

AND SO WE ARE GETTING "ELECTRIC"

R. A. STEADMAN

From the standpoint of National Economics I am still very much at a loss to know the right, or otherwise, of the Federal Government's program of Rural Electrification as set up under the Rural Electrification Administration, now so widely known as "REA". However, after a year and a half of battle in helping to organize and carry through to completion, a four hundred mile project in the hills of northern Pennsylvania, I feel that I have learned so much in an entirely new field of rural activity that a brief recital may prove of interest to the million others like myself, who are now demanding a necessity that they should have had years ago.

It is a notable fact that this country, gloriously ahead in so many other fields of social betterment, has lagged sadly in giving our thirty million rural population the benefit of electricity. In fact, up to the present time, the number of our farmers in a position to receive central station service has been so small that the per cent is almost negligible. Within the past two years, the activity of the Rural Electrification Administration has so brought this situation to the foreground that it has now become an economic problem of major importance. The passive attitude of the past is over. Farmers everywhere, from Maine to California are clamoring for service with a cry that will not be denied.

Being a graduate of an agricultural college with a major in Rural engineering, I had always sworn that I would never take my family to live on a farm that did not have all of the so called modern conveniences. Yet ten years ago we bought a farm which lacked the one thing which would make it modern. We did everything but get down on our knees begging the power company to give us service. Naturally we would have put in our own plant if there had not been so many other places for our dollars. Now however, all is changed. We're going to have electricity. The poles re set, the wire is strung, the transformer hung and the service drop connected. We're going to have lights in thirty days, and this time we know it's true.

The pains, trials, and tribulations, which we underwent to attain this service, may or may not prove a criterion in guiding the destinies of future co-operative rural electric projects. Still, I do know that it is a fair sized sample of the difficulties besetting nearly every project of its kind since REA's inception.

Let me repeat, I do not know whether government financed co-operative movements are

right or wrong. Perhaps the so-called experts who claim we are about to “strangle the goose that lays the golden egg”, have the truth of it. However, I hold no brief with those wordy politicians who loudly shout that the utilities are the heavy tax payers, without whose hard earned dollars our government cannot exist. They wave handkerchiefs over the fact that now we are lending those same dollars to movements whose very nature is presupposed to ring the death knell for corporations whose many we so badly need. It is strange that they have never cried over enormous bond issues whose “guaranteed” interest payments these same utilities have defaulted.

There are those who are certain that rural electrification is doomed before the start. They claim that had these projects been feasible, the utilities would have entered the field long ago. They cite that some projects have already had to raise their rates, that in Nebraska REA is lending money to build lines where only one and six-tenths customers exist to the mile. Sadly they deplore the fact that soon the government will have to subsidize electricity on our farms. Indeed they go farther and claim that inasmuch as the utilities have now lost the benefit of the rural business, they will just lie down and die.

Others there are, who darkly sing that REA has ulterior and far reaching designs that, if not checked, will place co-operative electricity in this country on the same basis that it is in Sweden. They point to the millions being loaned that will eventually checkerboard this country with government controlled projects. They fear that when everything is ready, a few swift movers will place Washington in all the “king rows”, and private business will be a thing of the past.

Perhaps these experts and shouters are correct, but to those of us who have been fighting to get a commodity that is as necessary to present day existence as the automobile, it smells like something the cat dragged in. In the first place, the utilities have been doing pretty well all these years without the rural business. Secondly, by far the big majority of these projects are buying their current from local power companies, and in a good many instances this current represents energy that would otherwise be wasted. In fact, it is not the policy of REA to build generating plants at all if the local utility is inclined to play ball with a decent rate. Third, if the fourteen hours a day the farmer has to work, many by the foggy light of a kerosene lantern - if those fourteen daily hours can be brightened and shortened by a little subsidy God knows it will be in as good a cause as shipping and a lot of other things. To me it is one of the most commendable

things the federal government has ever done. It is a blessing that will prove a benefit to ALL THE FARMERS, no matter if they live in Texas or Vermont.

The AAA put many dollars in the pockets of Kansas and Missouri as it raised the price of grain, but we of the eastern dairy sections had to pay for the high priced grain. We paid with low priced milk and it never was a fifty-fifty trade, for at no time would a hundred pounds of milk buy a hundred pounds of cow fee. Rural Electricity is not like that, and needs not "brain trust" to put it over.

In the spring of 1936 congress enacted the Rural Electrification Act. It was designed to supersede and carry on to completion the work of the emergency REA organization as set up in 1935. Its express purpose was to get electricity to the rural population of this country. A ten year program was established whereby \$50,000,000 was to be expended the first year and \$40,000,000 each year thereafter for the succeeding nine. The plan has been to lend this money to self organized co-operatives, but in some cases the money has been loaned to the local utility, when it was deemed advisable for them to render the service. The one idea is to serve the farmer. The beautiful part of it is that at least half of this money must be allocated to states in direction proportion to the number of their un-electrified farms, and nearly every state is asking for its full allotment. To date, over \$80,000,000 have been loaned to projects that will serve over 250,000 rural customers, and every one of these projects has been carefully figured so it can pay out in full, in the next twenty years.

Perhaps the engineers have been over optimistic. We are all prone to stretch figures toward the "hope" side of the ledger. Nevertheless, there are two large factors which lead us to believe that the vast majority of these projects will amortize their loans. First, a somewhat sensational departure from the former high cost methods of rural line construction. Formerly, it was thought that rural lines could not be built under \$1500 a mile and retain sufficient strength for safety. Today, it is a recognized fact that lines are being built to serve four customers per mile at a cost of about \$700, and experience has proven them safe and entirely satisfactory. Second, the whole country is waking to the possibilities of the immense market for electric energy in our rural communities. One modern farm equipped to take advantage of this new "hired man" will be a far larger user than the most lavish city customer. The consumption for lighting will be of secondary importance as milking machines, coolers, pressure water systems,

heavy duty motors and a lot of other appliance begins their time saving work.

I know that REA's claim to strict non-partisanship is often countered with , "Oh yeah! Just try and find anything but a Democrat in the whole organization." Perhaps it's true. I have never thought it worth the effort to check up. In fairness though, I want to state that in all of our many dealings with headquarters at Washington during the development of our project, I have never once heard the word "politics" mentioned. Not a man has been asked to change his party by anyone connected with REA, and I firmly believe that they have fought as hard for us in our nearly solid republican community, as they have for projects in Democratic South.

When REA first popped its head above water it was probably the least advertised of any of the "alphabet". Those of us in rural areas who should have been the first informed, were left in the dark for over a year. The alert utilities knew, however, and immediately began to lay plans for action.