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RURAL DEVELOPMENT OVERSIGHT
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HEARING
BEFORE THE
SUBCOMMITTEE ON RURAL DEVELOPMENT
OF THE
COMMITTEE ON
AGRICULTURE AND FORESTRY
UNITED STATES SENATE
NINETY-FOURTH CONGRESS
SECOND SESSION

LONG GROVE, IOWA
AUGUST 20, 1976

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RURAL DEVELOPMENT OVERSIGHT

FRIDAY, AUGUST 20, 1976

U.S. SENATE,
SUBCOMMITTEE ON RURAL DEVELOPMENT
OF THE COMMITTEE ON AGRICULTURE AND FORESTRY,
Long Grove, Iowa.

The subcommittee met, pursuant to notice, at 9:30 a.m., in the Community Center, Hon. Dick Clark (chairman of the subcommittee), presiding.

Present: Senator Clark and Representative Mezvinsky.

STATEMENT OF HON. DICK CLARK, A U.S. SENATOR FROM IOWA

Senator CLARK. I want to welcome all of you to this morning's hearing of the Rural Development Subcommittee of the Senate Committee on Agriculture and Forestry.

I am particularly happy that Congressman Mezvinsky could join us here today because of his own deep interest in this subject. As you may know, both he and I were earlier this year planning to hold individual hearings in this district on the subject that we are now holding hearings on, and so we decided rather than hold two separate hearings and calling a number of the same witnesses, to join forces and avoid duplication in an effort to learn a good deal more about the unique problems of rural communities in this part of the country.

Now, this means that the results of today's hearing session will be carried back to both the House of Representatives and the Senate. As you can see on my left, we have a court reporter who is taking down the information and that will be taken back to both Houses of Congress. We are also fortunate to have here with us today, although he has not yet arrived, our luncheon speaker, Mr. James Bostic, who is Deputy Assistant Secretary of Agriculture for Rural Development. Assistant Secretary Walker, who had planned to be here today, has had an emergency operation in his family and is not able to attend. His assistant, Mr. Bostic, is going to be here and will be visiting with us about rural development matters.

Mr. Bostic and Mr. Walker are in charge of administering the Nation's rural development effort for the U.S. Department of Agriculture, and I know that they are particular friends of this area and know a good deal about the problems of water and sewer community facilities, housing, and so forth.

Today's hearing is an attempt to get a feel for how well our rural development programs are working in Iowa. We will be talking today with those who use the rural development programs, farmers,

other rural residents, and officials of small towns and communities who have dealings with the rural development programs of the U.S. Department of Agriculture. We have invited mayors, farmers, and many others from across the State to speak to us on this subject.

Rural development is a topic of concern for the simple reason that rural people have far more than their share of the Nation's economic and social problems. Just to cite a couple of statistics, they have 20 percent lower incomes and they have over two-fifths, almost half, of the Nation's poverty. Even though they comprise only a little more than one-fourth of the population of this country today, people who live in rural areas have 60 percent of the Nation's substandard housing.

How did these disparities develop? As late as 1950, we had some 23 million people on farms. Today, that figure is a little over 9 million. The stresses of such an outpouring of people from the farms and countryside has been immense. The weight of this adjustment resulted in rural people and communities being left behind and left out of much of the post-World War II prosperity enjoyed by the rest of the Nation most of the time.

In 1972, the Congress passed the Rural Development Act. This law is an especially significant measure because it integrates a number of previously scattered programs into a comprehensive effort, administered in the Department of Agriculture. It has a broad range of development tools, including loans, grants, and technical assistance to help individuals, families, and communities build homes, businesses, and community facilities.

The Rural Development Act, however, was a congressional initiative, not an executive branch initiative. I think it's fair to say that the current and previous administrations have been less than enthusiastic about implementing this legislation. The result has been a continuing series of conflicts between the administration and Congress over repeated attempts to reduce funding for these key programs and to make them increasingly ineffective.

Now, since the passage of the 1972 Rural Development Act, the landmark act, really, to begin to try to redress the balance between metropolitan and rural areas, we have worked very closely with the Department of Agriculture on rules and procedures by which this act would be implemented. Since that time, we have held frequent oversight hearings on the operation of the various programs, especially programs of the Farmers Home Administration which is the principle funding agency of the USDA rural development effort.

During the current calendar year, this subcommittee has completed two hearings on rural development: one in Washington, D.C. on FmHA management and policies and a second in Bondurant, Iowa, near Des Moines. It was also a Farmers Home Administration hearing. We got a good bit of testimony at that time about both strengths and weaknesses in the Farmers Home Administration programs.

The oversight efforts of this subcommittee have had the full cooperation of the Department of Agriculture and the Farmers Home Administration, even though we have often had a number of questions for FmHA just in the normal process of making sure that communities get their fair share. I think it should be said that they have

been most cooperative in their efforts to help with this. On a number of occasions, we have found areas where improvement was possible, and we have worked to make sure that those improvements were made.

In general, however, because of the conflicts that I have cited, rural development has not progressed as far or as fast as was expected when that landmark legislation was passed in late 1972. In many cases, this is the result of a shortage of funds, and a number of the programs have huge backlogs of applications. I know we will hear about some of those here today. In other cases, programs have been handicapped by lack of staff which has limited technical assistance and caused administrative bottlenecks even when funds have been adequate.

The most recent budget also recommended deep cuts in some of the core rural development programs, and we are hoping that the Congress will reverse those.

That unfortunate situation is counterbalanced somewhat by the fact that we at least now have an effective mechanism for rural development in place. The main task now is to use these programs effectively and to fund them adequately. We are aware of the most serious problems and now, at least, we can address ourselves to them. We are well down the road to working them out and I think the programs are beginning to have a major impact on rural areas.

Today's hearing is intended to help us move closer to that goal. It's easy to outline the failures and the successes that we have had. What we need to do now is to fill in these outlines by getting a better feel for the specific effects these failures and successes have had here in the local areas. We want our witnesses to share with us their experiences and to be personally honest and not to be at all hesitant about being critical of these programs because we're here to find out what their weaknesses are. I think that kind of input is essential for pinpointing exactly what needs to be done to make these programs effective and responsive as they were originally intended to be when the Congress passed the act.

We have a schedule of persons who are going to testify, and we have asked them to limit their remarks to 6 minutes each. We do want to have plenty of time for discussion.

The record will remain open for 30 days so anyone who does not have an opportunity to testify may do so by simply submitting their statements.

We are delighted that you are here. I want to ask Congressman Mezvinsky to make his opening statement and then we are going to be turning to the witnesses.

STATEMENT OF HON. EDWARD MEZVINSKY, REPRESENTATIVE IN CONGRESS FROM THE FIRST DISTRICT OF IOWA

Mr. MEZVINSKY. All right. Thank you. I just want to say how pleased I am to be here and join with Dick Clark in welcoming all of you.

It is a hearing that is away from Washington and that's a good sign in terms of trying to have some input from all of you here. Now, actually we are here to ask some questions that have come to my atten-

tion, and I thought that I would just raise them and see how well they fit in with your ideas.

How well are our rural development programs working right here in the State of Iowa? That's one of the purposes of this hearing. Are available resources being used in the most constructive and effective way or does this demand our attention? Are we doing the best job humanly possible in coordinating the effort of Federal authorities and those of you here locally?

There are mayors that are here, county officials that are here, those of you that have to work in the programs. There are those who can actually input together properly, and obviously we can't get the answers if we filter them through Federal offices in Washington. We can only get them here and that's the reason why I'm glad to join with Dick Clark to have this kind of a hearing.

We are here to get your thoughts and as pointed out, we would like your criticisms. We would like to have some comments about why you think the programs have not worked out properly, and I think that is vital in terms of this hearing.

I would also like to compliment these public officials and individuals right here in Long Grove for your obvious success in establishing a center here that was made possible by the work of local people. But we all know that funds and expertise are not always available; and there are other demands a community must face. It's not always possible for local people to help themselves often, they do need some kind of assistance.

Also we are here because we all pay taxes to the Federal Government and we are concerned that in recent years those of us who live in areas like this one don't always get a fair return on our tax dollars.

It seems like the biggest share of Federal dollars and Federal attention, unfortunately, goes to the urban areas and in the process, rural areas have been actually unappreciated.

Now, the real question I think is this: Will the Federal Government make rural development a high priority? Senator Clark and I, and there are a lot of others, are working in Congress to try to achieve that goal. We need farm programs, estate taxes, for example, that encourage the farmers to stay on the farm while we promote the local areas and businesses which depend on rural population and the vitality of the small community. We need to set aside prudent production grants for these areas that can't support large loans in the huge bonding capacity. We also wanted to discuss operational assistance in maintaining EPA clean water standards to communities that are required to install sewage treatment facilities. And we need to lend guidance to the communities faced with the difficult task of applying for Federal help. And I know how difficult that is in terms of trying to understand what programs we should ask for and who we should ask and how we should get there and what funds are actually available.

The priorities of those in Washington, unfortunately, haven't allowed for that kind of support that I think we deserve. Let's take into account the area that was pointed out, Farmers Home Administration. When you take into account the available funds for grants and loans, personnel and agency expenses, unfortunately you arrive at the conclusion that the Farmers Home Administration has suffered

through a net budget decrease of over 30 percent in 2 years. And after Washington makes its cuts, inflation unfortunately takes another bite.

Even in cases where there is no budget cut we see the programs are not actually pursued by the bureaucracy and fail to meet our needs. In the Farmers Home Administration's budget for one area, rural rental units, we see that in that budget, \$541 million, close to half, went unspent nationally during the past fiscal year.

Now, we had a better track here because here we spent about 75 percent of the funds that are actually allotted to the State of Iowa. But in the face of a clear national need, we have got to ask why all of these funds were never used. What it all comes down to is this: We have to do better. We have to guarantee that a rural area gets a fair share, and we must see to it that those Federal dollars are well spent.

I'm sure that we are going to hear from many of you today about better ways to accomplish these goals. I feel we will cover the problem areas and get things started for needed improvement. I, for one, am prepared to learn a lot this morning and I hope when we leave this hearing and after the luncheon, that we have more knowledge and better ideas for progress than we had when we came this morning.

The record is open and I'd like to commend Dick Clark for having the other body come in. We can work together, coordinate to have a hearing like we are having this morning.

Senator CLARK. Thank you, very much, Ed.

I think we are going to hear first from Fred Bauman. I think what we are going to do since we have three or four chairs up here, we'll call about three witnesses at a time and hear them and then have questions.

So we'll have Fred Bauman, director of administration in Van Buren County as well as Earl Brumbaugh, director of public works, and Michael Dunn, director of the southeast regional planning committee. By the way, I'd like to have the mayor of Long Grove stand, please.

We're very, very pleased to have your assistance in setting up this hearing. It is very important to us and we are deeply appreciative. Tell me, how large is Long Grove?

Mayor ROUSH. 399 people—2 months ago.

Senator CLARK. 399? Well then, I feel better. I come from a bigger town. There are over 400 in Lamont, where I'm from. It's a beautiful, beautiful town. As we came in we looked around a little and we are very pleased to be able to hold the hearing here.

Mayor ROUSH. Thank you very much.

Senator CLARK. Fred, will you lead off, please?

STATEMENT OF FRED N. BAUMAN, DIRECTOR, VAN BUREN COUNTY DEVELOPMENT ASSOCIATION, BIRMINGHAM, IOWA*

Mr. BAUMAN. Well, my experience seems to be that they would rather have it on the local level rather than to be told through your regional planning commission that these things must be done or it will be done for you.

We had an experience with a landfill area, sanitary landfill area, in the county and it was all set up, more or less, with the county super-

* See p. 45 for additional statement from Mr. Bauman.

visor and regional planning to build in a neighboring county, which was quite a ways off.

Interested citizens got together and they had a really large meeting on the local level and it established our own committee and they now have their own landfill and are more satisfied that way.

In Birmingham we are pressed to apply for a senior citizens home or a low-rent housing unit. We were told to put in a request for a grant for the location. Because then we had need in so many areas of water and sewer they did not approve. I felt that maybe it was no use any more to apply but they said, "By no means. Keep on applying."

Can't the grant and the funds available be spread on more of a per capita or area basis rather than in the growth centers in the area? That seems to be the pressure on our part, to come up with something more competitive and the contractors are more interested in it. The same way with health care. All these Senators are more medically oriented and everything, but we still have our own unique needs in the rural areas and have to have a required personnel and everything that they make us have and meet the payrolls with benefits and everything that they demand to work for the Government administration or Government agency or some other center. We are trying scholarships and all the benefits we can. They also, on the costs of medical care, they cut the pay on the hospital and it also cuts over on the occupancy. And if the occupancy goes down, the cost per day goes up and still drives the cost up for the patient on the local level. Same way with requirements in our small hospital. We are on a consulting basis with some of our specialists and we work with them being there on about a weekly call. They want the personnel there whenever the treatment is given and it's almost prohibited to have personnel available 24 hours.

Van Buren County is one of the counties which is not eligible for the Federal crop insurance and we are making a push to it.

Why is that? We've always been told that it was a high risk. And when we got to pressing a little bit more, then funds weren't available this year. You will likely be eligible next year. We kind of felt that we would be picked up and we found that several have been told that for several years. More pressure should be applied to make that happen right now.

As I understand it, the high risk areas, the risks are too high and it's all taken into consideration upon application if it were available. We're the only county left in the whole State.

Senator CLARK. There are two counties. You and Davis.

Mr. BAUMAN. Davis and Van Buren. Wayne was picked up recently and it's our understanding that some influential person told our man that they would be picked up next year and they were picked up even though money hasn't been put in the budget.

I think I more or less repeated myself. It just seems like we need more. Even in Birmingham they've had a problem on water and we investigated. Originally a plan was made up. There was a lot of money spent, several thousand dollars, to study. The same way with landfill areas and everything. The money is there and this is what you could do or should do. It was originally planned for Birmingham and Stockport to have one well with a water tower in each town. That would give them equal pressure and solve both problems.

One town went ahead with their water system and they hadn't proven satisfactory there, and they have their own well now.

Birmingham has considered getting their own water and a pipeline from Fairfield. And the citizens don't agree with that plan. They again applied for help on grants and the paperwork and everything that is involved, and they run into some bottleneck someplace and you have to wait for another year before you can apply because of some of the other considerations.

We couldn't go along with the directions made.

Senator CLARK. Thank you very much, Fred. We are going to hear from Earl Brumbaugh now. You come from a most beautiful county.

Mr. BAUMAN. Thank you.

Senator CLARK. Earl Brumbaugh.

**STATEMENT OF EARL BRUMBAUGH, DIRECTOR OF PUBLIC WORKS,
BELLE PLAINE, IOWA**

Mr. BRUMBAUGH. I'd like to talk about the successes and failures of the CETA program in Belle Plaine. It's a Comprehensive Employment Training Act, title VI.

The gentleman that came with me is the recreation director and I'm the director of public works. These at this point are temporary titles.

The mayor and city council of Belle Plaine are part-time people and don't have a lot of time to devote to going through the redtape of getting Federal grants to get Federal funds. They also don't have the time to come to things like this hearing when they should be. The people in the council have jobs. They don't have time to spend on recreation programs that they need established, a lot of programs, recreation programs, in Belle Plaine that will help. It's a very broad program. It couldn't be done by any one person who has a job to do in general.

I've done a lot of things at Belle Plaine. I'm going to continue to do jobs that the people in Belle Plaine can't do because they have to work. This CETA program looks like it's a real good thing when it comes, but when the money begins to run out the town is sort of left hanging. They've got these programs started, but they don't have the people to finish them. With the State ceiling or the 9 percent budget ceiling, they can't expand the budget until next year.

I've got 3 months of training. Dave has 2 months of training and we find out we might be gone in another month. I guess there is some question whether the program is going to be passed again by the Senate and House. It may be vetoed. These are political games that are dealing with people. I think in our area there are a couple hundred people's lives who have got partial training or incomplete training. They have got programs started in cities throughout the area. The programs aren't going to be carried on when these people can't work.

The people enjoy their recreation programs. They do have a large juvenile delinquency problem which, I think, is coming more to us in small towns. These recreation programs are going to help.

Without these recreation programs the children don't have that much left to do. They need them. The CETA program has given the

people in Belle Plaine a taste of what they can have. With the 9-percent budget they can't put us in for this year's budget but they can put us in for the next budget year. That leaves a 6- or 8-month period in between and that leaves Dave Frimmel and I without a job if something doesn't happen.

I think what I'd like to do on a personal level is to urge the Senate and the House to pass that bill and if Gerald Ford vetoes that bill, override it. I think Belle Plaine and other towns the size of Belle Plaine need it. I think that it would be good for the communities of that size all throughout the State, probably the United States.

I don't know if it's common in the other States, the mayor and city council do not have time to go through the maze and redtape that both you, Mr. Clark, and Mr. Mezvinsky have outlined and discussed. I don't want to go through that again because you've already discussed it. We know what it is.

We need someone to do that, someone to go to CETA meetings, someone to go to meetings, someone to help them with those things, Dave to do the recreation administration. I think it's very beneficial. Anything more, I think, would be repetitious.

Senator CLARK. Thank you very much. We are going to hear now from the director of the Southeast Iowa Regional Planning Commission, Michael Dunn of Keokuk who has had extensive experience in the area that he is going to talk about.

STATEMENT OF MICHAEL V. DUNN,* DIRECTOR, SOUTHEAST IOWA REGIONAL PLANNING COMMISSION, KEOKUK, IOWA

Mr. DUNN. Thank you, Senator Clark, Congressman Mezvinsky, thank you on behalf of myself and the Southeast Iowa Regional Planning Commission consisting of Des Moines, Louisa, Henry and Lee Counties.

The Planning Commission was formed in 1973 and since that time they have worked extensively with local units of government to help them do some type of planning for rural development.

The program that I'm going to speak about here is three different communities and what they have done in the area of rural development. The mechanism they used was the Department of Housing and Urban Development's housing and community development program. At all three of these communities the local elected officials were the ones that have put together the plan, long and short range, in which they outlined the goals of the community and what the community's priorities were.

The first community, the community of Columbus Junction. Columbus Junction perceived that they had a problem with their water system, with the supply, storage, and delivery of this system. They asked the Department of Housing and Urban Development for funds for renovation of this system. That was denied.

Subsequently in 1975 at four different periods, the community ran out of water. This meant that there was no sanitation facilities, there was no water, and they were in grave danger of fire.

The city of Wapello is a city that has long realized its need of housing rehabilitation and the need to connect people to sewer services.

*See p. 45 for the prepared statement of Mr. Dunn.

In the past 2 years, the city of Wapello has again asked the Department of Housing and Urban Development for moneys for which they could connect people to the present sewer system as outlined in the State code and the city code of Wapello. That had been denied.

This past year, just a few months ago, the city of Wapello finally acted and required the people in the city of Wapello who were within a designated area of the city sewer to connect up. As a result of this, many people were displaced.

A couple of examples would include two families which would include a 95-year-old man who lives with his daughter and family of four who would have to move out because the property owner does not plan to make the necessary repairs; and an 82-year-old woman on a fixed income who couldn't pay the \$1,000-\$1,500 to connect up to the sewer; a 71-year-old man who lives on social security and who had water and sewer facilities brought into his yard 6 years ago but who cannot afford the additional expense to have an indoor bathroom.

These are the same people who are being hurt by a lack of the Federal Government to respond to what local communities perceived as their needs.

The third community I wish to speak about is a community of Middletown. This community of nearly 450 people, so it's a little larger than where we are today, has had some real problems that they are not responsible for. They are located adjacent to the Iowa area ammunition plant.

In the past years, that community has been serviced by the Iowa area ammunition plant for their water systems. As a matter of fact, the Federal Government built the initial water system for the city of Middletown. Engineering studies indicate that the city of Middletown's water system is shot. It would cost \$270,000 to replace this system. At the present time this comes as quite a hazard to the city of Middletown because with the reduction of forces at the AEC plant and the IAAP plant, the city of Middletown is no longer afforded the higher protection by that. Hence, they have to go it alone.

There have been two fires in Middletown in the past year. The second fire was quite an extensive fire and firemen fought the blaze almost 2 hours. I'd like to read a quote here from the sheriff of Des Moines County, Sheriff Robert Glick. He stated in a letter to the mayor of Middletown, James Wahl,

I could not begin to describe my feelings concerning the lack of adequate water under said emergency conditions. It is easy for others to sit back and berate this lack; yet, when the chips are down, and lives are on the line, we must place our faith in providence and luck rather than utilizing good prior planning and prearrangement!

There simply must be some manner by which your city can avail itself of ample water reserves. The remote location of your town to its fire services makes water of extreme concern and import. I wish everyone could have seen how hard those firefighters worked to put out a fire without adequate water supply.

Once again I have to reiterate, all of these communities asked for Federal funds to alleviate these conditions. All three were denied.

What we have today are local elected officials that are able to perceive what their problems are, to articulate these problems and find real solutions in the way of programs to meet the problems and yet,

the Federal Government has not been responsive to these communities asking for aid.

We use the Department of Housing and Urban Development here as an example; however, I think in fairness to HUD, we should realize that HUD has solicited these communities to send in applications. They have asked these communities to go through that planning process which the local elected officials have done and HUD has not had the resources to fund it. But many of these programs, the water needs, the housing needs, need to be funded by other agencies and the Environmental Protection Agency and the Farmers Home Administration.

I think there are really three things that should be done by Federal agencies either at the State level or at a Federal regional county level. They must break down the communication barrier and exchange information about what the community needs are; that is, the applications they receive from the communities. They must exchange information concerning the individual Federal agency's abilities to meet these needs. Then HUD will know what Farmers Home Administration can do and vice versa, and they can get together to solve their problems.

Third, they must form a well-thought-out and coordinated effort by the Federal agencies to assist these communities.

Thank you.

Senator CLARK. Thank you very much. I think we have a few questions and I will ask Congressman Mezvinsky to conduct the questioning for us.

Mr. MEZVINSKY. First, I have a general question. When you deal with the Federal authorities, whether it is in your capacity as regional director on the local level, whether it's Van Buren or Belle Plaine, what do they tell you the reasons are? Mike, what do they tell you? You gave the example as to why you were ineligible for funds. I think it's important that we put that in your testimony on the record.

Mr. DUNN. Well, with any community, when you submit an application for funding and in this particular case, we are in competition with all the other communities in Iowa that submitted applications, the Department of Housing and Urban Development had criteria that they utilized to select.

Now, good or bad they had to stick with the criteria that they were going to utilize. They couldn't pursue the crisis situations that did develop. I think it's important that the local people realize the potential crisis and are able to bring that out. Maybe we didn't make the story strong enough to the Federal Government to let them realize what the potential for catastrophe was within those communities.

People who are making selections, in other words, in Omaha or Kansas City or Washington can only make the selection upon what we feel and the information we give them. That is probably the reason why they weren't funded. They were not that aware of what the particular situation was in these communities.

Mr. MEZVINSKY. I might tell Fred that Van Buren County has been designated, as I understand after checking with the Federal crop insurance authorities in Des Moines, has a high priority to get Federal crop insurance. Were you aware of that?

Mr. BAUMAN. Well, we had hoped that it would be. We had to overcome these problems of getting their approval instead of being just shoved to the side. Tell them it could happen.

Might I ask?

Mr. MEZVINSKY. Sure

Mr. BAUMAN. It's my understanding or I think I've heard the rumor that possibly—we have an FHA office in our county and it serves all counties on a part-time basis, too. I have the impression that because more funds are being handled through housing and other things, that they may move to another community.

Mr. MEZVINSKY. I don't know off the top of my head. We can try to get word back to you.

Mr. BAUMAN. I just feel like there's more money being handled in other areas; that they are more interested in those than they are in the small problems with the small communities.

Mr. MEZVINSKY. Mike, do you have a comment?

Mr. DUNN. On that particular point, Van Buren County does have the office located in Keosauqua. As I understand it, under the Housing Community Act, Farmers Home Administration was going to. In Lee County there were two communities, Fort Madison and Keokuk, which thus became eligible. But as I understand it, there are no plans to change the office at this time but they are talking about extending hours in Lee County.

Mr. BAUMAN. Thank you. And I might throw in a little bit, too. I'm involved with the Agriculture Stabilization and Conservation Service. We have stacks of applications each year that we aren't able to meet, and we hear so much comment from up above that we are being politician's pork barrels and things like that. That don't rest too well when we have the need on the local level.

Mr. MEZVINSKY. I just have one other question in regard to the CETA program. Your time line, you said within 1 or 2 months you could find yourself without a job if the program was closed. Can you expand on that? Is that the time line for your funding?

Mr. BRUMBAUGH. Yes.

Mr. MEZVINSKY. That stops?

Mr. BRUMBAUGH. Yes.

Mr. DUNN. I can expand on that, too. The program apparently that they are under is a title VI program with CETA which was discontinued, to run out shortly in September, I believe. That has been passed in the Senate to expand that for a year's period. What can be done if they're in a county that exceeds 6.5 percent unemployment is switched from title VI to title II which already has that type of funding.

Mr. BRUMBAUGH. I already tried that and—

Senator CLARK. Tried what?

Mr. BRUMBAUGH. Switching from title VI to title II.

Senator CLARK. What does that mean?

Mr. BRUMBAUGH. They're just two different parts of the program. Some people, I guess, can switch from title VI to title II, but apparently not Dave and I. We don't know why for sure.

Mr. MEZVINSKY. You don't know why you can't switch?

Mr. BRUMBAUGH. No, she just said it wasn't possible when I talked to the field representative, Fran Hansen. It was supposed to run out August 20. I really feel like the CETA program has been poorly managed. The reason I feel this way is, why should they take someone and give them 2 or 3 months in this position, get the town used to getting this service, when they know the conditions of the budget and the budget ceiling, and then leave the town hanging and we, the people, without jobs.

Now, if I were single and wasn't married and didn't have a baby less than a week old, I wouldn't care. I could find a job. But I think when they talk about passing bills and getting them vetoed, I think they overlook the things that are happening, that they are dealing with people's individual lives. And I think they should consider that a little more carefully when they start administering Federal programs and give someone 2 months of training and then say, "Well, we're sorry. The money's out. You're going to have to go."

Senator CLARK. Let me just say that I couldn't agree with you more. Small towns do get benefits from the CETA program and have some public works programs and I'm confident, I might say, that we will pass it. I might mention, I think it's actually passed the Senate. I think we are due to vote on it in about 8 or 10 days on the Senate floor. But I am confident we will pass it primarily because the unemployment rate has stayed so high. We still have about 1 out of every 15 Americans who are unemployed, and we have unemployment problems in rural areas just like we have in metropolitan areas. So I would be reasonably confident that that program will be extended and I would think for longer than a year, but I can understand the frustration that you experience, in the meantime.

It's a program, I think, that is very effective but it hasn't been made to work. It's been very valuable work. People like yourself, others in small communities and large, have been able to add to their staff and do some things that they otherwise wouldn't be able to do. And I think it has helped the whole budget as well.

I want to ask you—just as someone coming to Belle Plaine, I'm trying to look at that situation—what do you see as their greatest need in that community?

Mr. BRUMBAUGH. I came to Belle Plaine from a larger town. I've only been there about 3 months.

Senator CLARK. That's why I think you might have a different view.

Mr. BRUMBAUGH. The things that I have learned since I have been there that amazed me most is how neglected they are.

Senator CLARK. Neglected in what way?

Mr. BRUMBAUGH. Money. I know money is going to the large cities like Chicago and Des Moines. The tax money leaves Belle Plaine and they have to run all kinds of gimmicks, run through hoops and everything, all kinds of mazes to get part of the money back. It's a nightmare.

Senator CLARK. But what specific things do they need if they could get the money?

Mr. BRUMBAUGH. They need someone to help them run those mazes. Like, for example, we got this HUD grant. Now, it took about 3 years to get that grant. By the time they got the money, the price of what they're going to have to do has almost doubled.

Mr. MEZVINSKY. Can you state how—

Senator CLARK. Rather than methodology, what do they need? A housing system? A sewer system?

Mr. BRUMBAUGH. Many houses in Belle Plaine are still on septic tanks and have their own wells right in the middle of town. Now, sometimes there is a sewer there, to which people can hook on to if they wish, but most of the time there's not. Sometimes there is water to which people can hook on to, but most of the time there's not. Many of them are retired people. I guess the median age of Belle Plaine is relatively high. Sewer and water are the biggest problems. They need it badly. The sewer plant is about to quit. I think that our sewer plant—every day we are just wondering if it's going to keep going because there are pieces breaking in it that are so old we can't find replacements.

Senator CLARK. Let me ask Fred the same question. What about Van Buren County? What are two great needs, if you can generalize about them briefly?

Mr. BAUMAN. Well, to update their water systems, their sewer systems, seems to be the primary need, to go on with the other projects. Again, getting the funds back to the local level as I've said before. The same goes to the growth centers. I think a fair share should come back to rural communities. In Birmingham, my home town, I live 3½ miles south, but to have a water system it isn't adequate.

They have a sewer system that can't cover the whole town in the first place. Some people pay sewer tax and they have no sewer.

They have various meetings and various agencies come there or representatives of the different planning organizations to help set this. And again, the things that are required to come up with—a stack about that high of needs or plans or has to go through an engineer, architect, or some source. It runs into a good bit of money. With the time that is consumed and the money that is spent, they still aren't any further along than they might have been a year before.

Senator CLARK. Well, I wanted to congratulate you on your soil conservation. If we are going to have full production, we have to have full conservation.

We've lost half of all the topsoil in this State in the last 100 years. So I think it is very closely related to the problems we are talking about here.

Now, Mike Dunn, just a couple of quick questions. I realize that we've got 12 witnesses and we spent about an hour here with these three, so I'll try to be brief.

You talked about Wapello and the problem area. You cited two or three individuals, older people, how much it cost to hook up. Why does it cost that much and what could the Federal Government have done if they acted, in your judgment, in the way in which they should have that would have offset this?

Mr. DUNN. The Federal Government in the particular situation could have given Wapello the grant that they wanted and they could have had within that grant, moneys in which to help these people or assist them in the hook-up cost.

Well, in this particular case under the bill, it was an outright grant. What we did finally end up doing was writing to Farmers Home Administration asking them to come out and talk to these people. We're

in the process now of doing 1 percent loans with a couple of the people.

Senator CLARK. What does that mean?

Mr. DUNN. Loans which these people pay over a long period of time, 20 years. Borrow the money at 1 percent interest to pay on the sewage system that they need.

But here I think the real problem is that there was no dissemination of information. There was no outreach on the part of Farmers Home Administration saying, "Look. Here we've got to look for help for these people." It wasn't until they responded to a letter from the regional planning that they came into the community and met with the people.

Senator CLARK. Well, I think the thing that we have really fallen down on, in terms of Farmers Home and water and sewer, is grant money. We must have some grant money so we can really afford to bring these programs down to older people.

I can tell you a good deal of problems about older people. We've just been holding meetings on the Committee on Aging, and it's amazing. A fourth of the people who live in the small towns of this State are over 65, and half of those live below the level of poverty.

It seems to me the one thing we could do above all others, if we are going to provide water and sewer in these communities, is to have an adequate amount of grant money, not just loan money.

Loan money is fine. It makes it possible to have all of this borrowed money, but it has to be paid back. And it seems to me that the heavy emphasis that we've been getting out of not only just this President, but the last couple, is we just can't have any grant money. Is that the right thing? I think that's the key to it.

You have been very good witnesses. We thank you very much.

We're going to hear now from Clarence Norton, the mayor of Le Claire; Jean Roush, the mayor of Long Grove; and Adrian Brinck. He is a county supervisor. Come right on up.

We will start with Mr. Norton, mayor of Le Claire. You go right ahead.

STATEMENT OF HON. CLARENCE NORTON, MAYOR, Le CLAIRE, IOWA

Mr. NORTON. Thank you, Senator Clark.

I'm speaking not only as mayor of Le Claire but also representing the majority of the smaller communities in Scott County. Many of these communities have passed resolutions supporting the statements that I'm going to make, a proposal for adjusting inequities in disbursements of Federal grants.

The continuing inflationary spiral has had a universal impact upon all communities. We all know that, rural as well as metropolitan.

Although I know of no statistical data to substantiate the actual degree of inequity; there is, in fact, considerable inequality in disbursement of Federal grant funds between those communities under 8,000 population and more metropolitan areas.

The 8,000 population figure cannot be firmly established with statistical data. Local governmental units in smaller communities, under

present fiscal arrangements, are managing to maintain normal services within budgetary limitations. However, when the need arises for larger expenditures, the only alternative is to push G.O. bonding capacity to imposed limitations. This only serves to place greater pressure upon fiscal balances through greater interest indebtedness.

Those local incorporated communities located within commuting miles of a metropolitan area have a special problem. Such smaller cities have become "bedroom" communities faced with provision of essential municipal services but lacking the industrial tax base to keep pace. Furthermore, they lack the available funds to provide the sewer and water facilities essential to enticing corporate taxable income.

The greater metropolitan centers face monumental problems running the gamut from urban renewal to overexpansion. It is practical and necessary that problems of great magnitude receive high priority in the determination of grant recipients. However, we have too long overlooked the problems of the surrounding communities who have acted as a safety valve in the exodus to the smaller city. Something must now be done because the safety valve itself is about to blow.

It is with these facts in mind that I speak for a number of the mayors of Scott County and councils. The following suggestions are respectfully submitted for congressional consideration.

One: That 30 percent of all funds set aside for Federal grants be reserved for cities under 8,000 to 10,000 population. Here again, I have nothing to substantiate this as an actual figure. The clarification point could be somewhere varying either way.

Two: These funds would be subject to the same priority review on a regional basis as is now the case.

Three: Smaller cities would not be subject to previously established priorities for funding consideration but would be considered on the basis of unique need, with more careful in-depth evaluation in establishment of this need.

The smaller community under 8,000 to 10,000 population would thus have more opportunity to compete against metropolitan projects that are currently receiving a disproportionate share. The problem of the urban area would be solved by extending the time period of essential grants over a greater number of years.

Thank you.

Senator CLARK. Thank you for an excellent statement.

Jean Roush, mayor.

STATEMENT OF HON. JEAN ROUSH, MAYOR, LONG GROVE, IOWA

Mr. ROUSH. Thank you very much, Senator and Congressman.

Not knowing what a true congressional hearing was, I didn't quite know how to prepare. So what I think I'd like to do is share with you what I know to be true and the facts in the light of the experiences of the city of Long Grove.

Gentlemen, in order to know the quality of your Federal programs, it's necessary for us to be involved, and I would say in the mid-1960's we were involved with programs provided us. I didn't remember the initials now. Programs that provided us with the sewer grant. We received about \$80,000 to provide a lift station and a sewer lagoon and inceptors and the necessary sewer leakage to accommodate them. To

the best of my knowledge, we are more than satisfied with the cooperation we got from the coordinators of the program.

I would say that since that time the problems have not decreased, but have increased. We need a water system. We began to evaluate that and we were fortunate enough to find a used water tower of a 100,000-gallon capacity at a factory in Moline and we priced it. We began to look at it and at that time we investigated the possibility of getting a grant with our engineers, and they suggested to us that the big outfits are getting the money. The big cities are getting the money. They suggested an amount that seemed like very little to be spread about over the whole area. And so the council elected rather than to—already having recently had a grant—and I might mention one thing that is a personal thing with me. I remember a small city here that was having difficulty with their water system because they didn't have good water, Buffalo, I believe. And it kind of puzzled me that one city could be having difficulty getting clean water for their community to use while another community with Government funds was extending the beautification of their Main Street.

But back to Long Grove's water tower. We elected not to even seek a grant for our water tower. Over a period of about 2 years, we determined that our water tower would cost us about \$97,000. We were quite fortunate; a new one would run right in the neighborhood of \$200,000. So we put in our water tower and we've got a really improved water system now.

I would say that some surprise came to me when we were going to advertise the bonds. Two banks, of course, in Eldridge purchased them and I appreciate that. But the \$20,000 of even their general obligation bonds came to us over a period of 20 years at an interest rate of something that amounted to about \$11,000. And then a few weeks or a month after that we considered the revenue bonds. And on that \$60,000 the interest would amount to about \$49,000. Now, I think that's about \$60,000 in just interest. And so, of course, we have obligated ourselves for some time in the future, and we've also met pretty close to our taxing capacity.

To summarize, I might say this. We're a city that tries to do things ourselves. This, I think, is what democracy is. People do for themselves. And when they can't do for themselves, they seek help elsewhere.

Long Grove has tried to do that, but I think I'll just say this. The big cities are getting money to improve and do the things they need to do, but yet the people for whom I'm concerned say, "Let's move to the suburbs. Let's move out of this big city." And so they come out and the builders and developers seeing this opportunity ask for extension of the city limits which imposes again on the city. They need to expand their various facilities.

Our lagoon needs expansion. Where are we going to get the money for it? We spend, ladies and gentlemen, about a \$157,000, obligate ourselves \$157,000 worth and we don't know where we are going to get the funds to do the rest of it. So I would hope that possibly Congress could consider those communities that are doing their level best to accomplish what they can do on their own and through revenue sharing which really doesn't amount to much in the city of Long Grove to bring back some of that tax loan that we so willingly share

to the community that we might continue to live with ourselves and to work for ourselves and accomplish those things by ourselves.

I thank you, gentlemen.

Senator CLARK. Thank you very much.

Adrian Brinck, Lee County Supervisor.

**STATEMENT OF ADRIAN BRINCK, SUPERVISOR, LEE COUNTY,
WEST POINT, IOWA**

Mr. BRINCK, Senator, Congressman, one of the most pressing problems facing rural America is the problem of waste disposal.

For the last year and a half Lee County and most of the city governments of Lee County have been studying gas incineration of waste. The byproduct of this system would be the generation of steam which in turn would be sold to a local manufacturer.

Considering the present amount of waste available, the incineration plant at best would supply approximately 30 percent of the steam needs of the manufacturer. The net savings on gas would be approximately 600 to 650 Mcf per day. This would supply approximately 160 homes with normal gas loads.

If the amount of waste was to double, the savings on gas burned by the manufacturer would rise dramatically and the dollar savings on waste disposal costs would rise every bit as much. As least in theory, the sale of the steam could offset the total cost of county waste disposal.

To date there has been a total of approximately \$15,000 spent on a consulting firm to study the quantity and quality of the waste at our disposal. Revenue sharing dollars have picked up the county tab thus far for research. A disturbing fact thus far is that seemingly there is no expertise with the exception of Com-Somat, a trade name, in the incineration field of waste disposal in the 100-ton per day class.

I attended a seminar in Des Moines sponsored by DEQ. The two gentlemen who put on the seminar were experts in waste disposal and recycling. A very informative session, the only problem was that the information given was devoted to the 500 to 1,000 tons per day type of waste disposal plants. This eliminates a big share of Iowa.

The point of my remarks is that so many times business and the Federal Government forget that the United States is still, to a great extent, made up of small parcels of land and small groups of people. These forgotten people are the ones who provide the treasure, blood, and muscle that keeps this country going.

Revenue sharing is probably just about the only Federal program that isn't tuned to one particular segment of the population be it the farmer, businessman, black, brown, old, or young. One of the biggest plus factors in the revenue-sharing bill is the fact that it is a relatively clean bill. No bureaucracy had to be created to administer the bill. Local people did not have to waste time and money or fight with an agency to get a program underway. Yet, there was an attempt on the part of some Members of the House to gut the revenue-sharing bill, to make it a political tool of Congress. Fortunately, there were enough Members of the House who remembered those people who are the backbone of the country to pass a bill which is workable and of benefit to all people.

The biggest problem with the revenue-sharing bill to date is the manner in which the Bacon-Davis bill has been tied to it. This tends to eliminate the small businessman from bidding on many projects.

If I might add this, I've been listening to the gentlemen that have spoken previously and seemingly we always run into the problem. I don't blame the bureaucracy, but the criteria that is set, sometimes, the time element. Now, as a matter of fact, gentlemen, Lee County many times, most of the time, does not even give consideration to a Federal program or grant because we know that by the time we start to the time probably that we can get the money, we'd have 3 years gone by. It's a headache in every way, shape or form.

When I was in Washington this spring or late winter, we discussed the revenue-sharing bill. I think one of the big plus factors that was always brought up was the fact that we didn't have to get into that time consuming—and sometimes the consumption of time means also the consumption of dollars.

Thank you very much for your time.

Senator CLARK. Thank you.

Let me ask you—as I indicated earlier I served on the Committee on Aging—if you have any statistics on the number of people in Lee County that are over 60 or over 65?

Mr. BRINCK. I don't know, Senator, and I would guess though that it might be a little bit below the average because Lee County is a fairly high industrialized county; and seemingly, the elderly tend to be a greater portion of the rural counties.

Senator CLARK. Yes, yes; what do you know generally or have you had any discussions in terms of the supervisor or others about some facilities as health care in the community, Lee County?

Do you have doctors in several of the communities or only in Fort Madison and Keokuk and a couple of others? Can you talk about that?

Mr. BRINCK. The doctor situation peculiarly seems to be the worst in Keokuk and Fort Madison. Now, West Point has a doctor, Donnellson has a doctor. Fort Madison had three of their principal doctors leave for Burlington the other day and I assume maybe because Burlington is going to have the secondary treatment hospital for secondary treatment. The hospital and the Valley Clinic in Fort Madison do have a program. They're contacting doctors and I understand that they have hopefully some new doctor that can come in.

The medical service available in Lee County, I would say, is relatively good. We have an abundance of nursing homes and two relatively good hospitals.

Senator CLARK. And Fort Madison and in Keokuk?

Mr. BRINCK. Fort Madison and Keokuk each have a hospital and that's all the area would support.

Senator CLARK. The other question I wanted to ask in this same regard, is there any public transportation system at all in Lee County in terms of picking up people in the smallest community, taking them—in particular the Waterloo people but not necessarily—into the doctor or hospital; that sort of thing?

Mr. BRINCK. Senator, I know a year going on 2 years, we have had a van which goes out into the county and picks up people.

Senator CLARK. I see.

Mr. BRINCK. When she started out, she had a schedule. And the funny part about it, there wasn't enough people who made use of it to warrant a regular schedule. So now, if some elderly person wants to go into town from West Point or Fort Madison, why all they have to do is call them and they drive out and pick them up. It's quite handy.

Senator CLARK. Thank you very much.

I want to ask the mayor, you mentioned just in passing here that revenue sharing was not a great deal of money, but I am just curious about how much you did get in a community of this size and what you used it for.

Mr. ROUSH. Searching back in my mind, I'm going to say I'm thinking 10 and then I kind of remember 14, so I'm going to say 12.

What do they use it for? We used it for our water tower at this time. We put it back in the budget. We put it back where it serves the community.

Senator CLARK. So it helped the water tower?

Mr. ROUSH. Yes.

Senator CLARK. I wondered if we might ask the mayor of Le Claire, I'm curious about housing. Now, as you know, not only Le Claire but you're here representing other small communities in Scott County. What's the housing situation in these communities as you feel? Is it bad, terrible, reasonably good? What kind of housing is it?

Mr. NORTON. Tight; very tight.

Senator CLARK. Tight?

Mr. NORTON. And especially posing a special problem for those in the lower economic brackets. New housing starts are just not coming on as they should. We have a housing crunch.

Senator CLARK. What does it cost to build an average house? Do you know? If you see people build houses in Le Claire and other communities, what does it cost now?

Mr. NORTON. A typical house that 5 years ago sold for \$29,000 will sell for around \$45,000 in Le Claire right now.

Senator CLARK. Almost double?

Mr. NORTON. Yes; costs of a typical 100-foot lot has gone in the last 3 years from \$3,500 to \$7,500.

Senator CLARK. Thank you.

Mr. MEZVINSKY. Mayor, on a 30-percent proposal, I'm not very clear yet. We put this 30-percent figure in to 10,000. Maybe you want to elaborate as to how you reached 30 percent.

Mr. NORTON. I indicated that this was only a figure to put across the concept. There was no way of gathering valid statistical data to substantiate exactly where those breakoff points would be.

Mr. MEZVINSKY. I'll ask you and then I'll repeat it to the other two. How should we use these kinds of moneys, the revenue-sharing funds, as far as you are concerned and what kind of input have you gotten from all the other mayors?

Mr. NORTON. Yes; these funds should be used. As I indicated as a third point here, that the greater latitude should be given in determining what these needs are in the smaller communities. In other words, a master plan will be sent out with a grant stating what the priorities are. Let's say they may be housing, elderly housing. I'm just pulling this off the top of my head. I don't recall what the various ones are,

but if you don't—your need doesn't fall within that particular category, you're out of the box. You might as well forget it.

Am I answering your question?

Mr. MEZVINSKY. You are aware now, with the bill, you are waiting for it to get passed in the Senate or signed by the President, but the bill has more options now. Now, it's wide open. You can choose whatever you want to do with your funds, so hopefully that will be improved.

Mr. NORTON. Good.

Mr. MEZVINSKY. Now, the mayor of Long Grove, one point that you wanted to get out is that—I sensed in your comments the hesitancy to ask for Federal funds. Is that a general view or do you feel that we may as well get our fair share? I don't know whether you wanted to give that impression but you said, "Well, we went for water projects but then we turned down because it was so complicated and everything."

Do you sense a reluctance, small town officials, public officials, to go and ask for getting their tax dollars back?

Mr. ROUSH. There is certainly not any reluctance on the part of any council to ask for funds if we need them. I think that the council having just recently, within a few years, receiving a grant of some \$80,000, plus the engineer's advice in this, you could do it. We could go to the expense of making application, but it probably wouldn't be forthcoming. We just elected to go on our own. And I'm sure that if we have a need—we have already made application to provide moneys to enlarge our sewer lagoon. If there were hope there, I don't think—I'm sure that there is no hesitancy on the part of the council to request funds if there is a genuine need. But that need does extend over the whole State and there are other towns, I'm sure, that are in worse shape than Long Grove and has had avid consideration for that kind of thing.

If I were rich, I wouldn't be going to grants. I guess that is my point.

Mr. MEZVINSKY. Why should we be focusing our attention on programs on the county level? In what cheer, as you mentioned, waste disposal has a high priority. Do you have other areas, and then where else should we be spending our funds as far as the revenue-sharing programs are concerned?

Mr. BRINCK. Well, Congressman, if I could take one negative point in view insofar as revenue-sharing dollars are concerned. In my opinion, revenue-sharing dollars should not be spent for the day-to-day operation of Government simply to cut the local tax bill.

Now, again taking Lee County as an example. We have spent our revenue-sharing dollars in many areas, but almost every instance it has been a capital improvement of some sort or another. And I think that the revenue sharing should be. It should not have any strings on it which would eliminate or hinder a local government body from spending the dollars where they feel they should be spent. Now, if they get into trouble by the mere fact that they spent it for their day-to-day operation, say 5 years from now, and Congress changes its mind; why as far as I am concerned, that local government is going to have to pick itself up by its boot straps and get itself out of the problem that they made for themselves.

If I may make one comment, I would like to see more revenue-sharing dollars rather than so much of this grant money because every time you put grant money out, you increase the cost of a project by about 30 percent. Well, I think that is sufficient for that.

Senator CLARK. Thank you very much. I thank the panel for a very excellent presentation.

We are going to hear next from Dick Singleton, mayor and board member of the Iowa Municipalities in Conesville; Leland McCosh, the mayor of Winfield; and Arthur Bolton, the mayor of Wapello. We've heard a little about Wapello already this morning.

Let me say as they come up here that Jerry Suchan from Marshalltown is here with the—this is a long name, but you are going to be interested in this—Federal assistance program retrieval system. This is a computer system that you can plug in here in this building to determine what Federal programs are available and under what categories and so forth. All you have to do is go up and say, "I'm from Winfield and I'd like to know what's available for housing." And it can tell you exactly what programs are available and how you apply and so forth. So we are going to ask Jerry to set that system up in the kitchen downstairs. So you may want to roam in and out of there.

Take a look at this system. It's something that we've just developed. It's hooked into a central system, I assume, in Washington—in Cleveland and it can answer questions in about 3 or 4 minutes that any of you may have about any Federal programs of any kind. It shortcuts the process of going through all the writing and all the rest. So even if you don't have a problem, go in and give him one and see how it works because these are going to be available now in our State.

I also want to say that the entire statements of each person here whether you have an opportunity to testify or not will be put into record if you will just leave it with us or mail it to us within 30 days. So if you are sitting there and you've got something you would like to say, go home and write it down, send it to me, Dick Clark, U.S. Senate, Washington, D.C. or to Ed; Congressman Ed Mezvinsky, House of Representatives, Washington, D.C. It will be put in the record.

I know that several people have longer statements than 6 minutes and we want longer statements. So if you have a 10- or 20-minute statement here, the whole statement will be put in the record.

First we are going to hear from Dick Singleton, the mayor and a board member of the Iowa municipalities.

STATEMENT OF HON. RICHARD D. SINGLETON, MAYOR, CONESVILLE, IOWA

MR. SINGLETON. Thank you, Senator Clark, and Congressman Mezvinsky, for the opportunity of testifying at this hearing. I commend you both for coming to rural Iowa to discuss these issues with us.

My name is Richard Singleton, and I am the mayor of Conesville, a very small city located in western Muscatine County near the junction of the Iowa and Cedar Rivers. Our location gives us light, sandy soil, that falls in the middle-price area; the most abundant supply of good quality water in the State; two railroads; and excellent high-

ways connecting with I-80, Highways 61 and 92. An ideal location but with many vacant lots and average to below average housing. Our population is made up of approximately one-third elderly living on fixed incomes, one-third middle-income working, and one-third low-income working. Conesville also has a Mexican-American minority population of about 30 percent.

As I understand the purpose of these hearings today, we are to examine the impact and policies of the Farmers Home Administration and the Rural Development Act of 1972. My comments will be from my perspective as a small city mayor and from the discussions of the locally elected officials around the State in my capacity as a director of the League of Iowa Municipalities.

I would first like to comment briefly on the statement of Mr. Frank Naylor given in May at your hearing in Bondurant, Iowa. Mr. Naylor stated that Iowa was fourth in 1975 in total allocation of funds by the Farmers Home Administration. I would like to point out that the funds that went directly to the farmers in the State ranked them fifth nationally, a very justifiable position based on the tremendous contribution Iowa makes to the Nation's agricultural output. Now, for a moment, let's consider that Iowa has 956 cities in the State, second only in the Nation to Illinois that has slightly over 1,000. If Iowa is ranked on funds that went to her communities, we ranked at best, 17th nationally. I submit that this is not our fair share.

I believe at this point the question should be asked, and if I might prevail upon you gentlemen to encourage your staff, if possible, to furnish me with the amount of grant funds allocated to the cities in the State of Iowa, then further broken down as to the population of the cities. I doubt very seriously that the small cities are getting their fair share. And when I speak of small cities, I'm speaking of the 456 cities in the State of Iowa that are under 500 in population.

Senator CLARK. 456?

Mr. SINGLETON. Yes, sir. I don't think we're getting our fair share.

I am reminded at this point of a story told about Adm. Hyman Rickover, the head of the Navy's nuclear program. Admiral Rickover was at a shipyard in Groton, Conn., a couple of years ago at the keel laying for a new nuclear, fast-attack submarine. The ship was named "The *Groton*," a distinct departure from the tradition of naming these ships after fish. At the luncheon following the ceremony, the admiral was asked by a member of the press why the ship was named after a city and not a fish. The admiral replied, "Young man, fish don't vote."

In some ways the small cities of rural Iowa, and indeed all America, remind me of the fish that don't count. Also, we don't make the national headlines with our problems; we don't organize well; we don't present glamorous political issues that assure our elected representatives reelection. Our funds are impounded, cut in the name of fiscal responsibility, pushed off till next year to hold down Federal spending. Our problems don't rate special attention by the President, special Federal intervention, or special Federal legislation costing billions of dollars to bail us out of certain bankruptcy caused by our own negligence and mismanagement like some of our big brothers. Like the fish, we apparently just don't count. But I assure you that our problems continue to worsen, and our poor are still just as poor as they are in the large

cities. Our small city citizens continually become more and more frustrated by the Federal Government's apparent lack of interest or disbelief that we actually have problems that we must have aid to solve.

It is my understanding that the Farmers Home Administration and the Rural Development Act of 1972 have as their purpose, the development and prosperity of rural America in four general areas: farmers' programs, housing programs, community programs, and business and industrial loans. Those of us who live in truly rural America viewed the passage of this legislation as the beginning of a new era, one that would bring the solution to the real problems such as low cost housing for the elderly, community recreation for young and old alike, badly needed sanitation systems, water systems. We thought that even if we were truly rural-city people, we were going to have the same advantages that big city brothers had. We knew we wouldn't have the same size swimming pool, or as many, and our library wouldn't have as many books or bricks, but someday in the near future it would be there. And from all indications unless there are some drastic changes made in many areas and more funds made available on both a grant and loan basis, it is not going to be there.

The first and most obvious step is to allow the Farmers Home Administration to get on with business that it was designed to conduct, to fund the programs at a level that would allow them to have an impact on rural America.

Reduce the massive amount of duplicated expensive paperwork; put in the field teams of experts that can gear themselves down to the scale of small city needs.

As a very good example of why this is needed, in my own small city our tax income for fiscal year 1976-77 is \$8,060. Our total income is about \$30,000. One project attempted and by the time the application is made we would have a good portion of our tax income expended, knowing we were faced with overwhelming odds of not getting the grant or loan because of our inability to repay it.

Gentlemen, bear in mind that the very small cities have part-time mayors, part-time councilmen, a part-time clerk, and possibly no full-time employees. Our city attorney is obtained on an hourly basis. We don't have the personnel that can devote the tremendous amount of time necessary under the present guidelines set down by the Farmers Home Administration. We just cannot afford to pursue the grants and loans to get the facilities we need.

I submit to you that grant money should be made available to the small cities upon simple application to employ the necessary personnel and to pursue and obtain funds for needed modernization.

I suppose maybe that the only way that I can make you understand my frustration is to ask each of you for a moment to put yourself in my city as mayor, understanding its needs and desires and feeling that they were completely out of reach, and that same morning hearing on the early news that Iowa City was given \$50,000 for a bike path between Coralville and Iowa City, millions for urban renewal. Muscatine got several million for a sewage treatment plant and further millions to tear down buildings much better than our best. Davenport received millions for a storm sewer system, after Conesville had been practically under surface water for 2 years.

I am sorry that I have had to sound so very negative and pessimistic, but it is only because I want my citizens to have, on a much lower scale, the same advantages and services that the larger cities are able to provide.

Don't treat us like fish who don't count. Treat us like our big neighbors. After all, we are not asking for a handout; we are just asking for a hand.

In conclusion, I wish to express my thanks and my city's thanks for this opportunity.

Thank you very much.

Senator CLARK. Thank you very much.

We are going to hear now from Leland McCosh, the mayor of Winfield.

STATEMENT OF HON. LELAND C. McCOSH, MAYOR, WINFIELD, IOWA

Mr. McCOSH. I've been a mayor for about 10 years and I have before me a project that our city has been trying to get through since 1966. I want to thank Senator Clark because he wrote me a letter last week, or his office at least did, in answer to one which I had sent to them. And he informed me that they were not giving EPA of Kansas City some information they wanted about a contract written between Powers-Willis Engineering Co. and our city.

I went to Powers-Willis. Mr. Powers is here. I went to my city clerk; I went to my city attorney. There never was such a contract. There probably was agreement. The work was done and Mr. Powers came into my office. I have never met him before and it happened to be last Friday. On Monday I was sitting at my desk and I thought, Mr. Powers, you and I need to get together. So I called him about this letter because when I got home I had your letter in the mail. And I said, "Why can't we call them and just tell them about it? We've got the paid warrant," which we did.

After the telephone conversation, it sounds like we may get some progress, so I thank you for it. It's the first encouragement we've had for many years.

But here I have in my hand, I'm not going to go through all of this; but in October 1966, the City Council of Winfield wrote a letter to Jack Cowen who is the FHA director of Mount Pleasant transmitting for additional fund applications.

Now, this is a sewer and water grant that they are after for rehabilitation of a sewer system which was put into operation in 1914 at a cost of \$14,000, and the contract reads "covered."

We ran a sewer line 3 blocks this last year, a 10-inch line, and that alone cost us \$25,000 and a water line, an 8-inch water line that we ran from the city, 4,600 feet, this was an 8-inch line to the new health center, that cost us \$134,000. That is on general revenue bonds.

And to you, Mr. Brinck, I can agree with you up to a point. If I lived in Lee County and in Fort Madison and had all of the tax breaks from manufacturing that you do, I might feel that we don't need grants, but I can't go along with you.

In June 1968, another letter was sent to FHA in Des Moines giving a brief outline. In June 1968 another was sent to FHA; 1969, another; 1970, another to the Iowa Department of Health and Welfare. This

one to a man of Fred Evans; 1972 Chris Woodmis, I don't know what that one was for; 1972, response from Dale stating the qualifications and assistance and so on. Here is another one in 1972, but there is the whole history of this one grant.

Senator Clark, we have hopes now that maybe we jarred them loose. And we had to have someone out of Cedar Rapids come in and go over our water system to check our water tower which was put in in 1914 and it now has to have a patch about every year. The last one cost us \$6,000.

They tell us that the life of that tower that holds 50,000 gallons is 3 to 5 years. Well, you know those things as well as I do. It may last 10, 20; but nevertheless, a new one to replace it is going to cost \$240,000.

Now, those are some of the things that a small rural community of 875 people face in these kind of times. And 30 percent of our population in Winfield are retired citizens living on a minimum of Social Security or savings. Most of those people are retired housewives, widows. At one time, I think it was in the last census, we had 74 homes with only one person living in them. That has changed somewhat now. Some have gone out to our nursing home.

One of the things I'm glad to see is that some of our younger people have begun to see the value in some of these older homes and are buying them up and remodeling them, rebuilding them, at a lot less than what a brand new home costs. This is not always true, but they don't give even olds homes away. I could go on and on here about the problems that we have.

When you see, and my citizens like neighboring mayor from Conesville, when my citizens hear where a neighboring city got a \$6-million grant to put a park or a forest down the main business street in their city—it's beautiful and it's going to be. I don't know where they intend to park the people if you go there to shop. That's their problem. My problem is to try and get the Federal Government to realize that we need some help out in our community and other small rural communities.

Just 6 miles west of me a little town of Olds has been in a water problem. They got an FHA grant or HUD grant, I forget which, and then they ran out of money and they sweat it out. But they finally got a little help.

This is not only true there, it's true of all the small communities.

We have done this, as Mr. Mike Dunn is our director of the Regional Planning Commission and all of our communities in Henry, Lee, Louisa, and Des Moines Counties have formed a Regional Planning Commission so that we would have the expertise from Mr. Dunn's office. This has been my greatest right arm. I can't tell you how much Mr. Dunn's office has done for us and is doing for other small communities.

With that, I think I have presented the problem. When it takes you from 1966 to the present time to get a grant or get any help, I think something needs to be done.

Senator CLARK. I think you made the point very well. I hope you'll leave the entire testimony for the record* because it is a good illustration of waiting a decade. And we may well have some questions of you in just a moment.

*See p. 48 for additional material submitted by Mr. McCosh.

We want to hear first from Arthur Bolton who is the mayor of Wapello.

STATEMENT OF HON. ARTHUR BOLTON, MAYOR, WAPELLO, IOWA

Mr. BOLTON. Thank you.

My talk will be a little different. We have a unique problem in Wapello. We have a county seat of about 2,000. We have about a mile and a quarter of river bank, and river bank erosion is a major problem.

At one time they had a baseball diamond at the edge of the city, and first base and second base now are part of the river. So you have some idea what is happening. [Laughter.]

Wapello is about 20 feet above the river. That's the ordinary stage. You go down about 20 feet through the sand, you hit a layer of blue clay. Blue clay in this case is very difficult. People that have tried to drill through it found that they could drill, well ordinarily, probably 5 feet with old fashioned material in a day. But it took them a week to go about 2 inches in blue clay. Now, that is very hard and it is throughout the city.

Now, that separates the water from—when the soil is full of water, it keeps it from going down and it doesn't go on down. We go down through that to drill a well another 60 feet and we have plenty of water when we go through the blue clay and on down. But that separates it.

Now, we had a problem. There was 1 day a year ago last summer about 100 feet north of the bridge we had a section of yard about the size of here, about twice as long as this. One day they told us that that yard had been noticed a week before and had sunk. It had sunk all the way from 7 inches to about 2 inches at one end, done that in 1 day. And in a week's time, it was down about 2 feet on the average. Right now, a year and a half later, it's down about 7, 8 feet. And so that is what happens.

And we have trees a foot in diameter or more that stay straight up but they sink on down. Now, that is caused by quicksand that is underneath the blue clay and, of course, there are a few holes where water will pass down and in flood water, we have no trouble when it is high. But when it goes down after the soil has been saturated, then the water will go out; the quicksand goes out. It leaves a cave and down goes some soil at a certain spot. That spot is pretty well determined by the channel of the river and where it gets its greatest current. So it effects different parts.

We have one house now that the river bank is knocking at the door. It has taken about a foot from one corner of the foundation, and there is another house dropping.

There are some houses that seem to be better. We have about a mile and a fourth of river bank on the east side of the city. Now, the people there have called attention to the legislature in Des Moines for about 60 years.

They have a record of making themselves known, but that was all. And the Corps of Engineers, they have sent people with boats down there. Now, they come over in helicopters. [Laughter.]

But we find that it has been there; but until the last few years, nothing really has been done except talk. Now, we are very grateful

for the cooperation. First we started on the State level and then with your Congressman Ed Mezvinsky's office and HUD have been very helpful. They asked for a meeting with the Corps of Engineers.

It didn't take 6 months but we started there with their cooperation and worked with the State and the conservation division and the like there at Des Moines and there was a grant that came through to make a study. You people know that when you talk about some of your troubles and before you get any projects started, and the project such as Mike told, that we started to have a study first.

Well, the State authorized that study and Stanley Engineers made it. It cost several, several thousands of dollars and they got that finished. Then that study, they were very thankful to have it to get it started and it wouldn't have been done, I'm sure, without the cooperation of these officials but the local, State, and we're starting in the national direction.

Then after that study that we found that the Corps of Engineers wouldn't accept a study incomplete unless they had more. And at that time we have found that both our State senators were equally cooperative. They were wonderful and we've tried to keep them informed of what action is happening, but that is the first thing.

Then everything seemed to stop for a while, but the corps did recommend a year ago for a study which was turned down partly because of insufficient funds allocated to a particular area. That is, we are about 6 miles from the Mississippi and the Iowa is no longer completely navigable.

They were using that as a stoppage. But they have started again. The Corps of Engineers under Colonel Liken sent people down. They have met with us. We have a committee that has been working. So during the last 2 years they recommended this once a year ago and this year they realized it and they made Wapello the main center that they were advocating for a study. There is a new way that is gaining experimental procedure anyway.

In the first place, Stanley recommended rip wrapping; that is, putting small rock and large rock and putting enough rock wall there. And the cost of that would have been \$2 million at that time, and of course, that is beyond. It would be cheaper, much cheaper and so on, to tear down the entire buildings and redecorate that area after they were gone than to go through all the trouble that is caused by the river. [Laughter.]

That's not our trouble. The river caused it. So we have that going now. The corps throughout are using a different approach to make a river deposit sand where they want it to and to cut it out where they want it otherwise. So at that particular time we again were put out; the Corps of Engineers said that we would be the project they would recommend, and the latest word that we got and I have gotten there that I'm sure Congressman Mezvinsky's office sent us a copy of the letter and so and so. At this present time our project is before the group, the ones out of Chicago that study these things. And we were one of the three that were still being considered under top priority for recommendation as an experimental site. That way we find that they haven't deserted us completely, and I'm sure that we never got even half that far except through congressional help. And we find the

offices of both our Senators and especially Senator Clark and Mezzvinsky's office working together. They here were responsible for getting us as far as we are today.

So we will take a little good luck and probably more work if we finally succeed, but there was one problem in the making that I thought was interesting and a case in which we have received complete cooperation from all our senators and representatives both on the State and on the national level. And I think it's worthwhile to mention that as long as others are because that is a process in the making and it was a lot of work. They have failed in the past, but they have gotten further than they ever have gotten before. We're still hopeful.

Senator CLARK. Well, you have a lot of patience, I must say, if they've been working with you that long. Let's hope that this thing works. We will get somewhere because we are going to have home base in the middle of the channel.

I have been down and seen that behind the house in the middle of the street and it is a serious problem. I would hope that with other kinds of problems that we can help you. You certainly waited long enough.

Well, our time is short but just a couple of questions and I wondered particularly, Leland, did you say you have about 30 percent of the people in your community that are retired? Now, do you have any particular, I guess you would say, public housing that has been built for elderly citizens or not in your community?

Mr. McCOSH. No. We've tried different times to get in low-cost housing. However, Mount Pleasant has been trying down that road. We've worked with the regional planning commission somewhat. It's been talked of to try to get a plan where your small communities can also get involved in under; Burlington would get a low-cost housing contract and then we could operate under that contract.

Now it is something that I don't know that much about. We haven't seriously tried for it. We are working on a HUD grant which we are hopeful for which demands that a certain amount of rehabilitation housing be done. The only thing about that is the housing committee went over the town, made a complete survey. They recommended a certain number of houses that should be torn down and others that could be rehabilitated, rebuilt. I think at that time there were 12 and at the present time, four of those have been torn down. Three of them are already rebuilt just by people in the community that are interested in seeing it gets done.

Senator CLARK. Well, I must say in hearing your story about trying to get this other program for 10 years, that with 30 percent retired, it would seem to me that you have a great deal of difficulty if you don't have a very substantial grant in the process of doing that.

Mr. McCOSH. The EPA grant that I have mentioned to you is \$485,000. That is what it was originally. Now, that's not counting any of what it is going to cost with inflation. That included water and sewer. It also included improvement of streets and this type of thing. In other words, it was what you call a three-step grant there. The community has taken on what they feel that they can do.

Now I might mention that in this waterline in the revenue bonds, in order to pay that off in the amount of time, it has increased our water bill to—now on the average we are paying around \$10 to \$12

a month. That was the increased cost of gas. We have municipal gas there. We got it from Michigan-Wisconsin. I might mention here that I would hope that you don't take all the controls off of utilities.

Senator CLARK. And what about petroleum costs?

Mr. McCOSH. Well, I'm talking—

Senator CLARK. Natural gas?

Mr. McCOSH. This is natural gas that I'm talking about.

Senator CLARK. I see.

Mr. McCOSH. I got a letter from Michigan-Wisconsin allowing their new rate increase. It's gone up 27 cents per mkm and there are about three more of those in the works. And as far as when you get one, there is another one following. And you can just figure that about every 3 months we are going to get another.

Now one thing about it, this is what is crazy. About 4 months ago they sent us a letter saying they are going to have to increase the cost of gas to help pay for this line up in Alaska that they are going to run down into, eventually into northern Iowa. Well, that is a dream yet as far as we can find out. They are going to be coming up from the gulf, but still they are increasing the rate and that's part of the selling point.

Senator CLARK. Thank you very much. I want to ask just very quickly Mayor Singleton, you mentioned in passing that about a third—this surprised me—but about a third of the people in Conesville are from minorities?

Mr. SINGLETON. Yes, sir.

Senator CLARK. Can you just briefly talk about the unique problems that are caused, if any, by that fact?

Mr. SINGLETON. Well, we have many unique problems when you have a minority population of that consequence.

Necessarily, their housing is not kept the standard of the local people. They are fine people; don't misunderstand me. They are permanent residents.

This influx of Mexican Americans started into Conesville, the first family, I think, arrived about 20 years ago. And they found that the environment there was suitable for their needs and therefore, there were many, many, many more following them. We have lists of people waiting now, lists of minority groups waiting to purchase homes in Conesville. Federal Home Administration, unfortunately, has made money for a minority person easier to obtain than that for a local resident. We found this in many cases.

We have no serious problems with them certainly. It takes a little while to get them acquainted with our way of life.

Senator CLARK. But housing is the most immediate problem?

Mr. SINGLETON. Housing is somewhat of a problem; yes. Our housing runs from medium grade to low. I think probably I should like to say that one of our largest problems is in the small community. I think I alluded to this in the statement I made. Someone else spoke toward this point earlier this morning and that is that making application for Federal loans or grants frightens us, frightens us in the smaller communities because we can shoot our entire tax income on something that the chances of getting are very, very small. Percentages just don't work in our favor. And until we can alleviate the problem of making application for these things, getting grant money on simple

application, the people in small communities—I assure both of you the possibility of fraud or getting away with huge amounts of money is nonexistent in the small community. So therefore, we shouldn't require the massive amount of paperwork that is requested by Farmers Home Administration.

Senator CLARK. Thank you very much.

Now, I know Congressman Mezvinsky has some questions. I'm going to have to take an important call from the State Department.

Mr. MEZVINSKY. Dick, while you are there let me ask you, since you speak not only for your own town but also as representative for a lot of others, you say 466 communities under 500 population?

Mr. SINGLETON. Four hundred fifty-six.

Mr. MEZVINSKY. Four hundred fifty-six. Now, where should we put most of the funds? You're talking about a problem. You mentioned housing as far as Conesville. Where should we be putting our tax dollars with communities that are under 500?

Mr. SINGLETON. I recently—also I'm a board member of Bi-State Metropolitan Planning Commission, a new one as a matter of fact. And Mr. Erickson recently called me and said that I was appointed to the Iowa Cedar group. I think that the problems in that particular area are going to magnitude and the monstrous amount of money, I don't recall exactly the amount of money that is going to take to implement that program which I understand is supposed to be in effect by something like 1982. But this is going to be a tremendous problem for this area. Where are we going to get that money to get our sewage systems and our water systems up to the point to where they will meet the qualifications of the Iowa Cedar Basin plan.

The Conesville problems are not unique to the other 455 small cities in the State. And incidently, under the population of 750 there are almost 800 cities in the State. I speak, I think, toward the 456 because that's the sized group that I'm in. The problems for Wapello who can possibly have a man on the staff at Wapello to pursue these things is not necessarily what Conesville has, or this group that we are in. We cannot afforded to employ these people.

Right now we are new arrivals with Bi-State. We are going to be looking for help, for a tremendous amount of help; but I'm not even sure that we can afford that.

Mr. MEZVINSKY. I gather that part of the problem is we set the rules and regulations and standards, then to meet them it is the general view that we can't afford the expense in a small town like Conesville, Wapello or Winfield to meet these standards.

Let me go on. I have one other general question for whoever wants to answer this, but probably Wapello and Winfield.

You had a problem with the river which I am very well aware of and you pointed out about 10 years. Is the general problem as well as the rules and regulations just having a mechanism to communicate? I mean, you know you've got to. You mentioned Dick Clark. You mentioned how we worked with Federal and State officials. Do you just feel that you can't communicate with those people or, if you can you are just all caught up with a shuffle of papers or the Corps of Engineers problems or whatever? I think we should find that out. Somehow that's not very clear.

Mr. BOLTON. I know what you mean and I can't tell you how many times in council meetings and working with others on this thing you will get to the point you answer all their questions. We have a city attorney and we may pay him \$50 an hour so we don't use him, only when we have to. [Laughter.]

And then we have an engineer. We have to have these to meet all of the rules and regulations, at least we think we do. Now, it's gone in, but do you know somewhere between the time we start and by the time we get that damn thing finished the rules have been changed. [Laughter.] And I'm not kidding.

Mr. MEZVINSKY. Especially after 10 years.

Mr. BOLTON. Sometimes you have to start all over again. And this costs money and it costs time.

I have this little idea in my own head. Everyone of these little EPA groups, we got one up here in the State and we've got a problem. We got a new trailer court sitting up on his own. This individual is a little different than the average. Most people in a community try and work with you. They work within the rules. This fellow is different. [Laughter.]

There is a ruling in this State that once you get over two trailers, then you become a trailer court operator and you must then get a State permit or license. So he's got six, no he's got four children and he's got a wife. He has two in his name: he has two in each one of the kids' and two in his wife's. Now the neighbors keep calling me, even the farmers, because he's running a septic tank into an open ditch and he's getting away with it. And there is not a cockeyed thing that I can do legally, as a mayor, when people jump me about it.

I had one man say, "Well, I'm going to Des Moines. I know some of these people up there, and I'll get something done." And I told him, "I'll give you all the help I can." I sent him to my city attorney and the EPA. They called me on the telephone, but they will not write a letter in answer to this problem.

Mr. MEZVINSKY. I don't mean to stop you, but I guess I just got worried. We have six more and we are about to reach 12 o'clock. Before we break we would like for the record, if we could, the total dollars given to the 456 towns, the total amount of money that has been given out in Iowa.

The State Director of Farmers Home Administration is here, Robert Pim. Would you stand up and could you provide for the record the amount of money that's been given to these 456 in the State of Iowa under 500 population?

Mr. PIM. Yes.

Mr. MEZVINSKY. OK. Thank you very much.

UNITED STATES DEPARTMENT OF AGRICULTURE,
FARMERS HOME ADMINISTRATION,
Des Moines, Iowa, September 21, 1976.

HON. RICHARD C. CLARK,
*U.S. Senate,
Washington, D.C.*

DEAR SENATOR CLARK: As you will recall, in the rural development hearings August 20 at Long Grove, Iowa, Congressman Mezvinsky asked how much of the

FmHA loan and grant money had been used in communities of 500 population and less.

This will confirm our conversation of last week that FmHA has loaned \$91,089,603 to communities in Iowa for sewer and water facilities. Of this amount, 74%, or \$67,406,400 has gone to communities under 500. Also, since the beginning of the program, FmHA in Iowa has granted \$17,155,315 to communities in Iowa for water and sewer facilities and 74% of this amount, or \$12,694,900, has gone to communities of 500 and less. Up until April 1972 eligible communities were to be 5,500 or less. As of that date, community eligibility was changed to 10,000 or less.

According to the League of Municipalities, there are 493 incorporated communities in Iowa with populations of 500 or less representing 114,740 people, or 4.1% of Iowa's population. The bulk of FmHA money went to the small communities under 500 population in Iowa. In all cases the FmHA funds are being used where other credit is not available to help provide services. The purpose of FmHA is to make it happen in communities where private credit is not effective.

Sincerely,

R. R. PIM, *State Director.*

Senator CLARK. We appreciate it very much. And I do want to say if we have other questions, now is the time to ask them since we have the State director, Mr. Pim, present and we could make them a part of the record.

We have two more panels, and as Ed said we have 6 minutes and six people. But we'll ask you to be brief and we will promise to keep our questions brief.

John Miller, public works director of Eldridge; Elden Krambeck, farmer from Davenport—I don't think he farms in Davenport—and Mr. O. J. Gode, county engineer, I think it's Johnson County.

You gentlemen come up. While they are coming up I want to introduce the luncheon speaker who has now arrived and a good friend of rural development certainly, the Deputy Assistant Secretary for Rural Development, Jim Bostic. Jim, I saw you back there someplace.

[Mr. Jim Bostic stands.]

Now, the panel will start with John Miller, so if you'll give us a brief statement, John.

STATEMENT OF JOHN MILLER, DIRECTOR, PUBLIC WORKS, ELDRIDGE, IOWA

Mr. MILLER. Senator and Representative, I'm public works director for the city of Eldridge. Our population is 2,600. We are one of the fastest growing communities in the State of Iowa.

Our situation is probably entirely different than most of the small cities that are here. We are growing too fast and find it very, very hard to control the growth and to meet the needs of the new people coming in. Ten years ago there was an 850 population. We expect to be over 5,000 in less than 5 years. Any community that doubles every 5 years has a tremendous problem.

If you would take the cities of Des Moines and Davenport and doubled them in 5 years, they couldn't cope with the problem any better than what we're coping with our problems. What I'm trying to get at is: A lot of the grants that we try to apply for we don't meet nor qualify for these grants because we are not a depressed area,

because our unemployment is not high enough or other reasons such as this.

We have a different problem. We are growing so fast that we do need help. We in the city of Eldridge are no different than Long Grove. We would rather do it ourselves. But due to the requirements that EPA has also put on us through the Congress—and rightfully so as far as controlling the sanitary sewer and clean water—we cannot afford it and pay for it ourselves. We are bonded quite heavily. Our taxes are up to the maximum, up for several years. We can't tax any more. But yes our needs are there because of a few changes in the ball game, as one other gentleman has stated. So therefore, we find it very difficult to qualify for these loans.

We do work very closely with Bi-State. They have been very helpful. However, I would like to make a suggestion and a suggestion to you two gentlemen. If there could be some type of list put out so that everybody would have a fair chance in applying for this. It seems like by the time we get the knowledge of the programs, of the funds that are available—and it's very difficult first of all for me to do this—they're already depleted. There is nothing.

Senator CLARK. Let me say that this program we've got set up in the other room is designed to try to help with that. And we are going to have those available so that, hopefully, in 5 minutes or less you can get an answer regarding any Federal program.

Mr. MILLER. I have seen this machine and it will be very helpful. I'm told that Bi-State is probably going to be coming within that. I have a couple of other things. I would like to look at my sheet here a minute.

Basically the largest problem that we have, we have hired a gentleman to work with us to help follow the Federal programs and look these items up and apply for them and so on and so forth. However, it is very expensive for a small community—now I'm speaking for all the small communities, we don't have the time nor the staff to do it. I realize if we wanted, we should have, but then again there is so much redtape to be cut. Federal revenue sharing is one of these. I think the local people know what their local problems are and they can use them accordingly. And believe me, in 2 to 4 years when their term in office comes up, they won't be reelected to the term if they have not spent it wisely, because people are more and more aware of tax spending money. Your Federal loans and programs where it covers 800 to 2,500, we're in between so we're out of the ball game. It's very difficult.

I was called by the county engineer here about a month ago and since we have not got a drop come in on fixing bridges—we have three bridges within our city. The grant is so small that if you took the whole grant, it wouldn't even pay for the engineering on one bridge. So therefore, we have to pass it up because we cannot match the fund or put the available money to it.

Just in closing I think that you're probably on the right track by having this program here and I'm sure Bi-State will work with us to try to make it simple so that all cities can be fairly treated so that they can have a chance to apply at that time. It seems like now every one's got to have it now, but by the time we get it in—

Senator CLARK. Very well stated.
Now a farmer from Davenport, Mr. Elden Krambeck.

STATEMENT OF ELDEN KRAMBECK, DAVENPORT, IOWA

Mr. KRAMBECK. I'm from an area east of here, halfway between Eldridge and Le Claire and bordered by Davenport. And my feeling is that a lot of the problems these small towns have is if farmers got a better price for these crops—well, a lot of these problems would be alleviated.

I don't see many farmers here but my—

Mr. MEZVINSKY. You've got a few. You've got some company.

Mr. KRAMBECK. I know Mr. McCosh here is aware of the cattle situation, but I was wondering if we have anything in the land use policy. All we have is city-county zoning. We have a lot of houses jump up along the county highways and the only thing that I know of is the 1-acre zoning law. And that was my main concern in getting up here. And I won't take any more of your time.

Senator CLARK. What would you like to see done in that respect?

Mr. KRAMBECK. I'd like to see some advanced planning in the annexation of these cities because it's just like this meeting. The farmers don't turn out for it. They are called in meetings that pretty soon it goes through without any representation. And I was to a meeting here at the Holiday Inn a week or two ago and they talked about land and the rent is going up for next year. And I was just wondering where this extra money was going to come from?

Senator CLARK. Most of all you would like to see some careful planning, not just building anyplace or constructing anything on the land without any preplanning or without any order or without any careful analysis; is that right?

Mr. KRAMBECK. That's right; I can just cite you an example. On our road system we had some extra land taken away on corners and now their new policy is to make square corners again. And this land that is used up to make the corners big never reverts back to the landowner the way it seems to me. It's kind of a taxpayer's burden the way I see it. That is all.

Senator CLARK. Thank you very much.

Johnson County engineer, O. J. Gode.

**STATEMENT OF O. J. GODE, JOHNSON COUNTY ENGINEER,
IOWA CITY, IOWA**

Mr. GODE. Senator and Representative, I'd like to take this opportunity to address myself to some works that the board of supervisors felt were pertinent to this hearing. I am speaking of the road department in all counties in rural Iowa. Those rural development programs are not to much avail if the people in these areas cannot get to their respective areas. And I would have to second the problem that these other gentlemen have had in getting grant applications through for bridges, roads, et cetera, through the Department of Transportation the same as every other agency, FHA and so forth.

I'd like to urge the Congress to use more funds for these bridges. This gentleman here just indicated that the grant that Eldridge was

given was not even enough to pay the engineering, and we find that true for most of the grants that are given for transportation whether for bridges or road systems. They are completely inadequate for the needs that they are to provide. And I think that, with the remarks that have already been made, covers the items that I would like to discuss.

Senator CLARK. I might say that I saw a member of the, you mentioned the board of supervisors, from Johnson County. And I saw Bob Burns here earlier. Lorada Cilek is back here. Lorada, also, is going to be a witness.

OK, I just wanted to comment about Elden Krambeck, the farmer. I thought it was a very good point. You are absolutely right in something that hasn't been said here before. And that is the relationship between the economy of a small town, a rural area, and the farm economy because if you've got a good farm economy then certainly the small towns are going to do well; and if they don't, you won't.

Ed has some questions.

Mr. MEZVINSKY. I have a comment and that's about transportation. There is just an overwhelming concern that has come out now, about these roads and bridges. I know that a lot of areas have been told that the bridges can't hold and you have to replace them. But there is not adequate funding to do that. I might tell you that there is a proposal in the Congress, several of us have put in the House and I don't know the status exactly in the other body, to provide more assistance specifically directed to rural areas and specifically rural bridges. But it's a problem which Dick has pointed out. You can set up these programs but they are no good if you can't get the adequate kind of funds and you don't know how to get ahold of them.

So that's really the only comment I'd lend to you, that now is the time to do it because we're in the battlefield and also your accessibility and knowledge of what these programs actually are is good.

Do you want to make a comment about that or about anything? That's all I have.

Mr. MILLER. Yes; several people I've been talking with in different communities are concerned about what is rural development or what does it cover. From the way it seems, rural constitutes a city the size of Davenport as far as Washington is concerned. To us, that's not rural. I mean Long Grove, Eldridge, this is rural to us. And I don't know what their concept of rural is but it must be that way because that's where most of the money goes.

I do have one other thing. We have applied for a sewer treatment facility grant in the city of Eldridge. We've been working for it for a couple of years. It's to serve the whole southeast portion of our city which is quite large. We seem to have quite a bit of trouble with this. We would like to put a sewer treatment facility in this area before it builds up with septic tanks, et cetera, and small treatment plants so that we don't have to go back and make everybody very mad and disgusted by taking it all out and changing.

And I'm sure that we will be in contact with both of you gentlemen.

Senator CLARK. Do you have any figures on the need for bridges in Johnson County?

Mr. GODE. No cost figures at this time, Senator.

Senator CLARK. I wish you would get them just for the record because it's remarkable now the number in the counties.

Mr. GODE. We have over 50 bridges in the county that schoolbuses cannot cross, can't get to and from school.

Mr. MEZVINSKY. It would help, but you have to consider not only the cost but the number of bridges and the percent of the bridges in the county that you think have to have some work done or be fully changed or possibly taken over completely.

Senator CLARK. If there are other supervisors here from other counties, we'd be happy to have your figures also, just to get some analysis of an individual county's bridge needs.

We might say to Mr. Miller that there are different definitions of rural development, but the Rural Development Act itself defines rural as a community of less than 10,000. Now for some purposes, industrial loans and so forth, it goes as high as 50,000. But the basic definition is a community of under 10,000.

Thank you very much for your testimony.

The last panel is Patrick Callahan, city planner in Fort Madison; Dale Mayberry, East Central Iowa Association of Regional Planning Area, Williamsburg; and Lorada Cilek, Johnson County Board of Supervisors.

By the way, the luncheon, as I understand it, will be downstairs immediately following the conclusion of this hearing.

Patrick Callahan, city planner, Fort Madison. Go ahead.

STATEMENT OF PATRICK CALLAHAN, CITY PLANNER, FORT MADISON, IOWA

Mr. CALLAHAN. I'm here today on behalf of the mayor of Fort Madison who had a heart attack this summer and couldn't be here. And he has conducted to you his concern about the rising costs of water and sewer rates.

Senator CLARK. In fact, he reminds me every single time I'm close to Fort Madison.

Mr. CALLAHAN. Yes.

Mr. MEZVINSKY. Me, too.

Mr. CALLAHAN. And I'm sure you have been provided with a resolution that has been signed.

Be it resolved by the duly elected mayors of the 1st district of Iowa, meeting at the Burlington, Iowa, council chambers, April 30, 1976.

Whereas, Congress having passed laws creating the Environmental Protection Agency with rules and regulations on operation of secondary sewage treatment plants in the cities of the First District of Iowa, now in operation or to be operational in the future.

Whereas, we advise Senator Dick Clark, Senator John Culver and Representative Mezvinsky that after due deliberation, the undersigned mayors agree that the laws passed by the Federal Government creating EPA are inadequate, unjust, and impose financial hardships and burdens on all of our citizens, businessmen and industry.

We urgently request that Federal legislation is now needed to correct the inadequacies of the law and urge you each to use your good offices and to cooperate and write legislation whereby Congress will fund all Federal required secondary sewage treatment plants as so required by EPA rules and regulations. Therefore, operation and maintenance will be funded on the same basis as construction cost, 75-percent Federal funds, 25-percent city funds.

We urge immediate action, as time is of the utmost importance. With inflation, high cost of living, we must have relief for families with low income, social security, fixed income, et cetera.

Water and sewer rates, now required to meet the entire cost of operation and EPA requirements, have worked extreme hardships on our people as bills have doubled and in some cases more, and we agree our citizens cannot bear this problem forever.

The resolution was signed by some 21 mayors from southeast Iowa, many of whom have spoken today.

Senator CLARK. By the way, could you leave a copy of that? I'd like to be sure that we get one in the record, if possible.

Mr. CALLAHAN. OK. There are two other things I would like to bring up today. One is to tell you about a good experience we've had with the Federal Government and that is with the Omaha office of the U.S. Department of Housing and Urban Development.

We've worked with the Federal officials in that agency and have gotten nothing but good results and good cooperation from them. And we received word from Congressman Mezvinsky's office yesterday that the city will be given \$282,600 for community development projects.

I can certainly realize the problems of the smaller towns as I sit back and recall all the hard work and time and money that we spent to get this grant. And I think there's a problem in that a smaller town lacks the staff and they lack the experience in going out and getting these funds. I think that when the legislation was passed for the Community Development Act of 1974, they failed to realize that bigger cities have had these staffs for a number of years. They've gotten other HUD programs and didn't give too much consideration to the little town that never went through this process before, didn't know who to contact, didn't have any idea how to fill out the forms and everything that was required.

In the city of Fort Madison, this is really the first time we went after a grant from HUD and got it. And the grant that we got in the period we are in now, the first 9 months had to be spent almost entirely on learning the rules, learning the regulations and fulfilling all the basic requirements of the projects, making sure that our citizens participation plan works and getting affirmative action programs started in the city.

Now, I'm not knocking any of these things, you know, some of it is necessary. The citizens participation work was wonderful. It brought ideas for programs to the city staffs that I'd have never realized such as the urban homestead program. But for a smaller town trying to get some of this money, it's almost impossible. They just don't have the time and the experience.

And even the town the size of Fort Madison of 14,000 has experienced difficulties because we just didn't have the staff and just didn't have the experience. But we've got a start now and we are moving ahead.

The first problem that I'd like to address is a transportation problem and I personally have been in contact with both of you gentlemen about the U.S. 61 problem in the city. And one thing that has amazed me about this whole problem, it's a very complex problem with many parts involved and many facets to it, but the one thing that amazed me is that a very small group of citizens appear to have the most

power in this particular situation. It seems that it's sort of a thing that you have to say in shame or have a hesitancy to say, "I'm a duly elected city official" because that doesn't seem to carry the weight that it used to.

I would think that a person who is elected by a majority of the people in the town, who is a member of the city council that would pass the resolution, that it would have a great bearing on the outcome of something like that. However, it seems to be just the opposite, that the Federal Highway Administration and the U.S. Department of Transportation have paid little attention to what the duly elected representatives have said and in turn have paid much more attention to a small group of citizens who were never authorized by any large body to go ahead and take the action that they did.

So the only message I would have is to take it back to the Federal agencies and say, "Let's start paying attention to the duly elected officials." But if they are not doing their jobs, the people are going to turn them out of office. If the people in Fort Madison were not satisfied with the city council, they would have not, in the last election, reelected all the incumbents. There were four of them. They were all elected by a wide majority. So if they were dissatisfied, you'd think they would have turned them out.

The last thing that I have, it's a very small thing, but I think it rubs some city officials the wrong way is that Federal officials have come to our town to investigate certain problems or to investigate certain changes. It's been our experience on two occasions when they came to town. In 1973 Mr. Bill Bailey of the U.S. Department of Transportation investigated what was going on in the city but never bothered to tell us he was in town. This happened again just recently in March of this year when John Ely of the U.S. Department of Transportation's legal office came to Fort Madison, spent at least 1 day and possibly 1 night there, investigating the problem and talking to people; but never bothered coming to city hall, never bothered to let us know that he was in town.

But in conclusion, our experience with HUD has been fantastic. The Omaha office has given us nothing but good cooperation. But we have a bad taste in our mouths from our dealings with the U.S. Department of Transportation.

Senator CLARK. Thank you very much.

Dale Mayberry, he's from Williamsburg.

**STATEMENT OF DALE R. MAYBERRY, IOWA COUNTY SUPERVISOR,
REPRESENTING EAST CENTRAL IOWA ASSOCIATION, WILLIAMS-
BURG, IOWA**

Mr. MAYBERRY. Yes. Originally I came to speak in behalf of the East Central Iowa Association because I am a county supervisor from Iowa County, the member of the board of East Central. We are an association of 70 local governments covering six counties with an approximate population of 315,000. We do have a rapidly growing metropolitan area of Iowa City and Cedar Rapids. And we do have a wide range of smaller municipal towns and communities that also have some 36 square miles of countryside. So you see, we do have quite

an overall view of the problems that are related to metropolitan and urban areas and also rural areas.

But as a matter of time, and we know we are way behind, I would simply submit a rough draft of my remarks that I have for the record* and just take a moment to relate the bridge problem because as I'm sure that the Congressman and probably you know, Senator, Iowa County is the bridge county of Iowa. And when I say that, our former Iowa County engineer can also attest to the fact that we were the first county in the State to have all the bridges inspected. And you requested the bridge history of our bridge situation and I'll have our county engineer get that to you immediately so that it can be made a part of these hearings.**

That is a serious problem and then we have no problems in deciding where we are going to put a lot of our Federal revenue sharing money. So this is no problem for us. However, we did, of some 450 bridges in the county, have some 300 fail Federal bridge inspection. A lot of them had to have limits and some of them had to be closed.

In the past 2 years, our secondary road department built over 50 new structures and has brought up to standard over 50 others besides probably hundreds of culverts.

So I know the Congressman is well aware of the problems of trying to get Federal funding for a secondary road disaster that was declared disaster by the State and Federal Government, yet we were never able to receive any moneys to help us out in this situation.

We certainly appreciate the opportunity to appear here today with you gentlemen, and we certainly appreciate your coming out to this area and holding these hearings.

So with that, in the interest of time, we will get you the information requested.

Senator CLARK. Thank you very much.

Last, and I can tell you from personal experience, by no means least, Lorada Cilek, Johnson County Board of Supervisors.

STATEMENT OF LORADA E. CILEK, JOHNSON COUNTY BOARD OF SUPERVISORS, IOWA CITY, IOWA

Ms. CILEK. Thank you Senator Clark and Representative Mezvinsky. I have just a few little things and I'll try to be fast.

One of the things you asked—well, first I'll start out with the bridges. I just got a note from Mr. Powers and he said he did a study on 35 bridges we need done in Johnson County. And they came to \$8 million. And I know we have two river bridges that really need to be replaced that's \$6 million. So that's just a very small part of it.

This week in our NACO notes, I haven't gotten a bill yet, but that is payments in lieu of taxes and it's been passed August 5 by the House. On one part of the paper it says based on formula for national forests, national parks, wilderness areas and water resources projects. And on the back it says for all these things plus the Army Corps of Engineers.

And I'm terribly interested in seeing the Army Corps of Engineers put in that because we in our county have 50,000 acres out and that

*See p. 53 for the prepared statement of Mr. Mayberry.

**See p. 56.

is an estimated annual tax payment of \$400,000 and, of course, you know it is a recreation area.

Senator CLARK. You are speaking of Coralville?

Ms. CILEK. Yes. And we have to provide law enforcement, road maintenance and ambulance service which is practically a full-time job out there in the summer.

And also the road, it causes lots of problems, there is so much traffic. And as far as I am concerned, the first priority is roads to the farms and so this would help us a lot if we could get this. So I want to be sure that this isn't left out. And I think they said the Senate was going to pass it fairly soon.

The other one is one you just asked me about, someone had, about the CETA program. One of the difficulties we had is we had about 52 jobs and we spread them in the university, the county, the city, the elderly, the roads, the handicapped, and really spread them around. They said that it was going to be over June 30. Then there was money left so then they said July 30 and now they say August 30. Now, the latest I heard, is September 30.

But in the meantime, we have lost a lot of these people because they can't depend that we can go on with this. However, I know CETA was supposed to be for getting people on payrolls and then keeping them—training them and keeping them. But it's impossible for most governments, as far as I am concerned, to keep 52 people on their payroll. So it's going to be sort of a mess until they get it, you know—if we let somebody go August 20 because we know it's gone then, and then September 30 you start in again, it is going to really cause real problems.

And the other thing was there is a bill on LEAA funds, and I see that they have everything but buildings, as far as I can see. And I think, not only for myself, but for many towns or counties around the State there are lots of old, old jails. And we need law enforcement centers bad; and there is very few of them in this inflated time that can carry the whole load themselves. So if about a dozen say so because maybe it is in there, I haven't got the bill yet. But I think it's mostly for equipment in programing and studies.

And so I'd like to see some money in there for buildings.

And I guess that's about it and I thank you.

Senator CLARK. Thank you, Congressman Mezvinsky.

Mr. MEZVINSKY. I really just want to make a comment about the transportation problems which you have all expressed.

Do you find that your transportation problems are that you are ineligible for programs, or do they simply tell you there are no funds available? Which is it, ineligibility or no funds or both?

Mr. CALLAHAN. In our case, it's been both. We fought for a number of years trying to get a transportation in Fort Madison and pushed the State department of transportation to fight it all the way. And then just recently got to the point where we are going to take it before a Federal law judge and the State came down and said, "Well, fine." We can push it. We might win but we just don't have the money to go ahead with it now. And before, there was a question as to our eligibility because of the charge of discrimination and the route that was selected.

Mr. MEZVINSKY. Dale.

Mr. MAYBERRY. Yes. The Federal bridge law, of course, was enacted, but no funds were furnished to do anything about it. We found ourselves in the predicament that we had several hundred bridges that simply did not meet the standards. And of course, the county engineer had to close them. It's a liability situation. And then we find ourselves especially our rural residents and our farmers in the predicament of not being able to move the product. And yet, today they have several farmers living behind and this is due to the State crossing the county. But we have several farmers living behind the 500 bridges, you see.

It's a real problem, but there are just simply no funds available now. Once in awhile you can find something that you can work into it and get an extra bridge out of it, but there is no general fund available for Federal bridge programs. That is our big problem.

So you see, all of your funds would normally go for building and servicing of roads and maintaining of roads. We just had to put everything into bridges that we could.

I guess one of the big problems are school buses. Our engineer has to meet with all the school superintendents every year and try to figure out how they can get the kids to school. And one of the things they do is they get all of the kids out of the bus and they cross the bridge and then they put the kids back in the bus. Or else they have to go way out of their way, which is an extra tax to the school which is the same. I mean, which place do you want to put your money—in driving around or in building a bridge?

I think this is one of the things about transportation.

Mr. MEZVINSKY. I just want to say before we wrap this up, and Senator Clark has his comments, I'd like to thank the three of you but also thank all of you here. I think it has been a valuable hearing for me after the insight about what transpires whether you are in a county the size of Scott or in a county the size of Van Buren.

I think also there is a message that I hope comes out of this. One is how people are upset with the rules and regulations and how they apply or how they do not apply to small areas and small towns. That message certainly came through to me.

I also sense the frustration of trying to deal with the program that may change. And as pointed out, especially if you have to wait for 10 years. It's going to change considerably. That frustration, I think, is very real and that message came out very clearly this morning.

Then the last point that I think is important and one that I'm certain that both Dick and I will carry to Washington and to Congress and hopefully to the administrative branch, is the problem of simply being able to communicate and deal with this bureaucracy. And knowing what the programs are and once you know of them you may be fortunate to have a Bi-State. But we still need a much better understanding of how to handle our concerns on the local level. And if, in fact, there is a Federal program, how best to go about it.

So I certainly learned a lot and I also want to thank Dick Clark because I know Dick Clark has spoken out very forcefully and has helped your State tremendously in terms of our needs in the rural area. I'm very pleased that I can be a part of it.

Senator CLARK. Thank you. And I'm particularly pleased that we can conduct these hearings together.

Let me just try to say in 30 seconds, first I want to thank the panel very much and the other witnesses as Ed has. It seems to me that we've got enough different messages this morning, but I'll try to summarize very briefly what you are saying, acknowledging that I'm not going to cover the whole time, the whole morning in 30 seconds. But I was particularly impressed by the farmer from Davenport who said, "Don't forget that a striving agricultural economy is the basis of a healthy rural economy." I thought that was a valuable statement for all of us.

Then we heard a number of different kinds of problems—some of them unique problems, some of them not so unique—over and over again: water and sewer, the costs of water programs, the costs of sewer programs and the difficulties associated with that, housing programs. We didn't hear a single person that testified that said they had adequate housing that they really felt they needed.

We had a couple of people, Lorada and another, talk about the CETA program; the difficulties and the consistency of that program, the value of the program but the need to have some ability to plan that on the longer term basis. We had the bridge problem which we have now heard from several witnesses and the enormous amount of money that is involved in that. The Congress is going to have to address itself to that and what is related to the problem of rural development.

We heard from the mayor of Conesville about the unique problem in his community of housing for minorities and a number of other issues. Health care, two or three people mentioned the difficulties there.

Second, I think, the real problem for small town officials that are of necessity part-time officials is just dealing with the bureaucracy adequately and effectively; the problems of paperwork, the problems of redtape, the problems of simply being able to negotiate the arguments for loans and grants that small towns have without the staffing to really fulfill that need.

I think it was the mayor of Winfield, I believe it was, who gave the best example of this going back through his correspondence for 10 years and trying to achieve the answer to a problem that is still not yet reached.

And lastly but I suppose most importantly, just the point that the small towns are not getting their fair share. That because of these problems, the inability to deal with the bureaucracy effectively, the redtape and so forth, and because many of the programs do seem to be designed, at least originally, for a metropolitan area; it is difficult to fit these always into a small town context even though we have tried very hard to do that in the Rural Development Act of 1972, the lack of funds to implement this program. That is what I intend to clearly say.

And all I can say is that it's been very valuable, it's important to us, and we are going to do our very best to try to represent you in these problems.

Thank you very much for coming.

Mr. McCOSH. I had one comment here on the CETA program.

I worked with the CETA people. I worked with CETA programs but not with their organization, but worked with the summer program of 140 children from 6 to 14.

Senator CLARK. This is the neighborhood youth program.

Mr. McCOSH. That was through the community action group. Now, too many times this comes down from a State; it comes down from the Federal. You'll get \$6 million into Iowa for a program. This doesn't have to be CETA. It doesn't have to be water. But the word comes down to us that you are going to get \$10,000 for a county and you've got to get rid of that by August 31. If you don't, then you've got to turn that back.

I don't know whether you think we're not intelligent people out here and don't know how to handle that money, but you try to get rid of \$10,000 to a county just for a program which, if you can handle it right, so what if you don't get rid of \$4,000 of it? You carry it over to the other programs and determine where it does the most good. But don't for heaven's sake put that kind of pressure on us because you just waste the money.

Senator CLARK. I think it's a good point.

Thank you very much for coming.

[Whereupon at 12 o'clock noon the subcommittee adjourned, subject to call of the Chair.]

ADDITIONAL STATEMENTS AND LETTERS

[The following statement was received from Mr. Bauman subsequent to the hearing of August 20, 1976. See p. 5 for the oral testimony of Mr. Bauman.]

STATEMENT OF FRED N. BAUMAN, BIRMINGHAM, IOWA

Mr. Chairman, during my testimony we were advised that if we had anything further to present we could.

May I present this to you. Use your judgment as to how far it may go. Would like for Senator Clark to see this if possible.

Hindsight is always best. Personally I could do better myself knowing some things past.

This is in regard to the Farmer Elected Committee System. We need this on the local level. Lots of responsibility has been taken from them. I feel that too much has been allowed the Agriculture Department in matters affecting farmers that should be handled or recommended from the grass roots.

As an example. At the time the CCC stocks of corn were disposed of. The V. B. Co., C.E.D., ASCS and myself as Chairman of County Committee were attending a meeting one Thursday in Des Moines. A phone call from Washington that day related the order that by the following Tuesday all the remaining CCC corn was to be sold. Farmers first priority on a bid basis where is and as is. Market was about \$1.39 and transportation was a problem. The Grain Companies got most of this corn. They did not have to pay until moved—no storage—no interest. Some time later some of the County Committee attempted to have them move their corn so the bins could be sold. Transportation was unavailable. They appealed to the Department of Agriculture—no way could they be made to move the corn. Bin sales were cancelled for a year. As the papers stated when corn got to \$3.39 there was plenty of transportation and they moved the corn.

Farmers loans were called and loans had to be paid off. Interest on these loans—warehouse storage had to be paid plus income tax on farmers' profits.

I have read that grain companies were given benefit on freight rates. Grain was still discounted by grade where and how graded after this makes one wonder. Also have read that they benefit on income tax breaks on their profits because they contribute to the balance of trade.

At times an investigation is urged, promised and recommended yet none develop. From out here it appears a benefit to grain companies, speculators, etc. Thank you.

STATEMENT OF MICHAEL V. DUNN, EXECUTIVE DIRECTOR, SOUTHEAST IOWA REGIONAL PLANNING COMMISSION, KEOKUK, IOWA

Senator Clark, Congressman Mezvinsky, Assistant Secretary Walker, Ladies & Gentlemen, I am Michael V. Dunn, Executive Director of the Southeast Iowa Regional Planning Commission.

On behalf of myself and the Regional Planning Commission, I wish to thank you for the opportunity to testify on Rural Development in Southeast Iowa. The Southeast Iowa Regional Planning Commission consists of the four counties of Des Moines, Henry, Lee and Louisa, and contains 32 communities within the four counties. The total population base is 118,000 people.

The Planning Commission was formed in 1973 and funded by the Department of Housing and Urban Development's 701 program. This year the Economic Development Administration funded the region as an Economic Development District.

Since the formation of the region, there have been many applications for Federal grants to assist communities in development. In assisting communities to ascertain needs and request development funds, the primary tool has been the Department of Housing and Urban Development's Housing and Community Development program. In Fiscal Year 1976, 16 communities in Southeast Iowa had developed 59 different programs which would cost in excess of \$8.7 million. The Department of Housing and Urban Development requires that communities develop a short and long-term program for Community Development in requesting Housing and Community Development funds. The local elected officials have done an excellent job in seeking citizen input in developing comprehensive plans for Community Development within their cities.

I would like to point out, as an example, three communities which have requested Federal funds to alleviate potential problems and allow for community development.

1. Columbus Junction. The City of Columbus Junction, for several years, has been seeking a means which can effectively deal with the problems in its water supply, storage, and delivery system. This community sought Housing and Urban Development funding in FY 1975 and again in FY 1976 outlining the water problems and their plans to alleviate this water problem. The impact of these problems upon the Community of Columbus Junction has been of major proportion. Four times in 1975 the community ran completely out of water. This meant that during these periods there was no fire protection, sanitation or drinking water—conditions that obviously threaten the health and well being of the residents. Not only does this lack of water have an immediate effect upon the community, it has a long-range effect in that at the present time the city cannot allow an additional drain on its minimal water facilities and thus it has had to curb the growth of the community by restricting building permits which would cause additional use of water.

2. Wapello. The City of Wapello has long recognized its need for housing rehabilitation, especially among its elderly and low income residents. This problem arose and has existed as a result of the substantial number of fixed income elderly persons who have chosen to retire there. Although in many cases the homes need repair and improvement, their owners simply cannot afford it. Another contributor to the housing problem is that the entire county is economically depressed, having suffered from chronic high unemployment and layoffs at the Iowa Army Ammunition Plant in Burlington. This combination of high unemployment and low income elderly residents has resulted in a substantial amount of local publicity about the problem.

Recently, the Quad City Times featured an article concerning a city order to raze outhouses that were still in use. Although a 1920 State Code, and a City Ordinance of 1926 both prohibit their use wherever a connection with a sewer is possible. Wapello has hesitated to enforce them, realizing the hardship that would be placed on the affected residents. This summer, however, a total of seven property owners were ordered to hook up to available sewer lines. The result of this action was predictable; two families, including a 95 year old man who lives with his daughter and a family with four children will have to move out because the property owner does not plan to make the necessary repairs; and 82 year old woman on a fixed income cannot pay the expected \$1,000-\$1,500 cost with her fixed income; a 71 year old man who lives on Social Security and who had water and sewer facilities brought into his yard six years ago cannot afford the additional expense of having an indoor bathroom installed. What will happen in these cases is yet to be seen.

In attempting to correct these conditions, the City of Wapello last year submitted a preapplication to the Department of Housing and Urban Development for Community Development funds, specifying the problem with the outhouses, and pointing out the environmental implication of their continued use. The request was denied.

Had the Department of Housing and Urban Development grant application been funded, five or more of these homes could have had the plumbing installed at no cost to the residents. As it stands now, it appears that there will be additional displacement and continued hardship on these people until another form of help can be found.

3. Middletown, a community of nearly 450 people, has experienced some unique problems in its water supply and delivery system. Located adjacent to the Iowa Army Ammunition Plant, it had for years relied upon this facility for its water

supply. In the early 1970's, with the de-escalation of the War in VietNam, a general reduction was called, resulting in the layoff of 6,800 of its 8,000 employees and the discontinuance of services to Middletown, including water supply, system maintenance, and primary fire protection. This situation might not have been so hard on the community had the system been in good operating condition. However, engineering studies have revealed that to bring it up to acceptable operating standards would cost Middletown in excess of \$270,000.

The problems stem primarily from the age and deteriorated condition of the system. Probably the most pressing problem caused by low water pressure is that it makes virtually impossible effective fire control. This has been demonstrated on two recent occasions. The first involved a dwelling which caught on fire. When it was found that water quantity and pressure would not be sufficient to extinguish the blaze, water had to be trucked in. As a result of this unnecessary delay, a considerable portion of the residence was lost, far more than if there had been enough water.

The second example of impaired fire fighting came this summer, with the fire in a storage shed. For nearly two hours, firemen from Danville and West Burlington fought the blaze, but again were hampered by inadequate pressure, and the shed was totally destroyed. Only by concentrating their efforts and use what little water was available upon an adjacent house and block building, were they able to keep them, too, from being consumed. Des Moines County Sheriff, Robert Glick, in a letter to James Wahl, Mayor of Middletown, summed up the situation accurately. In part it reads:

"I could not begin to describe my feelings concerning the lack of adequate water under said emergency conditions. It is easy for others to sit back and berate this lack; yet, when the chips are down, and lives are on the line, we must place our faith in providence and luck rather than utilizing good prior planning and pre-arrangement!

"There simply MUST be some manner by which your city can avail itself of ample water reserves. The remote location of your town to its fire services, makes water of extreme concern and import. I wish everyone could have seen how hard those firefighters worked to put out a fire without adequate water supply."

Sheriff Glick went on to state that Middletown was lucky not to have lost the entire town and offered his full assistance in correcting the matter.

Before seeking Federal or state assistance in the form of a grant, Middletown considered three other alternatives. First, it could ignore the problem. Second, it could issue revenue bonds. Third, it could make improvements as it builds up a cash surplus. It is felt, however, that none of these alternatives are acceptable. First, the problem cannot be ignored as it constitutes a very real health and safety threat. Second, if revenue bonds are issued for forty years for the water system, the interest and principal payments would mean a four-fold increase in the current purchase price of water. Third, if the work is done as a cash surplus builds up, a slow process, Middletown will be left without adequate fire protection and safe water supply for years to come.

For the past two years, the Housing and Community Development Block Grant program seemed to Middletown the solution to its problems. According to the Department of Housing and Urban Development's guidelines, the conditions in Middletown appeared to make it a perfectly qualified applicant. An imminent health and safety threat is involved. The problem was originally caused by a change in National policy. The projects submitted by Middletown were eligible according to the Department of Housing and Urban Development. Yet, for the past two years, the preapplications were rejected, and Middletown continues to live under the threat of fire and contaminated water.

All three of the above communities requested aid from the Federal Government based upon local elected officials' perceptions of local problems. These problems, as noted, developed into crisis situations for those communities. Federal agencies have failed to respond to the articulated needs of these communities. However, it does demonstrate that, given the incentive, local elected officials can develop adequate plans to meet their development needs, but the financing of these development needs by local resources is not possible.

Although these communities have applied to the Department of Housing and Urban Development for funding, this agency should not be held responsible for its inability to fund these projects. It is interesting to note that these projects could have been funded by the Farmers Home Administration, the Environmental Protection Agency, or the Economic Development Administration, and

perhaps many other Federal agencies, however, the Department of Housing and Urban Development has made a concerted effort to make the communities aware of their potentials to fund these projects. The Department of Housing and Urban Development has conducted seminars at the local level and has made available information to the Regional Planing Commissions to help them to assist communities in seeking Housing and Urban Development funding.

It would seem that the other agencies which have the capacity to fund these types of community development activities should develop a system of informing communities of their potential funding ability and develop a means to assist these communities in applying for these funds. The local elected officials have demonstrated a capacity to foresee the development needs of their communities, however, the Federal agencies have not developed a capacity for funding or even becoming aware of these community needs. It would appear that federal agencies operate in a vacuum without regards for the total development capacity of rural areas by utilizing different federal agencies together to fund rural areas. Instead of a concentrated and thorough development approach by federal agencies working in harmony with each other, we have a haphazard, piece-meal approach for area development by those agencies who happen to be in the right place at the right time that a community's needs become of crisis proportion.

There is a need for federal agencies at either the state or the Federal Regional Council level to :

1. Break down the communication barrier and exchange information about community needs.
2. Exchange information concerning the individual federal agencies abilities to meet these needs.
3. To formulate a well thought-out and coordinated effort by the federal agencies to assist these communities.

[The following material was submitted by Mr. McCosh:]

WINFIELD, IOWA, August 17, 1976.

MAYOR LELAND McCOSH,
City of Winfield, Winfield, Iowa.

DEAR MAYOR McCOSH : At your request I will attempt to set out as briefly as possible the long history of the efforts by the City of Winfield to resolve its rather acute sewer problems and to touch upon the state and federal programs in which the City has attempted to participate in order to resolve these difficulties.

My first record indicates that a special council meeting was held on the 8th day of June, 1965, to discuss problems confronting the City growing out of increased sewer flows reaching the treatment plant which at times were in excess of the plant capabilities of treatment. Since earlier studies by capable planning engineers had indicated that our treatment plant should be adequate for this municipality until at least 1991, it was determined that an investigation by knowledgeable people should be made in behalf of the City to ascertain what should be done and the most feasible way to approach the apparent problem from a cost effective standpoint.

At this time, the Farmers Home Administration and the Federal Water Pollution Control Administration were cooperating in programs administered by FHA and the Iowa Department of Health for the construction of sewer collection systems (by FHA) and for treatment facilities by FWPCA (administered by the Iowa Department of Health). Neighboring communities had received substantial grants for construction of new sewers and additional grants of approximately 30% of the cost of constructing treatment facilities and interceptor sewers.

Since it appeared as a matter of common logic that it would be inequitable to provide grant funds to a municipality which had never availed itself of "Self-help" in such a manner that the citizens of that community were able to avail themselves of federal funds, it would seem that a community, such as Winfield, which had built and paid for its sewers almost fifty years earlier with its own funds should be denied consideration where comparable federal funds might be made available on a grant and loan basis to assist this community in rehabilitating its sewer system in order that it might treat its raw sewage until the treated discharge was of an equal quality to that of its neighboring communities.

As City Attorney, I was requested to explore the possibilities of this legislation and Wayne Reed, a sanitary engineer from the Powers-Willis Firm at Iowa City was employed by the City to assist me. In this connection an engineering agreement was entered into and my correspondence indicates that a copy of this agreement was entered into and my correspondence indicates that a copy of this agreement was first filed with Mr. Jack H. Cowen, County Supervisor of FHA in Mt. Pleasant on the 17th day of October, 1966. An amendment to this engineering agreement was apparently filed with Mr. Cowen by letter from Wayne Reed on October 20, 1966.

Apparently the only amended contract in existence was forwarded to Mr. Cowen as later correspondence indicates that neither Powers-Willis and Associates or this office had a copy of the contract as modified.

The possibility of obtaining funding through the program in existence at that time was discussed by the undersigned with Mr. Slickelman of the Department of Health in Des Moines and with FHA engineers, field representatives and supervisors of FHA who indicated that this was a case of first impression and that they would submit our application for consideration by regional offices.

In order to pinpoint the nature of the problem, the municipality met with several consulting firms and subsequently entered into an agreement with American Pipe Service, through their representative, Mr. Tom Vance, to prepare an analysis of the collection system to determine, if possible, whether or not the problem was being created by excessive infiltration of surface waters into the sanitary sewers.

A great deal of work was done with Mr. Vance and representatives of his company and the information was coordinated and correlated between Mr. Vance and our engineer, Wayne Reed.

Each time a new or different state or federal program became available an application was presented by the City to any agency administering the funds, and each time it appeared that our priority was so low that we were given little encouragement of any federal or state assistance. While I do not recall the specific state and federal programs by number, I believe it is safe to say that Winfield, through its engineers and through my office, have attempted to explore every possible avenue where the municipality might receive any assistance in the resolution of its problems commencing in June of 1965.

After the more recent legislation was enacted which had as its goal the cleaning up of the environment and requiring a higher degree of treatment for sewer waste waters and especially after the Skunk River Basin study was undertaken, Winfield was given a much higher priority and received substantial encouragement by representatives of the Iowa Department of Environmental Quality, with whom the engineer, City Clerk and Attorney have met on several occasions requesting assistance and recommendations as to the proper procedure and course of action which appeared most feasible to follow to obtain the desired result and access to state and federal funds with which to accomplish this rather costly undertaking for a municipality with a population of less than 900 people.

The necessary applications and documentation was assembled and a recommendation was made that after the filing of the application had been accomplished that the City should go ahead immediately with its program and make application for reimbursement for the funds expended in accomplishing the necessary work in order to reach the desired quality of sewer discharge at the earliest possible time and as construction costs were escalating, the lowest possible cost.

In this connection, Mr. Vic Gerhardt was employed to clean and televise a part of the existing system in order that the results and costs of his work might be used as some criterion to determine the feasibility and cost of rehabilitation in lieu of following some other course of action. At the recommendation of, and after discussion with, representatives of the environmental agencies, an application was made for funding requesting in the grant application which was dated March, 1975, a grant of \$27,000.00.

On December 3, 1975, I received an offer of \$3,750.00, indicating that this was 75% of eligible cost.

A letter of acceptance was submitted by me as the designated official of the Town which was mailed by certified mail to EPA on December 24, 1975.

On January 15, I received a letter from Edward H. Brinton, engineer with Powers-Willis and Associates, a copy of which I attach, indicating that a request should be made for an increase in the grant amount from \$3,750.00 to

\$14,250.00 to cover "the December approval" and indicating that detailed supporting documentation for any grant payment request should include cancelled checks, invoices or statements from contractor, engineer and attorney. On February 9, 1976, I forwarded to Mr. Brinton the Outlay Report and request for reimbursement for construction programs, together with the documentation referred to in his letter of January 15th, including invoices, statements and copies of warrants issued in payment therefor for the purpose of documenting the claim for reimbursement. This was done in this manner as I was to be in Washington, D.C. on other business and felt that these should be forwarded along with the amended request for grant increase which Mr. Brinton was in the process of preparing. These, as I understand it, were subsequently submitted a short time thereafter by Mr. Brinton at a time when an amendment requesting the increase in the grant amount from \$3,750.00 to \$14,250.00 was also submitted. I have no direct knowledge of this except that I was so advised by Mr. Brinton and I have no reason to think these were not filed.

When no funds were ever received, a request was made through the Department of Environmental Quality in Des Moines to meet with a representative of EPA. Such a meeting was arranged and held in Des Moines on July 2nd, 1976, at which time this matter was discussed at some length with agency personnel.

At the time of this conference special attention was given to the matter of reimbursement for funds expended in connection with work performed by American Pipe Service, legal fees submitted to date and the matter of a fee of \$1,600.00 for administrative statements included in the April 7th, 1975 contract. In view of the disallowance of these items in the letter from EPA to Mr. Larry Crane of Iowa DEQ, it was felt by representatives of the City that some explanation was appropriate and it was for this purpose that this conference was held. In the letter from Mr. Thomas M. Carter addressed to me under date March 10th, 1976, reference was made to a legal cost breakdown sheet. No such sheet was enclosed and in view of the disallowance in the letter of April 22nd, the matter was not pursued as it appeared that it would be an exercise in futility. I did, however, on July 2nd complete such a form and delivered it to Mr. Steiert at our conference in Des Moines.

My personal opinion at this point is that Winfield has apparently qualified under existing legislation for assistance in rehabilitating its sewer system. In view of the number of authorizing and clearing agencies through which items must pass and the changes that sometimes occur within the administrative agencies and in their rules of construction and interpretation, by the time authorization is given to your clerk or designated representative, then transmitted to the City engineer and through him to the Iowa Department of Environmental Quality and finally to the Environmental Protection Agency, and then back through channels to the City, it appears that something is lost in the chain of communication and the municipality is at a loss to know what is expected of it in order to keep the project moving forward in an orderly manner. If, through this letter, any help can be given to assist Winfield in the handling of its project, perhaps a like procedure might also apply to other small municipalities who are having similar problems and it seems inconceivable to me that this can be an isolated case as we have been through many planning and construction programs, both privately and publicly funded, and this is the only one where almost everyone seems to be "at sea" most of the time.

Very truly yours,

JOHN W. CARTY, *City Attorney.*

Enclosure.

POWERS, WILLIS AND ASSOCIATES,
Iowa City, Iowa, August 16, 1976.

Re Winfield, Iowa, EPA Project #C190739 01.

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Region VII
Kansas City, Mo.
(Attention of Mr. Thomas M. Carter).

DEAR MR. CARTER: This letter is sent in response to our conversation on Monday, August 16, 1976, regarding evidence for reimbursement for \$1,500 to the City.

In February, 1976, the City of Winfield requested reimbursement for \$1,500 paid to us for preliminary survey of the sewer system on January 7, 1969, in accordance with our billing to the City dated December 16, 1968.

The service included study of the excess flow problems in the sewer system and evaluation of the capacity and condition of the existing treatment works. The study culminated in a report entitled: Report on Sewage System Additions for Winfield, Iowa, July, 1968.

This report is on file with the Iowa DEQ and U.S. EPA. The report indicates the conclusions and recommendations of several courses of action which are finally being implemented by a grant from the U.S. EPA for Step 1—Planning for Sewage Treatment Works. The data file prepared in 1968 contains facts which have already been used in preparation of two subsequent reports which are also on file with the DEQ and the EPA including: Report on Sewage Treatment Plant and Sewer System Improvements dated May, 1973, and Infiltration/Inflow Analysis of the Sewage Collection System and Treatment Facilities dated September, 1975.

The data file will be useful in completing the analysis of existing conditions of the sewage treatment works required for satisfactory completion of a Facility Plan.

No evidence of the original contract for the 1968 study can be found after thorough searching of our office, the City Clerk's records or the City Attorney's records.

The engineering services for the 1968 report were paid in full with the warrant dated January 7, 1969.

We hope this documentation will allow you to approve the City's request for reimbursement.

Very truly yours,

POWERS-WILLIS AND ASSOCIATES,
EDWARD H. BRINTON, P.E.

POWERS, WILLIS AND ASSOCIATES,
Iowa City, Iowa, January 15, 1976.

Re EPA Project No. C 190 739 01, grant for sewage treatment works.

Mr. JOHN CARTY,
Attorney at Law,
Winfield, Iowa

DEAR MR. CARTY: We have prepared the documentation to revise the request for Federal Grant for construction of sewage treatment works.

The Grant Application dated March, 1975, was accepted and approved, however, the amount requested was reduced from \$27,000 to \$3,750. This reduction was because the EPA intends to approve the grant eligible activities and costs in an incremental manner.

The next steps in the planning phase—Rainfall Simulation and Differential Flow Measurements—were approved by IDEQ and EPA in December, 1975. Copies of the correspondence are enclosed.

You should request an increase in the grant amount from \$3,750 to \$14,250 to cover the December approval. The EPA form 5700-32 with the current cost classifications and amounts is enclosed for you to forward. This current calculation includes \$4,500 for legal and administrative expense which should be supported with some documentation by you.

We are enclosing 7 copies of an amendment to the engineering agreement to include the services for Rainfall Simulation and Differential Flow Measurement. These activities are more clearly defined in the Infiltration/Inflow Analysis Report dated September, 1975. This amendment requires council action; then return one copy to us.

We plan to do the Differential Flow Measurements in the Spring when frost is out of the ground and rains come.

You should assist the City in requesting reimbursement for costs incurred and approved to date. The current grant offer shows possible payment of \$2,000 on February 1, 1976. We have indicated on the reimbursement form a possible \$4,300 costs incurred to date with 75% or \$3,225 possible reimbursement due. You should attach detailed supporting documentation to any grant payment request—cancelled checks, invoices or statements from contractor, engineer, attorney, etc.

Very truly yours,

POWERS-WILLIS AND ASSOCIATES,
EDWARD H. BRINTON, P.E.

Enclosures.

CALCULATION OF FEDERAL GRANT

Cost classification	Use only for revisions		Total amount required
	Latest approved amount	Adjustment plus (+) or minus (-)	
Administration expense.....		\$4,500	\$4,500
Architectural engineering basic fees.....	\$5,000	9,500	14,500
Net project amount.....	5,000	14,000	19,000
Federal share requested.....	3,750	10,500	14,250
Total Federal grant requested.....	3,750	10,500	14,250
Grantee share.....	1,250	3,500	4,750
Total project.....	5,000	14,000	19,000

CITY OF WINFIELD, IOWA, EPA—PROJECT No. C 190 739 01

PLAN OF STUDY—SEWER SYSTEM EVALUATION, REVISED JANUARY, 1976

Phase I—Physical Survey

This work was completed by American Consulting Services in 1969.

Phase II—Rainfall Simulation

Streams, drainage ditches and ponding areas located above or near sanitary sewers will be flooded with dyed water. The nearby sanitary sewers will be inspected for evidence of the dye water. An estimate will be made of the sources and quantities of infiltration/inflow by correlating the appearance of the dye water, the time flooded and soil conditions.

The entire sewer system will be smoke tested during dry weather to determine the connections to potential direct rainfall related sources of excess flow.

Phase III—Differential Flow Measurements

Actual flow measurements of individual sewer lines will be observed during wet weather to determine the location and magnitude of excessive flows.

The results will be tabulated, compared to the total flows at the treatment plant, identified on a sewer map and used to determine priorities and extent of sewer cleaning and television inspection.

A report of observations, potential effects of contributing sources, costs to modify or remove these contributors and the effect of the total excess flow problem will be prepared for City, IDEQ and US EPA review and approval.

Detailed Breakdown of Cost Classification

1. Administration and Legal Expense.....	\$4,500.00
4. Architectural/Engineering Basic Fee:	
Infiltration/Inflow Analysis.....	500.00
Sewer System Evaluation:	
Rainfall Simulation.....	5,000.00
Differential Flow Measurements.....	3,000.00
Facility Plan.....	4,500.00
Sub-total Engineering.....	13,000.00
5. Other Architectural/Engineering Fees (Sewer Contractors):	
Sewer System Evaluation:	
Physical Survey.....	1,500.00
Total.....	19,000.00

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Kansas City, Mo., April 22, 1976.

Mr. LARRY E. CRANE,
Executive Director,
Iowa Department of Environmental Quality, Des Moines, Iowa.
(Attention of Planning and Analysis Section).

DEAR MR. CRANE: We have reviewed the September 10, 1975 infiltration/inflow analysis, the flow measurement report dated April 5, 1976, and the proposed sewer

system evaluation survey plan on page 16 of the analysis which was amended in our April 21, 1976 telephone conversation with Powers-Willis and Associates, and we concur with the analysis and outlined survey plan to study the possible existence of excessive infiltration/inflow. This survey plan will be for the following amounts: Phase II—\$5,000; Phase III (completed)—\$3,000; Phase IV—\$12,075; Phase V—\$12,075; and Phase VI—\$1,500+\$2,000 by contractor.

This Environmental Protection Agency (EPA) concurrence with the sewer system evaluation study plan before the work is performed is needed for the survey to be an allowable cost.

Competitive bidding procedures must be used when securing additional services, such as cleaning and T. V. inspection, during the evaluation survey. Proposals must be submitted to the EPA for review prior to the award of contract for these additional services where the cost exceeds \$10,000.

If it is anticipated that reimbursement of force account work (cost for City employees) for the evaluation survey will be requested, the enclosed instructions should be followed so that payroll requirements and adequate records are maintained. If force account work is to exceed \$10,000, prior approval of the EPA is required.

Eligibility on sewer system rehabilitation work is restricted to the public sewer proper; no work on private service lines, work on private property where the applicant has no direct control, or similar sources beyond the point of connection to the sewer line will be judged eligible. No rehabilitation work for which eligibility is being requested can be initiated until: (1) the sewer system evaluation is completed; (2) plans and specifications for that work are approved; and (3) a Step 3 grant for that work is received.

We recommend that the applicant submit a revised grant application for Phases IV, V and \$2,000 for the report by the contractor in Phase VI of the evaluation survey and for the following costs which have been determined to be eligible:

July, 1968 Report.....	\$1,500
Report on sewage treatment plant improvements.....	2,000
Infiltration/inflow analysis.....	500
Supplemental report.....	500
Rainfall simulation.....	5,000
Differential flow measurements.....	3,000
Evaluation survey report.....	1,500
Plans, specifications and contract documents for sewer cleaning and television inspection.....	1,500

The above costs were taken from the engineering contracts, with the exception of the July, 1968 Report, for which we requested a copy of the pertinent contract on March 10, 1976.

Several items that have been judged to be ineligible for EPA construction grant participation are:

One. The work performed by American Pipe Services prior to grant award.

Two. All legal fees submitted to date.

Three. The fee of \$1,600 for administrative statements included in the April 7, 1975 contract.

We also recommend that the applicant be made aware that a grant offer for the sewer system evaluation study work is subject to the availability of funds.

If there are any questions regarding this project, you may refer them to John Chittenden of our Engineering Branch. His telephone number is (816) 374-2725.

Very truly yours,

PAUL M. WALKER,
Chief, Engineering Branch.

STATEMENT OF DALE R. MAYBERRY, IOWA COUNTY SUPERVISOR, REPRESENTING EAST CENTRAL IOWA ASSOCIATION OF REGIONAL PLANNING AREAS, WILLIAMSBURG, IOWA

Our organization represents over 70 local governments in Benton, Iowa, Linn, Johnson, Jones and Washington Counties, who in turn represent some 315,000 Iowans. The area includes a rapidly growing metropolitan area, a wide range of smaller municipalities and towns, and some 3,600 square miles of countryside. The maintenance and development of which represents a unique range of mutual problems and opportunities which the organization has only recently begun to deal with cooperatively.

From our unique perspective it is easy to see how unequally urban and rural areas are treated by the mix of Federal Programs addressing development assistance. Urban areas and citizens are simply being treated better than rural ones. Cities are being relatively well supplied with funds—mainly in the form of grants—while smaller communities and rural areas receive less. And what funds they do receive are in the form of loans which tend to burden future local initiatives by saddling local governments with long term debts, often for the development of facilities to meet federal requirements.

This is not to say that Housing and Community Development Funds or the like are excessive, or, for that matter, adequate. It is clear that the rural citizen is not receiving his share of this countries' development capital. While the Rural Development Act established a unified context for applying rural development programs—at least for U.S.D.A. activities, failure to fund the various components has generally limited its function to creating a few model projects while permitting a general continued decline in rural America's quality of life and potential for an economic vitalization which could ultimately repay the relatively small capital investment several times over while preserving and expanding the rural life alternative for all Americans. In the present private and governmental contexts it appears that expansion of this alternative can only be made by applying such prudent programs as those included in the Rural Development Act. These programs must be supported by funding levels equal to the task.

Rural development activities should be cooperative, involving all interested parties.

Along this line, I would like to suggest that better communications be established between the Farmers Home Administration and areawide planning organizations like East Central. We are involved in a number of studies and plans related to rural development. In particular we are completing an inventory of housing—particularly housing needs—on an areawide basis. It appears that FmHA Programs are not well suited to systematic evaluations of patterns of need, nor identification of especially needy areas, since they respond only to specific requests for assistance in the absence of any overall plan. I realize that some areawide organizations have worked more extensively with FmHA than ours, but I would like to emphasize the need for a comprehensive, areawide perspective in the administration of functional programs, especially where some division of labor can increase their effectiveness.

STATEMENT OF HON. HAROLD L. JOHNSON, MAYOR, WASHINGTON, IOWA

There has been considerable discontent with many of federal government programs of grants to cities secured in this area. Small cities and towns have definite handicaps in making applications, in getting information about the programs due to lack of information, time and money to process the applications. Smaller communities must either spend many hours getting information and processing the application or else hire engineering firms or other qualified agencies to do the work required. This sometimes takes costs up to 30% of the entire grant when it is in the smaller grants.

Specifications, many forms, E.P.A. requirements, inspections costs, Davis-Bacon act stipulations, delay in processing projects all add to final costs of every project. Many of these objections and costs could be eliminated by streamlining forms, applications and relying to some degree on local inspections. Most small city officials are vitally interested in their projects and do make inspections on their own without outside and extra inspectors.

A F.A.U.S. project in Washington, Ia., this summer paving of four city blocks cost \$55,000 of which we estimated a \$5,000 cost for applications, inspectors, filling out forms and reports by our engineering firm. This 5 gs did not include any of the engineering work required on the project. We are grateful for the help from the federal government but feel the paper work is excessive and should be streamlined.

It would seem to me that congress will have to eliminate a lot of programs or cut them drastically if our federal budget is going to be controlled. Water, sewer and bridges are among the costly programs but are the most essential and needed ones. Good water and sewers are needed for a healthy environment and bridges for transportation of people and products. Some of our social programs could be cut or dispensed with. Many of them add to the quality of life but are not essential and congress should make a distinction between them in their funding.

Our rate of inflation has been going at a terrific pace during the 70's. Projects planned two years ago now cost 30% more in 1976 than when originated, so either you pay more or cut the project which is a real headache to both federal and local units. This is not news but some control methods should be initiated to slow the rate. If massive government spending is held down and the public spending is checked our economy would recover at a slower but safer rate.

One big concern of mid-westerners, in their 50's and above is that our nation's national debt now stands at 629.926 billion dollars as of August 20th. Interest so far this fiscal year totals 35.5 billion for which our government gets nothing. The interest is almost 9.7% of the entire amount of money spent so far this year. The figure spent on all government outlays was 365.6 billion to date.

A government 6½% treasury bond being refinanced was sold August 15th at par and bore 8% interest for a ten year period. As long as we have big deficits and still owe \$600 billion such rates will continue and grow. When our federal government has to pay that percent of interest it seems time to take some kind of action to alleviate such rates.

Why couldn't congress allocate a % of the income tax for a period of years to reduce the federal debt? A 5% or more is not too much to ask if in the coming years our government is to remain solvent. New York's problems are not beyond the realm of possibility of the same thing occurring to our federal government.

Perhaps my suggestions aren't the best avenues of approach but the debt problem is great and some concentrated action should be taken now.

SAC COUNTY SOIL CONSERVATION DISTRICT,
Sac City, Iowa, August 12, 1976.

Senator DICK CLARK,
Federal Building,
Cedar Rapids, Iowa.

DEAR SIR: We, the commissioners of the Sac Soil Conservation District, wish to commend you for the interest and time you're contributing to study the conservation program in the State of Iowa.

The District received \$28,000 in State funds in July, 1976. Within the same month, most of these funds have been obligated to eleven terrace projects. Last year, the District received \$14,000. Therefore, the conservation program, and the cost of conservation work have accelerated considerably.

Also, Sac County ASCS received \$56,000 which went towards terraces, grassed waterways, and farmstead windbreaks primarily. Almost all of these funds have been obligated.

Last year, the S.C.D. commissioners and ASCS County committee agreed to have a maximum of 50% cost-sharing except in the Blackhawk Lake Watershed which is combined cost-sharing up to 75% to provide extra incentive. This Watershed is above a State owned lake.

Our efforts have been to spread the funds so more land owners could apply badly needed conservation practices. Without cost sharing, the conservation program would by no means die, but the amount of terraces, structures, and waterways would be reduced just due to the cost of constructing such.

Most terraces are costing between \$.90-\$1.10/linear ft.

Waterways are costing \$.60-\$.80/linear ft.

Drainage tile installed: \$.65/ft 6" concrete, \$.80/ft. 8" concrete.

Bigger tile projects larger costs. We're expecting up to 10% increase in cost of work.

We feel there is definite need for more funds to not only provide cost-sharing, but funds needed for more personnel in the S.C.S. Field offices. One District Conservationist, one technician, and one part-time aide are barely able to meet the demands. With the District becoming more involved with the total concept of land-use planning, and non-point source pollution planning (Sec. 208, P.L. 92-500), the demands on their time become prohibitive.

Again, we thank you for your interest.

DONALD D. LONG,
GERD CHERDES,
BILL CARLSON,
KENNETH LITTLEFIELD,
MURIEL MINGLIN,
CLYDE McDONOUGH,
Sac County SCD Commissioners.

[The following material was referred to on p. 39.]

OFFICE OF THE COUNTY ENGINEER,
Marengo, Iowa, August 27, 1976.

Hon. DICK CLARK,
404 Russell Office Building,
Washington, D.C.

DEAR SIR: County Supervisor Dale Mayberry gave testimony at your hearing in Long Grove, Iowa on August 20, 1976. He requested that I furnish you additional information on our county bridge situation to be included as part of his testimony. I am sending you a copy of a letter dated February 18, 1975, to Congressman Edward Mezvinsky in which I outlined our bridge problem at that time. Since 1974 Iowa County has spent approximately 2.4 million dollars replacing and repairing approximately 100 bridges. The 2.4 million dollars in funding used to repair and rebuild these bridges was obtained through normal property tax and road use tax funds and also regular Federal Aid funds that normally come to the county. Iowa County has not been able to utilize any of the federal bridge replacement funds due to the fact that the Federal Highway Administration and State Department of Transportation in Iowa have utilized these funds on primary roads throughout the State of Iowa. It should be noted that the federal bridge replacement program is very inadequately funded under the current Federal Highway Act. The 150 million dollars in funding for the entire nation does not even begin to cover one-fifth of the problem that is in the State of Iowa alone. This therefore means that many counties generally do not qualify for the funds since most states feel the money should be spent on large bridges costing millions of dollars each. Iowa County currently has approximately 120 bridges yet to be replaced in the county road system. The funding sources continue to appear the same and we will be utilizing as many of the new Federal Aid programs as possible. One of the situations which greatly impeded our bridge replacement program was the 1974 disaster which struck Iowa County. The Federal Highway Administration at that time refused to recognize that Iowa County had sustained substantial damage to the bridges on the Federal Aid System of roads and would not fund approximately 300,000 dollars in bridge replacement as a direct result of the disaster. This lack of funding from the Federal Highway Administration set the Iowa County bridge replacement program back approximately two years and forced the county to replace these flood damaged structures with regular county funds. Iowa County attempted many times to appeal this decision of the Federal Highway Administration, however, all our efforts were to no avail.

I do sincerely believe that it is extremely necessary that the Congress of the United States recognize that there is a problem with the local county bridges across the country. This is a problem which has been building for many, many years and has not been recognized until just recently, however, it is a problem that is going to have to be tackled in a reasonable period of time in the future. I am sure that without the cooperation of the federal government in this general bridge up-grading project the counties across the United States will be unable to improve their situation within a reasonable period of time. It would only seem reasonable that the arm of government that required the bridge inspection should also feel some kind of obligation to also aid the local government units in their effort to remedy the problem which has been recognized. If the inspection of the bridges across the United States carried federal emphasis then it would only seem logical that the replacement of these structures should also carry federal emphasis and that some type of aid from the federal government would be reasonable.

I do sincerely hope that this information can be utilized by your office and if further information should be required, please contact me at any time so that I may provide it. Thank you for your assistance in the matter.

Sincerely,

NORD S. SORENSEN,
P.E. Iowa County Engineer.

Enclosure.

FEBRUARY 18, 1975.

Hon. EDWARD MEZVINSKY,
U.S. Congressman,
Federal Building, Iowa City, Iowa

DEAR SIR: The following information is furnished as per your request in January, 1975.

Iowa County is a county consisting of 16 townships in which there are 950 miles of secondary roads and 380 bridge type structures. Of the 950 miles of road in Iowa County, 72 miles are of asphalt or concrete type surface, 770 miles are rock surfaced, 97 miles are unsurfaced, and 11 miles are not open to traffic. With respect to the 380 bridges in Iowa County, 190 will not carry legal loads and better than 130 bridges are of a 10 ton or less classification. These bridges are shown on a county map which was furnished your office in the summer of 1974. Iowa County currently has over 30 farming operations located behind bridges which are less than legal load limit. This bridge problem is causing many hardships for our farmers and is undoubtedly raising the costs of their production. We have estimated that in order to bring all the bridges to legal load limits, it will cost approximately \$10,000,000.

In addition to the bridge problem, Iowa County only has 72 miles of hard surfaced roads. There are in the county an additional 190 miles of highly traveled roadway which should be graded and hard surfaced. The cost of this work would be approximately \$28,500,000. In addition to the hard surfaced roads, we have an immediate need of the grading and rock surfacing of another 170 miles of highly traveled local service roads. The cost of this work would equal an estimated \$8,500,000 (a map is attached showing the location of these roads).

Therefore, summarizing Iowa County's bridge, hard surfaced roads, and rock surfaced road needs, we have an estimated cost of \$47,000,000. The current budget for the Iowa County Secondary Road Department is \$1.8 million a year of which \$500,000 per year is spent on construction. In addition to the \$500,000 in the local budget, Iowa County receives \$300,000 per year in the Farm to Market budget with the State Highway Commission. This therefore, means that Iowa County has approximately \$800,000 per year to spend on construction and a \$47,000,000 problem which will take approximately 60 years to solve at the current rate of construction.

There are the questions as to why such a large problem. The answer to that is fairly simple in that most of the roads and bridges were constructed between 1920 and 1950. These structures and roads were designed for much lighter loads and with lifespans of 20-30 years. In other words, our present system is overstressed by the type of vehicles used today and has long outlived its useful life. Another question which is raised, is why haven't the road systems been continuously updated? Again the answer is fairly simple. The road systems have been going through a program of updating, however, with over 950 miles of road and 380 bridges, the magnitude of the problem is enormous. It should be noted that in just the last year alone, construction costs have risen over 40%, local government labor costs are up over 20% and that no additional revenue above that being received currently is anticipated. It can be safely said that unless some type of aid is available soon for the local road systems, the government agencies controlling these road systems will barely be able to maintain what they have, let alone trying to reconstruct and improve the systems.

I sincerely hope that this information is of use to you and your staff and that you can help local governments with this tremendous problem. I would be most willing to furnish more information by mail or by personal appearance, if needed. In summary, it should be realized that the local secondary roads in counties, such as Iowa County, are the lifelines of the farmer and that the farmer is the lifeline of the country, therefore, we can do without neither and we better start helping both soon. Thank you.

Sincerely,

NORD S. SORENSEN,
P. E. Iowa County Engineer.

STATEMENT OF GERALD SUCHAN, EXECUTIVE DIRECTOR, REGION SIX
PLANNING COMMISSION, MARSHALLTOWN, IOWA

My name is Gerald Suchan ; I am from Marshalltown, Iowa.

I would like to thank the members of the Rural Development Subcommittee for allowing my comments to be included in the record of this hearing.

I am the executive director of a Regional Planning Commission in central Iowa. This agency provides services to forty-two towns and four counties. Only one town has a population of over 10,000 persons. One of my primary tasks is to

provide planning and technical assistance to member governments regarding the identification and documentation of needs, and recommending remedies for the attainment of public goals. The most important resources relied upon in recommending remedies are the various federal programs.

In 1972 a number of categorical programs were terminated, several others were transferred and realigned in an attempt to achieve a higher degree of effectiveness and provide for more efficient management.

A glimmer of hope appeared on the horizon for small rural communities struggling to provide life support services and a minimum of the amenities every citizen should have an equal right to receive. That hope was the announcement of the Rural Development Act of 1972. With the enthusiasm of children, we, who for too long could find little or nothing in our basket of programs to offer rural America, read through the Rural Development "WISH BOOK". At last, there would be some possibility of alleviating some of the immediate negative pressures being experienced by rural communities. We were not totally naive.

In our effort to inform the public officials and citizens we were assisting about Rural Development, we hastened to caution that there would be an authorized funding that couldn't possibly respond to all the requests that were sure to come in. It becomes a source of real embarrassment, explaining and rationalizing to the public why what was promised cannot be delivered. Basically, I am an optimist. Therefore, I indicate to them that something will be coming down in the future to respond to their needs.

Sections that I am painfully aware of not being adequately funded by Title I Amendments to the Consolidated Farmers Home Administration Act of 1961 are:

Section 111 adds to 306(a). Rural Development Planning Grants. Comprehensive funds have not been made available to us or to communities. This is a critical area which would provide for budget relief to rural communities who still require being sold on the need to plan, to do some prior planning for an early warning of future budget and development requirements.

Section 112 amends 306(a). Priority for Certain Water Facility and Waste Disposal Loans and Grants. I am working with several communities, two of which have zero water pressure at critical water hydrants adjacent to the central business district, and near an elementary school. Another town has such poor water quality from a deteriorated well and system that the chemical treatment analysis required to purify the water causes a laxative effect to those unaccustomed to the water and is detrimental to heart patients. Despite these critical needs, they are not eligible for grants under present funding.

Please consider these deficiencies and move to adequately fund the Rural Development Act of 1972.

As a professional engaged in program research with the Catalog of Federal Domestic Assistance, I strongly urge your support for the Ross Bill, H.R. 13186 and the corresponding house legislation which would provide a key to alerting public officials to alternative sources of funding.

The Region Six Planning Commission is fortunate to have available in its office the Federal Assistance Program Retrieval System, a computer terminal which can access approximately 700 programs in response to program information inquiries about rural and community development contained in the Catalog of Federal Domestic Assistance.

The pending legislation, however, would make all of the programs available through a computerized retrieval system and proposes to provide a more complete detail than the Catalogue presently provides.

(Please admit as part of this statement, the enclosed cover story from Iowa Municipalities, Vol. 31, No. 10, April 1976.) Thank you.

Enclosure.

[Reprinted from Iowa Municipalities, April 1976]

COMPUTER CUTS TIME NEEDED TO UNLOCK FEDERAL PROGRAMS

BUT IT DOESN'T GUARANTEE THAT FUNDS ARE AVAILABLE

MARSHALLTOWN—The Region 6 Planning Commission here is the first in the nation to be connected with the new Federal Assistance Program Retrieval System (FAPRS). The system enables Region 6 staffers to scan 657 possible sources of federal technical and/or financial aid to local communities in a matter of minutes.

"In a two-hour run, the computer gets responses it would take ten planners two months to get," said Gerald Suchan, executive director of the Region 6 commission. It unearths obscure federal programs which conventional searches often overlook, he added.

FAPRS was developed by the Rural Development Service of the US Department of Agriculture. Suchan learned of the system, and became interested in it, when he met the system's "inventor", Paul Kugler at a convention in 1973. Since then, US Senator Dick Clark has helped publicize the system in November, 1975, workshops held in Mt. Vernon and Indianola.

Cross-check for specifics

Programs scanned by the computer are keyed to the Catalog of Federal Domestic Assistance. Cross-checking in the catalog yields specific information about each program, including how to apply for aid.

About 65 per cent of the 1,009 programs listed in the catalog are covered by the computer. "The computer's reply to a problem doesn't necessarily exhaust the possibilities," Suchan said.

Availability of federal funding programs depends on funding levels and priorities among eligible applicants, he observed.

So far, Suchan said, "FAPRS has been used to find potential aid for about 20 communities in Region 6." Some, he added, were double, or triple requests . . . meaning that answers to more than one problem were sought.

All 20, he said, received information which could help solve their problems. Naturally, action by the community is needed to take advantage of the information because most federal programs require matching community funds or other efforts to meet criteria for the aid.

Ask development help

So far, Suchan said, requests for help have involved many phases of community development. Included, he noted, have been requests from a community in which water treatment was having a laxative effect on visitors; another in which a city cemetery was adjacent to a flood plain with graves being washed out of the cemetery; and another with a "critical" traffic bottleneck.

The responses have been delivered to all the communities involved, Suchan said, but no conclusive action on the possible solutions has been taken yet. "We were amazed to discover that more than a dozen federal programs impacted on the cemetery problem," he remarked.

Suchan said the computer could be used to locate aid for sixteen categories of community facility grants. They include aid programs dealing with: 1. community water supply; 2. community sewage treatment; 3. solid waste management; 4. public buildings; 5. hospitals and health-related facilities; 6. recreation; 7. land acquisition; 8. public roads and bridges; 9. utilities; 10. historic preservations; 11. federal surplus property; 12. flood prevention and control; 13. emergency preparedness and disaster relief; 14. fire prevention; 15. Department of Defense economic adjustment program; and 16. the integrated grants administration.

Four classes of programs

Besides the community facility programs, the computer also answers questions about programs in business and industrial development, planning and technical assistance, and housing.

Besides information for government entities, FAPRS can provide specific answers to non-profit organizations, private individuals, and Indian tribes. Information provided takes into account the city's population size and its status as a part of a Standard Metropolitan Statistical area or an area covered by the Economic Development Act. (Iowa has eight counties designated as SMSAs and nine counties as EDAs.)

The computer terminal cost Region 6 \$3,000, Suchan said. There is a minimum telephone line charge for connections with the computer center in the USDA of \$100 per month, and there are other charges which vary with the number of requests for information processed by the system.

Region 6 communities can use FAPRS free, Suchan said, but other cities in the state can plug into the system for \$25. Additional runs can be obtained for \$10 per run, he said.

For further information, contact Suchan at the Region 6 Planning Commission, Suite 10, 8 North 1st Ave., Marshalltown, Iowa 50158; 515/752-0717.

