



The First Pole in the Boone County Cooperative Electric Project. The Planting of This Pole Was the Occasion For a Big Celebration. (Photo by Courtesy of Indianapolis Times.)

## Boone County Will Turn on the Lights

### First Indiana Unit Under the Federal REA Starts Project at Lebanon

By George Weymouth

**I**T WAS a big day at Lebanon when the cornerstone, so to speak, was laid for the future electric edifice of Boone county. The band played, orators made speeches, the boss man of REA was down from Washington, and also the boss men of the state-wide REMC, who inaugurated this first Indiana project under the benevolent sponsorship of the Federal authority. Local REMC officials of other counties in the state were there also to see the first creosoted pole set in the ground, as well as hundreds of the Boone county farmers who have signed up almost unanimously for the new project and wanted to witness the very beginning of the service line which will bring electric light and power to their homes.

REA, as you probably know, is the Rural Electrification Administration, with headquarters at Washington. The director is Morris L. Cooke. It is financed with a starting fund of a few hundred million dollars for the purpose of encouraging rural communities to extend their own lines cooperatively in sections where the utility companies have not found it practical to undertake the work. The underlying idea is that in the course of time practically all farm homes shall have the privilege of hooking on to a light and power line.

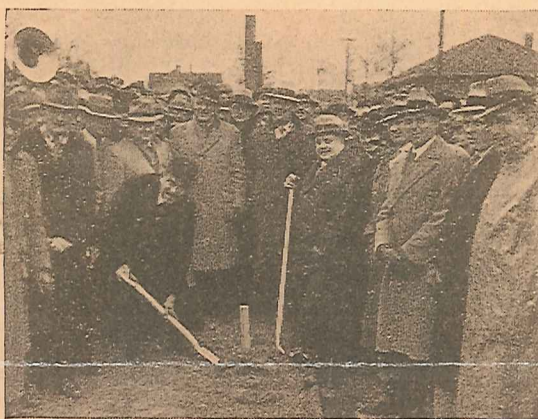
REMC is the Rural Electric Membership Corporation. The parent state-wide body was organized under a law passed by the legislature last year, which in effect gave a franchise to the Farm Bureau to promote, construct and operate rural electric lines through local county REMC groups. More than 60 counties in Indiana have these projects under preliminary way and the other counties are expected to join the parade, but the Boone county project is the first to start actual construction. Contracts have already been made with a great majority of the farmers in the county and the poles are now being set for the first line, which runs west from Lebanon to the county limits, with spurs in each direction to take care of the signers who do not live on the main highway. Service will begin as soon as the engineers in charge decide that a sufficiently large block of homes have been reached to justify operation. This may be within 5 or 10 miles, or it may be farther, but it is said farmers on the first line will be receiving current this spring.

The Boone county line, and all other county electric lines as well, are to be purely cooperative. The projects, while sponsored generally by the state and local farm bureaus, are not confined to members of the organization, but the service will be available to all farm households. The "juice" will be obtained under contract from the public utility operated in the neighborhood, under permission of the state public service commission. In case the local power company can not furnish enough current to supply the demand, it is presumed that current can be obtained from another source, or that if necessary a power plant could be constructed. The retail rate as a general thing will be the local rate, and the wholesale price

probably will be less than 2 cents per kilowatt. Regular dividend refunds will be made to the users who own the line, after deductions have been made for overhead, obsolescence, etc., and the regular payments to the government for money advanced for construction and equipment.

The A. A. Electric Company is contractor for the first 161 miles in Boone county, and the construction price is said to be lower than was expected. A total of 587 miles are to be built, and the cost is not to exceed \$567,926. No principal payment is to be made the first year, but the entire sum is to be paid off over a 19-year period, the annual installments being 6.92 per cent of the total sum, 3 per cent being interest and the balance principal. At the end of 20 years if all payments are made, the line will belong to the users, and no interest or principal payments will be necessary. However, the lines will have to be kept in repair and rebuilt from time to time, which requires permanent and perhaps increasing investments.

What the ultimate net rates to users may be



Digging the First Post Hole. The Man With the Spade at Left is Morris L. Cooke, Federal REA Administrator. The Shoveler at Right is Jim Mason, Head of State REMC. (Photo by Courtesy of Indianapolis Times.)

is difficult to guess. Electric power can be generated cheaply, and wholesale rates to large users are low. The costs of construction and distribution are heavy items, and the question of "load" distribution over the 24 hours enters into the final accounting. The ideal situation is where the load is constant.

Lebanon Farm Bureau Cooperative, which now handles the usual farm bureau lines—coal, feed, fencing, farm machinery, petroleum products, etc.—is planning to put in a store on the public square for the sale of electric equipment on the usual cooperative basis, but will have no monopoly on the equipment business. All manufacturers and distributors of appliances will have an equal show at this new business. In fact, they told me at Lebanon that already "the woods are full" of salesmen taking orders for stoves, washing machines, irons, refrigerators and all the other paraphernalia which may lighten the labor of farm-

ers and farm housewives of Boone county who are now going electric in a large way for the first time.

J. H. Powell, of Lebanon, is manager of the Boone County Farm Bureau Cooperative. He now has four oil trucks in service and two men and two girls employed to take care of the regular trade. How much additional business will come from the new electrical project he has no means of knowing. Oscar Beasley is chairman of Boone County REMC and Clark Woody is secretary.

The state-wide REMC set-up is practically the same as that of the state Farm Bureau Cooperative. Frederic I. Barrows is general counsel and is said to be largely responsible for the legal idea under which the three-cornered plan for rural electrification has been worked out between the national REA and the state and local REMC organizations. Wilson Taylor is in charge of the membership campaigns now in progress, so far as state office instructions are concerned. The 65 counties now being organized will all be members of the state-wide REMC, but each county corporation will be responsible for its own results. Every individual member in every county REMC will automatically become a member of the state REMC, and every county treasurer will be an assistant state treasurer. It is possible that when service begins the monthly meter readings will be sent to Indianapolis and the bills will be sent out from the central office. Billing machinery is expensive and the work is technical and it is thought there may be some economy in having it done at headquarters.

Officers of the state REMC are as follows: James K. Mason, president; A. D. Waterman, vice president; Arthur V. Mullin, secretary; Everett Jeanes, assistant secretary; C. H. LaSelle, treasurer, with each county treasurer acting as an official assistant; I. H. Hull is general manager and M. J. Briggs is assistant general manager.

The REMC organizations do not plan to handle appliances or to sell anything except electric current. Local merchants generally are looking forward to a share of this business, and, of course, local farm bureau cooperatives, mail-order houses, etc., are anxious to serve in the distribution of equipment. It is said that low-cost Federal money will be available for the purchase of electrical machinery, either through FHA or some other government bureau.

"What effect will recent supreme court decisions have on the future of your rural electrification projects?" I asked of General Counsel Barrows.

"The REA projects depend for funds on the Rural Electrification Administration, financed out of the \$4,880,000,000 Emergency Relief funds," he said. "They are in no way connected, directly or indirectly, with TVA. No question of the constitutionality of REA has ever been raised, and the local REMC projects are as free to finance themselves in the private money market as is any city or municipality."