



PRESIDENT TRUMP'S JOBS PLAN FOR MINNESOTA: ALL JOB CREATION IS LOCAL

A Report by the White House Office of Trade and Manufacturing Policy

October 20, 2020



Introduction

The Obama-Biden administration increased regulations, raised taxes, suppressed development of America's natural resources, slashed the defense budget, and failed to crack down on unfair trade practices by countries ranging from Canada to Communist China. The Trump-Pence administration has pursued just the opposite policies while following an "all job creation is local" approach to stimulating economic growth. Let's see how this strategy is working in the Great State of Minnesota.

Deregulation Helps Minnesotan Farmers

On the deregulation front President Trump's efforts have been particularly helpful to the farmers and miners of Minnesota.

Minnesota's corn farmers were harmed in 2011 when the Obama-Biden administration imposed a summertime ban on the sale of E15 gasoline. ¹ E15 is gasoline blended with 15 percent ethanol produced from the cornfields of states like Minnesota.

President Trump Signs an Executive Order Making Changes to the E15 Ethanol Rule



President Trump promised to revoke the Obama-Biden summertime ban; and in May 2019, the U.S. Environmental Protection Agency fulfilled President Trump's promise by allowing the year-round sale of E15 gasoline. ² Over the next year, E15 sales in Minnesota would nearly double from

3.6 million gallons in June 2018 compared to 6.3 million in June 2019, thereby boosting the state's farming economy.³

Minnesota's 340,000 farmers⁴ have also been helped by this critical Trump deregulation effort: In June 2020, the Trump administration's Navigable Waters Protection Rule ended years of unnecessary federal meddling in state regulations, thereby granting farmers significant additional access to their seasonal waters.⁵

Deregulation Helps Lift the Iron Range

Deregulation is also working for Minnesota's miners. Minnesota is home to more than 1,300 mines⁶ which extract over \$4 billion in non-fuel minerals every year.⁷ Minnesota's legendary Iron Range, which stretches across northeastern Minnesota, is home to over 4,000 miners,⁸ who are hard at work providing a whopping 75 percent of the iron ore in the United States.⁹

Vice President Pence Visits a St. Paul Steel Mill



From Hibbing and Eveleth to Virginia and Babbitt, these mining jobs are very good-paying jobs, earning on average \$90,000 a year.¹⁰ And note that Minnesota's Iron Range also supports an additional 7,200 jobs integral to supplying critical minerals and steel for our Nation's infrastructure.¹¹

2016 was a particularly bad year for the Iron Range. That's when President Obama declared a moratorium on new mineral development on 234,000 acres outside of the Boundary Waters Canoe Area Wilderness.¹² The Obama-Biden moratorium thereby restricted access to nearly half of the bountiful Duluth Complex with its precious reserves of copper, nickel, cobalt, platinum, palladium, gold and silver.¹³

In January 2018, President Trump expedited the ongoing Bureau of Land Management review on the impact of mining in this Wilderness Area; and that review largely discredited radical fear-mongering forecasts of environmental devastation.¹⁴ In May 2019, President Trump then rescinded the Obama-Biden moratorium and restored access to an area holding an estimated four *billion* tons of nickel and copper ore.¹⁵ This bountiful reserve is believed to be one of the world's largest undeveloped mineral deposits.¹⁶ By this single action, President Trump has helped create 750 direct full-time jobs and 1,500 spin off jobs for the residents of Northeastern Minnesota.¹⁷

In September of 2020, President Trump also signed an Executive Order addressing the Threat to the Domestic Supply Chain from Reliance on Critical Minerals from Foreign Adversaries.¹⁸ This order is designed to boost the Nation's production of critical minerals like copper and nickel.

The broad goal of President Trump's strong executive action is to reduce our nation's dependence on foreign sources of minerals critical to our economic and national security. The broad vision is to expand Minnesota's Iron Range into a Copper Range and a Nickel Range while leveraging the extraction of other critical minerals like platinum and palladium crucial to our national defense.

Tax Cuts and Opportunity Zones Boost Income

Critics of President Trump's historic Tax Cuts and Jobs Act of 2017 have tried to fool the American people into thinking these were tax cuts for the rich. But nothing could be further from the truth.

Consider that real, inflation-adjusted median household income in Minnesota increased by \$8,500 or 11.6% in just two years following the passage of the Trump tax cuts.¹⁹ At \$81,426, Minnesotans are now enjoying the highest real median household income level since 1984.²⁰

Note, too, the Trump tax cuts are family friendly. More than 410,000 Minnesotan households have benefitted from the doubling of the child tax credit from \$1,000 to \$2,000 per child²¹ and 1.8 million Minnesota households are benefitting from doubling the standard tax deduction.²²

Key provisions in the Trump tax bill have resulted in higher take-home pay, increasing the homeownership in Minnesota by 5.3% percent;²³ and that rate is currently at its highest rate since 2006.²⁴ Compare that to the eight long years of Obama-Biden, during which home ownership contracted by 1.5 percent.

On the opportunity zone front, Minnesota is home to 128 such zones where the poverty rate can range as high as 33% and 41% of the zones are in the rural areas of Greater Minnesota like Leech Lake and Mille Lacs Lake.²⁵ Because of the Trump tax plan, we have already seen more than \$350 million invested in Minnesota's opportunity zones.²⁶

President Trump Replaces NAFTA With the USMCA

In 2009, the Obama-Biden administration announced that it would *not* seek to renegotiate NAFTA – one of the worst trade deals in American history.²⁷ In sharp contrast, renegotiating NAFTA was a top priority for President Trump, and the new U.S. Mexico Canada agreement – the USMCA – is great news for Minnesota's farmers as well as for Minnesota's famed Medical Alley.

American Workers Celebrate the Passage of the USMCA



Minnesota is one of the Nation's leaders in dairy farming and milk production with over 3,400 farms producing 9.5 billion pounds of milk annually.²⁸ Under President Trump's USMCA, Canada has greatly expanded its market access for American dairy farmers and eliminated an unfair pricing system that disadvantages American dairy exports. So Minnesota's dairy farmers in counties like Stearns, Winona, and Morrison²⁹ will be able to sell more to Canadian markets than they ever have before.³⁰

Minnesota is also one of the Nation's leaders in medical equipment and pharmaceuticals. Its famed Medical Alley follows the corridor from Rochester in Olmsted County, through Dakota County and the Twin Cities, all the way up to Duluth, and features nearly 33,000 employees³¹ in over 170 biotech, pharmaceutical, and life sciences manufacturers and companies.³² Companies like Abbott Laboratories, Boston Scientific, Medtronic, and the Mayo Clinic lead the charge,³³ employing tens of thousands of Minnesotans, in communities like Eden Prairie, Maple Grove, and Plymouth.³⁴

President Trump Shows Off Abbott Laboratories' BinaxNOW COVID-19 Test



The USMCA tightens intellectual property protections in the medical device manufacturing industry³⁵ which will safeguard a staggering 2,400 medical patents in Minnesota.³⁶

President Trump's USMCA also expands market access for Medical Alley to Canada and Mexico; and this \$7.2 billion market already accounts for nearly a third of the state's exports, supporting 230,000 Minnesotan jobs.³⁷ Expanded access under the USMCA will keep costs down for medical suppliers, producers and ultimately, patients.

Increased Defense Spending Strengthens Minnesota's Manufacturing Base

The Obama-Biden administration cut defense spending by fully 16%. These defense cuts came at great expense to America's combat readiness – and created great hardship in factories across America's defense industrial base

The Gopher State is home to 21,000 defense personnel and over half a billion dollars in payroll. To see how the Trump defense budget increases are helping to create jobs at the local level in Minnesota, consider the case of a truly iconic Minnesota company, Polaris.

This “state champion” of Minnesota has stayed true to its roots. Unlike so many other public companies under previous administrations which offshore much of their production, Polaris has manufactured All Terrain Vehicles in Roseau since its founding in 1954. Polaris hasn't just rested

on its laurels of making snowmobiles for weekends on the slopes. Its new Defense Division recently signed a \$100 million, 7-year contract with President Trump's Defense Department to produce the new MRZR Alpha. This new light tactical vehicle – effectively a “Dune Buggy” for our special forces – will be used by our elite Special Operations Command based in Tampa, Florida.

Another iconic Minnesota defense firm that has thrived under President Trump's increased defense spending is Federal Premium Ammunition in Anoka. In December 2018, right after President Trump signed the largest defense spending increase in American history, Federal Premium received two 5-year contracts worth \$116 million with DHS and DOD. And the Department of Homeland Security's Immigration and Customs Enforcement agency, which keeps our communities safe from violent transnational gangs, gave Federal Premium a \$75 million contract for their world-class .223-caliber Remington duty ammunition.

The Polaris MRZR Alpha



Federal Premium was also awarded a five-year, \$41 million contract from the U.S. Naval Surface Warfare Center's Crane Division for MK 318 Mod 0 carbine small-rifle cartridges which will be used by our great Sailors and Marines.

Conclusion

You can see, then, from this tour of the Minnesota economy just how productive President Trump's “all job creation is local” strategy has been. While the deadly virus from Communist China has hit America and the American economy hard, the Trump economic team, led by the greatest jobs president and trade negotiator in history, is bringing prosperity back to the great state of Minnesota and to the American people.

So as we fight this Communist China Virus together, please always remember this: By January of 2020 – before the plague from Communist China attacked our shores – the success of President Trump’s worker-focused strategy was undeniable. We had strong economic growth, historically low unemployment, and rising wages, particularly for Blue Collar America and our Black and Brown Communities. Together, we WILL get back to that pinnacle of Trump success as we pursue the twin missions of building a strong economy and defeating the deadly Chinese Communist Party virus.

President Trump Salutes Our Law Enforcement Officials



Endnotes

- ¹ Pamuk, Humeyra, et. al. “Trump Lifts Curbs on E15 gasoline to help farmers, angering Big Oil,” *Reuters*, 31 May 2019. <https://www.reuters.com/article/us-usa-biofuels-ethanol/trump-lifts-curbs-on-e15-gasoline-to-help-farmers-angering-big-oil-idUSKCNIT11BN>
- ² “EPA Delivers on President Trump’s Promise to Allow Year-Round Sale of E15 Gasoline and Improve Transparency in Renewable Fuel,” *U.S. Environmental Protection Agency*, 31 May 2019. <https://www.epa.gov/newsreleases/epa-delivers-president-trumps-promise-allow-year-round-sale-e15-gasoline-and-improve>
- ³ Neeley, Tod, “Minnesota E15 Sales Grow Following EPA’s Lifting of Restrictions,” *Progressive Farmer*, 8 August 2018. <https://www.dtnpf.com/agriculture/web/ag/blogs/ethanol-blog/blog-post/2019/08/08/minnesota-e15-sales-grow-following>
- ⁴ “Minnesota is Ranked Fifth in the Country for Agricultural Production, Despite Having the 14th Largest Land Mass,” *Oliver Kelly Farm*. <https://www.mnhs.org/kelleyfarm/learn/agriculture>
- ⁵ “Final Rule: The Navigable Waters Protection Rule,” U.S. Environmental Protection Agency, <https://www.epa.gov/nwpr/final-rule-navigable-waters-protection-rule#:~:text=Congress%2C%20in%20the%20Clean%20Water,effective%20on%20June%2022%2C%202020>.
- ⁶ “Historic Mining Records,” *Mining in Minnesota*, <https://thediggings.com/usa/minnesota>
- ⁷ Orr, Isaac, “Minnesota Now Fifth-Largest Mining State, It Could Have Been Number Two,” *American Experiment*, 7 May 2019. <https://www.americanexperiment.org/2019/05/minnesota-now-fifth-largest-mining-state-number-two/>
- ⁸ Smith, Mitch, “Trump is ‘Saving Us’: Minnesota Mining Country Warms to Tariffs and GOP,” *The New York Times*, 4 April 2018. <https://www.nytimes.com/2018/04/04/us/trump-tariffs-minnesota-mining.html>
- ⁹ Orr, Isaac, “Minnesota Now Fifth-Largest Mining State, It Could Have Been Number Two,” *American Experiment*, 7 May 2019. <https://www.americanexperiment.org/2019/05/minnesota-now-fifth-largest-mining-state-number-two/>
- ¹⁰ Kaul, Greta, “Mining is a small part of Minnesota’s economy. So why is it such a big political issue?” *Minneapolis Post*, 17 October 2018. <https://www.minnpost.com/economy/2018/10/mining-is-a-small-part-of-minnesotas-economy-so-why-is-it-such-a-big-political-issue/>
- ¹¹ Kaul, Greta, “Mining is a small part of Minnesota’s economy. So why is it such a big political issue?” *Minneapolis Post*, 17 October 2018. <https://www.minnpost.com/economy/2018/10/mining-is-a-small-part-of-minnesotas-economy-so-why-is-it-such-a-big-political-issue/>
- ¹² “USDA Removes Roadblock to Mineral Exploration in Rainy River Watershed,” *U.S. Department of Agriculture*, 6 September 2018. <https://www.usda.gov/media/press-releases/2018/09/06/usda-removes-roadblock-mineral-exploration-rainy-river-watershed>
- ¹³ “Geology and Mineralogy of NorthMet and the Duluth Complex,” *PolyMet Mining*. <https://polymetmining.com/operations/duluth-complex-geology/#:~:text=Geology%20and%20Mineralogy%20of%20NorthMet%20and%20the%20Duluth%20Complex&text=NorthMet%20is%20a%20large%20disseminated,%2C%20palladium%2C%20gold%20and%20silver>.
- ¹⁴ Grandoni, Dino, et. al. “Trump administration cancels detailed review of Obama-era mining ban near Minnesota wilderness,” *The Washington Post*, 26 January 2018. <https://www.washingtonpost.com/news/energy-environment/wp/2018/01/26/trump-administration-cancels-detailed-review-of-obama-era-mining-ban-near-minnesota-wilderness/>
- ¹⁵ Tabuchi, Hiroko, et. al. “A Plan to Mine the Minnesota Wilderness Hit a Dead End. Then Trump Became President,” *The New York Times*, 25 June 2019. <https://www.nytimes.com/2019/06/25/climate/trump-minnesota-mine.html>
- ¹⁶ “BLM Renews Hardrock Mineral Leases in the New Superior National Forest,” *Bureau of Land Management*, <https://www.blm.gov/press-release/blm-renews-hardrock-mineral-leases-superior-national-forest-0>
- ¹⁷ “A project for the future. For Minnesota,” *Twin Metals Minnesota*. <https://www.twin-metals.com/meet-twin-metals/about-the-project/>
- ¹⁸ “Executive Order on Addressing the Threat to the Domestic Supply Chain from Reliance on Critical Minerals from Foreign Adversaries,” *The White House*, 30 September 2020. <https://www.whitehouse.gov/presidential-actions/executive-order-addressing-threat-domestic-supply-chain-reliance-critical-minerals-foreign-adversaries/>
- ¹⁹ FRED, “Real Median Household Income in Minnesota,” <https://fred.stlouisfed.org/series/MEHOINUSMNA672N>

-
- ²⁰ FRED, "Real Median Household Income in Minnesota," <https://fred.stlouisfed.org/series/MEHOINUSMNA672N>
- ²¹ Kartch, John, "How the Trump Republican Tax Cuts are Helping Minnesota," *Americans for Tax Reform*, 18 September 2020, <https://www.atr.org/minnesota>
- ²² Kartch, John, "How the Trump Republican Tax Cuts are Helping Minnesota," *Americans for Tax Reform*, 18 September 2020, <https://www.atr.org/minnesota>
- ²³ "Housing Vacancies and Homeownership," *U.S. Census*, Table 3
<https://www.census.gov/housing/hvs/data/rates.html>
- ²⁴ "Housing Vacancies and Homeownership," *U.S. Census*, Table 3
<https://www.census.gov/housing/hvs/data/rates.html>
- ²⁵ "Opportunity Zones In Minnesota," *Opportunity Zones Database*, <https://opportunitydb.com/location/minnesota/>
- ²⁶ "Opportunity Zones In Minnesota," *Opportunity Zones Database*, <https://opportunitydb.com/location/minnesota/>
- ²⁷ Knowlton, Brian, "Obama Doesn't Plan to Reopen Nafta Talks," *The New York Times*, 20 April 2019.
<https://www.nytimes.com/2009/04/21/business/21nafta.html>
- ²⁸ "Minnesota Dairy Industry," *Minnesota Department of Agriculture*,
<https://www.mda.state.mn.us/sites/default/files/inline-files/dairyindprofile.pdf>
- ²⁹ "Minnesota Dairy Industry," *Minnesota Department of Agriculture*,
<https://www.mda.state.mn.us/sites/default/files/inline-files/dairyindprofile.pdf>
- ³⁰ Budd, Ted, "Got Trade? Dairy Farmers Stand to Gain from the USMCA," *The Wall Street Journal*, 13 December 2019. <https://www.wsj.com/articles/got-trade-dairy-farmers-stand-to-gain-from-the-usmca-11576276775#:~:text=Farmers%20here%20will%20see%20significant,system%20for%20American%20dairy%20e,xports>.
- ³¹ "Medical Device Employment," *Thriving in the North*, <https://mn.gov/deed/ed/minnesota-industries/biosciences/medical-devices/device-employment.jsp>
- ³² "Minnesota Biotech, Pharmaceutical & Life Sciences Companies," *BioPharmGuy*,
<https://biopharmguy.com/links/state-mn-all-geo.php>
- ³³ "Medical Device Employment," *Thriving in the North*, <https://mn.gov/deed/ed/minnesota-industries/biosciences/medical-devices/device-employment.jsp>
- ³⁴ "Minnesota Biotech, Pharmaceutical & Life Sciences Companies," *BioPharmGuy*,
<https://biopharmguy.com/links/state-mn-all-geo.php>
- ³⁵ "Chapter 12 Sectoral Annexes Article 12.1," *USMCA*,
https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/12_Sectoral_Annexes.pdf
- ³⁶ "Medical Device Employment," *Thriving in the North*, <https://mn.gov/deed/ed/minnesota-industries/biosciences/medical-devices/device-employment.jsp>
- ³⁷ Carnahan, Jennifer, "USMCA will help Minnesota build a more prosperous future," *USA Today*, 11 March 2020.
<https://www.sctimes.com/story/opinion/2020/03/11/usmca-help-minnesota-build-more-prosperous-future/5012035002/>