REMARKS BY THE SENATOR HUBERT H. HUMPHREY ANNUAL CONVENTION OF THE MINNESOTA MUNICIPAL UTILITIES ASSOCIATION ALEXANDRIA, MINNESOTA JUNE 21, 1971 As you may have heard, I have been talking a good deal about rural community development lately. I think the time is at hand to move beyond the talk stage. First of all, we've got a new subcommittee on Rural Development, of which I am privileged to be Chairman. We have rolled up our sleeves and gone to work on a policy for growth in this country. I believe there are things we can do and must do to shape our growth so that people can make a decent living in small town America --So that all Americans can truly have a Freedom of Residence. We have begun our efforts with field hearings into the nation's heartland. And I have introduced legislation that can have an important effect ultimately in shaping our growth. It is the National Domestic Development Bank Act of 1971, which would help relieve the shortage of money facing every government in this country today and permit us to revitalize rural and urban areas alike. This bank would make available to state and local governments -- and to private businesses and certain kinds of institutions in small cases -- long-term,

low-interest loans for a wide range of urgent public construction.

We are the leading partner in the World Bank, which has had significant impact on development abroad. I think it's time we take care of our pressing

development needs here at home.

In addition to my bill, our subcommittee is putting together legislation to fill the credit gap that exists in even greater proportions in rural America than it does in the cities.

There is no reliable source of credit for small communities that want to build a water or sewer system, or improve their local electric system.

There are inadequate sources of capital for

businessmen who want to set up a business enterprise in rural America.

I happen to think our small town institutions are good credit risks -- certainly as good or better than some of those nations to whom we have loaned money around the world.

We contemplate the establishment of 10 regional rural development credit banks which would correspond to the Federal Land Bank and the Intermediate Banks of the Farm Credit System.

But these banks would be separate from the farm loan program.

In addition to market rate loans, I believe it will be necessary for the government to provide some subsidies for rural communities.

We hope to set up a Federal agency which would channel these subsidies together with the credit established by our banks.

I have called for a Marshall Plan for our cities. We need another one for the countryside so that our growth will be balanced, so that our major cities will not continue to fill up with people they cannot adequately serve.

Can we influence national growth? I think we can. Look at Huntsville, Alabama. It was a small country town before the beginnings of the space industry. Werner Von Braun came along with his rocket experts and Huntsville became a city of 100,000.

Some of your may decide to retire to Arizona. But there would have been no Sun Cities out there without Federal water projects in that State.

It's probable that South Florida's golden beaches would be pretty empty if it hadn't been for the big flood control project around Lake Okeechobee.

I'm not saying we have always shaped our growth well. Too often government projects that have solved economic problems have created serious environmental problems. But I believe if we plan wisely, we can have both progress and beauty.

We are going to need some new cities to

We are going to need some new cities to handle our population growth. Just to keep up, we will need to develop a town of 10,000 every day from now until the year 2000.

But we've got to plan.

Cities and towns are not just buildings. They require electricity, transportation systems, communications, and basic public services.

This requires planning not only locally, but at the national level.

That's why I cannot stress enough that America needs a National Growth Policy.

What is our National Development Policy for power? President Nixon has recently called for creation of a national Energy Administration and the creation of a national plan for the use of electricity.

Good. But it's almost too late. We need to get moving.

By the year 1975, we will be using one trillion, four hundred billion kilowatt-hours a year. In just 10 years we will have used 18 trillion kilowatt-hours — the same amount we have used in the last 90 years. By the year 2000, an estimated 50% of our power will come from nuclear power plants. Transmission grids presently in use are clearly inadequate right now — in fact they are dangerously, and in some cases, fatally inadequate.

Here's the picture painted for our area this summer by the Office of Emergency Preparedness:

The West Central Region of the country -- which includes Wisconsin, Minnesota, Iowa and Nebraska -- has a power reserve of only 14 percent.

According to the preparedness office, a number of areas in the region have low reserves, and real problems could develop if some units were forced out of service.

The Center for the Study of Local Governments at St. John's University has just completed a study of the power needs of Minnesota.

The story they tell is common throughout the country. It is predicted that 15 new generating facilities the size of the Monticello nuclear plant and larger could be built in our state in the next 15 years.

The majority of these units would be built in the last decade of this period to meet electrical needs that would result if consumption continues to grow at its present rate.

The cost of these facilities would be more than \$4 billion.

I am concerned about what this massive construction of electric power plants will do to the environment of our state, especially when you consider that nearly all of these plants would be built in the countryside, 50 to 100 miles away from the population centers.

We are going to need new transmission facilities throughout the country, and we must protect the environment when we build them.

We can preserve our environment, and we can meet our power needs.

We must have a national growth policy for electrical power. And any such policy must have as its backbone a national power grid so that all producers of power can be assured that there will be no more

brownouts or blackouts or cutbacks of any kind.

If we had a national power grid, operating over government transmission lines, power could be shared throughout the country.

John F. Nassikas of the Federal Power Commission told Congress last year that even at peak loads, we now have the capacity to produce a 27 percent surplus of power.

The problem is one of getting the electricity where it is needed most.

As New Yorkers rise each morning to turn on toasters, electric skillets and electric razors -as the lights go on in thousands of offices -- the demand for power increases sharply. As the sun gets higher in the sky, the air conditioning units go on.

In California they're still asleep. Why not

use those western power reserves?

We can't. There are no nationwide lines, and a lot of interests are dedicated to the proposition that we never get them.

We hope industry will disperse so that we can revitalize small town America. If we had a national power grid, and were assured that our energy sources were being used wisely, industry could locate in the remotest village of our nation and never worry whether there would be enough electricity to do the job. In 1945, there were a few more than a thousand private utility operations in this country. Today there are 267.

As you in public power know all too well, the squeeze continues for even further consolidation of rural electric and public power systems.

Last year, my Republican colleague, Senator George D. Aiken of Vermont, urged Congressional investigators to take a look at private power companies in New England, where they recently spent half-a-million

dollars to kill a public power project.

Senator Aiken said: "The interlocking directorships and the deals between various executives might provide some exciting anti-trust material. It might also be well to take a very special look at the financing structure in control of this New England combine. It might be shown that scarcely a kilowatt can move in New England without the approval of a Wall Street investment firm."

I might add here that rates for electricity in New England are the highest in the nation.

New England are the highest in the nation.

A study of 10 of the big private utilities in the Western part of the country selected at random from the files of the Federal Power Commission showed that a majority of the ten largest stockholders of each company were headquartered either in New York or Boston.

Now you and I know that the hands that control electricity control the central nervous system of this nation. And there are getting to be fewer and fewer of those hands.

The 212 largest private electric companies are said to constitute about one-eighth of all United States industry.

Yet we have seen no Federal policy to insure that these powerful private interests are acting at all times on behalf of the American public.

The government simply must do a better job. The people of this country want power, and they are getting fed up with all of this shortage talk.

As someone once said, "The purpose of government is not to see how much people will put up with, it is to bring the power of common effort to bear on those problems which people cannot handle alone."

And that's what we're really talking about -- people.

Not electricity or light bulbs or kilowatts or anything else but service to the people of America.

What is at stake today is not the urban condition or the rural condition. It is the human condition.

We on the Rural Development Subcommittee pledge to do what we can to perfect that condition.

I say we can. I say we will.

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We've heard enough dire predictions of gloom and doom in this country.

I say we can build an America that may be seen throughout the world -- and by us -- as Carl Sandburg saw us:

"I see America, not in the setting sun of a black night of despair ahead of us. I see America in the crimson light of a rising sun, fresh from the burning, creative hand of God. I see great days ahead, great days possible to men and women of will and vision."

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REMARKS BY THE SENATOR HUBERT H. HUMPHREY

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ALEXANDRIA, MINNESOTA

JUNE 21, 1971

Lance Haspotality

As you may have heard. I have been talking a good deal about rural community development lately.

I THINK THE TIME IS AT HAND TO MOVE BEYOND THE TALK STAGE.

FIRST OF ALL, WE'VE GOT A NEW SUBCOMMITTEE

ON RURAL DEVELOPMENT, OF WHICH I AM PRIVILEGED TO

BE CHAIRMAN.

WE HAVE ROLLED UP OUR SLEEVES AND GONE TO WORK ON A POLICY FOR GROWTH IN THIS COUNTRY.

I BELIEVE THERE ARE THINGS WE CAN DO AND MUST

DO TO SHAPE OUR GROWTH SO THAT PEOPLE CAN MAKE A

DECENT LIVING IN SMALL TOWN AMERICA --

--So THAT ALL AMERICANS CAN TRULY HAVE A FREEDOM
OF RESIDENCE.

WE HAVE BEGUN OUR EFFORTS WITH FIELD HEARINGS INTO THE NATION'S HEARTLAND.

AND I HAVE INTRODUCED LEGISLATION THAT CAN HAVE

AN IMPORTANT EFFECT ULTIMATELY IN SHAPING OUR GROWTH.

IT IS THE NATIONAL DOMESTIC DEVELOPMENT BANK ACT OF

1971, WHICH WOULD HELP RELIEVE THE SHORTAGE OF MONEY

FACING EVERY GOVERNMENT TODAY AND

PERMIT US TO REVITALIZE RURAL AND URBAN AREAS ALIKE.

THIS BANK WOULD MAKE AVAILABLE TO STATE AND LOCAL

GOVERNMENTS -- AND TO PRIVATE BUSINESSES AND CERTAIN

KINDS OF INSTITUTIONS IN ANIMAL AND -- LONG-TERM.

LOW-INTEREST LOANS FOR A WIDE RANGE OF URGENT PUBLICATED

CONSTRUCTION:

WE ARE THE LEADING PARTNER IN THE WORLD BANK.

WHICH HAS HAD SIGNIFICANT IMPACT ON DEVELOPMENT

ABROAD I THINK IT'S TIME WE TAKE CARE OF OUR PRESSING

DEVELOPMENT NEEDS HERE AT HOME.

IN ADDITION TO MY BILL, OUR SUBCOMMITTEE IS

PUTTING TOGETHER LEGISLATION TO FILL THE CREDIT GAP

THAT EXISTS IN EVEN GREATER PROPORTIONS IN RURAL

AMERICA THAN IT DOES IN THE CITIES.

THERE IS NO RELIABLE SOURCE OF CREDIT FOR

SMALL COMMUNITIES THAT WANT TO BUILD A WATER OR
SEWER SYSTEM, OR IMPROVE THEIR LOCAL ELECTRIC SYSTEM.

THERE ARE INADEQUATE SOURCES OF CAPITAL FOR
BUSINESSMEN WHO WANT TO SET UP A BUSINESS ENTERPRISE
IN RURAL AMERICA

I HAPPEN TO THINK OUR SMALL TOWN INSTITUTIONS

ARE GOOD CREDIT RISKS -- CERTAINLY AS GOOD OR BETTER

THAN SOME OF THOSE NATIONS TO WHOM WE HAVE LOANED

MONEY AROUND THE WORLD.

WE CONTEMPLATE THE ESTABLISHMENT OF 10 REGIONAL RURAL DEVELOPMENT CREDIT BANKS WHICH WOULD CORRESPOND TO THE FEDERAL LAND BANK AND THE INTERMEDIATE BANKS OF THE FARM CREDIT SYSTEM.

BUT THESE BANKS WOULD BE SEPARATE FROM THE FARM

IN ADDITION TO MARKET RATE LOANS, I BELIEVE IT
WILL BE NECESSARY FOR THE GOVERNMENT TO PROVIDE SOME
SUBSIDIES FOR RURAL COMMUNITIES.

WE HOPE TO SET UP A FEDERAL AGENCY WHICH WOULD CHANNEL THESE SUBSIDIES TOGETHER WITH THE CREDIT ESTABLISHED BY OUR BANKS.

I HAVE CALLED FOR A MARSHALL PLAN FOR OUR CITIES.

WE NEED ANOTHER ONE FOR THE COUNTRYSIDE SO THAT OUR

GROWTH WILL BE BALANCED, SO THAT OUR MAJOR CITIES WILL

NOT CONTINUE TO FILL UP WITH PEOPLE THEY CANNOT

ADEQUATELY SERVE.

CAN WE INFLUENCE NATIONAL GROWTH? I THINK WE CAN.

LOOK AT HUNTSVILLE, ALABAMA, IT WAS A SMALL COUNTRY

TOWN BEFORE THE BEGINNINGS OF THE SPACE INDUSTRY, WERNER

VON BRAUN CAME ALONG WITH HIS ROCKET EXPERTS AND

HUNTSVILLE BECAME A CITY OF 100,000.

Some of www may decide to retire to Arizona.

BUT THERE WOULD HAVE BEEN NO SUN CITIES OUT THERE WITHOUT FEDERAL WATER PROJECTS IN THAT STATE.

It's probable that South Florida's golden

BEACHES WOULD BE PRETTY EMPTY IF IT HADN'T BEEN FOR

THE BIG FLOOD CONTROL PROJECT AROUND LAKE OKEECHOBEE.

I'M NOT SAYING WE HAVE ALWAYS SHAPED OUR

GROWTH WELL. Too OFTEN GOVERNMENT PROJECTS THAT HAVE

SOLVED ECONOMIC PROBLEMS HAVE CREATED SERIOUS

ENVIRONMENTAL PROBLEMS. BUT I BELIEVE IF WE PLAN

WISELY. WE CAN HAVE BOTH PROGRESS AND BEAUTY.

WE ARE GOING TO NEED SOME NEW CITIES TO

HANDLE OUR POPULATION GROWTH. JUST TO KEEP UP, WE

WILL NEED TO DEVELOP A TOWN OF 10,000 EVERY DAY FROM

NOW UNTIL THE YEAR 2000.

BUT WE'VE GOT TO PLAN.

CITIES AND TOWNS ARE NOT JUST BUILDINGS THEY

REQUIRE ELECTRICITY, TRANSPORTATION SYSTEMS, COMMUNICATIONS,

AND BASIC PUBLIC SERVICES

THIS REQUIRES PLANNING NOT ONLY LOCALLY, BUT AT THE NATIONAL LEVEL.

LTHAT'S WHY I CANNOT STRESS ENOUGH THAT AMERICA NEEDS A NATIONAL GROWTH POLICY.

WHAT IS OUR NATIONAL DEVELOPMENT POLICY FOR POWER?

PRESIDENT NIXON HAS RECENTLY CALLED FOR CREATION

OF A NATIONAL ENERGY ADMINISTRATION AND THE CREATION

OF A NATIONAL PLAN FOR THE USE OF ELECTRICITY.

THE STORY THEY TELL IS COMMON THROUGHOUT

THE COUNTRY. IT IS PREDICTED THAT 15 NEW GENERATING

FACILITIES THE SIZE OF THE MONTICELLO NUCLEAR PLANT

AND LARGER COULD BE BUILT IN OUR STATE IN THE NEXT

15 YEARS.

The cost of these facilities would be more than \$4 BILLION.

HERE'S THE PICTURE PAINTED FOR OUR AREA THIS SUMMER
BY THE OFFICE OF EMERGENCY PREPAREDNESS:

THE WEST CENTRAL REGION OF THE COUNTRY -- WHICH INCLUDES WISCONSIN, MINNESOTA, IOWA AND NEBRASKA -- HAS A POWER RESERVE OF ONLY 14 PERCENT.

According to the preparedness office, a number of areas in the region have low reserves, and real problems could develop if some units were forced out of service.

THE CENTER FOR THE STUDY OF LOCAL GOVERNMENTS

AT ST. JOHN'S UNIVERSITY HAS JUST COMPLETED A STUDY

OF THE POWER NEEDS OF MINNESOTA.

I AM CONCERNED ABOUT WHAT THIS MASSIVE CONSTRUCTION OF ELECTRIC POWER PLANTS WILL DO TO THE ENVIRONMENT OF OUR STATE ESPECIALLY WHEN YOU CONSIDER THAT NEARLY ALL OF THESE PLANTS WOULD BE BUILT IN THE COUNTRYSIDE, 50 TO 100 MILES AWAY FROM THE POPULATION CENTERS. WE ARE GOING TO NEED NEW TRANSMISSION FACILITIES THROUGHOUT THE COUNTRY, AND WE MUST PROTECT THE ENVIRONMENT WHEN WE BUILD THEM.

WE CAN PRESERVE OUR ENVIRONMENT, AND WE CAN MEET OUR POWER NEEDS.

WE MUST HAVE A NATIONAL GROWTH POLICY FOR

ELECTRICAL POWER AND ANY SUCH POLICY MUST HAVE AS

ITS BACKBONE A NATIONAL POWER GRID SO THAT ALL PRODUCERS

OF POWER CAN BE ASSURED THAT THERE WILL BE NO MORE

BROWNOUTS OR BLACKOUTS OR CUTBACKS OF ANY KIND.

IF WE HAD A NATIONAL POWER GRID, OPERATING OVER
THROUGHOUT THE COUNTRY.

JOHN F. NASSIKAS OF THE FEDERAL POWER COMMISSION
TOLD CONGRESS LAST YEAR THAT EVEN AT PEAK LOADS, WE
NOW HAVE THE CAPACITY TO PRODUCE A 27 PERCENT SURPLUS

THE PROBLEM IS ONE OF GETTING THE ELECTRICITY

WHERE IT IS NEEDED MOST

As New Yorkers rise each morning to turn on toasters, electric skillets and electric razors -- as the lights go on in thousands of offices -- the demand for power increases sharply. As the sun gets

HIGHER IN THE SKY, THE AIR CONDITIONING UNITS GO ON.

IN CALIFORNIA THEY'RE STILL ASLEEP, WHY NOT USE THOSE WESTERN POWER RESERVES

WE CAN'T. THERE ARE NO NATIONWIDE LINES, AND A LOT OF INTERESTS ARE DEDICATED TO THE PROPOSITION THAT WE NEVER GET THEM.

WE HOPE INDUSTRY WILL DISPERSE SO THAT WE CAN REVITALIZE SMALL TOWN AMERICA IF WE HAD A NATIONAL POWER GRID, AND WERE ASSURED THAT OUR ENERGY SOURCES WERE BEING USED WISELY, INDUSTRY COULD LOCATE IN THE REMOTEST VILLAGE OF OUR NATION AND NEVER WORRY WHETHER THERE WOULD BE ENOUGH ELECTRICITY TO DO THE JOB.

PRIVATE UTILITY OPERATIONS IN THIS COUNTRY: TODAY

THERE ARE 267

AS YOU IN PUBLIC POWER KNOW ALL TOO WELL, THE

SOUTH CONTINUES FOR EVEN FURTHER CONSCIENTION OF

PUDAL ELECTRIC AND PUBLIC POWER SYSTEMS

LAST YEAR, MY REPUBLICAN COLLEAGUE, SENATOR

GEORGE D. AIKEN OF VERMONT, URGED CONGRESSIONAL

INVESTIGATORS TO TAKE A LOOK AT PRIVATE POWER COMPANIES

IN NEW ENGLAND, WHERE THEY RECENTLY SPENT HALF-A-MILLION

DOLLARS TO KILL A PUBLIC POWER PROJECT.

SENATOR AIKEN SAID: "THE INTERLOCKING DIRECTORSHIPS

AND THE DEALS BETWEEN VARIOUS EXECUTIVES MIGHT PROVIDE

SOME EXCITING ANTI-TRUST MATERIAL, IT MIGHT ALSO BE WELL

TO TAKE A VERY SPECIAL LOOK AT THE FINANCING STRUCTURE

IN CONTROL OF THIS NEW ENGLAND COMBINE. IT MIGHT

BE SHOWN THAT SCARCELY A KILOWATT CAN MOVE IN NEW

ENGLAND WITHOUT THE APPROVAL OF A WALL STREET

INVESTMENT FIRM."

MIGHT ADD HERE THAT RATES FOR ELECTRICITY IN NEW ENGLAND ARE THE HIGHEST IN THE NATION. A STUDY OF 10 OF THE BIG PRIVATE UTILITIES IN THE WESTERN PART OF THE COUNTRY SELECTED AT RANDOM FROM THE FILES OF THE FEDERAL POWER COMMISSION SHOWED THAT A MAJORITY OF THE TEN LARGEST STOCKHOLDERS OF EACH COMPANY WERE HEADQUARTERED EITHER IN NEW YORK OR BOSTON. Now you and I know that the hands that control ELECTRICITY CONTROL THE CENTRAL NERVOUS SYSTEM OF THIS NATION. AND THERE ARE GETTING TO BE FEWER AND FEWER OF THOSE HANDS.

THE 212 LARGEST PRIVATE ELECTRIC COMPANIES

ARE SAID TO CONSTITUTE ABOUT ONE-EIGHTH OF ALL UNITED

STATES INDUSTRY.

YET WE HAVE SEEN NO FEDERAL POLICY TO INSURE THAT

THESE POWERFUL PRIVATE INTERESTS ARE ACTING AT ALL TIMES

ON BEHALF OF THE AMERICAN PUBLIC.

THE GOVERNMENT SIMPLY MUST DO A BETTER JOB. THE
PEOPLE OF THIS COUNTRY WANT POWER. AND THEY ARE GETTING
FED UP WITH ALL OF THIS SHORTAGE TALK.

As someone once said, "The purpose of government is not to see how much people will put up with, it is to bring the power of common effort to bear on those problems which people cannot handle alone."

AND THAT'S WHAT WE'RE REALLY TALKING ABOUT --

NOT ELECTRICITY OR LIGHT BULBS OR KILOWATTS

OR ANYTHING ELSE BUT SERVICE TO THE PEOPLE OF AMERICA.

What is at stake today is not the urban condition

OR THE RURAL CONDITION. IT IS THE HUMAN CONDITION.

- CATHIL MURAL DEVELOPMENT SUBCOMMITTEE PLEDOL

TO PERFECT THAT CONDITION.

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L CAV ME MILL.

We've HEARD ENOUGH DIRE PREDICTIONS OF GLOOM AND DOOM IN THIS COUNTRY.

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COST DUTY S ALMOST TOO LATER WE NEED TO GET

HOVING

INADEQUATE.

By the year 1975, we will be using one Trillion, FOUR HUNDRED BILLION KILOWATT-HOURS A YEAR, IN JUST 10 YEARS WE WILL HAVE USED 18 TRILLION KILOWATT-HOURS -- THE SAME AMOUNT WE HAVE USED IN THE LAST 90 YEARS. By the year 2000, an estimated 50% of our power will COME FROM NUCLEAR POWER PLANTS TRANSMISSION GRIDS PRESENTLY IN USE ARE CLEARLY INADEQUATE FACT THEY ARE DANGEROUSLY, AND IN SOME CASES, FATALLY

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