

Ronald Reagan Presidential Library
Digital Library Collections

This is a PDF of a folder from our textual collections.

Collection: Baker, James A.: Files
Folder Title: [Alabama]
Box: 12

To see more digitized collections
visit: <https://reaganlibrary.gov/archives/digital-library>

To see all Ronald Reagan Presidential Library inventories visit:
<https://reaganlibrary.gov/document-collection>

Contact a reference archivist at: reagan.library@nara.gov

Citation Guidelines: <https://reaganlibrary.gov/citing>

National Archives Catalogue: <https://catalog.archives.gov/>

Gulf Lumber Company, Inc.

POST OFFICE BOX 1663 • TELEPHONE 205 457-6872

Mobile, Alabama

36633

December 11, 1984



PRODUCERS OF
PRESSURE TREATED LUMBER

WM. H. STIMPSON
Chairman of the Board



SOUTHERN YELLOW PINE

Mr. James A. Baker, III
Chief of Staff and
Assistant to the President
THE WHITE HOUSE
Washington, D.C. 20500

Dear Jim:

I am enclosing copy of a letter to President Reagan and would appreciate you using your influence to help keep a sound tax policy for this country.

Sincerely,

A handwritten signature in cursive that reads "Billy".

Wm. H. Stimpson

WHS/sat

Enclosure

Gulf Lumber Company, Inc.

POST OFFICE BOX 1663 • TELEPHONE 205 457-6872

Mobile, Alabama

36633

December 11, 1984



PRODUCERS OF
PRESSURE TREATED LUMBER

WM. H. STIMPSON
Chairman of the Board



SOUTHERN YELLOW PINE

The President
THE WHITE HOUSE
Washington, D.C. 20500

Dear Mr. President:

Please do not let the news media and liberal Congressmen and Senators make you rescind tax incentives that U.S. business needs to compete in the free enterprise system at home and abroad. A shackled industry will not come up with the tax dollars that you so badly need with which to balance the budget.

We mainly need to keep the following:

1. Capital gains tax, particularly as it effects timber because of the 35 to 50 years that it takes to grow a crop.
2. The ability to expense timber management expenses and carrying costs for the same reason as above.
3. The expensing of interest costs on first and second homes to keep our housing industry going which is so important to our whole economy.
4. Industry needs all incentives possible to rebuild so that we can compete in the world market.

Simplification is fine as long as it does not violate the principles set out above.

We let our social programs get out of hand and, in my opinion, the only way to recoup is to add on a sales or value added tax.

Sincerely,

Billy Stimpson

Wm. H. Stimpson

WHS/sat

CF Halstead

Developers/Contractors, Inc.
P. O. Drawer O
Montgomery, AL 36105
205/288-2330

December 31, 1984

Mr. James A. Baker, III
Chief of Staff
Assistant to the President
The White House
1600 Pennsylvania Avenue, Northwest
Washington, D.C. 20500

RE: Treasury Department Tax Reform Proposals

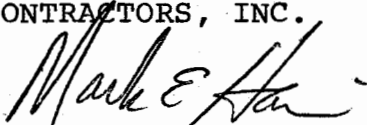
Dear Mr. Baker:

We urge you to immediately take a strong position against the tax reform proposals recently issued by the U.S. Treasury Department. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate.

We believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of The United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across The United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan Administration and reelection. We, therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Sincerely,

C.F. HALSTEAD DEVELOPERS/
CONTRACTORS, INC.


Mark E. Harris
Executive Vice President

MEH/tb



David Kahn & Co. Real Estate

200 Arba Street
Montgomery, Alabama 36104
(205) 834-5900

December 13, 1984

James A. Baker III, Chief of Staff and Assistant to the President
The White House, 1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Re: Treasury Department Tax Reform Proposals

Dear Mr. Baker,

I strongly urge you to immediately take a strong position against the tax reform proposals recently issued by the U. S. Department of Treasury. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate.

I believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. I, therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Very truly yours,

Joan C. Partridge

ENGEL REALTY INVESTMENTS, INC.

2126 MORRIS AVENUE

P. O. BOX 187

BIRMINGHAM, ALABAMA 35201-0187

(205) 323-8081

December 20, 1984

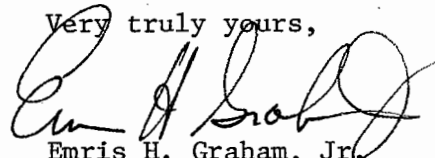
James A. Baker III, Chief of Staff and
Assistant to the President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. Baker:

We urge you to immediately take a strong position against the tax reform proposals recently issued by the U. S. Department of Treasury. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate.

We believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. We, therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Very truly yours,



Emris H. Graham, Jr.

Vice President

mb

cc: Alabama Representatives
Alabama Senators

ENGEL REALTY INVESTMENTS, INC.

2126 MORRIS AVENUE

P. O. BOX 187

BIRMINGHAM, ALABAMA 35201-0187

(205) 323-8081

December 20, 1984

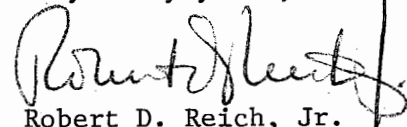
James A. Baker III, Chief of Staff and
Assistant to the President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. Baker:

We urge you to immediately take a strong position against the tax reform proposals recently issued by the U. S. Department of Treasury. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate.

We believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. We, therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Very truly yours,



Robert D. Reich, Jr.
President

mb

cc: Alabama Representatives
Alabama Senators

**EQUITY
RESOURCES
INCORPORATED**

December 18, 1984

Mr. James A. Baker, III
Chief of Staff and Assistant to
the President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500


Re: Treasury Department Tax Reform Proposals

Dear Mr. Baker:

I urge you to immediately take a strong position against the tax reform proposals recently issued by the U.S. Department of Treasury. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate.

I believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. I, therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Very truly yours,



Robert R. Maner

RRM/bjm

**EQUITY
RESOURCES
INCORPORATED**

December 18, 1984

Mr. James A. Baker, III
Chief of Staff and Assistant to the
President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Re: Tax Proposals in Effect On Real Estate Syndications

Dear Mr. Baker:

I own a real estate investment company in Birmingham, Alabama involved primarily in the syndication of apartment complexes in the Southeastern States. My experience in real estate investments for the last twelve years have included virtually every aspect of commercial real estate development, syndication and management.

As I am sure you are aware, major changes in the tax structure for real estate investments is nothing new to the real estate industry. The adjustments and changes in the real estate industry have caused a number of periods of uncertainty in the past but never any proposals at any time to match the Treasury Department tax proposal now being recommended. I have attempted to understand the logic behind virtually every point being considered and promoted by the Treasury Department, and have concluded that the obvious effort to increase additional tax revenues has blinded numerous people from the reality of the devastating conclusions these proposals generate.

Investor uncertainty, even at this early stage, is remarkable. The ripple effect and the adverse consequences these changes would instigate would almost eliminate real estate investments as we now perceive it to a point to where as an investment alternative, real estate would no longer be a viable commodity.

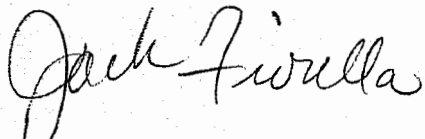
I have seen a number of products I would agree are abusive in the structure proposed by the investment, and for that reason should be eliminated from the market place, but not the elimination of the market place itself.

Mr. James A. Baker, III
December 18, 1984
Page Two

I urge you to give serious, immediate consideration and do everything possible to avoid the changes and proposals currently being considered.

Your cooperation is greatly appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Jack Fiorella". The signature is written in dark ink and is positioned above the typed name.

Jack Fiorella

JF/bm

FIRST REAL ESTATE CORPORATION of ALABAMA

REALTORS®

- CORPORATE OFFICES: P.O. Box 9, Pelham, AL 35124 • 205-663-3895
- BUILDING AND DEVELOPMENT: P.O. Box 9, Pelham, AL 35124 • 205-663-4022
- BUSINESS BROKERAGE: 2964 Columbiana Road, Birmingham, AL 35216 • 205-822-2364
- COMMERCIAL INVESTMENT: 2964 Columbiana Road, Birmingham, AL 35216 • 205-822-2364
- PROPERTY MANAGEMENT: 2700 Hwy. 280 S., Suite 111, Mtn. Brook, AL 35223 • 205-871-7788
- REAL ESTATE SCHOOL: 2700 Hwy. 280 S., Suite 111, Mtn. Brook, AL 35223 • 205-871-7799
- RELOCATION SERVICES: P.O. Box 9, Pelham, AL 35124 • 663-3895 or 1-800-847-6144

SALES OFFICES

- CHILTON: 1701 Highway 31 North, Clanton, AL 35045 • 205-755-7627
- EASTERN: 665 Sun Valley Road, Birmingham, AL 35215 • 205-856-2000
- MOUNTAIN BROOK: 2700 Hwy. 280 S., Suite 111, Mtn. Brook, AL 35223 • 205-871-7788
- NORTHERN: 1401 Thompson Circle, Gardendale, AL 35071 • 205-631-5499
- OVER THE MOUNTAIN: 2964 Columbiana Road, Birmingham, AL 35216 • 205-822-2364
- SHELBY: 3170 Highway 31 S., P.O. Box 9, Pelham, AL 35124 • 205-663-3895
- TRUSSVILLE: 413-A Main Street, Trussville, AL 35173 • 205-655-8877
- WESTERN: 4650 Avenue "W", Suite J, Birmingham, AL 35208 • 205-788-8901

December 12, 1984

Mr. James A. Baker, III, Chief of Staff
The White House 1600 Pennsylvania Avenue NW
Washington, D.C. 20500

Dear Mr. Baker:

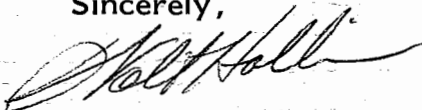
Certain provisions in the treasury tax reform proposals seems certain to enhance the recessionary pressures on the economy, inevitably lead to a drastic acceleration in rents for those who cannot afford to own a home and seriously restrict capital formation and construction of new investment real estate. These same provisions would tend to make home ownership less attractive and would greatly reduce the market value of most investment real estate. These provisions are:

1. The 35 limited partner rule
2. Interest indexing
3. Capital gains indexing
4. Application of "at risk" rules to real estate
5. Longer ACRS period
6. Repeal of Investment Tax Credits

Any lowering of taxes for low to moderate income households would be more than offset by a drastic increase in rents made necessary by removal of the incentives to investors to absorb the negative pre-tax cash flows occasioned by high building costs and high interest rates.

We urge you to take a strong position against these proposals.

Sincerely,



Walt Holliman, Realtor

January 3, 1985

Mr. James A. Baker, III,
Chief of Staff and
Assistant to President Reagan
The White House
Washington, D.C. 20500

Dear Mr. Baker:

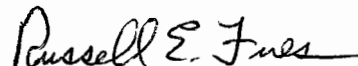
The administration budget for 1986 proposes that the National Fertilizer Development Center (NFDC) in Muscle Shoals, Alabama, receive a funding decrease of 75 percent. I believe that full funding for the NFDC is in the national interest.

Fertilizer research done by the NFDC has made a major contribution to the increased productivity of America's farmers. This same farm productivity has been a major source of exports from the United States for decades. What would the United States balance of payments be without agricultural exports?

The fact is, the National Fertilizer Development Center makes a contribution to this country's economy far greater than the tax dollars needed to keep it operating at current levels. The NFDC has been issued over 200 patents and has licensed more than 600 companies to use its processes and products. These patents and research have also been shared world wide.

The U.S. taxpayer is receiving his money's worth for his dollars spent at the NFDC. Please do what you can to have the part of the budget allotted to TVA's National Fertilizer Development Center restored.

Sincerely,



Russell E. Fues
2350 McBurney Drive
Florence, Alabama 35630



CULPEPPER REAL ESTATE

800 2nd Ave. S.W.
Cullman, Alabama 35055
Phone 739-1389



December 28, 1984

President Ronald Reagan
White House
Washington, D.C. 20500

Dear Mr. President:

I think the idea of freezing Medicaid for one year is very good.

I also believe to get these other Social Cuts, which I back 100%, you will have to cut a little more on the Defense Budget and also have some sort of tax increase. I am enclosing an article on Gasoline Prices which indicates to me that now would be a good time to put a 10% to 25% tax increase on gas or maybe 10% now and 2% more in the coming years. With prices falling the way they are now the consumer probably wouldn't notice the difference on 10% increase within 30 days or so.

Sincerely,


R. H. Culpepper

cc: David Stockman, James Baker,
Tom Bevill, Jeremiah Denton,
Howell Heflin

Leaded gas falling below \$1; many Jeffco stations join trend

From staff and wire reports

Regular leaded gasoline prices have fallen below \$1 a gallon at hundreds of stations nationwide, with the trend strongest in the Southeast and Southwest, an oil industry analyst says.

Don Lundberg said in Los Angeles Sunday that his twice monthly survey of 17,500 stations nationwide found about 5 percent had prices of under \$1 a gallon for regular leaded gasoline at self-service outlets. Self-service stations account for just under 75 percent of the nation's total gasoline sales.

"The higher prices are showing up all over the country, but the trend is most pronounced in the Southeast and Southwest," Lundberg said.

A check of 10 service stations in Jefferson County on Monday showed that half had priced their leaded regular gas below \$1 a gallon. The lowest price in the spot check was 99 cents a gallon and the average price was \$1.015.

Except for one station that offered leaded gas from a full-service pump at 99.9 cents, all the prices quoted by the local dealers were for self-service gas.

The average of the 10 local stations' self-service prices for regular unleaded gasoline was \$1.114, and the average for super unleaded was \$1.263.

Lundberg's survey showed that the national average price for all

grades of gasoline at both self- and full-service stations dropped during the week by 1.13 cents to \$1.172 per gallon, the lowest since March 1983, when the price was \$1.119, Lundberg said.

Wholesale prices also were down to 81.1 cents per gallon before taxes, the lowest they have been since December 1979.

BECAUSE WHOLESALER PRICES have been falling faster than pump prices, dealers' profit margins were the biggest in five years, reaching 13.45 cents per gallon.

The margin was 19.05 cents in July 1979 during the Iranian revolution and has dropped to as little as 1.07 cents per gallon since then.

The owner of a service station in Homewood said, however, that he hasn't noticed any rise in profit margins among Birmingham area service stations.

"Whenever wholesalers lower their prices, competition dictates that the price at the pump has to go down," said Charles Stephens, owner of Brookwood Shell Servicenter.

He said many stations price their leaded gas at wholesale cost, or slightly above cost, "just to get the customer to come in, to generate traffic." Stations make up the difference by raising the prices for premium unleaded gas, he said.

OWNERS OR ATTENDANTS at all the Jefferson County service stations checked said self-service prices

for all their gasoline grades had come down recently. Most said they had made price reductions within the last week.

Stephens said wholesale prices appeared to have dropped about two and a half cents per gallon since the first of the month.

An attendant at the Union Oil Self-Serve station at 603 Bessemer Highway said the station's sales of leaded gasoline had "just about doubled" since the self-service price dropped to 99.9 cents a gallon on Saturday.

She said that on a given day, either leaded or unleaded regular might be the top seller at the station, depending on pump prices.

The continuing high level of leaded gasoline sales in Jefferson County helps keep atmospheric ozone levels in the county unacceptably high, environmental officials say.

Alabama Department of Environmental Management officials warned recently the county soon might be forced by federal Environmental Protection Agency pressure to set up mandatory auto emission system inspections and maintenance.

The object of the inspections, already required in several other cities including Atlanta, would be to stop motorists from tampering with exhaust systems or pumping leaded fuel into cars designed for unleaded gasoline only, EPA officials say.



Joan Beck

TV doctors' image better, less wrapped up in money

If he isn't Dr. Welby, you want a doctor to be Doc Foster or Howards Fester or Trapper or Gordo or Dr. Westfall or at least Dr. Craig or Jack Morison.

But it's easier to find a physician who cares first and most about patients by watching the images on TV than in real life, where doctors are increasingly busy trying to hang onto their economic edge in a rapidly changing world of health care.

Remains part of the problem

With medical costs so high that at least some nations are considering universal rationing, it is clear that doctors don't want to be part of the solution, but to remain part of the problem. The physicians' work is being done away to great lengths every effort to persuade them to help in controlling runaway medical spending.

What happens when private industry and government legislators try to protect individual firms from escalating medical expenses by developing health insurance. Medical and Medicare's Doctors use what are to exploit these health funds to order enough expensive tests and treatments to keep themselves in fat salaries and Medicare. Even when that spending for health care has jumped over 1 percent of the gross national product in 1970 to 11 percent in 1973.

When the government tries to set reasonable ceilings on bills to Medicare and Medicaid patients, how do many doctors respond? By billing these patients extra amounts which effectively do the same as all.

When employee insurance programs get so high pay through American corporations to their markets. Health care still is the most expensive part of the bill for workers. The rapid rise in health care is a major reason why American productivity is falling. How can the doctors who are the main beneficiaries of this inflation do anything about it?

When the government asks who controls the costs of health care, who gets the responsibility? The answer is doctors.

With hospital rates growing 100 and 150 a day, to physicians who were paid of the fees given by patients. Can he find it helpful, light out where needed, to be made? Not usually. It's their money, they've got to get it. To limit, or cut savings such as arbitrary surgery and

shorter hospital stays. Many physicians still use the possibility of malpractice charges to rationalize practicing "defensive medicine" and ordering unnecessary tests and procedures.

With evidence growing that the amount and cost of medical care in a community are more closely related to how many hospitals and doctors it has and how physicians practice medicine than to the level of income in that area, how can doctors respond? Only with a bang and a few citizens in medical journals. Yet the costs for elective surgery, for example, can be three times higher in one locality than another.

As the number of medical students increases and positions throughout most of the growing competition among doctors "paper over" not necessarily their physicians faced with lower salaries, resulting by reducing their treatment or raising their fees of income. Rather than urging doctors to examine unobserved areas and to reduce such services as hospital care, medical education is producing medical schools of over-enrollment.

What are government measures - DRG's, preferred provider organizations, health maintenance organizations and other market mechanisms for controlling runaway medical costs - do to physicians' incomes? Probably not.

Thousands of doctors are joining health maintenance organizations, group practices that make more money by usually paying less. But there already noticed warnings and objections may face a moral dilemma when they are both paying themselves and employees or investors in for-profit health organizations.

Doctors who sign up with the rapid advertising for profit groups are already being urged to join doctors unions and to bring in higher pay. Once advanced signs that despite "voluntary" a strike is really in the interest of patients, probably because it would keep doctors supplied in necessities.

Having doctors to sacrifice

The American Medical Association did not object to the new DRG's, but it says that the new DRG's are a "major step" toward the goal of bringing a 10 percent reduction in the cost of health care. The DRG's are a "major step" toward the goal of bringing a 10 percent reduction in the cost of health care.

It is not clear what the final change in American health care will be. But it is clear that the cost of health care will be rising. The cost of health care will be rising. The cost of health care will be rising. The cost of health care will be rising.

TimesDaily

219 WEST TENNESSEE STREET, FLORENCE, ALABAMA 35630
205 766-3434

January 2, 1985

R. GUY HANKINS
Publisher

THE NEW YORK TIMES
REGIONAL NEWSPAPER
GROUP

ALABAMA
Times Daily (Florence)

FLORIDA
Anna Maria Islander
Avon Park Sun
Fernandina Beach News-Leader
Gainesville Sun
Golden Gate Eagle
Lake City Reporter
Lakeland Ledger
Leesburg/Commercial
Marco Island Eagle
Ocala Star-Banner
Palatka Daily News
Sarasota Herald-Tribune
Sebring News
Zephyrhills News

KENTUCKY
Harlan Enterprise
Madisonville Messenger
Middlesboro Daily News

LOUISIANA
Houma Daily Courier
Opelousas Daily World
Thibodaux Daily Comet

MAINE
Kennebunk York County Coast Star

MISSISSIPPI
Booneville Banner Independent
Corinth Daily Corinthian

NORTH CAROLINA
Hendersonville Times-News
Lenoir News-Topic
Lexington Dispatch
Wilmington Star-News

TENNESSEE
Dyersburg State Gazette
New Tazewell Claiborne Progress

Mr. James Baker
Chief of White House Staff
1600 Pennsylvania Avenue
Washington, D. C. 20500

Dear Mr. Baker:

It is with deep concern and grave alarm that we in North-west Alabama view the budget proposals of the Reagan administration that will virtually eliminate the National Fertilizer Development Center at Muscle Shoals. The work TVA is doing in fertilizer research at the NFDC is of utmost importance to Shoals citizens, America's farmers and the nation's consumers.

We are speaking to you from the heart. Our area is plagued by 15 percent unemployment. If the programs of the NFDC are reduced as proposed, we will lose 1,000 more jobs and unemployment will soar to as much as 25 percent of our work-force. Already crippled by plant closings, construction stoppages and other economic adversities, our people simply cannot survive such a catastrophe.

Nothing is more essential than food. The NFDC is in the forefront of agricultural research. We are proud of this work and support it. The nation needs an NFDC at full strength. We urge the reconsideration of these disastrous reductions.

Sincerely,



R. Guy Hankins

Enclosures



EDITORIALS

JAN 2 1985

Shoals letters critical now

Gov. George Wallace has joined the battle to save the Tennessee Valley Authority's National Fertilizer Development Center at Muscle Shoals. Wallace deserves our heartfelt thanks. So, too, does state Rep. Nelson Starkey of Florence, who took time from his holiday on Tuesday to stir up support for the NFDC in Montgomery.

But Wallace and Starkey deserve a lot more than our thanks; they deserve our strong, visible support. Otherwise, their efforts may be futile. Each resident of the Shoals should make his or her voice heard at the White House. There is a way to do that. By letter. We support the NFDC because its research work is crucial to the Shoals, to the nation and to the consumer. Let President Reagan know these firm, simple facts.

Wallace today will telegram Mr. Reagan to oppose a budget-slashing plan that will all but destroy the NFDC. Starkey said the governor promised that the state would do what it can to save this vital research agency.

Wallace is aware of the economic stagnation gripping Northwest Alabama. He apparently knows, too, that the loss of 900 or so jobs at the NFDC and its neighbor the International Fertilizer Development Center could spell pure disaster for the Shoals. It could send us into an economic tailspin from which we might never recover. Mr. Reagan, too, needs to know these dismal facts.

TimesDaily

Serving the Shoals area for 125 years

R. Guy Hankins
Publisher

Donald A. Brown
Editor

Rusty Starr
Managing Editor



A NEW YORK TIMES COMPANY

But the economic Dunkirk staring at the Shoals is only one reason the NFDC is worth fighting for. It is important to the American farmer, and to the American consumer. The NFDC's agricultural research is a prime reason food in this country is plentiful. If you think food prices are high now, you can expect them to go even higher without the NFDC pushing back the frontiers of fertilizer development. The fact is, food prices in the United States are far below what consumers in other nations pay.

American agriculture is one of the nation's great success stories. The NFDC has played a leading role in that success. Its demise will ripple through the farm community and ultimately through the supermarket shelf. You have the chance to make yourself heard. Do it for the sake of the Shoals' future, and the nation's.

PRESERVATION COPY

'Reagan's (plan) to gut ... (TVA) reminiscent of Eisenhower's'

To the editor: Reagan's attempt to gut certain phases of the Tennessee Valley Authority is reminiscent of Eisenhower's attempt to do the same when he became president in 1953. Eisenhower conspired to sell TVA and, according to one report, for five cents in the dollar. The infamous Nixon-Yates contract, under which the first big challenge was to come to TVA, provided for a huge utility plant to be built at West Memphis, Arkansas. Fortunately, the mayor of Memphis and his council decided to build their own utility plant. This stopped Eisenhower temporarily and the Democrats won control of both houses of Congress after the first two years of Eisenhower.

The Democrats retained control of both houses until 1980 when the Republicans gained control of the Senate. Reagan boasted that "you ain't seen nothing yet." It may be that a Democratic house can save TVA yet. I know that Rep. Flippo and Sen. Heflin will be in there fighting with all might and main to save these hundreds of jobs in the Muscle Shoals area. I am not sure that they can depend on the help of these abominable boll weevils.

I've been around a long time and I learned long ago not to trust a Republican in office. He is committed to "trickle-down" philosophy, meaning pile up the rich man's table and there just may be some crumbs that will trickle down to the likes of you and me. It is incomprehensible to me why the voters in this area of the country will blindly support a Republican, particularly a reactionary like Reagan. It ought to be clear to them that they are voting against the interest of this area of the world when they do. It ought to be clear that they are voting against the interest of the rank and file of the people.

EMMETT E. GOODWIN
Florence

Mr. President...

This newspaper endorsed Ronald Reagan for re-election. We did so because we believed he had the best alternative for relief from the economic sickness that grips the Shoals.

The president's policies have worked well in many areas of the nation. At this critical point in the recovery effort, however, he has turned his deadly budget knife on a vital vessel carrying Northwest Alabama's lifeblood. His proposed cuts in the Tennessee Valley Authority's budget and the devastating effect they would have on the National Fertilizer Development Center would mean about 1,000 more jobless people, the loss of a \$40 million payroll and our economic death.

Our congressional leaders are urging us to write the president. Times-Daily readers have requested publication of a letter they can sign and mail. We present that letter today — as dramatically as we know how — on our front page. You can be sure our effort will not end here. It is time for you to act. Write your own letter. Or clip the one below, sign it and mail it. Let Ronald Reagan know your survival is at stake.

President Ronald Reagan
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20050.

Dear President Reagan:

It is with deep concern and grave alarm that we in Northwest Alabama view the budget proposals in your administration that will virtually eliminate the National Fertilizer Development Center at Muscle Shoals. The work TVA is doing in fertilizer research at the NFDC is of utmost importance to Shoals citizens, America's farmers and the nation's consumers.

Mr. President, we are speaking to you from the heart. Our area is plagued by 15 percent unemployment. If the programs of the NFDC are reduced as you suggest, we will lose 1,000 more jobs and unemployment will soar to as much as 25 percent of our workforce. Already crippled by plant closings, construction stoppages and other economic adversities, our people simply cannot survive such a catastrophe.

Nothing is more essential than food. The NFDC is in the forefront of agricultural research. We are proud of this work and support it. The nation needs an NFDC at full strength. Please reconsider these disastrous reductions.

Sincerely,

NFDC plight gets attention across nation

By Freida Ratliff
Staff Writer

MUSCLE SHOALS — Representatives of U.S. Borax in Los Angeles have requested support from California Sens. Alan Cranston and Pete Wilson.

Similar requests have filtered in from Honolulu, Grandfield, Okla. and Pocatello, Iowa as the impact of proposed federal budget cuts on the Tennessee Valley Authority's National Fertilizer Development Center is being realized across the nation.

Fertilizer companies that depend on NFDC's research and development apparently are responding to pleas for help in convincing White House officials to restore to the fiscal 1986 budget the full \$46.8 million appropriation asked by TVA.

"The word's getting out and they want to know what they can do to help," said John Culp, Assistant Director of Agricultural Development at NFDC. "We understand they are contacting important people around the country."

Budget cuts proposed by the administration would leave \$10 million for all the work at NFDC and \$40 million for the entire TVA operation.

John Shields, NFDC director, said the present staff of 1,000 would be cut to about 100 in what would be a devastating blow to the area's 15 percent unemployment. The loss of jobs could raise the rate to 25 percent, according to figures gathered by the University of North Alabama.

But a TVA official said the impact will not be confined to the Northwest Alabama region; that fertilizer companies, farmers and the American consumer will ultimately be most affected.

"To greatly oversimplify, there just

"This is the major fertilizer development center for the country ..."

— Harold Parker

isn't any other place like it," said Harold Parker, manager of NFDC's information services. "This is the major fertilizer development center for the country and, in some respects, for the world."

One-third of NFDC's 1,000 employees are highly trained in various areas of fertilizer production and use, Parker said. The staff includes a scientific base of 225 Ph.D.s, who would not easily find any other similar work in the Shoals area.

TVA's immediate concern is getting information to the public. "We've had quite a few calls from people in the area who want to know what they can do," Parker said Monday.

"There are probably a lot of people wondering why fertilizer is so important. We estimate that 40 percent of the nation's agricultural development is directly related to fertilizer use," he said.

Additionally, three of every four tons of fertilizer manufactured in the United States, is either an NFDC product or was created by a process developed by NFDC.

The center has patented 250 production methods and has licensed more than 600 companies to use those processes. Companies in 39 states currently have direct dealings with NFDC.

PRESERVATION COPY

The message for Reagan

Shoals citizens are stepping into 1985 with a cloud hanging over us — proposed budget cuts for the Tennessee Valley Authority. It would be easy to fall into lethargy and refuse to act. That has been one of our problems in the past. We have simply done nothing too often.

So the current crisis is both a crisis and a challenge. How or whether we respond will tell us much about what to expect in the coming year, for there will most certainly be other crises.

What are we facing? By now, we all know the unemployment situation in the Shoals. Those citizens who are without a job know it only too well. For each of them unemployment is 100 percent.

The proposed cuts for TVA came at a cruel time. A 70 percent cut in TVA's non-power budget, which is being considered by the Reagan administration, will ripple through the Valley, but the blow will strike here the hardest. The Shoals is the least prepared of all Valley cities for such a devastating loss.

The National Fertilizer Development Center is a target of administration budget cutters. TVA officials had hoped to see the NFDC work next year with a \$46.8 million budget. Instead, the administration is talking about a severely reduced TVA budget that will leave the NFDC crippled. Some 900 jobs will be lost if the cuts for the NFDC are approved. That is the equivalent of the blow suffered when

TimesDaily

Serving the Shoals area for 125 years

R. Guy Hankins
Publisher

Donald A. Brown
Editor

Rusty Starr
Managing Editor



A NEW YORK TIMES COMPANY

Ford ended a series of layoffs and finally shut down its operations at Sheffield in 1983.

There is, however, something in our favor. The cuts are tentative. Nothing is set in concrete. Yet President Reagan, despite charges of insensitivity hurled at him by political opponents, has shown himself to be accessible. He will listen to us if we have the fortitude to speak.

Is President Reagan aware of the economic crisis in the Shoals? We doubt he is fully aware of it. He should be told. Is he aware of the important work being done by the NFDC in the area of fertilizer research? If not, he should be told. He should also be told that this part of the nation hasn't begun to recover from a deep recession of two years. All these factors should be considered before the ax falls. We trust that they will.

TimesDaily publisher Guy Hankins has sent President Reagan a letter expressing the Shoals' concern about the NFDC's future. We have also prepared a letter on page 1 of today's edition that we think expresses the sentiments of conscientious Shoals citizens. We hope you will take the time to let Mr. Reagan know how you feel. We think he will listen. We appeal to him to do so.

PRESERVATION COPY

Already, this is a bad new year

If we're honest with ourselves this first day of 1985, we'll say it's a scary new year.

Let's be candid: nobody is doing the Shoals any favors, and we're not doing ourselves any, either.

Unemployment is still above 15 percent, the highest in Alabama, more than twice the national average. And we were up there all of last year.

Let's consider some of the reasons why.

For one thing, not one person in the entire area has the fulltime responsibility of creating jobs — and if I were out of work I think I'd be going to my nearest politician Wednesday morning to find out what the heck is going on. I think I'd stop accepting excuses for inaction.

Our growth is at a snail's pace or slower because we have no concerted, multi-city, two-county, unified program for economic development. We're getting so little because we're giving so little — a few thousand here, a few thousand there. We apparently don't believe in this area enough to even invest a decent amount in it for growth.

Other parts of Alabama — cities we should be able to compete with successfully — see us as divided and use that against us. Slyly and tactfully, I'm sure, they also badmouth us for having labor problems and suggest that any business with sense would stay out of here.

We can't fight back against that slur because we're still talking about our plight. We have neither the organization, the funding, the plan nor the leadership to make anybody else sit up and take notice of the Shoals.

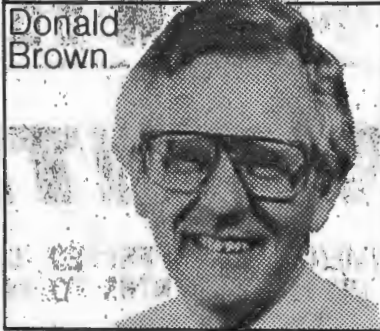
Now we face the loss of two of the integral parts of TVA, which are both located on the reservation in Muscle Shoals: the operation concerned with community development and the National Fertilizer Development Center.

They're dead as far as President Reagan, chief of staff James Baker and David Stockman of the Office of Management and Budget are concerned. There isn't enough money in the proposed federal budget for 1986 to keep them alive.

TVA asked for an appropriation of \$134 million for fiscal '86. The OMB

VIEWPOINT

Donald Brown



passed back a recommendation of \$40 million. Give \$10 million to NFDC, it said. NFDC alone had asked for and justified a budget of \$46.8 million.

We're lucky enough, in this small place, to be the home of a U.S. Senator and a U.S. Congressman, Howell Heflin and Ronnie Flippo. They went to work immediately, in cooperation with TVA, to counterattack the 70 percent budget cut recommended by the administration.

Through the TimesDaily, we're asking everyone who sees the newspaper to send a letter of protest to the president. But nowhere is there the clout of a single, strong organization that represents the Shoals. And TVA isn't known for its expert public relations.

So we all will work individually and try somehow to salvage enough money in TVA to keep NFDC alive, and to keep 1,000 more people from being thrown out of their jobs and a \$40 million payroll from floating away down the Tennessee River.

But we shouldn't expect a miracle.

Who would feel sorry for us in the Shoals — especially if they looked closely at us in the hole we've dug for ourselves?

Why should anyone do us any favors? Who owes us anything?

If this is to be a good new year, we've got to first help ourselves. Which is precisely what we don't do.

Donald Brown is the editor of the TimesDaily.

TVA officials say cuts would destroy NFDC

Heflin urges letter campaign to White House

By Donald Brown
Editor

DEC 30 1984

MUSCLE SHOALS — Massive federal budget cuts that threaten the death of fertilizer research in the Shoals come from the highest level in the White House.

While President Reagan was not mentioned by name, this disclosure was made at a meeting Friday at the TVA National Fertilizer Development Center. The two-hour session was held to give information about the cuts and devise ways to fight them.

It was suggested that people throughout the Tennessee Valley, at all levels, bombard the White House in the next two weeks with letters that stress the national importance of the fertilizer laboratories at Muscle Shoals and protest the budget cuts that would all but kill the work.

In the meantime, TVA officials said they are using every resource available to convince Reagan and White House chief of staff James Baker to restore at least some of the money needed by TVA before the president presents his budget to Congress.

Sen. Howell Heflin and Rep. Ronnie Flippo convened the meeting, whose 36 attendees included farmers and bankers; Bill Willis, general manager of TVA; Dr. James Martin, president,

Auburn University; Dr. Don McCune, managing director, International Fertilizer Development Center; and Tilda King, Tri-Cities Central Labor Council.

Heflin suggested the letter campaign. He also cautioned, "We're gonna have to have some friends lobbying for us" when Congress opens budget hearings in March.

The administration's preliminary budget for fiscal 1986 would give the Tennessee Valley Authority a total appropriation of \$40 million, in contrast to the \$134 million TVA requests. That equals a cut of 70 percent.

NFDC, which itself had asked for \$46.8 million, would receive \$10 million of the \$40 million. Its director, John Shields, described how devastating the effect would be.

"It would leave us with about 100 people. We have 1,000 now," he said.

Shields said the present scientific base of some 225 Ph.D.s "would scatter to the winds."

Bill Stewart of the University of North Alabama said the economic impact on the Shoals includes the loss of 5,581 jobs in TVA and in the area, and a loss equal to 17.5 percent of current business.

Willis said TVA was mobilizing nationwide to fight the cuts. He said TVA was contacting, among others, fertilizer companies that use its patents and technology, agricultural organizations, land grant-type universities and labor groups.

But he emphasized that the next two weeks are critical because the figures for the proposed federal budget will go

Continued on 3A

FROM 1A

Next 2 weeks critical for NFDC

Continued from 1A
into the White House's computers in mid-January.

If the NFDC money isn't restored by then, it will be that much harder to put back when the congressional hearings begin on March 5, he said.

"Our focus," said Willis, "is convincing the administration to get the level of funding higher."

Willis quoted officials of the Office of Management and Budget as saying the situation was out of even their hands.

"We were told in no uncertain terms that OMB would do nothing, not even negotiate," he said.

It was reported, but not confirmed, that former Senate leader Howard Baker, R.-Tenn., had talked to James

Baker last week. But Baker's influence, since he is a possible presidential contender in 1990, is seen as weakened by George Bush's forces in the White House.

Auburn's Martin predicted the cost of food will ultimately rise if the technology based in Muscle Shoals is lost.

"The long-range impact of this is not on the farmer, it's on every consumer," said Martin. "I believe the proportion of income one spends for food is as low as it will get. It will go up from here."

McCune pointed out that IFDC, an international organization located next door to NFDC on the Muscle Shoals reservation, uses research and development data generated at NFDC in its work to feed the hungry of the world.

"It's our livelihood, too," said McCune. Such a drastic reduction in research, he said, "will have an effect on us, too."

Willis said TVA fertilizer research is concentrated on three fronts: lowering the cost of producing fertilizer, using less energy in fertilizer production and increasing the nutrients.

"If you miss a year or two in the chain of R&D, you've lost it," he said.

TVA officials estimated that 75 percent of all fertilizer technology now used in the nation was developed at Muscle Shoals and passed on to private enterprise.

Said Flippo, "The program is just as meritorious today as it ever was. This is not old technology that has outlived its usefulness."

Study: NFDC cuts would affect entire Shoals

DEC 31 1984

If the National Fertilizer Development Center is reduced to a \$10 million budget, "it will have a progressive and debilitating effect" on the entire Shoals economy, according to an official of the University of North Alabama.

Dr. William S. Stewart, head of UNA's management and marketing department, directed a university study of the adverse economic impact the virtual shutdown of NFDC, combined with the closing of the Office of Natural Resources and Community Development, would have on the area.

Stewart said the following "indicators" reveal what would happen if fed-

eral budget cuts mandated for the Tennessee Valley Authority by the Reagan administration are allowed to stand:

— 5,581 more jobs would be lost in this area (1,245 in TVA and 4,336 more as a spinoff effect).

— \$110.7 million negative economic impact, using a 2.7 multiplier (based on \$39.8 million in wages and \$7.8 local expenditures).

— unemployment would rocket from 15.4 percent, which was the figure in November, to 25 percent to 30 percent.

— it would be a loss equal to 17.5 percent of current business.

— the area would lose \$1.2 million net tax revenues.

— 400 more houses for sale would flood the market as TVA employees lost their jobs and were forced to move. Property values in general would be affected, Stewart said.

The federal budget for 1986, as being planned by the president and his top aides, would limit the Tennessee Valley Authority to a total appropriation of \$40 million, \$10 million of which would be earmarked for NFDC and no money at all for economic and community development.

In what TVA general manager Bill Willis said last Friday was a proposal for "a very lean budget" for 1986, TVA

had asked for \$134 million. Of that amount, NFDC would receive \$46.8 million.

The budget cut proposed by the Reagan administration amounts to 70 percent, Willis said, and "wipes us out." Employment would drop from the present 1,000 people to about 100.

Sen. Howell Heflin and Rep. Ronnie Flippo have pledged to do all in their power to reach within the White House in an effort to convince Reagan to restore the appropriation to NFDC.

Heflin suggested Shoals residents mount an immediate letter campaign to the White House, stressing the national importance of the fertilizer re-

search laboratories in Muscle Shoals and the devastating effect their closing would have on the area, which is already crippled economically.

Stewart said if the two main TVA operations in the Shoals were cut back to such a drastic extent, "there is no way to predict the immediate direct impact or the full impact—that would only be felt with the passage of time." But the indicators, he said, give a picture of what would be the likely effect.

The study, said Stewart, was conducted in cooperation with the UNA Industrial Development, Research and Extension Center, and the School of Business.

PRESERVATION COPY

A big fight: save NFDC

As if the economic malaise throttling the Shoals and the rest of Northwest Alabama isn't critical enough, the Reagan administration has plans for making it even worse.

Figures being readied for the president's new budget, which he will soon submit to Congress, will cut the appropriation for the Tennessee Valley Authority from the \$134 million it requested to \$40 million. Of all the operations affected, Muscle Shoals will be the hardest hit if this 70-percent cut is allowed to stand; much harder than any place in Tennessee.

The National Fertilizer Development Center, which had asked for \$46.8 million in the TVA budget, would instead receive \$10 million. The result: NFDC will be all but wiped out, with at least 900 jobs lost and the bulk of its research and development work canceled, according to TVA officials. Promising efforts in the new field of hardwood fuels and continuing work in Valley agricultural development will stop because neither one will be funded any longer.

In addition, Reagan would not fund at all the Office of Natural Resources and Economic Development, meaning that all work in environmental protection and community development also will cease. TVA essentially would be taken out of the economic development business, which has been its

TimesDaily

Serving the Shoals area for 125 years

R. Guy Hankins
Publisher

Donald A. Brown
Editor

Rusty Starr
Managing Editor



A NEW YORK TIMES COMPANY

heart and soul for more than 50 years.

The loss of these jobs and this important work, as well as the base of the fine scientific minds who work in the laboratories, would devastate this area. Coming on top of the Ford closing, the Yellow Creek nuclear plant stoppage, a general economic turn-down and five years of double-digit unemployment, you could close the book on the Shoals and kiss this area goodbye. We might never recover.

A study made by the University of North Alabama shows that unemployment could rise to 25 percent, the area would lose economic activity equal to some 17.5 percent of its current business volume and more than 4,000 other jobs in the area would be lost.

The fight to save NFDC has begun. Involved already are TVA officials, U.S. Sen. Howell Heflin,

U.S. Rep. Ronnie Flippo, the members of the TVA caucus in Washington, labor groups, plus fertilizer companies, agricultural organizations and land-grant institutions that benefit directly from its technology.

In a meeting Friday at NFDC headquarters, held to give additional information to a group of Valley people and also to map strategy, TVA officials said they were using every available means to get the president to restore the money being taken away from the fertilizer development center.

Heflin also suggested a letter campaign to the White House. This is one of the ways that we, the people, can fight back against this unreasonable action. But we must hurry. The next two weeks are critical, while the budget is still being formed.

We hope every reader of the TimesDaily, regardless of age or stature, will send a letter to President Reagan, stating the national importance of NFDC and protesting the cuts that would all but kill its work. Your congressmen need to know how you feel, so write them, too. We must win this fight.

Shoals facing a 'nightmare'

Shoals officials and residents must wake up, and wake up quickly. Northwest Alabama is tottering on the brink of what amounts to a localized, and possibly nightmare economic depression. The time has come to act in unity and with force.

The National Fertilizer Development Center in Muscle Shoals is on the chopping block. Its death could be the last economic straw for a battered Shoals. The Reagan administration ought to be told exactly what the situation is here, and in no uncertain terms, and the way to do so is to flood the White House with letters. Now. Today.

The Shoals is entering 1985 the same way it began 1984, in the throes of economic crisis. The threat to the NFDC is only the most recent trouble. If we cling to past illusions, we are headed for even worse trouble next year than we endured this year.

Next year is a critical year of challenge. There is no doubt about it. Those in Shoals government who have resisted progressive ideas to jealously guard their own territory, and who otherwise have helped muzzle development, dissipate our talent and stall our prosperity must now be confronted in earnest.

They must also confront themselves. They owe it to some 9,000 Shoals people out of work to admit something. The "old arrangement" has failed and holds no promise for the future. It is time to admit that and to put the illusions behind us. Only then can

TimesDaily

Serving the Shoals area for 125 years

R. Guy Hankins
Publisher

Donald A. Brown
Editor

Rusty Starr
Managing Editor



A NEW YORK TIMES COMPANY

the Shoals get an accurate assessment of the area's potential and try to turn things around.

Survival of the NFDC is crucial to Florence, Muscle Shoals, Tuscumbia and Sheffield. That's the point. The four cities are tied together by economic necessity. Yet we lack the political ties that would enable us to fully capitalize on our natural economic ties. If tiny Muscle Shoals, where the TVA reservation is located, had to fight this battle alone, the likelihood of success would be greatly diminished.

Last Friday, NFDC director John Shields said proposed cuts in TVA's budget would devastate the NFDC. "It would leave us with about 100 people," he said. "We have 1,000 now." Some of those people are highly trained by any standard. They are valuable to any community. Bill Stewart of the University of North Alabama said financial losses in the

Shoals from all of the proposed TVA cuts would be equal to 17.5 percent of the Shoals' current business.

The NFDC and its next door neighbor, the International Fertilizer Development Center, are doing essential agricultural research. They are important to the Valley but are just as important to the farmer who grows corn in Iowa or wheat in Kansas. These installations must be saved.

The Shoals has been caught flatfooted with the Reagan administration's proposals. It will take every bid of political pressure we can muster to turn the president's head, and we appreciate the immediate leadership roles taken by U.S. Sen. Howell Heflin of Tuscumbia and U.S. Rep. Ronnie Flippo of Florence. Despite our history of disunity and apathy, it is incumbent upon each of us to mount a massive, community-wide appeal to support these men and others who have already prepared for the battle.

No matter where you live, if you love this area and are loyal to it, then you can do no less.

PRESERVATION COPY

DEC 31 1984

No silver platter

The industry that helped bring prosperity to this part of Alabama was virtually handed to us on a silver platter. A couple of articles on the TimesDaily's Business/Agriculture pages on Sunday made that clear. If the current economic crisis here is doing anything beneficial, it is causing the Shoals to undergo a needed introspection. We are seeing that our smugness has been expensive. We are seeing some of our prosperity gradually slip through our fingers. Also lost is the prosperity that we could have had if officials had acted properly years ago.

But as sad as that past neglect is, what's important now is whether we will change our ways. The 1930s and 1940s, when much of the Shoals' industrial base was laid, have vanished. We are living in an era of intense competition for jobs. We are new at the game and our inexperience is hurting.

"Industrial development should not be done at a whim. It should be an ongoing integral function of local government," TimesDaily business editor Rafe Garner concluded after interviews with two Shoals development professionals.

Bobby Dennis and George McBurney believe the economic crunch in the Shoals is partly the result of mistakes of omission committed decades ago. "Things should have taken place (in the 1930s and 1940s) to ensure we would have growth today," said Dennis, an unpaid consultant with the Tuscumbia industrial board.

What Dennis and McBurney say should be taken to heart by local government officials. The squeeze on TVA and the Shoals' chronic unemployment indicate that change is coming to the Shoals, or had better come. Politicians who drag their feet and hold onto the past are simply delaying the inevitable. Economic hard times are forcing us at long last to act in our collective best interest. The alternative is economic extinction.

There is, however, a more profitable course than waiting for another recession, or depression that forces us to act. That course is to change before change is forced on us.

Nobody seriously doubts that the political disunity here is retarding Shoals development. We don't know what the future holds, but there are enough signs to tell us that if we don't act soon, we can forget it. The silver platter is gone.

PRESERVATION COPY

Wallace joins fight to save TVA budget

□ Related commentary, 6A, 8C

By Frieda Ratliff
Staff Writer

MUSCLE SHOALS — In a telegram to President Ronald Reagan this morning, Gov. George Wallace is urging the president not to cut federal funding to the Tennessee Valley Authority's National Fertilizer Development Center.

On New Year's Day, Billy Joe Camp, Wallace's press secretary, announced the telegram would be sent.

Wallace also assured state Rep. Nelson Starkey of Florence that he will do all he can to save the nation's primary fertilizer research center at Muscle Shoals.

"Gov. Wallace is concerned about the budget cut and said the state will do what it can," Starkey said after talking with the governor New Year's Day.

Proposed Reagan administration budget cuts would severely limit NFDC's operations, cutting its federal appropriation by more than \$36 million. In fiscal year 1985, the center received \$49.8 million and requested \$46.8 million in the 1986 budget.

Reaction to the budgetary proposal is widespread. Fertilizer companies across the nation are lobbying for NFDC's survival.

The reason is obvious, NFDC directors say: the American consumer is the ultimate beneficiary of research and development at NFDC.

An average American consumer spends about 16 percent of his take-home pay on food, compared to 35 per-

"Gov. Wallace is concerned about the budget cut and said the state will do what it can."

— Nelson Starkey

cent in Europe and 45 percent in the Soviet Union.

Low food prices are directly related to efficiency in American agriculture, said Harold Parker, manager of NFDC's information services. Fertilizer — most of which is developed by NFDC — accounts for 40 percent of the gain in agricultural efficiency.

"As far as fertilizer processes developed, NFDC is it," Parker said.

Private industry cannot afford a large scale research and development program, he said, and the United States Department of Agriculture ended its program about 20 years ago.

NFDC's effectiveness is proven, Parker said. Three of every four tons of fertilizer produced was either an NFDC product or made by an NFDC process.

"A lot of times research ends up on someone's desk or bound in a book on a shelf," Parker said. "But we spend as much time and money in getting our new technology in use as we did in creating it. That's why it's so successful."

"We get out there and work with

Wallace joins fight

Continued from 1A

people in the businesses (that use NFDC processes). Our engineers get out there in coveralls and rubber boots and make that technology work," he said.

NFDC produces about 150,000 tons of fertilizer a year. Work begins in the laboratory and extends into the field and new products are discovered and processes are improved.

"At any point in time we have staff just beginning to churn a project around, a pilot project to play around with and a demonstration plant that is producing modest tonnage," said John Culp, assistant director of agricultural programs.

Recently, NFDC has concentrated on energy-saving programs. A process designed to dry granular fertilizers

has saved companies that now use that process about 55 million barrels of oil, Parker said.

The process uses ingredients in the fertilizers as drying agents. "Two ingredients, one an acid and the other a basic, generate heat. We capture that heat and use it to dry the liquids," he said.

Shoals congressional leaders have urged area residents to mount a letter-writing campaign to save NFDC. Florence postmaster Donald Holt said late Tuesday afternoon that local mail is processed so rapidly that there is no way for postal workers to tell how much of it is headed for the White House. Holt said, however, that he'd try to make an informal survey today to see if he can come up with a rough estimate.

PRESERVATION COPY

JOIN THE FIGHT TO SAVE THE NATIONAL FERTILIZER DEVELOPMENT CENTER

The TimesDaily published the editorial and letter below on 1A of it New Year's Day paper. All you need to do is clip the letter, sign it and mail it to President Reagan. Together, the people of the Shoals must let Reagan know how important NFDC is to our area.

EDITORIAL

Mr. President...

This newspaper endorsed Ronald Reagan for re-election. We did so because we believed he had the best alternative for relief from the economic sickness that grips the Shoals.

The president's policies have worked well in many areas of the nation. At this critical point in the recovery effort, however, he has turned his deadly budget knife on a vital vessel carrying Northwest Alabama's lifeblood. His proposed cuts in the Tennessee Valley Authority's budget and the devastating effect they would have on the National Fertilizer Development Center would mean about 1,000 more jobless people, the loss of a \$40 million payroll and our economic death.

Our congressional leaders are urging us to write the president. TimesDaily readers have requested publication of a letter they can sign and mail. We present that letter today — as dramatically as we know how — on our front page. You can be sure our effort will not end here. It is time for you to act. Write your own letter. Or clip the one below, sign it and mail it. Let Ronald Reagan know your survival is at stake.

President Ronald Reagan
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20050.

Dear President Reagan:

It is with deep concern and grave alarm that we in Northwest Alabama view the budget proposals in your administration that will virtually eliminate the National Fertilizer Development Center at Muscle Shoals. The work TVA is doing in fertilizer research at the NFDC is of utmost importance to Shoals citizens, America's farmers and the nation's consumers.

Mr. President, we are speaking to you from the heart. Our area is plagued by 15 percent unemployment. If the programs of the NFDC are reduced as you suggest, we will lose 1,000 more jobs and unemployment will soar to as much as 25 percent of our workforce. Already crippled by plant closings, construction stoppages and other economic adversities, our people simply cannot survive such a catastrophe.

Nothing is more essential than food. The NFDC is in the forefront of agricultural research. We are proud of this work and support it. The nation needs an NFDC at full strength. Please reconsider these disastrous reductions.

Sincerely,

PRESERVATION COPY

You can make a difference



OFFICE OF CATHOLIC SCHOOLS

Archdiocese of Mobile

308 South Dearborn Street • P.O. Box 129 • Mobile, Alabama 36601 • Phone: 438-4611

Office of the Vicar for Education
Office of Catholic Schools
Office of Religious Education
Office of Youth Ministry
Toolen Institute for Parish Services

December 27, 1984

President Ronald Reagan
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

I am very concerned about the necessity of placing tuition tax credits in any tax reform package you are planning to submit to Congress. Tuition tax credits for parents with children in nonpublic schools is an idea that has been around for a long time, and for just as long it has been used by politicians of both political parties to encourage Catholic voter support. Unfortunately, all too often, once the election was over, tuition tax credits was placed conveniently on the political back burner and "more pressing" matters occupied the elected representatives. I was among those present at the NCEA Conventions when you spoke to us. On both occasions you told these Catholic audiences that tuition tax credits would be a priority of your administration. Now, almost four years later, we are still waiting to get tuition tax credits passed.

During the past four years many of the parents of the 3221 children enrolled in Catholic schools in the Archdiocese of Mobile have worked hard to get this legislation passed. However, it is my opinion, having worked for passage of this legislation for the past four years, that this legislation will never be passed unless you make it a major priority of your second administration and push it through Congress in the early days of the next Congressional session in January. Mr. President, too many people have worked too hard and too long for this issue to be once more placed on the political back burner. Those of us who heard you endorse this idea in person and who supported you, need your total commitment now to tuition tax credits.

We will know that we have that commitment when tuition tax credits are made a major part of the tax reform package, and the nation is told by you that this time this administration is not going to compromise on this urgent need that has already been postponed too long.

With every good wish for a successful four years, I am

Sincerely yours,

Miss Gwen Byrd
Superintendent of Schools

jk

Department of Catholic Education

Applied Chemical Technology, Inc.

619 GENEVA AVENUE - MUSCLE SHOALS, ALABAMA 35660 - (205) 381-9500

January 2, 1985

Mr. James A. Baker, III
Chief of Staff and Assistant to the President
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. Baker:

The TVA National Fertilizer Development Center (NFDC) must not be decimated. The presently proposed budget cuts would do this! The NFDC truly may be the most cost effective arm of the U.S. Government. It should be a model for other U.S. Government agencies, not a sacrificial lamb.

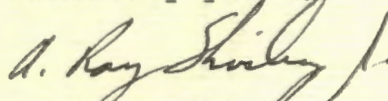
Applied Chemical Technology (ACT) is a small but rapidly growing research and development company. Our profits come entirely from confidential work with private industry around the world. We argue that government should not compete with us. We would fight tenaciously to keep this from happening. The NFDC does not compete with us. The NFDC complements us. We need them.

The agribusiness industry within the United States and around the world respect and depend upon the NFDC's scientific contributions to agriculture. The people of the Muscle Shoals area depend heavily on the NFDC for their economic survival. If NFDC becomes a comatose organization, ACT would be forced to relocate its operations. We would survive, but the people of the nation, the world, and the Muscle Shoals area would lose.

Please use your influence to restore funds to the NFDC budget. If ACT or I can be of assistance, please call on us.

Thank you very much.

Sincerely yours,



A. Ray Shirley, Jr., P.E.
President

ARS/dn

cc: Hon. Howell Heflin
Hon. Jeremiah Denton
Hon. Ronnie Flippo
J.T. Shields, Mgr. Agri. & Chemical Dev., TVA NFDC