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MICHIGAN "THUMB" EVENT BRIEF

THE AREA: Almost entirely agricultural. The chief products in the area are navy beans (USED IN SENATE BEAN SOUP) sugar beets and corn. Sanilac County has a higher degree of dairy farming than Tuscola or Huron.

<u>THE ISSUES:</u> The chief issue in the "thumb" is the farm crisis. The price of land is down. Farmers are receiving low prices for farm products. Production costs are high. Farm implement dealers are also in an economic crisis.

A recent survey of agricultural bankers showed that the dollar values of "good" farmland in Michigan's Lower Peninsula, which includes the Thumb, showed a 3 percent drop in the first quarter of 1986. The survey also indicated that the 3 percent decline in the first quarter compares to a 10 percent decline for the past year from April '85 to April '86. The survey confirms that the rate of decline in farmland values has slowed.

The survey of 500 agricultural bankers was conducted by the Federal Reserve Bank's Chicago-based Seventh district. The district includes Michigan, Indiana, Iowa, Wisconsin, and Illinois.

THE POLITICS: About 500 precinct delegate candidates from Huron, Tuscola, and Sanilac counties will attend tonight's fundraiser. About 350 precinct delegates will be elected from the Thumb area. Many delegate candidates have not made up their minds as to which presidential candidate they prefer. Many, since this is a heavy agricultural area, are waiting to hear you before they make a decision.

Lloyd Buhl, who serves as Sanilac County Republican chairman, believes that you could do well here. Buhl told me that he serves on the local steering committee of the Fund For America's Future. He also stated that many of his county activists are talking about 1986, not 1988.

Richard Trohill, chairman of the Huron County Republicans, is most interested in the state race for governor.

The Thumb area is solid Republican. Almost all local offices are in Republican hands. However, Thumb Republicans are dismayed that the Democrats control the congressional seat. Rep. Bob Traxler was elected as a "Watergate Baby" in 1974. He has a strong base in the Bay City area which is mostly industrial and Democratic. He specializes in agricultural issues and thus gets high marks from many in the Thumb. Still, Republicans want "one of their own" in Congress.

The Republicans are putting up three candidates for Traxler's seat. Gary Majesic is county executive of Bay County. John Levi is a local businessman, and Pat Ankne is a teacher.

MISC. ITEMS:

Do refer to the area as the "Thumb". Do concentrate on farm issues. Do stress the '86 election and the need to keep Republican control in the state senate and obtain a majority in the House. THIS DISTRICT IS THE AREA THAT MIKE BUSCH REPRESENTS. He is retiring this year so you should mention him. He's not expected to attend tonight.

SPEECH SUMMARY

GOOD TO BE HERE: SOMEWHERE (MAKE BED, ETC.) ARE GOOD THINGS: SUCCESSFUL PRESIDENT AND SUPPORTIVE SENATE.

NOT THROUGH: TELL HOW I SEE FUTURE.

BEGAN WITH REAGAN'S LOWER TAXES, LESS REGULATION, FISCAL DIET -- NOT VOODOO. WORKED.

NOW NEED CONTROL SPENDING, NOT TAXES:

y h Jour TO BUILD SOLVENCY -- CAN CUT: HARD CHOICES DID IN WH/SENATE BUDGET; NOT DRACONIAN. CURRENT ISSUES (CHOOSE) AG, FINANCE, GUNS, ETC.

NEED: BALANCED BUDGET AMENDMENT; LINE ITEM VETO, GRACE COMM, PRIVATIZE, A REPUBLICAN MAJORITY

ELSE WE LEAVE OUR PROBLEMS TO OUR CHILDREN

CROSSROADS: REAGAN PROSPERITY OR PRE-1980? LIMIT TO WHAT CAN SPEND: CAN'T WISH GROWTH

TIME TO TAKE CARE OF REAGAN AMERICA:

ENDURING AMERICA FROM VALLEY FORGE TO GRENADA -- AND TO FREEDOM FIGHTERS TODAY: CONTRAS, AFGHANS, UNITA

THAT AMERICA IS NOT SPECIAL INTERESTS; BUT FREE COMMUNITIES WHICH CARE AND SACRIFICE.

FASHIONABLE TO SAY FREEDOM WITHOUT COST. NOT SO.

MY VISION: POISED FOR GREATNESS IF CARE, IF DEVELOP FREEDOM, AND BUILD ON WHAT HAS BEGUN.

(BOB DOYLE STORY)

I DID GO INTO POLITICS; SPENT LAST TWO DECADES TRYING TO CARE FOR AMERICA AND ITS IDEAL OF FREEDOM WHICH MADE IT GREAT -- AND WILL IN FUTURE.

I MAY HAVE BANGED MY HEAD A COUPLE OF TIMES; NOT PERFECT BUT I'VE USED COMMON SENSE TO GET JOB DONE.

LET'S GO FORWARD TOGETHER AND CONTINUE THE JOB RONALD REAGAN STARTED: OF CARING FOR AND BUILDING A FREE AMERICA.

•× Friday, May 23, 1986/THE DETROIT NEVYSX 11A

Trade bill called boon to state industry, fari

By Susan Benkelman News Washington Bureau

WASHINGTON - Trade legislation approved by the House Thursday would affect virtually every Michigan industry now hurt by foreign competition - from automakers to back yard beekeepers, Michigan congressmen said.

While the legislation generally does not refer to specific industries, its provisions would force negotiations, and ultimately, action against foreign industries when the trade balance with those countries becomes excessive. That, said Michigan lawmakers, could specifically help the U.S. auto industry.

The Democratic-backed bill passed the House with support from 59 Republicans, including three from Michigan - Reps. Paul Henry of Grand Rapids, Robert Davis of Gaylord and Bill Schuette of Sanford. All of Michigan's Democrats voted for it.

"I THINK it's important that we send a strong message to the administration and to foreign countries that we need fair trade and free access to

Schuette said.

Schuette backed several amendments designed to help American farmers, including a requirement that

ethanol through

Bill Schuette

the Caribbean nations, from which the United States accepts methanol duty-free.

The legislation also requires the administration to oppose levies and restrictions on produced soybeans shipped to Portugal and Spain; much of the domestic crop is produced in Michigan.

Davis voted for the measure because his northern Michigan district has experienced 16 percent unemployment, mostly related to imports

markets and a level playing field," of forest products, iron ore, copper and steel, a spokeswoman said. Davis doesn't think the administration has been tough enough on foreign competitors, she said.

THE BILL requires Washington to take steps to reduce trade imbalances when they become excessive, Rep. Sander Levin, D-Southfield, said that would affect auto parts, for example, because the U.S. industry exports only \$150 million compared to about \$15 billion in imports.

Michigan would also receive at least \$17.6 million under a \$500 million proposal for education and training of displaced workers, according to an aide to Rep. Dale Kildee, a House Education and Labor Committee member.

The Flint Democrat sponsored proposals to provide local schools funding for training of workers who are in danger of being displaced by foreign competition.

The bill would fund labor-management committees patterned after one used by Buick City in Flint for businesses that are modernizing or changing their manufacturing techniques.

duty-free ethanol coming from Caribbean countries must be substantially produced there. The bill would help American corn farmers by preventing Brazil from routing

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Charting a Point

Nearly everybody agrees that Michigan is experiencing an economic "comeback," but just how strong a comeback is it? Gov. James Blanchard and his supporters, citing a sharp decline in unemployment since the trough of the recession in 1983, have been touting it as a near-miracle. But if we look at *employment*, a somewhat different picture emerges.

While statistics can vary sharply from month to

month, the chart below, based on data published by the federal Bureau of Labor Statistics, tells an interesting story. In the most recent 12-month period, Michigan has been growing more slowly than many of its key competitors. It's no reason for panic, but it makes clear that Michigan's comeback still has a long way to go. And it's a warning to our legislators that they need to keep pruning back the taxes, regulations, laws, and other impediments to growth in our state.



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<u>News</u> S-23-86

-2211 Brian J. Berry, Chairman

Survey: Farmland values fall 3%

A survey of agricultural bankers shows the dollar values of "good" farmland in the southeastern half of Michigan's Lower Peninsula including the Saginaw Valley and Thumb — fell by 3 percent in the first quarter of 1986.

However, the survey reported by the Federal Reserve Bank of Chicago also shows a 3 percent decline in the first quarter of 1986 compares to a 10 percent decline for the past year from April 1, 1985 to April 1, 1986.

The survey confirms that for many areas in a five-state area including Michigan, the rate of decline in farmland values has slowed. Also, the number of transactions in farm real estate has picked up in recent months.

The area figures are included in the survey of 500 agricultural bankers, taken by the Federal Reserve Bank's Chicago-based Seventh District. The district includes Michigan, Indiana, Iowa, Wisconsin, and Illinois.

Bankers in Michigan and Iowa reported a 4 percent decline in values over the first quarter — the steepest drop in all five states.

The 4 percent decline in the first quarter substantially exceeds the pattern in previous quarters.

Michigan bankers also reported cash rental rates for farmland have declined 15 percent over the past year, averaging in the low-tomid \$50 per acre.

Of all agricultural bankers surveyed in the southeastern half of the state, 56 percent reported the current trend in farmland values is stable. Another 44 percent report the trend is down.

The survey also shows that while cash rental rates have declined considerably, the shift toward crop-share rental arrangements continued over the past year. A substantial portion of rented land is farmed by non-owners.



Maryland Federation of Young Republicans

11820 Parklawn Drive, Suite 101 Rockville, Maryland 20852 (301) 770-2211 Brian J. Berry, Chairman

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EIGHTH DISTRICT

To understand the geography of the 8th congressional district of Michigan, you have to understand that Michigan's Lower Peninsula is shaped like the back of a mittened left hand. The 8th district includes most of the Thumb (as it actually is called locally) and the bottom part of the index finger. The Thumb is almost entirely agricultural, tilled by descendants of the Yankee, German, and Canadian farmers who settled it a little more than a century ago Life's rhythms have changed little since then, although agriculture has become immensely more productive; the area's chief products are navy beans (used in Senate bean soup) and sugar beets.

At the base of the index finger (this is not local nomenclature) are the old industrial cities of Saginaw and Bay City. Both have been important since the 19th century when Michigan was the nation's leading lumber producer and these cities were, briefly, its major lumber ports. Today their economy is based in large part on the auto industry; Saginaw is, even still, the biggest producer of power steering equipment in the world.

For many years, both the Thumb and the Saginaw area were mainstays of the Republican Party. Their impact on national politics, however, was slight, except for the time a Saginaw congressman co-authored the Fordney-McCumber tariff, until 1974. That year, the 8th

MICHIGAN 677

district underwent one of the two special elections in which Richard Nixon was the central issue. And for the second time, an historically Republican outstate Michigan district rejected the president and voted Democratic.

The victor in that race, Bob Traxler, is still congressman today. His local political base is Bay City, the one traditionally Democratic part of the district. But in recent years, even before the collapse of the auto industry, he carried Saginaw easily, and he has run well in the Thumb also. Traxler has specialized in agriculture issues, and he is now second-ranking Democrat on two Appropriations subcommittees, Agriculture and HUD-Independent Agencies. Since the chairmen of these were born in 1910 and 1911 respectively, Traxler's chance of joining the "college of cardinals"—the old name for the chairmen of the Appropriations subcommittees—is excellent. Of the two posts, the more powerful is probably Agriculture, through which Jamie Whitten has had a major hand in shaping American farm and food policy for more than 30 years; on that subcommittee Traxler has been a major supporter of the food stamp program. At home Traxler has not had serious competition since 1976 and did not even have a Republican opponent in 1982; he won 64% of the vote, and carried most of his Thumb counties, in the Republican year of 1984.

The People Pop. 1980: 514,560, up 8.3% 1970–80. Households (1980): 78% family, 45% with children, 65% married couples; 22.0% housing units rented; median monthly rent: \$189; median house value: \$35,600. Voting age pop. (1980): 350,577; 6% Black, 3% Spanish origin.

Presidential Vote

1984	Reagan (R)	122,705	(60%)
	Mondale (D)	79,934	(39%)

Rep. Bob Traxler (D)



Elected Apr. 16, 1974; b. July 21, 1931, Kawkawlin; home, Bay City; MI St. U., B.A. 1953, Detroit Col. of Law, LL.B. 1959; Episcopalian; divorced.

Career Army, 1953–55; Asst. Bay Cnty. Prosecutor, 1960–62; MI House of Reps., 1962–74, Major. Flr. Ldr., 1965–66.

Offices 2336 RHOB 20515, 202-225-2806. Also New Fed. Bldg., Rm. 1051, 100 S. Warren St., Saginaw 48606, 517-753-6444; and Fed. Bldg., Rm. 317, 1000 Washington Ave., Bay City 48708, 517-894-2906.

Committees Appropriations (14th of 35 D). Subcommittees: Agriculture, Rural Development and Related Agencies; HUD–Independent Agencies; Legislative. *Select Committee on Hunger* (3d of 10 D). Task Force: Domestic Task Force.

Group Ratings

	ADA	ACLU	COPE	CFA	LCV	ACU	NTU	NSI	COC	ACA	CSFC	
1984	70	48	85	67	74	50	21	22	46	10	29	
1983	90	-	86	92	79	22	19	-	5	15	18	Page 9 of 1



Lansing State Journal

State's 5.4% income gain ranks 20th

Associated Press

WASHINGTON — Michigan residents' personal income rose 5.4 percent last year, slightly above the nationwide average of 5.3 percent, according to a new government report.

Residents in Nebraska and New England made the biggest gains while Western energy states suffered the slowest growth, the government said Monday.

The nationwide gain pushed the income level to \$13,451 for every person in the country, but it was

substantially below the 9.3 percent increase in 1984.

The slowdown was blamed on the general sluggishness in the economy last year. Still, the increase kept income growth ahead of the inflation rate, which was 3.8 percent last year.

In Michigan, per capita income was \$13,298, ranking 20th in the nation.

The New England region outperformed the rest of the country with a 6.6 percent jump in incomes, which pushed per capita earnings there to 15,387 - 14 percent above the national average.

The healthy New England income growth was explained by the lowest unemployment rates in the country and booming business for the region's high-technology and defense industries.

"Many New England companies are in the vanguard in the production of high-tech items and they tend to have labor shortages for high-skilled workers," said Commerce Department analyst Rudolph DePass.

The biggest income growth for

a single state was in Nebraska, but analysts attributed most of the 9 percent increase to large government purchases of surplus farm commodities.

Nebraska was followed by the New England states of Vermont, up 7.1 percent; Massachusetts, up 7 percent, and New Hampshire, up 6.9 percent. Also in the top 10 were Virginia, with income growth of 6.6 percent; Connecticut and Minnesota, both with 6.5 percent increases; New Jersey, up 6.4 percent; Maryland, 6.3 percent, and New York, 6.2 percent.

State jobless rate at 9.2%; highest in U.S.

Associated Press

DETROIT — Michigan had the highest unemployment rate in April among the nation's 11 largest tates, as joblessness edged up 0.3 percentage points to 9.2 percent, the Bureau of Labor Statistics said Friday.

Richard Simmons Jr., director of the Michigan Employment Security Commission, said layoffs in manufacturing industries offset gains in the service sector.

The nation as a whole recorded the opposite situaion as the unemployment rate fell 0.1 of a percentige point to 7.1 percent. Despite the loss of 60,000 obs in manufacturing and oil and gas industries, a ousing boom triggered by the lowest mortgage ates this decade raised construction, real estate and nance employment by 130,000, the bureau said.

David Littman, chief economist with Manufacturrs National Bank in Detroit, attributed the state's ligh unemployment, compared with other industrial tates, to a high tax burden on manufacturing indusries.

"You have to look at a state like Massachusetts hat, because it lowered its state tax rates very purosefully in 1979 and in 1980, as of last year had a .9 percent average unemployment rate for the ear," Littman said.

Massachusetts in April ranked last in unemploytent among the 11 largest states, with a rate of 4 ercent.

"If we can improve our business climate, mostly elated to state-imposed taxes, ... then we'll proba-'y stem the decline in manufacturing jobs," Littman tid.

Even the small dip in the national rate helped reeve fears triggered by a large upsurge in jobless-



ness two months earlier that the nearly 31/2-yearlong recovery from the last recession had become stalled.

In the past four months, the economy has created 1 million new jobs, rising to an all-time high of 110,587,000 people at work, the bureau said.

However, a couple of "troubling aspects" clouded the favorable developments, said BLS Commissioner

Janet L. Norwood. Nearly 1.1 million so-called "discouraged" workers have given up even looking for jobs. And the number of people working part-time, but not out of choice, shot up by 385,000 in April to 5.9 million, the highest level in more than two years.

In addition, 240,000 factory jobs have vanished since the height of the current recovery 15 months ago. And declining oil prices have so sharply reduced new drilling that one of every eight jobs in the petroleum industry has been lost in just the past three months.

Thumb Republicans ready to give Dole 'a chance' Saturday

"I grew up on a farm

here, and I think Dole

farming than the other

candidates. The farm

economy is bad, and

Harold Perry

Cass City

we need to meet

someone who

understands."

like a lot of people

knows more about

Saginaw

BY TOM GILCHRIST Booth News Service

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5-18-86

CASS CITY — When Senate Majority Leader and presidential hopeful Robert Dole appears at a Saturday fund-raising dinner in the heart of the heavily Republican Thumb, he'll be trying to woo people like James and Robert McKay of Vassar.

The McKays are a father-son combination who hope to be reelected as Republican precinct delegates on Tuesday, Aug. 5, the day

about 6,000 such GOP delegates will be chosen. Both say they

were impressed by Dole's rival, Vice-President George Bush, when he appeared in Saginaw April 29.

"Prior to seeing Mr. Bush, my father and I thought he was a Republican version of Walter Mondale,"

said Robert McKay. "But Bush made an impact on us. We've never had the opportunity to meet Mr. Dole, but we're hoping to."

"Bush is like (Harry) Truman," said James McKay. "He's wealthy, but he seems common. I like his voice. He doesn't have this long, sophisticated accent.

"We'll have to give Mr. Dole a chance. Personality has a lot to do with who the delegates support."

Republican presidential hopefuls such as Bush, U.S. Rep. Jack Kemp of New York, television evangelist Pat Robertson of Virginia, and now Dole of Kansas, have been crisscrossing the state in recent weeks, hoping to get their supporters elected as precinct delegates in the primary — the nation's first electoral test for the 1988 GOP presidential candidates.

About 350 Republican precinct delegates will be elected in the Thumb, which includes Huron, Tuscola, and Sanilac counties.

Precinct delegates set off a domino effect in the party's presidential nominee selection process.

They will name congressional district and state convention delegates in January 1988. The district and state convention delegates then will name the first 1988 Republican National Convention delegates in the nation.

This document is from the collections at the Dole Archives, University of Kansas http://dolearchives.ku.edu

News

Dole's appearance at the Colony House near Cass City on Saturday, along with four Michigan GOP gubernatorial candidates, will be his first appearance in the 8th District, which includes Bay, Tuscola, Huron, Sanilac and Arenac counties, and parts of Saginaw, Midland, Genesee and St. Clair counties.

Dole has appeared in Traverse City and Lansing in recent weeks. He has not officially announced his candidacy for president, but his political action committee, "Cam-

paign America,'' has existed since Dole was a presidential candidate in several state primary elections in 1980.

"The senator knows that Bush is spending a lot of time in Michigan and he wants to keep track of what he's doing," said Brent

Bahler, Dole's press secretary. "We want to keep in touch with the people there."

Harold Perry of Cass City, also seeking re-election as a precinct delegate, said Republicans are enthusiastic about Dole's visit to the agricultural Thumb.

"I like Dole," Perry said. "I grew up on a farm like a lot of people here, and I think Dole knows more about farming than the other candidates.

"The farm economy is bad, and we need to meet someone who understands. Dole is a Kansas boy, so he must know something about agriculture."

Tuscola County Republican Chairwoman Jo Ellen O'Connor also is pleased at the prospect of Dole's visit.

"It's about time the Thumb started getting some attention," O'Connor said. "We have a lot of Republicans here."

About 500 delegate candidates from Huron, Tuscola, and Sanilac counties will attend the event.

Leading Republican gubernatorial candidates such as Brighton businessman Richard Chrysler, Wayne County Executive William Lucas, state Rep. Colleen Engler of Mount Pleasant, and Oakland County Executive Daniel Murphy also are expected to attend. CALL 754-9181

DEADLINES: Tuesday through Saturday 5:00 p.m. Monday ads accepted until 5:00 p.m. Friday.

TO CANCEL AD: Call promptly following results. p.m. for next day's publication. For Saturday and Sunda Friday. For Monday's paper call between 8:00 and 9:00 a.r.

NOTICE OF ERROR: PLEASE READ YOUR AI The Saginaw News assumes no responsibility for errors a statement adjustments must be made within 10 days after e THE SAGINAW NEWS reserves the right to edit or reject the correct classification for any advertisement.



THIS INFORMATION CURRENT AS OF APRIL 2, 1986

RNC Communications Division

MICHIGAN - POLITICAL BRIEFING

STATE POLITICAL BACKGROUND

- o Republicans have carried Michigan in four of the last six presidential elections, with the exceptions of Goldwater in 1964 and Nixon in 1968.
- Republicans control the upstate counties and the western city of Grand Rapids. Democrats control the industrial core centered around the metropolitan Detroit and Flint areas.
- o The 1986 election filing deadline is June 3 and the primary election will be held on Aug. 5.
- Michigan had an unemployment rate of 9.3% (not-seasonally adjusted) for February 1986 -- an increase of 0.8% over January. This reflects a decline of 7.8% from the 1981-1983 peak of 17.1%.

STATE ISSUES

- In August 1985, Gov. Blanchard announced a 10-point plan under which Michigan would halt state investments in South Africa, including \$2.85 billion of the state pension system which is invested in firms that do business in that country.
- o Other issues of importance in the state include:
 - -- Taxes -- (a) there is concern about the impact of Gramm-Rudman-Hollings on the state, which could cost the state over \$466,000 this fiscal year; (b) Gov. James Blanchard eliminated the state's budget deficit through an increase in taxes. The tax increase has now been repealed to pre-Blanchard levels. (See "Governor" section) However, many think the tax burden should be reduced further.
 - -- Unemployment -- the state's unemployment level is still above the national level.
 - -- Trade -- Michigan residents are concerned about the level of foreign imports and the lack of import trade restrictions. The domestic content legislation in Congress is also of great interest, especially to auto workers.

1984 PRESIDENTIAL RACE

o Michigan cast 20 electoral votes for President Reagan in 1984.

RNC Communications Division Page 2

o President Reagan carried the state with a 60%-40% margin.

1988 PRESIDENTIAL ACTIVITIES

MICHIGAN'S FIRST-IN-THE-NATION CAUCUS:

- On Dec. 7, 1985, the state GOP approved a system under which some 10,000 Republican precinct delegates will be elected to two-year terms during this summer's Aug. 5 primary beginning the 1988 national presidential nominating season.
- Those precinct delegates will have the power to elect state convention delegates in 1988 who will, in turn, select Michigan's national convention delegates. State and county conventions will be held early in 1988 although dates have not yet been set.
- o State Chairman <u>Spencer Abraham</u> has been a strong supporter of a first-inthe-nation GOP caucus process in the Wolverine state.
- o Since the establishment of the early caucuses in Michigan, 1988 presidential hopefuls have stepped up their campaign activity in the state.
- Vice President <u>George Bush</u>'s political action committee, the Fund For America's Future, came under the scrutiny of the Federal Election Commission on March 3 because of activity that could have been taken for presidential campaigning in Michigan and thus would have been limited to the FEC PAC contribution limit of \$5,000. Bush's PAC, which was established to support GOP candidates, has a staff of 13 in Michigan and plans to spend more than \$100,000 during the early precinct delegate elections.
- o Earlier, FEC legal staff issued a draft opinion which was largely supported by the Democrat commission members. The opinion stated that any money the PAC spends to recruit candidates, disseminate information or make donations to delegate candidates must be treated as a presidential campaign contribution, which is subject to the \$5,000 limit. However, an opposing opinion by a Republican commissioner held that the delegates running this summer will not be identified on the ballot as to the prospective presidential candidate they support, and therefore the elections are primarily party building activities and not 1988 presidential politics. The commission supported the two opinions along party lines.
- A bipartisan commission of six members upheld the Republican opinion stating the money being raised and spent in Michigan was for party building activities and therefore not subject to federal limits.

THIS INFORMATION CURRENT AS OF APRIL 2, 1986

RNC Communications Division Page 3

STATE POLITICAL SUMMARY

U.S. SENATE:

- In 1982, Democrat Sen. <u>Donald W. Riegle, Jr.</u> (1985 ADA rating-95; 1984 ACU-0) was re-elected with 58% of the vote over former Republican Cong. <u>Philip E. Ruppe</u>.
- o Riegle is expected to seek re-election in 1988. He has collected \$800,000 in a series of 1985 fundraisers and hopes to have \$5 million for his re-election bid.
- Democrat Sen. <u>Carl Levin</u> (1985 ADA rating-85; 1984 ACU-20) won his first term in 1978 by defeating incumbent Republican <u>Robert P. Griffin</u> by a 52%-48% margin.
- Levin won re-election in 1984 with 51.8% of the vote by defeating Republican Jack Lousma (47.2%) and other candidates.
- In late March, the National Democratic Senatorial Committee held a luncheon in Detroit to raise funds for Senate campaigns nationwide. The luncheon raised over \$50,000.

GOVERNOR:

- In 1982, Republican Gov. <u>William Milliken</u> chose to retire rather than run for a fourth four-year term.
- Michigan elected former four-term Democrat Cong. James J. Blanchard in 1982. Even though Blanchard was the overwhelming favorite to beat Republican <u>Richard Headlee</u>, he won with only 52% of the vote. Headlee had earlier defeated then Lt. Gov. James Brickley (R), Milliken's personal choice, in the primary.

BLANCHARD & TAXES:

- Almost immediately after his narrow election victory, Blanchard raised state taxes by 38% (from 4.6% to 6.35%) in a depressed state economy. The tax increase sparked a recall drive. In the summer of 1983, the recall amendment against Gov. Blanchard fell short of the required 760,000 signatures.
- o The state Legislature, with Blanchard's approval, has now returned the state tax to its pre-Blanchard level of 4.6%.
- Despite the public outcry over Blanchard's tax increase, the governor has taken Michigan out of debt and has regained generally high public approval ratings. The University of Michigan's Political and Social Research Center has tracked public sentiment towards Blanchard over the past year and he has maintained a 50%-60% approval rating.

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RNC Communications Division Page 4

 Blanchard appears to be one Democrat governor who seems to have benefited from the Reagan administration's economic recovery with Michigan in much sounder financial state than it was three years ago.

1986 GUBERNATORIAL ELECTION:

Democrats:

- Gov. Blanchard is seeking re-election in 1986 and is currently considered a slight favorite because of the potentially divisive GOP primary.
- Lyndon LaRouche's National Democratic Policy Committee is fielding a candidate against Blanchard. He is <u>Henry Hank Wilson</u>

Republicans:

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- o The candidates are:
 - -- <u>Dick Chrysler</u>, a wealthy Brighton businessman and chairman of a drive for a part-time Legislature has begun an aggressive gubernatorial campaign with a media drive on television and radio. Chrysler may be the strongest challenger to perceived primary front-runner Lucas. Chrysler is the only gubernatorial candidate to refuse public funding of his campaign.
 - -- <u>Coleen Engler</u>, a four-term state representative who is married to the state Senate Majority Leader (<u>John Engler</u>), announced her gubernatorial candidacy on March 4. She is the only gubernatorial candidate who is not from the Detroit metropolitan area.
 - -- John Lauve, General Motors engineer who gained fame in 1983 as the leader of the Blanchard recall drive announced his candidacy on Feb. 17.
 - -- <u>William Lucas</u>, a Harlem-born Wayne County (Detroit) executive who is perceived as the leading candidate for the GOP gubernatorial nomination. Lucas switched his party affiliation from Democrat to Republican on May 8, 1985.
 - -- Daniel Murphy, the Oakland County executive who ran in the 1982 gubernatorial primary and who thusfar has ran a lackluster campaign.
- Lucas has received the endorsements of three West Michigan GOP leaders --<u>Charles Yob</u>, <u>Betsy DeVos</u> and <u>Fred Reichardt</u> (who head the 5th congressional district GOP, the Kent County GOP and the 9th congressional district GOP, respectively).
- In late March, a group of black Flint lawmakers asked to meet with Lucas. It was yet another show that black Democrats are unhappy with Blanchard. The lawmakers were dissatisfied with Blanchard's treatment of minorities from outside of the Detroit area.

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- o In 1986, all House seats and one-half the state Senate seats will be up for election.
- In March, the state Senate caucus netted \$250,000 on a fundraiser featuring Vice President <u>George Bush</u>.

STATE PARTY UPDATE

- The Republican State Convention was held in Kalamazoo on March 1-2.
 Conservative state Sen. Jack Wellborn upstaged the 1988 presidential hopefuls and 1986 GOP gubernatorial candidates as he lashed out at Democrat Gov. Blanchard and his "left-wing Socialist manifesto" in a fiery speech. Wellborn further electrified his audience when he declared that his opponents were "baby butchers, Socialists and pinkos, professional criminals, queers and perverts." Wellborn's speech received critical press and was disavowed by some of his fellow state legislators.
- The state GOP's main priority in 1986 is electing a Republican to the governorship. A statewide, multimedia campaign to "soften up" Democrat Gov. Blanchard has been launched.
- Former UN Ambassador Jeane Kirkpatrick was the featured speaker at the statewide Lincoln Day Dinner kicking off the state party's non-statutory convention rally (Feb. 21-22.) The convention focused on the gubernatorial election as part of the party's "Countdown to Victory '86" program. Two thousand delegates from across the state attended the rally.
- Former Cooley Law School professor <u>Spencer Abraham</u> of Lansing was elected state chairman in February 1983. He has succeeded in unifying the state party by emphasizing service to county organizations. Abraham was instrumental in wiping out the state party's \$450,000 deficit in the first year of his term. Abraham was re-elected in 1985.
- o 1986 party goals:
 - -- pick up governorship.
 - -- maintain control of state Senate.
 - -- gain control of state House.
 - -- do well in the state Supreme Court races -- Supreme Court usually has to approve redistricting plans.
- Beginning April 5 the state party will conduct a series of eight Saturday workshops to train state legislative candidates and staff for the upcoming campaigns.

REPUBLICAN STATE PARTY OFFICIALS

STATE CHAIRMAN NATIONAL COMMITTEEMAN NATIONAL COMMITTEEWOMAN Spencer Abraham Peter Secchia Ronna Romney

THIS INFORMATION CURRENT AS OF APRIL 2, 1986

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ELECTED OFFICIALS

GOVERNOR - James Blanchard (D) - Elected in 1982

U.S. SENATORS - Donald Riegle (D) - Re-elected in 1982 Carl Levin (D) - Re-elected in 1984

U.S. HOUSE OF REPRESENTATIVES - 7 Republicans 11 Democrats

Republican Members:

Carl Pursell	2nd District
Mark Siljander	4th District
Paul Henry	5th District
Guy Vander Jagt	9th District
Bill Schuette	10th District
Robert Davis	11th District
William Broomfield	18th District

STATE LEGISLATURE

Senate Majority Leader: John Engler House Minority Leader: J. Michael Busch

STATE BACKGROUND

o Michigan entered the Union in 1837 as the 26th state.

- Michigan is the Keystone of the Great Lakes. Bordered by the waters of Lakes Michigan, Superior, Huron and Erie, Michigan's coastline runs 3,121 miles (longer than that of any other state).
- Michigan contains one-fifth of the nation's fresh water supplied by the 11,037 inland lakes and thousands of miles of rivers and streams.
- o The development of the automobile industry in Michigan led to phenomenal growth and economic development for the state which headquarters the American Big Three auto companies.
- Because of dependence on the auto industry, Michigan suffered a sudden and devastating economic collapse in 1979. Following the sharp rise in the price of oil, the demand for big cars bottomed-out and sales of smaller economical foreign cars soared.

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o The 1980 Census rankings for Michigan are as follows:

- -- 8th in population (9,262,078);
- -- 9th in black population (1,199,023), and 15th in black percentage (12.9%) of the state's total population;
- -- 10th in Hispanic population (162,440), and 25th in Hispanic percentage (1.8%) of the state's total population;
- -- 15th in percentage (4.5%) of foreign-born residents;
- -- 35th in percentage (48.7%) of women in the labor force;
- -- 35th in percentage (14.3%) of college graduates;
- -- 12th in per capita income (\$7,749);
- -- 31st in housing value (\$45,500).