Private Utility Propaganda and the Creation of *Wisconsin REA News*

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National Rural Electric Cooperative Association Washington, D.C. 1991 For J.C. Brown, whose passion for rural electrification reminds us that the work really worth doing is the work we do for others.

Foreword

During my 10 years as a writer and editor at the National Rural Electric Cooperative Association, I've read books, viewed films and listened to speeches about the rich history of the rural electrification program.

When I became Manager of Statewide Editorial Services in 1987, I realized that one of the most deeply rooted beliefs of rural electrification advocates----that the people of sparsely populated rural areas need and deserve the help of the federal government in maintaining affordable electric service----needs constantly to be defended.

Historically, we have defended our program through our publications. Yet the beautifully written volumes on the coming of electric lights to the countryside barely touch on the importance of those publications—statewide consumer publications, in particular—to rural electric history.

I knew the first rural electric statewide newspaper was published in 1940 by the Wisconsin Electric Cooperative Association, but until taking on the following research, I didn't know why.

Non-journalists frequently look at staff-generated publications as publicity vehicles or bulletin boards for upcoming events. Yes, the *Wisconsin REA News* supplied a forum for that state's rural electric cooperatives to report the dates of their annual meetings and to extol the virtues of central-station electricity.

But those purposes were ancillary. The foresighted creators of that eight-page tabloid newspaper half a century ago knew that putting things on paper, in black and white for the world to see, lends credibility to any cause. And our program needed a credibility boost in order to compete with investor-owned electric companies whose highly paid publicity agents were saying that government-subsidized power would undo American democracy. *Wisconsin REA News* began as a defender of the cooperative way of providing electricity to farmers.

Today, there are 32 rural electric statewide publications, produced for the consumers who buy cooperative electricity.

They have fewer occasions to use their pages in staunch defense of blatant propaganda from corporate utilities than did the *Wisconsin REA News* of the 1940s. But there are still battles to fight—and column-inches to write—to preserve the good name and important work of the nation's nearly 1,000 rural electric systems.

There will be a need for rural electric statewide publications as long as our program is worth defending.

This research was conducted as part of my coursework at the University of Maryland College of Journalism Graduate School. It was prepared under the guidance of Dr. Maurine Beasley, a noted journalism historian and college professor, who grew up in rural Missouri where cooperative electricity was a subject of heated controversy.

I'm grateful to NRECA for giving me the opportunity to attend graduate school and for allowing me the use of its archival resources. I'd also like to extend a special thanks to the helpful librarians at the Edison Electric Institute, and to the staff of what is now called the *Wisconsin REC News*.

---Sharon O'Malley

It was 1940 and a third of the nation's farmers were enjoying the benefits of central station electricity that brought lights to their homesteads and technology into their barns. Everyone agreed that this coming of electricity was a fine thing; it helped farmers produce more food for the country during the depressed years before and during World War II. It eased the lives of farm wives who, before electricity, were stooped over and worn out like old women by the time they were 35 or 40 years old. Nobody argued that rural electricity wasn't a benefit for the farm families who nourished the nation and for the city folks who partook of the bounty.

But there was an argument—a vicious argument—over who should sell electricity to the farmers. The stockholders of privately owned power companies believed it was their right to bring electricity to this vast, unserved rural market because their by-now well-established companies had pioneered the industry, beginning in the early 1900s. Many farmers balked at the idea of buying electricity from the same conglomerates that just 10 years earlier had denied their appeals for power, saying the sparsity of farms in most communities fell short of a financial break-even point, let alone the profit potential the companies wanted.

Beginning in the mid-1930s, farmers across the United States began forming their own electric utilities. They borrowed lowinterest money from the New Deal's federal Rural Electrification Administration and started rural electric cooperatives that were owned and operated by the farmers they served. Members of these co-ops insisted that it was their right to electrify the countryside because the big power companies had refused to do so until the farmers organized themselves. The battle between the profit-making private power companies and the government-subsidized rural electric cooperatives played itself out through various mediums. Armed with millions of dollars and a nationwide network of sister utilities, the big power companies inundated daily and weekly newspapers and radio stations with paid ads and "canned" editorials slamming the cooperatives as "socialist" and "anti-American."

Co-op supporters in Congress replied with lengthy colloquies published in the *Congressional Record* and picked up by newspaper correspondents in Washington, but lack of funds and personnel kept the co-op response low-key.

Finally, on July 15, 1940, rural electric cooperatives in Wisconsin began publishing their own newspaper, the *Wisconsin REA News*, in order to defend themselves against what the new publication's editor called "bunk" from the power companies.

Although the battle began long before 1940, this year is significant because it marked the beginning of what would become a national effort by the rural electric cooperatives to defend themselves, through publications, against power company efforts to discredit them.

This paper examines the events that spawned the creation of the *Wisconsin REA News*, beginning with what has become known in the electric utility industry as the 1920s "propaganda war" between investor-owned power companies and supporters of government-subsidized electric power. It follows the birth and infancy of the *Wisconsin REA News*, a monthly tabloid newspaper, until 1945. It aims to show that despite a late 1920s Federal Trade Commission investigation exposing efforts of wealthy power companies to discredit the co-ops and other government-sponsored power projects, the propaganda continued, and that creation of a consumer newspaper to counter that propaganda and promote the interests of the cooperatives was the farmers' own low-budget solution to the "war of words."¹

Publication of the *Wisconsin REA News* is of historical significance not only to the electric utility industry but to journalism. That publication was the first of 33 statewide consumer publications to be funded by rural electric cooperatives and distributed to the rural customers of the co-ops throughout those states. Today, there still are 32 such publications, and they reach 6,081,133 rural or once-rural homes across the country. On the pages of those publications, today's rural electric consumer can still find editorials in defense of the cooperative way of doing business and of borrowing low-interest money from the government to build and maintain electric lines in rural America.

Wisconsin REA News and the publications that followed it are an important part of the history of the rural press, of rural America and of rural electrification.

The 1920s

Five years after the end of World War I, just 5 percent of America's farms had electricity. Unserved farmers wanted it, and private power companies considered the market. In 1923, the National Electric Light Association, which represented 90 percent of the nation's electric utilities, formed a Committee on the Relation of Electricity to Agriculture to study the feasibility of bringing electricity to America's farms.

For the next decade, the Committee spent more than \$2 million doing research, experiments and advertising in an attempt to sell electricity to the farmers.

During the war, the federal government partially constructed a nitrate plant at Muscle Shoals on the Tennessee River in northern Alabama. President Woodrow Wilson chose the site for two nitrate plants to be powered by a dam and two coal-fired generating plants. At the end of World War I, construction ended when Congress failed to authorize further funds. There was great debate over what should be done with the unfinished plant; Senator George Norris of Nebraska fervently pleaded with his colleagues to keep it under government control, saying "the federal government itself can perform the most necessary tasks in the spirit of unselfishness for the greatest good to the greatest number." Others hoped to sell it to a private interest; Henry Ford proposed to turn it into a great industrial center.²

The struggle for control over the Muscle Shoals plant was perhaps the start of the battle between privately owned power companies that supported free enterprise by profit-making companies, and those who lauded the government's efforts to pump taxpayer money into projects that would provide masses of Americans with affordable power. Privately owned power com-

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panies resisted what they considered to be government infringement on their industry. The power companies also opposed city governments that generated their own electricity and sold it to municipal residents.

As the power industry brought central-station electricity to American cities in the early 20th century, farms and the surrounding rural areas were left virtually unserved because with one or two homesteads every mile, their electrification made for a venture too expensive for a sound business to pursue.

The big power companies took a "wait-and-see" approach to delivering electricity to rural homes and farms. In the 1920s, the companies generally would connect a rural home only if it could simply extend an existing power line to it. This limited rural power to those living just outside the corporate boundaries of towns and cities. Rural customers were required to pay the cost of the extension—usually up-front, before the company would begin construction. Also, the company usually wanted a guaranteed monthly income from the customer, who would be required to pay a minimum electric bill whether or not it matched the cost of power actually used. The investment by the power company was \$1,000 to \$1,500 to attach a single home to existing lines, install a meter and wire the house.³

"The private utilities and municipal systems that chose to enter the rural market...did so on a highly selective basis; that is, they brought electricity only to those rural customers who appeared to be good revenue prospects," wrote Lemont Kingsford Richardson.⁴ "Those were poultry, dairy, fruit and truck farms where electricity was essential for heating, refrigeration and irrigation."

The public perceived the power companies as big businesses out to make a profit no matter who it cost. The power industry's defense was a massive propaganda campaign "backed with funds that were unmatched in the history of American industry."⁵ The industry hoped to reshape the public perception, while aiming much of its fire toward government-backed power projects such as Muscle Shoals. This idea wasn't new, but Samuel Insull of Chicago, founder of what was then the nation's third largest utility group, is generally credited with finally bringing the campaign into being. He formed the Illinois Committee on Public Utility Information, and soon private utilities across the country combined to form the National Electric Light Association to spread the campaign nationwide. Within a few years, the National Electric Light Association created 27 bureaus covering all 48 states. The cost of the campaign was passed along to power company customers.

Insull and S.Z. Michell, president of the Electric Bond and Share Company of New York, recommended that the power companies hire the E. Hofer & Sons publicity agency in Portland, Ore., as its press agent. The agency reportedly earned \$84,000 annually to send a weekly newsletter called "The Industrial News Review" to more than 13,000 country newspapers.⁶

By the mid-1920s, public power had enough friends in Congress to force a Federal Trade Commission investigation into the lobbying efforts of the private power industry. That investigation showed that the Joint Committee of the National Utilities Association, composed of the National Electric Light Association, the American Gas Association and the American Electric Railway Association, spent vast sums of money in its efforts to oppose government involvement in power projects such as Muscle Shoals. It allegedly had "ex-senators, ex-ambassadors, ex-governors, newspapermen and universities on its pay roll."⁷

"The national committee is only the capstone of the enormous propaganda structure maintained by the public-utility companies," *The Nation* reported in 1928.⁸ "The Illinois Committee on Public Utility Information...was one of the pioneers in the field, and it is admitted to have served as a model for the work in more than a score of other States."⁹ Most of the state power committees had former newspaper editors at their helms. Private power companies had ties with radio stations as well; the Alabama Power Company owned a local radio station and NBC was controlled by General Electric, Westinghouse and the Radio Corporation of America.¹⁰ Committee heads reportedly spent large sums of money entertaining newspaper editors. One called them "God's fools, grateful for the smallest and most insignificant service or courtesy."¹¹

Led by Samuel Insull, the Illinois Committee and other utility lobbyists worked to remove from high schools, grade schools, colleges and libraries any textbooks dealing with public utility questions and replace them with "specially prepared utilityindustries literature."¹² Speakers were sent to communities and clubs to talk on behalf of privately owned utilities and against public power. University professors were paid to write studies of utility plans; college students were hired for summer jobs; youngsters were taken on plant tours.

This campaign met with limited success, so capitalizing on the "red" scares of the early 1920s, the utilities criticized public power as being "un-American" and "tied to 'Bolshevik' ideas."¹³ One of the Illinois Committee's members reportedly was asked "how to campaign against a Senator who believed in public ownership. ...[He] penned the famous memorandum explaining: "My idea would be not to try to reason, or logic, but to try to pin the Bolshevik idea on my opponent."¹⁴

The utilities admitted the breadth of their effort. During a 1928 Federal Trade Commission hearing, a judge asked a utility representative: "Is there any method of publicity not used by your organization?" The representative replied: "Only one that I know of, and that's skywriting."¹⁵

Newspapers, "the most effective form of mythmaking,"¹⁶ were central to this effort by the private utilities to unravel the government's involvement in their industry. The Illinois Committee mailed a weekly news service to 900 newspapers across its state, and bragged that an average of 5,000 column-inches each month of its material-"the equivalent of 400 newspaper pages of solid reading" each year¹⁷—appeared verbatim in Illinois newspapers. A New England utilities group reported that in 1927, 7,203 halfcolumn inches of its material-"enough to fill 56-1/2 eight-column pages of solid reading matter"18 appeared in news columns of the region's newspapers, and an additional 1,548 column-inches appeared in editorials. In Georgia, power companies so inundated the newspapers with paid advertising that they have been credited with blacking out reporting about the utilities. The Iowa Committee on Public Utility Information reported that publication of its news releases, "canned" editorials and favorable news coverage over an 18-month period, "if paid for at regular line rates would have cost the industry about \$80,000."19

FTC investigators estimated that the utilities spent from \$25 million to \$30 million a year in paid advertising, and "all the committees showed themselves insistent that local-utilities ad-

vertisers should maintain their contacts with local editors.^{*20} The FTC investigated charges that utility interests bought whole strings of newspapers in their effort to oppose public power.

"One of the chief buttresses of this charge is the history of Ira C. Copley, an Illinois...utilities magnate who in 1926 sold out most of his utilities interests to Samuel Insull and went into the newspaper business. After purchasing one string of newspapers in Illinois he invaded California, buying three papers in San Diego and immediately killing that one of them which had supported government ownership. When the charge was made, Mr. Copley published in his papers the statement that 'I have no connection with any...utilities anywhere, and no connection with any companies [other] than the newspaper business anywhere.' One month before making that statement Mr. Copley had resigned as president of the Western United Gas and Electric Company and of the Southern Illinois Gas Company, and at the time of making it he still held preferred stock of the company to a value of \$2,400,000...enough to assure himself of a directorship any time he wanted it. Mr. Copley's editors, however, insisted that while they agreed with him in opposition to government ownership, he had never given them any instructions on the subject and they had written little about it."21

Newspaper coverage of the FTC hearings may support the suspicion that the media were influenced by utilities. *The Nation* reported in 1928 that

"...readers of the Hearst newspapers...know what is being uncovered by the investigation. The Hearst newspapers have told them. Readers of few other papers know, for with amazingly few exceptions the other papers have slurred the story. We suggest that if our readers think it news, as we do, and have not seen it reported, they ask the editors of their local newspapers why."²²

The FTC investigation resulted in more than 84 volumes of revelations about the power industry's lobbying and propaganda efforts, yet utility leaders defended themselves against the charges, saying its actions were "necessary to strike down misinformation and to keep dangerous political agitators in a strait jacket."²³ One said the campaign was a defense against "the dissemination of false statements or erroneous information by misinformed or ambitious demagogues;" another called the instigators of the FTC investigation "an unholy alliance of radicals."²⁴

The FTC didn't agree. In its report, commissioners wrote: "Barring, possibly, Government drives during war time, it is doubtful whether any publicity campaign ever approached this in variety, extent, comprehensiveness, minute thoroughness of planning and execution, and amount of expenditures involved." In 1927 alone, the gas and electric utilities spent nearly \$30 million for advertising.

The National Electric Light Association, which had sponsored the propaganda campaign, was discredited, but was quickly replaced by the Edison Electric Institute and formal lobbying groups in Washington, D.C., in 1933.

The 1930s

By 1935, 11 percent of the nation's farms had electricity,²³ leaving some 6 million farms without the current needed to fuel farm machinery, ease domestic chores and light up the countryside. Privately owned utilities were slow in bringing electricity to the farm, still fearing that such a risky investment wouldn't pay off in the long run.

Hudson W. Reed, management engineer at the United Gas Improvement Company in Philadelphia, and an "outstanding private utility authority and spokesman on rural electrification,"²⁶ told a 1935 convention audience of Edison Electric Institute members:

> "Almost over night, rural electrification has become a subject of national interest. ...Note that this

clamor has not been initiated by the farmer himself. Only in the imagination of these, his champions, does there exist any widespread demand for electricity on the farm or any general willingness, or ability, to pay for it. ...The possibilities of the market are vastly exaggerated."²⁷

Reed insisted that only the large poultry and dairy farms comprising about 10 percent of the nation's farms—would be able to pay for electricity, and that on the remaining 90 percent of farms, electricity wasn't needed except for lighting and pumping. While those uses were socially desirable, they couldn't assure the power companies that their \$1,000 per-farm investment would pay off. Reed concluded that a national rural electrification program was "clearly an economic impossibility."²⁸

Frustrated by that reluctance to provide their members with lights and power, in the winter of 1934, the National Grange and the American Farm Bureau Federation parted with the private power companies and asked the federal government for help. The result was a Civil Works Administration investigation that culminated with a recommendation for emergency federal aid, and in April 1935, the Emergency Relief Appropriation Act earmarked \$100 million for rural electrification.

The following month, on May 11, 1935, President Roosevelt created the Rural Electrification Administration to "initiate, formulate, administer and supervise a program of approved projects with respect to generation, transmission and distribution of electric energy in rural areas."²⁹ At a press conference on April 26, 1935, President Roosevelt said REA would be a temporary agency, "probably functioning only during the year allotted for expenditure of the funds," and would make loans to private utilities, state agencies, public utility districts and cooperative associations. Nine days later, REA's first administrator, Morris L. Cooke, called a meeting of representatives from the private utility industry, during which he asked for a plan to use REA's \$100 million appropriation to energize the maximum number of rural homes. Later, Cooke would ask the leaders of farm cooperatives to participate in the plan along with the private utilities.

"It seemed only natural that Cooke would count upon the

private utility industry to carry out the major share of the \$100 million federal rural electrification program." wrote Richardson.³⁰ "It was a program...that required competent engineers and highly skilled labor. Cooke's agency had a minimum of each." But the industry's plan fell short of Cooke's expectations. Its leaders wanted to use the \$100 million and an additional \$125 million. The industry wanted to serve only the most populous rural areas, and wanted to charge rural consumers high rates in order to assure itself of its normal profits. Wisconsin Power & Light, on August 23, 1935, applied for a \$260,000 REA loan to build 200 miles of power line to connect 642 customers. Cooke rejected the application, saying the company intended only to build out short extensions from existing lines in order to connect profitable customers. Within a month, the industry was at odds with Cooke, accusing him of baiting them to get information, without ever intending to lend them any part of the \$100 million.

"By the end of 1935," Richardson wrote, "the representatives of the utility industry were so hostile to the REA that it was highly doubtful whether any of the companies would revise and remit their loan applications. ...The private utilities refused to participate in the REA program and chose to go it alone in the business of rural electrification,"³¹ and Cooke chose to deal primarily with cooperatives to achieve his agency's goals. Utility industry executives were dubious about the farmer's ability or inclination to go into debt for electricity, and were even more sure that the new co-ops would fail. One utility executive said it best: "Let the farmers build electric cooperatives; then when they fail, we will buy them up at 10 cents on the dollar."³²

Senator George Norris, the champion of the Muscle Shoals project, spoke in favor of the cooperative way of doing business. "There should be no possibility of private profit in cases where the government, either state or national, or both, provides a subsidy. Electricity, being a modern necessity on the farm, ought to be provided without profit."³³ In 1936, the Norris-Rayburn Act extended the life of the REA by 10 years (it later became a permanent agency and still exists today as part of the U.S. Department of Agriculture), and made sure that preference in making the low-interest loans went to "agencies of the states and cooperatives."³⁴

That action prompted private utilities to fight even harder against

the threat of government interference with their businesses.

As the farmers built their co-op lines, private power companies were forced to abandon their "wait-and-see" approach to rural electrification and keep pace. Some built what were called "spite lines" through the center of proposed REA districts because co-ops funded with government money were not allowed to duplicate service. Others would "skim the cream" from the more-populated fringes of rural areas when co-op plans were announced, grabbing the customers who could afford to pay for electricity and leaving the poorer ones without power. Harry Slattery, REA's second administrator (1939-1945), said later that during his agency's first five years of operation, "a total of 15,000 miles of line and 40,000 customers were reported lost by 192 of the co-ops, and eight of the new co-ops were wiped out entirely. Overall, it was estimated that 100,000 consumers had been left in the dark because of the private companies' spite lines."³⁵

The power companies used other strategies as well. Canvassers drove from farm to farm to warn farmers against joining a new coop. "Rural people are told a thousand and one cooked up tales to bewilder and terrify them," Slattery said. "They are solemnly assured that when a farmer signs for membership in an REA cooperative, he is, in effect, putting a mortgage on his property. He is warned that if the cooperative fails, as it is almost certain to do because farmers know nothing about electricity, he may lose his farm to the Government."⁵⁶

Slattery called the claims "a wicked falsehood, since all a member risks is his membership fee, usually \$5.00. This canard, however, has prevented thousands of rural people from joining and several cooperatives from organizing."³⁷ He wrote:

"This antipathy presents one of the strangest anomalies in American utility or business history. It is unpleasant to contemplate, much less to record...but it must be told. ...The friends of this movement, in official and private life, should know the truth concerning an opposition which does not hesitate to seek to deprive farmers of a service which it refused to give, but also to endanger a \$300,000,000 government investment."³⁶ Even before the beginning of World War II, leaders in the private power industry were alluding to cooperative businesses as "socialist," "un-American," even "sick." C.B. Huntress, a New York city utility executive, was blunt in his remarks to the Missouri Association of Public Utilities 33rd Annual Convention in Kansas City:

> "The subject under discussion is nothing less than unshirted hell, which is precisely what Federal Competition, with all its deceptions and devices, denotes. Whatever the angle of approach, there is only one effective style of expression, straight-out speaking, the American Way, as contrasted with the Latin manner of saying things by wrapping them up nicely with a blue ribbon. This is an emergency to end an 'emergency,' a term cunningly used to cloak legislation calculated to socialize our entire economic system. It calls for daring and plain words, drastic and prompt action.

> "We know that America is sick. We are certain that this nation will not again click until the state socialists have been driven out of the temple of liberty. Government competition precipitates government monopoly, which leads to political receivership, which is dictatorship. The frightful costs of expediency and sacrifice of principle for immediate gain, a bait which Lenin predicted would invariably catch the capitalist class, are now patent. Although it's later than most of us think, it's not too late to turn from suicide road."⁹⁹

Still, rural electrification spread rapidly in Wisconsin, traditionally a progressive state when it came to the regulation of power. From the early 1920s, state legislators endorsed state and municipalowned power companies, and criticized the "Power Trust." When progressive Republican Philip F. LaFollette became governor of Wisconsin in 1931, he immediately blasted the "Power Trust," and called for legislation supporting city ownership of electric utilities, public utility districts and a move to improve rural life by bringing electricity to unincorporated communities. He created a State Utility Corporation (although it had limited authority and was repealed by the legislature in 1939).⁴⁰ Even after LaFollette's loss in the next state primary, he led state leaders to work with REA in forming electric cooperatives in Wisconsin.

Wisconsin farmers were not immune to the persuasive actions of the power companies. Rural residents began balking at the idea of joining electric cooperatives, even at the token membership fee of \$5.00. In July 1936, 23 Richland County residents petitioned the Wisconsin Public Service Commission, saying they did not want to join a "\$250,000 venture that was bound to fail."⁴¹

The previous fall began a vigorous race in Wisconsin between the private utilities and the REA cooperatives to sign up and bring electricity to rural residents. The well-established private utilities took an early lead; not a single REA project had been energized by October 1, 1936, but two were under construction and 17 had applied for loans.

The 1940s

By 1940, much of rural America had enthusiastically accepted the federal government's offer of low-interest loans, to be paid off over a 25-year period (later extended to 35 years), to bring electricity to their farms and communities. In 1944, 42 percent of American farms had electricity, compared with just 11 percent in 1935 when the Rural Electrification Administration was created.⁴² Between July and December of 1941, Wisconsin co-ops brought electricity to more than 3,000 rural households. By the end of 1941, 28 rural co-ops were serving 29,500 Wisconsin consumers.⁴³

Private power companies continued their hostilities toward the co-ops, but also rushed to bring electricity to the farm communities that, just a few years earlier, were considered too remote. Columnist and public power supporter Judson King expressed his view of the situation in *The Nation* in 1944:

"The continued hostility of the private utilities ...has puzzled many people. Why, they ask, should the utilities fight against the accomplishment of a needed task which they declined to undertake, especially when the REA Act of 1936 prohibits loans to farm co-ops in territory already served by private companies? The reasons are simple. The Power Trust knows that co-op rates are lower than company city rates and that this is bound to have a powerful effect upon public opinion. Like all big businessmen, utility leaders fear the spread of the cooperative idea. When the REA challenged the supremacy of the private utilities, their executives suddenly began doing what they had declared was impossible. Since 1935 they have electrified as many farms as the cooperatives."⁴⁴

The building spree was short-lived, however, because along with World War II came shortages of materials and workers. For nearly 30 months, half of the unserved farms in Wisconsin had to wait for their new electric lines. The War Production Board froze construction of new rural lines because the aluminum used as a conductor of electricity in overhead power lines was needed to build military airplanes. The utilities replaced aluminum in the conductors with copper for a while, but shortly afterward, copper was also targeted for the war effort.

In order to qualify for part of the limited supply of copper, REA officials turned their attention away from electrifying unserved rural communities and looked to "planning and building power lines essential to war work."⁴⁵ In June 1941, a rural electric co-op competed with a private utility----and won----a bid to bring electricity to a large Arkansas aluminum plant producing wartime materials. The Washington correspondent for the utility industry trade publication, *Electrical World*, explained in October of 1941 that REA wanted to serve the defense industry simply to obtain more copper so it could compete with private utilities for industrial loads. "The whole REA's energies are directed toward creating opportunities to grow within the defense program," he wrote. It "provided REA with an impetus" to get into industrial development.⁴⁶

On December 1, 1941, Rep. Thomas Winter of Kansas called for a congressional investigation of the agency, charging that REA had hindered the defense effort by "improper use of copper while at the same time depriving the farmers of sorely needed copper for the energizing of farm distribution lines.^{*47} He showed pictures that he said proved REA "had millions and millions of pounds of copper hidden away in Texas cotton fields."

The next day, Winter's allegations—along with the photographs—appeared in the *Milwaukee Journal*, the *Chicago Tribune*, the *Dallas Morning News* and hundreds of weeklies and smalltown dailies across the country. Rep. John Rankin of Mississippi countered Winter's claims by reading into the *Congressional Record* a letter from REA Administrator Harry Slattery admitting that a million pounds of copper were stored in an open field near Gilmer, Tex., but explaining that it was ordered and received by a contractor months before its use was restricted by the Office of Priority Management. "The copper has never been hoarded or hidden," Slattery wrote. The materials, Slattery said, were for transmission lines being delayed because of the shortage of other materials needed for the construction of power lines.⁴⁹

Still, REA was censured by the House Committee on Military Affairs for "planning and projecting many large transmission and generating projects as necessary to the war program, which are not necessary."⁴⁹ Rep. William J. Fitzgerald of Connecticut filed a minority report that said, in part: "Most of the testimony...was irrelevant and was directed not at saving copper but at saving the private utilities from competition."⁵⁰ Newspaper accounts of the events were somewhat one-sided; a *New York Times* correspondent wrote: "Congress did not appropriate REA money to build transmission lines to great industrial plants but to bring comfort to and relieve drudgery on the farm."⁵¹

Such accounts of the Texas copper incident led, in part, to the creation of the National Rural Electric Cooperative Association, a Washington, D.C., service organization for the co-ops, in 1942. Years later, that group's first manager, former Arkansas Congressman Clyde T. Ellis, had this to say about the event: "I sat in utter disbelief. ...While their charges were broad, it soon became apparent that all they had as evidence was a pile of copper wire with a high fence around it, lying unused, because of the Kellogg-OPM order, along the roadside near Gilmer, Tex. The investigations proved the hoarding charges to be completely unfounded."⁵²

The Edison Electric Institute, meanwhile, hammered away at

the cooperatives in its publication: "Subsidy' is a word that has been lurking, like an unacknowledged child, in the shadows just outside the rural electrification movement ever since the REA program was inaugurated in 1935."55 So began a November 1941 column in the Edison Electric Institute Bulletin. Leaders of the investor-owned utility industry routinely published papers about rural electrification in the association's monthly magazine, which was widely quoted in the mainstream media. The magazine made frequent references to the government subsidy that the cooperatives received in the form of low-interest loans. It accused the co-ops of building aimlessly and of skirting the law by not paying taxes. This issue included a historical perspective on "Rural Electrification in the United States" by writer Royden Stewart, a former Edison Electric Institute employee, whose article was also published in part in Public Utilities Fortnightly. The article, which focused on REA's formation, continued: "A survey of existing conditions convinced the utility men that the plan was not, as a whole, practical. ... The history of REA as a government agency has been erratic and spectacular," Stewart wrote, noting that in 1939, the agency "lost its status as an independent agency and was made part of the Department of Agriculture."54

Others found a platform for their opinions in the *Bulletin*, as well. N. M. Argabrite, vice president of the American Gas and Electric Company, responded in the September 1940 edition to a question about whether he was "social-minded" about rural electrification:

> "If he meant to ask me if I were willing to misappropriate other people's funds in the building of lines which had no business to be built except that I wanted to see them built for social reasons, then I must say that I am not 'social-minded.' I have no right to be 'social-minded,' if that is what is meant and I would be no friend to the people living in the rural sections, if I were that kind of 'socialminded.' It would simply mean that the day would come when my responsibilities along that line would be lifted from me and put into the hands of someone who did not let his sentiments get the better of his judgment."⁵⁵

Throughout the previous decade and into the 1940s, the investor-owned utilities pounded their message into the public psyche through speeches, magazine articles, news releases, radio broadcasts, paid advertising and "canned" editorials sent to newspapers. Their message focused on what they branded as the "socialist" aspects of the government-subsidized rural electrification program; on the fact of the government subsidy, including a claim that the rural electric cooperatives paid no federal taxes while private utilities did, and on the assumption that the co-ops, directed by farmers inexperienced in utility matters, were bound to fail and that the investor-owned utility industry would be left to clean up the mess.

"The utilities were putting out a lot of contradictory information," W.V. Thomas, who in 1940 was manager of the Wisconsin Rural Electric Cooperative Association, a statewide organization for Wisconsin's 28 rural electric cooperatives, said in 1990.⁵⁶ "They were scaring [potential members] off so they wouldn't sign up. We wanted to have the membership that we did have educated to the point that they could become ambassadors when we were working on additions to the [REA] projects, and get the members to realize what the co-op meant to them."

The way to do that, Thomas and others at the statewide association figured, was to publish a newspaper for rural electric co-op consumers that would counter the public relations efforts of the private utilities. "We should tell what we are doing," the association's attorney, Floyd Wheeler, said at the April 26, 1940, annual meeting of the statewide association. "We can't meet this utility propaganda by not answering and sitting back. The thing to do is tell people about your program. The statewide organization could help curtail propaganda, it could get out reports."⁵⁷One month later, a committee of association members endorsed the creation of a statewide newspaper.

"The sole purpose was to try to educate in some manner the value of the cooperative and what it would be to the members," Thomas said, adding that the paper's editor would be charged with revealing the utilities' motives in building spite lines and spreading propaganda about the co-ops. "We were labeled as Communists and socialists and everything else," Thomas said. "The private utilities poured out the philosophy that the co-ops were the

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nastiest thing around."58

On July 1, 1940, the first edition of the *Wisconsin REA News* was delivered to 13,050 consumers of 11 Wisconsin cooperatives. It was the first of what would become a national network of co-op membership publications created to respond to the anti-co-op propaganda of private utilities and to promote the use of co-op electricity.

"It was a newspaper in every sense of the word—a front page filled with the top stories of the month; an editorial page, and six additional pages of material from member co-ops and other sources."59 That was how Harvey Schermerhorn, co-owner and managing editor of the Grant County (Wisconsin) Independent and first editor of Wisconsin REA News, recalled the newborn membership publication in 1976. That may have contributed to Schermerhorn's decision to leave his position at the weekly newspaper, but his enthusiasm for the rural electric program surely contributed: "We are happy in the thought that not a week passed but what we preached the gospel of REA through our columns in the Grant County Independent, boosting its activities," he wrote in 1976. Schermerhorn said then that he "recognize[d] it as one of the greatest stimulants to rural happiness and progress in the history of our country."⁶⁰ During his seven years as editor, Schermerhorn distributed the Wisconsin REA News not only to members of the state's growing number of rural electric cooperatives, but to members of the Wisconsin legislature and of the state's delegation in Congress, and to other policymakers. He and his newspaper became the rural co-ops' low-budget answer to the power companies' public realtions campaign.

Schermerhorn used his pages for news stories about state, local and national events affecting Wisconsin's rural electric cooperatives. He diligently tracked coverage by the mainstream press of rural electric co-op issues and responded to them, at length, in prolific editorials and commentaries. Typical of his reaction to negative newspaper stories about the co-ops is this curt response to an editorial in the January 17, 1941, issue of the *Ladysmith* (Wisconsin) *News*:

> "Frankly, we don't believe that...the Ladysmith editor knows what [he] is talking about. ...It takes

little courage for a newspaper editor or an individual to make claims in a territory where there is little or no knowledge of the rural electrification program. But when the claims run up against real facts, they give evidence of ignorance that is pitiful to behold.^{*61}

In response to what he branded as a "distorted report" in the *Merrill* (Wisconsin) *Herald* and others about the copper hoarding incident, he lashed: "Isn't it strange that these...papers had nothing to say about the three-story warehouse in Texas that collapsed from the weight of copper wire—more recently purchased and stored by private utilities of that state?"⁶²

The second issue of *Wisconsin REA News* included a page one story quoting REA Administrator Harry Slattery refuting a power company claim that a Wisconsin cooperative power plant would not be able to sell enough electricity to pay its debt to the government.⁶⁵ The introductory issue carried a news story called, "An Important Message from [Agriculture] Secretary Wallace," that quoted the official:

> "Do not let anyone tell you that your cooperative will fail. Or that the Government will have to take it over in a short time and will be forced to sell it to the nearest private utility for a song. Such a disaster can happen only if you and our fellow cooperators fall asleep on the job."⁶⁴

The first edition sings the praises of electricity: "It is the contentment that rural electrification has brought into thousands of homes in this country...contentment, efficiency and economy for a younger generation who are today finding life on the farm and in the farm home more in keeping with the American way of doing things."⁶⁵ In October 1940, an unsigned Schermerhorn editorial showed the editor's passion for the rural electric program:

"Chore time is no longer regarded the drudgery of yesteryear. Yard lights have changed the picture from house to barn. Flickering lantern light has given way to well-lighted barns, where work is accomplished more hurriedly and more efficiently. "A turn of the switch and mechanical milkers go to work on the herd; another switch starts the separator in operation—and when the last of the chores are finished, a brightly lighted home beckons. Within, there is comfort for all."⁶⁶

The private utilities continued to aim their attacks against rural electric cooperatives, and the *Wisconsin REA News* continued to counter them in its columns. Schermerhorn was candid about his disdain for the tactics of the co-ops' competitors:

"There are today many farm homes in Wisconsin enjoying the benefits of electricity because they refused to believe all of the adverse propaganda intended to tear down the structure of cooperative endeavor. And there are many farms in this state, with REA service available, whose owners and tenants still believe that they will wake up some morning to find the thousands of miles of transmission and distribution lines flat on the ground, generating plants closed down, and the hundreds of organizations through the nation disbanded.

"Yes, it is true that propaganda aimed against the rural electrification program in this country has been somewhat effective in slowing its progress. A good many battles have been fought against this propaganda and its subsequent effects. However, the stronger the rural electric movement grows, the stronger the propaganda, and the greater need for a medium that will keep rural communities of the state and nation correctly informed."⁶⁷

Schermerhorn often addressed the issue of private utility propaganda in his publication, saying that without the *Wisconsin REA News*, co-ops "leave fertile ground on which utility propaganda can be cultivated to a dangerous degree."⁶⁸ He labeled big-utility press agents "propaganda artists,"⁶⁹ he accused anti-REA newspapers of being "utility controlled,"⁷⁰ and of bowing to big-utility demands for biased copy because of "fat advertising contract[s]."⁷¹ He said newspapers, especially after articles about the copper hoarding incident appeared, "overplayed their propaganda against REA. In fact, they played it right into the ground."⁷² He acknowledged that "newspapers of the country, particularly in the weekly field, have, for the most part, been generous of their columns in publicizing the development of rural electrification throughout the communities they serve," but criticized the REA for not being aggressive about getting its side of the story to the newspapers. He chastised newspaper editors for falling prey to utility propaganda:

"Almost every mail delivery to the editorial desk of *Wisconsin REA News* brings a pattern of the type of propaganda which finds its way into the weekly and daily press of the country. Clever manipulations of words and phrases are usually overlooked by an unsuspecting editor, and columns of propaganda material find their way into the minds of the reading public, candy coated and all wrapped in the guise of patriotism that carries the torch for the down trodden farmer."⁷³

Schermerhorn and his publication had a mission: "Today, rural electrification has exceeded all expectations, but the time is far distant when cooperatives can feel themselves secure from the effects of adverse propaganda," he wrote in October 1940. "There is a place in Wisconsin today for a medium of correct information, but no medium can serve that purpose any better than a publication controlled by the cooperative movement itself. *Wisconsin REA News* has a big job ahead of it."⁷⁴

Publication of the *Wisconsin REA News* was, with the exception of a small newsletter published by one of the state's cooperatives, the first voice rural consumers heard from the electric cooperative industry in response to the private utilities' public relations campaign to discredit it. The co-ops were formed with \$5.00 membership fees from farmers who borrowed money from the federal government. The expenses were great; in many cases, the farmer-owners of the cooperatives saved money on construction by building the lines themselves. In contrast to the multi-million dollar private utility industry, the fledgling co-op movement had few resources to counter its competitors' publicity. In fact, in 1945 when the National Rural Electric Cooperative Association organized an annual membership meeting, Schermerhorn was the only employee in the 40-state rural electric program qualified to set up press conferences and write news releases, so NRECA "borrowed" him from *Wisconsin REA News*.

Wisconsin REA News itself operated on a shoestring budget. Cooperatives that subscribed to the paper for their consumers paid 2 cents per copy for the publication; the readers personally did not subscribe. Although the paper was planned as an eight-page monthly broadsheet, one month after its debut Schermerhorn expanded its size to 16 pages. In March 1941, the subscription price went up to 3 cents.⁷⁵

Schermerhorn's solution to his financial woes was to sell advertising in the co-op paper, but that proved difficult. He compained of "getting my foot in the door of space buyers' offices, only to have it closed in my face when they learned that I was representing a cooperative publication, moreover, a publication that came into existence as one of the New Deal's alphabetical concoctions."⁷⁶

The attitude of those advertisers toward the paper reflected the continued anti-co-op publicity by investor-owned utilities, much of which was covered in the mainstream media. Many papers accused those associated with cooperative businesses of being anti-small business. Others said the co-ops were not operating with sound business practices. The Wautoma (Wisconsin) Argus accused the cooperative utilities of "sheer business stupidity" in an April 22, 1943, editorial. "The public has not yet awakened to the fact that each time it sanctions inroads on private enterprise by substitution municipal and federal operation of such enterprise, it is picking its own pocket to pay additional tax bills, so long as such public properties are allowed tax exemption. This is the sheerest business stupidity."77 Schermerhorn accused the editor of reprinting "canned" copy from private utility press agents: "Now that REA has arrived in the Wautoma area," Schermerhorn wrote in an editorial, "we respectfully suggest that [the Argus editor] become advised on the method of taxation to the cooperative systems. At

least, it might be well for him to read over his 'canned' utility copy before printing it, to learn exactly who is guilty of the sheerest business stupidity.⁷⁸

The Edison Electric Institute *Bulletin* published missives calling into question the loyalty of cooperative members to the United States during wartime: In an April 1944 article titled, "The American Way Is Not the Easy Way," W.C. Mullendore wrote of New Deal pursuits this way:

> "...the whole trend of our economic history was changed from self-reliance of the individual to reliance upon collective action; power was transferred to the President, to Government, to Bureaus, on the theory that there was an easy way out of the depression. ...The point, the all- important point, is that without knowing it, the free American people surrendered their freedom ...and traded it for Government Guardianship. The Free American people, I say, did not know they were doing this revolutionary thing---it just seemed so easy to relax and let ourselves go. Freedom is the Hard Way. Self Reliance is difficult."⁷⁹

Many popular newspapers helped the utilities carry their antico-op torch; the Montesano, Wash., *Vidette* on January 27, 1944, published this editorial:

> "If public ownership is good in the power industry to save the average family a few pennies a month, the [National] Grange, to be consistent, should be perfectly willing to support a measure...to provide government-owned farms to furnish the people of Oregon and Washington food 'at cost.' Certainly this is more important than furnishing them electricity 'at cost.'

> "If we are going to have socialism, let's start at the bread basket, not at the cookstove. Why have a government-owned power project to irrigate land, which land may be owned and operated by

members of the Grange for private profit? If the policy of selling electric power 'at cost' is sound, why should not the crops which are a product of the power, be sold 'at cost'?"⁸⁰

Supporters of the Wisconsin REA News persisted, however, and eventually cooperative leaders in other states formed their own newspapers to counter propaganda and promote the use of electricity. In May 1943, *Illinois REA News* was published for the first time in that state; in July 1944, *Texas Co-op Power* was born. By 1980, the network of statewide rural electric consumer publications included 33 tabloids and magazines; in 1991 there are still 21 magazines, 10 tabloids (including what is now called *Wisconsin REC News*) and one statewide newsletter.

In October 1942, the National Rural Electric Cooperative Association joined the Wisconsin co-ops in their response to power company publicity by putting out a national membership publication for rural co-op leaders and their employees (a monthly brochure called Bulletin was published until March 1943, when it was succeeded by a magazine called Message to 1,000.000 Farmers. Today, that magazine is called Rural Electrification.) NRECA Manager Clyde Ellis, a flamboyant former congressman whom the Edison Electric Institute Bulletin called "one of the noisiest propagandists,"81 countered—in writing—every claim by private power interests and began to turn the tables on the propaganda war. "That's your trouble, boys," he wrote in response to an Electrical World editorial in June 1943, "you are too 'practical.' In Germany, you led the fight to put Hitler in power 'as a practical matter.""82 He called *Electrical World* a "libelous Power Trust mouthpiece" that practiced "stab-in-the-back tactics against REA and NRECA."83 In one column, he said the power companies were "evidently taking their tips from Mein Kempf...the bigger the lie, the better."84 When Ellis was called to active duty in the Navy in 1944, the tone of the magazine, which changed its name back to National Rural Electric Cooperative Association Bulletin in February, became drastically more subdued.

Epilogue

Throughout the 1940s and 1950s, rural electric cooperatives formed statewide associations that eventually published consumer magazines. While these publicatons were an important tool in the co-ops' public relations efforts, they did not stop negative publicity from circulating about them, via their competitors, through the trade and mainstream press. J.C. Brown, NRECA's manager of association publications and editor of *Rural Electrification Magazine*, wrote in 1977:

> "During the late 1950s and to the end of the 1960s, REA and rural electric cooperatives found themselves to be subjects of major interest by several national publications. The frequency of articles and space devoted to rural elecrification far outweighed what objective reporters would consider of interest to their general readers. Almost all of the articles were unfriendly and followed a pattern. They often originated in obscure, or specialized financial publications, and then were picked up and reprinted in publications of greater circulation. Power companies, during that era, delighted in reproducing and mailing to 'thought leaders' articles critical of the rural electric program."⁸⁵

"There has been no let-up in the campaign," wrote Jerry Anderson, editor of NRECA's *Rural Electric Minuteman* newsletter, in 1960. "If anything, it has intensified with the creation and success of such ventures as REA..."⁸⁶ The reasons for the power company campaign against the co-ops were the same in the 1950s as they were three decades earlier, Anderson said:

> "The power companies want an absolute monopoly on the generation, transmission and distribution of electric power in America. They do not accept the fact that rural electric systems are here to stay. They do not accept the fact that the citizens of many towns and cities prefer to have municipal

ownership of electric distribution. They do not accept the fact that it is in the national interest for the government to install power facilities at Federal dams. They want everybody else out of the power business. To accomplish this objective, they're willing to spend whatever it takes of their ratepayers' money."⁸⁷

In the late 1950s, the Edison Electric Institute mounted a new advertising campaign that appeared in major publications across the country. A full-page ad in the September 1962 issue of *Atlantic Montbly* showed a frightened young man trapped behind barbed wire as a soldier looked on. "How is freedom lost?" the caption asks. The answer: "Dangers that grow within our borders can string barbed wire around our freedoms as tightly as dangers that come from abroad. But they aren't easy to see. Some of us are hardly aware of the threat that grows within—the expansion of government in business. ...When government owns business, it has in its hands both political and economic power. ...Isn't it time to call a halt to the expansion of government-in-business?" The ad was signed by "investor-owned electric light companies...more than 300 across the nation."⁸⁸ President Kennedy, who encouraged public power projects, called the ads "ugly."⁸⁹

The Saturday Evening Post in 1957 reprinted 169 of the power company ads in miniature to commemorate its support of private power. An accompanying editorial bragged: "The advertisements which follow have been used in the battle along with the editorial comment to help turn the tide of public opinion." ⁹⁰ Reader's Digest was frequently critical of the co-op movement, sometimes even "planting" an anti-co-op article in a smaller magazine and later condensing it for its own publication.⁹¹

The federal government's involvement in the nuclear power industry in the 1950s and 1960s also provoked the private power companies. "The private power industry does not intend to see atomic power, born of World War II, blossom into similar developments [as the Tennessee Valley Authority] all over the United States," wrote Leland Olds in *The Nation* in 1953.⁹² By "turn[ing] its guns on 'creeping socialism'" by attacking the Tennessee Valley Authority and REA, Olds wrote, the power companies laid the "groundwork for the campaign to turn over atomic energy to private companies."

In 1962, Edison Electric Institute Vice President Edwin Vennard published "The Deviation of REA," a lengthy pamphlet saying that the Rural Electrification Administration had served its purpose of bringing electricity to rural America and that it now was overstepping its bounds. Central Illinois Public Service Company published a brochure, "the FACTS of the matter are..." in 1961 and a followup publication, "Let's Look at the Record," in 1962 accusing NRECA of promoting government control of the electric utility industry. Jerry Anderson, by then assistant to NRECA's Ellis, called the publications "a...flagrant mixture of falsehood, deliberate misrepresentation and distortion of history."⁹³ In April 1977, three major publications—the *Wall Street Journal*, the *Washington Post* and *Forbes* magazine—carried articles critical of REA, a coincidence that NRECA's Brown called "a reborn campaign against rural electric systems."⁹⁴

It's no surprise that the mainstream press promoted big business over cooperatives. Throughout history, popular newspapers and magazines have helped maintain society's status quo by covering and quoting ordinary events and citizens and their leaders. Anything that threatens the norm is routinely attacked or hidden: Take, for example, the McCarthy-era investigations of alleged American Communists. "Every witch-hunting committee that ever existed, from the McCormack-Dickstein Committee of the 1930s to McCarthy's in the 1950s, had the support of the major part of the press," wrote George Seldes, editor of In fact, a 1940s newsletter that criticized the mainstream media for suppressing news unfavorable to the political right.⁹⁵ Those in the media may have agreed with McCarthy's assertion that "un-American" activities should not be tolerated, and the private utilities had by that time branded cooperatives as "socialist" and "un-American"; reporters may have been afraid to be tagged as Communists themselves if they refused to report McCarthy's findings. Reporters' sources often are officials who speak the language of big business; newspapers' advertisers are companies that have enough money to keep their supporters in business. Sometimes, the dissident movement-in this case, rural electric membership cooperativesjust doesn't have enough money or fame to compete with richer

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advertisers who can get their names in the paper by sponsoring media events and their message to the consumers by buying ads. For most reporters, "there [is] no deliberate faking—it [is] simply a matter of repeating what had become accepted,"⁵⁶ Seldes wrote.

Editors of today's statewide rural electric publications are still defending their industry against attacks from private power companies, which have stopped trying to pin a "socialist" tag on the co-ops but still claim that the co-ops' government subsidy equals unfair competition. They use their pages to refute the claims of mainstream columnists who say REA's job is done and call for its dismantling.

A Christmas 1990 article distributed by the Associated Press saying REA was in financial trouble received popular play in newspapers across the country. "Taxpayers May Have to Bail Out Debt-Ridden REA," the headline claimed. The AP reporter failed to verify through other sources information given to her by the conservative Heritage Foundation, and the resulting wire article included a number of misleading or inaccurate statements. In keeping with the Schermerhorn tradition, *Wisconsin REC News* editor Perry Baird lashed out at the reporter in a front page editorial titled, "New singer, same song":

> "At best, the reporter was suckered. Naivete, however, is no excuse for shoddy reporting. Not a single legitimate spokesperson for the co-ops was quoted in the article. Gary Byrne, REA administrator for the past eight months, was not consulted by the reporter—at least not until a follow-up story days later, when Byrne was quoted saying, 'We're through the worst of the credit problems.' Sorry, it was too late. The damage had already been done by the intial distortion. "We've come to expect better of the Associated Press."⁹⁷

An editor of *Texas Co-op Power* wrote on that publication's front page, "The difference between fact and fantasy sometimes depends on how many phone calls you make—at least for a reporter. An Associated Press writer made a mistake this past December—she bought the 'truth' from a group of ideologues and

failed to investigate the whole story."⁹⁸ A commentary in the coop-owned *Colorado Country Life*, entitled, "Here We Go Again," blasted the article.⁹⁹ Nearly every rural electric statewide publication printed a response to the Associated Press story.

Fifty-one years after the Wisconsin REA News made its debut in 13,050 rural homes in that state, the tabloid and others like it across the country have become a vital, if little-recognized, part of rural electric history. Clearly, the publications were unsuccessful in putting an end to anti-co-op publicity generated by private power companies and others, but they were able to counter it-at least among their own members—with the co-ops' point of view, a feat that eluded them before 1940. Although it is impossible to determine to what extent these publications contributed to the success of the rural electrification program in this country, it is a fact that efforts to wipe the program out, to date, have failed. More than 1,000 rural electric cooperatives today serve nearly 10 million households-25.1 million people. They serve three-quarters of the country's land, which houses just 10.3 percent of the population; there are co-op offices in 2,600 of the country's 3,136 counties. Many rural cooperatives are a county's largest employer or center of community activity. With a combined total circulation of more than 6 million-that's more than Time magazine can claimtheir publications have found a niche in rural culture, shoving aside local newspapers to serve as the rural consumer's main source of information about the electric cooperative.¹⁰⁰

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- ¹⁰⁰ According to readership surveys of 11 of the 32 statewide rural electric consumer magazines, 1988.

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