

79, April-May

P88

VOL. 5, NO. 2

APRIL - MAY 1979

Perspectives

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A Publication about the Minnesota State Senate



COMMITTEES AT WORK
(Photo feature page 5)

Yes, there are other issues

by Dave Peterson

"In contrast to what may be the public perception of packed rooms and high drama, much, if not most, of the work facing the legislature is pretty dull and uninteresting."

"And the House embodies the paradoxical notion of an irresistible force meeting an immovable object. But, contrary to the popular notion and the popular song, something may **not** give."

"Still, many important bills are in the process of being addressed by the various Senate committees . . ."

While tax cuts and the stadium have captured most of the public and media attention during the 1979 session so far, a number of other issues are in the process of being addressed by each of the Senate's 15 standing policy committees.

And perhaps more than usual, a large number of not-so-important issues are being addressed, including technical changes and local bills that only affect a particular community.

Actually, there are always many more bills in this last category than there are major bills, but, for reasons discussed below, this characteristic has assumed exaggerated proportions in the 1979 session.

In contrast to what may be the public perception of packed rooms and high drama, much, if not most, of the work facing the legislature is pretty dull and uninteresting.

Consider, for example, the 172 page elections law recodification bill currently before the Elections Committee. Pretty humdrum stuff. Not much glamor or excitement here. No matter that a task force worked on the project for almost a year, that won't bring television cameras or newspaper reporters or droves of lobbyists or busloads of pro's and anti's.

And no one expects it.

It may be, however, that such legislation is the chief product of the 1979 legislature. The reason: with the unique division of power in state government, **everyone** is part of a minority.

While the DFL currently holds a 2-1 edge in the Senate, it finds itself facing only even odds in the House and if its legislative ideas survive there, they may face a gubernatorial veto.

The Governor, whose office can initiate, propose, and propel (but hasn't yet done much of these three), faces the reverse situation: any of his proposals have to get through the DFL controlled Senate to make the full journey into law.

And the House embodies the paradoxical notion of an irresistible force meeting an immovable object. But, contrary to the popular notion and the popular song, something may **not** give.

As a consequence of this structural standoff, it may be that many major issues will go unresolved until 1980. Clearly, it is a relatively simple matter to achieve a bi-partisan consensus on matters of minor importance. But whether legislators can and will arrive at compromise and consensus on the major issues remains to be seen.

It may be that a flood of major legislation is still forthcoming in the final weeks of the 1979 session. Or it may be that divided legislators accomplish what they can by May 21 and adjourn.

Still, many important bills are in the process of being addressed by various Senate committees. A committee by committee summary of **some** of the major items pending follows.

Agriculture and Natural Resources

While no "burning issues" such as the ban-the-can legislation passed in recent sessions have surfaced in committee, one very important policy issue has already been passed by the committee and referred to Taxes and Tax Laws. Awaiting action there is a bill that would institute a system of state payments to local governmental units for services they provide for state and federally owned tax-exempt lands. In some northern Minnesota counties such tax-exempt lands constitute over half of the total acreage and thus dramatically decrease local tax revenues, so this legislation is particularly important to those areas.

Commerce

Action has already been completed on a bill that extends indefinitely the floating interest rate usury provisions and on another bill that would provide emergency energy assistance to low and moderate income families. (While the latter bill was recently voted down in the Energy and Housing Committee, it may still be resurrected before adjournment.) Other important issues being considered include self-insurance for local governmental units and changes in the laws governing the regulation of co-op utilities.

Perspectives

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Education

Work continues on the Omnibus Education Aids package, which sets state aid formulae for local school systems. Also being considered is Gov. Quie's proposal for class size reductions in primary grades K-3, although many Senators are known to have reservations regarding the cost which could run as high as \$70 million over the biennium.

Elections

A bill that would establish a special commission to redraw legislative and congressional district boundaries following each federal census was approved and re-referred to the Judiciary Committee. Also passed by the committee was a bill that would increase spending limits in state elections and allow candidates to exceed those limits and still receive state funds if their opponents refuse to abide by spending limitations.

This latter provision is regarded as somewhat partisan, being supported only by DFL members on the committee. Passage of a similar provision by the House is considered unlikely, but simple increases in spending limits may pass both houses.

Employment

Major changes in laws governing workers' compensation benefits were recently approved and re-referred to the Finance Committee. Also approved in early April were a series of bills designed to aid small businesses operating in the state. Other bills bringing state mandatory retirement provisions into compliance with federal laws and increasing the state minimum wage were also approved by the committee.

Energy and Housing

Changes in the state wide building code to permit local governmental units the option of choosing whether to enforce its provisions for single family housing units under construction, and to permit use of ungraded lumber, were okayed in response to rural opposition to the more stringent code provisions passed in previous sessions (but which only became effective as of January, 1979).

In addition, a major state tax credit for expenditures for renewable energy sources (20 percent of the first \$10,000 up to a maximum credit of \$2,000) were okayed by the Energy and Housing Committee but have not yet completed the full legislative process.

In the housing area, a major \$450 million increase in Minnesota Housing Finance Agency bonding is expected to be considered and approved.

Finance

Finance subcommittees have been reviewing agency budget requests and are expected to complete action on major omnibus appropriations shortly. Bills requiring new funds are generally expected to receive a cool reception from the committee, which will consider those proposals following completion of the routine budget considerations.

General Legislation

Because of the nature of this committee's jurisdiction, few "major" bills are heard here. But a bill requiring a one percent arts set aside was approved by the committee in early April. Under provisions of the measure, all future state building projects would be required to set aside one percent of the projected costs for purchase of paintings, sculptures, and other art objects.

Governmental Operations

Among the important matters still being considered by the committee are the state employees pay bill and another that would provide some \$90 million to fund unfunded liabilities existing in the Teachers' Retirement Association (TRA).

Health, Welfare, and Corrections

One of the more important policy debates heard in committee this session concerns block grants versus categorical aids, and action may be taken on major block grant proposal. In addition, new ambulance licensing policies were approved that no longer require licensing of non-emergency vehicles. Legislation bringing state certificate of need requirements into compliance with federal guidelines was also adopted.

Judiciary

Initiative and referendum measures were considered and two different proposals are expected to be considered further during the 1979-80 interim period. While a large number of bills were heard and approved by this committee, most are technical measures dealing with legal and judicial processes.

Local Government

A bill that would simplify consolidation procedures and allow citizens to propose consolidation by initiative and reject a proposed consolidation by referendum was approved by the committee in March. (Most legislation considered by this committee deals only with a particular community except in cases such as this where a statewide policy regarding local government is established.)

Taxes and Tax Laws

Still awaiting action in the committee are possible reductions in personal and corporate income taxes, proposals to prevent or at least lessen projected property tax increases, local governmental aids, tax indexing, and other legislation with tax implications. The committee has devoted most of its meetings so far to detailed background presentations on each of these issues so that it can see how each of the components relates to others. (The issue of property tax relief clearly affects how much is available for income tax reductions and so forth.) Speedy action on major proposals is expected following completion of these informational hearings.

Transportation

Legislation dealing with transportation for the handicapped, bridge bonding, improvement of rural railroad services, and pipeline routing have already been approved. Action is expected soon on the proposed St. Paul downtown people mover project, and on improvements in MTC performance funding.

Veterans' Affairs

Improved educational benefits for veterans have been the major project of this new committee. One measure provides AVTI tuition benefits and another would give veterans a preference on AVTI admission waiting lists. A final measure places veterans in the protected category for all state affirmative action programs.

Editor's note: Because of the lag-time between this writing and final distribution of **Perspectives**, some of the above material may be dated. To those readers also receiving **Briefly**, that publication should be consulted for more up-to-date weekly information.

Usury laws date back to 1800's

by Steve Yoeller

As Minnesota's three-year experiment with a floating usury ceiling on conventional home loans comes to an end, the Legislature is once again considering the effects of the usury laws on the housing market and on the types of loans used to finance home sales.

The Legislature has passed a bill that would remove the expiration date from the current floating ceiling. The Senate author of the bill (S.F. 159, H.F. 486) is Sen Jack Kleinbaum, DFL-St. Cloud. But other usury bills have been introduced, and the debate is not over.

Minnesota's usury laws date back to the 1800s. They were designed as a consumer protection tool. Lawmakers hoped a ceiling on interest rates for loans would protect the uninformed borrower from paying exorbitant interest rates.

The law passed in 1877 prohibited interest rates higher than 12 percent. In 1899, the ceiling was lowered to 10 percent, and in 1923 it was dropped to eight percent, where it remained until the floating ceiling experiment began in 1976.

For 90 years, the usury law did not conflict with prevailing interest rates. But in 1973, average interest rates (nationwide) rose above the eight percent ceiling and stayed above the ceiling.

The original usury law has been amended numerous times to exempt various kinds of loans from the ceiling, and the only major type of loan still covered is a conventional home mortgage of less than \$100,000. FHA-insured and VA-guaranteed loans are exempt.

When the market rates rose above the ceiling, some people argued that the usury law was not protecting borrowers but was discouraging mortgage lending and driving money out of the state because lenders would choose investments with higher returns — those not covered by the eight percent ceiling.

In 1976, the Legislature approved the experimental ceiling to try to deal with rising market rates. The ceiling now "floats" at two percent above the interest rate paid on long-term government bonds.

Economists at the research department of the Federal Reserve Bank of Minneapolis have studied the effects of both the eight percent ceiling and the floating ceiling on the housing market. They were especially interested in two "critical periods", times when the interest rates on FHA loans were greater than the eight percent usury ceiling. During these periods, FHA loans offered lenders larger investment returns

than conventional mortgages. The critical periods were 1969-71 and mid-1973 to mid-1976. Among the conclusions reported by economist Arthur Rolnick:

During the two critical periods, when the interest rate on FHA loans was higher than the usury ceiling, new housing in Minnesota declined substantially. This might seem to suggest that when the market rates climb above eight percent, lenders "buy" fewer conventional mortgages because there are many other more profitable investments available.

But, Rolnick pointed out, the drop in Minnesota housing could be part of a general decline across the country caused by high interest rates and tight credit.

To discover just how the Minnesota usury law affected our housing market, economists Rolnick, Stanley L. Graham and David S. Dahl compared the housing market in Minnesota to those of states with no usury ceiling or ceilings well above the market rates. If the eight percent ceiling hurt the housing market, the economists figured, then during those critical periods when interest rates were high, Minnesota's housing market should have been hurt more than the markets in states without restrictive ceilings.

But when figures on new housing construction were compared the researchers said they found no significant difference between Minnesota and the other states measured.

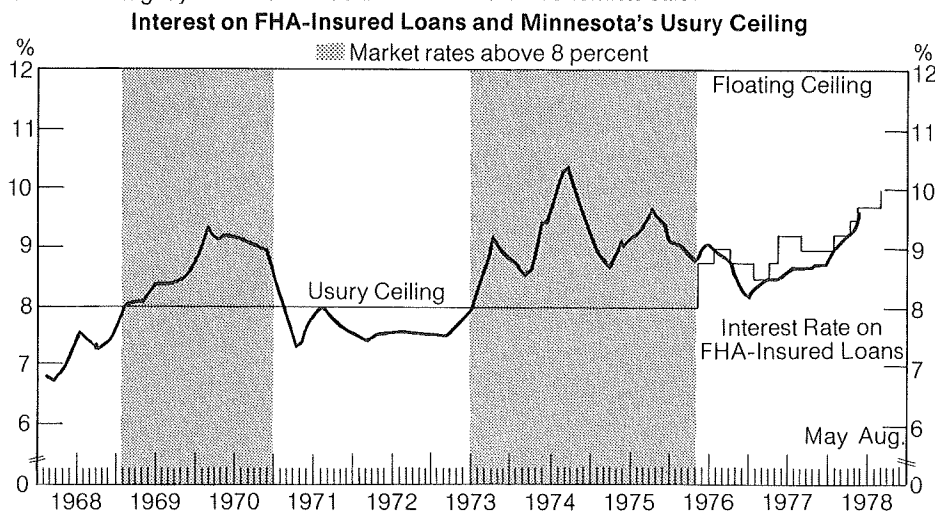
They also noted that housing starts began to decline slightly before the critical

periods. So rising interest rates, and not the usury ceilings, are the major cause of the drop in housing, they theorized.

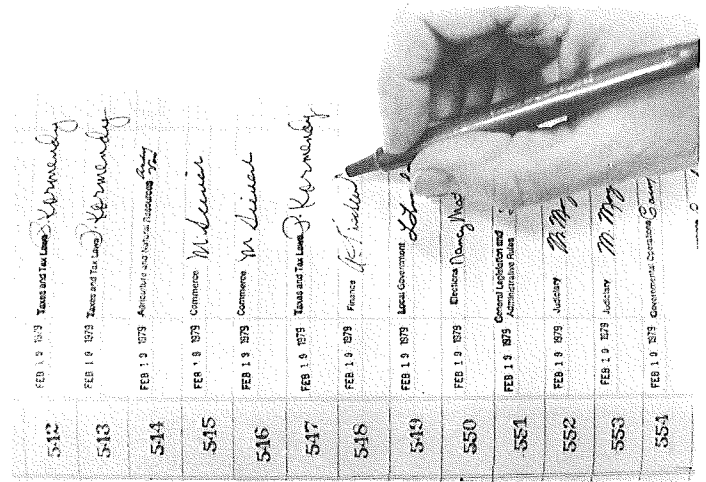
Rolnick and his colleagues found that when interest rates were very high, the percentage of FHA/VA loans (exempt from the usury law) increased in Minnesota while it decreased in states without usury ceilings.

Terms for conventional mortgages became more restrictive during the periods of high interest. Down payments increased more in Minneapolis-St. Paul than in metropolitan areas without a usury ceiling. And conventional loans were made for shorter periods — that is, the loans had shorter maturities. These factors made the loans "safer" — and thus more attractive to lenders.

When the floating ceiling took effect, the economists watched the housing industry and found that the floating ceiling did not affect housing construction but did affect the types of loans made for homes. FHA/VA loans decreased and conventional loans went up. But, the report said, opportunities for conventional loans in Minnesota still do not match those in states without usury laws. The reason for this, the researchers stated, is that lenders in other states can offer more liberal financing terms (lower downpayments, longer maturities) because they can charge interest rates higher than the average market rate. Lenders in Minnesota won't be able to offer such loans unless the floating ceiling is substantially above market rates, the economists said.



This Federal Reserve Bank graph compares the interest rate on FHA-insured loans to the Minnesota usury ceiling. The shaded areas mark the "critical periods" when the FHA rate exceeded the fixed eight percent ceiling. The floating ceiling began in May, 1976.



PHOTOS: MARK M. NELSON

COMMITTEES AT WORK

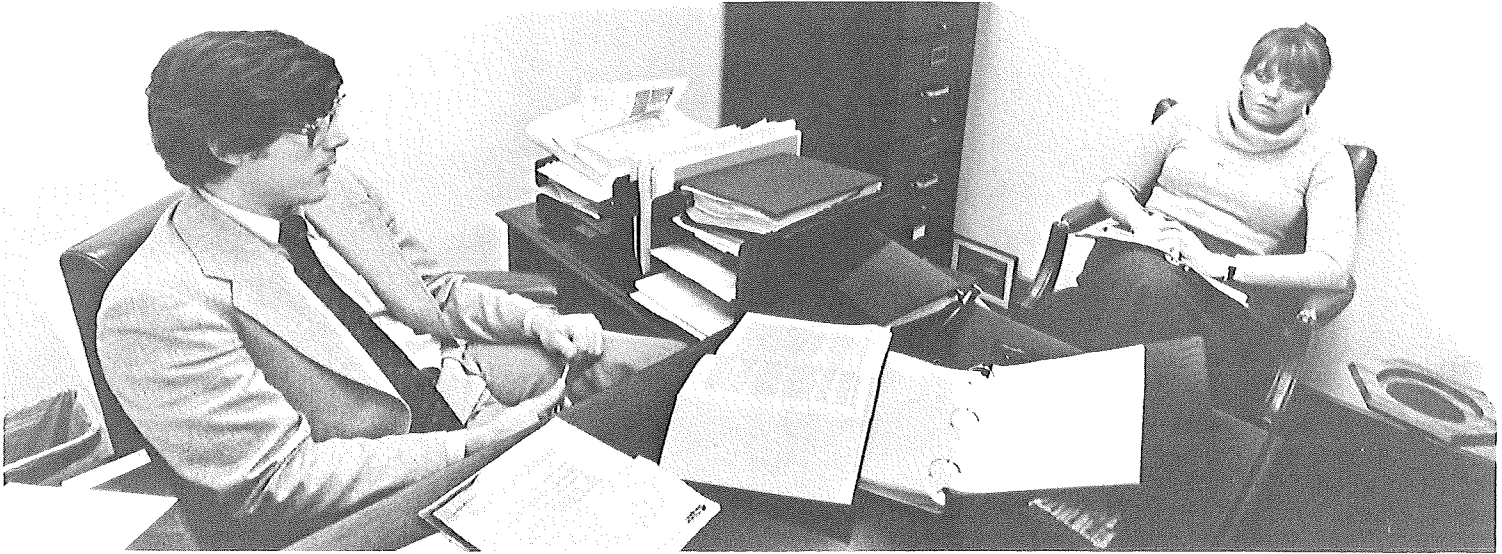
To most persons, the legislative process only surfaces and becomes visible during a few hours each week when a particular committee meets or when the full Senate convenes for floor sessions.

What many persons may not understand is that those few hours of formal activity are preceded by hours of research, general preparation, and informal discussions. And after the meetings come the hours of work involved in preparing committee reports and incorporating amendments, while almost simultaneously, the process of preparation begins again.

These photos are an attempt to convey at least a part of what lies behind the work and deliberations of one committee — the Senate Finance Committee, which is chaired by Sen. Roger Moe (DFL-Ada). Moe also chairs the Finance Subcommittee on Education.

Other finance subcommittees also spend what sometimes seem to be almost endless hours reviewing budget requests and the Governor's budget recommendations. Moe would probably be the first to admit that much of the work is done by and much of the credit must go to other subcommittee chairmen — Sen. Hubert H. Humphrey III, who chairs the Subcommittee on State Departments; Sen. B. Robert Lewis, who chairs the Subcommittee on Health, Welfare and Corrections; and Sen. Jack Kleinbaum, who chairs the Subcommittee on Semi-State and Transportation.

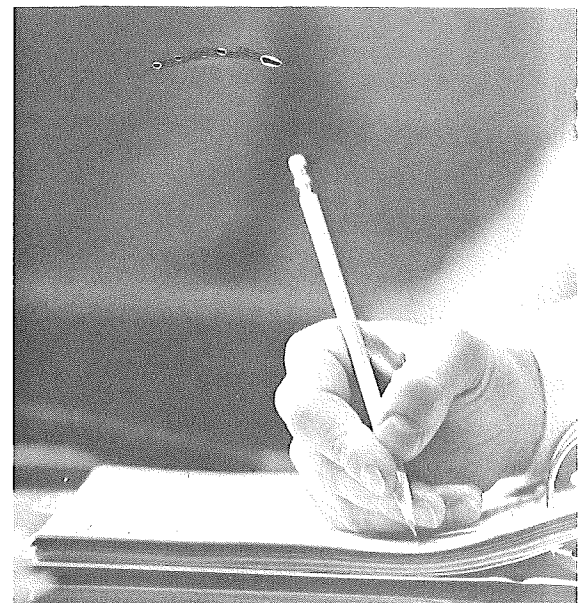
In the above photos, Ardella Tischler, Finance Committee secretary signs for bills that have been referred to the committee. Bottom: Mark Andrew, administrative assistant to the Finance Committee, and Tischler, meet with Moe to plan the next subcommittee agenda and to decide which bills will be heard.

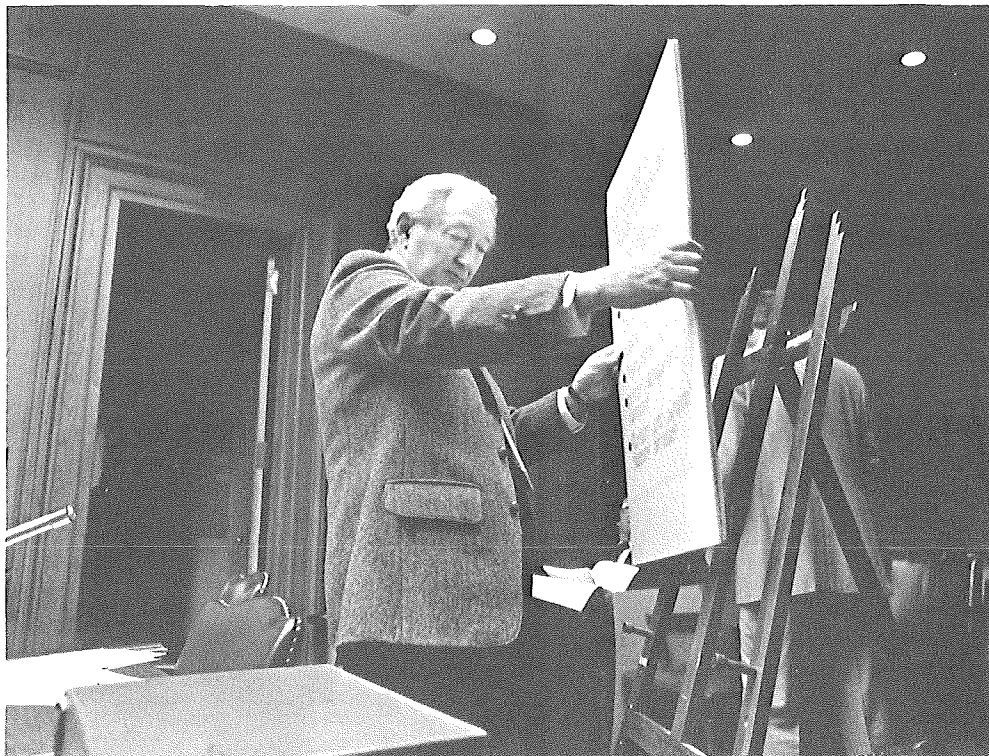


ABOVE: Jude Gartland, lobbyist for women's issues, talks with Andrew.

RIGHT: Pat Martyn, fiscal analyst, discusses the State Departments Omnibus bill with Moe, while Gene Nelson, legislative assistant, reviews the next day's agenda.

BELOW: Colleen Barry, committee clerk, prepares for a subcommittee meeting as she places name plates, folders with copies of bills, other information, and other supplies at each senator's place.





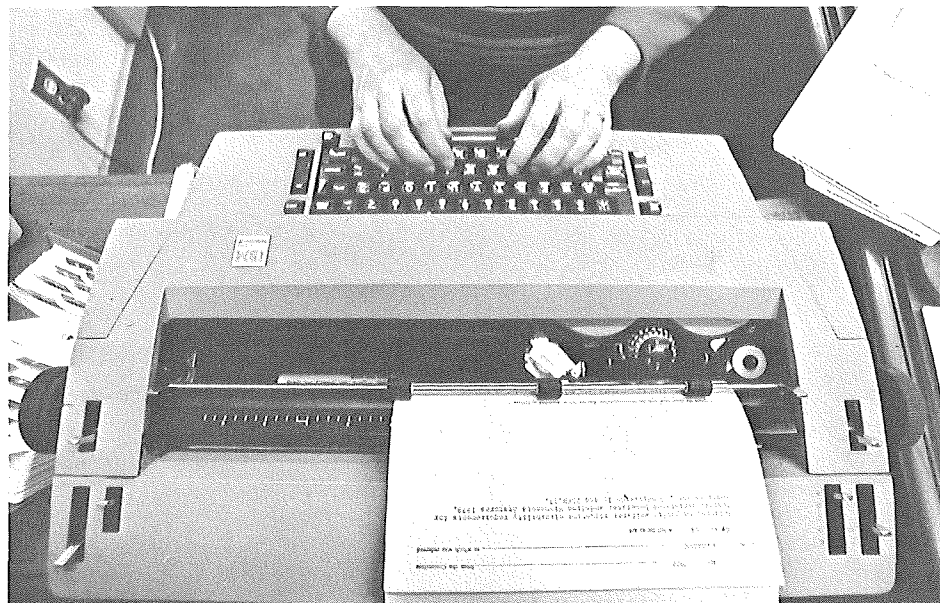
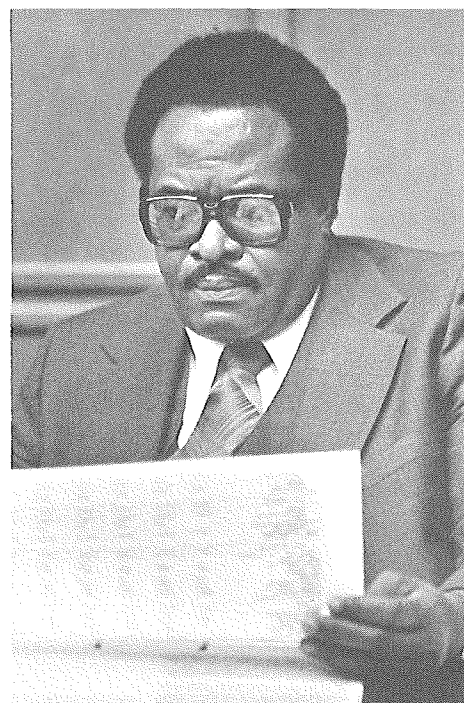
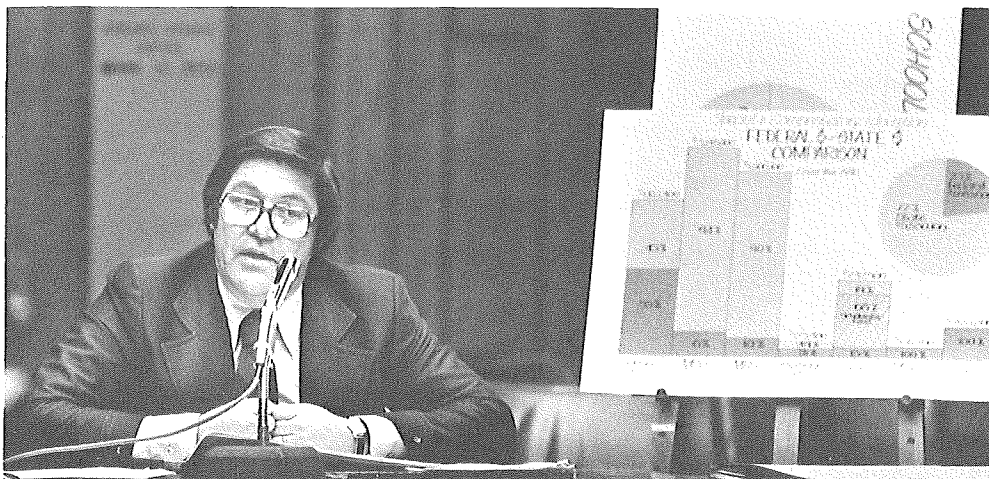
AT LEFT: Howard Casmey, commissioner of education, prepares display charts to be used during budget hearing.

MIDDLE LEFT: Will Antell, assistant education commissioner, answers a question during a budget hearing.

BOTTOM LEFT: Moe makes a notation during the line by line review of the education department budget.

BELOW: Sen. B. Robert Lewis studies a budget document.

BOTTOM RIGHT: Tischler types the committee report after the hearing.



Autopsy on Senate File 685

"Still, the issue remains, and, like all energy related problems, it will not soon go away. Despite the fate of S.F. 685, we chose to run Diane Egner's account of its progress before its setback."

"We're all going to suffer" from increasing energy costs, Sen. Tennesen said. "But the crucial thing is that we want to make sure no one in the state freezes to death" when their utilities are shut off because of non-payment.

Editor's note: Several weeks ago when we were looking at possible story ideas for this issue of **Perspectives**, it appeared that legislation might be adopted to help the growing class of "energy poor" by providing some kind of assistance in meeting rising utility bills. Indeed, S.F. 685, a bill authored by Sen. Robert Tennesen (DFL-Mpls.), which would have done precisely that, was making its way through the legislative process.

Now, its chances appear minimal. A recent defeat in the Energy and Housing Committee would appear to have dealt the bill a death blow for the 1979 session.

Still, the issue remains, and like all energy related problems, it will not soon go away. Despite the fate of S.F. 685, we chose to run Diane Egner's account of its progress before its setback.

The case illustrates much about the legislative process in general and the current political situation in particular. As for the generality, it is frequently the case that major legislation does not simply sail through successfully to enactment when first proposed. Many a legislator has fought for many a session to see a new idea finally realized in the form of a law.

As for what the setback illustrates about the current and immediate political situation, it is perhaps that in the wake of the current tax cut fervor, there is a growing doubt — even among some traditional liberals — regarding the wisdom of doing more in areas of income assistance.

And there is a further twist which illustrates why state budgets are often balanced while the federal budget is not. There is the argument that the problem is simply beyond the scope of state resources. It is too expensive to be dealt with — **except** by the federal government. Interestingly enough, energy assistance for the poor and those on fixed incomes was a keystone in President Carter's most recent energy proposals. Carter's proposal would utilize the revenues derived from an excess profits tax on the oil industry to assist those who cannot pay their utility bills. But that proposal, like S.F. 685, may face some rough sledding.

With spring having returned at last, the crisis has temporarily receded. But whether the problem is dealt with by state or federal legislation, there clearly **is** a problem.

by Diane Egner

A bill designed to pump \$35 million each year into the pockets of poor people to pay their utility bills is trudging through the legislature this session.

Sponsored by Sen. Robert Tennesen (DFL-Mpls.), S.F. 685 (H.F. 787) would distribute the money as part of the annual circuit breaker beginning next winter. Individuals and members of their households would qualify for an amount based on the type of their dwelling, the kind of energy they use, the region of the state they live in and the size of their household.

"We're all going to suffer" from increasing energy costs, Sen. Tennesen said. "But the crucial thing is that we want to make sure no one in the state freezes to death" when their utilities are shut off because of lack of payment.

There is currently an agreement between the Public Service Commission (PSC) and publicly regulated industries not to shut off heat for nonpayment of bills during the winter months. But independent and municipal utilities can and do cut off power to nonpaying customers in the winter. About one-third of the people in the state are served by these utilities that are beyond the control of the PSC. Another bill, S.F. 48, authored by Sen. Doug Johnson (DFL-Cook), would prohibit all utility companies from discontinuing power between Sept. 1 and April 30. That bill is expected to be studied during the interim and probably doesn't have a chance of passage for another two years.

Tennesen's bill, called the Minnesota Energy Assistance Act, has been recommended for passage in the Senate Commerce committee but will have to get a similar go-ahead from the Energy and Housing committee and the Finance committee before it could reach the Senate floor late in May. There it may face an uphill battle. The money for the bill is not earmarked as such in Gov. Al Quie's proposed budget and it is uncertain whether he would support it in a typically political session in which the governor has promised to trim the state's spending. The bill has already drawn criticism from some conservative Independent Republicans and DFLers.

"The bill needs political support," Tennesen is the first to admit. "We have to convince the suppliers (of energy) that the money will be used. And we have to convince users to use it for energy."

During committee hearings thus far the overwhelming majority of those testifying have supported the concept of the bill. The

utility companies, corporations, senior citizen groups and citizen activist groups have shown up in full force.

Typical testimony came from Katherine Sehlin of the Minnesota Board on Aging. "The Minnesota Board on Aging has established utility rate break legislation as one of its top priorities for this session," she said before the Senate Commerce committee.

Many of the people who would qualify for assistance under Tennesen's bill are elderly. According to the Minnesota Board on Aging, there are about 450,000 Minnesotans over the age of 65. Up to 60 percent of those are at or below the poverty level for annual income levels, according to the board.

The bill does not purport to solve the escalating costs of energy or the inherent problems of limited incomes. What it hopes to do, according to its chief sponsor, is "provide a basic amount of energy to sustain life and at the same time discourage consumption."

Tennesen says he hopes his bill can alleviate a situation that occurs every spring in Minnesota. Several thousand utility customers receive notices in the mail shortly after April 1 warning that if they don't pay up past-due utility bills, their power will be shut off.

Northern States Power Co (NSP) sent out 25,000 final notices in April, Minnesota Gas Co. (Minnegasco) mailed out 9,000 and Minnesota Power and Light Co. (MP & L) in Duluth mailed 3,800. The companies do not have exact figures on how much those unpaid bills will cost them. But NSP has said it wrote off about \$1.3 million in residential gas and electric bills last year from Minnesota and the Dakotas. Minnegasco has said it wrote off about \$1.2 million in Minnesota alone last year. Although the final notices sent out represent about 3 to 4 percent of their customers, the amount the companies claim they write off amounts to less than one percent of their annual revenues. Such write-offs do not result in a net loss to utility companies since regulations allow rate increases to offset any unpaid bills.

The program, administered by the Department of Revenue with the assistance of the Departments of Economic Security, Energy and Public Welfare, would be available only to Minnesota residents with an income under the maximums provided in the act, graduated by size of household. One person could have a maximum annual income of \$3,713, two persons — \$4,913, three persons — \$6,113, four persons — \$7,313, five persons — \$8,513, and six or more persons — \$9,713.

Only one member of a household could apply for the benefit on the circuit breaker form. But renters and owners who live together would apply separately. The payments would be based on an estimate of the upcoming heating season. Spot checks by the Department of Revenue

would attempt to prove the accuracy of the requests.

Part of the \$35 million would be available for welfare and AFDC (Aid for Families with Dependent Children) recipients but that money would be administered through the Department of Welfare instead of the Department of Revenue.

While a person would only need to apply for the assistance once each year, the Department of Revenue would decide when checks will be offered and how many will be issued. For example, if a family of four qualified for \$500 assistance, the

Department would decide whether to send them one check for the full amount in December, five checks for \$100 each five months in a row, or some other combination. All checks would require a co-endorsement from a landlord, a utility company or a supplier of insulation. This provision was added to the original bill to assure that people receiving assistance use the checks to pay their utility bills.

The program is applicable to all forms of energy including natural or manufactured gas, propane gas, electricity, fuel oil, wood, steam, hot water heat or coal.



PHOTO: MARK M. NELSON

Sen. Robert Tennesen (DFL-Mpls), author of S.F. 685.

Will gasoline and alcohol mix?

"A series of hearings in the Senate Energy and Housing Committee resulted in sharply differing opinions on the value of gasohol as an energy alternative. Proponents contend that since gasohol can be made from many different kinds of products, precious oil supplies can be preserved."

"In cars, gasohol has mixed results: it burns cleaner than pure gasoline, has a higher octane rating, making the engine 'ping' less; but it causes harder starts, vapor lock, and engine corrosion."

by Cathy Roessler

Recent oil price hikes and fears of limited supplies are forcing officials in both the public and private sectors to explore alternatives to gasoline. Gasohol, a blend of gasoline and alcohol is one such alternative that has been subject to considerable attention in recent weeks.

A series of hearings in the Senate Energy and Housing Committee resulted in sharply differing opinions on the value of gasohol as an energy alternative. Proponents contend that since gasohol can be made from many different kinds of products precious oil supplies can be conserved.

The goal is to use readily available materials like garbage, wood, coal or even cattails to make alcohol and then to blend alcohol with gasoline at a rate of ten to fifteen percent.

However, gasohol has received criticism largely because it has a negative energy balance. Opponents claim it takes more energy to produce than can be gained from it and that it is more expensive than gasoline.

There are two kinds of alcohol fuel: ethanol and methanol. Ethanol is made from growing plants, whole grain, solid waste, and food waste (like potato peelings); methanol, on the other hand, is wood alcohol and can be made from garbage, coal, sewage, natural gas, peat or tar.

Of the two, methanol is more cost-effective. Coal and raw materials used in production are more readily available and cheaper than grain for ethanol. In addition coal gasification studies show technology is more advanced in the area of methanol production.

A \$50,000 study done by the University of Minnesota, recently released to the Senate Energy and Housing Committee examined two hypothetical alcohol distilleries — one scheduled to produce 17 million gallons a year and costing \$24.2 million to operate; the other scheduled to produce 34 million gallons a year at an operating cost of \$37.9 million. The costs are so large because of the high cost of transportation, processing and initial investment costs. The University of Minnesota researchers assumed the gasohol would be made from grain and that the plant would be operating on fossil fuels instead of renewable sources of energy. Because of the production costs, gasohol would still cost more a gallon than gasoline. Further, the scientists also indicated it would take more energy to produce alcohol than it gained from it because it is neither cost-effective or energy efficient.

Sen. Wayne Olhott (DFL-Herman), a member of the Committee, was somewhat critical of the study. He maintained that the use of improved technology coupled with the use of products other than grain, would make gasohol more plausible for production — even in large quantities. Secondly, he objected to the fact that the study didn't take into consideration farmers actively involved in the production of gasohol - on their farms. In describing the production of gasohol on the farm (the "small plant") he reports individuals use common scrap materials, and that the process is very cost-effective. Besides, he likes the idea of production on the farm - it's the self sufficiency that appeals to him.

The Zeithamer family of Alexandria appeared before the Committee and discussed their fuel alcohol plants. They designed, built and licensed the first two alcohol fuel plants in the country. The Zeithamers' produce alcohol for 50¢ a gallon at a rate of 800 gallons a week. The initial investment was low, Zeithamer said, about \$10,000. So far they have had over 4,000 visitors come to inspect their operations.

Lance Crombie of Webster told the committee about his plans to build an alcohol plant. Crombie was very critical of the University study and said he expects to produce 700 gallons a day at a cost of 72¢ a gallon the first year and 32¢ a gallon after that.

But Senator James Ulland (IR-Duluth) suggested that gasohol production on the farm may be the exception — otherwise gasohol produced in large quantities isn't cost effective. He reminded committee members that the small plant does use "free labor".

There has been a new development in the technology gasohol production. Purdue University scientists discovered a process to break cellulose down from waste products to make alcohol — cheaply. Corn stalks were used to make cellulose alcohol in the Purdue project but different materials can be used — including cattails, a resource abundant in Minnesota. Professor Mike Ladisch of Purdue University told the Energy and Housing Committee that Minnesota has enough cattails to "make 1.8 billion gallons of alcohol a year." A pilot plant is being built in Indiana utilizing the procedure. Ladisch, however, estimates it will be five years before the procedure is widely applicable. Senator Jerald Anderson (DFL-North Branch), Chairman of the Committee, feels this breakthrough may help with the expected gasoline shortfall of 2 to 5 percent.

In another study done by the University of

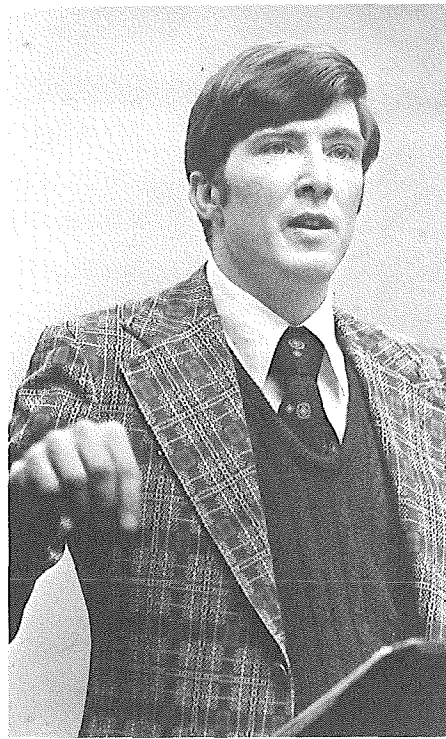
Minnesota, this time on dieselhol, Professor John Strait appeared before the committee and concluded that there is "no valid technical reason" to prefer that diesel powered farm tractors be operated with a mixture of diesel fuel and alcohol.

A ten percent mixture of alcohol and diesel fuel can be used with acceptable results if the mixture is kept free of water. But the mixture will add wear to the tractor's fuel injection system and the engine cylinder, the researchers said. If the mixture is more than ten percent, engine noise, delayed response periods and increased fuel consumption can occur.

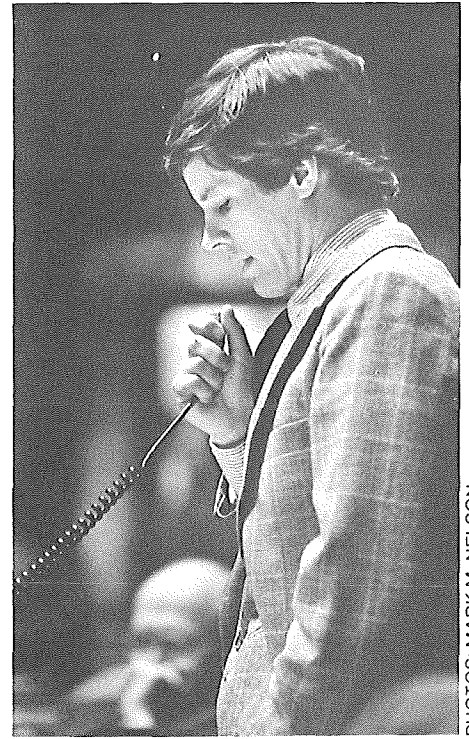
In cars, gasohol has mixed results: it burns cleaner than pure gasoline, has a higher octane rating, making the engine "ping" less; but it causes harder starts, vapor lock, and engine corrosion.

Officials disagree whether gasohol gets better gas mileage than gasoline. Testimony given before a congressional hearing by Ford and General Motors executives indicated that mileage is dependent on the type of car — the older cars get better mileage with gasohol.

One point everyone agrees on, though, is that finding an answer to the fuel crunch is not going to be easy. Senators feel that continued study of fuel alternatives is essential and that gasohol may yet play an important role in the race for new sources of energy.



Sen. Wayne Olhoff (DFL-Herman) is a strong supporter of gasohol.



Sen. James Ulland (IR-Duluth) was skeptical but excited by new findings.

PHOTOS: MARK M. NELSON



CONCEPT: GREG ELLIS

The fuel of the future? Several Twin Cities stations are already selling gasohol, a 90/10 mixture of gasoline and alcohol. But whether or not gasohol will ever make a big difference in the nation's energy picture is an open question.

Senate Public Information Office

Room B29 — State Capitol
St. Paul, Minnesota 55155



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Published by
Senate Public Information Office
Room B-29 — State Capitol
St. Paul, MN 55155

Majority Liaisons

Sen. Hubert H. Humphrey III
Sen. Roger D. Moe

Minority Liaisons

Sen. Robert G. Dunn
Sen. John Keefe

IN MEMORIAM

Senator B. Robert Lewis (1931-1979)



When State Senator B. Robert Lewis died suddenly and unexpectedly early Wednesday morning, April 25, the news saddened and shocked the entire Senate.

A morning session scheduled for Wednesday was cancelled after brief eulogies by several senators.

Although Lewis was an unabashed and unapologetic liberal, he was liked, admired, and respected by colleagues and staff of all persuasions.

"He did not want to be remembered as a black senator, but as a senator for all the people and one who did his homework," said his friend, Tom Tipton, who led the Senate in prayer.



"DOING HIS HOMEWORK", State Sen. B. Robert Lewis carefully studied a bill (above) in this candid photograph taken during the 1978 session. At left, a smiling Lewis was pictured with friend and colleague Sen. George Perpich at the groundbreaking ceremonies for the new maximum security prison at Stillwater.

And Senate Majority Leader Nicholas Coleman, who struggled to control his emotions, said that in order to remember him, "we need only to go among the poor and the disadvantaged" — citizens who, though they may not have known him by name, certainly felt his helping hand in legislation he fought for and through victories he won.

Lewis, first elected to the Senate in 1972, was reelected in 1976. He was Vice Chairman of the Finance Committee and Chairman of the Finance Subcommittee on Health, Welfare and Corrections. He also served on the Transportation Committee and on the Health, Welfare and Corrections committee.

He is survived by his wife, Margaret Sandberg, and two children, Bob Jr., 17, and Stacy, 15. His family asked that memorials be directed to the United Negro College Fund or the charity of the donor's choice.