

Well, it's not **our move** anymore. //

If and when the axe falls -- **Congress will be held accountable**. //

But the threat of sequester doesn't change the fact that the fundamental test of any agreement is whether it sustains conditions for continued economic growth. //

That's why I've called on Congress to build a package of pro-growth incentives into a budget agreement -- incentives that create jobs and encourage aggressive R&D, that sustain growth and steer this economy clear of recession. // And yes -- that's why I will continue to push hard on the capital gains issue. In this competitive global environment, our current tax rate on capital gains is a ball and chain on the American economy. ///

And contrary to what you may have heard: the hang-up isn't capital gains -- the hang-up is on Capitol Hill. ///

We're still waiting for the Congress to come up with real spending cuts. Cuts that are enforceable -- not just another promise of future savings, waiting to be broken. And we're still waiting for Congress to commit to meaningful budget reform -- reform that builds real discipline into the budget process. The

last thing we want is for this year's budget fiasco to become next year's instant replay. //

So today I say to Congress: Keep the lights burning up on Capitol Hill if you have to -- but before that deadline passes four days from now -- let's reach the agreement America is waiting for. // No quick fix -- no deal to delay these difficult budget decisions until after the election. October 1st is zero hour: Prove to the American people once and for all we can deal with this deficit. ///

Reaching agreement is critical. We simply cannot fail to put our fiscal house in order. Especially, now -- with the challenge we face in the Persian Gulf. //

Let me speak for a moment about what this crisis is all about: When Iraq crossed over the Kuwaiti border -- when Saddam Hussein set out to erase the existence of a sovereign nation that posed no threat to his own -- he set in motion what is really the first test of this new post-war era. //

The stakes are clear. The world community must act to draw the line against Saddam's outlaw act. // Failure is an invitation to further aggression. Success is a step forward in a new partnership of nations -- more peaceful, stable and than we have ever known. // And I am confident we

World response has been swift and certain

we are working now in the United Nations

close off the last loophole -- to cut off a

Iraq. // Saddam Hussein must know that the world will not allow his outlaw aggression to stand. //

Let me close today with a word of recognition for the young men and women in our armed forces -- on duty now, half a world away. // Servicemen like PFC **John Brickley** -- known as "the Brick" to his old teammates on the Orange High School football team -- now serving with the 82nd Airborne. // Like Air Force Staff Sergeant **John Kinton** -- a 3-sport athlete from Cleveland's Collinwood High -- or, as he's now called, "Tiffany" -- as in "breakfast at Tiffany's." Sergeant Kinton's tent kitchen serves up some of the best pancakes and scrambled eggs in Saudi Arabia. A little bit of home -- out in the sand and hot sun. //

These two men -- all our soldiers, sailors, airmen and marines -- deserve every ounce of our support. // And with them in mind, I want to add one thing more -- a message to all Ohioans as November 6th draws near. / Right now, in the sands of Saudi Arabia, the young men and women of our Armed Services are teaching us a lesson about what it means to love liberty -- the precious freedom that gives America its meaning. / I urge every citizen -- in Cleveland, and all across Ohio: get out and vote. Don't take democracy for granted. ///

Once again, let me thank all of you for this war
// I'm proud to be here to show my support for
for the man I'm sure is well on his way to
your next Governor: **George Voinovich.** ///
great State of Ohio.

Staffed Copy
9/24/90
1:30pm

(Lange/Cawley)
September 24, 1990
6:45 p.m.
[MINNGOV.DOC]

PRESIDENTIAL REMARKS: GRUNSETH FOR GOVERNOR
MINNEAPOLIS HYATT
THURSDAY, SEPTEMBER 27, 1990
[7:30 A.M.]

[[Thank you, Jon. Vicki Grunseth, Senators Boschwitz and Durenberger. [Congressman Weber.] Bob Weinholzer, Barb Sykora [SEE-kora], Frank Graves, Evie Axdahl [EH-vee ax-DOLL]. Duane Benson and Bill Schreiber. And to running-mate Sharon Clark, let me pose the question of the hour: Isn't it about time we had a hog farmer on the ticket? \\ Talk about rooting for a candidate...]]

Well, it's an honor to be here, to root for Jon Grunseth. A man born and raised in the magnificent Minnesota countryside, who's no stranger to struggling. Time and again, he's been the underdog who turned adversity to excellence. Whether as the child stricken with severe polio, who became a nationally-ranked swimmer -- or as the candidate who defied conventional wisdom, won his Party's nomination, and won his primary by an overwhelming margin -- **Jon Grunseth is now Minnesota's best choice and brightest hope for governor.** \\\

Jon's talents as a leader have been noted at the federal level for several years now. One example: when Minnesota experienced one of the worst pipeline explosions in history, it was Jon who was called upon by his current opponent to chair the Commission on Pipeline Safety. It was Jon who was appointed by President Reagan to the National Board that pushed through the

toughest safety standards anywhere in the country. And I personally looked to the entire Grunseth family during the last presidential campaign, when they served on this state's steering committee. So it's an honor to be here today, to do all I can to support a great candidate.

[[You know, I was talking a few minutes ago with someone involved in planning this event. She told me that of all the details and decisions, what concerned her most was deciding on a speaker. I said I imagined she wanted someone influential. A world leader. A charismatic speaker. And she said, "No, Gorby's already been here."]]

President Gorbachev came to Minnesota to see some of the leading edge technology being produced by your private sector -- the kind of technology and aggressive economic enterprise Jon Grunseth understands, because he's made it happen himself.

Today, I've come here to affirm the kind of leadership that can **make sure Minnesota moves forward, ~~in the future.~~** I've come to endorse a candidate that represents fresh ideas, new leadership, and new hope for the future. But before I focus on change in Minnesota, I'd like to make note of a significant change in our relations with Moscow.

They say that change is everywhere and always with us -- and over the last year, what we've seen around the world has been truly astounding. But if anyone were to ask me what is the most meaningful and hopeful sign of change in the world, I'd point to the kind and quality of real cooperation now shared by the United

States and the Soviet Union, as we work to face down aggression in the Persian Gulf.

Our two nations haven't shared such unity of purpose for forty-five years. But now, in the heat of crisis in the Middle East, we forge reason for real hope. Hope for a more peaceful, more stable world order. **Through uncommon cooperation, we have made peace our common cause. That is reason for celebration.** \\\

Still, while that kind of **cooperation** is new, there's one thing we've been able to rely on. That's the **commitment** of American servicemen and women to contain aggression -- and the American people's support of our men and women in uniform.

We've seen no greater proof of that commitment than right here, among the people of Minnesota. Minnesota radio and TV stations sending tapes of local news. Park Center High School students tracking down names of earlier graduates now in the Gulf, and writing to let them know how the football team's doing.

And among so many others, I heard about a group here in Minneapolis, newly established, called "S.O.C.M." ["sock 'em"] -- "Support our Country's Military." They're a volunteer group that believes, as I do, that our soldiers and their families deserve the best.

So they're providing financial and emotional support for people with family members in the military. Writing letters and sending board games to the troops -- even arranging for child care, to help the grandmother of two girls, who was worried her son and daughter-in-law might both be called up.

That kind of collective spirit, that kind of shared commitment, is important. It is those actions large and small -- celebrated or little-noticed, in communities of every kind across the country -- that make possible American leadership around the world.

But leadership abroad demands good leadership here at home. **Minnesotans are great people -- now, they deserve a great governor.**

You've got a lot to be proud of. Nestled in this fertile land of 10,000 lakes, of forests and rolling farmland, the Twin Cities are vibrant, prosperous examples of urban life the way it ought to be. Fast-paced but friendly.

You've got a diverse economy -- building the world's largest mainframe computers, and producing more turkeys than any other state. \\\ [[I hope your political opponents don't take that the wrong way.]]

But today, I'm here to give my whole-hearted support to a candidate for governor who understands the power of the people themselves -- a candidate for change, who wants to unleash the full potential of the great state of Minnesota: **Jon Grunseth.**\\\

Jon knows that a bright future for Minnesota -- industrial and agricultural -- won't be built by a burgeoning bureaucracy. It must be built by the people -- it is the birthright of people -- empowered and encouraged to make a difference for themselves and their communities.

That's why Jon's devoted himself to reform in education; protection of the environment; and control of state spending.

Minnesota has always had a strong, bipartisan tradition in education. In recent years, education has captured the attention of more candidates and constituents, from all walks of life, than ever before -- and that's says something about America. Because the importance of a well-educated citizenry transcends partisanship and politics.

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of community involvement in preservation efforts, to carefully manage our wild lands and wildlife.

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And he'll also be a leader in managing fiscal resources. He's proved his prowess in the private sector -- and he'll apply the same financial fortitude as governor. He's called for an "absolute cap on state spending, and real, honest property tax reform." He has said, as this Party believes, that the answer is not to spend as much as you can tax, but to "tax only as much as you need to spend." And he's right.

As you know, we've been trying to reach an agreement on the federal budget for months. Back in July, I offered up a budget plan that would save half a **trillion** dollars over five years. I extended a hand to the members of Congress, asking them to work together, in good faith. To seriously, realistically, and

finally address a fiscal problem of great national concern, with enormous consequences.

Right away, I was asked to make a sacrifice. I was told no deal was possible unless I put everything on the table, including taxes. So I did what had to be done, to get Congress to act.

They acted, all right. They acted like they had all the time in the world. To my surprise and dismay, 64 days have passed since we made our half trillion dollar proposal -- and Congress still has offered no serious plan to reduce the deficit.

Instead of considering realistic spending cuts, meaningful reform of the budget process, and a job-creating, revenue-enhancing cut in the capital gains tax, the Democrats in Congress have been waging class warfare through the tax code. And now incumbents who enjoy some of America's most secure jobs want to leave town to campaign for re-election, while abandoning their most fundamental responsibility.

In their wake, they've dropped the anchor of sequestration -- across-the-board cuts of all government functions. The law requires those cuts to begin in a few days.

What does that mean to you? I'll give you just three examples. It means many of Minnesota's spectacular parks, recreation, and wildlife management programs will be curtailed and in some cases, closed. It means our struggle to curb demand for illegal drugs through prevention and treatment would be cut by a third. It means the shut-down of meat and poultry processing plants, threatening Minnesota jobs.

Everything I read, everyone I talk to, tells me that the American people are fed up with federal law-makers' evasion of responsibility. We need fiscal discipline in every branch of government, and at all levels -- from the White House to the Minnesota Statehouse. And that's reason enough to be here this morning. Because **I believe that here in Minnesota, Jon Grunseth will keep spending under control.**

I believe Jon will make a great governor. It's been a genuine pleasure to join you today. But before I go, let me ask each one of you to make an effort to get out the vote this fall.

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In an era that celebrates the dawning of democratic freedoms around the world -- when so many who have struggled so long have at last found their voice -- no one who lives in freedom should rob themselves of the priceless power of the ballot.

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By electing Jon Grunseth -- and by electing a Republican majority in the state legislature -- you can unleash new ideas, and bring about change for an even greater Minnesota.

Thank you all -- and God bless you all.

# # #

CRAY RESEARCH, INC.
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FAX NUMBER: (612) 683-7199

FAX TRANSMISSION

DATE: 9/25/90 TIME: _____

TO: Carolyn Cawley - Ofc of Research

FAX NO.: (202) 456-6218

FROM: Kate Neessen (612) 683-7132

TOTAL NUMBER OF PAGES (Including this one): 2

If you do not receive all the pages, please telephone or telex immediately.

MESSAGE

Please call if you need more documentation

Corporate Profile

Cray Research, Inc. was founded on April 6, 1972. The company's mission is to lead in the development and marketing of supercomputers — high-performance systems that make a unique contribution to the markets they serve.

Cray Research computer systems provide balanced performance for computationally intensive large-scale applications. They are used primarily for physical simulation — the analysis and prediction of the behavior of physical systems through computer modeling. Physical simulation is common in such disciplines as weather forecasting, aircraft and automotive design, nuclear research, geophysical research, and seismic analysis.

Today, Cray Research has approximately two-thirds of the worldwide market for supercomputers. The company employs approximately 4700 people and operates manufacturing and development facilities in Chippewa Falls and Rice Lake, Wisconsin. Software development, marketing support, and administrative facilities are located in the Minneapolis area. The company has 29 domestic sales and support offices and 19 subsidiary operations abroad.

Because maintaining performance leadership in its chosen segment of the scientific computer market is the very reason for its existence, Cray Research invests heavily in development and engineering. The company's target is to spend 15 percent of revenue on engineering and development.

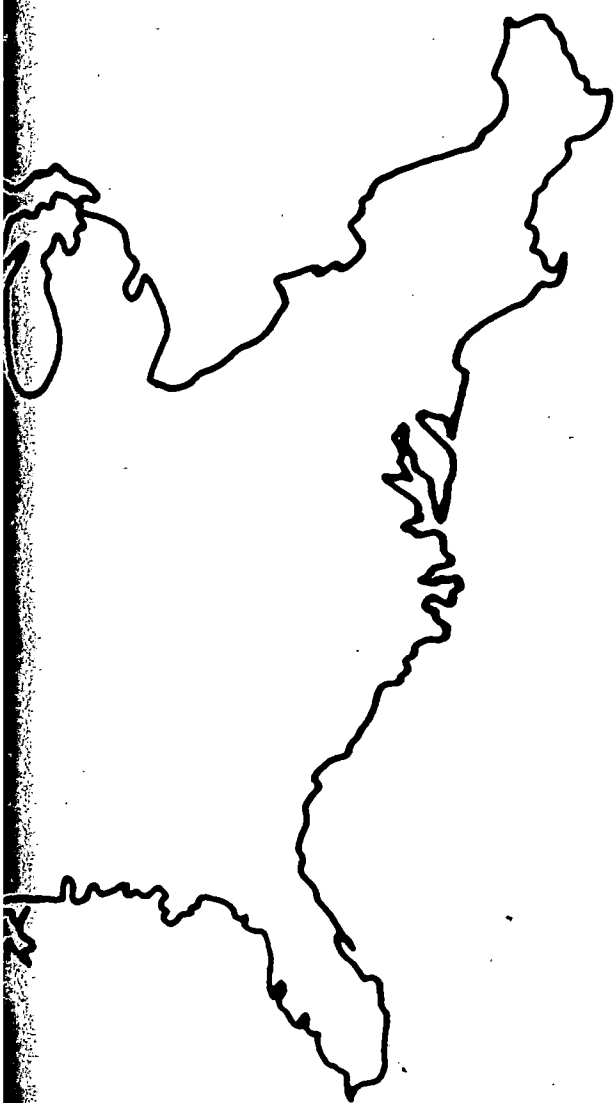
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43 Worldwide Business Centers
44 Investor Information

PN 6081
E3
WH

AMERICA THE QUOTABLE

Mike Edelhart and James Tinen



Facts On File Publications
460 Park Avenue South
New York, N.Y. 10016

Entered the union (with rank): May 11, 1858
State motto: *L'Etoile du Nord* (The North Star)
State flower: Showy lady's slipper
State bird: Common loon
State song: "Hail! Minnesota"
State tree: Norway pine
Nicknames: Gopher State, Land of 10,000 Lakes, North Star State
Origin of state name: From the Dakota word for "sky-tinted water"

When the glaciers left Minnesota they left plenty of reminders behind. Wherever the glacier pressed heavily Minnesota has a lake—there are about 15,000 of them, ranging from the mammoth twin Red Lakes in the far north to some that are barely more than ponds. The glacier also made Minnesota the father of rivers. Here lies the source of the St. Croix and the Mississippi, the Father of Waters. The farthest northern tier of Minnesota is almost entirely watery wildland, the Boundary Waters preserve where motors are forbidden for miles upon miles of forest and stream.

Minnesota is no wilderness, however. Its twin cities, Minneapolis and St. Paul, are regarded by many as the best example of urban living currently available in America: young, vibrant, fresh, prosperous, progressive, they offer a combination of small-town affability and big-city services that would be the envy of any community. On the icy edge of Lake Superior in the northeast corner of the state is Duluth, a rock-hard iron ore town.

Commercially, Minnesota has progressed from an almost total dependence upon lumber (Bemidji, Minn. is the legendary birthplace of Paul Bunyan), to agriculture, to food processing. The world's biggest computers are built by Cray Computers in Minnesota, and the state grows more turkeys than any other.

During its early development, Minnesota toiled under a dozen different territorial and national flags—not that it made too much difference to the Indians, trappers and wildlife. The territory was almost entirely unutilized until 1805, when Lt. Zebulon Pike inspected Minnesota and claimed it for the United States. After the U.S. government established Fort Snelling, the germ of what is today St. Paul, Minnesota became the site of fierce, protracted struggles by the Indians well into the 1850s. The territory qualified for statehood shortly thereafter, and was the first state to declare for the Union during the Civil War.

Scandinavian and German immigrants came in droves after the war and helped create the modern Minnesota personality: the state is characterized by industrious, strong-limbed outdoors folk who are good talkers but not gabby, solid citizens with a strong sense of fair play. William O. Douglas may be the perfect image of the Minnesota native son.

THE STATE

"Minnesota is a delightful, prosperous, vigorous state, inhabited by citizens to whom these same adjectives can be applied."

Pearl S. Buck
America
1971

* * *

"It's time Minnesotans gave up calling their state the Northwest. For over a century they have been one thousand and more miles short of the goal."

Stewart H. Holbrook
Far Corner
1952

* * *

"To understand America, it is merely necessary to understand Minnesota. But to understand Minnesota you must be an historian, an ethnologist, a poet, a cynic, and a graduate prophet all in one."

Sinclair Lewis
These United States
1924

* * *

"For all these [ethnic and political] intramural frictions, however, Minnesota is undeniably one state, bigger, colder, wetter and more diversified than most of the other 49 by any yardstick."

George Moses
Minnesota—In Focus
1974

* * *

"Minnesota is a state spectacularly varied, proud and handsome, with a progressive political tradition."

Neal R. Peirce
The Great Plains States of America
1973

THE LANDSCAPE

"It is sometimes mistakenly thought by city people that grownups don't love snow. They think only children who haven't got to shovel it love snow, or only people like the von Furstenburgs and their friends who get to go skiing in exotic places and will never backslope a roadside in all their lives: that is a mistake. The fact is that most country or small-town Minnesotans love snow. They relish snow in large inconvenient storms; they like the excesses of it, they like the threat of it, the endless glamour of it."

Letters

* * *

"For everyone fretting aloud over
boned farmhouse on a bleak hillsid
who experience the same deprivat
sciously that it shows only as un
spondency. Even the smiling drink
heavily between booth-back and t
lounge, is offended and frightened
of the Minnesota landscape. He is
with that fraction of his daily cons
already absorbed by response to f
He perceives wreckage of fishing l
all right, but this enemy is only thr
of the total host lined up against
enemy soldiery are economic pre
lack of leisure, daily discourtesies g
simply because no one taught
them."

Letters

* * *

"I am driving; it is dusk; Minnes
The stubble field catches the last g
The soybeans are breathing on all

"Driving Toward the Lac
Silence in

* * *

"The storm is coming. The small
Minnesota
Is hardly strong enough for the sto
Darkness, darkness in grass, darkn

Silence in

* * *

"Beneath the waters, since I was a
I have dreamt of strange and dark
Not of gold, or strange stones, but
Gift, beneath the pale lakes of Mi

"After Drinking All Night With
Out in a Boat at Dawn To See W

Silence in

* * *

"My father used to say that only in St. Paul could you come to the horizon and see the three controllers of the city's destiny—the Cathedral, the First National Bank, and the Capitol. St. Paul is frank about itself; there is no secrecy."

Meridel LaSueur, author
Quoted by Neil R. Peirce
The Great Plains States of America
1973

* * *

"Minneapolis is banking, country-club sophistication, and pecking order; St. Paul is transportation, family gatherings, friendly squareness, and almost aggressive egalitarianism."

William McGivern, Minneapolis newsman
Quoted by Bern Keating
The Mighty Mississippi
1971

* * *

"Once, the Mississippi had provided Minneapolis and St. Paul with the reason for their existence. Later, it had turned into an impediment to their joint commercial life, to be spanned at every possible point. Now [because of numerous bridges] it wasn't even an impediment."

Jonathan Raban
Old Glory
1981

* * *

"If we were to imagine the Twin Cities personified, we would liken Minneapolis to a vigorous rustic beauty in short skirts; while St. Paul we would describe as a fashionable marriageable urban miss, a trifle stunted and lacking color and plumpness, but with more style and worldly grace than her sister."

Julian Ralph
Harper's New Monthly Magazine
March, 1892

* * *

"To begin with Minneapolis, the larger of the two towns, let me introduce the town as that one which seems to me the pleasantest and most nearly perfect place for residence of all the cities I have seen in my country."

Julian Ralph
Harper's New Monthly Magazine
March, 1892

* * *

"If you are from Minneapolis, our Radium Water [a mock miracle cure] guarantees to cure you of everything but your Swedish accent. If you are from St. Paul, we can cure you of everything but your ingrown hatred of Minneapolis."

Will Rogers
The Illiterate Digest
1924

* * *

"St. Paul and Minneapolis extend from the Mississippi River like the legs on a pair of trousers. Where they join is the University of Minnesota."

Max Shulman
Barefoot Boy With Cheek
1943

* * *

"St. Paul is a wonderful town. It is put together in solid blocks of honest brick and stone, and has the air of intending to stay."

Mark Twain
Life on the Mississippi
1874

* * *

"Minneapolis is situated at the falls of St. Anthony, which stretch across the river 1,500 feet, and have a fall of 82 feet—a waterpower which, by art, has been made of inestimable value, businesswise, though somewhat to the damage of the Falls as a spectacle, or as a background against which to get your photograph taken."

Mark Twain
Life on the Mississippi
1874

Other Cities, Towns and Places

Hibbing:

[On the Iron Range mining country, in Hibbing]:
"It is the country
of red-hot iron.
Wherever I go
the sand burns red
and no grass grows."

Emiko Takase Matsumoto
Tr. from the Japanese by Jon Spayde
Kugenuma
1961

Minnesota Point:

"We looked at what is called Minnesota Point from a tall bluff, and watched the freighters come in with

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Computerworld

August 27, 1990

SECTION: NEWS; Pg. 14

LENGTH: 383 words

HEADLINE: It's all Cyber systems go for Soviets;
With export license in hand, CDC and USSR officials ready for mainframe sale, safeguards

BYLINE: By Ellis Booker, CWStaff

DATELINE: MINNEAPOLIS

BODY:

Control Data Corp. received a green light from the U.S. Department of Commerce last week to export six mainframe computers to the Soviet Union.

The Cyber 960 mainframes, which will be used to analyze safety factors in Soviet civilian power plants, are the most powerful computer systems ever sold to the Soviets.

CDC has been awaiting an export license for the machines since last November. The Soviets will pay $32 million in hard currency for the systems, according to the company, which will deliver three systems this year and three in 1991.

Soviet interest in the sale was underscored in June, when Soviet President Mikhail S. Gorbachev stopped at CDC's headquarters here for a brief demonstration of the Cyber 960. CDC was the only U.S. company visited by the Soviet leader during his U.S. tour.

In June, the Coordinating Committee on Multilateral Export Controls (Cocom), the international trade watchdog organization, liberalized its rules for computer sales to the Soviet and Eastern Bloc nations [CW, June 11].

Under the revised rules, Cocom has 20 days to file an objection once it receives an application for a high-end computer sale to the Soviet Union or East Bloc nation.

This month, the U.S. and Soviet Union agreed on usage safeguards for the mainframes, which have a performance rating of 435 and fall into the second of three performance tiers established by the new Cocom rule. Last Monday, when the 20-day waiting period ended without a Cocom objection, the Commerce Department approved CDC's export license.

The Cybers will be controlled under an agreement reached in June between the U.S. and Soviet governments over the use of the CDC computers. The accord specifies various safeguards, including on-site visits during which usage logs of the mainframes will be checked, and other safeguards built into the computers themselves.

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A CDC spokesman said the firm hopes to see increased computer business with the Soviets. The day Gorbachev visited CDC's headquarters in June, the firm signed a technology sharing agreement with the USSR's Academy of Sciences under which the two will explore computer applications in five areas: nuclear safety, petroleum exploration, electric power generation and transmission control, software development and workstations.

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10TH STORY of Level 1 printed in FULL format.

Copyright (c) 1990 The Washington Post

August 22, 1990, Wednesday, Final Edition

SECTION: FINANCIAL; PAGE F2

LENGTH: 498 words

HEADLINE: Soviets Buy Advanced Computers;
Machines to Improve Nuclear Safety Level

SERIES: Occasional

BYLINE: Stuart Auerbach, Washington Post Staff Writer

BODY:

The United States and its allies have approved the sale of the most advanced computers ever allowed to go to the Soviet Union, a set of six Control Data Corp. machines that will be used to improve the safety of Soviet nuclear power plants, company officials said yesterday.

The computers will allow the Soviets to upgrade safety standards at more than 50 nuclear power plants; design newer, safer reactors; and better deal with accidents such as the 1986 explosion at Chernobyl. That explosion devastated the surrounding area in the Ukraine and spread radioactive clouds over nearby countries.

"This marks the beginning of a new level of cooperation between the Soviet Union and the United States on issues that affect people worldwide, in this case the safe operation of nuclear power plants," said Jim Ousley, president of Control Data's computer business.

"We are very happy to see that the licenses were approved, given the Soviets' previously negative experience with nuclear safety," said Commerce Undersecretary Dennis Kloske. "It is in everybody's interest to see that they have technology available to them to ensure greater nuclear safety."

The sale is worth $ 32 million to Control Data, which has been seeking greater access to the Soviet market for years, and it is seen as one of the first commercial reflections of the end of the Cold War and the new spirit of cooperation between Washington and Moscow. Control Data was notified yesterday that the sale had been approved both by the U.S. government and by its allies in the 17-nation Coordinating Committee for Multilateral Export Controls (Cocom), which polices technology sales to the Soviet Union. The first shipment is scheduled for next month.

During his visit to Control Data's Minneapolis headquarters in June, Soviet President Mikhail Gorbachev was shown how the computers could deal with a simulated nuclear plant accident. Jim O'Connell, director of international trade and policy affairs for Control Data, said the computer zeroed in on the location of a burst pipe and gave plant operators instructions on how to first isolate the break and then correct it with a minimum spread of radioactive material.

In addition to approving the sale of the computers, which are six times as powerful as the most advanced computers previously sold to the Soviets,

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O'Connell said the U.S. government will supply the Soviets with previously restricted nuclear safety software programs.

To gain U.S. and allied approval for the sale, Moscow had to agree to stringent safeguards to prevent the computers from being used by the military. These include giving Control Data workers access to the computers, limiting the kinds of software that can be run on the computers and restricting who can use the equipment. Control Data will monitor the use of the computers.

The safeguards are embodied in a special U.S.-Soviet pact on nuclear safety technical cooperation that was tied to the sale of the six computers.

GRAPHIC: PHOTO, IN JUNE IN MINNESOTA, SOVIET PRESIDENT MIKHAIL GORBACHEV VISITED CONTROL DATA. AP

TYPE:
NATIONAL NEWS, FOREIGN NEWS

SUBJECT:
UNITED STATES; U.S.S.R.; COMPUTERS; INTERNATIONAL TRADE; TRADE REGULATION

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See P-3

36TH STORY of Level 1 printed in FULL format.

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June 11, 1990, Monday, Late Edition - Final

SECTION: Section D; Page 1, Column 1; Financial Desk

LENGTH: 1346 words

HEADLINE: Americans Seek to Improve Transportation for Soviets

BYLINE: By JOHN H. CUSHMAN Jr., Special to The New York Times

DATELINE: WASHINGTON, June 10

BODY:

The United States and the Soviet Union are trying to build a new commercial relationship across the spectrum of transportation - moving goods by land, by sea, by air, or even into orbit.

In recent months, there have been proposals and deals in the Soviet Union with American companies like United Parcel Service Inc., the package-delivery company, Sea-Land Service Inc., the international shipping concern, and Honeywell Inc. and Northwest Airlines, which will sell satellite-based navigation technology. The companies say they anticipate no objections from the Defense Department, which developed the American satellite.

The transportation ventures and other types of deals like the General Motors Corporation's agreement to sell car parts to the Soviets indicate Moscow's desire to become more involved in the world economy and its willingness to be open to American businesses.

Experts say international transportation presents an important opportunity for the Soviet Union to earn dollars and other hard currencies.

But the Soviets desperately need to improve their creaking transportation network if foreign trade or the domestic economy are to have any hope of prospering.

''Their internal transportation network is breaking down,'' Marshall Goldman, associate director of the Russian Research Center at Harvard University, said last week. ''Their infrastructure is disintegrating.''

But free enterprise can only deliver so much in the changing Socialist state, as is shown by U.P.S.'s venture in Moscow and Leningrad. The company's familiar brown trucks and uniformed drivers are making their rounds in the Soviet capital, under a joint-venture partnership with Sovtransavto, a Soviet company. But laws still on the books prohibit parcels from being sent to or received by individuals. For now, the service is restricted to businesses.

The latest evidence of the burgeoning bilateral transportation relationship came last week when President Mikhail S. Gorbachev and President Bush met. The leaders signed accords expanding the air routes between the nations and restoring shipping activity to each other's ports for the first time in a decade.

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Some U.S. Carriers Critical

Airlines and shipping companies in the United States expressed some dissatisfaction with the agreements, saying American objectives like provisions for currency conversion had not been fully met.

The maritime agreement came under especially harsh criticism from ship owners, who said it would be hard for them to compete with the subsidized Soviet merchant marine in carrying goods between the United States and third countries.

But Government officials defended the agreements and said it was in the American interest to make some concessions so that economic changes in the Soviet Union could be put on a more solid footing.

''I think in cases like that, we have to err in favor of the new entrant, the East bloc country that is trying to move into a new era,'' said Transportation Secretary Samuel K. Skinner, when asked about objections to the aviation and maritime pacts.

''There are going to be some tough times before they do it, but I think they want to make it happen,'' he said, adding, ''We are going to do everything we can'' to encourage the changes.

The Transportation Department has for more than a year been accelerating the exchange of technical data between the Governments, with several missions back and forth by agencies like the Federal Railroad Administration.

Soviet Team in Washington

In a typical exchange between the Governments, a Soviet team was in Washington last week visiting the laboratories of the National Transportation Safety Board, which is laying plans for joint investigations of accidents that might occur as transportation trade increases.

But the big changes are happening in the transportation industries, where some grand plans are in the works. Sea-Land, for example, signed an accord in May with the new Association of Soviet Railways to improve the Trans-Siberian Railway.

Sea-Land, a unit of the CSX Corporation, has proposed other ventures, making it the first American transportation company to propose a partnership with all of the large Soviet rail, sea and air organizations.

It has concluded an agreement with Sovmortrans, a new international joint-venture company that will serve as Sea-Land's general agent in the Soviet Union for its cargo service.

Sea-Land, based in Iselin, N.J., described the agreement as the first time a foreign carrier had chosen as its agent a Soviet transportation company, organized as a profit-making enterprise under the continuing economic reforms in the Soviet Union.

The company has also been studying with Aeroflot a proposal that would expand cargo services by combining ocean and air shipments between Asia and Europe,

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(c) 1990 The New York Times, June 11, 1990

through the Soviet Union. The idea is to use Aeroflot's extensive cargo capacity to link Eastern and Western ports by air. To make it work, Sea-Land says, extensive investments would be required in handling centers, tracking systems and marketing networks.

Many Obstacles Abound

Professor Goldman of the Russian Research Center, who describes himself as a pessimistic observer of the Soviet system, said achieving such aspirations faced several obstacles. First, he said, political change is occurring so fast in the Soviet Union that nobody knows exactly who is in charge. Deals struck in Moscow may be challenged at the local level, while arrangements made with independent enterprises are still subject to central veto.

Second, he said, labor unrest could pose a critical problem in the transportation industry; it has been especially acute in the railroad industry, which in the absence of a good road system is essential to tying together the Soviet economy. Finally, the fundamental obstacle of currency conversion exists, as well as the repatriation of profits, he said.

Still, the deals keep getting signed.

Satellite Pact Set

A few days before President Gorbachev visited Minnesota to meet with business leaders there, Honeywell and Northwest, which are both based in the state, announced a deal to use satellites to navigate aircraft.

Airliners of the future are expected to navigate across open oceans by taking precise fixes from satellites. Under the agreement with Honeywell and Northwest Airlines, an American and a Soviet satellite system will be tied together into the same network by the middle of the decade.

The companies have held test flights using the American Navstar satellite, and tests with Soviet technicians are scheduled for next year.

Some aviation agreements are straightforward sales, but even they might have been impossible until the military competition between the nations suddenly waned.

For example, the General Electric Company recently agreed to sell the Soviet Union engines for Aeroflot's newly ordered Airbus Industrie A-310 jetliners, the first such planes ever purchased by the state carrier from foreign suppliers. Because the engines have at their core a military design, export licenses must be granted, and the engines will have to be maintained outside the Soviet Union.

Meanwhile, G.E.'s competitor in the jet-engine business, the Pratt & Whitney Inc. unit of the United Technologies Corporation, said last month that it would enter the Soviet aviation market through a deal with the Soviet Government and a West German engine maker, Motoren und Turbinen Union. Pratt & Whitney said the deal could lead to the codevelopment of a new engine for use on airframes built in the Soviet Union.

Daring Jet Proposal

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96TH STORY of Level 1 printed in FULL format.

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The Independent

June 4, 1990, Monday

SECTION: FOREIGN NEWS PAGE; Page 8

LENGTH: 385 words

HEADLINE: Maxwell steals the thunder in Minneapolis

BYLINE: From COLIN HUGHES in Minneapolis

BODY:

A BEAMING Robert Maxwell yesterday upstaged the aftermath of the US-Soviet summit by becoming the benefactor of a new private environmental research institute, to be called the Gorbachev Maxwell Institute of Technology.

It was announced during Mikhail Gorbachev's visit to the Twin Cities of Minneapolis and St Paul that Mr Maxwell, the Czechoslovak-born British publisher, would contribute $ 50m (pounds 30m), to be matched by a further $ 50m raised by the state of Minnesota. Mr Maxwell himself announced the foundation of the institute alongside Mr Gorbachev following a lunch which the two attended at the residence of Rudy Perpich, the governor of Minnesota, who lauded Mr Maxwell as ''a man of extraordinary accomplishments''.

Mr Maxwell said the institute, which will unite scientists in the US, Europe and the Soviet Union, would tackle problems ranging from food and health to the environment. He had decided to put up the money partly because his company's US headquarters of communications is in Minneapolis, but also because ''I know of no better way to show the gratitude we in Europe feel and how thankful we are to President Gorbachev, as well as President Bush, for ending the Cold War''.

The best explanation for the Gorbachevs coming to Minnesota to meet businessmen and agriculturalists is that it lies plumb in the middle of the north American continent, physically, culturally, and very, very happily. Minnesota is widely reckoned to be the healthiest state in the US. When Mr Gorbachev accepted the invitation from Governor Perpich, the Karkov vodka company of Minneapolis erected advertising billboards bearing a picture of the Soviet President, and the legend: ''The party's over''. This so offended the local sense of hospitality that the company had to pull the posters downand replace them with advertisements reading ''Welcome Mr President - to your health!''.

Raisa Gorbachev, for her part, yesterday visited a perfectly stereotypical Midwest, middle American family in their suburban Minneapolis home. The Watsons have four children, a cross-bred setter- retriever, and a dish-washer which Mrs Watson showed off proudly. The local paper's descripton of the family could extend to the whole state: ''Their home is modest and well-kept but not too modest or too well-kept.''

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September 19, 1990

MEMORANDUM

TO: CHRISS WINSTON

FROM: CAROLYN CAWLEY cc

RE: GRUNSETH FOR GOVERNOR REMARKS

I just received a fax with some more background and personal information on Jon Grunseth. Here are some highlights that you may want to include in the introductory paragraph:

--Jon Grunseth was born in the Minnesota countryside and even attended a one-room school for a time. His family lived in the country, in a converted barn, and he had an idyllic childhood. Norwegians in Minnesota take their ancestry very seriously and Jon is extremely proud of the fact that he is a first generation American making it in the new country.

--Also, Scandinavian jokes are popular there. POTUS told a joke last time he was in MN: after researching why Mondale carried MN in '84, he concluded the truly -- it must have been the Swedes.

--When he was eight years old, Jon was stricken with a severe case of polio. Through this adversity, a different Jon Grunseth was born. Polio was to shape Jon into the kind of man that would never see a situation and say "I can't do it." As he began the long recovery from an iron lung to leg braces to swimming as therapy, he learned the lessons of perseverance, setting goals and doing the hard work necessary to achieve them. He went on to swim competitively in college and became a nationally ranked swimmer.

Jon has been considered the underdog since the very beginning. Conventional wisdom said that he would not even get the Party' nomination. No one thought they'd get even this far. And look at him now. He won the Republican Primary by an overwhelming margin and his campaign is stronger than ever.

--Politics run in the Grunseth family. His mother was a director and the Reagan/Bush Headquarters in '80 and '84. His aunt is chairs the Int'l Trade Commission. In '84, Jon served as the Nat'l Chair of Norwegians for Bush. He and his wife, Vicki, served on the MN Steering Committee for Bush/Quayle.

--Jon is the youngest Vice President ever at Ecolabs, Inc., a Fortune 500 company. During his 12 years there, he's been part of a management team that has taken the company from $400 M in sales to over $1.3 B.

**A few years, Minnesota had one of the worst pipeline explosions ever -- The Williams Plant Explosion. An entire neighborhood was on fire and there were several deaths. Jon Grunseth was appointed by Governor Rudy Perpich (his opponent) to chair a Commission on Pipeline Safety. Later, President Reagan appointed him to the National Board of Pipeline Safety. Jon was an instrumental member of the team that pushed through the toughest safety standard measure anywhere in the country.

--<u>HUMOR</u>

Jon's running mate, Sharon Clark, is a hog farmer -- though she looks as if she just stepped out of Saks. <u>Throughout</u> their campaign, Jon has been introducing her with "Isn't it about time we had a hog farmer on the ticket?!" This reference has become a running joke in the state and they'd love it if POTUS used it too.

BIOGRAPHICAL SKETCH

JON R. GRUNSETH

Jon Grunseth is a graduate of Luther College. In 1975 he studied as a Bush Fellow at Georgetown University, and he is a graduate of the University of Minnesota School of Management, Management Executive Program.

He is the former Chief of Staff to Congressman Larry Pressler.

In 1978 he joined Ecolab, a St. Paul-based Fortune 500 company, as its youngest officer in history.

During the past twelve years, he has continued to serve as an officer of Ecolab with a variety of responsibilities. He has been part of a management team that has been responsible for the growth of the company from $400 million in sales to over $1.3 billion today. The company is a world leader in environmental sanitation.

Jon also has an extensive history on behalf of the Republican Party and its candidates.

He is or has served on the Board of Directors of the Minnesota Chamber, the St. Paul Chamber, KTCA, Minnesota Public Radio and the Indianhead Council of the Boy Scouts of America.

He is married, has four daughters and lives in Afton, Minnesota.

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MHA CLIPPING SERVICE
HIBBING DAILY TRIBUNE
St. Louis Co.
JUN 17 1990

Boschwitz urges Grunseth for governor

By GERALD KOPPLIN

DULUTH, Minn. (UPI) — Sen. Rudy Boschwitz, unchallenged within his party, received a unanimous endorsement for re-election to a third term at the Independent-Republican Party convention Saturday and urged party faithful to unify behind Jon Grunseth for governor.

"I call this party to unity as we approach this election this fall," Boschwitz said. "Unity is what it's all about. Together with Jon Grunseth, I intend to lead this party to unity."

During a news conference afterward, Boschwitz reaffirmed his backing of Grunseth, who received the IR endorsement Friday night over David Printy saying, "He's the endorsed guy."

The convention endorsed Boschwitz by acclamation. Grunseth faces a primary challenge from two fellow Republicans, state Auditor Arne Carlson and former U.S. attorney Doug Kelley.

Delegates endorsed Sharon Clark, 44, Madison, president of the Minnesota Corn Growers, to be Grunseth's running mate Saturday.

The delegates had only one contested race to endorse for constitutional officers. Bob Heinrich of Minnetonka, former city manager of Minnetonka and Eden Prairie, and Fred Hollender, a Minneapolis attorney, both sought the auditor's post vacated by Carlson.

Mark Dayton, a former U.S. Senate candidate and department store heir, received the endorsement for auditor from the DFL Party.

Kevin Johnson, an assistant Hennepin County attorney, was endorsed to oppose Attorney General Hubert H. Humphrey III. "I am more qualified than Skip Humphrey to hold this high office," said Johnson, citing 15 years experience in criminal law.

The party had been unable to field a candidate to oppose Humphrey until it announced Johnson's candidacy at the convention Saturday. "He realizes the odds," a Republican official said.

State Rep. John Burger of Minnetonka, who ran briefly for governor, was expected to win the endorsement to oppose DFL Treasurer Michael McGrath.

Dave Jennings, a Winona lawyer who is not related to former House Speaker David Jennings, will oppose Secretary of State Joan Growe, who is seeking a fifth four-year term.

Boschwitz said he will not spend more on his re-election campaign than he did in 1984 and less than Dayton did in 1982 in his unsuccessful bid against Sen. Dave Durenberger, R-Minn. Dayton spent $7 million of his own money.

Over the past six years, Boschwitz said he probably will spend about $6 million, which includes the currently running television advertising campaign.

Even Boschwitz understands the power of the Humphrey name. His ad campaign contains a picture of the late senator.

Sen. Humphrey was a very different kind of Democrat than we have today," Boschwitz said. "He never voted against a defense appropriation."

Boschwitz said he expected Democrats would select Paul Wellstone, the endorsed DFL Senate candidate, over Jim Nichols, state agriculture commissioner, who has said he might run in the primary but has not made a formal announcement.

Nichols has been a critic of Boschwitz, accusing him of convincing the Soviets to cancel the farm visit of President Michael Gorbachev. Nichols called Friday for Boschwitz to take a lie detector test on the matter.

Unable to stop the questions, Boschwitz said, satirically, "I don't know what to say about it. Yes. It was me. Gorby does what I want him to. I got him to cancel one appearance in San Francisco, too. When I say, 'Jump,' he says, 'How high?'"

Boschwitz said he has been trying to get together with Gov. Rudy Perpich regarding a visit of Soviet economic officials in July. "I'm bringing trade representatives from Russia. It would make sense for Minnesota to do this together. The boss came here. I hope we can do this together."

Perpich has been leveling sharp partisan attacks against Boschwitz, accusing him most recently of trying to scuttle the Gorbachev visit to Minnesota June 3.

SEP 14 '90 15:36

GRAND FORKS (ND)
HERALD
Grand Forks Co.

JUN 2 0 1990

Grunseth is credible as IR candidate

Jon Grunseth is "clearly the best candidate to unite our party."

Those were the words of Independent-Republican Vin Weber, U.S. representative from Minnesota's 2nd Congressional District. That was Weber's assessment last fall of the 43-year-old St. Paul businessman seeking the IR endorsement for governor.

Grunseth now has the opportunity to do what Weber thinks he is capable of. Last Friday in Duluth, Grunseth defeated David Printy for the endorsement. Printy, who had waged a tough campaign, conceded after the third ballot.

Grunseth is a credible candidate, the best choice the Independent-Republicans could have made at the convention. His issues of new leadership, lower taxes, better education and a cleaner environment are key Minnesota themes.

He is basically a newcomer to politics. In 1974 he ran as the IR candidate for the U.S. House in the 6th District, losing to Richard Nolan, now president of the World Trade Center.

Grunseth follows in the footsteps of such other successful IR politicians as David Durenberger, Harold LeVander and Elmer Anderson, entering the political arena through civic and business experience.

Interestingly, Grunseth has strong North Dakota ties. He is vice president of Ecolab, which owns Chemlawn and the former Lystad's. He is the grand-nephew of the C. Norman Brunsdale of Mayville. Brunsdale was a state senator, governor and briefly a United States senator. In 1988 Grunseth co-hosted a Twin Cities fund-raiser for Republican Earl Strinden of Grand Forks, gathering $50,000 for Strinden's unsuccessful race against Sen Quentin Burdick.

The Independent-Republican Party appears to have matched its personnel with its political opportunities. This is something the party hasn't done very well at.



Jon Grunseth

OUR OPINION

Minnesota Independent-Republicans made a good choice in selecting Jon Grunseth as their candidate for governor.

But this is 1990, and the stakes are higher because the chances for success are greater. Gov. Rudy Perpich is vulnerable because Minnesotans appear tired of his grandstanding and critical of his performance.

This is both the challenge and the opportunity for Grunseth and the Republicans.

A tough Republican primary Sept. 11 stands between Grunseth and Perpich. The primary will pit Grunseth against State Auditor Arne Carlson and Doug Kelley, former federal prosecutor and aide to Durenberger.

This will be a tough race for Grunseth. Carlson is a moderate who's been frozen out by the party's shrinking base of ideologues and activists, and he will appeal directly to Minnesotans.

Grunseth, however, remains the choice of Independent-Republicans. And by selecting him, they picked the best candidate available to them at their convention.

Dan Rylance
for the editorial board

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3RD STORY of Level 1 printed in FULL format.

Education

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Daily Labor Report

September 12, 1990

DLR No. 177; PG. C-1

LENGTH: 1801 words

SECTION: ANALYSIS SECTION.

TITLE: SEVERAL WORKSITE SCHOOLS OPEN WITH BEGINNING OF NEW SCHOOL YEAR.

TEXT:

As employers look for ways to ease work/family conflicts for their employees, company-based "satellite" schools -- public schools operated on the grounds of private companies -- are being created as one way to help workers with school-age children.

Employers in such diverse businesses as banks, aerospace companies, hospitals, hotels, airports, and retail concerns, have formed partnerships with school systems to establish these schools, which, advocates say, are beneficial to all involved -- employees, their children, employers, and the school system.

Although satellite schools are relatively new, one pioneer says that the trend is growing and that in the next five to 10 years many more such schools will be created.

This school year, new worksite schools are opening at Honeywell Space Systems Group in Clearwater, Fla., Target Stores in Minneapolis, Minn. , and the Twin Towers Hotel in Orlando, Fla. Next year, a satellite school is due to open at Baptist Hospital in Dade County, Fla. These schools join the ranks of established worksite schools in Dade County, Fla., and at First Bank System in St. Paul, Minn.

In the 1991-1992 school year, more partnership schools will probably open as a number of school districts and employers continue negotiations to set up such arrangements.

Dade County

The concept of worksite schools was pioneered in 1987 in Dade County, where there are now three "satellite learning centers." A fourth satellite school is set to open next year, and the school system is negotiating with other interested employers to establish more centers.

Under Dade County's program, each "satellite learning center" provides classes for the children of employees of the company where the center is located. Both Dade County public schools and the cooperating company share the cost of operating each center. The school system provides the teachers, materials, and the educational curriculum, while the company provides the classroom space, maintenance, utilities, and security.

Dade County's first satellite learning center opened in August 1987 serving kindergarten-age children of employees on the premises of American Bankers

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Insurance Group, an international corporation based in the county. A new $350,000 facility -- described as "state of the art" by a county school official -- was built by American Bankers and opened in August 1988.

Satellite learning centers opened in September 1988 at Miami International Airport and Miami-Dade Community College. The three satellite centers, which now teach children in kindergarten through second grade, serve 270 children -- 90 at each facility, 30 children per class.

A fourth satellite center is scheduled to open next fall at Baptist Hospital, located in the southwest section of Miami, and negotiations are ongoing with several other hospitals, corporations, and industrial parks, according to Frank Petruzielo, an associate superintendent with the Dade County School System. Dade County also is canvassing hotels in south Florida to determine whether they have any interest in satellite centers, the school official said.

An important step in providing incentives to employers was taken by the 1990 Florida legislature when it modified Florida law to exempt from local property taxes facilities used for satellite centers, Petruzielo said. Tax incentives at the federal level might further encourage employer participation with satellite schools, he suggested.

A 'Win-Win' Situation

The satellite schools represent a "win-win" situation, Petruzielo said. The employer wins by way of improved employee productivity. Additionally, the schools serve as a recruiting and retention tool for employers -- especially for such businesses as hospitals that are facing labor shortages.

The school official noted that in high growth areas such as Dade County, the program offers schools badly needed space without additional cost to taxpayers.

Satellite schools tend to be more integrated than some neighborhood schools, he said. Dade County's satellite school population is representative of the county's tri-ethnic community, Petruzielo noted, adding that children of people "in the executive suite to janitorial workers" attend classes together.

The only question Dade County is wrestling with is whether these schools should stop at third grade, Petruzielo said. Many of the children in the satellite schools have been together in day care and the early grades, creating somewhat of a "bubble environment, " he said. The question becomes if and when these children should "get out into the mainstream."

Twin Cities Efforts

The first "corporate classroom" in downtown Minneapolis opened Sept. 4 at the headquarters of Target Stores, a discount department store chain. Target, a division of Dayton Hudson Corp., employs about 1,500 employees in downtown Minneapolis.

The school, for grades K through 3, conducts a Montessori program "which provides an individualized approach to learning and encourages children of different ages and abilities to work together," according to a school system statement. Classes are taught by Minneapolis public school teachers who have received additional Montessori training.

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Under the arrangement worked out, the school district provides one teacher and classroom equipment. Target is providing an additional teacher, space -- which the company rented at the Multifoods Building -- and after-school child care.

Discussions with the Downtown Council and the Chamber of Commerce are under way to investigate the potential for more classrooms located at corporate sites in Minneapolis, according to the school's principal, David Roffers.

Across the river in St. Paul, a kindergarten class coupled with an after-school component was instituted last fall at First Bank System. Under the agreement between First Bank and the St. Paul School District, the bank provides the school district with about 3,000 square feet of free classroom space, and the school district provides teachers and materials.

Initial employee reaction to the program has been very positive, said Barbara Roy, a community affairs official with First Bank. The bank will evaluate the program at the end of the first three years, she said.

Other Florida Programs

In partnership with the Pinellas County (Fla.) School System, the Honeywell Space Systems Group based in Clearwater, Fla., opened an on-site school Aug. 23 for kindergarten and first-grade students of Honeywell employees. The Space Systems Group is providing the land and the buildings, as well as meal service and security. The company also will contribute $75,000 toward operating costs. The Space Systems Group employs some 4,000 workers in the Clearwater and St. Petersburg area, according to company spokeswoman Mary Babin.

There are 43 children enrolled in the program, which can accommodate 75 students, Babin told BNA. The school is located in four portable buildings on company property. The school system provides the teachers and personnel for the afterschool program, Babin said. The Honeywell partnership school will expand to second grade next year.

The Honeywell school is the second partnership school in the Pinellas School system. Last year, a satellite school for employees of a General Electric facility in Largo, Fla., was established at a nearby elementary school. This year, the school, which has 40 students, has moved to a new on-site facility.

Although companies probably need about 1,500 employees to give a school district enough children to start a school, the Pinellas school system has received inquiries from nearby small businesses as well, according to Alison Bellack, coordinator for partnership schools and child care for the Pinellas schools. School officials are working with 10 businesses in downtown Clearwater that have expressed interest in banding together to support a satellite school, she noted. A hospital in St. Petersburg and the Innkeepers of Pinellas County are also studying the idea, Bellack said.

A satellite school for 15 children of hotel workers opened its doors Aug. 27 at the Orlando (Fla.) Twin Towers Hotel and Convention Center.

Hotel officials originally had envisioned using a second floor location for the facility, but school specifications require that K-1 classes be located on ground level. The Orange County school system provided a modular school

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building, a teacher and teacher's aide to teach the combined K-1 class, and a certified aide for after-school day care. The hotel provided mechanical, electrical, and plumbing connections, said hotel manager John Holmes. The hotel costs were about $10,000 plus such ongoing costs as lunch, he said.

NYC Employers Explore Possibilities

In March 1990, chancellor of New York City Public Schools Joseph Fernandez -- who was superintendent of Dade County Schools when satellite schools were first implemented there -- proposed the concept to employers at a meeting of the Association for a Better New York. No such schools are opening this fall, but officials and employers are exploring various possibilities, school system spokesman Robert Terte said.

The United Federation of Teachers in New York had hoped to establish such a school at a first-floor storefront site at UFT headquarters, but the site did not meet space specifications, according to Neill Rosenfeld, a spokesman for the union. The federation is still searching for acceptable space because having a school on site is "something we'd like to do," Rosenfeld added.

Employees Enthusiastic About Concept

Employees with children in a worksite school and educators teaching at the facilities are enthusiastic about the arrangement, according to partnership program advocates.

Not only do these schools minimize logistical problems for workers with school-age children, but educators believe that satellite schools may increase parental involvement in their children's education.

Parents have the opportunity to interact with their children on the commute to and from work as well as to talk with the teachers, advocates say. Whereas a working parent might have to take time from work to talk with their children's teachers, parents with children in a worksite school can talk to the teacher in the morning or evening when they pick up the children, program proponents say.

A frequently mentioned perquisite of worksite schools is that many programs allow parents to eat lunch with their children.

Lunch isn't necessarily a peanut butter sandwich in a brown bag. At the Orlando Twin Towers satellite school, students and parents can eat hotel food in the cafeteria, according to hotel manager Holmes. The students attending the hotel-based school also may use the pool and other recreational facilities.

By Gail C. Moorstein, a BNA Staff Editor

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THE WHITE HOUSE
WASHINGTON

MN is a burgeoning city on the edge of high tech — industry, corporations, health care, etc. Glenn & Sharon can carry the state to the next century.

Running mate Clark (President of the Minn. Corn Growers Association) brings a rural-urban balance, & the state is also largely rural/ag.

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114TH STORY of Level 1 printed in FULL format.

Proprietary to the United Press International 1989

September 5, 1989, Tuesday, BC cycle

SECTION: Regional News

DISTRIBUTION: Minnesota

LENGTH: 787 words

HEADLINE: St. Paul businessman enters GOP governor race

BYLINE: By GERALD KOPPLIN

DATELINE: ST. PAUL, Minn.

KEYWORD: Republican

BODY:

St. Paul businessman Jon Grunseth formally announced his candidacy for the Independent-Republican governor's race Tuesday by pledging no tax increases, more accountability for education and boot camps for drug users.

Four other Independent-Republicans are seeking the governorship besides Grunseth, who says he will need to raise $3.5 million to $4 million to wage a successful campaign against IR rivals and potential DFL candidates to win the 1990 race.

Grunseth said he will run in the Primary Election a year from now, even if he doesn't get the party endorsement at the Independent-Republican convention next June.

State Auditor Arne Carlson said Tuesday he too will run in the primary, ''regardless of what transpires.''

He said the Republican Party needs to select candidates to run. ''The more that get into the primary the better,'' he said.

Three other Republicans have indicated they want to run. They include businessman David Printy, lawyer Doug Kelley and State Rep. John Burger.

Grunseth, a public relations official for Ecolab Inc., criticized DFL Gov. Rudy Perpich's handling of the Boise Cascade labor dispute, which he called ''Gestapo tactics'' because the governor used the power of the state unfairly against the company while ''winking and blinking at union leaders.''

''You are to be fair to all parties,'' he said.

He also said education should be totally funded by the state and called for more testing of students and teachers, pledged no tax increases by limiting the growth of state spending, said the environment needs more protection, and said drug users and traffickers should face stiff fines and be sent to ''boot camps'' to pay their debt to society.

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September 2, 1999, Thursday, at eight

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LENGTH: 593 words

HEADLINE: DC. Band Instrument Equipment Goes Government Test

BYLINE: By GERARD KOPPELIN

DATELINE: St. Paul, Minn.

BODY:

St. Paul Instrument Co. Government Committee harmonized plan assembly for new Independent-Kabuptican Government's test band purchase. Committee Instrument-Kabuptican Government was selected to make 3.2 million to 44 million to made a Committee said Mr. Mill used to raise $3.2 million to 44 million for Independent-Kabuptican Government-Kabuptican Government Instrument Committee said Mr. Mill Band to Raise and Government Per assembly to Mill the Committee 1999 band.

Committee said Mr. Mill Law in the Primary Election a West Town Mom, Wash. It Be Does. It Get the Party endorsement at the Independent-Kabuptican Government Next Mone.

State Analyst Alan Carlson said Investor Mr 100 Mill Mom In the Primary, "The More Rest just into the Primary the Docket", he said.

He said the Kabuptican Party Usage to select candidates to Mom. "The More Kabuptican Committee Mr. Mill Mom Mr. Mill Mom Mr. Mill Mom

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Grunseth, who lives in suburban Afton, followed his announcement in St. Paul by a swing around the state to Rochester, Duluth, Alexandria and Moorhead on Tuesday and planned news conferences in St. Cloud and Willmar on Wednesday and Austin, Winona and Mankato on Thursday.

His announcement comes before the annual state Independent-Republican convention next weekend in Mankato, where delegates will register their early preferences in a straw ballot conducted by the party.

The IR endorsing convention is set for next June. The nomination is not expected to be settled until the primary a year from now on Sept. 11, 1990.

Printy also has announced a daylong campaign swing around Minnesota on Thursday to meet convention delegates and alternates. Carlson said he would be at the IR gathering as well and said he announced his candidacy a year ago.

While the Republican hopefuls are trying to get an early start on the 1990 elections, potential Democrat candidates have been rather quiet as long as Perpich has not revealed his plans. The governor has said he would by mid-September set a date for a formal decision.

DFLers known to seek an active interest in the race include Senate Majority Leader Roger Moe of Erskine and state Commerce Commissioner Michael Hatch, a former DFL Party chairman. Former House Speaker Harry Sieben is also a potential candidate but he is not widely known since he left the visible House post.

Grunseth said the DFL candidates ''are all part of the problem'' with state government. He questioned Perpich's judgment on taxes and state spending, the governor's position changes on the World Trade Center and the Greater Minnesota Corporation, and ''his ability to lead Minnesota into the next century.''

The Republican candidates, outside of Carlson, are not well known by voters in Minnesota. They could face the same problem that plagued former Independent-Republican state Rep. Cal Ludeman, a Tracy farmer, who lost by a wide margin to Perpich in 1986.

Hatch volunteers have gone to the state fair on two weekend appearances to drum up support for his candidacy.

Hatch has said he will not challenge Perpich for the governorship. Moe has indicated he may challenge the governor even if Perpich seeks an unprecedented fourth term. With his current term in office, Perpich will have served 10 years, longer than an previous governor.

Grunseth took exception to the property tax proposals recommended by Perpich. He said the governor's property tax proposal is ''a one year political solution.''

''I take a dim view to the whole 10-year approach,'' said Grunseth, calling for quicker reform. ''I think all education, welfare and court costs must move off from property taxes.''

The governor has recommended that the state pay for mandates coming from St. Paul and said local units of government need to be weaned from dependence on

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state aids. He said the state should begin to take on more of the costs of education and said welfare and court costs should be paid by the state.

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