

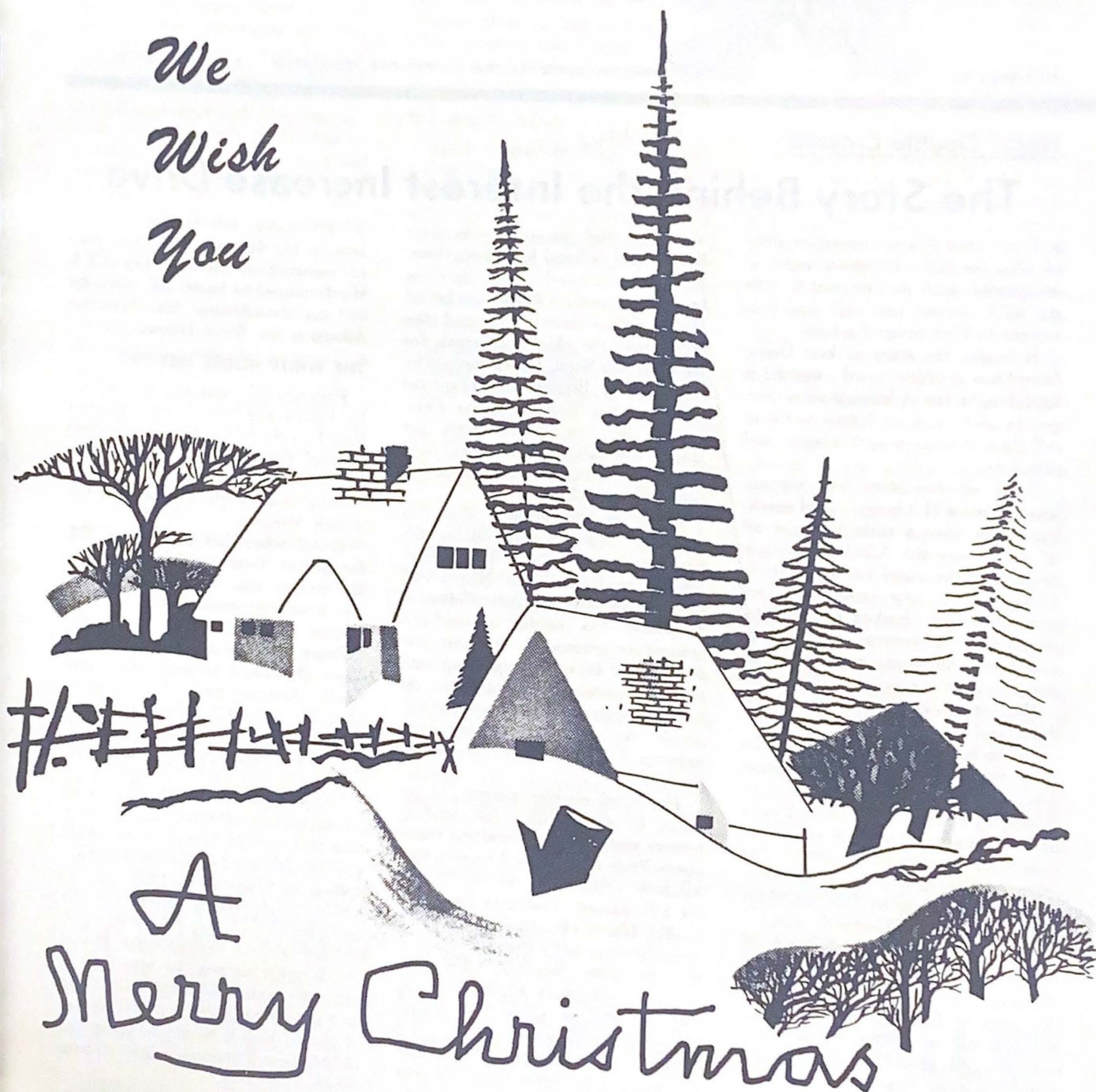
ADAMS

OUTLET

December, 1958

Vol. 7 No. 12

We
Wish
You



A
Merry Christmas

TAKEN
FROM



THE RURAL ELECTRIC MINUTEMAN

PUBLISHED BY

NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION • WASHINGTON, D. C.

Hamil Double-Crossed

16-2-17-6

The Story Behind the Interest Increase Drive

► This is the behind-the-scenes story of what the Administration hopes to accomplish with its proposal to hike the REA interest rate and send borrowers to Wall Street bankers.

It is also the story of how David Hamil was double-crossed—how he at first fought the Administration proposals and was later forced to try to sell them to local co-op managers and directors.

Some of this story was already known; some of it is new—and shocking. You have a right to know all of it, because the Administration is pressuring the rural electric systems to support its new proposals. This story has been checked and double-checked. The sources are reliable and their statements are backed by documentary evidence.

Here it is—complete with names, dates and places.

In the last session of Congress, the Administration proposed legislation advocated by the power companies to sharply increase REA interest rates and turn part of the REA loan business over to private bankers. The interest rate proposals were introduced in Congress by Sen. Capehart (Ind.) and Rep. Hiestand (Calif.). Hearings were never held on the bills.

The other proposed legislation, the "Benson Bill" for private financing, was so thoroughly exposed by NRECA that no senator or representative would introduce it. For the Administration, this was a humiliating defeat.

REA Administrator Hamil was not consulted in advance about the interest hike bill. Hamil, in fact, had already been stripped of much of his

authority and prestige. Secretary Benson had ordered Ken Scott, director of Agricultural Credit Services, to review important REA loans before Hamil signed them. Scott had also been made the chief spokesman for REA. It was Scott, for example, who defended the Benson Bill before the Congressional Appropriations Committees this year; it was Scott, not Hamil, who defended the ridiculously low budget which the Administration proposed for REA.

Rural electric leaders who had come to respect Hamil during the first two years of his REA tenure refused to believe that Hamil had later agreed with the Administration proposals. His public actions and statements seemed to support the feeling that he was going along with these schemes very reluctantly. At the appropriations hearings, for example, he said little, giving bare answers only when questioned directly.

The rural electric systems, in an effort to get Hamil's full lending powers restored, sponsored the Humphrey-Price Bills in the Congress this summer. They went all out to get the bills passed. Had they been successful, Hamil would have been REA Administrator in fact as well as name. Witness after witness, including NRECA spokesman Clyde T. Ellis, had the highest praise for Hamil during the hearings.

In the early summer, Hamil had to make a difficult decision. He was under heavy pressure from Colorado to resign his REA job and come home to run for Congress.

Hamil preferred to stay on as REA

Administrator, but he didn't know how far the Administration had gone in committing itself to kill REA. He demanded to know. He asked for and got a conference with Sherman Adams at the White House.

THE WHITE HOUSE MEETING

Present at the meeting, in addition to Adams and Hamil, were Hamil's boss Ken Scott, Dept. of Agriculture General Counsel Robert Farrington, Under Secretary of Agriculture True Morse, and White House Counsel Gerald Morgan.

Hamil asked that the Benson Bill for private financing be withdrawn. He said no one would introduce it and it was embarrassing the Administration. Finally Sherman Adams said "Whose idea was this bill, anyway?" They all looked at each other and finally Morgan said "It was your idea, Mr. Adams." Adams answered "Well, I guess I pulled a boo-boo." The White House agreed to drop the bill.

Hamil then decided to stay on as Administrator. He had been assured that this anti-REA legislation would not be presented again in the new session of Congress in 1959.

The double-cross came in late summer.

After it was too late for Hamil to file for Congress, he was told in separate memos by both Ken Scott and Ezra Benson that new versions of the legislation would be presented to the new Congress when it convened.

Hamil was furious, but helpless. He was unable to get the decision on the new legislation rescinded. ➡

Interest Increase (Continued)

On August 26, Hamil got another long memo from Scott outlining the strategy for getting the new legislation through Congress. The plan was this: Scott and other high Dept. of Agriculture officials, including Hamil, would try to enlist the support of the general farm organizations for the new legislation, bypassing the state and national associations of the rural electric systems; Hamil would take on the job of selling the legislation to local managers and directors.

On Sept. 3, 1958, Farm Bureau President Charles Shuman, Scott and Hamil met in Scott's office to work on plans for getting the legislation passed. They were later joined by Under Secretary Morse.

Morse said he wanted to get the interest rate increase passed next year. He also said the Benson Bill for private financing was being rewritten and would be presented to Congress.

Shuman told the group there was little chance of getting REA legislation passed unless support could be drummed up among local co-op boards of directors. He suggested that a committee of officials from the general farm organizations be formed to study and recommend changes in the REA program. Again, the rural electric associations would be excluded. The opening wedge for such a committee, Shuman said, could be some new proposal about member ownership.

In a written report to Benson about the meeting, Scott said this: "He (Shuman) believes that this idea of member ownership can be sold to

the REA users and that it is something that Clyde Ellis will have difficulty in opposing."

In the same report Scott said: "I have had one meeting with Herschel Newsom and Roy Battles (National Grange officials). Dave Hamil and I plan to set up another meeting at an early date. Our purpose will be to improve their understanding of the REA situation and strengthen their views for constructive legislative changes . . ."

THE HAMIL ROLE

Hamil had to agree to try to sell the program to local rural electric officials. In a memo to Scott the next day, Sept. 4, 1958, Hamil said: "It is obvious that these local leaders are very influential and in order to get their support they must play a part in the formulation of any legislative changes."

In the same memo Hamil outlined to Scott his program for selling the Administration program to local rural electric people. The plan had five parts: (1) Speeches to local co-op meetings, and at all 10 regional meetings of the National Rural Electric Cooperative Assn., which Hamil said would "enable us to reach key representatives of about 90% of the electric cooperatives"; (2) The mailing of his regional meeting speech to REA personnel; (3) A concerted effort to get the support of the general farm organizations; (4) Preparation of a special booklet to "provide program information to cooperative and agricultural leaders"; and (5) Devotion of an entire issue of the REA magazine *Rural Lines* to "the growth and financial status of REA bor-

rowers."

At the September 3 meeting, the group discussed the Farm Credit Administration at some length. They agreed many of the features of that set-up might be sold to rural electric people. (Note: The interest rates charged by the three banks which make up the Farm Credit System ranged from 4 to 8% in fiscal 1958.)

On September 19, Scott sent Hamil a more detailed memo which set forth the strategy for raising the interest rates and setting up an REA bank modeled on the Farm Credit System.

A reluctant Hamil hit the NRECA regional meeting trail. At the four meetings held thus far he has dutifully read his speech—which contains a flat statement that "from this time on" he thinks the co-ops should pay "the cost of money." He also makes a strong plea for private financing. Thus his speech clearly advocates these Administration changes in the REA law.

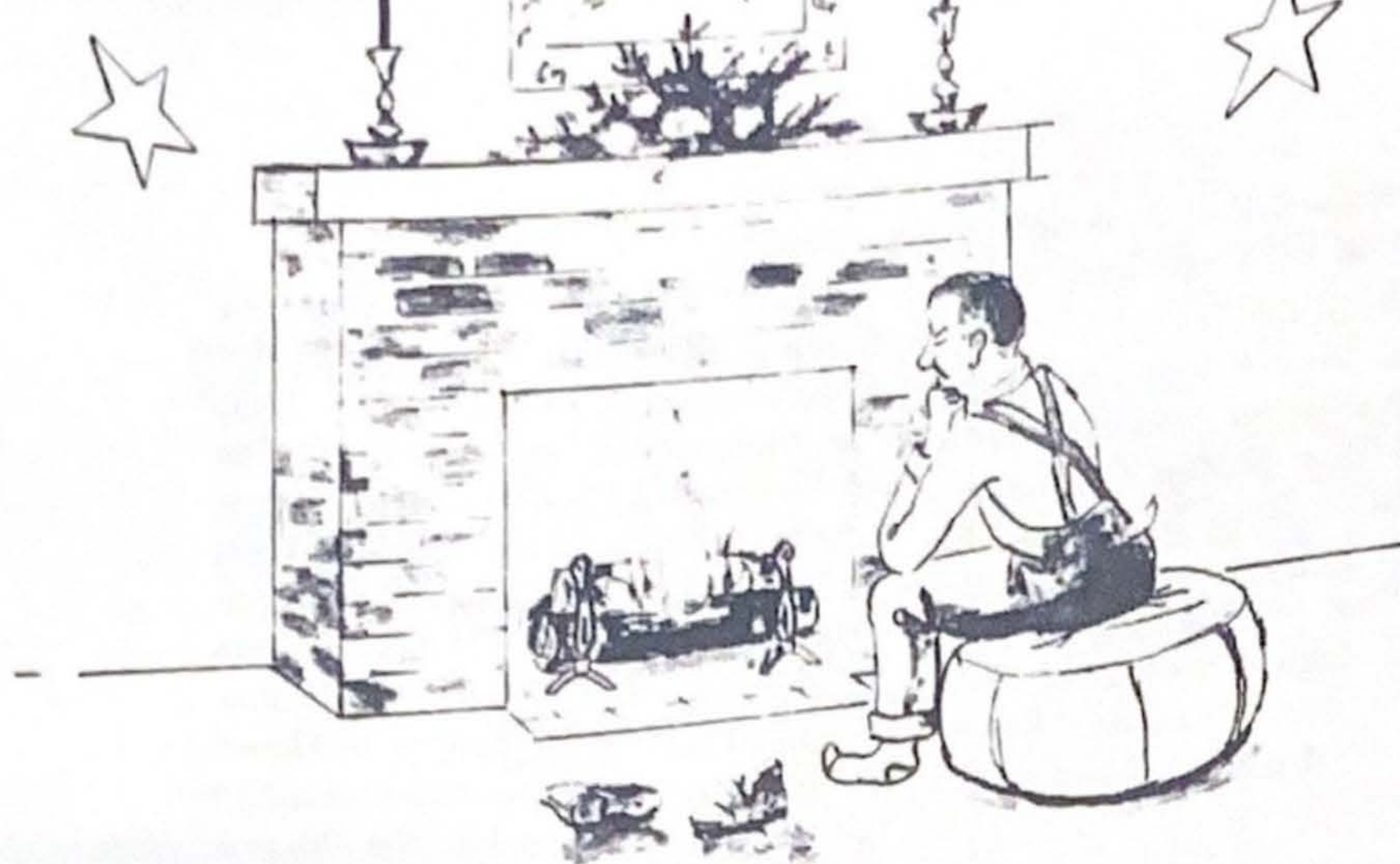
But he throws in a lot of off-the-cuff remarks, too. One of them goes like this: "I'm not advocating a change in the interest rate, I'm just suggesting that we start thinking about these things." The net result is that he leaves his audiences confused.

Maybe that's the way he wants it. At any rate, that's the background of the Administration's drive to put across both an interest rate increase and private financing legislation in the next Congress—and then move from there to the establishment of some sort of Farm Credit set-up for REA borrowers.

The inevitable result—higher interest rates, higher power rates, more sell-outs.

FOR MODERN LIVING... HEAT ELECTRICALLY

11-43-33-1

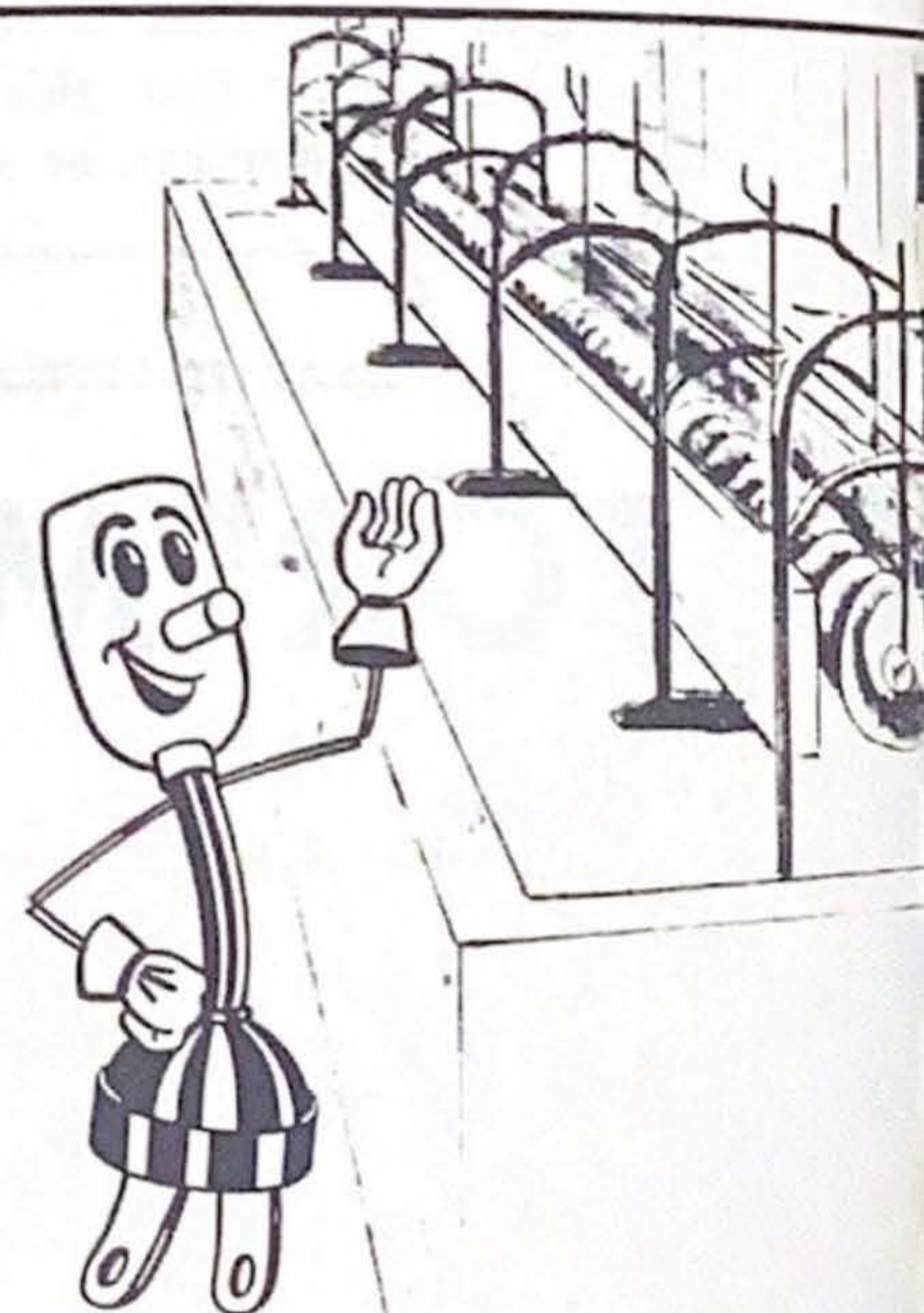
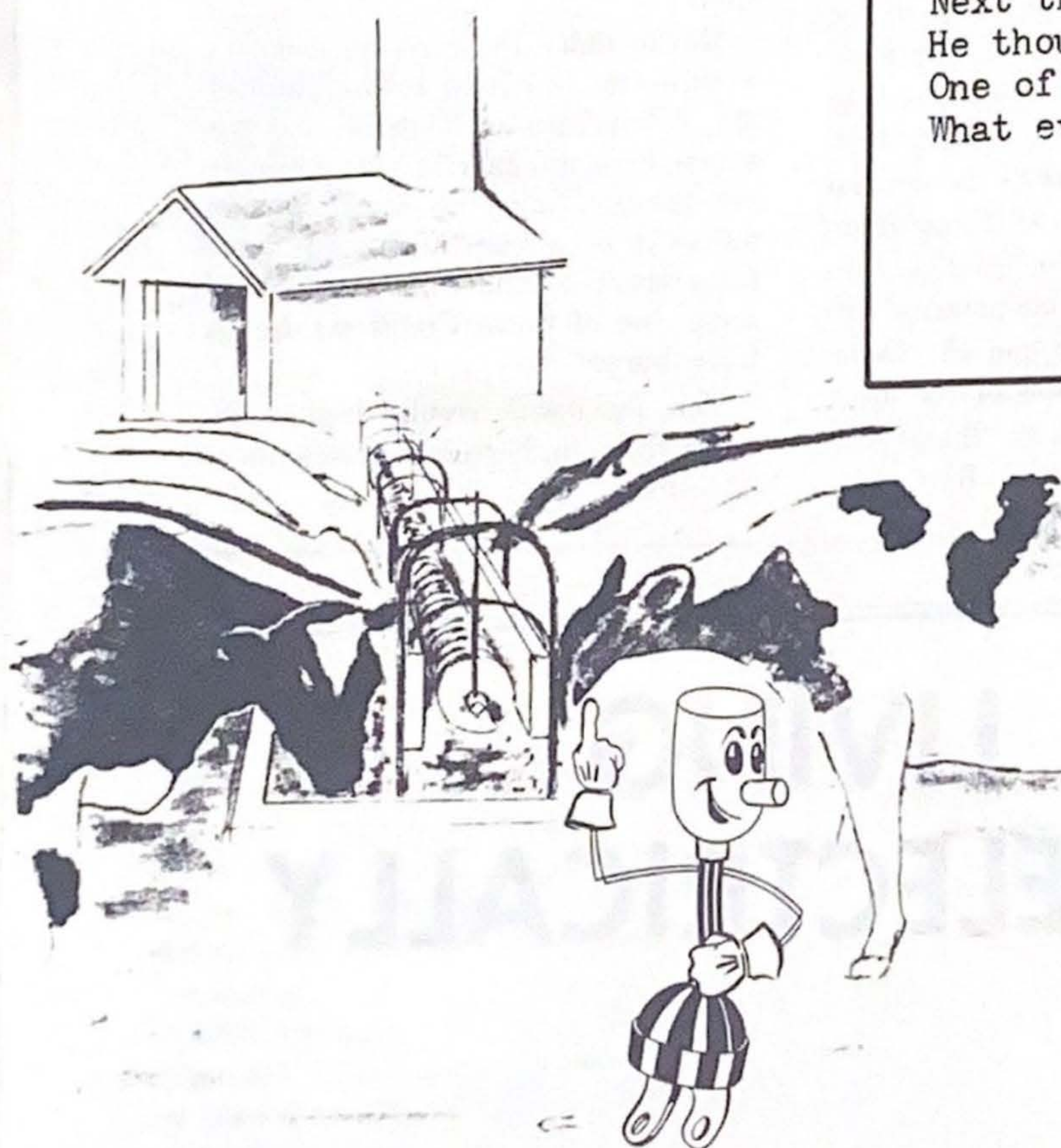


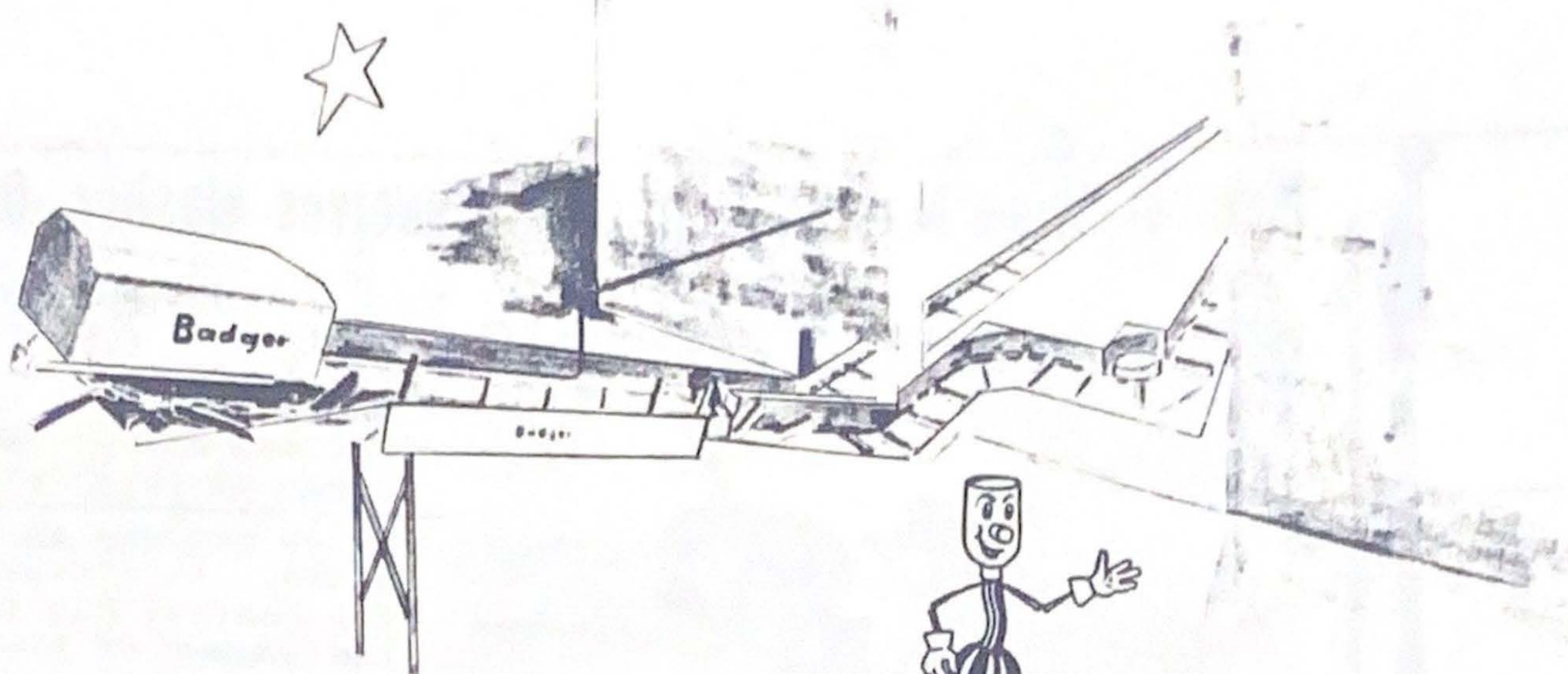
THE UNHAPPY FARMER

It was by the fireside as the old saying goes,
The Unhappy Farmer sat bemoaning his woes;
When out by the barn he heard such a clatter,
He rushed outside to see what was the matter;
And there was a truck as full as could be,
With three little figures all laughing with glee;
While unloading the truck they were having such fun,
'Twas Christmas Eve with much to be done.

They cleaned up the barn and guttered the floor,
And soon a barn cleaner showed through the door.
Then nimbly up into the silo they hied,
And before he knew it, an unloader's inside.
Next they tugged something out to the nearby feed lot,
He thought to himself, now what have they got!
One of these things, never before had he seen,
What ever it was, it was painted all green.

Courtesy The Badger News
Badger Northland, Inc.





CHRISTMAS EVE

When they were all finished they chuckled with glee,
And they turned on the yard lights so that he could see.
One turned on the switch and the silage came down,
One watched the Bunk Feeder with cows all around;
Inside the barn which had been all a clutter,
The other little fellow was cleaning the gutter!
When they were done and things were okeh,
The three handy electricians drove off and away.

As they waved a good-bye and sped into the night,
The now Happy Farmer stood filled with delight;
No hired-man problems will he have to face,
Electricity now works on his place!
No back-aches and drudgery will have to be done,
For to his farm, Willie Wiredhand has come;
And when Christmas comes once again to bring cheer,
He'll say, "Every day's work was a joy last year!"

Poem revised by Art Haas,
Brown Co. Farm Adviser.

10-42-84-6



Member Wins Maytag Contest -- Receives Washer, Dryer!



The August 1958 issue of the Illinois Rural Electric News carried a Maytag contest; open to any and all of the thousands of rural electric

co-op members in this State. Participants in the contest had to count the number of times the name Maytag appeared in the full-page ad and suggest a name for the washer & dryer pair.

Our own Mrs. Floyd Summy of R.R. #2, Quincy was recently announced winner of the contest, and she has already received her prize -- a new Maytag automatic washer and dryer -- from the company's Quincy dealer, Porter Electric Company. Mrs Summy is shown here inspecting her new appliances as Charley Porter looks on.

Mrs. Summy, who had never participated in a similar contest before, worked on the contest one evening as a cure for TV boredom; and the longer she worked, the more fascinated she became with counting the names. "Naming the pair was easy," she stated. "Because I already had an automatic Maytag washer only two years old which washes like magic, I called the pair the Magic Twins."

We congratulate Mrs. Summy on winning the contest, and we know that her two sons, Alan and Roger, will keep her well supplied with material to keep the Magic Twins busy.

P.S. Adams Electrical Co-op made the free electrical installation on the electric clothes dryer.

Electricity.

YOUR BIGGEST BARGAIN!

15-12-89-1

FREE OFFER:

To Electric Co-op Members*

Your choice of either one, or three of these seven, wonderful name-brand appliances.

It's a value worth from \$15 to \$60.

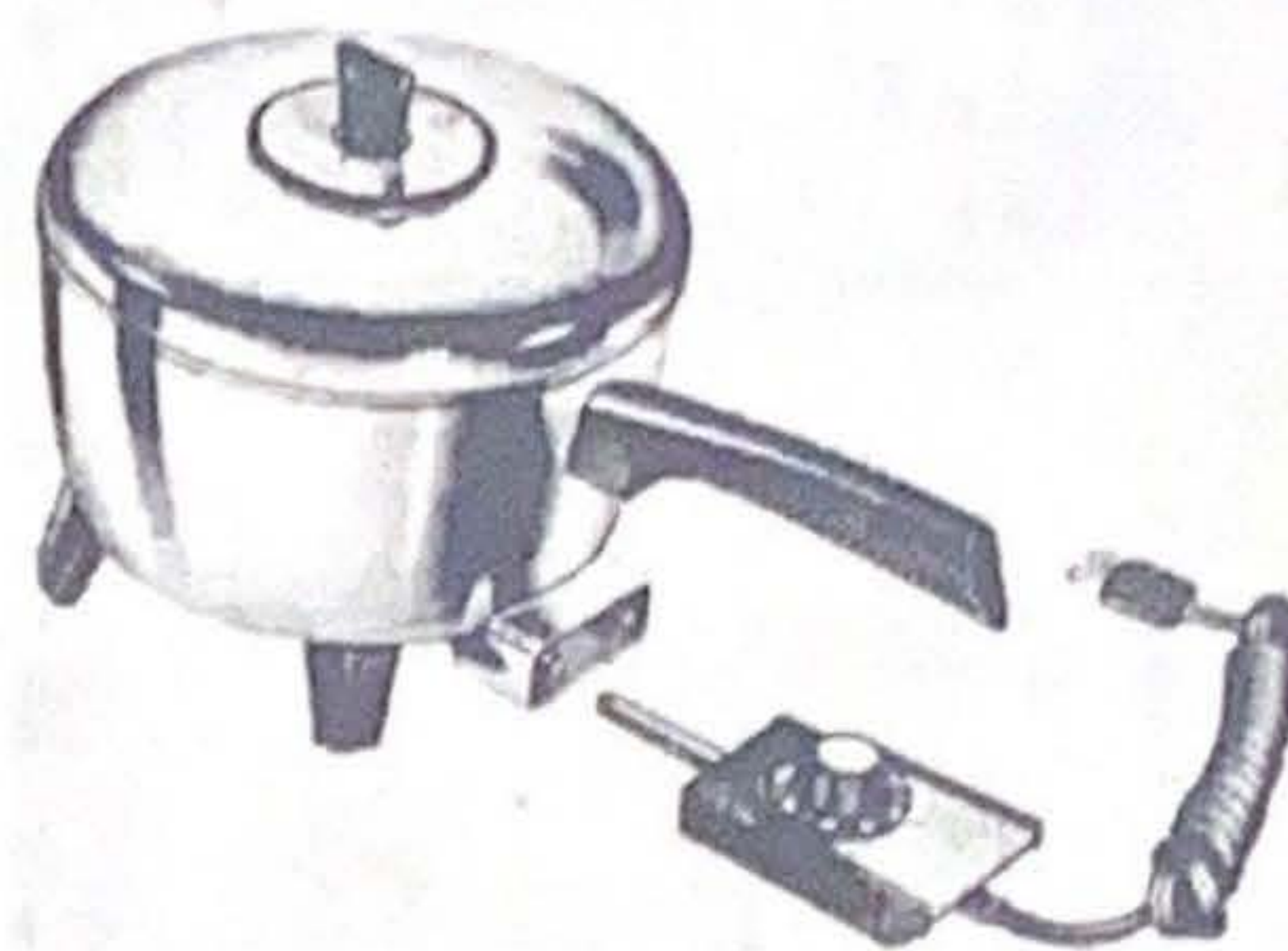
• Here's all you have to do to receive these gifts: Purchase either an automatic electric washer or dryer, or both, and follow these simple rules:

1. Purchase either dryer, or an automatic washer or combination from your favorite dealer. One appliance entitles you to one gift; two appliances to three gifts; and a combination washer-dryer to three gifts.
2. You must be a new user of an electric dryer and/or an automatic washer.
3. Have dealer fill in blanks on coupon. Also have co-op representative inspect installation and sign coupon.
4. Check gift on coupon. Sign and mail to address shown. The free gifts will be sent by mail.

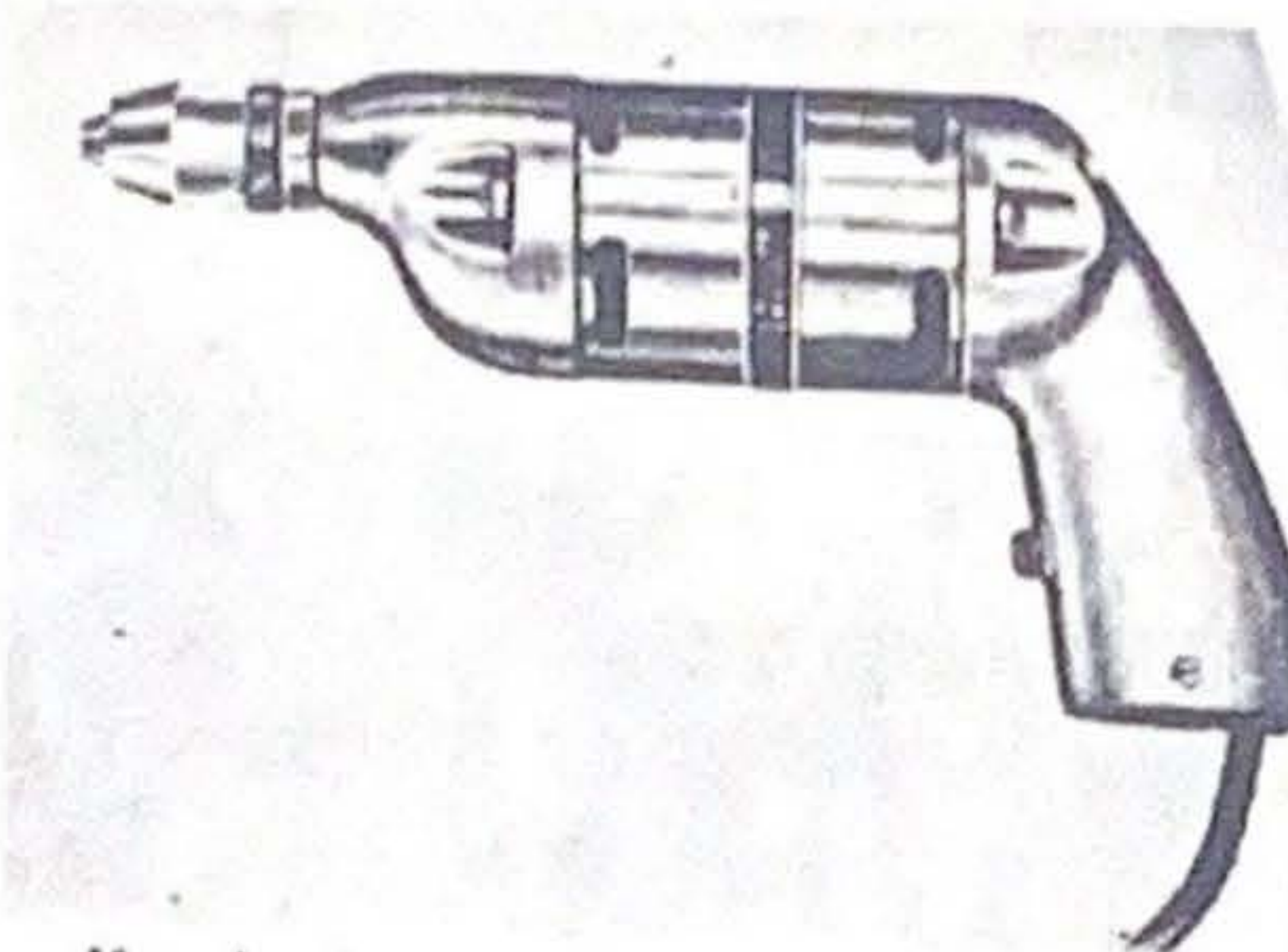
THIS OFFER GOOD ONLY
FROM OCT. 27 THRU DEC. 31.

In Addition...

YOUR CO-OPERATIVE
WILL CONTINUE TO
PROVIDE FREE ELEC-
TRICAL INSTALLATION
TO NEW USERS OF
ELECTRIC
CLOTHES DRYERS
WATER HEATERS
RANGES.



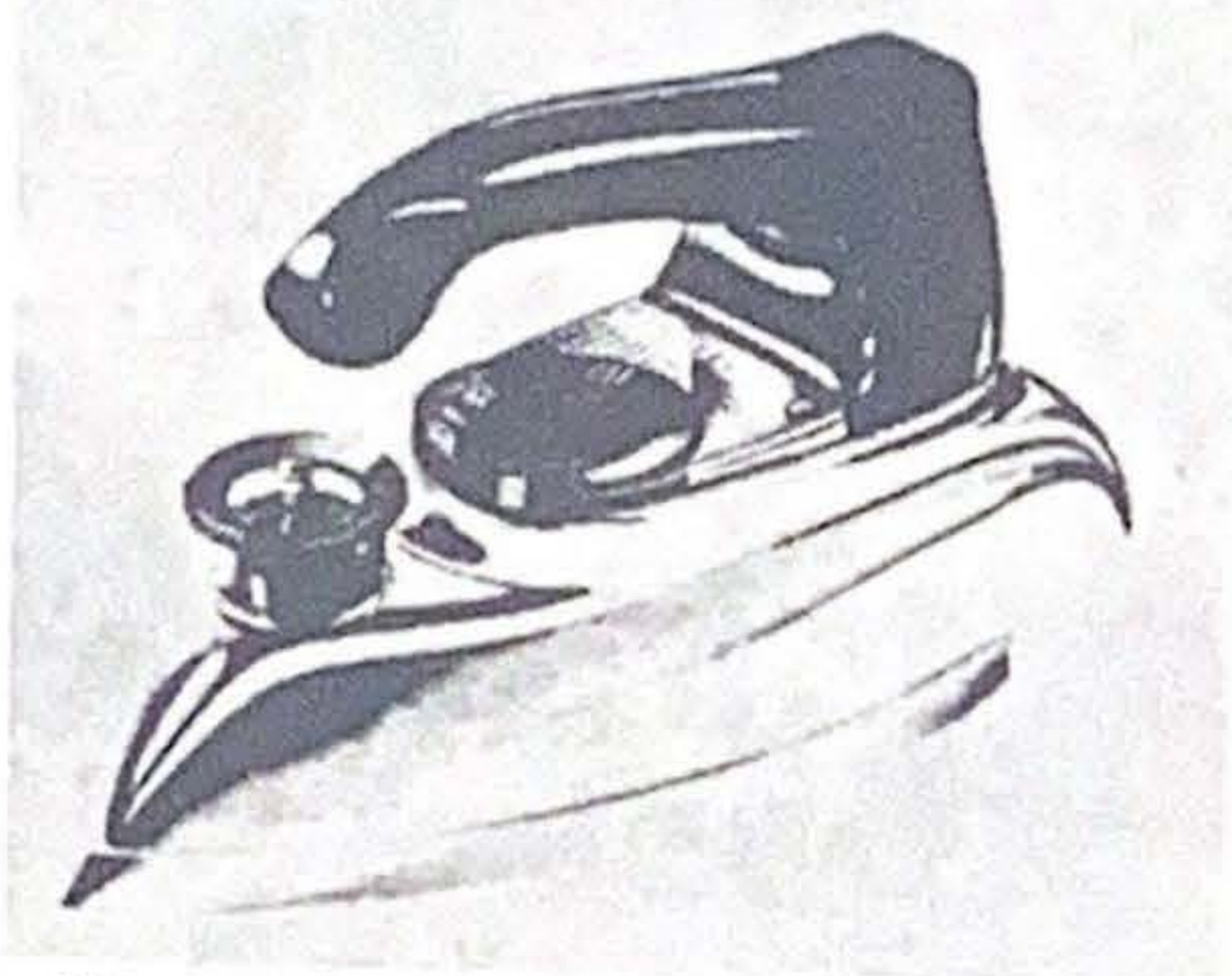
West Bend Saucepan—\$18.95 value
(includes control)



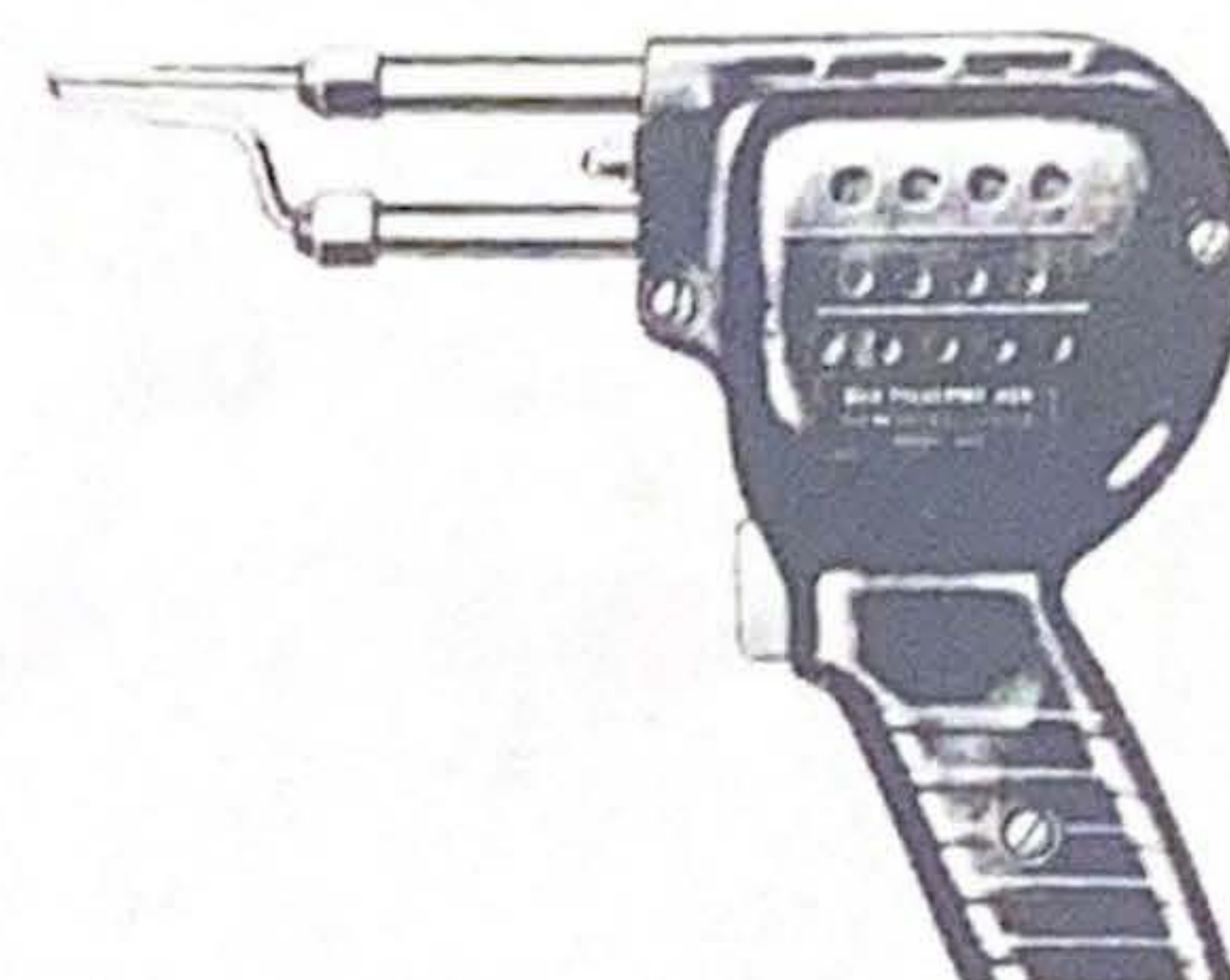
Manning-Bowman 1/4 Drill—\$19.95 value



Westinghouse Electric Sheet—\$19.95 value



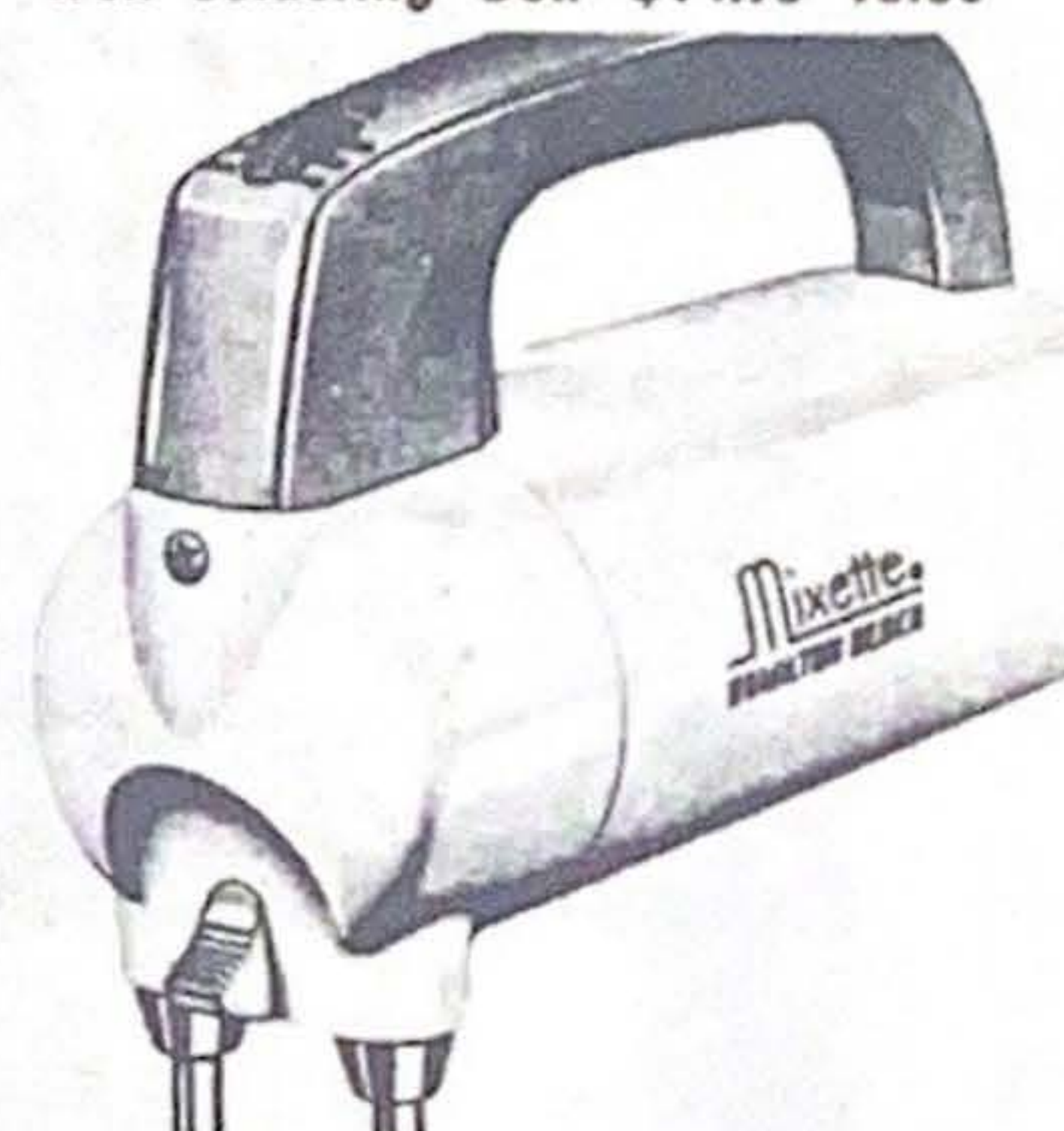
Westinghouse Steam Iron—\$17.95 value



Wen Soldering Gun—\$14.95 value



Mirro-Matic Fry Pan—\$19.95 value
(includes control)



Hamilton Beach Food Mixer—\$19.95 value

MAIL TO:
Free Gifts
416 So. 7th St.
Springfield, Ill.

Check Gift(s) you want

- | | |
|-------------------------------------|-------------------------------------|
| ☐ DRILL | ☐ STEAM IRON |
| ☐ SOLDER GUN | ☐ FRY PAN |
| ☐ SAUCEPAN | ☐ SHEET |
| ☐ MIXER | |

I, _____
(member's name and address)

certify that I am a member of _____
(Co-op name)
Electric Cooperative and have purchased an ☐ electric dryer (not exceeding 6000 watts),
or an ☐ automatic electric washer or ☐ a combination unit, from the undersigned dealer:
(check appliances)

(dealer's signature and address)
I, also certify that my electric cooperative was notified and the installation has been in-
spected and I am entitled to the gift(s) checked.

Date _____
(Co-op representative's signature)
**Washer must be connected to an electric water heater to qualify for gift.

BULK RATE
U.S. POSTAGE PAID
PERMIT NO. 3
CAMP POINT, ILL.

SPECIAL OFFER

LIMITED TIME ONLY

WHEN
YOU
BUY
THE

Sunbeam

CONTROLLED EVEN HEAT

**7 IN 1 ALL-PURPOSE
COOKER**

FOR ONLY **\$29⁹⁵** (5 QT.
SIZE)

YOU GET THE FRYBASKET

A \$2.95 VALUE

AND

Sunbeam

MEDIUM

FRYPAN

A \$19.95 VALUE

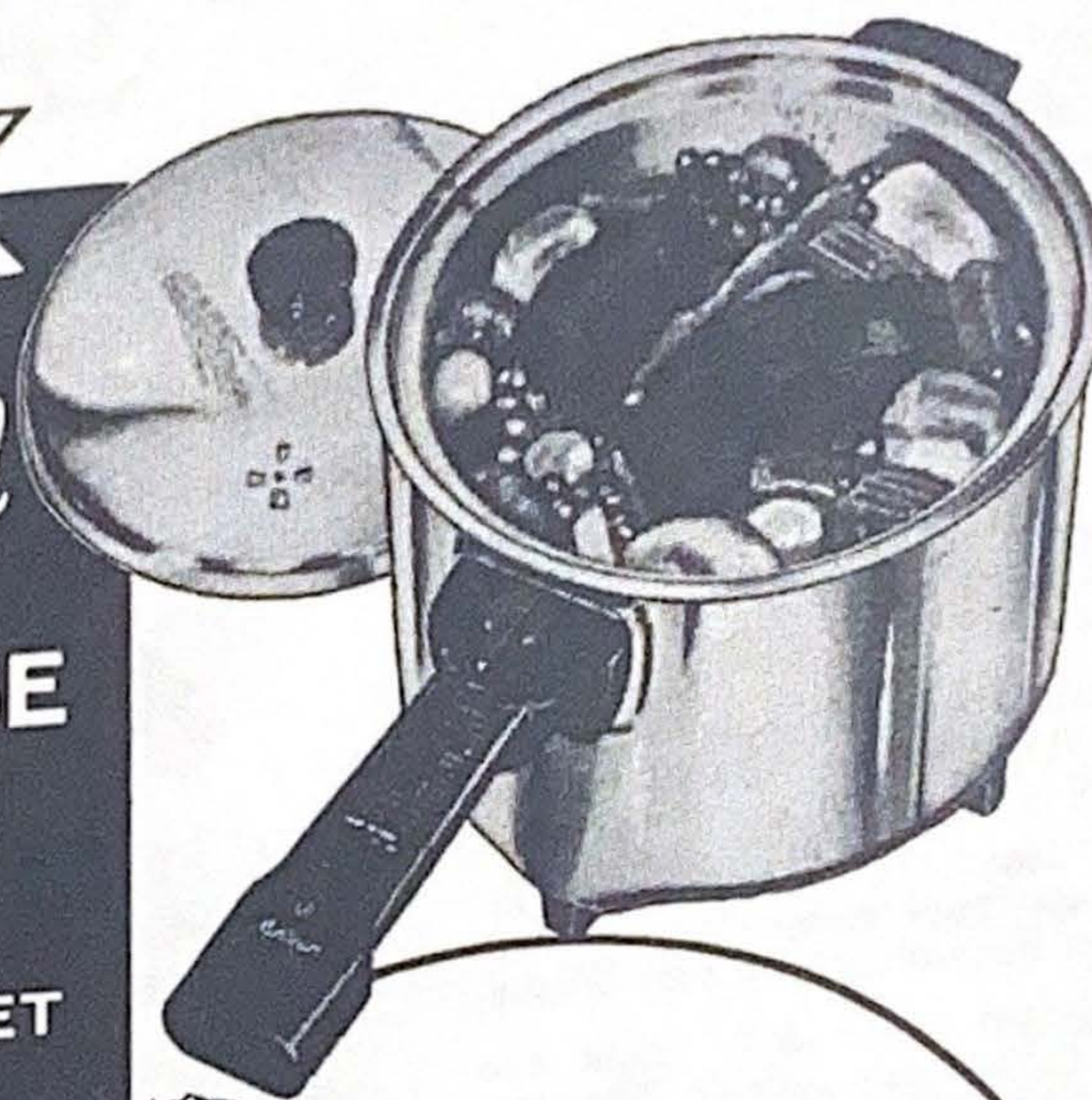
FOR ONLY **\$1⁰⁰**

**ALL 3 \$30⁹⁵
FOR JUST**

\$52⁸⁵ VALUE

*5 QUART SIZE SAUCEPAN,
FRYBASKET AND FRYPAN

**YOU \$2⁹⁰
SAVE**



- Perfect controlled heat cooking companions
- Easy-to-see and set control dials, cook guides
- Easy-to-wash, immersible up to signal lights



*A 3-qt. size also available
\$50.40 value - just \$28.95

TERMS OF OFFER
(Limited Time Only)

5 Quart Size—Save \$21.90. For the price of a 5 quart Sunbeam all Purpose Cooker (\$29.95) and one dollar we will send you the 5 quart Cooker, a Frybasket worth \$2.95 and a Sunbeam Medium Size Frypan worth \$19.95. For this \$52.85 value just send us \$30.95 Plus Sales Tax, if applicable, and we will mail merchandise to you.

3 Quart Size—Save \$21.45. For the price of a 3 quart Sunbeam All Purpose Cooker (\$27.95) and one dollar, we will send you the 3 qt. Cooker, a Frybasket worth \$2.50 and a Sunbeam Medium Size Fry Pan worth \$19.95. For this \$50.40 value just send us \$28.95 Plus Sales Tax, if applicable, and we will mail merchandise to you.

ORDER BLANK

Please send me ☐ 3 qt. size—\$28.95 (plus sales tax if applicable)
☐ 5 qt. size—\$30.95 (plus sales tax if applicable)

Name _____

Address _____

I belong to the _____ Electric Cooperative

Make remittance out and mail order to
Sunbeam Corp., Box 1552
Springfield, Illinois

Sunbeam

VALUE THRU QUALITY