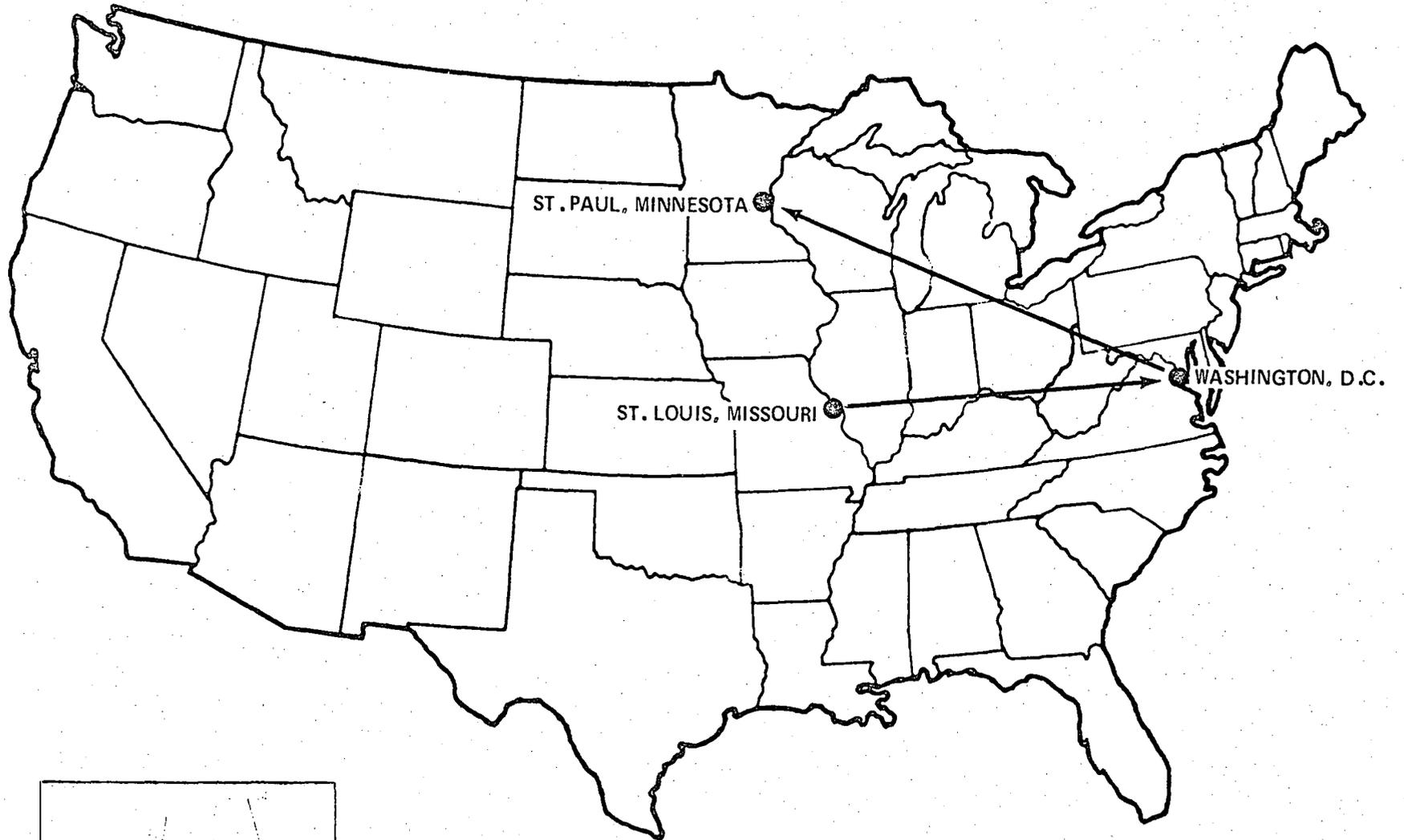


**President's Trip – “Delta Queen”, Camp David, Georgia and Florida 8/17/79-9/3/79
[Briefing Book] [2]**

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Revised

<u>DATE</u>	<u>ARRIVAL</u>	<u>DEPARTURE</u>	<u>LOCATION</u>	<u>MILES</u>	
8/17	0900	2100	Lamport Landing to St. Paul	839L*	23.8
	3250	0052	Lock 2, Hastings	815.2R	18.3
8/18	0300	0400	Lock 3, Welch	796.9R	36.6
	0830	1230	Wabasha, Minn.	760.3R	7.5
	1330	1430	Lock 4, Alma, Wisc.	752.8L	14.7
	1630	1730	Lock 4, Minnesota City	738.1R	9.6
	1850	1950	Lock 4A, Fountain City, Minn.	728.5R	2.9
	2015	Pass	Winona	725.6R	11.3
	2155	2255	Lock 4, Trempealeau, Wisc.	714.3L	11.8
	0035	0135	Lock 7, LaCrescent, Minn.	702.5R	4.6
8/19	0215	Pass	LaCrosse, Wisc.	697.9L	18.7
	0450	0550	Lock 8	679.2R	16.0
	0805	Pass	Lansing, Iowa	663.2R	15.3
	1015	1115	Lock 9	647.9L	12.8

8/19 (cont.)	1300	1700	Prairie Du Chien, Wisc.	635.1L	20.0
	2150	2250	Lock 10, Guttenberg, Iowa	615.1R	32.1
8/20	0640	0740	Lock 11, Dubuque, Iowa	583.0R	3.6
	0830	1230	Dubuque, Iowa	579.4R	22.7
	1635	1735	Lock 12, Bellevue, Iowa	556.7R	19.3
	2100	Pass	Savanna, Illinois	537.4L	14.9

*R - Right side of river
L - Left side of river

DELTA QUEEN DINING HOURS

BREAKFAST

6:00 a.m.	Coffee
7:00 a.m. - 9:00 a.m.	Breakfast
9:00 a.m. - 10:00 a.m.	Continental Breakfast

LUNCH

12:30 - 1:30 p.m.

DINNER

6:30 - 7:30 p.m.

BUFFET

11:00 p.m.

IMPORTANT
REGIONAL ISSUES

AGRICULTURAL SUMMARY

Farm Prices

Prices received by farmers in 1979 are likely to average about 15 percent higher than a year ago, although the actual increases in prices occurred in the first half of the year. Farm prices in the second half of 1979 are likely to remain relatively stable.

Farm Income

Net farm income in 1979 will likely total around \$32 billion, just under the record level of 1973 in current dollars. However, it will only be about 60 percent of the 1973 level in constant price.

Total Agricultural Exports

Agricultural exports in 1978/79 are expected to increase by nearly \$5 billion to \$32 billion with a net agricultural trade surplus of \$16 billion. Current 1979/80 prospects indicate at least as large an increase in export value with a corresponding increase in the trade surplus.

Grains

The August forecast of 1979/80 world total grain production (wheat, coarse grains and rough rice) is 1.513 billion metric tons, about 4 percent below the 1978/79 record, but still the second largest harvest ever.

Wheat

The 1979/80 world wheat crop is forecast at 408 million tons, about 7 percent less than last year's record. The expected drop in Soviet wheat output should offset increases in the United States and China.

U.S. wheat production should be 2.13 billion bushels in 1979, 19 percent more than last year, and the second largest ever. Acres planted are up 8 percent over 1978. The projected yield of 34.3 bushels per acre is nearly half a bushel above the previous record.

U.S. wheat exports for 1979/80 are expected to total a record 1.4 billion bushels, up 17 percent from 1978/79. Sharply reduced wheat production in the Soviet Union and Eastern Europe has boosted their import requirements and improved the export outlook for U.S. wheat.

Wheat prices at the farm level are currently running around \$3.50 per bushel, 40 percent above a year ago and are expected to average between \$3.50 and \$4.25 per bushel for the 1979/80 season. Farm prices for wheat averaged \$2.94 in 1978/79 and \$2.33 in 1977/78.

Corn

World coarse grain production for 1979/80 is forecast at 723 million tons, 4 percent below last year's record. A considerable dropoff in Soviet production and slightly smaller harvests in the United States and Europe are expected to account for the decline.

U.S. corn production for 1979 is forecast at a record 7.1 billion bushels. An estimated 80 million acres are planted, about the same as in 1978. The corn yield is expected to be above 100 bushels per acre for the second consecutive year.

The 1979/80 U.S. corn export estimate is a record 2.5 billion bushels, up 15 percent from 1978/79. As with wheat, increased import requirements for the Soviet Union and Western and Eastern Europe are accounting for most of the increase.

Soybeans

World production of major oilseeds and copra in 1979/80 is projected at nearly 177 million tons, around 18 million tons above 1978/79. Over half the production increase is expected to occur in the United States.

U.S. soybean production should be 2.129 billion bushels, up 16 percent from 1978. Favorable growing conditions indicate the second highest recorded yield, 30.3 bushels per acre, only slightly below the 30.6-bushel record in 1979. The record 1979 soybean acreage is up 12 percent from 1978. Yields are expected to be 4 percent higher than a year ago.

U.S. soybean exports for 1979/80 are expected to total 825 million bushels, 8 percent above last year's record.

Farm prices for the 1979 soybean crop will average around \$6.25 per bushel, down about 7 percent from \$6.75 from the 1978 crop. The July farm price of \$7.36 per bushel is up 15 percent from a year ago. Prices in 1979/80 are sensitive to world conditions: another small crop in Brazil could mean a U.S. 1979/80 season-average price well above the \$6.25 projected.

THE PRESIDENT'S IMPORT REDUCTION PROGRAMSummary

Actions which the Administration has taken since April 1977 have cut the nation's projected 1990 needs for imported oil by about 4 million barrels per day (MMB/D). The actions announced by the President on July 16 will save an additional 4.5 MMB/D by the end of the next decade, reducing estimated U.S. import requirements by half. The President stated that the United States will never again import more oil than it did in 1977. The President announced that import quotas for 1979 and 1980 will be set at levels below the ceilings agreed to at the Tokyo Summit.

An overall strategy for reducing imports is essential to secure the continuing economic strength and security of the United States. In developing this program, the Administration has examined all tools available to cut foreign oil dependence, including synthetic fuels, conservation, production of unconventional sources of oil and natural gas, direct use of coal, and solar energy. The program the President announced on July 16 draws on each of these sources to achieve our 1990 import reduction target.

Major InitiativesDomestic Phased Oil Price Decontrol and the Windfall Profits Tax

The President initiated the phased decontrol of domestic oil prices at the wellhead on June 1, 1979. Controls will be phased out entirely by September 30, 1981.

In order to prevent excessive new revenues from flowing to oil producers the President has proposed a Windfall Profits Tax. The President supports the tax passed by the House of Representatives, with certain amendments. The most important amendment would be to make the tax permanent, as originally proposed, rather than temporary, as passed by the House of Representatives.

The President's import reduction program is to be financed by the Windfall Profits Tax. Any weakening of the tax would require reductions in the program level.

Energy Security Corporation

The President has proposed the creation of an \$88 billion Energy Security Corporation, financed entirely by the Windfall Profits Tax. The Energy Security Corporation (ESC) would be responsible for the production of 2.5 million barrels daily of synthetic fuels and unconventional gas by 1990. The ESC would be supported by tax credits for unconventional gas and shale oil proposed by the President.

Energy Mobilization Board

The Energy Mobilization Board (EMB) is designed to assure prompt and efficient government decisions on critical energy facilities, such as the facilities sponsored by the Energy Security Corporation. The EMB would be located in the Executive Office of the President, and would be empowered to:

- ° Designate facilities as Critical Energy Facilities.
- ° Establish binding decision schedule for Federal, State, and sub-State government bodies with respect to necessary decisions on CEF's.
- ° Make a decision in lieu of any Federal, State or sub-State body which fails to meet the decision schedule, applying the appropriate Federal, State, or sub-State statutes.
- ° Exempt CEF's from requirements put into law after the initiation of construction, on a case-by-case basis.

Other Initiatives

Heavy Oil

Heavy oil is crude oil which is expensive to produce and use, primarily because it is very dense and difficult to remove from rock formations. Extraction is frequently accomplished by the injection of steam.

The President has proposed the immediate decontrol of heavy oil and an exemption from the Windfall Profits Tax. Under this policy, heavy oil will receive the full world market price, beginning immediately. The Administration projects a 500 thousand barrel per day production increase by 1990 due to these policies.

Residential/Commercial Conservation and Conversion

The President has a three part national program to encourage retrofit conservation in the existing residential/commercial building stock, and conversion from oil heat where feasible.

First, the program would extend the NEA requirement for utility energy audits of residential buildings to commercial buildings. This will allow the identification of the most economic conservation measures available for each structure.

Second, existing prohibitions on utility financing of conservation measures would be eliminated. Utilities would be required to offer long term financing of conservation measures for residential and commercial buildings. The loans would be treated just like normal utility investments in new generating capacity, and included in utility rate bases. The net savings from conservation, as opposed to new capacity construction, would be distributed among the homeowner, other ratepayers, and the utility.

Third, for oil heated residential and commercial space, where utility financing would be inappropriate, the President has proposed federally subsidized loans for conservation or conversion to natural gas. \$2 billion for this purpose, financed by the Windfall Profits Tax, is requested over a ten year period.

The Administration projects an import reduction of 500 thousand barrels daily in 1990 from this program, approximately 20% of achievable savings. Utility and homeowner enthusiasm could yield even larger response.

Utility Oil Reduction

The President has proposed a regulatory program to require a 50% reduction in utility oil consumption by 1990, reducing imports by 750 thousand barrels daily. In addition, the President has proposed \$5 billion in assistance to utilities to reduce oil use, financed by the Windfall Profits Tax.

Mass Transit and Auto Efficiency

The President has committed \$16.5 billion in Windfall Profits Tax receipts to increasing Federal assistance for mass transit and improving automobile transportation efficiency. Total import reductions projected for this program are 250 thousand barrels daily by 1990.

I. ESTIMATED IMPACT OF
ADMINISTRATION INITIATIVES TO
REDUCE 1990 OIL IMPORTS

Savings (MMB/D)

IMPORT SAVINGS FROM PRESIDENTIAL PROGRAMS

o	Estimated Import Savings from National Energy Act, including	2.5	
	-- Natural Gas Policy Act		
	-- Fuel Use Act		
	-- Energy Tax Act		
	-- Public Utilities Regulatory Policy Act		
	-- National Energy Conservation Policy Act		
o	Estimated Import Savings from April 5 Presidential program, including	1.5	
	-- Phased Decontrol of Domestic Crude Oil		
	-- June Solar Energy Message		
	<u>Total Estimated Savings from Actions to Date</u>		<u>4.00</u>
o	Estimated Import Savings* from July 16 Initiatives, including		
	-- Synthetic Fuels and Unconventional Gas	2.50	
	-- Heavy Oil	.50	
	-- Utility Reduction	.75	
	-- Residential Conservation	.50	
	-- Mass Transit and Auto Efficiency	<u>.25</u>	
	 <u>Total Estimated Savings from New Program</u>		 <u>4.5</u>
	<u>Total Estimated Savings from Past and Present Programs</u>		<u>8.50</u>

*Some small portion of the projected savings from the July 16 initiatives would occur anyway if future oil prices are relatively high.

National Economic Accomplishments

Monthly Data

Dec. 1976 July 1979 Change

Unemployment rate (percent)	7.7	5.7	-2.0 percentage pts
Number unemployed (thous.)	7,375	5,848	-1,527
Employment (thous.)	88,702	97,210	8,508
Average weekly earnings (dollars)	181.08	220.27	21.6%
Industrial production (1967=100)	133.6	152.1	13.8%

Quarterly Data

04 1976 02 1979 Change

Real per capita income after taxes (1972 Dollars, Annual Rate)	4,185	4,513	7.8%
Real GNP, (Billions of 1972 Dollars, Annual Rate)	1,288.1	1,422.1	10.4
Real business investment (Billions of 1972 Dollars, Annual Rate)	122.5	145.9	19.1
% of Real GNP	9.5	10.3	—
Corporate book profits after tax (Billions of Dollars, Annual Rate)	93.2	138.6	48.7

Fiscal Year Data

FY76 FY79

Federal deficit (Billions of Dollars)	-66.4	-29.7	—
Federal outlays share of GNP (percent)	22.6	21.5	—

Income and Employment in the Midwest

	Increase in Personal Income <u>Q4 1976 to Q1 1979</u>	Increase of Employment from <u>Dec. '76 to June '79^{2/}</u>	
	(percent)	(thous.)	(Percent)
Minnesota	31.2	216	13.9
Wisconsin	29.0	210	11.9
Iowa	35.0	80	7.5
Illinois	23.2	236	5.1
Missouri	27.6	160	8.8
Great Lakes & Plains States ^{1/}	28.4	1,975	8.9
National Total	29.4	8,533	10.5
National consumer price index	19.3		

1/ Michigan, Ohio, Indiana, Wisconsin, Illinois, Minnesota, Iowa, Missouri the Dakotas, Nebraska, and Kansas.

2/ Payroll employment, nonfarm establishments.

Mid-session Review Economic Outlook
(Official Forecast)

	<u>Q4 1978 to Q4 1979</u>	<u>Q4 1979 to Q4 1980</u>
Real GNP, Percent Change	-.5	2.0
Change in Consumer Prices, Percent, Dec. to Dec.	10.6	8.3
Unemployment Rate, Percent, Level in Fourth Quarter	6.6	6.9

Employment in
Motor Vehicles
and Parts, 1977

Indefinite Layoffs

		<u>Ford</u>	<u>Chrysler</u>	<u>GM</u> *	<u>Tot</u>
Illinois	25,928	575	0	150	72
Iowa	5,577	0	0	0	0
Minnesota	6,498	0	0	0	0
Missouri	39,863	450	2017	3500	596
Wisconsin	32,292	0	100	10	11

* GM has given us their figures by states with the request that we do not make them public

Current Problem

The Administration supported the authorization of a new locks and dam at Alton, Illinois, as part of a bill imposing user charges on the barge industry. We have provided \$20 million in our FY 1980 budget for the beginning of construction on this facility. The user charges are to be imposed beginning in FY 1980.

The start of construction has been delayed by a court suit brought by environmental groups and the rail industry. The suit, which is contesting the adequacy of the Environmental Impact Statement, has been moving slowly in federal district court and does not appear likely to be resolved before next year. Moreover, many observers feel that the court is likely to require substantial revision of the EIS to evaluate the impacts on the entire upper Mississippi River system rather than just those on the area around the locks and dam. If required, such a study could take 1-2 years, delaying construction until at least 1981.

Representatives of the barge industry are concerned with the court delays and have criticized the level of effort by the Justice Department to win the case. They have asked us to step up the level of DOJ support for the Corps of Engineers in the case. If that fails they want us to support either a delay in the imposition of the tax or a bill to exempt the project from further environmental review. We have indicated that any delay in the tax is unacceptable, but we have not ruled out a bill to exempt the project.

At present, delays at the L&D 26 are running 2.85 days. (The Delta Queen is allowed to go ahead of this backup.) The barge operators intend to take the opportunity of your trip down the river to stage some dramatic action, such as a blockade, to bring their situation home to you.

In order to forestall an incident at Alton Stu is working to arrange a public indication of the Administration's concern before you reach L&D 26. This will involve an exchange of letters with Senator Eagleton in which he would indicate that the Administration intends to move ahead with construction as soon as possible, and that to realize that goal Civiletti will be asked to step up the DOJ support of the Corps of Engineers.

Stu has talked to Senator Eagleton, who said that our commitment to speed-up the litigation should enable him to keep the barge operators from engaging in any type of protest. We will have more complete information to you before you reach Locks and Dam 26.

You should be aware that this action will not be viewed sympathetically by environmentalists but should be gratifying to barge operators and others in the Midwest who want to see this facility built.

LOCKS AND DAM 26

Background

The problem at Lock 26 can best be visualized by considering it in the context of the "weakest link" theory. There are 27 numbered locks in the Mississippi River chain beginning with number 1 at Minneapolis and ending with 27 at St. Louis. All but a few have a single, standard lock which measures 600' by 110'. Those other than standard are lock 1 which is 400' by 56'; lock 19, at Keokuk, Iowa, which is 1200' by 110'; lock 27 which is 1200' by 110', with an auxillary lock measuring 600' by 110'; and lock 26 which is 600' by 110', with a 360' by 110' auxillary.

Even though Lock 26 is the same size as most of the other locks on the river and does have a small auxillary, it nevertheless, qualifies as the weakest link in the chain because of the workload requirements imposed by its location. Lock 26 is situated just downstream from the point at which the Illinois river joins with the Mississippi.

It, therefore, must handle the traffic of two rivers while locks 1 through 25 basically handle upper Mississippi River traffic. Lock 27 is located farther downstream, below the point where the Missouri River joins the Mississippi, and therefore handles the traffic of three rivers. However, the lock 27 facility is much larger and the Missouri River only adds about one eighth as much traffic as does the Illinois.

The following table shows tonnage comparisons for the involved rivers.

RIVER TONNAGE (1976) (mil. tons)

	<u>All commodities</u>	<u>Grain and grain products</u>	
	<u>Tonnage</u>	<u>Tonnage</u>	<u>% of Tot.</u>
Total Mississippi	356.2	98.6	28
Upper Mississippi	68.3	31.2	46
Illinois	45.3	16.0	35
Missouri	6.5	1.4	21
*Ohio	148.4	6.2	4

Source: "1976 Inland Waterborn Commerce Statistics", the American Waterways Operators, Incorporated.

* The Ohio joins below the lock system - it is shown here for information purposes only.

Roughly 70 percent of the Upper Mississippi River traffic consists of tows made up of 15 barges. The standard locks will not accommodate a tow of 15 barges, therefore, the tows must be split and moved through the locks in two separate operations. Above lock 26 this causes no major backups. At lock 26, however, the added traffic coming from the Illinois river (approximately a 66 percent increase) causes major backups. For example, under perfect conditions the approximate time to transverse lock 26 is one hour and thirty minutes compared to thirty minutes for the 1200' lock 27. However, backup delays of as much as 24 hours are not uncommon. In its present capacity, lock 26 is essentially restricting the flow of all traffic above St. Louis.

The importance of the "weak link" nature of lock 26 is directly related to the importance of the Mississippi River as a load bearing chain in our national transportation system. Considering 1978 grain exports alone, the elevators at the mouth of the Mississippi accounted for clearances of 1.6 billion bushels of the total 4.2 billion bushels for the entire United States -- or about 39 percent.

Another consideration must be the added cost for the slow movement through the lock. Delays in transit cause higher wages, higher fuel costs and also reduce the number of revenue producing trips for the equipment. These added costs contribute to higher rates. Higher costs are also borne by shippers when diversion to faster, but higher priced, transportation modes is necessary.

The growth potential of the inland waterway system is also at stake in the L&D 26 issue. Attachments B and C contain data which reflects the substantial growth experienced in this area through the year 1975. It is interesting to note that traffic on the inland waterways has nearly doubled since 1963, while coastal and coastwise traffic has shown a limited increase. Attachment D focuses a bit closer by showing the tonnage handling experience of lock 26 since 1955. Of particular interest to agriculture, is the substantial growth in southbound grain. Note the leveling off in the last few years. Mr. Addison Douglass, President of Cargo Carriers, Incorporated, estimates that lock 26 will reach its practical capacity with the addition of only a few more million tons of southbound traffic yearly.

Conclusion

The Mississippi River system provides economical, fuel efficient transportation for large volumes of agricultural commodities - particularly for grain moving to the Gulf coast for export.

The lock 26 bottleneck causes delays in transit, higher operating costs for barge operators and high rates for shippers. The growth of the barge industry operating in the Mississippi River system, which has been impressive in past years, is also impeded by the limiting influence of lock 26. In this time of transportation shortages and limited energy supply, any restrictions placed upon the barge industry should be removed without delay.

St. Paul, MN
Friday, August 17

ST. PAUL

WASHINGTON STREET

LANDMARK CENTER

MEETING ROOM

ANNOUNCEMENT MIKE

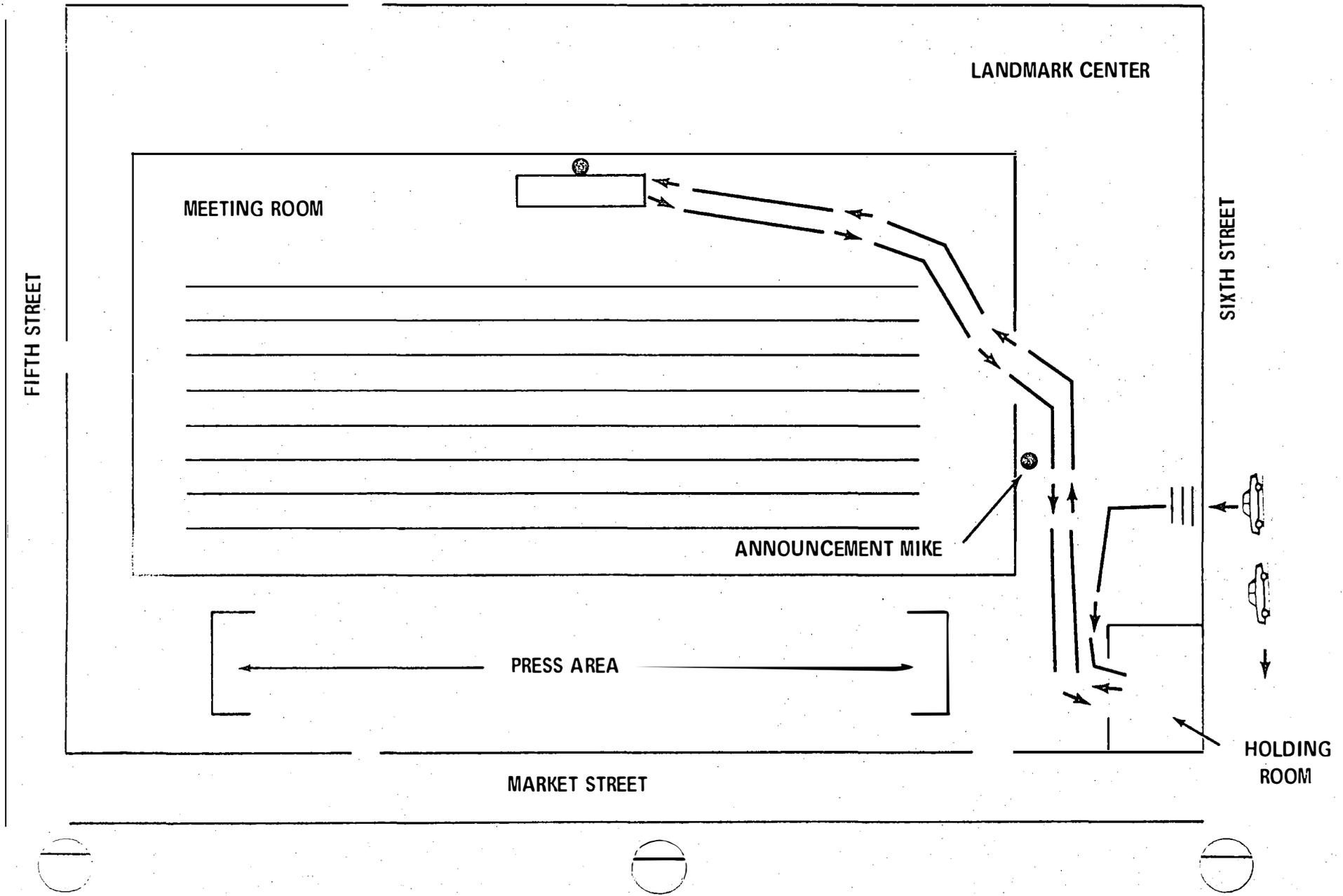
PRESS AREA

SIXTH STREET

HOLDING ROOM

FIFTH STREET

MARKET STREET



August 17, 1979

COMMUNITY ENERGY EFFICIENCY INITIATIVE

A letter over your signature and an enclosure were sent to over 6,000 mayors and elected county leaders throughout the country on energy conservation. Copies of the materials are attached. A reference by you to your letter and to the President's Clearinghouse for Community Energy Efficiency which goes into operation today to assist local elected leaders undertake energy conservation activities would be a timely boost to this new initiative. You will be meeting this evening with the Mayor of St. Paul and about 100 community leaders who have been formed by the Mayor to develop a local energy efficiency program for St. Paul and its residents. The Mayor's activities are the kind of initiatives which your letter and the President's Clearinghouse are intended to foster.

THE WHITE HOUSE

WASHINGTON

August 17, 1979

As you know, local leaders around the country are already working hard to make their communities more energy efficient, and the people who live there more energy conscious. I am writing to pledge the full assistance of the Federal Government in your efforts and to request your most vigorous leadership in developing your own community-wide conservation plans.

Many communities such as Portland, Oregon; Clinton County, Michigan; Davis, California; and Greensboro, North Carolina, have successfully created participating public efforts that bring together business, civic, religious and community groups to formulate energy savings.

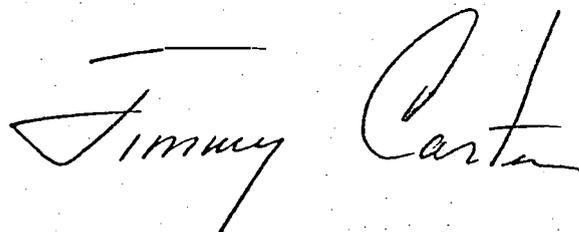
The potential contribution from a concentrated effort by communities across the country to our nation's battle in energy security is enormous. In fact, if extensive conservation measures are implemented in residential, public and commercial buildings alone we might reduce oil imports by well over a million barrels a day. Several hundred thousand more barrels of oil a day could be saved if we expanded use of ridesharing and took simple steps to improve automobile efficiency. These measures will also reduce the cost of living for all Americans who participate by lowering utility bills and cutting the cost of transportation.

If our national efforts to conserve are to be successful, your community's imagination and creativity must be encouraged.

Along these lines, in my July 16 speech before the National Association of Counties in Kansas City, I urged those Federal officials who had not done so to work with other leaders in their community -- from both inside and outside of government -- to set ambitious local conservation goals and to develop action plans to meet these goals.

I have enclosed some brief descriptions from the growing number of existing local efforts. To assist you in sharing this information and in learning more about the programs of other communities I have established a special clearinghouse to serve leaders who are undertaking energy conservation initiatives. A toll-free hotline will be opened in early September. Correspondence can be addressed now to the President's Clearinghouse for Community Energy Efficiency, Suite 185, 400 North Capitol Street, N.W., Washington, D.C. 20001.

It is through the application of your citizens' initiatives and inspiration that America can win the energy war. Our nation is counting on your help and your leadership. Thank you for your efforts. I look forward to hearing of your success.

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned in the lower right quadrant of the page.

COMMUNITY ACTIONS TO CONSERVE ENERGY

Communities all across the country are taking creative steps to reduce their energy consumption. The ideas are as diverse and as creative as the nation itself. We must encourage even greater public involvement in large and small communities everywhere. Only through the collaborative efforts of local communities and the people who live there can we win our energy war, regain our confidence as a nation, and show ourselves and the world that we can succeed in meeting this crucial challenge. A brief description of some of the actions already being taken by cities and counties and private groups throughout the country follow.

PORTLAND, OREGON

Portland's broad based and far-reaching energy conservation plan has just been approved by the city council after undergoing extensive citizen comment. A year-and-a-half ago, Portland's energy policy steering committee was created, composed of representatives from business, labor, industry, government, neighborhood groups and special interest groups. Six task forces were formed in the areas of business and industry, institutions, land use, residential, transportation and city energy management.

Work began with a three-day seminar on energy conservation and continued with weekly meetings over the next year. Portland's energy policy staff fed information and initial policy recommendations to the steering committee, as did the task forces. According to steering committee chairman Vern Riffe, "The basic concepts and data came from the staff while the citizens' committee tested the feasibility of the concepts with those who would be affected by them and judged their political acceptability." The aim throughout the process was consensus, developing a widely supported plan with no major policy rifts.

As important as the determination of the policy itself was how its preparation involved the public and community leaders. The steering committee benefited from a variety of promotional services donated by the community, including a local television station's development of four public service announcements, numerous radio stations' carrying of public service spots, a local advertising executive's development of a newspaper campaign and the provision of funding for three full-page ads by local utility companies.

As part of the campaign, a series of 35 briefing sessions were held around the city with neighborhood, business, industrial and professional groups, the Chamber of Commerce and other organizations. Two city-wide workshops were held, as well as two formal city hearings. Following the briefings and hearings, comprehensive briefing books were produced and given to the city council where informal, off-the-record discussions on the draft were held. Questions were asked and answered and problems were highlighted and resolved.

The policy includes a wide range of energy conservation actions, ranging from educational programs for building owners to improved transit routes and from loans and tax credits for owners of residential and commercial properties, to the development of neighborhood energy production projects. However, there are some controversial aspects. The plan provides for voluntary audits and refitting of buildings for 5 years after passage of the policy, following which, owners of houses and apartment buildings would have to refit their properties according to the results of an energy audit before the properties could be sold. Another controversial aspect is to place a one-cent-a-gallon tax on wholesale gasoline, the proceeds of which would pay for car and vanpools programs, as well as traffic improvements aimed at reducing gasoline usage through improved traffic flow.

Other proposed projects include the use of methane from landfill and sewage plants and the installation of hydroelectric turbines on the city-owned reservoir 60 miles away, an action that could save a million dollars a year.

The city council has previously acted on two energy saving opportunities, the implementation of life-cycle costing in all purchasing decisions and the establishment of a set-aside of one half of one percent of the city's general fund for investment in energy conservation projects.

The whole Portland Energy Plan has the objective of selecting and carrying out only those programs which will be effective; i.e., the cost of taking a given conservation step should equal or exceed the savings, tax credits, and rebates it generates. For businesses and industries, this pay-back period is figured at five years.

The overall goal of the Plan is to cut energy use in Portland by 30 percent by 1995, a reduction that would save the city and its residents approximately \$162 million annually based on current prices.

GREENSBORO, NORTH CAROLINA

Located within the most highly industrialized region of a state which imports 99 percent of its energy, Greensboro's population of 153,000 has had to make energy conservation a way of life since 1972. In that year, the city established the Energy Conservation Commission, an advisory board to assist in the design of a long term management program for the Greensboro area.

The Commission, with members from industry, utilities, universities and insulation contractors, meets once a month and has subcommittees dealing with legislation, technology and public information.

Greensboro has become a leader in several conservation activities. An "energy monitor" checks city facilities, lowering lamp wattage by 20 percent, reducing building temperatures particularly in unoccupied areas, and eliminating over 200 outdoor flood lamps to save 40,000 watts. These efforts have generated a 15 percent savings annually. In addition, computerized maintenance of the municipal office building has reduced energy consumption by 35-40 percent in one year. The success of that effort has led to plans to install a similar computer in the coliseum, a multi-use complex, where the city expects to realize savings of \$35,000 per year. The installation of mini-computers in recreation centers will realize further savings of approximately \$2,000 per center each year.

To minimize fuel consumption and maintenance costs, Greensboro is basing vehicle fleet purchases on true life cycle costing and equipment standardization. A computer program has been developed by a private contractor to track vehicle mileage, gasoline and repair records. By purchasing police and administrative vehicles with a slightly higher bid price but better EPA mileage ratings, it is estimated that gasoline savings will amount to \$55,000 over a two-year period. Furthermore, by reducing the number of different makes of vehicles, lower maintenance costs are realized through reductions in parts inventory and more specialized mechanics.

In other energy conserving steps, the city has created a carpool program in which 51 percent of city employees are participating, and a computer match carpool program utilized by the employees of the city, county and twenty-five businesses.

In addition the city's sanitation and street maintenance departments have assumed a four day work week during peak fuel use periods (while maintaining the number of hours worked); heavy equipment not necessary for worker transport is left at work sites and fueled by a visiting gas truck (in lieu of returning nightly to the city's service center); and an office wastepaper collection and recycling program called "WOW" (We cycle office wastepaper) has been established.

Another innovative program is the use of computerized traffic signals in the city's intersections to help keep cars moving, eliminate unnecessary stops, and reduce idling time. It is estimated that these computerized intersections have reduced delays more than 25 percent and improved overall traffic flow quality, thereby saving 360,000 gallons of gasoline per year and \$750,000 in combined savings from the reduction in lost person/hours and fuel consumption.

In 1977, Greensboro initiated one of the nation's most effective home audit programs. City firefighters, already familiar with home construction, were trained by the local utility to conduct residential energy audits. Such an approach ensures much higher acceptance by homeowners without any diminution in fire protection or greatly increased cost to the taxpayer. The firemen collect the raw data, have it analyzed by the city's utility staff to determine what energy conservation measures are called for, and return in two to three weeks with the results of the analysis. Homeowners are also provided with a "how-to" booklet on energy conservation prepared by the city and a flier from the Greensboro Jaycees explaining the civic group's insulation assistance fund for those who cannot afford to have the work done themselves.

DAVIS, CALIFORNIA

"Some people have said we represent the future. If we represent the future, that's good because the quality of life in Davis is good. We're not giving up anything to save energy; in fact, it's giving our style of living an improvement," -- Mayor Tom Tomasi of Davis, California.

Located in the southwestern corner of the fertile Sacramento Valley, Davis, California, is a small college town of 37,000 people in which bicycles are an integral part of the transportation system and passive solar energy designs are encouraged in new building complexes. Possessing a bicycle transport and safety program which is unequalled in the U.S., Davis maintains an extensive system of bicycle paths and encourages its employees to borrow a bike from the city rack for trips around town. With three registered bicycles for every five residents in Davis, it is estimated that bicycles are now used for about 25 percent of all local trips. Supplementing the bicycles are a student-run fleet of diesel-powered, double-decker London buses which not only provide low-cost, efficient transportation, but charm as well.

However, Davis can boast about far more than its bicycles. Following extensive citizen input in the proposed amendments to the 1971 General Plan, a clear mandate was provided for city officials to design a citywide conservation program. After a year of preliminary research, a proposal for an Energy Conservation Building Code was submitted to the City Council by a research group at the University of California, Davis. The Council accepted the plan ensuring that the resultant Ordinance was not only flexible and easily understood, but allowing for construction using standard building techniques without any significant cost increases. Through adequate insulation, limited window area, light color roofs to reflect summer heat and proper facing of houses to cut down summer heat and hold in winter sun, new homes in Davis use about half the energy for heating and cooling as do comparable homes elsewhere.

Other changes have included: municipal permission, even encouragement, for people to once again use clotheslines; the required use of solar heating systems in new swimming pools; changes in zoning regulations encouraging many business and professional people to work in their own homes in order to reduce travel between home and job; home pick-up of recyclable materials; and the creation of farmer's markets to reduce transportation costs associated with supplying food.

Davis has actually cut its total energy use by at least 5 percent, with a 50 percent reduction in energy demand for heating and cooling, not an unreasonable ten-year goal.

CLINTON COUNTY, MICHIGAN

Situated in a major farming area in south-central Michigan, Clinton County has a population of 50,000 people who have been actively involved in a community energy conservation effort since 1978.

As a result of a \$15,000 grant from the Michigan Energy Administration, the county created an Energy Committee composed of members of local governments, utilities representatives, businesses and consumers and hired an energy coordinator to staff the committee and carry out the actual energy program. Functioning as an advisory group to the Planning Commission and the Board of Commissioners, the Committee discusses energy policy actions for both private and public facilities, and will play a key role in the development of comprehensive, long-term energy planning.

There are three basic elements to the program: energy auditing and improving the county buildings complex, providing energy education for county residents, and providing information and technical assistance to the public.

Extensive energy audits were carried out by private contractors in six major county facilities, the result of which was a report covering "quick fix" approaches (maintenance, housekeeping and operations) and retrofit suggestions identifying cost-saving equipment which could be installed. To heighten energy conservation consciousness, the county has sponsored a number of special activities, including special entertainment and educational activities at the Clinton County Children's Energy Fair.

The outreach efforts of the Clinton County Energy Office are coordinated with Community Resources Volunteers, Inc., a community-based organization funded through the C. S. Mott Foundation and the Youth Community Conservation and Improvements Projects (Title III CETA). Utilizing youth to perform home energy audits and computers to analyze the results, a checklist is prepared for each audited building on "Energy Conservation Opportunities." Statebacked low interest loans are provided to homeowners with incomes less than \$17,800 so that the recommendations can be implemented.

ST. PAUL, MINNESOTA

St. Paul is home of the first company-sponsored vanpool program in the United States. Beginning with six 12-passenger vans in April 1973, the Commute-A-Van Program of the 3M Company has grown to include over 100 vans serving more than 1,000 of the company's 10,000 employees -- resulting in an estimated saving of over 750 parking spaces and thousands of gallons of gasoline. However, not only have parking spaces been freed, but traffic congestion near the office has been reduced, the available labor market has been broadened, and employee morale has improved.

In addition to 3-M's program, other major employees promoting vanpooling have included Cenex (Farmers Union Central Exchange, Inc.) and General Mills, Inc., located in Minneapolis.

One other pleasant discovery is that the vanpool activity has not detracted from carpooling, vanpooling somehow seeming to encourage the growth of carpools. While vanpooling has grown to include approximately 10 percent of the current 3-M labor force, employee carpooling has doubled to include 21 percent (over 2,000) of the employees. Thus ride-sharing has actually increased from 14 percent in 1970 to 31 percent in 1978.

SEATTLE, WASHINGTON

Confronted by the need for additional electric generating capacity, Seattle has decided to "produce" electricity through strict conservation rather than building or buying shares in new facilities. The city, which owns a municipal utility, established a conservation target of 230 megawatts saved per year by 1990.

One of the city's most effective conservation programs has been "Kill-A-Watt", a plan to reduce unnecessary lighting, turn lights off when not in use, lower thermostats, reduce hot water temperatures and turn off space conditioning completely during non-working hours and on weekends. This cluster of low cost action has reduced winter-time energy consumption in Seattle's downtown office buildings by 42 percent.

As a result of its comprehensive conservation program, the city is on target in achieving more comprehensive savings and is considering a further expansion of its conservation goals.

OAKLAND, CALIFORNIA

Following an audit of municipal energy consumption which showed that street lights represented 70 percent of Oakland's electricity costs, the city decided to retrofit street lights in the city, converting from mercury vapor to high pressure sodium lights. This retrofit will pay for itself within 5 years, reduce energy consumption by 50-55 percent for street lighting, and save nearly 17 million kilowatt hours per year, an annual savings of over one million dollars.

In addition to retrofitting, Oakland is providing for centralized maintenance of fire and police vehicles, utilizing passive solar design for a new recreation center, exploring co-generation and utilizing increased use of opening windows rather than air conditioning in city buildings.

KNOXVILLE, TENNESSEE

In response to the energy crisis and downtown traffic congestion, the Tennessee Valley Authority initiated a vanpool program with the TVA Employees Credit Union in June, 1974. Expanding from its original six 12-passenger vehicles, the program now includes 226 vanpools at 10 sites in two states. While becoming an integral part of a comprehensive employee transportation program essential to reaching isolated rural power facilities, the program has allowed the TVA to save at least \$10 million by reducing the need for additional parking and highway facilities and has tripled minority employment on one major construction project where lack of personal or public transportation made the job site inaccessible to many local residents.

BOISE, IDAHO

Boise has begun a program to harness geothermal energy to heat eighteen city, state, Federal and private buildings, eight square blocks of an urban renewal area and the campus of Boise State University. Heating a total of two million square feet of building space, the system will reduce fuel costs by 25 percent and save the equivalent of 20,000 barrels of oil per year.

With partial funding provided by DOE, the City Council established an Energy Task Force and created the position of Energy Coordinator in 1976. Plans for a comprehensive geothermal heating system have been completed and indicate that a major downtown heating district system will not only be energy and cost efficient, but installable within the next two years.

Together with the Public Broadcasting Station at Boise State University, the city intends to produce a documentary movie about geothermal energy to serve as an educational and publicity tool for the general public, local government officials and private business people.

MILWAUKEE COUNTY, WISCONSIN

Over one million people live in heavily-industrialized Milwaukee County, located in the southeastern corner of Wisconsin along Lake Michigan.

Experiencing interruptions in fuel deliveries as long ago as 1971, the county created the position of county energy coordinator and has since gone on to establish an effective, comprehensive energy program for county buildings and facilities. In January 1974, the County Board passed the Energy Conservation and Contingency Action Plan, which required each department to name an individual to be responsible for conservation activities, specified heating and cooling levels in offices, as well as county purchasing and gasoline consumption limits, and established an Energy Conservation Committee to provide recommendations to the County Board. The Committee is chaired by the energy coordinator and includes the county executive, as well as the department heads for parks, institutions, and public works and the county director of administration.

By 1975, the energy staff had grown and was ready to begin energy auditing of county buildings. As a result, over 60 recommendations were developed and \$60,000 appropriated to implement them. Since that time, the County and City have experimented with various solid waste disposal plans, the result of which was the decision to contract with a private firm to receive all of its solid waste and to process it for burning and resource recovery. At the same time, the Wisconsin Electric Power Company has been buying the "light fuel fraction" produced from the processing of the solid waste material, to burn along with coal in its pulverized coal suspension-fired boilers. This light fraction was quite significant in that it represented approximately 60 percent by weight of the city's domestic solid waste. Twenty percent of the waste is composed of ferrous and nonferrous metals, glass and other resources which were all recoverable.

The remaining material, known as the "heavies fraction," was slated for disposal at a landfill but may now possibly be saved and burned along with coal by modifying existing boilers.

The County has completed plans to institute a computer system to control functions in various county buildings and is presently adding a commercial solar energy heating and hot water facility to its recently completed Washington Park Community Recreation Center, a building featuring passive solar energy design.

With the assistance of industry and the state, Milwaukee County has organized a successful carpooling program. Large companies designated "Carpooling Coordinators" workshops were held, heavy media advertising was conducted and American Motors agreed to issue rebates of between \$25 and \$200 for authorized carpoolers who bought new AMC cars.

In addition to purely government efforts, the County has become one of the charter members of a nonprofit corporation called the Milwaukee Alliance to Save Energy, a community-wide energy conservation organization. Initial efforts have included home and commercial energy audits and expansion of present park-ride and carpooling programs.

HILLSBOROUGH COUNTY, FLORIDA

Located on the west coast of the Florida peninsula, Hillsborough County has a population of over one-half million people spread over 1,038 square miles. Advice on various energy projects is provided by the Joint Citizens Energy Advisory Committee, composed of citizens with knowledge of energy from both the public and private sectors in Hillsborough County and Tampa. Established by the City Council and the County Commission to examine energy concerns important to the metropolitan area, the group holds monthly meetings to review the energy model and prepare recommendations for the County Commission.

Based on Committee recommendations, the County Commission has taken a two pronged approach to conservation: energy management for county buildings and an input-output model of natural and man-made energy systems in the county to aid in policy evaluation and development. The improved management practices have effectively reduced energy usage while the model has been particularly helpful in assessing the impact of different ordinances and subdivision regulations on energy consumption.

KANSAS CITY, MISSOURI

Six months prior to the 1973 oil embargo, Kansas City formed the Energy Management Committee, a group of city officials and professionals charged with mapping out a departmental conservation program. They achieved immediate and visible results, as the city cut its gasoline consumption by 20 percent and its heating oil purchases by 17 percent.

The most comprehensive effort the city undertook was "Operation Button-Up", a Federally-funded program designed to explain to homeowners the benefits of insulation, weatherstripping and other energy-saving measures. While the program is no longer in existence, many Kansas City businesses and the local utility have adopted similar programs. In addition, Operation Button-Up has helped make available low-interest loans for the purchase of insulation.

The Committee also established a widely accepted intergovernmental carpooling program for city, county, state and Federal employees working in downtown Kansas City. Heavy publicity for the carpool and mass transit programs has helped encourage at least 20 percent of all city employees (not counting the police) to ride to and from work in carpools or on the bus. For carpools, a computer is used to match employee's work hours and home and office locations, with over 2000 names currently on file. At the same time, private employers have been urged to institute similar programs. In those cases where several city employees live in close proximity, a vanpool has sometimes been established, with a city-owned or leased van assigned to a driver who provides rides at prices competitive with bus rates. Drivers ride free and during the day when the vans would otherwise be idle, they are used to supplement the city's "Share-a-fare" program, providing low cost transportation to the elderly and handicapped.

The city fire department has acquired "Quick Response Vehicles" to respond to minor emergencies. These smaller and more maneuverable vehicles use less fuel than larger fire equipment. Another fire department innovation is the construction of a solar-heating system for a fire station, a project with an estimated payback of only 8.8 years.

A number of conservation measures have been taken with the city's vehicle fleet, including timelier changes of oil, installation of an additional oil filter to extend the life of the oil, sale of used oil to a private contractor for processing fuel, monitoring to reduce travel and fuel usage in city vehicles by 15 percent, an automated Equipment Management Information system, and elimination of all fullsize vehicles from the fleet.

In City Hall, energy coordinators have been assigned to each floor to help identify and reduce unnecessary lighting through such ideas as the installation of multiple switches thereby permitting lights to be turned off in vacant areas. Reduced lighting has provided annual savings of at least \$500 per floor. City Hall has also been the location of a paper recycling program.

Kansas City is presently considering a number of additional conservation actions, including the purchase of electric cars for the city motor pool, the development of an underground park for city office use and public recreation, the design of a wind-powered system for purifying methane from retired sanitary landfills to be used for fuel in local heating, the use of subsurface air as a cooling system and the implementation of a city-wide recycling program for newspaper, aluminum, steel and glass.

Cong. DeLeg.

REP. JAMES OBERSTAR
(D-Minnesota-8)

Committees: Merchant Marine and Fisheries (15)
Coast Guard and Navigation
Fisheries and Wildlife Conservation
and the Environment

Public Works and Transportation (10)
Economic Development
Oversight and Review
Water Resources

Administration Support: 78.6%

Favorable Votes:

Windfall Profits Tax
U. S. Zimbabwe Rhodesia Policy
Mottl Anti Busing Amendment
Final Passage, Department of Education
Alaska Lands
Final Passage, Panama Canal Treaties Implementation
Tellico Dam

Unfavorable Votes:

Gasoline Rationing
Amtrak, Route Restructuring

Personal Background: Elected to Congress in 1974; 45 years old; married (Jo); four children; former Administrative Assistant to Congressman John Blatnik, 1963-74; Administrator of House Public Works Committee, 1971-74.

District Information: Northeast corner of state; Minneapolis and St. Paul suburbs; Lake Superior port of Duluth; mines and ships most of the country's iron ore.

Energy Issues: Congressman Oberstar has promoted tax credits for wood burning stoves and has been critical of the "rush" to diesel engine cars on the premise that diesels require more crude oil than gasoline engines.

Other: You and the Vice President spent time during the 1978 campaign in Congressman Oberstar's district working for Bob Short, Wendall Anderson and Rudy Perpich. The occasion was a rally at the local high school.

He will be flying to St. Paul with you and will have just left a meeting with Secretary Bergland.

REP. BRUCE VENTO
(D-Minnesota-4)

Committees: Banking, Finance and Urban Affairs(24)
Consumer Affairs
Economic Stabilization
Housing and Community Development

Interior and Insular Affairs(22)
Energy and the Environment
National Parks and Insular Affairs

Administration Support: 76.9%

Favorable Votes:

Windfall Profits Tax
U. S. Zimbabwe Rhodesia Policy
Mottl Anti Busing Amendment
Final Passage, Department of Education
Synfuels
Final Passage, Panama Canal Treaties Implementation
Tellico Dam
Gasoline Rationing

Unfavorable Votes:

Amtrak, Route Restructuring

Personal Background: Elected to Congress in 1976; 39 years old; married(Mary Jean); three children; former teacher; Minnesota House of Representatives, 1971-76, Assistant Majority Leader and committee chairman.

District Information: Part of St. Paul and surrounding suburbs; solidly democratic; formerly represented by Eugene McCarthy.

Energy Issues: He has been generally supportive on energy votes and favored the creation of the Department of Energy. He supports vertical and horizontal divestiture. Vento should be encouraged to continue his support of the legislation creating the Energy Mobilization Board and especially giving the board sufficient powers to expedite critical energy facilities while still protecting the balance between procedural and substantive law. He has been disposed to limit the powers of the EMB and if this view prevails, the House will not produce a board with sufficient authority to cut through red tape.

Other: Congressman Vento will be meeting you at the airport and introducing you to Gerry Spiess, who sailed a 10ft. boat from the United States to England.

ISSUES

MINNESOTA

Statistical Background

o Population in mid-1978 was 4.0 million, making Minnesota the 19th most populous state. Growth in population since 1970 was 5.3%, compared with 7.3% for the nation.

o The unemployment rate was a very low 3.6% (not seasonally adjusted) in May 1979, unchanged from a year earlier. The unemployment rate for the total U.S. in May was 5.7% on a nonseasonally adjusted basis, having declined 0.3 percentage point from a year earlier.

o Employment in May was 2.0 million (unadjusted) and had risen a strong 4.0% from a year earlier. This compares with a 2.5% increase for the nation over the same time period. (The unemployment rate for Minnesota was unchanged despite the good progress in employment because the number of people looking for work also rose by 4%. Labor force growth for the nation was only 2.2%.)

o Income: Minnesota's per capita income in 1978 was \$7,847, ranking 18th among the states and 0.5% above the national average. Since 1977 per capita income had advanced by 10.2%. Per capita income for the total United States was \$7,810 in 1978 and had grown 11.2% from a year earlier.

o Industry: With three-quarters of the state in farmland, agricultural products such as oats, corn, soybeans, barley, eggs, chickens, turkeys, and other livestock play an important role in the state economy.

Minnesota is the nation's leading producer of iron ore. Main manufactures are food and kindred products, pulp and paper, and machinery -- particularly farm equipment.

St. Paul

o Population of the city in 1976 was 272,465, down 12% from the level in 1970. Over the same period, the population of the Minneapolis-St. Paul metropolitan area rose by 3% to 2.03 million.

o Unemployment rate for the city of St. Paul in May 1979 was 3.7%, unadjusted, unchanged from a year earlier.

o Employment was 142,600, unadjusted, in May and had grown by 3.0% from a year earlier. (Labor force expansion of the same amount left the unemployment rate unchanged.)

STATISTICAL DATA - MINNESOTA

<u>Population</u>	<u>Minnesota</u>	<u>Minneapolis-St. Paul</u>
Total	3,916,105	2,010,841
%female	51.0	54
%male	49.0	46
%Urban	66.4	n/a
%Black	.9	4.0
%Spanish	.6	3.0
%Foreign Stock	18.6	23.0
Pop. Change 70-75	3.1	3.2
%65 years or older	11.2	9.2
%18 years or older	63.5	71.0
<u>Personal Income:</u>		
Per Capita Income	4,675	5,206
Median Family Income	9,928	10,400
%25,000 and over	4.3	4.4
%15,000-24,999	16.0	17.0
%below poverty line	8.3	6.8
<u>Civilian Labor Force</u>		
Total	2,060,000	1,090,000
%in manufacturing	21.1	24.9
%in retail & whole-sale trade	22.1	22.8
<u>Unemployment Rates</u>		
01/77	6.8	5.3
03/79	4.2	3.0
04/79	4.0	3.0
05/79	3.6	2.8
06/79	n/a	n/a
%Change 01/77-present	- 47%	- 47%
Popular Vote for President, 1976, % for Majority party	D-54.9	D-55.3
% of Voting Age Population Casting Votes	71.4	n/a

Notes:

n/a - indicates not applicable or not available

AGRICULTURAL BACKGROUND

1. Minnesota Commodity Data:

<u>1977 CASH RECEIPTS</u>	<u>AMOUNT</u>	<u>NAT. RANK</u>
Total	4,323,000,000	5
Livestock and products	2,239,000,000	6
Crops	2,084,000,000	5

THE FIVE LEADING COMMODITIES

Dairy products	817,000,000	4
Cattle calves	651,000,000	10
Soybeans	593,000,000	5
Corn	567,000,000	5
Hogs	509,000,000	5

2. Producer Payments

Disaster (as of 7-26-79)

78 crop \$4,293,027

Deficiency (as of 6-14-79)

78 crop wheat \$29,349,291

78 crop barley \$10,587,594

Wheat Haying and Grazing (as of 7-31-79)

78 crop \$44,462

Diversion (as of 7-31-79)

78 crop feed grain \$928,178

CONSERVATION PROGRAM ALLOCATIONS

Agriculture Conservation Program (ACP) \$6,432,000 (as of 4-17-79)

Emergency Conservation Program (ECP) \$ 565,842 (as of 6-11-79)

3. Per farm net income after inventory adjustment - Minnesota:

1977	\$14,323
1976	\$ 5,077
1975	\$ 9,444
1974	\$13,264
1973	\$19,337
1972	\$ 7,798
1971	\$ 6,145
1970	\$ 6,772
1969	\$ 5,358
1968	\$ 4,679

4. Grain Reserve Activity as of 8/10/79 - Minnesota

	<u>Quantity Placed In Reserve</u>	<u>Quantity Redeemed</u>
Barley	12,773,789	950,951
Corn	143,918,065	11,100,945
Sorghum	26,675 CWT	3,332 CWT
Oats	13,763,738	2,712,721
Wheat	55,308,768	10,591,736

All figures given in bushels except where indicated.

5. General Outlook: Crop levels and prices appear high and stable. The Main problem at this time is transportation of agricultural products. The Duluth grain elevator strike has blocked Great Lakes shipping, resulting in transportation snarls due to overburdening the Twin Cities and other shipping centers.

Strike is having a severe impact on grain prices at country shipping points in Minnesota, South Dakota, North Dakota, and Montana. In some areas, grain prices are down as much as 50¢/bushel on most grains.

6. Agricultural Disasters

Twenty-two counties in southwestern Minnesota were recently declared disaster areas because of excessive wind and rain damage.

Minnesota Statewide Issues

1. Energy

A. Coal

o The increased coal shipments between western mines and eastern powerplants has produced an acute rail traffic problem along the Burlington and Northern main lines between Bismarck, North Dakota, and St. Cloud, Minnesota. A Rail Traffic Task Force of State and Federal representatives is studying the problems of rail-highway crossings, noise and air pollution, vibration, and impacts on land use along rail corridors.

o Coal-fired plants generate over half of all electricity produced in the State. By 1985, State energy officials project that coal will fuel a projected 70 percent of all electrical generation. Many socioeconomic, environmental, and wilderness issues will affect siting of additional major coal-burning facilities to support this growth.

B. Nuclear

o In July 1977, the State Legislature enacted a Bill prohibiting any work in relation to a repository for nuclear waste in the State without the approval of the Legislature.

C. Oil

o Minnesota is involved in considering proposed alternative pipelines for transporting Alaskan and other crude oil to the Northern Tier States (including Washington, Oregon, Idaho, Montana, Wyoming, North Dakota, Minnesota, Wisconsin, Michigan, Illinois, Indiana and Ohio). Governor Quie has indicated interest in both the Northern Tier Pipeline Company proposal (NTP) which had been rejected by the Minnesota Energy Agency and the Alternative Wood River Pipeline proposal (WRP). He believes the State will benefit from both pipelines. The WRP could be in operation by 1980 and would satisfy short-term oil needs and the NTP could be built by 1985 to help the State's supplies in the future.

D. Fuel Supplies

o Gasoline -- Minnesota is experiencing a general shortage of gasoline throughout the State and there are lines at stations in Minneapolis. The State has now instituted minimum purchase requirements and mandatory hours of operation for filling stations.

o Diesel Fuel -- The State Energy Office reports that deliveries of diesel fuel are about 83% of the same period last year. Inventories are down by one-third. The State perceives that Federal rules in connection with the priority use of middle distillates are not honoring the priorities. DOE has a diesel fuel task force which is working with the States to help obtain supplies of diesel fuel, and insure that the regulations are enforced.

Due to rapidly rising diesel fuel costs, many independent truckers have discontinued hauling operations. Some truck stops are reported to be blocked by these truckers in an effort to expand the slowdown of freight hauling operations.

The truckers are concerned that, while operating costs have increased dramatically, the rates they get for hauling do not reflect increased costs. The Interstate Commerce Commission last month approved a measure which permits increased diesel fuel costs to be passed on to consumers. The DOE supported the measure. In an effort to further ease the diesel supply situation, the DOE is working with States in connection with the potential for several States to raise State weight limitations up to the Federal level (80,000 pounds) and to remove restrictions against twin trailers.

o Home Heating Oil -- State energy officials are concerned about the potential for a home heating oil shortage this winter. Although middle distillate inventories are low, suppliers expect to build up heating oil stocks by November. The DOE has encouraged distillate inventory buildup and is monitoring the situation to assure that adequate stock is available for the winter heating season.

E. DOE Initiatives

o DOE is implementing a program to accelerate re-development of existing low-head dams which are amenable to the construction or renovation of hydroelectric facilities. In Minnesota, a contract will be negotiated to redevelop a small dam site owned by the Rochester Public Utility Department.

o DOE is conducting a consumer research program in Minneapolis, St. Paul and five other cities across the country. The program will test methods of increasing consumer awareness of possible energy savings using available energy efficient products. The "Energy Cost of Ownership" (ECO) program is using direct mail to retailers and the media in each city to invite general public participation in a "lottery" which offers energy saving devices for the home as prizes. The budgeted media funding for Minneapolis is \$209,570.

o The University of Minnesota has 26 active contracts totaling over \$13 million to do research in high energy physics, basic energy services, and biomedical and environmental studies.

o DOE has provided \$313,000 to the Minnesota Zoological Garden in Apple Valley for a solar hot water and space heated rest room facility. The project uses 9,000 square feet of flat plate solar collectors and is adjacent to a new monorail system being built through the park. The facility will be dedicated this summer.

o DOE is also conducting a study of eight city/county areas including Minneapolis and surrounding Hennepin County to determine the role of local governments in energy policy and planning. A draft report is being prepared based on interviews and surveys of local energy officials in the selected areas.

o Minnesota Mining and Manufacturing (3-M) Minneapolis, has contracts of nearly \$10 million to do research and development for DOE's nuclear-powered space systems program.

o The Midwest's Regional Solar Institute, the Mid-American Solar Energy Complex (MASEC) headquartered near Minneapolis, will serve as a solar commercialization laboratory for 12 midwestern States.

o DOE contracts and grants to the State during FY 1978 totaled \$16.4 million.

F. State and Local Initiatives

o Northern Minnesota has the second largest area of peat deposits in the United States -- 14 percent of the estimated total reserves or the equivalent of 200 trillion cubic feet of natural gas. The deposit extends over 6 1/2 million acres. The Minnesota Gas Company, working with DOE and the Institute of Gas Technology, is carrying out a two-year program to evaluate the feasibility of getting synthetic natural gas from peat. The economics of peat gasification are promising, but some environmental questions, particularly the impacts of peat harvesting, remain. The State Department of Natural Resources is studying this issue.

o The Minnesota Department of Economic Security has received \$4.2 million in Federal funding for low-income home weatherization. By the end of FY 1979, over 12,000 households will have received assistance.

o Hennepin County is a member of the Urban Consortium, an organization of the 36 largest cities and counties in the Nation. The Energy Task Force of the Consortium has received an \$878,000 grant from DOE to develop innovative methods for adopting energy technologies to urban needs.

2. Duluth Grain Shipment Strike

Since early July, Local 118 of the American Federation of Grain millers has been on strike against eight large grain companies which ship from the Port of Duluth. These 350 workers are responsible for transporting all grain from storage facilities to the Port, and they have been able to effectively shut down the Port. There is no feasible rail or other alternative for shipping this grain. With local elevators nearly full and the harvest beginning next week the situation has become a matter of considerable concern. Governors Quie (Minnesota) and Link (North Dakota) have requested a meeting with you during this trip and a number of Congressmen and Senators have been concerned including Oberstar, Hagedorn, Boschwitz and others.

The key issue in the strike involves cost-of-living protection. At this point it does not appear likely that the parties have yet experienced enough economic pressure to make a settlement likely within several weeks. The workers had received considerable overtime before the strike and the companies apparently can fulfill their commitments from other sources.

Our strategy has been to try to gradually increase the pressure on the parties. The Department of Labor believes we would have no chance at this point of satisfying the Taft Hartley test of demonstrating danger to the "national health and safety".

We have had a federal mediator from Washington working actively on the case since last week. In addition Secretary Bergland has let it be known that he may use his authority to transfer to other ports shipments of grain moving under American aid programs. This step would severely affect the Longshoremen in Duluth and this factor could add to pressures on the grain millers union.

This afternoon the Press Office issued the statement you approved announcing your decision to meet with Governors Link and Quie. Attached is a copy of that statement. Jack will have additional information for you.

Home Heating Oil

There is great concern about availability of sufficient home heating oil. Governor Quie has said he anticipates a shortage based on available current information.

Although middle distillate inventories are low, suppliers expect to build up heating oil stocks by November. Notwithstanding continuing progress to meet our 240 million barrel target for this winter, Minnesotans remain very concerned and want assurances.

Red Lake Indian Takeover

On May 19, 1979, there was a takeover of the BIA Law Enforcement Center at the Red Lake Indian Reservation. This center, the tribal offices, a local grocery store and the home of the tribal chairman, Roger Jourdain, were subsequently burned, resulting in damage of over \$4,000,000 to two Federal buildings and 28 vehicles. The FBI was called to the scene

and six men have since been arrested and charged, and five were convicted of conspiracy and other charges. Mr. Jourdain remains under FBI protection and has as yet not returned to the reservation. The situation is still tense but has stabilized. Bureau programs are fully operational, and some tribal programs are again functional.

Environment and Natural Resources

5. Upper Mississippi Wild and Scenic River Proposal

In January 1975, the National Wild and Scenic Rivers Act was amended to provide for studies of several rivers, including 353 miles of the Upper Mississippi from Lake Itasca to the city limits of Anoka, Minnesota, a suburb of Minneapolis-St. Paul. The study, conducted by the Bureau of Outdoor Recreation (now Heritage Conservation and Recreation Service) of the Department of the Interior, concluded that the river was a suitable addition to the national system with 41 miles classified as wild, 208 miles designated scenic, and 104 miles recreational. A combination of Federal and state administration was proposed.

The Upper Mississippi proposal was included in both of your environmental messages. The August 1979 statement proposes that the National Park Service will complete a conceptual master plan for the river by April 1980, a goal which the Service intends to meet. This departure from normal practice, in which a master plan is developed after passage of legislation designating components of the Wild and Scenic Rivers System, is an outgrowth of local fears that the impact on local property owners would be burdensome if the designation were enacted. Conservation organizations, which have long advocated preservation of the Upper Mississippi, have supported the new approach as they see it as the only politically practical means to gain needed local support for the proposal.

The proposed designation is popular in the Twin Cities area. However, at public hearings along the river last year, local landowners voiced overwhelming opposition to the proposal, saying they fear designation of the Upper Mississippi would result in more recreational use and, in turn, more litter and destruction of shoreland property. Local landowners also complained of a "federal landgrab" of private property.

6. Pollution of Mississippi River

The FDA limit for PCB's in edible portions of fish was recently lowered from 5 parts per million (ppm) to 2 ppm. The effect of this limit is to prohibit interstate shipment of fish from the Mississippi River. (This was true even for the 5 ppm standard.) The commercial fishery has a value of \$500,000 per year according to Wisconsin statistics.

US-EPA and State data show water quality violations for fecal coliform bacteria routinely on the river. This problem is caused largely by the poor treatment from the large Metropolitan Waste Control Commission treatment plant at Pig's Eye. The effect of low dissolved oxygen is to limit the ability of fish to survive and propagate. These problems are correctible and EPA and the Minnesota Pollution Control Agency are working to solve them.

7. Aircraft Noise Exposure from Minneapolis-St. Paul International Airport

Many communities around the airport are exposed to aircraft noise. Key communities are north and northwest Minneapolis, north and northeast St. Paul, west Richfield, and southwest Egan and Bloomington. The Communities, Airports, Airlines and other affected organizations have formed a council to monitor the problem and search for solutions. The organization is known as MASAC (Metropolitan Aircraft Sound Abatement Council).

8. Republic Airlines

On June 5, 1979, you signed the Order authorizing merger of North Central Airlines and Southern Airlines. Republic Airlines will be the new name when the merger is completed by October 1, 1979, and corporate headquarters will be located in Minneapolis. Republic Airlines will operate more than 100 aircraft and will be the Nation's sixth largest airline. The inaugural flight was July 1, 1979.

9. Cut-back on Amtrak Service

Two Amtrak trains are running through central Minnesota and one is scheduled to be eliminated (as of 8/15/79).

MILWAUKEE RAILROAD

Last week the trustee for the Milwaukee Railroad filed his plan of reorganization with the bankruptcy court. The trustee's plan called for sale or abandonment of about two thirds or 6,600 miles of track. The system to be preserved would contain 3,200 miles of track in the eastern part of the territory serving Chicago, Milwaukee, Minneapolis, Duluth and Kansas City.

The Department of Transportation supported this plan before the court. This support has upset those who favored keeping more of the railroad, principally the unions and the States of Montana and Washington. In the midwestern area through which you will be traveling, however, the action the Administration took will generally be viewed favorably since it should result in continued rail service by the surviving part of the Milwaukee. DOT has been working actively with several of the States, such as Iowa and North Dakota to help them preserve their branch line track under our state-federal aid programs.

St. Paul Issues

1. Energy

1. Mayor George Latimer announced a major Saint Paul energy program within the past two weeks, identifying the priority for the city's future. He announced creation of a Task Force of 100 community leaders with whom you will be meeting. The Task Force objective is to develop a comprehensive inventory of practical ways of controlling energy usage in the City of Saint Paul (housing, transportation, education, etc.). This is a bottom-up approach to get everyone involved in the serious business of energy conservation. Response to the task force idea has been overwhelmingly favorable.

2. One month ago the City announced that it was proposing a 250-acre model Energy Park. The Energy Park would be an integrated development containing an office/industrial section having a sole focus on energy businesses with a possible relationship to the University of Minnesota's interest in energy/high technology areas. It would also contain a section for high-density, European-style energy efficient dwellings. The Park itself would exemplify the best of what we now know about energy efficiency and conservation. At the same time, it would be geared directly towards jobs production and much needed housing in the Saint Paul area. It is intended to be a model for the rest of the city, the state and the nation in order to demonstrate that a city can actually do something, on a large scale, regarding energy problems.

3. Three weeks ago Saint Paul was selected as the national pilot city for a hot water district heating project. The Department of Energy awarded a one-half million dollar grant. The project has the potential of saving enough fossil fuels to heat the equivalent of 200,000 residences in the Minneapolis-Saint Paul area. The Mayor chairs a public/private corporation to manage the project. It reflects the best of public/private cooperation.

4. Saint Paul was selected two weeks ago by the Environmental Protection Agency to undertake a feasibility study for modular trash-to-energy units to be located in the urban area. This is a Phase II implementation study.

5. On August 9, 1979, the city requested of DOE that it be given the opportunity to work directly with the Department of Energy in order to become a model energy-conserving city. The focus would be a managed energy program creating jobs, conserving traditional fuels, incorporating the use of alternative technologies and energy sources, well allowing citizens to make real energy-use decisions.

Also, the Mayor was appointed as chair of a statewide energy committee of the Minnesota League of Cities. The first meeting was held this week with a large number of out-state mayors present. The session brought into play the practical concerns of the interdependence of urban and rural areas in addressing the energy crisis using indigenous fuel sources such as crop residue and agricultural biomass.

Finally, there are numerous interesting demonstration projects in the Twin Cities area. Two of the most notable are the following:

1. Ouroboros East, 1020 Laurel St., St. Paul

Ouroboros East is an older citizens home in the St. Paul inner city area which is being renovated to demonstrate energy conservation and innovative alternative energy systems. The upper portion of the south side of the two-story house has been equipped with an active solar collector. The lower portion has an attached greenhouse that serves as a passive solar collector and also provides vegetables and flowers. The human and kitchen wastes are captured in a tank that produces methane gas for space heating and cooking. Insulation and other energy conservation measures have been applied throughout the building envelope. The project holds frequent open houses to demonstrate conservation and alternative energy systems to residents of the surrounding neighborhood.

The project is a cooperative effort among faculty members of the University of Minnesota (UM), members of the neighborhood and the Minnesota Science Foundation.

2. Williamson Hall, University of Minnesota campus

Williamson Hall is an 85,000-square-foot bookstore, admissions and records building constructed underground. The underground location cuts its energy requirements in half. In addition, a solar system nearing completion will meet 60 percent of its remaining heating requirements and 40 percent of its cooling requirements. The building is designed around an enclosed atrium giving it an open, sunlit appearance despite its underground location.

The hall is representative of a number of new underground buildings in various stages of construction in Minnesota, including a new Civil and Mineral Engineering Building. The Underground Space Center at UM receives some 100 letters a day from members of the public seeking information on the construction of underground homes and other buildings.

2. Housing and Urban Development

I. Major Administration Initiatives

A. Community Development Black Grant Program

The City of St. Paul is a Formula Entitlement City. Their FY'79 entitlement grant approved on May 25, 1979 was in the amount of \$12,311,000. Since 1975 the city has received \$83,762,000 in CDBG funds.

B. Urban Development Action Grant (UDAG) Program

The City of St. Paul has received approval of three Urban Development Action Grant applications. On August 23, 1978, \$4.8 million was approved for a downtown commercial project. The two UDAGs approved in April and July, 1979 are described below:

St. Paul, Minnesota has received preliminary application approval for a \$1.8 million Action Grant to help the St. Paul Port Authority develop an industrial park. Brown and Begelow, one of the city's largest employers, will move its plant to the site and expand operations. The Federal money will be used to help the Port Authority prepare the site for development and begin construction of a 400,000 square foot building scheduled for completion by July 1, 1980. Action Grant: \$1,875,000. Private sector commitment: \$12,400,000. Permanent new jobs: 397. Jobs retained: 1,425.

St. Paul, Minnesota has received preliminary application approval for an Action Grant of \$1,314,000 to substantially rehabilitate the East Seventh Street Neighborhood. St. Paul has been working closely with the 3M Company, which has agreed to invest \$8,000,000 in an office expansion in the East Seventh Street neighborhood. This is 3M's largest commitment to reinvestment in the City of St. Paul in nearly 25 years. Action Grant: \$1,314,000. Private financial commitment: \$8,000,000. New permanent jobs created: 250. Existing jobs retained: 3,550. Construction jobs: 50.

C. Section 312 Rehabilitation Loan Program

During Fiscal Year 1979 the City of St. Paul has expended \$1,496,650 in Section 312 funds for rehabilitation of single family residences.

D. Housing Development

The Department on June 14, 1979 reserved funds for two Section 8 Projects in the City of St. Paul. A total of \$1,641,600 of Budget authority was reserved for a demonstration project sponsored by the Women's Advocate Center Housing for Battered Women. This project will provide 12 units of housing. In addition, \$4,351,200 of Budget authority was reserved for 28 units of Section 8 family housing in a partially subsidized 140 unit project.

The Department is anticipating construction starts during this fiscal year for the following number of units:

121 unit Section 202 Elderly Project
103 unit Section 8 project for the handicapped
67 unit Section 8 for the elderly

The Department is also anticipating completion of 71 units of Section 8 family housing in the City of St. Paul.

E. Housing Management

The City of St. Paul has received a grant of \$7,350,000 through the Public Housing Urban Initiatives Program for the McDurnugh Home project, a St. Paul low rent public housing family project. Particular emphasis will be placed on rehabilitation, security, and social services. There are 489 units in this project.

F. Negotiated Investment Strategy City

The City of St. Paul was recently selected by the Region V Federal Regional Council as a Negotiated Investment Strategy City. Public announcement of this was made on August 3, 1979, and final negotiations between the FRC and the City of St. Paul are currently being completed.

The negotiated investment strategy is an attempt to create a more rational, coordinated approach to planning and the expenditure of public and private money in selected urban centers.

3. Transportation

1. Presidential Initiative on Rural Transportation:
The Region V Federal Regional Council has selected St. Paul as the site for a regional conference to discuss recently announced White House Rural Development Initiatives to improve transportation. The conference is scheduled for October 22, 1979.

2. Mass Transit: Increase in transitridership in the Twin Cities is 10.2% according to American Public Transit Association figures.

4. Historic Preservation

GSA is negotiating with St. Paul to rehabilitate the Union Train Depot, which is on the historic building register.

5. Justice/LEAA

The U.S. Commission on Civil Rights is investigating civil rights enforcement in the St. Paul/Minneapolis area. Hearings were planned and a report is expected in the next few months. The findings could lead to enforcement action by a number of Federal agencies, include LEAA.

Significant media attention has been given recently to complaints of racial discrimination in the placement of prisoners in work programs by the Minnesota Department of Corrections. LEAA has two complaints under active investigation.

LEAA provided approximately \$600,000 in start-up funds for a team policing project in St. Paul. This effort has been institutionalized by the City using its own resources and has received favorable publicity.

Mayor forms

AUG 1 1979 AM

energy panel to fight cost

By DENNIS LIEN
Staff Writer

The formation of a 100-member energy task force for the city of St. Paul was announced by Mayor George Latimer Tuesday.

It is patterned after comprehensive programs in two other American cities. Those programs have been designed to save residents millions of dollars in energy costs during the next decade, according to representatives of Portland, Ore., and Davis, Calif.

The Portland City Council is expected to adopt a policy today that would require far-reaching conservation measures from its residents. Davis has been adding requirements each year to an energy program that began four years ago.

"It's estimated that just on residential homes, the cost (of weatherproofing) will be \$300 million in the next 10 years," said Dan Churchill, an aide to Portland Mayor Neil Goldschmidt. "But the payback in reduced energy will be \$450 million."

THE TASK force announced by Latimer will have until Dec. 9 to develop suggestions to cut energy consumption in St. Paul. Its members will be appointed by Sept. 1.

It will be divided into five subcommittees with 20 members on each: transportation, existing housing and zoning, new housing and construction, education and large energy users.

In forming the task force, Latimer said it is time St. Paul takes the initiative in developing energy-saving programs rather than waiting for them to be imposed by the federal government. Latimer said his office will push for enactment of the task force's suggestions.

"I DON'T know anywhere else it can come together other than right here in city government," he said at a press conference Tuesday.

The private and public inter-

ests that Latimer is gathering also were instrumental in formulating the programs in Portland and Davis.

Here's a brief description of what each city has done:

- Portland's policy would require all businesses and homes to be "fully weatherized" before they are sold. An energy audit would be required of each structure by 1984.

- Low-interest loans would be available to residents to insulate their buildings. Payments would be arranged so they would be offset by energy savings at each building.

- Neighborhood districts would be rezoned — allowing greater clustering of commercial areas — so vehicular traffic would be reduced.

- A one-cent gasoline tax would be imposed, with revenues channeled toward energy-saving road projects.

- Trash haulers would be required to offer residents recycling options at no additional cost.

- Neighborhoods would be allowed to finance cooperative power transmission systems such as solar panels.

- Motorpools are being encouraged.

Davis's plan evolved from the city's general plan in 1975.

ACCORDING TO Gloria McGregor, the city's community development director, land management was the first priority. "We changed our overall policy from anything goes to a policy leading toward a very contiguous and closely aligned city," she said.

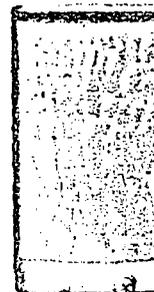
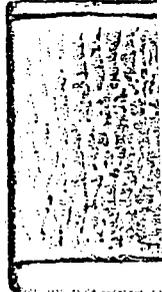
One of the effects of the policy was a doubling of the city's population density.

- New buildings were sited along north-south lines with glass concentrated on the south side to get maximum exposure from the sun during winter

See Energy, Page 12

ST. PAUL
PIONEER
PRESS

AUG 1
1979



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St. Paul Sunday Pioneer Press

The Voice of Minnesota



BERNARD H. RIDDER, 1883-1975	JOHN R. FINNEGAN, Executive Editor
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July 8, 1979

EDITORIAL PAGE

Will St. Paul become Energy City, U.S.A.?

St. Paul pulled one of its big proposals off the shelf and set it to motion last week. It is a plan for creating a system to use "waste heat," primarily from power generation, to heat water that then would be piped out to heat downtown buildings.

It's called district heating and the potential impact on energy use in the city is tremendous: They're talking about heating the equivalent of 200,000 houses.

Initial planning has been done by city and state officials with representatives of labor and business, including Northern States Power Co. A non-profit corporation has been set up to carry the proposal to federal agencies, and Hans Nyman, who designed and built a hot water district heat ng plant in Upsala, Sweden, has been named chief operating officer of the corporation.

The corporation hopes to get funds from the U.S. Department of Energy for preliminary engineering and financial feasibility studies. If the plan appears feasible — that is, if it will do what it should do and is affordable — actual work could begin in the spring of 1981.

The district heating proposal was pulled together just as ground work was completed on an experimental approach to getting the most out of federal aid to cities. St. Paul is one of three cities chosen to test that approach — called the Negotiated Investment Strategy (NIS) — and will seek funds for four major projects. One of the projects is a complex of energy-management proposals, including district heating, aimed at making St. Paul a national model of efficient energy use. (The others are the Midway industrial park, Lowertown, and the Mississippi corridor.)

So these two very exciting developments will be coming together soon: a do-something energy plan (that also should help make downtown St. Paul more attractive to new business) and a new way of combining federal, state, city and private resources to accomplish goals set by the city itself. There are, to be sure, a great many moving parts to be meshed but the movement is certainly in the right direction.

Wabasha, MN
Saturday, August 18

WABASHA, MINNESOTA

Wabasha, a town of 2500, expects to have 20,000 people on hand to greet the President when the Delta Queen stops to take on fresh water Saturday morning. The townspeople hope to present a non-edible birthday cake to the First Lady, filled with scrolls detailing local efforts to combat the energy problem; a tee shirt to Amy; and a hand-made oak cross made from local wood along with a framed copy of a proclamation to the President. The proclamation is "A Call for Unity," declaring "A day of positive unity for the future of the United States of America."

Should the President disembark, his greeters at dockside will be:

Mayor John Meisch, Jr. (D) and wife Fairy

Ron Marcou and wife Terry

--Former Vice President of Operations for the
Delta Queen

John Wodele and wife Linda

--President, Wabasha Chamber of Commerce

John Hall

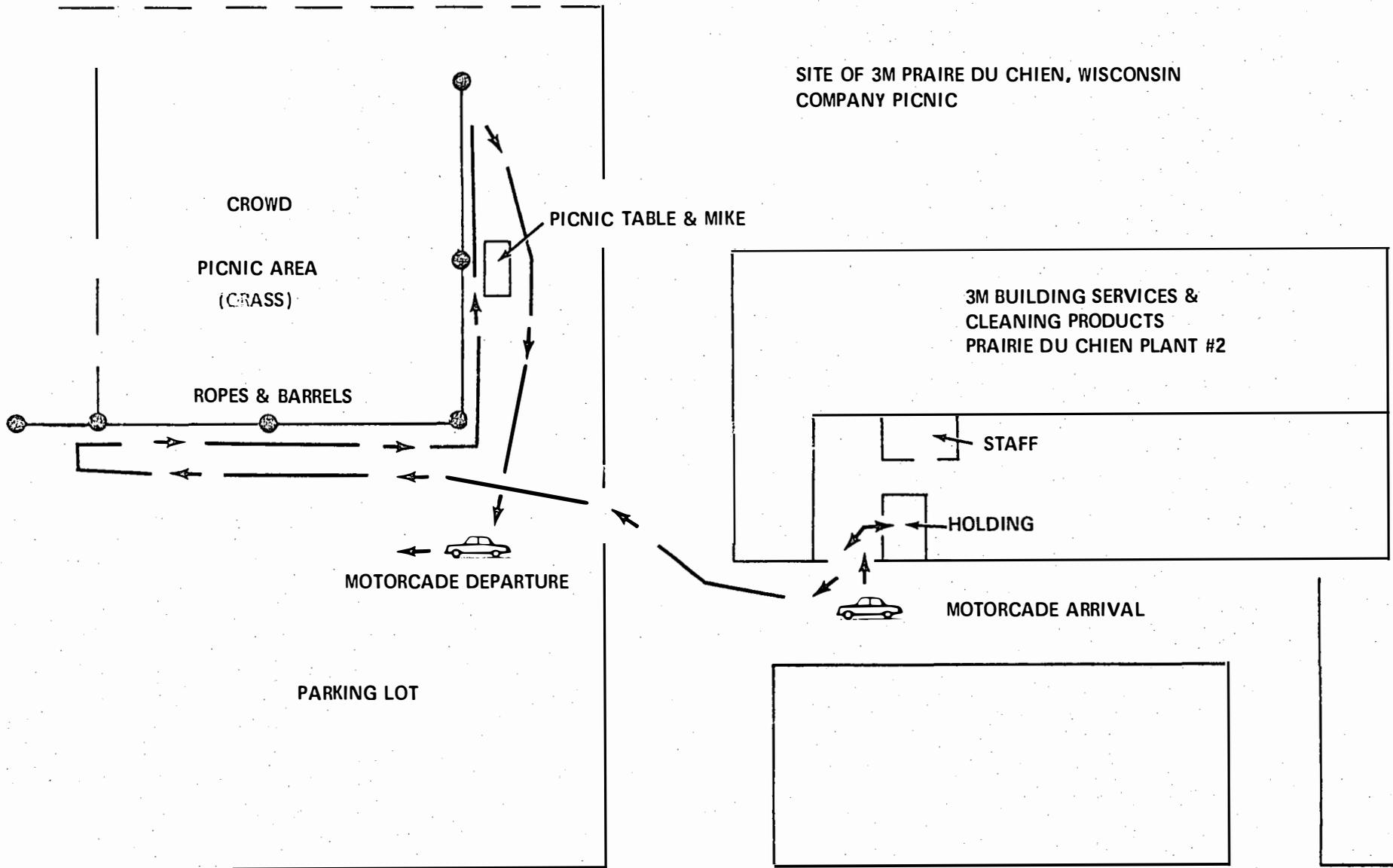
--Owner of Anderson Hotel

Roger Helgersen

--Democratic County Chairman

Prairie du Chien, WI
Sunday, August 19

SITE OF 3M PRAIRE DU CHIEN, WISCONSIN
COMPANY PICNIC



PARKING LOT

MOTORCADE DEPARTURE

MOTORCADE ARRIVAL

MARQUETTE ROAD (RT. 35N)

N →

Cong. Deleg.

REP. ALVIN BALDUS
(D-Wisconsin-3)

Committees:

Agriculture(12)

Subcommittees: Conservation and Credit
Dairy and Poultry
Tobacco

Small Business(14)

Subcommittee: Impact of Energy Programs
Environment and Safety Requirements and
Government Research on Small Business

Administration Support: 83.3%

Favorable Votes:

Windfall Profits Tax

U. S. Zimbabwe Rhodesia Policy

Final Passage, Department of Education

Synfuels

Final Passage, Panama Canal Treaties Implementation

Gasoline Rationing

Unfavorable Votes:

Tellico Dam

Personal Background: Elected to Congress in 1974; 53 years old; married(Lorayne); five children; Merchant Marine, WW II; Army, Korea; former investment broker; Wisconsin House of Representatives, 1966-74; Assistant Majority Leader, 1972-74.

District Information: Western and southwestern part of Wisconsin; mostly rolling farmland; two urban centers, La Crosse and Eau Claire; dairy country, more dairy cows in district than any other in nation.

Energy Issues: The Congressman has been very supportive of the Administration's energy programs and in particular has supported your having the authority to develop your own gasoline rationing plan. He voted with us in 1978 on deregulation in spite of very vocal opposition from his constituents. In general, he favors synthetic fuels and new energy alternatives such as gasohol and biomass; he supports nuclear energy but only with public controls.

Baldus' Congressional staff was most helpful in researching possible energy related events for this trip and in fact the 3M picnic was a result of this research. They checked out all angles, even the labor situation.

ISSUES

WISCONSIN

o Population in mid-1978 was 4.7 million, ranking 16th among the states. Growth in population since 1970 was 5.9%, compared with 7.3% averaged for the Nation over that time span.

o Unemployment rate in June 1979 was 4.1%, not seasonally adjusted, down 1.0 percentage point from a year earlier. The unemployment rate for the total U.S. on a nonseasonally adjusted basis in June was 6.0%, and had declined only 0.2 percentage point from a year earlier.

o Employment in June was 2.3 million, unadjusted. Growth in employment from a year earlier was 3.1%, which compares with 2.2% growth nationwide over the same time period.

o Income: In 1978 per capita personal income was \$7,597, ranking 25th among the states. Wisconsin's per capita income was 2.7% below the national average of \$7,810 and had advanced 10.7% over the previous year, compared with the 11.2% growth averaged for the total U.S.

o Industry: Wisconsin is known as the Nation's foremost dairy state. Other major agricultural products include hay, grains, cranberries, and potatoes.

Important manufacturing industries include machinery, food products, pulp and paper, shipbuilding, and furniture.

Prairie du Chien

o Population in mid-1977 was 5,930, up 7% from 1970. Prairie du Chien is located in Crawford County.

o Unemployment rate in Crawford County was 4.7%, unadjusted, in May 1979 (the latest available for small areas), having edged down by 0.3 percentage point from a year earlier. The unemployment rate for the total U.S. in May was 5.7% on a nonseasonally adjusted basis and had declined by the same amount from a year earlier.

o Employment in Crawford County rose by 3.5% in the year ending in May. Nationwide, employment rose by 2.5% over this time period.

Prairie du Chien has a population of 5,700 about one-third of Crawford County. The population is largely of Northern European ancestry, with a negligible representation of other racial and ethnic minorities.

The economy of the area is primarily agricultural (35% agricultural, 19% trade, 16% manufacturing).

The city has a "strong Mayor" form of government with non-partisan elections. There is a nine-member city council. Mayor Fred Huebsch, Jr. was elected to his first term in April 1979 and is generally known to be affiliated with the Republican Party, as are a majority of the City Council members.

Prairie du Chien consistently supports Republican candidates for statewide and Federal offices, while the more rural areas of the county support Democrats.

The 3rd Wisconsin District, although traditionally Republican, has now elected the moderate liberal Democrat, Alvin Baldus, to three terms in the House. The President won the district by 2,000 votes (out of 241,000 cast) in 1976.

Wisconsin Agriculture

Census Data

	<u>1974</u>	<u>1969</u>
Number of Farms	92,636	98,973
Average Farm Size	191 acres	183 acres
Average Age of Operator	50.7 years	49.7 years
Average Value of Sales Per Farm	\$25,014	\$14,706

Crops and Weather Conditions in Wisconsin

The week ending August 7 was characterized by warm and humid conditions, with a series of showers and thunderstorms which have slowed the hay drying. Corn and soybeans look very good after the recent rains, with the late corn growing well and tasseling. The harvesting of the second hay crop is proceeding normally, while the oat crop is a bit behind schedule, due to the late spring planting because of cool conditions.

Wisconsin Commodities

The five leading Wisconsin commodities are:

	<u>1977 Cash Receipts</u>	<u>Nat. Rank</u>
(1) Dairy Products	\$1,890,000,000	1
(2) Cattle Calves	311,000,000	19
(3) Hogs	189,000,000	11
(4) Corn	172,000,000	11
(5) Potatoes	62,000,000	6

The 3M Plant in Prairie du Chien

The 3M Company has two plants in Prairie du Chien which employ about 640 workers and produce non-woven materials for various types of cleaners (both for industry and the home) and for matting and other types of floor surface coverings. The plants are currently in the process of making a new type of all-weather red carpet which will soon be in use at Andrews Air Force Base to receive visiting dignitaries. You will be walking on this red carpet during your tour of the 3M plants.

The 3M Company has been in the forefront of both energy conservation and pollution control. The company's energy conservation program nationwide has resulted in a 22% reduction in energy use since the early 1970s, resulting in an equivalent savings of 1.1 million barrels of oil a year. In 1976, 3M received the Federal government's first Energy Conservation Excellence award for its efforts.

Since 1973, the company has instituted a total of 26 energy saving projects at the Prairie du Chien complex, at a cost of \$1.3 million. The result has been a reduction of 13% in the energy expended per employee, even though the total workforce increased from 450 to 640.

The 3M Company is nationally known for its Vanpool program, where the firm buys 12-passenger vans for employee carpool efforts. Although the plants at Prairie du Chien have no program as of now, the company's headquarters in St. Paul has 100 such vans in use, and the program is slated to be extended to such smaller plants as Prairie du Chien in the future.

The company has also been a leader in pollution control, with its Three-P program (Pollution Prevention Pays having been cited by both EPA and the Department of Commerce as a leader in the effort to control pollution at the source.

The Three-P program was begun in 1975, and now extends to 200 3M plants in some 15 countries. It is estimated that the program has saved over \$25 million in potential pollution clean-up costs, as it has resulted in preventing the annual discharge of some 75,000 tons of air pollutants, 1,000 tons of water pollutants, 3,000 tons of sludge, and 500 million gallons of wastewater.

At Prairie du Chien, the company has spent \$500,000 since the early 1970s on pollution control devices, consisting primarily of the installation of a waste-water pre-treatment process in 1974-76.

Union Organizing Efforts at the 3M Plant

In April of this year there was an effort to unionize the workforce at the 3M complex in Prairie du Chien. There were no untoward incidents during the effort, or after the vote, which went substantially against the pro-union faction.

ENERGY

A. Coal

o Over half of Wisconsin's electrical power is produced by coal-fired plants. The expansion of coal-fired capacity in Wisconsin is hampered by a highly restrictive powerplant siting law, which requires a number of pre-certification permits, approvals and public hearings from various State agencies. The Legislature is considering action to amend the law to permit more case-by-case flexibility.

B. Nuclear

o Approximately 35 percent of Wisconsin's electrical power is produced by nuclear plants. The State's utilities had planned to bring three additional units on line by 1982. Because of strong public opposition, startup dates for all 3 plants have been delayed into the 1985-1990 period.

o The Wisconsin Public Service Commission has set a moratorium on applications for new nuclear plants.

C. Electric Generation and Utility Rate Reform

o The Public Service Commission has allowed the Wisconsin Electric Power Company to institute time-of-day pricing. Local environmental groups and labor unions have sued the Public Service Commission, claiming that the rates are not innovative and are detrimental to the consumer.

D. DOE Initiatives

o Wisconsin is one of 10 States that have received DOE grants to establish pilot Energy Extension Service programs to encourage the use of energy conservation and renewable energy sources. Two unique elements of the Wisconsin program are its focus on conservation in wood heating, and an emphasis directed at the tourism industry.

o The University of Wisconsin in Madison has 28 active DOE contracts totaling more than \$40 million. The scope of work includes fusion research, solar collector development and other energy R&D activities.

o DOE has begun a low-head hydroelectric development program to accelerate the redevelopment of existing small dams that are amenable to the construction or renovation of hydro power facilities. One site chosen for study is the Appleton Dam owned by the Kimberly-Clark Corporation of Neenah, Wisconsin.

o For nearly twenty years, the DOE and its predecessor agencies have supported research in nuclear physics at the University of Wisconsin in Madison. The total funding for these projects exceeds \$25 million.

o The DOE Weatherization Assistance Program funding to weatherize homes for low-income families and the elderly totaled \$887,000 through 1978.

o The State Energy Conservation Grants through FY 1978 totaled over \$700,000.

o DOE contracts and grants to the State during FY 1978 total \$6 million.

E. State and Local Initiatives

o Conservation -- Wisconsin currently consumes 20 percent less energy per capita than the national average, according to State of Wisconsin figures, in spite of the fact that the State ranks twelfth in manufacturing employment and has space heating requirements well above average for the Nation.

o In the past 4 years, nearly every major company in the State has instituted an energy management program. The paper industry is particularly active in expanding its use of wood waste as an energy source.

o The Wisconsin Public Service Commission has developed a natural gas rate design for Wisconsin Power and Light Company that would be among the most innovative rate structures in the United States. The main feature of the rate design is an "inclining block" rate, which means the rate charged per unit of gas used would decrease with less consumption, thus encouraging conservation of gas.

o The Public Service Commission has also instituted an energy audit program in which trained, professional auditors inspect individual homes and offer advice to the owners on ways to cut down on gas and electricity consumption.

o The City Council of Madison has a Standing Committee on Energy which is made up of members from the Mayor's Office, the City Administration, the University of Wisconsin, the local utility companies, local contractors and private citizens. The Committee is currently working on several programs to increase consumer awareness of energy conservation techniques and is also developing an energy emergency preparedness plan for the city.

o The Office of Building Inspections for Madison is coordinating a number of programs to help conserve energy in the residential areas of the city. The office is conducting home energy audits which offer each homeowner a list of specific improvements which could be done to the individual's home to decrease energy consumption, such as the addition of insulation, weatherstripping, storm windows, etc. The office has audited over 30,000 homes since 1978. The Inspections Office has instituted a weatherization code for rental buildings in the city and is also developing an insulation guide for homeowners.

Dairy Products

The Third Congressional District in Wisconsin is one of the premier dairy districts in the Nation, with more dairy cows in the district than in any other in the country.

As with other agricultural commodities, the dairy situation is favorable. Milk production for 1979 should be within one percent of last year's 122 billion pounds. Favorable milk-feed price relationships have resulted in slight gains in output per cow, offsetting a slight decline in cow numbers from 1978.

Manufacturing grade milk prices in July, 1979 averaged about 33 cents above the support level. Milk prices probably will continue well above the support level this summer. Farmers received an average \$11.60 per 100 pounds of all milk in July, 15 percent higher than a year earlier.

Retail milk and dairy price increases continued to slow this spring, but should increase substantially later in the year.

The MTN and Dairy Products

Wisconsin dairy farmers, who produce close to 40 percent of all the cheese made in the U.S., are unhappy with the new trade agreement, which they feel will permit too much foreign cheese to enter the U.S. Once the newly negotiated agreement goes into effect, overall quota levels for imported cheese will increase by 14 percent, although the percentage of cheese imports under quantitative restriction will be raised from 50 to 85 percent.

These dairy farmers, however, are resigned to live with the agreement, but insist that they must therefore be protected from price declines by a continuation of Federal price supports at the 80 percent parity level.

Dairy exports from Wisconsin have remained fairly steady in the 1970s, totaling \$32 million in 1972, \$33 million in 1977, and \$31 million in 1978, making Wisconsin the second largest state in dairy exporting.

Total agricultural exports, however, increased substantially in 1978, by 46 percent, to a total of \$381 million. Exports of hides and skins were the primary source of export revenue, totaling \$82 million.

Transportation

As with all Midwestern states, the problem of transporting agricultural goods to market is the most serious. The Mississippi River is a vital component of this country's transportation network, with ports on the lower Mississippi accounting for 52 percent of the corn and 63 percent of the soybeans destined for foreign export. In the Prairie du Chien area, the University of Wisconsin has a Department of Agricultural grant to study rural transportation and how to improve it.

Grain farmers in Wisconsin, as with others in the Midwest, are very concerned with the strike that has closed the grain terminal at Duluth. When added to the shortage of railroad cars, the problem has the potential for becoming very serious. Senator Durenberger of Minnesota is calling the Duluth strike a national issue requiring Federal intervention.

Floodplain Management

Prairie du Chien and southwestern Wisconsin along the Mississippi River are extremely vulnerable to periodic and substantial flooding.

For Prairie du Chien itself, there are currently two projects underway to protect citizens from flood damage.

The Army Corps of Engineers, in one of the first undertakings of its kind, is instituting non-structural improvements (consisting of flood-proofing, property acquisition, rezoning and relocating), as opposed to the standard practice of building dams and levees to alleviate the problem. A total of \$3.9 million will ultimately be spent by the Corps, with \$500,000 already having been included in the 1979 budget and an additional \$875,000 now in the 1980 budget. The Corps project will affect 130 residences and two businesses, primarily on St. Freol Island.

Prairie du Chien officials and the County Board of Supervisors have enthusiastically supported the plan, and the city has begun raising its 20% share of the project's costs. For a rural community, \$800,000 is a sizeable investment and clearly indicates the city's commitment.

The Corps project has the strong backing of both state and Federal officials, including Senators Nelson and Proxmire and Congressman Baldus.

In addition, HUD spent \$500,000 in 1977 and \$647,000 in 1978 under the Small Cities Program/Community Development Block Grant Program for property acquisition, demolition, relocation and rehabilitation to provide residents in 35 dwellings in the floodway with more adequate housing. Another 40 dwellings were made floodproof with HUD funds.

In 1979, HUD awarded the area with \$231,000 to provide for the relocation of an entire city ward away from the floodplain area.

A related issue, but one which does not affect Prairie du Chien directly, is that of the cancelled La Farge Dam on the Kick-a-poo River, about 40 miles upstream from Prairie du Chien. Residents in Vernon and Crawford counties who are affected by flooding from the Kick-a-poo and Wisconsin Rivers are concerned that effective measures be taken against flood damage. Environmental factors helped lead to the dam being cancelled. Alternatives now being discussed within the Federal government include construction of a dry dam. Whatever is ultimately decided upon, the residents of the area will want to know that adequate protection is being provided.

Lower Wisconsin Scenic and Recreational River Proposal

Your recent environmental message to Congress included an 82.4 mile segment of the Lower Wisconsin River from Honey Creek (near Prairie du Sac) to the confluence of the Mississippi River at Prairie de Chien, as a State-administered segment of the National Wild and Scenic Rivers system.

However, Rep. Robert Kastenmeier introduced legislation in April, 1979 which would provide for Federal administration of the river. The State of Wisconsin has indicated that it might have financial problems trying to administer the area. Rep. Baldus and Senators Proxmire and Nelson have not taken public positions on the issue (though Nelson is a strong advocate of the Wild and Scenic Rivers System).

The designation of the Lower Wisconsin River as a scenic and recreation river will provide some protection from encroaching development of recreational homesites, degradation of water quality by pollutants, and possible development of electric generating plants.

The segment of the river proposed for protection provides excellent habitat for fish and wildlife species, and includes numerous sites of historical interest.

In a related area, the Bureau of Land Management is conducting a study of some 90 islands in the Lower Wisconsin River to determine the best possible means of resource management. The study, which allows for ample public input, should be completed within two years. The study is mandated by the Federal Land Policy and Management Act of 1976, which directs the Bureau to inventory all roadless areas over 5000 acres and all islands "for their potential as wilderness." There is obviously some potential for opposition from mining and lumber interests over taking land "out of production."

The Great River Road

The Great River Road in Wisconsin (State Trunk Highway 35) along the Mississippi River recently underwent safety improvements that were designed to enhance the highway's scenic beauty.

A new visitors' rest and information center is currently being constructed at Prairie du Chien, while all along the highway special attention has been paid to roadside rest areas, historical markers, turnouts where visitors can view the Mississippi River, and improvements for bicyclists

Labor and Unemployment

The unemployment rate in Crawford County (Prairie du Chien) stands at 5.1 percent for preliminary June, 1979, a slight drop from earlier months in the year. A total of 7,338 persons are currently employed in the county, while 391 are unemployed. No separate estimate of unemployment is computed for Prairie du Chien itself (pop. 5,900).

The unemployment rate for the State of Wisconsin in June was 4.1 percent. This is an increase from the May rate of 3.6 percent, but is still lower than the early months of 1979. Nearly 2,300,000 persons are employed, while almost 99,000 are currently unemployed.

CETA efforts in Prairie du Chien are concentrated in areas of Park Development, through a subgrant from Crawford County. Approximately 15 CETA employees have been employed in the past 18 months with a funding total of \$105,000 for that period.

Effigy Mounds National Monument

The President should be aware that across the Mississippi River from Prairie du Chien is the Effigy Mounds National Monument, Iowa, administered by the National Park Service.

A fascinating part of the Indian culture from this area is the mound-building tradition such as is found in the National Monument. Although most of the mounds were used to bury the dead, these earthworks probably also were used to symbolize social relations and possibly group identity. Many of these mounds, as well as several large effigies, can be seen along the park's self-guiding paths, while the longer trails lead to impressive bluff-top vistas of the Rhine-like gorge of the upper Mississippi River.

Family Nutrition Programs

Due to Wisconsin's failure to fully implement the Food Stamp Act of 1977, USDA's Food and Nutrition Service imposed a fiscal sanction of \$55,574 per month, beginning with March 1979. This action followed repeated correspondence on the subject, ending with a formal warning sent to the Secretary of the Wisconsin Department of Health and Social Services on April 6 by Bob Greenstein, Administrator of the Food and Nutrition Service. On June 6, Mr. Greenstein informed Wisconsin that a total of \$111,149 was disallowed for the months of March and April. Assistant Secretary for Food and Consumer Services, Carol Tucker Foreman, confirmed this action in a letter to Governor Lee Dreyfus on June 14 and indicated that further sanctions were possible.

On July 19, Wisconsin adjusted its administrative cost claims for the months of March and April to reflect the \$55,574 disallowance for each month. Further disallowances for May and June may be ordered by Mr. Greenstein soon.

In addition, because Wisconsin did not meet the required date of conversion of its entire caseload to the eligibility standards and allotments effective July 1, sanctions may be increased up to \$78,692 beginning with the month of July. Another formal warning signed by Mr. Greenstein will precede any cancellation of funds above the \$55,574 level indicated in the April 6 formal warning.

STATISTICAL OUTLINE - WISCONSIN

Population:

	<u>Wisconsin</u>	<u>Prairie du Chien</u>
TOTAL	4,577,343	5,789
%Female	50.1	N/A
%Male	49.9	N/A
%Urban	65.9	N/A
%Black	2.9	N/A
%Spanish	.9	N/A
%Foreign Stock	16.9	N/A
Population Change 70-75	4.2	4.5
%65 years or older	11.2	N/A
%18 years or older	64.0	N/A

Personal Income:

Per Capita Income	4,468	N/A
Median Family Income	10,065	N/A
%25,000 and over	3.9	N/A
%15,000-24,999	15.8	N/A
%below poverty line	7.4	N/A

Civilian Labor Force:

TOTAL	2,393,000	N/A
%in manufacturing	31.0	N/A
%in retail and wholesale trade	20.0	N/A

Unemployment Rates:

01/77	6.1	N/A
03/79	4.6	N/A
04/79	4.3	N/A
05/79	3.6	N/A
06/79	4.1	N/A

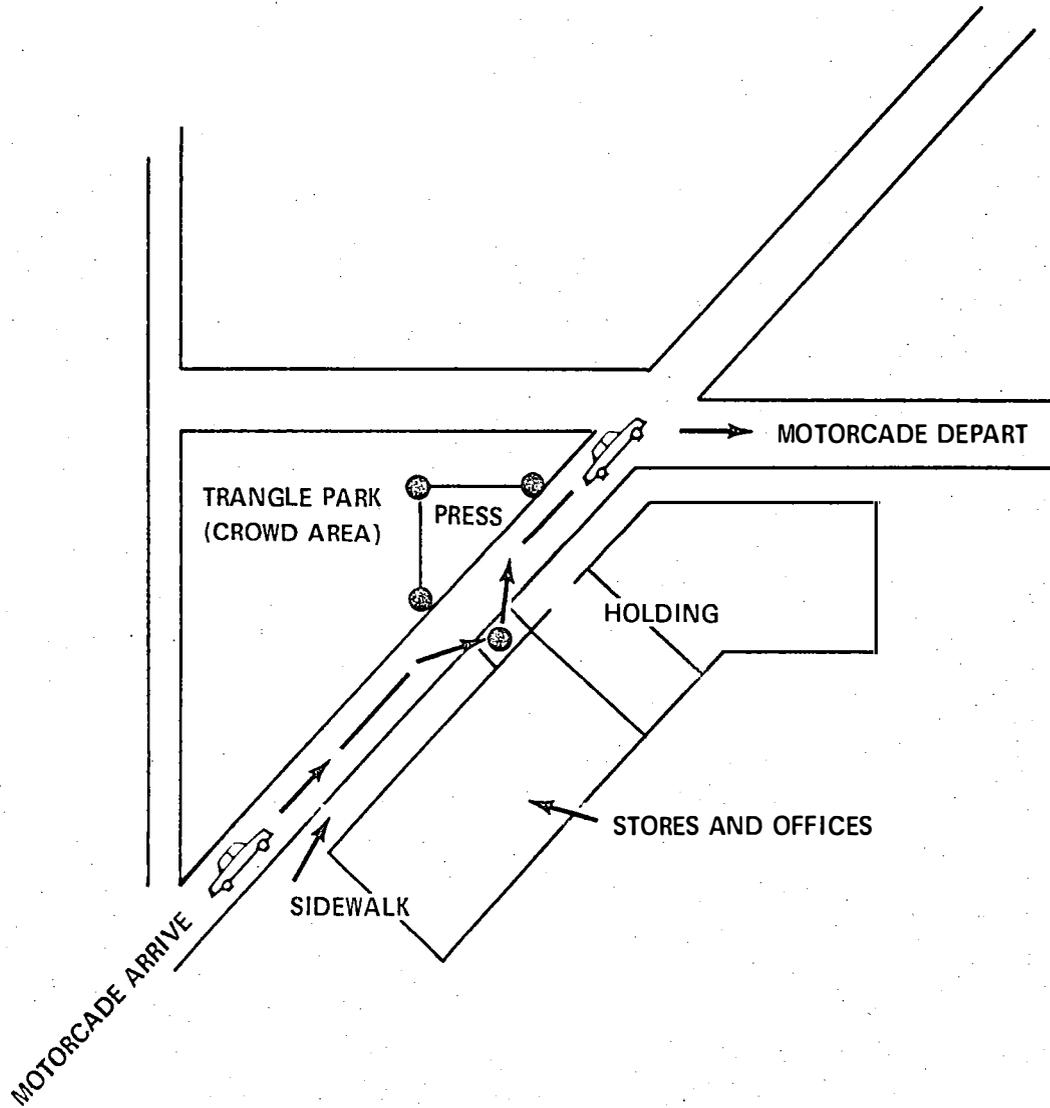
%Change 01/77-Present -33.0

Popular Vote for President,
1976, % for majority party D49.4 N/A

%of Voting Age Population
Casting Votes 65.9 N/A

McGregor, Iowa
Sunday, August 19

TRIANGLE PARK
McGREGOR, IOWA



IOWA POLITICAL OVERVIEW

After the severe losses in 1978, the Iowa Democratic party is acutely aware of the test they face in 1980, and is gearing up for next year's election.

It is clear that Chairman Ed Campbell's priority in 1980 is the reelection of John Culver, to whom he is very close politically and personally. Like Dick Clark in 1978, Culver is targeted by right wing groups, notably Right-to-Life. Unlike Clark, Culver is highly aware of the serious threat he will face in 1980.

Until Chip Carter's August visit, Culver had not been outspokenly supportive of Carter. It was not uncommon at Democratic events for Culver to speak powerfully on the necessity of SALT II ratification without a passing reference to the President's role in the treaty. Culver would also speak about the principles of the Democratic Party and quote every Democratic President since Wilson except Jimmy Carter. Coupled with his liberal record and close Kennedy ties, this led some to believe that he was distancing himself from the President and leaning to Kennedy.

In a joint appearance with Chip, Culver was strongly supportive of the President's policy in foreign affairs and national security. He also praised the President's "basic decency."

The Carters' visit to the Culver home in McGregor is greatly important to our effort in Iowa. The relationship between Culver and Carter must be developed at every opportunity. Given Culver's special role in the party, his support is critical.

Attorney General Tom Miller was the only Democratic statewide candidate to survive the 1978 election. At 34, Miller defeated incumbent Republican Richard Turner. Turner was one of several state attorneys general who threatened to bring suit to prevent ratification of the Panama Canal Treaty. Until a joint appearance with Chip, Miller did not even mention

the President at Democratic events. At the urging of one of his staff, Neil Hamilton, a member of the 1976 Carter Steering Committee, Miller did offer some very mild praise for Carter.

The Draft Kennedy movement is primarily centered in Polk County (Des Moines) and cities in the 1st and 2nd congressional districts, with liberal activists and several AFL-CIO officers providing the leadership. The movement's activity has been more limited than their press would suggest. Meetings have been held in Des Moines, Cedar Rapids, and Sioux City.

Cong. Deleg.

SENATOR JOHN C. CULVER (D-IOWA)

Biography: 1st term (1980); born August 8, 1932, Rochester, Minnesota; Presbyterian; married (Ann); four children (Christina, Rebecca, Catherine, and Chester John); Harvard Scholar, Cambridge University, 1954-55; U.S. Marine Corps; LL.B., Harvard, 1962; dean of men, Harvard University Summer School, 1960; legislative assistant to Senator Edward Kennedy, 1962-63; U.S. House of Representatives, 1965-75; elected to U.S. Senate, 1974.

Committees: Armed Services (6)
Environment and Public Works (6)
Judiciary (5)
Select Committee on Small Business (3)

Administration Support: 86.4%

ENERGY ISSUES: As you recall, last year Senator Culver reluctantly voted for the natural gas conference report. He doubted that the increased cost to consumers would result in a commensurate increase in natural gas production.

For the same reason, he opposes your decision to decontrol domestic oil prices. However, he strongly supports the windfall profits tax, favors increasing the tax rate, and is against providing exemptions for newly-discovered oil and "small" producers.

According to his staff, Senator Culver has not focused on either the Energy Security Corporation or the Energy Mobilization Board. We can probably assume that he will be somewhat skeptical of our synfuels program and would be more comfortable with increased emphasis on conservation and renewable sources particularly solar and gasahol (it is very popular in Iowa). He is a cautious supporter of nuclear and while he does not support a moratorium he shares our view that we must proceed with great care with emphasis on the safety of nuclear facilities.

TELLICO DAM: Senator Culver has led the fight against the Tellico Dam in the Senate on two occasions this year and won both times. (You wrote him a letter of thanks.) The House has insisted that Tellico remain in the Public Works Appropriations bill, which is now in conference.

Culver may ask you whether you will veto the Public Works bill if Tellico remains in it. You should not commit yourself to a veto of the bill at this time. Tellico Dam is likely to remain in the bill; however, we were very successful in eliminating other objectionable features of the bill during Senate consideration. You should keep your options open and evaluate the legislation when it reaches your desk.

SALT: Senator Culver is one of a handful of Senators who have been active advocates of SALT II. We worked closely with him during the negotiating process and he has been perhaps the single most effective Senate supporter during the hearing process. As you may also remember he debated Senator Garn, Paul Nitze and Elmo Zumwalt on a program carried live during prime time by NBC. He did a good job and would appreciate your complimenting him again.

OTHER: Senator Culver is Chairman of the Midwestern Conference of Democratic Senators. He is up for re-election in a State which has never re-elected a Democratic Senator. State-wide polls show him only a few points ahead of one likely Republican opponent, Congressman Grassley, a very discouraging sign at this point.

NOTE:

Senator Culver will be accompanying you at all of the Iowa stops with his wife Ann, and his son Chet (13) and daughter Becca (17).

ISSUES

C

IOWA

General Background

o Population of Iowa in mid-1978 was 2.9 million, making it the 26th most populous state while ranking 25th in land area. Growth in population since 1970 was 2.5%, compared with 7.3% for the nation and 4.6% for the six other states in the West North Central region.

o Unemployment rate was 3.3% in June 1979, comparing with 6.4% for the total U.S. (both not adjusted for seasonality). Iowa's rate was down 1.9 percentage point from a year earlier, while that for the nation declined by 0.5 percentage over the same time period.

o Employment in February was 1.31 million, unadjusted up 1.7% from a year earlier, and comparing with a 3.9% advance for the nation.

o Income: Per capita income in 1977 was \$6,878, ranking 23rd among the states. (Per capita income for the nation averaged \$7,019.) Growth from 1976 was 11.4% for Iowa, faster than the 9.6% increase for the total U.S.

o Industry: Iowa has a greater proportion of land devoted to farming than any other state. Three-quarters of the farm land is used for livestock. Other important farm products are corn and soybeans.

Major manufacturers include processed food, farm equipment and supplies, construction equipment, household appliances, radios and televisions, drugs and agricultural chemicals.

John Deere is the largest single employer in the state.

Energy

Background

A. Nuclear

o The state's only nuclear reactor, the Duane Arnold plant near Cedar Rapids, has been shut down since mid-1978 because of leaks in the cooling system. Repairs are in progress, but no startup date has been set.

o The Iowa Commerce Commission has developed policies that have placed a virtual moratorium on new nuclear construction until problems with nuclear waste management have been resolved.

B. Gas

o The State depends heavily on natural gas for rural space heating and agricultural crop drying. A cold winter and extended natural gas curtailments would have a major impact on the State. The Natural Gas Policy Act should increase supplies of natural gas to the State. The Federal Energy Regulatory Commission is now working to implement the new law.

C. Natural Resource Development

o Iowa has 25 percent of the "Grade A" farmland in the Nation and one of the strictest strip mining laws in the country. A conflict is developing between agricultural interests and coal producers over land use. Recent Federal legislation establishing the Office of Surface Mining is now being implemented. The Office will work with the States to expand coal use, but not at the expense of the environment.

D. Renewable Resources

o As part of the National Energy Act tax package, Congress has removed the four cent per gallon Federal excise tax on gasoline which contains at least 10 percent alcohol made from agricultural products or waste.

This tax incentive is expected to give impetus to greater production and use of "gasohol," and should be popular in Iowa, where gasohol use is rapidly growing. For example, during the month of March 1979, over 5 million gallons of gasohol were sold from 300 retail outlets in the State. This is more gasohol sold in the State than during all of 1978. The President has proposed extension of the exemption permanently.

E. Conservation

o In order to qualify for DOE State Energy Conservation grants, every State must implement a conservation plan which includes five mandatory measures. Iowa's plan does not include one of these mandatory measures -- Mandatory Lighting Efficiency Standards for Public Buildings. The State has until December 31, 1979, to revise the plan. The authorizing legislation gives DOE the authority to withhold conservation grant funds until the mandatory requirements are met.

F. Diesel Fuel

o Diesel fuel is still in tight supply, but the situation has eased with the assistance of Special Rule 9, which helped during the agricultural season.

Government Actions

A. Department of Energy Initiatives

o The DOE Weatherization Assistance Program funding to weatherize over 4,000 homes for low-income families and the elderly through FY 1978 totaled \$2.3 million.

o The State Energy Conservation Grants for the State through FY 1978 total \$1.6 million. This program will result in a reduction of five percent or more in the total amount of energy consumed in the State by 1980.

o For 25 years, the DOE and its predecessor agencies have supported a multiprogram national laboratory at the Iowa State University in Ames. The laboratory programs include physical research in rare elements and the Ames Research Reactor. Total funding is over \$200 million.

o DOE contracts and grants to the State during FY 1978 total \$16.8 million.

B. State and Local Initiatives

o The Iowa Legislature is finalizing a "bottle bill" which would require at least a five cent deposit on all beverage containers. As in most States, it has generated tremendous controversy, with proponents terming it an energy conservation as well as an environmental measure, while the industry claims it will lose jobs for Iowa. Because the manufacture of beverage containers is very energy intensive, the bill has major conservation implications.

o A radiation safety bill has passed both Houses of the Legislature after considerable debate. The bill authorizes State monitoring for all sources of radiation.

o Iowa has a high animal population which could be a significant source of energy in the future. A plant already exists in the State which uses chicken manure to produce methane which in turn is used to produce electricity. According to State estimates, bioconversion in Iowa has the potential to make the State energy independent by the year 2000.

o The Iowa Energy Policy Council is developing a program providing public recognition for innovative methods of energy conservation.

o The Iowa Legislature has appropriated \$200,000 for a demonstration solar unit to be installed in the Capitol complex.

o Because of the large rural population, the Energy Policy Council is working with local officials to establish a rural ride-sharing program.

Agricultural Profile

Iowa is the second agricultural state based on cash receipts to farmers. The leading commodities in order of cash receipt importance are: (a) hogs, ranking first nationally; (b) cattle and calves, ranking second; (c) corn, ranking second; (d) soybeans, ranking second. Iowa ranks eighth in the Nation in dairy products receipts.

The corn crop is late and getting later due to the cool weather -- estimates now are a week to ten days. If the cooler weather continues to delay maturity they could be running into frost problems if the usual October harvest is delayed.

Iowa has been the experiment site for a rail-to-barge shuttle system -- small rail units (15 cars or so) from interior to river. Turn around time has been shortened and it appears to be a success. Alter Barge Company and Milwaukee Railroad have been involved.

Miscellaneous item -- the Iowa State Fair runs through August 25. The Fair was the scene in 1975 of President Carter's kickoff speech in Iowa, we understand.

Soviet Purchases Embargo: Are we going to let the Soviets purchase all the corn they desire? Crop supply here would indicate we will be able to do so. Recently there has been a rumor that we have embargoed corn sales to Russia. Nothing could be further from the truth, despite the fact that Farmers Union, AAM, and Senator Jepsen have tried to keep the idea alive in Iowa. The rumor came about because we expanded the Russian agreement by increasing it by 10 million metric tons of wheat, but did not announce a similar increase of corn. In truth, the Russians showed no interest in corn purchases at this time. We offered to talk with them about corn anytime; the regularly scheduled talks in October were suggested as a good time.

Prices: Are generally pleased with prices but have the usual concerns about prices declining. Hog prices have dropped, due to large supply.

Property Taxes: Iowa statute limits homeowner and farm tax assessments to 6 percent, but this doesn't reach to commercial property. There is a move to increase commercial to possibly 18 percent. Small businesses are very concerned.

AAM: Activity is off a good deal.

Iowa Agriculture

Census Data

	<u>1974</u>	<u>1969</u>
Number of farms	129,404	140,354
Number of farms with value of sales \$40,000 and over	50,020	23,833
Average value of sales per farm	\$48,501	\$26,045
Average farm size	255 acres	239 acres
Average age of operator	49.7 years	48.5 years

Crops and weather conditions in the Corn Belt

Iowa's weather condition has been typical of the Corn Belt Region. The week ending April 29 was cold with considerable cloudiness and frequent showers. The topsoil and subsoil moisture are adequate to surplus. The cold-wet climatic conditions have delayed field operations and planting. Plowing is about 15 percent behind normal. As of April 29 very few fields of corn are planted (less than 1 percent), normally 11 percent of the acreage is seeded. This has probably helped sign-up for the feed grain program in Iowa, which ASCS now thinks could exceed last year's level. Oat acreage is 58 percent seeded as compared to the normal of 79 percent.

These weather conditions make the diesel fuel problem all the more critical. Once farmers get into the field, they will want to plant day and night. Any holdup because of fuel shortages will create a major bottleneck, and front page news.

Farm Program Facts for Iowa -- 1978 Crop

- o Disaster payments - \$2.6 million
- o Feed grain diversion payments - \$123.4 million
- o Agricultural Conservation Program - \$7.0 million
- o CCC corn loans: 1977 crop - 127.9 million bushels
(8.0 million bushels delivered to CCC)
1978 crop - 122.5 million bushels
- o Farm storage facility loans (FY78) - \$79.4 million
for 81.6 million bushel capacity
- o Corn in farmer-owned grain reserve:
 - 1977 crop - 129.5 million bushels
 - 1978 crop - 43.0 million bushels

Livestock Situation

Hogs. Increased pork production and lower pork prices are expected for the rest of 1979. Production should increase gradually through the third quarter, with larger increases starting in the fourth quarter. A recent USDA survey indicates that the inventory of hogs and pigs is up 13 percent from a year earlier. This is the largest March 1 inventory since 1971.

The number of market hogs weighing 60 to 179 pounds was up about 11 percent and the number weighing less than 60 pounds was up 14 percent. The heavier hogs will mainly be marketed in the second quarter, so April-June pork production may be up 10-12 percent. The lighter hogs will mainly move to market during the third quarter; thus, July-September pork production may be up 14 percent or more.

Farmers indicated that the number of sows farrowing during the spring may be up 24 percent from a year ago. These pigs are expected to be marketed during the last quarter of this year and at lighter weights than they were last year, so production may be up 18-22 percent in the last quarter.

The increase in production will tend to lower pork prices during the remainder of the year. Retail pork prices may fall about 5 percent below year-earlier levels by the fourth quarter. Market hog prices are expected to fall faster than retail prices and may fall to the low \$40's by the fourth quarter of 1979.

Cattle. The outlook for cow-calf producers continues to improve after 4 years of losses. The January 1 inventory of beef cows was down 5 percent from last year as producers continued to cull beef cows. However, substantial increases in yearling and calf prices, the result of more calves and yearlings being retained on grass and smaller numbers, is encouraging herd rebuilding. The 1980 cow inventory is expected to be up about 3 percent. Though at a more modest rate, the total cattle inventory is expected to increase during 1979.

Placements on feed during the winter quarter were 10 percent under last year. Last year placements increased in May and June as cattle came off the wheat graze out program, however, due to high feeder cattle prices fewer cattle will be available off wheat. Any sustained increase in feedlot placements is unlikely before late summer when forage supplies diminish. The number of cattle going on feed in the fourth quarter may increase 8 to 10 percent over last fall.

Fed and feeder cattle prices are expected to remain high through the quarter. Increased beef production and more importantly increased competition from pork and broilers will decrease prices in the fourth quarter. Fed cattle prices are expected to average \$76 in the third quarter before declining to about \$73 in the fourth quarter.

Retail beef prices are expected to decline slightly in the fourth quarter. Overall retail beef prices are expected to increase about 25 percent in 1979 compared to 1978.

o Reestimates of USDA Price Support Levels: On March 12, 1979, the USDA announced that Iowa farmers could expect to receive from \$23 to \$35 million in corn deficiency payments. This would have been based on a per bushel rate of from 4 to 6 cents.

On April 3, 1979 the USDA changed the earlier figure to about 3 cents per bushel for a total of only \$18 million. This change created a credibility problem in the minds of many Iowans because of the substantial reduction of rate and total funds. They also questioned whether or not the USDA original high estimate was made in order to cause a greater signup for the coming program year.

o Publicity on SBA and FmHA Farm Disaster Loans: Following the 1977 drought, both SBA and FmHA made disaster loans to farmers in Iowa as well as other states. The SBA loans carried a low 3% rate. The Des Moines Register carried lists of SBA loans in excess of \$100,000 each. SBA made 14,244 loans in the state of Iowa for a total of about \$339,800,000. So many of the loans went to wealthy farmers that Representative Berkley Bedell, Iowa, refers to the SBA loans as "welfare for the wealthy". One of the loans in excess of \$100,000 went to the FmHA State Director of Iowa. He resigned effective April 20, 1979.

o Deficiency Payments of Farm Commodities: There is much discontent about the size of deficiency payments farmers received on their 1978 corn production. The purpose of the payments is to make up the difference between target prices and actual prices received.

Targets announced last fall were five to ten cents per bushel below what had been generally expected. Cost of production is to be a consideration in the determination of target prices, and farmers felt that this element did not receive adequate consideration. The discontent has resurfaced now as the payments are being distributed.

It has been mentioned that even the small amount of one cent per bushel would have added six million dollars in Iowa.

o Federal Purchases of Beef: There is unhappiness among Iowa cattlemen over the Administration's announcement that the Federal government will cut back its beef purchases. Iowa is one of the largest beef producing States in the nation. Obviously if the Federal actions result in increased pork purchases the large pork industry in Iowa would have a much more favorable reaction.

Rail Transportation

There is a serious problem in Iowa concerning rail transport for corn and soybean products. This is due to a boxcar and fuel shortage, and the deterioration of the tracks. Because the market prices for these products fluctuates so much, there are often times when there are periods of high prices and no transportation available for the products.

This situation is exacerbated in Iowa due to the following conditions:

- o Three of the main lines serving Iowa (the Chicago Northwestern, Rock Island, and Milwaukee Railroads) are experiencing serious financial trouble. The Rock Island and Milwaukee Railroads are in bankruptcy. There are substantial quantities of grain in the areas served by these lines which may not be moved.

- o The employees of the Rock Island line are in mediation over their contract and may go on strike this Saturday (8-18-79). If that occurs, the Administration will be asked to invoke the 60 day cooling off provisions of the Taft-Hartley Act.

- o The wheat states experienced a near record crop this year and many rail cars are still in the area transporting grain. Iowa expects a record corn crop and would like those cars in Iowa to help empty their elevators.

The Administration can point to the following actions it has taken to assist with this problem:

- o We have put about \$120 million into improving the Chicago Northwestern trackwork, much of which is in Iowa.

- o We have also assisted in the repair and acquisition of rail cars. Much of this repair work is taking place in the Clinton, Iowa shops.

- o We are working with other railroad companies to assist them in acquiring the tracks of the Milwaukee Railroads.

- o We have offered financial assistance to the Rock Island and are hopeful that this money can be accepted under the terms of their bankruptcy.

ALCOHOL FUEL (GASOHOL)

There is a very high degree of interest in the gasohol issue throughout the midwest. This interest is motivated by a couple factors: (1) a desire on the part of the farm community for increased prices for those farm products that might be used as feedstock and (2) a general concern over the need to assure rural energy users greater independence from outside energy sources, sources that are becoming increasingly unreliable. Beyond these appeals, gasohol is much less of an abstraction than many other alternative sources of energy. Over 800 retail outlets in 28 States now market gasohol. In March of this year, gasohol sales represented about 2.5 percent of all gasoline sold in the State of Iowa.

The Administration has taken a number of steps to further the development and production of alcohol fuels:

- o Recommendation that the current 4¢ per gallon excise tax exemption for gasoline/alcohol blends be extended permanently.
- o Loan guarantees of \$30 million by the USDA for two pilot projects.
- o A 10 percent additional investment tax credit for facilities that convert alternative substances or feedstocks into synthetic liquid fuels.

- o An \$11 million loan and grant program to help in the construction of 100 small scale plants to produce alcohol fuels.
- o Use of alcohol fuels by Federal vehicles wherever feasible.
- o Presidential directive, to simplify and reduce Federal reporting requirements for alcohol fuel producers.
- o Allocation of CETA positions to help build energy production facilities.
- o DOE research and development funding on alcohol fuels increased from \$2.9 million in FY 1977 to \$24.9 million in FY 1980. USDA is programming nearly \$6 million in FY 1980 for this purpose.

We have been working with Congressman Bedell and Senator Stewart among others on the development of new legislative authority. We have agreed to support enactment of a 2-year authority for the USDA to make direct loans for the construction of small and intermediate scale (up to \$3 million) alcohol plants. We have proposed that this authority be funded at \$100 million for each of the 2 years. In addition, Bedell and Stewart are pressing for increased loans for large scale plants and for

increased research activity. We will be trying to work out a mutually satisfactory position over the next 2 to 4 weeks. Given the very high degree of political interest in this topic, we believe it would be a mistake to have a confrontation with the Congress over this issue.

Dubuque

Population: 61,754

Congressman: Thomas Tauke (R)

Major Issues

U.S. v. Dubuque

On January 15, 1979 the Justice Department filed suit against the city of Dubuque for violation of water pollution permit requirements. EPA has asked for penalties of \$10,000 per day against the city. In July the parties met and discussed the issue and it may soon be resolved. This can be avoided for discussion as the matter is under litigation.

Snow Removal

Many residents are still upset that the Federal government denied the city emergency aid for snow removal last winter.

General Information

Historical Preservation and Restoration

The city has been actively involved in restoring and preserving older buildings. The city recently opened the Five Flags Civic Center.

Catholic Population

The city is heavily Catholic, with several convents, a seminary, and a Catholic college. They are very interested in the tuition tax credit, which the Administration has not supported.

Right to Life

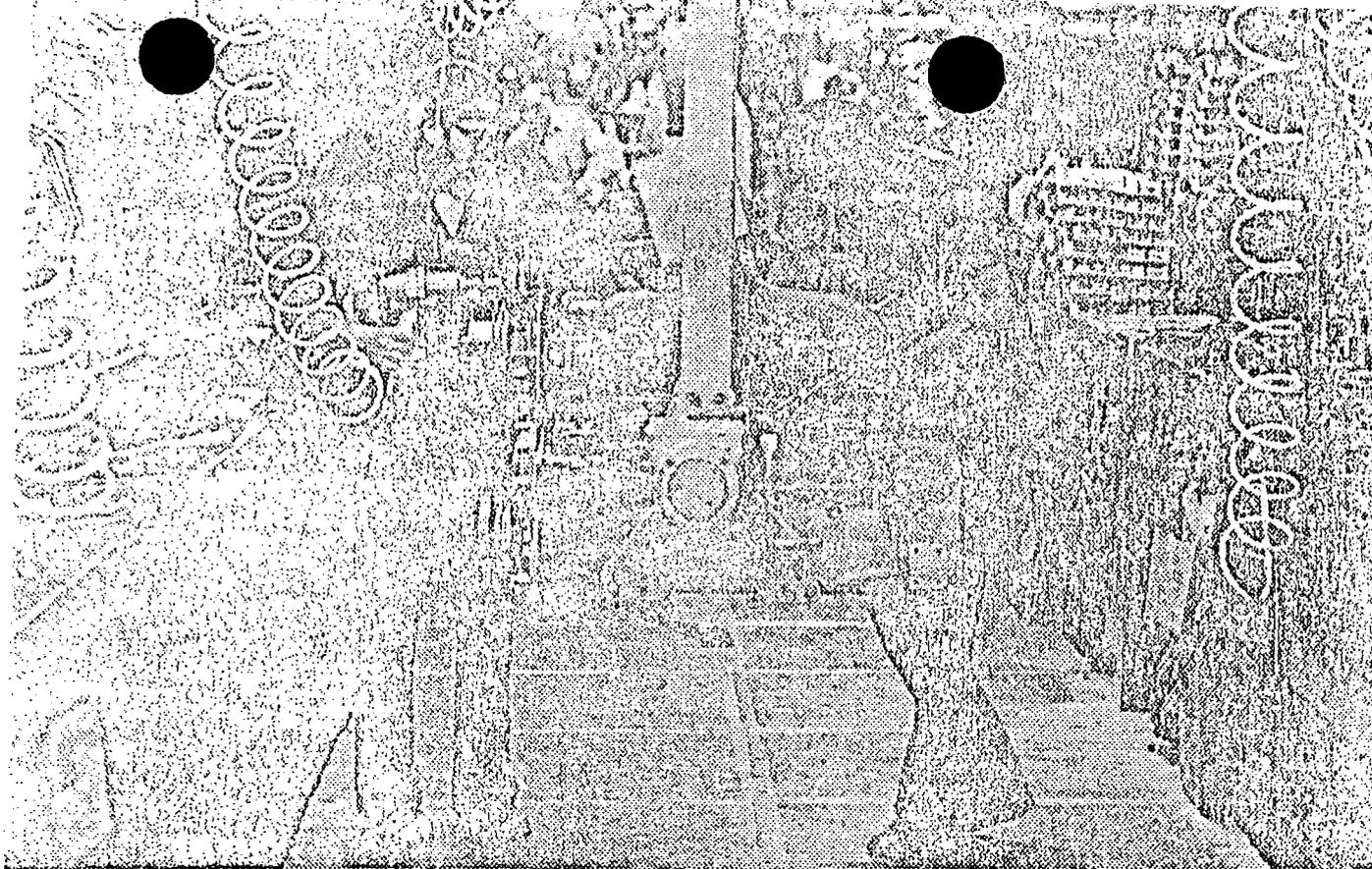
There is a very strong right to life organization in Dubuque and they may appear at the dock for a demonstration.

Chip Carter Visit

Chip Carter was in Dubuque last Sunday (8-12-79) for a campaign reception. It went quite well. The locally-brewed Pickett's Beer was served (see below). He spent the night at the home of Ed and Marian Rolle (pronounced "Rawlee").

F.I.S.T. Movie

The movie F.I.S.T. was filmed in Dubuque at the Pickett's brewery and Ziggy's Bar. Residents are still pleased about the attention this brought the city.



Photos by Jon Jacobson for The Washington Post

Working at John Deere, largest employer in Dubuque: A union leader calls it "monotony, boredom and regimentation."



Main Street in Dubuque, where inflation is eating

In Tidy Dubuque, Money and Malaise

By Bernard D. Nossiter
Washington Post Staff Writer

DUBUQUE, Iowa—The trim lawns, neat brick and clapboard houses, the basketball hoops in every other backyard here all attest to a tidy, contented community, a cliché of the American heartland.

The huge parking lot at Hempstead High School, crowded with the cars of youngsters, is awesome evidence of prosperity. "Money's good here," people say. It is.

At John Deere, the farm machine maker and largest employer in the county, the average blue-collar pay is \$9.67

an hour, more than \$20,000 a year. The Dubuque Packing Co., a large family-owned meat packer and second-largest employer, is forced to follow suit. Pay on the killing lines and elsewhere last year averaged \$20,239.

"We have more millionaires for our size"—population is 62,000 in the city, 96,000 in the county—"than any other place in the U.S.," boasts Mayor Richard Wertzberger. He doubles as sales manager in the canned foods division of Dubuque Packing.

On the lawn in front of Hempstead High a billboard proclaims: "Good Go-

ing Superstates — Boys State Bowling Champs."

This is precisely the tone of booster-optimism that a reporter away from the United States for most of the 1970s would expect to find in an Iowa town.

It is a quality seldom glimpsed in Northern Europe, the reporter's best for nearly eight years. There, a sense of irony, even tragedy, is far more common. The style is much more likely to be understatement and self-mockery. The Europeans, moreover, seem to have a surer sense of identity, even of class, of who they are and where they came

See DUBUQUE, A4, Col. 1

Dubuque—A Norman Rockwell

DUBUQUE. From A1

from. They seem to feel less need to proclaim themselves and their virtues.

But just below Dubuque's surface, an appearance that Norman Rockwell might have painted, lies something else, an uneasiness, a cluster of concerns, a malaise that is startling.

People here are worried about youngsters who come to school with beer, wine and even vodka in their thermos bottles. They are disturbed by the growing number of working wives and the growing number of juvenile delinquents. They are shocked at rising divorce in a city where two of three residents are Catholic. They have trouble understanding their young who live openly together, unmarried. They sense a loss of community whose visible sign now is the concrete-neon-plastic jumble in what was once a graceful, elm-shaded town center.

Dorothea Green is 55, office manager for Dubuque's county attorney and vice chairman of the county's Democratic Party. She says:

"People are less caring about their neighbors. It used to be when there was a death in the family, people sat all night, brought so much food you didn't know where to put it. Not anymore. People have too much going for themselves.

"He's on the night shift. She's on the day shift. Kids come home from school to empty houses. The parents—they think they're providing if they give the kids material goods."

Esther Tauke is 62, a community service adviser for the Agency on the Aging. Her son is the new Republican congressman from the 2nd District, embracing Dubuque. She says:

"Religion doesn't cut as deep, especially in the Catholic Church. When I was younger, we lived by the rules of the church. The world has become so much more secularized. TV has a lot to do with it. You see such permissiveness. I have friends who openly say their children are living with a boy or girl. It's the college crowd."

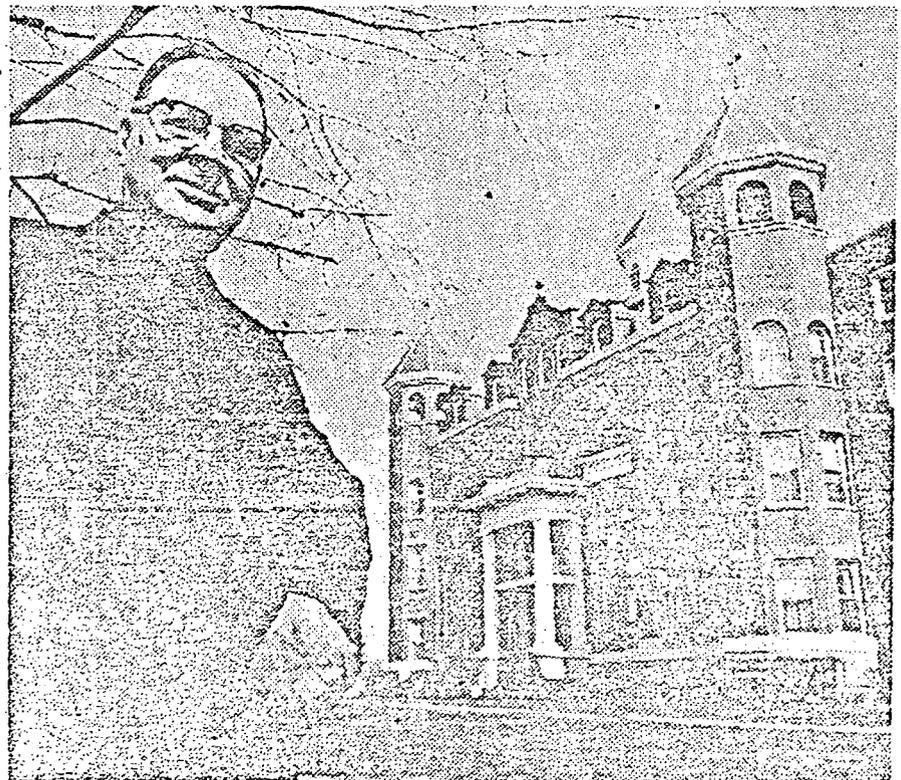
Pat Dillon is 39, and for eight years has been the president of the strong United Auto Workers Local 94 at John Deere, with 5,900 members today.

"Guys used to have pride in work," he says. "Not anymore. Sure, some older guys still worry when a younger guy scratches a hood. But there's too much competition and too many pressures on the job."

"Monotony, boredom and regimentation," he says, lie behind an increase in alcoholism at the plant. "Regimentation by the company and maybe the union. Guys feel frustrated. They look for a hobby, for a source of comfort."



A sign of prosperity in Dubuque is a high school parking lot packed with a



Sigwarth: There is "less neighborhood and more flux. People are by themselves."



...the battle for a source of comfort." They also insist, says Dillon, on breaking away from their routine, on having more leisure. Saturday work at Deere earns time and a half, nearly \$15 an hour. But the rank and file, he says, will no longer accept a requirement that they work on Saturday at Deere's order. Local 94 will make as a major bargaining demand this fall the right to choose whether to work Saturday, even at the premium rate.

In Coventry, in Birmingham and other British industrial towns this sentiment is understood. British factory workers are staging their own quiet rebellion against dull labor, so British industry is the least productive in the European Common Market. British unions slow down assembly lines, insist on five men for tasks that three could perform. Like the Deere workers, they are sacrificing income and its command over goods for leisure. The difference lies in the British worker's demand for leisure on— not off—the job.

The concerns of Dubuque—the erosion of the work ethic; a decline in neighborliness; alcoholism and unmarried couples—would never have been painted by Rockwell. They surely are not what Harold Ross had in mind when he dismissed the place as the quintessence of provincialism. His New Yorker magazine, he proclaimed more than 50 years ago, "will not be edited for the little old lady from Dubuque."

Now, jets and television have so narrowed the distance that Dubuque can tease the New Yorker. Fifteen years ago, the town named its civic greeter, Mrs. Delbert Hayford, as "The Little Old Lady From Dubuque." The magazine even has 113 subscribers in the city.

Even in 1925, this Mississippi River town was notable. The descendants of German and Irish immigrants, brought over to work the lead mines in the early 19th century, were not about to give up their traditional wine and beer for an absurd national Prohibition law. Taverns ran wide open, colleagues of Al Capone kept a genial eye on the proceedings from the fourth floor of the Julien hotel, and City Island, lying between the Illinois and Iowa banks, became known as "Ginmill Island" in honor of its chief industry.

When Iowa went dry in the 1960s, Dubuque continued to go its own way. At the country club, a leading member recalls, an annual payment of \$1,000 assured advance word of any raid, keeping the bar open.

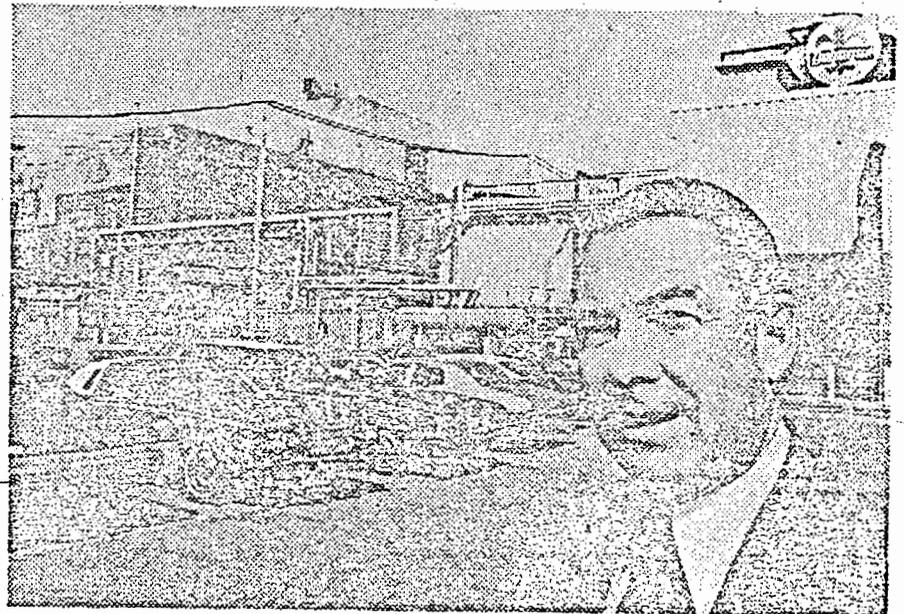
But now alcoholism has become so visible a menace at all age levels here, organizations have sprung up to combat it. At the Deere plant, management and the UAW run a joint committee to spot workers with drinking problems.

Files are confidential, but Dillon acknowledges that more than 100 a year on the assembly line are gently urged to seek help.

They might consult the Tri-County Alcoholism and Substance Abuse Board. One of its nine voluntary mem-



UAW leader Dillon: "There's too much repetition and too many pressures . . ."



Mayor Wertzberger: "Something's gone wrong here. I can't put my finger on it."

wife because he couldn't control his drinking. Walsh is now 39 and runs a successful firm counseling management. He will not take even a social glass.

Through all these conversations in what is still a friendly town by day (Mayor Wertzberger says old people are rightly fearful now of walking alone at night in the South End or on Central Avenue), where strangers are likely to be greeted with "Hi," is a single, insistent theme: the breakdown in values is somehow linked to inflation, the breakdown of money as a store and measure of value.

Robert Kehl, who began with a restaurant—"Roberts Smorgastable" and a Mississippi cruise boat—"Roberts River Rides"—to become one of Dubuque's most successful real estate operators, talks of the corrosive effects of ever-rising prices.

Almost alone, Dillon, the union leader, defends the rising number of women in offices and even factories. "It means opportunities for their kids like college, they couldn't have in the past."

But Doris Hintgen, who sits on the board of the county's Social Services Department, says her agency is receiv-

TWO WEEK LEFT

BEST

Special Edition
April 1978

not off—the job.

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The files are confidential, but Dillon acknowledges that more than 100 a year on the assembly line are gently urged to seek help.

They might consult the Tri-County Alcoholism and Substance Abuse Board. One of its nine volunteer members is John Walsh, who speaks with the passion of a convert. Youngsters, he says, have turned from drugs to drink because “it’s easier to get ahold of and cheaper.”

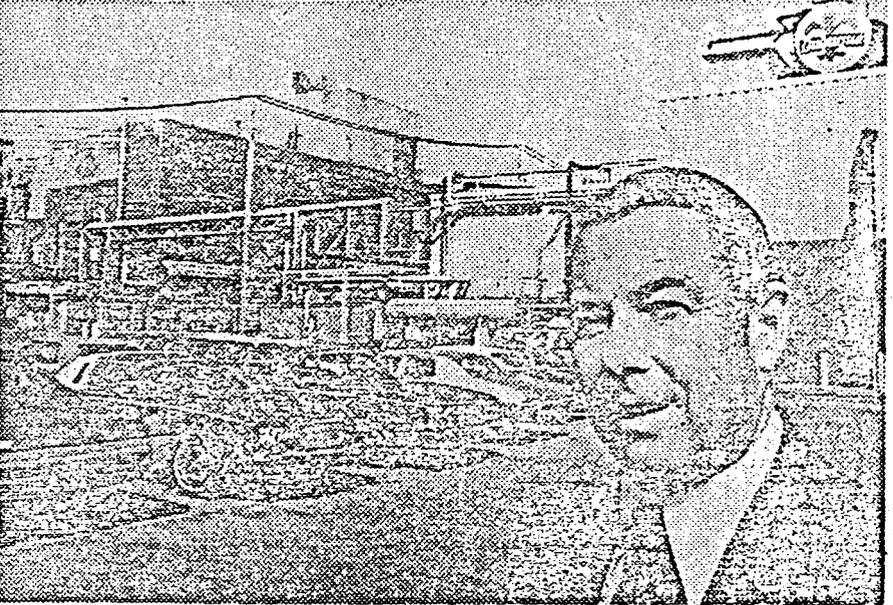
“It’s a macho thing here,” he says. “You sit and talk about how stoned you get.”

For the county as a whole, Walsh estimates 8,000 persons—one in 12—need alcohol to get through the day.

“It’s been here for years and years,” Walsh says. “It’s become more intense with the young.”

Walsh comes by his knowledge naturally. At 26, he was the youngest senator in the state legislature. Six years later, he had lost his political career and his

UAW leader Dillon: “There’s too much repetition and too many pressures . . .”



Mayor Wertzberger: “Something’s gone wrong here. I can’t put my finger on it.”

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Robert Kehl, who began with a restaurant—“Roberts Smorgastable” and a Mississippi cruise boat—“Roberts River Rides”—to become one of Dubuque’s most successful real estate operators, talks of the corrosive effects of ever-rising prices.

“You can’t retire. And what are your savings worth. If you’re in the rat race, you’re OK. But you can’t afford to get out. You’ve got to get into something that’s with it. Like real estate. The dollars in the bank are no good. People, they’re living better than they ever lived in their lives. But there’s no good solid base anywhere. They’re just waiting for it to blow. There’s no control. Everything’s going wild.”

His wife Ruth, counts the change in her neighborhood. Thirteen years ago on Oeth Court, she remembers, four wives worked. Today, there are 22, partly to live up to their \$100,000 homes, partly out of boredom.

Almost alone, Dillon, the union leader, defends the rising number of women in offices and even factories. “It means opportunities for their kids like college; they couldn’t have in the past.”

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TWEEK LEFT

BEST
Specials
Expire
April 28th

Texas Instruments 5-Function LCD. Readout for hours, minutes, seconds, month and day. Tritium continuous illumination. Tailored yellow case with mesh bracelet.
691089WTK2990
2490 \$47.50

Some Quantities May Be Limited

Arlington, Va.
2890 S. Randolph St.
Hours: 10-9 Mon. thru Fri.
10-6 Sat., 12-5 Sun.

Rockville, Md.
12345 Parklawn Dr.
Hours: 10-9 Mon. thru Fri.
10-6 Sat., 12-5 Sun.

All Town Tinged With Malaise



Photos by Jon Jacobson for The Washington Post

utomobiles driven by students. "Money's good here," people say, and it is.

ing many more calls complaining of neglected children. She blames it in part on mothers worn out by the demands of jobs.

Statistics support the view that the social fabric Dubuque is fraying. In the past five years, the county's juvenile authorities have seen the number of cases sent to them annually rise nearly 60 percent, from 769 to 1,213. To be sure, this total includes relatively harmless matters like truancy. But a substantial share is theft, drug and alcohol misuse and, lately, armed offenses.

At the Dubuque County Courthouse, the number of divorce cases on record there has risen steadily for 10 years. In that decade, it has more than tripled, from 95 in 1968 to 304 in 1978.

In a pleasant, pillared home for retired priests, Msgr. Anthony Sigwarth chomps on a cigar and beams at the plaques given him by grateful civic groups. He recalls the successful fights he led to save neighborhood communities threatened with development "improvements." He remembers how he stopped one architect from putting a two-story high school in a residential neighborhood. "I told those 'people and their

Bernard D. Nossiter recently returned to the United States after almost eight years as The Washington Post's North European correspondent based in London.

"Something's gone wrong here. I can't put my finger on it."

Dillon of the UAW is almost alone in proposing answers for problems, in trying to curb malaise through a bargaining contract.

He wants to make the factory "more comfortable and more productive. If all you do is spin a lug, you don't have to think about the job, you don't give a s--- to hell with it."

"But give guys responsibility and they'll meet the challenge."

Dillon describes the changes he seeks. A major innovation would organize workers in teams of six or so, all laboring on a single assembly or unit of a tractor. Each could then take turns at a different task and all might gain a sense of achievement, of completing a finished whole. More modest

proposals would fill the factory with music, provide a barber shop and small post office, set up vending machines for newspapers, sandwiches and the like.

He is interested to hear that Volvo, the Swedish auto maker, has tried to humanize a factory in the provincial town of Kalmar. Volvo, like Deere and the auto companies in Detroit, has been plagued with absenteeism and quits. Even at high wages, Swedish workers will not stay put on an assembly line.

The Kalmar plant abolishes the assembly line. An entire unit, for example an engine block, rides on an electrically driven pad to a team of workers. They decide what job they will perform and rotate the tasks among themselves.

The Kalmar plant is clean and brightly painted, bound by picture windows, filled with rock music but otherwise quiet. Dillon, however, is disappointed to hear that so far it has made only a marginal difference to workers' attitudes. Absenteeism is slightly better than Volvo's average elsewhere; productivity is about the same. Swedish workers say that a factory is still a factory, that a choice of 12 dull jobs is not all that much better than doing one. The UAW leader, however, is not easily deterred and will push his ideas in union gatherings.

Dubuque's biggest booster should be its most powerful man, Robert C. Wahlert. His family owns the billion-dollar-plus meat packing concern. At 66, he is erect, a white-haired, white-goateed patriarch, ordering—not soliciting—a customer over the telephone to New York.

In one breath, Wahlert says, "This is the best goddamn city in the U.S." But in the next, he remembers that it was "a pretty town," with the elms softening the romantic, Grant-era mansions on Locust Street and elsewhere. Now, he complains, cars have taken the place of elms and it is not as pretty anymore.

"I still think it's the best damn town in the U.S. I raised four kids here."

Then Wahlert recalls that two of his sons are getting divorced.

"I raised 'em as Catholics, sent 'em to Catholic schools. It's unbelievable. I can't understand it. I don't know. I don't know."

"My sense of values are confused— at the least."

Burlington

Population: 29,806

Congressman: Jim Leach (R-1st)

General Background

Burlington is known as one of Iowa's oldest cities and was the first capital of the Iowa Territory. John MacCormally, Editor of the Burlington Hawk-Eye was the first person to support the Carter campaign editorially in 1976. Mr. MacCormally was one of the visitors at the recent Camp David Summit. Harry Baxter, Des Moines County Democratic Chairman, is a Carter Appointee to the West Point Board of Visitors.

Burlington was recently profiled on the CBS Evening News as a city that supported the President strongly (55%) in 1976. Mayor Tom Diewood appeared and indicated continued support for President Carter.

Employment

In June, 1979 Burlington's employment reached an estimated 13,550, a slight gain from a year ago. From June, 1978 to June, 1979 nonagriculture employment advanced 2.1 percent in Burlington, 2.6 percent statewide, and 3.2 percent annually.

Unemployment

In June, 1979, an estimated 600 persons were unemployed in Burlington, or about 4.2 percent of the labor force.

Major Issues

Steamboat Walk

Steamboat Walk is a downtown mall in Burlington. Since 1972 a total of \$9 million in HUD funds have been spent for the mall and rehabilitation of the Maple Hills area. The mall project was, and still is, a divisive issue in the city. A regional shopping center west of the city has drained retail dollars from downtown. The mall is an effort to make downtown competitive with the shopping center.

Neighborhood Strategy Area

Burlington is the only city in Iowa to be conditionally approved for a neighborhood Strategy Area Program. Section 8 (HUD) funding will be used to upgrade World War II (low-income and elderly) temporary housing in the Flint Hills Manor neighborhood.

Title IX Review

The Kansas City Office for Civil Rights recently completed a Title IX (Sex discrimination prohibition) review of the Burlington public school system. No letter of findings has been drafted.

Wastewater Treatment Facility

The city is preparing plans for a \$13.5 million wastewater treatment plant. The city wants to dump it's sludge on the grounds of the nearby Iowa Army Ammunition Plant. The State and EPA approved this but the Army denied permission on the basis of their policy of not accepting wastes they do not generate, and their concern about the city's ability to maintain treatment. The best response to this issue is to promise to press for better EPA-DOD cooperation concerning the use of Army lands for sludge disposal.

William M. Black Dredge

Burlington has made one of four requests for the excess historic Army Corps of Engineers Dredge, the "William M. Black". Missouri and Iowa have both expressed interest in this dredge, which is eligible for the National Historic Register. A favorable decision is likely to be made.

Municipal Swimming Pool

The new municipal swimming pool is solar heated.

Soil Conservation Project

Federal, State, and local agencies are engaged in an important energy and soil conservation demonstration project in Burlington. Some 7,500 acres on the U.S. Army's Burlington Ordnance Plant Grounds are being cultivated by the no-tillage method, which prevents soil erosion and saves energy by eliminating much of the need for heavy farm machinery. Farmers who lease the land from the Ordnance Plant must agree to use no-till cropping.

Davenport

Population: 99,941

Congressman: Jim Leach (R-1st)

General Background

Davenport, the fourth largest city in Iowa, is the metropolis of the Quad-cities. The Quad-cities is a three-county metropolitan area in Eastern Iowa and Western Illinois. In addition to Davenport, the major cities are Bettendorf, Iowa; Moline and Rock Island, Illinois. The Quad-cities SMSA (pop. 375,000) is the largest metropolitan area on the Mississippi River between St. Louis and Minneapolis-St. Paul.

Davenport is the only city in Iowa which has partisan city elections. The mayor is Charles Wright, a democrat; the city council is predominately republican. Davenport is more industrialized than most Iowa cities and is less dependent on agriculture. Davenport has within its environs terminals of several major grain companies, i.e., Pillsbury, Ralston Purina, Agri-Associates, Alter Company, and Tabor Grain Company, all members of National Grain and Feed.

Employment

In June 1979 Davenport's nonagriculture employment advanced 3.7 percent, higher than the statewide (2.6) or national (3.2) rates.

Unemployment (All rates not seasonally adjusted)

In June, 1979 an estimated 7,891 persons were unemployed, or about 4.3% of the labor force.

Major Issues

Community Development Grants

Davenport has received over \$6 million in CDBG (Block Grants) money since 1975. This money has been used for housing rehabilitation and neighborhood preservation. Activists from the Association of Community Organizations for Reform Now (ACORN) have challenged Davenport's proposal to spend \$182,000 in CDBG funds in the village of East Davenport. ACORN would rather spend the money on low-income families in the inner city. The city has resubmitted the proposal to HUD documenting how low and moderate income persons will benefit from the East Davenport project. ACORN may demonstrate at the visit.

Urban Development Action Grant

A \$2.7 million UDAG has been held over for Davenport until the next funding round (September 1979). It will be used for a downtown revitalization program which involves construction of a community activities and performing arts center. Private investment is projected to total \$27.5 million for revitalization of two major downtown hotels and retail and commercial space. Included in the project is the U.S. Federal Building which is being modernized.

Federal Employees Parking Requirement

A group of Federal employees may demonstrate at the Davenport stop. About 7500 civilian employees work at the Rock Island Arsenal which is located on an island and is not served by public transportation. They will protest the 5.5% pay cap for Federal employees. They feel the requirement for Federal employees to start paying for parking is unfair in their case. They would probably qualify for an exemption from the requirement.

Flood Plain Control

There is serious concern in Davenport over flood plain control. The city council passed a resolution for a flood wall to be constructed by the Army Corps of Engineers. The flood wall projects barely meets the cost/benefit requirements of the Corps. Funding for the project is currently being considered in Congress.

STATISTICAL DATA - IOWA

	<u>Iowa</u>	<u>Burlington</u>	<u>Davenport</u>	<u>Dubuque</u>	<u>McGregor</u>
<u>Population:</u>					
TOTAL	2,860,686	29,806	99,941	61,754	2,500
%Female	51.4	53.6	51.7	52.6	N/A
%Male	48.6	46.4	48.3	47.4	N/A
%Urban	57.2	N/A	N/A	N/A	N/A
%Black	1.2	2.4	4.2	.2	N/A
%Spanish	.6	*	2.0	*	N/A
%Foreign Stock ^{1.}	10.5	9.1	11.5	8.9	N/A
Population Change 70-75	1.3	-7.9	1.5	-.9	N/A
%65 years or older	12.4	14.3	10.6	11.2	N/A
%18 years or older	65.3	66.8	64.5	62.9	N/A
<u>Personal Income:</u>					
Per Capita Income	4,628	4,611	4,831	4,479	N/A
Median Family Income	9,016	9,532	10,418	10,454	N/A
%25,000 and over	3.4	2.7	3.8	3.7	N/A
%15,000-24,999	12.8	13.2	17.7	16.3	N/A
%below poverty line	8.9	6.2	7.4	6.0	N/A
<u>Civilian Labor Force:</u>					
TOTAL	1,483,000	19,079	60,404	46,000	N/A
%in manufacturing	20.0	36.7	28.1	34.3	N/A
%in retail and whole-sale trade	21.5	23.2	24.6	20.6	N/A
Farm Population	500,000	N/A	N/A	N/A	N/A

NOTES:

*-Data not available where population is less than 400.

N/A-Indicates not applicable or not available.

1.- Germans compose at least 33% or more of the foreign stock population in Iowa and the cities listed.

STATISTICAL DATA - IOWA (con't)

	<u>Iowa</u>	<u>Burlington</u>	<u>Davenport</u>	<u>Dubuque</u>	<u>McGregor</u>
<u>Unemployment Rates:</u>					
01/77	5.3	6.6	N/A	N/A	N/A
03/79	4.4	5.0	N/A	N/A	N/A
04/79	3.8	5.4	N/A	N/A	N/A
05/79	2.9	3.6	N/A	4.4	N/A
06/79	3.3	N/A	N/A	4.4	N/A
%Change 01/77 - Present	-38.0	-45.0	N/A	N/A	N/A
Popular Vote for President 1976, % for majority party	R49.5	N/A	N/A	N/A	N/A
%of Voting Age Population Casting Votes	63.7	N/A	N/A	N/A	N/A

Dubuque, Iowa
Monday, August 20

Davenport, Iowa
Tuesday, August 21

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RADIO SHOW - DAVENPORT

Local radio station WSTT has offered its facilities for a radio show being described as a "talk with the President," with the emphasis on energy. People in the area interested in asking the President a question have been asked through local newspapers and radio to send a postcard to WSTT with their name, address and phone number. One hundred cards will be drawn at random on Monday, August 20, and those names and numbers verified. The day of the show Mrs. Nancy Ross, with the Davenport League of Women Voters, will draw from a barrel those cards which will be phoned.

The moderator of the show is Mr. H. L. Jackson, WSTT's news director, and formerly with radio station WGST in Atlanta.

The station is a member of the Guy-Gannett Broadcasting System and will broadcast the program throughout that system, including states in New England, parts of Florida, Iowa, and western Illinois.

The show is scheduled to last 45 minutes.

Moline, Illinois
Tuesday, August 21

JOHN DEERE RESEARCH GASIFIER
(A Briefing Document)

In 1977, Deere initiated research on a biomass converter. Crop residues, if burned in a controlled atmosphere (oxygen-poor), will produce a flammable, low Btu gas. We have used this gas to fuel the burner of a grain dryer and to provide a high percentage of the energy necessary to run a John Deere engine connected to a 100kW electrical generator. The electricity generated is used to run the blower fan and stirring auger of a grain dryer, as well as an irrigation pump, a heat bank, and a bank of lights.

The gas produced by the unit is 40% flammable. The flammable portion is mostly carbon monoxide and hydrogen and a small amount of methane. The non-flammable portion is mostly nitrogen and carbon dioxide. The energy content of the gas is about 14 to 15% of that of natural gas.

During the demonstration, the unit will be consuming corn cobs at the rate of up to 350 lbs. per hour and diesel fuel at the rate of at least 1 gallon per hour. The gas contains approximately 70% of the energy originally contained in the corn cobs. By using the gas in the diesel engine to operate the electrical generator, the electrical output energy is about 17% of that originally contained in the corn cobs.

The engine is a John Deere 6-531A turbo-charged, inter-cooled, diesel engine operated at 1800 rpm for this purpose. On pure diesel fuel, the engine produces 212 flywheel horsepower; when operating on producer gas with diesel fuel for pilot injection, the engine produces approximately 170 flywheel horsepower.

One acre of corn will yield approximately 1400 lbs. of cobs. At full capacity the gasifier will consume 350 lbs. of cobs per hour. In other words, one acre of cobs will operate the unit for 4 hours and produce 400 kW-HR of electrical power.

It must be emphasized that this unit is a research tool. Our major problem is the formation of tars which are deposited throughout the system.

The Deere & Company Technical Center is continuing to study the tar problem and ways to eliminate its formation.

JOHN DEERE GASIFIER SPECIFICATIONS

Output: Electrical - 100 Kw
Producer Gas - 140 Btu/cu. ft. (1245 Kcal/cu. m)

Composition of Producer Gas

<u>Ingredient</u>	<u>Percent by volume</u>
CO (carbon monoxide)	20%
H ₂ (hydrogen)	16%
CH ₄ (methane)	4%
CO ₂ (carbon dioxide)	10%
N ₂ (nitrogen)	50%

Fuel: Corn cobs 350 lb./hr (159 Kg/hr)
Diesel fuel 1 gal/hr (3.8 l/hr)

Engine: JD 6-531A, turbocharged, intercooled diesel engine
531 cu. in. displacement
212 hp @ 1800 rpm with pure diesel fuel
172 hp @ 1800 rpm with gas plus diesel for pilot ignition

Converter: Fixed bed

Down draft design

Automated feed control

Combustion zone temperature, 1800°F

Output capacity, 2 million Btu/hr

Overall System Energy Efficiency:

Corn cobs to electricity; 17%

Corn cobs to gas; 70%

ILLINOIS

Moline and Rock Island

Moline and Rock Island are located on a portion of the Mississippi River which runs East/West. These two small cities (the population of each is approximately 50,000) form the Illinois portion of the Quad Cities area, the other two being Davenport and Bettendorf, Iowa.

Moline and Rock Island are the two largest cities in the 19th Congressional District. The district has been represented since 1966 by Tom Railsback. He received national attention as a member of the House Judiciary Committee during the Nixon impeachment proceedings. Railsback is very popular and can expect to be easily re-elected. The United Auto Workers, the most significant labor union in the area, has endorsed him in the last two elections.

John Deere and Company

The largest employer in the Quad Cities is John Deere and Company. Several of the major agricultural machinery plants of Deere and Company are located in the Moline-Rock Island area, as well as its corporate headquarters. The leadership of the company has an impressive and innovative record in energy conservation. One of the plants in Moline is conducting a demonstration project burning corn cobs to produce power. The Chairman of Deere and Company, William Hewitt, and president, William Hanson, have strong backgrounds in international trade. Hewitt is very close to David Rockefeller.

Deere and Company is attempting to establish Health Maintenance Organizations (HMO's) for its employees. The HMO's will reduce the cost of health care and encourage preventive medicine.

The UAW has been a strong source of support for these HMO's. The local doctors initially opposed the formation of a group practice association, but the company is now developing a plan for an individual practice association which would allow members to use private physicians.

Rock Island Arsenal

Another significant employer in the Moline-Rock Island area is the federal government. The Rock Island Arsenal employs about 7,000 persons and the Army Weapons Command employs about 3,500. Your policy of charging fees for government parking spaces is opposed by many of these federal workers. They argue that Quad Cities offers little or no public transportation, so they are forced to drive to work.

Railroad Transportation

Quad Cities is a major railroad switching station in the Midwest. A serious problem in the area has been the bankruptcy of the Rock Island and the Milwaukee Railroads. Much of the track and many rail cars have been in need of repair. The federal government has assisted in some car repairs recently. But grain production is at an all time high in the upper Mississippi River area. The rail lines have not been able to sufficiently move the grain produced along their lines. An additional problem is the possibility of a strike on Saturday, August 17. (We will provide an update as soon as more information is available.)

STATISTICAL DATA - ILLINOIS

	<u>Illinois</u>	<u>Moline</u>	<u>Rock Island</u>
<u>Population:</u>			
TOTAL	11,206,393	44,568	49,031
%Female	51.5	52.2	52.4
%Male	48.5	47.8	47.6
%Urban	66.4	N/A	N/A
%Black	12.8	1.0	10.2
%Spanish	3.3	4.3	1.4
%Foreign Stock	19.8	20.1	13.2
Population Change 70-75	.8	-3.6	-2.3
%65 years or older	9.9	11.5	11.6
%18 years or older	65.7	67.3	67.6
<u>Personal Income:</u>			
Per Capita Income	5,107	5,655	5,147
Median Family Income	10,957	11,024	10,488
%25,000 and over	5.8	5.0	4.9
%15,000-24,999	20.6	19.3	19.3
%below poverty line	7.7	5.5	7.8
<u>Civilian Labor Force:</u>			
TOTAL	5,419,000	23,301	24,623
%in manufacturing	30.3	36.3	32.0
%in retail & wholesale trade	20.2	20.5	19.0
<u>Unemployment Rates:</u>			
01/77	7.0	5.5	N/A
03/79	6.0	4.5	N/A
04/79	5.2	3.7	N/A
05/79	4.7	3.7	N/A
06/79	6.0	N/A	N/A
%Change 01/77-Present	-14.0	-33.0	N/A
Popular Vote for President,			
1976, % for majority party	R50.1	N/A	N/A
% of Voting Age Population			
Casting Votes	60.6	N/A	N/A

Additional items on Rock Island/Moline, Illinois

--The Chairman of the Board of John Deere and Company is William Hewitt. His wife "Tish" is a direct descendant of John Deere and she remains a major owner of the company.

--International Harvester, a major competitor of John Deere, manufactures its tractors in the Quad Cities and has a huge plant there. It is not, however, headquartered in the Quad Cities as is John Deere.

--The Quad Cities represent a bright economic spot in Illinois because of the farm machinery business.

--The Machinists Union is very strong in the Quad Cities because of the farm machinery business, and the Quad City Machinists are very active in the Draft Kennedy Movement. These machinists are expected to be active in the Eastern Iowa Primary Caucuses next January.

--There is a sizable Mexican-American community in the Quad Cities area (particularly near East Moline). Most of the Hispanics in the area came to this country years ago to work on the railroads. The Quad Cities is a major switching station in the Midwest.

Burlington, Iowa
Wednesday, August 22

Hannibal, MO
Thursday, August 23

August 16, 1979

REP. HAROLD VOLKMER
(D-Missouri-9)

Committees: #14 Judiciary
Subcommittees: Civil & Constitutional Rights
Crime

#19 Science & Technology
Subcommittees: Energy Development & Applications
Transportation, Aviation &
Communications

Administration Support for the 96th Congress: 71.4%

Favorable Votes

Gasoline Rationing
Alaska Lands
Windfall Profits Tax
United States Zimbabwe Rhodesia Policy
Department of Education Final Passage
Synfuels

Unfavorable Votes

AMTRAK route restructuring
Mottl Antibusing Amendment
Panama Canal Treaties Implementation -- Final Passage

Personal Background: Rep. Volkmer of Hannibal, attended Jefferson City Junior College, St. Louis School of Commerce & Finance and received an LL.B. degree from the University of Missouri School of Law. Before being elected to the U.S. House of Representatives in 1976, he served as the Assistant Attorney General of Missouri, prosecuting attorney of Marion County and in the Missouri House of Representatives, where he served as Chairman of the Judiciary Committee.

Legislatively, Volkmer has been characterized as being very independent.

Volkmer and his wife, Shirley, have three children: Jerry, John and Elizabeth. He is 48 years old.

District/Political Information: The 9th district consists of the Little Dixie region, which is north of the Missouri River and across the Mississippi, as well as the northern reaches of the St. Louis metropolitan area, and St. Charles County. The Little Dixie region is the most faithfully sustained Democratic region in the state. Although the district has been consistently Democratic in elections to the U.S. House of Representatives, it only gave Jimmy Carter 50% of its vote in 1976.

Harold Volkmer
page 2

Energy Interests: Volkmer is a big proponent of coal. His major interest, however, is agriculture and he has been pursuing the idea of electrifying fences with solar energy -- something which he saw in China.

Volkmer has cosponsored the bill on nationwide standards for truck weights and lengths and sponsored a bill which urges allocations of diesel fuel. In addition he has introduced his own bill to establish an Energy Security Corporation, which is before the Interstate & Foreign Commerce and Banking Committees. However, both committees have said that they will not consider his bill until they have dealt with the Moorhead bill and the Dingell bill. In other words, it has little chance of consideration.

MISSOURI

o Population of Missouri in mid-1978 was 4.9 million, making it the fifteenth most populous state. Growth in population since 1970 was 3.9%, compared with 7.3% for the nation.

o Unemployment rate in June 1979 was a low 4.0%, not seasonally adjusted, down 0.8 percentage point from a year earlier. For the nation, the unemployment rate declined by 0.2 percentage point over the year to 6.0% on a nonseasonally adjusted basis in June.

o Employment in June was 2.3 million, unadjusted, having advanced 3.9% from a year earlier. Growth in employment for the nation over the same time span was 2.2%.

o Income: Per capita income in 1978 was \$7,342, ranking 31st among the states and 6% below the national average of \$7,810. Since 1977 income had risen 10.2%, slower than the 11.2% increase averaged for the nation.

o Industry: Major manufacturers include transportation equipment, motor vehicles, food and beverages, chemicals, and apparel.

The most important agricultural products are livestock, wheat, cotton, tobacco and soybeans. Large amounts of land are also devoted to hay and corn, used primarily for livestock feed. Missouri's central location makes it a major distribution center, particularly for farm machinery and automobiles.

ST. LOUIS

o Population in 1976 for the city of St. Louis was 519,345 and had declined 16-1/2% since 1970. The population of the St. Louis Standard Metropolitan Statistical Area (SMSA) was 2.4 million and had declined 1% since 1970.

o Unemployment rate in June was 5.1%, not seasonally adjusted, 0.3 percentage point lower than a year earlier.

o Employment in June was 1.1 million, unadjusted, up 1.5% from a year earlier.

HANNIBAL

o Population is 18,250 and has declined by 2% since 1970. Hannibal is located in Marion County.

o Unemployment rate in Marion County in May 1979 (latest available for small areas) was a very low 3.0%, not seasonally adjusted, down 1.5 percentage point from a year earlier. The unemployment rate nationwide in May was 5.7% on a nonseasonally adjusted basis and had declined by 0.3 percentage point from a year earlier.

o Employment in Marion County rose by 2.5% in the year ending in May, the same as employment growth nationwide. (Greater progress was achieved in the unemployment rate for the County than for the nation because the labor force in Marion County grew by only 0.9% over this period, compared with growth of 2.2% for the total U.S.)

Energy

A. Coal

o Approximately 93 percent of all electric generating capacity in the State is coal-fired. Because most of Missouri's own coal reserves (according to the State Geological Survey, 617 million tons mined annually, 5 billion tons of reserves) are high in sulphur content, it is difficult to burn it and still comply with the EPA Clean Air Standards. At present, the State's utilities rely heavily on low-sulphur coal from the Western States.

B. Nuclear

o The Union Electric Company, which supplies power for much of Missouri, is experiencing delays in bringing two 1150 megawatt plants on line. The first of these is one year off schedule (start-up now planned for 1982) and the second has been delayed four years (until 1987.) Utility officials are concerned that these delays could cause grid system power shortages by the mid-1980's.

C. Conservation

o In order to qualify for DOE State Energy Conservation grants, every State must implement a conservation plan which includes five mandatory measures. Missouri's plan, as approved by the Legislature, does not include two of these mandatory measures -- the Mandatory Lighting Efficiency Standards for Public Buildings, and the Mandatory Thermal Efficiency Standards for New and Renovated Buildings. The State has until October 1, 1979, to revise the plan. The authorizing legislation gives DOE the authority to withhold conservation grant funds until the mandatory requirements are met.

D. Fuel Supplies

o Missouri is not experiencing significant gasoline supply shortage problems at present. There is no odd/even system in effect; however, the Governor has instituted minimum purchase requirements in St. Louis and four surrounding counties. Diesel fuel supplies are available, but there is little flexibility in deliveries.

E. DOE Initiatives

o Under the Federal Buildings Program, the regional Federal Records Center (in St. Louis) is being retrofitted for solar heating and cooling.

o The only solar heated fire station in the country was recently completed in Kansas City under a DOE grant, and was dedicated on March 15, 1979.

o Kansas City has received an \$80,000 grant from DOE to study the feasibility of constructing a steam heat recovery system fueled by municipal waste.

o Kansas City has received a grant of \$330,000 under the DOE's Electric Vehicle Demonstration Program to use city employees and facilities to demonstrate and monitor the use of 15 electric vehicles.

o The DOE Weatherization Assistance Program funding to weatherize homes of low-income families and the elderly through FY 1978 totaled \$2.8 million.

o DOE State Energy Conservation Grants through FY 1978 totaled \$830,000.

o DOE contracts and grants to the State during FY 1978 totaled \$363 million.

F. State and Local Initiatives

o Kansas City has one of the only city-sponsored van pool programs in the country. Three vans are used during commuting hours to transport city employees, and are used in the off hours to provide "dial-a'ride" service.

o American Agrifuels, Incorporated, of Clinton, plans to build a \$28 million facility to convert corn, milo and wheat into high-grade ethanol for blending with gasoline as "gasohol" (generally, a blend of 10 percent alcohol and 90 percent gasoline). This fuel has found wide popularity in the Midwest, and it is now sold at commercial service stations in Nebraska, Illinois, Iowa, Minnesota, Wyoming and Montana.

Agriculture

Missouri is the 10th agricultural state based on cash receipts to farmers. The leading commodities in order of cash receipt importance are: (a) hogs, ranking 4th nationally; (b) grain sorghum, ranking 4th; (c) soybeans, ranking 6th; (d) cattle and calves ranking 8th. Missouri ranks 10th in the Nation in dairy products receipts.

There are no major issues -- generally the farmers are in good shape, due in part to the area's ability to diversify. There are a few issues of interest:

Transportation: Railcar shortage, barge backup, weight and length limits on trucks, bridge restrictions.

Beef: Limit on importation of foreign beef.

Hides: Proposed amendment to Export Administration Act would limit export of hides and skins to which the Administration is opposed. The shoemakers would like an amendment which would prohibit exports to countries having an export ban, i.e., Argentina.

Wheat Flour: The bakers are seeking a provision to limit wheat and wheat flour sales to countries during short supply and those having trade policies which have dramatic inflationary impact on this country.

Missouri Farmers Association: Issue probably not to be discussed -- Fred Hinkle. Approximately two weeks ago, Mr. Hinkle was ousted as President of MFA after 34 years of service. Many personnel changes occurring. Possible the AAM mounted the campaign to replace Hinkle.

Judgeship

The decision to "withdraw" designation of Joan M. Krauskopf for the new seat on the 8th Circuit Court of Appeals is the leading statewide news story today. Senator Eagleton is enraged, reportedly feeling that he was led into a political debacle by the Justice Department. But he is also blaming you for not attempting to override the ABA "unqualified" rating of Professor Krauskopf. Women's groups are reportedly very upset.

Governor's Mansion

Claiming that the State Constitution only requires that he live in the Governor's Mansion in Jefferson City during the legislative session, Governor Teasdale has taken up residence, at State expense, in a home in Kansas City.

This continues to fuel controversy surrounding Governor Teasdale and his Administration.

State Treasurer Spainhower, a Democrat, just declared that he will run against Governor Teasdale in next year's Democratic gubernatorial primary.

HANNIBAL

Mark Twain's Boyhood Haunts

Hannibal, on the Mississippi River, is noted as the boyhood home of Samuel Clemens (Mark Twain). It was the setting for some of his books, including his masterpieces about Tom Sawyer and Huck Finn. The community retains some of the flavor of the Twain era, and the community is proud of its claim to the fame Twain has brought it.

The span linking Missouri and Illinois is named the Mark Twain Memorial Bridge. Other memorials to the author include his boyhood home and museum, Judge Clemens Law Office, Becky Thatcher House and the Pilaster House. The Tom Sawyer Cave, also a reputed hideout for Jesse James, the outlaw, and a station on the Underground Railroad, is two miles south. Jackson's Island, adventure territory for Tom and Huck, is near the Illinois shore of the Mississippi. Twain's two-room cabin birthplace is preserved in the Mark Twain State Park, 25 miles southwest.

Hannibal natives include Molly Brown, heroine of the "Titanic" sinking and subject of the musical, "The Unsinkable Molly Brown."

The Mark Twain boyhood home is on the National Register of Historic Places, as are several other places in Marion and Rawls counties. Because of the community's historic places and associations, townspeople have talked on occasion about the possibility of getting some kind of Federal status for the area, such as placement in the National Park System. No action has been taken to this end.

Borg-Warner

Just south of Hannibal in the town of Saverton, Marion County, Borg-Warner has been trying for many months to get a Corps of Engineers permit to build a dock. After many efforts to meet the licensing requirements, including the expenditure of money by the corporation and the local governments, EPA objections caused the permit to be delayed. Three weeks ago Borg-Warner announced that they would locate elsewhere. Considerable criticism is being directed at the federal government for the loss of this industrial development.

Clarence Cannon Dam

This facility is approximately 90% complete. Local citizens are upset because they will be expected to pay higher utility rates while the hydroelectric capacity of the dam is diverted to other parts of Missouri. The dam is a part of the REA system.

Hungate

Former Congressman William Hungate from Hannibal is one of the judges that Senator Eagleton nominated for a federal district court judgeship.

Chip Carter

Chip Carter attended Hannibal Days, a major partisan Democratic fete, in January or February of 1979.

ST. LOUIS

Homer G. Phillips

Mayor Conway and the city's black leadership and community are at sharp odds over the proposed consolidation of city hospital services. The mayor is closing portions of the Homer G. Phillips hospital, moving out the long-term patients and converting the remainder of the hospital to an emergency acute care facility and clinic.

The black community, now with the backing of the UAW, is trying to keep Homer G. Phillips open. This black hospital has a long history as a training ground for black physicians and is considered a bulwark of local black culture. Homer G. Phillips serves an overwhelmingly black population in North St. Louis. While a minority of the black community considers the hospital a vestige of Jim Crowism, it seems to be a rallying point for the majority of that community.

On August 16, 1979, Congressman Clay's District AA and a black state senator were arrested for interfering with the transfer of the long-term patients.

CDBG Award

o St. Louis County, outside and surrounding the City, is a predominantly middle class suburban area and it is engaged in a controversy with HUD over the construction of assisted housing for low and moderate-income families. HUD has conditioned the \$9 million FY '79 Community Development Block Grant (CDBG) to require higher family new construction goals.

o The issue has become highly politicized. County Supervisor Gene McNary (R) plans to bring suit against HUD to regain the \$9 million (McNary is expected to run for the U.S. Senate against Senator Thomas Eagleton (D) in 1980). Congressman Robert Young (D - 2nd District) has been very vocal in his support of McNary, while Congressman Richard Gephardt (D - 3rd District) has been wavering. The strongest support for HUD's position has come from Congressman Harold Volkmer (D - 9th District).

o Supported by a City Alderman, white residents of the City have complained that they are being by-passed in CDBG expenditures. HUD has responded to their concerns by having the situation examined by official staff from Washington. So far there seems no justification for these claims.

o Republican County Executive Gene McNary has been mentioned in recent days in newspaper accounts as preparing a full-scale campaign against Senator Eagleton, yet few observers think this threat poses Eagleton any difficulty. McNary has publicly chided Secretary Harris for action against his county's block grant, criticized Senator Eagleton's votes on energy issues, and made other charges designed to win headlines. There is considerable informed opinion that McNary is not really going to take on Senator Eagleton but instead run against Governor Teasdale next year who won his current term by very narrow margins.

Issue Title

Gateway Arch

St. Louis is known as the Gateway to the west; the departure point for explorers Lewis and Clark; site of a 1904 World's Fair which drew 20 million visitors in seven months.

Stagnation and decline set in sometime later but St. Louis, notably its downtown area, has been undergoing a revival and resurgence. Giving impetus to this revival was construction on the Mississippi riverfront of the towering, stainless-steel Gateway Arch, at 630 feet the nation's tallest man-made monument. Besides giving a psychological lift to downtown, the Arch is the city's biggest tourist attraction.

The Gateway Arch is controlled and administered by the National Park Service as part of the Jefferson National Expansion Memorial, which also includes the old Courthouse in which the famous Dred Scott decision was rendered, and the relatively new Museum of Westward Expansion, located below the Arch.

Major current projects at the Jefferson National Expansion Memorial include landscaping of the grounds surrounding the Arch, and rehabilitation of the Courthouse.

Across the Mississippi River in East St. Louis, Illinois, the resurgence is less apparent. East St. Louis interests have pressed for addition of a riverfront area on their side of the river to the Jefferson National Expansion Memorial. The area contains railroad trackage and the National Park Service position has been that until trackage is removed, addition of the area to the park cannot be considered.

Lambert Field

Your Administration reversed a decision of the Ford Administration to locate an airport for the metropolitan St. Louis area across the Mississippi River in Columbia, Illinois.

As a consequence, up to \$150 million in federal funds have been committed to improve the airport, its peripheral facilities, and access routes.

In addition to the commitment of funds, keeping the airport in Missouri has saved thousands of jobs and brightened business prospects for the area surrounding Lambert Field.

This is one of the most positive actions the Administration has taken to help the St. Louis area.

Urban Development Action Grant

On April 16, 1978, HUD announced that St. Louis, "statistically the most distressed city in the United States" would receive an Action Grant for mixed commercial and housing project that included a shopping center and hotel complex and construction of 492 housing units nearby, 100 of them for low and moderate income persons. The overall project "will increase city tax revenues by \$2.5 million." Action Grant funds: \$10.5 million for land acquisition and public improvements, Private sector commitment: \$124.9 million for land acquisition, site improvements, and commercial and residential construction. New permanent jobs created: 2,500. In addition, the Department also made available \$5 million for the redesign and renovation of the Cochran Garden Public Housing Project, at the funding level originally requested in the city's Action Grant application. This \$5 million was funded through the Department's Public Housing Modernization funds.

Nuclear

A Nuclear Power Plant is being built by Union Electric to serve St. Louis area. Located 100 miles west of St. Louis in Callaway County - \$500 million worth under construction (over half completed). Governor Teasdale is lukewarm about the plant and there are factions against its being completed.

Customhouse/Old Post Office

GSA is restoring this historic building to its original 1884 appearance; it will contain restaurants, shops and boutiques as well as offices for about 600 federal workers. GSA plans to lease the lower three floors to a developer. Plans are to make the building a downtown focal point and a superb example of historic preservation. The contract will be the largest yet awarded under the 1976 Public Buildings Cooperative Use Act. The building is scheduled for reopening in December 1981.

STATISTICAL OUTLINE - MISSOURI

Population:

	<u>Missouri</u>	<u>St. Louis</u>
TOTAL	4,769,816	524,964
%Female	51.8	54.4
%Male	48.2	45.6
%Urban	70.1	N/A
%Black	10.3	40.9
%Spanish	.9	1.0
%Foreign Stock	6.7	10.4
Population Change 70-75	1.8	-15.6
%65 years or older	12.6	14.7
%18 years or older	66.7	68.1

Personal Income:

Per Capita Income	4,254	4,006
Median Family Income	8,908	8,173
%25,000 and over	3.6	2.1
%15,000-24,999	13.4	10.8
%below poverty line	11.6	14.4

Civilian Labor Force:

TOTAL	2,358,000	245,191
%in manufacturing	24.4	27.8
%in retail and wholesale trade	21.5	19.4

Unemployment Rates:

01/77	7.8	9.0
03/79	4.2	3.5
04/79	3.8	5.2
05/79	3.6	5.2
06/79	4.0	5.1
%Change 01/77 - Present	-49	-43

Popular Vote for President,
1976, % for majority
party

D51.1

N/A

%of Voting Age Population
casting votes

57.7

N/A

St. Louis, MO
Friday, August 24

ST. LOUIS POLITICAL OVERVIEW

Senator Eagleton will not be in Missouri, he will be on vacation in Canada. He is extremely upset over the failure of Joan Krauskopf to be appointed to the 8th Circuit Court of Appeals, and as a result has indicated that he and his staff are not very willing to help arrange the Missouri portion of the trip.

The St. Louis newspapers are handling the Homer G. Phillips Hospital, the failure to appoint Joan Krauskopf, and the resignation of Andrew Young as an indication of the way President Carter treats women and blacks. The federal government has no involvement in the Homer G. Phillips situation, but it is being tied by the newspapers to Andy Young and Joan Krauskopf.

Two "Draft Kennedy" committees have been announced in St. Louis, each competing with the other and claiming to be the legitimate Kennedy organization. The two movements are not significant. What is significant is the endorsement of Senator Kennedy by Ken Worley, the Region 5, UAW-CAP Director (St. Louis headquartered). Ken's wife, Wilda, is the State Director of the Missouri Commission on the Status of Women, and has been highly critical of the handling of the Joan Krauskopf case.