

Gov. Hughes  
Cong. <sup>John</sup> Schmidhauser - 1st  
Cong. <sup>John</sup> Culver - 2nd Dist  
Cong. <sup>Neal</sup> Smith - 5th

<sup>rank</sup> F. E. Fair  
General Mgr  
Mrs Fair - Teacher

REMARKS  
VICE PRESIDENT HUBERT HUMPHREY

THIRTIETH ANNUAL MEETING  
THE BARBECUE AND ELECTRIC SHOW  
WILTON JUNCTION, IOWA

Eastern Iowa  
Light and Power  
Cooperative

President  
Raymond  
Helle  
Helle

SEPTEMBER 9, 1965

City - Rural understanding & Cooperation

John Culver  
3 City  
Congressmen  
from east  
H. City, McShane  
Phil W. - Bill Green  
Brody - John  
Murphy

It is a genuine privilege for me to participate today in the 30th anniversary meeting of the largest rural electric cooperative in the State of Iowa.

The Eastern Iowa Light and Power Cooperative was one of the first organizations of rural people to make use of financing from the Rural Electrification Administration.

Later you were joined by more than one thousand other cooperatives and public bodies in 46 states and Puerto Rico. Through your efforts and the force of

Rain

your example, you have lifted the proportion of electrified farms in this country from less than 11 per cent in 1935 to more than 98 per cent today.

and ~~your~~ <sup>our</sup> rural electric cooperatives have revolutionized life in rural America.

~~You~~ <sup>REA</sup> freed the farm housewife from a lifetime of bondage to the ~~sad iron~~ <sup>Hot in Coal wood</sup> and cookstove, the washboard and hand pump.

~~You~~ <sup>our REA coops have helped our farmers</sup> showed people how to farm more productively, how to use electric power for hundreds of different farm chores.

~~You~~ <sup>our REA</sup> put electric lights and running water in the school house, and ~~you have~~ put an end to the old one-room school, so rich in sentimental memories but so poor in educational facilities.

*created New Industries*

*REA has*  
You have generated thousands of new jobs for rural America and have opened up the countryside to social and economic development and improvement.

*Z REA*  
And you helped erase forever that sharp line of demarcation that used to separate country people from city people.

*Z*  
President Roosevelt established the REA 30 years ago as part of a broad, emergency relief program. A year later the late and revered Speaker Sam Rayburn and that great Nebraskan, Senator George Norris, guided through to passage the Rural Electrification Act. Few people at that time shared these men's vision of a completely electrified rural America. And fewer people still foresaw that the first small, struggling cooperatives -- operated by farmers who weren't supposed to know anything about running an electric company --

would grow into strong, progressive power suppliers  
and establish themselves within a few years as a  
permanent segment of the American power industry.

*B1-Butman*  
↳ But that is precisely what has happened. And  
it has happened without a single handout from the  
federal government, without a penny's worth of grants-

in aid. The cooperative rural electrification program in  
the United States has been financed entirely on the basis  
of loans -- loans repayable to the government with interest.

And the credit record of REA-financed cooperatives is  
probably the best of any business of any kind in the  
country.

↳ You in the rural electrification program have written  
one of the best success <sup>*american*</sup> stories in history.

↳ But rural electrification means more than lights in  
the farmhouse and milking machines in the barn. And it  
also means more than a local rural success story.

Jobs, Prosperity, Industry,  
Small towns survival depends on  
REA

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President Johnson stated it well when he said,  
and I quote, "the rural electrification program was from  
the beginning the foundation program for the success of  
our national effort to strengthen the whole economy by  
strengthening the agricultural economy . . . we have  
through REA made our nation stronger and made the horizons  
of today's generation broader."

*The Miracle  
of  
American  
Agriculture*

Your President has been a champion of REA since  
its beginning in 1937 when the Pedernales Electric  
Cooperative in Johnson City, Texas applied for a REA loan.

Several times the REA had to return the application because  
there were not enough consumers signed up for service.

President Johnson, then newly elected to the House,  
worked in the fields with the Pedernales "sign-up workers" and  
awarded western hats to those who got the most people to  
sign up.

This extra effort proved successful and in September, 1938 the Pedernales Cooperative received an REA loan for \$1.3 million. This Cooperative serves that area today.

President Johnson is well aware that the lessons of history, both here and abroad, make it clear that there can be no firm foundation for an enduring national prosperity as long as the rural economy limps along far behind the urban economy. For 50 years, since World War I, there has been a continuing struggle to win parity

*Parity of opportunity*  
for rural people. It still is our goal to win parity of income and parity of opportunity for our farm people.

*for our young people - we need these young people particularly in each REA Area*  
It has dawned on many only gradually that it is

equally important that rural people achieve parity of certain vital community services -- such necessities of modern life as pure drinking water, electric and telephone service, and health, recreational and educational facilities.

↳ These, too, form a part of our battle for parity.

~~It is proper concern of all Americans that all of~~  
our ~~people,~~ whether they live in town or country, <sup>should</sup> enjoy  
an equal opportunity to contribute to a developing economy.

↳ But, parity of opportunity continues to be denied to far too  
many people today simply because they happen to live in  
rural areas. <sup>↓ too many</sup> In a ~~number of~~ places ~~in the country,~~ pockets  
of poverty and pools of economic stagnation continue. It

is the Johnson Administration's firm resolve to <sup>Wage a</sup> ~~make a~~  
<sup>relentless war on poverty and to open the gates of econ. opportunity</sup>  
~~definite improvement in these conditions.~~

↳ ~~It is an unpleasant fact that~~ while only one-third  
of all Americans live in rural areas, fully one-half of  
the families which we classify as <sup>"The Poor"</sup> ~~impoverished~~ live in  
the country. Rural Poverty in rich America!

↳ No matter what the general level of prosperity --  
and that level has never been higher than it is in the

United States today -- our economy is not operating anywhere near its capacity as long as <sup>a small</sup> even part of our rural life is characterized by poverty, blight, and backwardness. hopelessness. With the help of our rural electric cooperatives we can step up the pace of economic development in these areas of the country.

But REA must stand!

If all America is to participate fully in our future economic growth, it is essential that utility services, which in large measure represent tools for commercial and industrial development, be provided to rural people under rates and conditions comparable to those available to people residing in our towns and cities.

In the rural electrification program, the barriers to parity are offset to some degree by the provision of long-term, low-interest loans and technical assistance by REA. These are essential to eventual parity of electric rates and services.

↳ But parity in American life will only be reached if we work on many fronts, in many places.

↳ We can <sup>and must</sup> find ways to continue to improve and develop the American countryside, just as you found ways to organize your cooperative, set the first poles, and string the first lines.

↳ We can slow down the migration of our young people from rural areas by opening up new opportunity for rural youth through better education and training.

↳ We can find ways to encourage more rapid expansion of business and industry in rural areas, to provide more off-the-farm employment for our young people and for others displaced from agriculture.

↳ We can strengthen the family farm pattern, helping families to apply new technological innovations to their operations, while making sure that increased efficiency

does not mean less income to the producer.

↳ We can <sup>and must</sup> readjust rural land use to make more land available for outdoor recreation and open spaces. new market

↳ We can <sup>and must</sup> continue to press for adequate public facilities and services in rural areas.

And we can <sup>+ will</sup> help all rural people to adjust to the rapid changes taking place in America today.

↳ As you pursue these broad national goals for the fuller development of rural America, you will receive the strongest possible support for your efforts from this Administration. But you must define your problems. You must initiate the action and seek the solutions.

↳ In doing this, you should start with a feeling of optimism. You have so many resources in rural America that already are in short supply elsewhere. You have open space and fresh air. You can offer people freedom

of movement and a nearness to the beauties of the natural countryside.

∠ You can offer relaxation and recreation, and you can offer that most wonderful resource of all -- the neighborliness of the rural community.

You may not realize it, but what you already have accomplished shines forth as a <sup>"</sup> lamp of hope <sup>"</sup> for people everywhere. The pattern of cooperative rural electrification developed in the rural United States today is being widely studied and imitated by the underdeveloped nations of the world.

∠ In South Vietnam, a six-man team of rural electrification experts from the United States has just staked out that Nation's first three rural electric cooperatives, under contract from the Agency for International Development. Actual construction is

is scheduled to begin in November under supervision of an American engineer, and the first rural system will be energized next April.

The size of the task faced by these men is a big one. More than 11 million of South Vietnam's 14-million people are without electricity. And fewer than 100 of its 3,000 villages have any means of generating power.

But we should remember that in the 30 years that your cooperative has been in existence, more than 5 million farmers and other rural consumers in this country have obtained electricity through rural cooperatives.

The contribution that cooperatives can make to the social and economic development of other nations is recognized in the Humphrey amendment to the Foreign Assistance Act of 1961. This is the Act which established the Agency for International Development and I sponsored that amendment while serving in the Senate.

At the time, there were no cooperative development programs being carried out through private groups as part of our foreign aid program. My amendment declared it "to be the policy of the United States . . . to encourage the development and use of cooperatives, credit unions, and savings and loan associations."

Today a Cooperative Advisory Committee of 13 nationally - known leaders of the American cooperative movement assist the administrator of AID. One member is Clyde Ellis, general manager of the National Rural Electric Cooperative Association.

Under a contract which NRECA signed with AID, rural electric systems in the United States are providing advisory, organizational, and managerial services to the emerging countries of the free world in their efforts to obtain electric service. So far, more than 40 rural electric specialists

have been recruited by NRECA under this contract to provide help in 21 countries abroad. These include many of our neighbors in Latin America as well as in the Philippines and Thailand. The application of the REA pattern already has established new rural electric cooperatives in Ecuador and Nicaragua.

Exporting the REA-cooperative pattern is not limited to sending engineers, managers, and other technicians abroad. The University of Wisconsin, with AID assistance, now offers an International Cooperative Training Center, where officials and potential cooperative leaders from all parts of the free world are studying.

They are studying what you have built here in these counties of eastern Iowa. They are learning about member-owned cooperative enterprises and how they

can be used to serve the needs of people everywhere.

↳ Because of the efforts of rural people like you, the cooperative rural electrification program has become a symbol, both in this country and abroad, of the great things that can be accomplished through the helpful cooperation of local people and their government.

↳ Let us keep working together to build a better life in rural America and in the world.

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SUGGESTED INSERT FOR THE VICE PRESIDENT'S SPEECH  
AT EASTERN IOWALIGHT AND POWER COOPERATIVE

WILTON JUNCTION, IOWA

September 9, 1965

The success and growth of the rural electrification program has created problems along with accomplishments. As you know, since its beginning in 1963 the program has been financed almost entirely by loans from the Rural Electrification Administration. These loan funds are included in the national budget and must be authorized each year by Congress.

The problem is that as the rural electricians continue to grow they need ever larger amounts of new capital. In recent years the REA loans have been running between \$300 and \$400 million a year. Even though these are loans which are repaid to the Government, this is still a sizeable chunk of the national budget and there are indications that even at this level the program may not be getting all of the funds it needs for normal growth.

I have seen estimates that by 1980 the rural electrification program will need in the neighborhood of \$700 million a year in new capital. Your money problems are going to be critical a long time before 1980. With all the new budget demands for a growing economy and national security any Administration would find it difficult to support such an amount under the present program. A friendly

Administration would probably help you find ways to meet part of your needs outside the national budget. A hostile Administration would just let you starve to death. In any event the problem you have now in securing adequate capital funds is bound to worsen in the years ahead.

This is particularly true since criticism of the two per cent REA interest rate has been building in Congress and elsewhere over the past few years. It is a fact that many, and perhaps most, rural electricians will continue to need this two per cent financing in the future. But in order to keep that rate for those who must have it, I think the time has come when we must explore other approaches for those who might be able to pay more. Under some circumstances, many rural electricians might find they're better off paying a higher rate of interest, but getting adequate funds free of some of the restrictions that accompany the two per cent money.

I speak as a life long friend and supporter of the rural electrification program when I say that I think your program must begin to explore ways of securing some of your growth capital outside the budgetary process. I know that your national association has recently completed a two-year study of <sup>the financing needs of REA</sup> ~~such possibilities~~ and I understand the conclusions of the study are being discussed this fall at state and regional meetings of rural electric officials. It seems

to me that this is a constructive and far-sighted move and I congratulate you on taking the initiative ~~before others who may not be friendly take it for you.~~

REMARKS OF VICE PRESIDENT HUBERT H. HUMPHREY BEFORE THE  
THIRTIETH ANNUAL MEETING, THE BARBECUE AND ELECTRIC SHOW  
WILTON, IOWA, SEPTEMBER 9, 1965

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And you helped erase forever that sharp line of demarcation that used to separate country people from city people.

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But that is precisely what has happened. And it has happened without a single handout from the federal government, without a penny's worth of grants-in-aid. The cooperative rural electrification program in the United States has been financed entirely on the basis of loans -- loans repayable to the government with interest. And the credit record of REA-financed cooperatives is probably the best of any business of any kind in the country.

You in the rural electrification program have written one of the best success stories in history.

But rural electrification means more than lights in the farmhouse and milking machines in the barn. And it also means more than a local rural success story.

President Johnson stated it well when he said, and I quote, "the rural electrification program was from the beginning the foundation program for the success of our national effort to strengthen the whole economy by strengthening the agricultural economy . . . we have through REA made our nation stronger and made the horizons of today's generation broader."

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the REA had to return the application because there were not enough consumers signed up for service.

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It has dawned on many only gradually that it is equally important that rural people achieve parity of certain vital community services -- such necessities of modern life as pure drinking water, electric and telephone service, and health, recreational and educational facilities.

These, too, form a part of our battle for parity.

It is proper concern of all Americans that all of our people, whether they live in town or country, enjoy an equal opportunity to contribute to a developing economy. But parity of opportunity continues to be denied to far too many people today simply because they happen to live in rural areas. In a number of places in the country, pockets of poverty and pools of economic stagnation continue. It is the Johnson Administration's firm resolve to make a definite improvement in these conditions.

It is an unpleasant fact that while only one-third of all Americans live in rural areas, fully one-half of the families which we classify as impoverished live in the country.

No matter what the general level of prosperity -- and that level has never been higher than it is in the United States today -- our economy is not operating anywhere near its capacity as long as even part of our rural life is characterized by poverty, blight, and hopelessness. With the help of our rural electric cooperatives we can step up the pace of economic development in these areas of the country.

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Because of the efforts of rural people like you, the cooperative rural electrification program has become a symbol, both in this country and abroad, of the great things that can be accomplished through the helpful cooperation of local people and their government.

Let us keep working together to build a better life in rural America and in the world.



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