

DeCamp discontinues investigation of insurance

By Steve Miller

After clarifying some issues with NU and Aetna Life and Casualty representatives, Sen. John DeCamp of Neligh said he no longer will pursue investigations of the NU employee health insurance policy.

DeCamp said at a Nebraska Legislature Banking, Finance, and Insurance Committee meeting Friday that he was "laying his cards on the table."

DeCamp started a personal investigation of the insurance program after NU terminated a contract with Blue Cross and Blue Shield in July and started a new contract with Aetna in August.

The Aetna contract saves NU and its employees about \$1 million and allows NU to keep premiums in a trust account.

Aetna processes claims and is paid for the paper work while NU keeps the bulk of the money in trust and is able to invest it.

DeCamp said he didn't think the contract made clear

who was liable if claims should exceed the amount in trust.

DeCamp said that he continued the investigation because he had received more than 100 letters from NU employees who said they didn't like the new policy or didn't understand it.

"My concern is that you have dramatically changed the method of insurance, if we still want to call it that," DeCamp said.

"We throw some money in the pot and they do and ultimately, if at the end of the year there is none left, the employees take the risk."

DeCamp said that in the long run the new program may be the most economical. He said that other states have experimented with the system and it had worked out well.

"But I thought we should know about it in case the Legislature needs to be involved," DeCamp said. "And that employees know what is going on."

NU Representative Charles Palleson, a Lincoln lawyer, told the committee that the new program provided "minimum risk with maximum benefits."

He said the program saved employees from a 50 percent increase in premiums with Blue Cross and added a dental care plan at no additional cost.

Palleson told the committee that in three to four years, NU will have built up reserves to take care of the situation, should the trust run out of money. He said that the idea of purchasing casualty coverage from another agency had been discussed.

DeCamp said he wanted to make clear that neither Aetna nor the Legislature was liable for claims in excess of the amount of money in trust.

DeCamp asked if the employees were left "hanging out" and NU representatives said that was correct, but was a very remote possibility.

NU representatives admitted that there was a remote possibility that NU employees would have to take risks upon themselves if the trust fund money should run out.

Economy needs 'bandages'

Economist says empty promises doomed Carter

By Jim Garrett

"If the standard of living continues to drop in America the next four years under Reagan, you are going to see a lot of born-again Democrats come back to power," said economist Lester Thurow of the Massachusetts Institute of Technology.

Prof. Thurow, author of *The Zero-Sum Society*, visited UNL's College of Business Administration Friday, while in Lincoln to speak at the Nebraska Economics and Business Association's annual meeting.

Thurow said President Carter's 1976 campaign promise was to better manage the federal government, while Reagan's vision is to get government out of Washing-

ton to solve U.S. economic problems.

"Carter failed to make good on his promise, so the natural outcome was to throw him out of office," Thurow said.

Thurow said people would not like the president when they had to cut family expenditures.

He also said the American taxpayer would want to cut taxes and social welfare programs because they didn't see any benefit to themselves.

As a result of this, Thurow said, Carter was held responsible and was voted out of office.

Thurow said liberal Democrats had no vision at all on how to solve any economic problems, and so they, too, were voted out

with Carter.

Thurow said the economy is wounded and many bandages will be needed to begin healing the disastrous state of the economy.

An example of some of the wounds, is the private security guards in America, he said.

Of the two million public and private policeman today in the U.S., 150,000 are in private security, which produce only a negative product, Thurow said.

"You may feel a little safer in your apartment," he said, "but of all their man-hours of work, they put in, there is no real output in productivity. These guards really clobber productivity."

Thurow said Americans haven't invested or saved much of their incomes per year in 1979. Japanese workers saved 20 percent of their incomes, the Germans saved 14 percent and the Americans saved only 4 percent of their earnings," he said.

He said the government needs to de-emphasize and shift away from its over-regulation and burdensome taxation in the investment sector, and place the revenue-earning process onto consumption and finance.

Measures like Sweden's value added tax on consumption, which was 25 percent last year, should be implemented into the U.S. economy in order for it to turn around, he said.

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Ethanol plant produces alternative to foreign oil

By Patti Gallagher

As the "little guys in the Persian gulf" continue to hike up oil prices, the need for an alternative energy source will become greater, according to Dennis Crispin. And Crispin, manager of one of Nebraska's largest ethanol plants, is ready to provide that alternative.

The plant, Ecological Energy, went into construction just more than one year ago, Crispin said. Although primarily producing ethanol, which mixed with gasoline becomes gasohol, the plant also produces distiller grains.

Because "imported fuel (prices) can do nothing but go up," Crispin said, alternatives such as gasohol will become more important in coming years.

"If we can make it ourselves, we don't have to buy it from Arabs," he said. The net result is lower fuel prices, he said.

The trend toward gasohol has already caught on in Nebraska, Crispin said, primarily because a major component in its production is grain. On a tour through Ecological Energy, located on the outskirts of Lincoln on 1900 Saltillo Road, Crispin explained the process by which grain is made into ethanol.

Presently, the plant uses only corn supplied by local farmers in ethanol production. Eventually, less expensive grain will be used, Crispin said and distressed grains, non-edible for livestock, may also be a grain source.

The corn is ground into a fine powder at the plant, and then blown into the production room through an 1½ inch pipe. It travels into a bin, a cooker and eventually into ten 8,000-gallon fermenting tanks. During the process, the starch is removed from the corn, and the grain and ethanol are separated.

The grain, now the consistency of wet, crumbly cornmeal, is dumped directly into UNL trucks to be delivered to Mead, Neb., site of the university experimental agriculture station.

One of the major criticisms of gasohol production is that human food sources are being wasted. However, the distilled grain produced at Ecological Energy has three times the protein of raw corn and nearly the same amount of bulk, Crispin said.

"You can grow almost as much beef with grain that comes in as with that which comes out," he said. "We are producing Nebraska beef here as well as ethanol."

And according to Crispin, the Mead livestock being fed the distilled grain are doing exceptionally well.

The ethanol is then processed to increase its proof percentage. After being separated from the grain, it is 90 proof. It must be distilled three more times to reach 200 proof, the percentage required for mixing with gasoline.

If mixed with gas at less than 200 proof, the water content in the ethanol will separate out and settle into the bottom of the gas tank, Crispin said. The end result is a

stalled engine, he said.

Because the plant has yet to install machinery for the final distilling step, it will not produce ethanol for public sale for at least three months. However, Crispin said, they have been producing a lower proof ethanol since September.

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