

The U.S. Presidency, Electric Cooperatives,
and the Transformation of Rural America

POWER PLAYS



TED CASE

ADVANCE PRAISE FOR *POWER PLAYS*:

Ted Case has added an important volume to the history of one of the most important public private partnerships ever conceived . . . the electrification of rural America. Through insightful research and novelist prose, he takes us on a journey of how rural electric cooperatives changed the course of history by engaging U.S. presidents over the past 75 years. Current leaders in the cooperative movement could use it as a playbook for the next 75 years.

—ADAM SCHWARTZ, Founder, The Cooperative Way

Nebraska Senator George Norris, who with House Speaker Sam Rayburn framed the Rural Electrification Act, observed that REA “will have made one of the greatest contributions toward the improvement of farm life that could possibly be imagined.” In his astonishing book, author Ted Case tells how electric cooperatives took the battle to keep REA as the “greatest contribution” to a succession of abiding and antagonistic presidents.

—MARK GLAESS, Manager, Minnesota Rural Electric Association

“The forward march of America’s not-for-profit, member-owned electric cooperatives has been closely intertwined with decisions made in the Oval Office. Ted Case brilliantly brings to life how relations with the nation’s chief executive over the past seventy-five-plus years have impacted the ability of electric co-ops to fulfill their core mission: improving the rural quality of life.”

—PERRY STAMBAUGH, Senior Director and Editor, *Rural Electric (RE) Magazine* and creator of the *Electric Cooperative Almanac*

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EXECUTIVE ORDER

ESTABLISHMENT OF THE RURAL ELECTRIFICATION ADMINISTRATION

By virtue of and pursuant to the authority vested in me under the Emergency Relief Appropriation Act of 1935, approved April 8, 1935 (Public Resolution No. 11, 74th Congress), I hereby establish an agency within the Government to be known as the "Rural Electrification Administration", the head thereof to be known as the Administrator.

I hereby prescribe the following duties and functions of the said Rural Electrification Administration to be exercised and performed by the Administrator thereof to be hereafter appointed:

To initiate, formulate, administer, and supervise a program of approved projects with respect to the generation, transmission, and distribution of electric energy in rural areas.

In the performance of such duties and functions, expenditures are hereby authorized for necessary supplies and equipment; law books and books of reference, directories, periodicals, newspapers and press clippings; travel expenses, including the expense of attendance at meetings when specifically authorized by the Administrator; rental at the seat of Government and elsewhere; purchase, operation and maintenance of passenger-carrying vehicles; printing and binding; and incidental expenses; and I hereby authorize the Administrator to accept and utilize such voluntary and uncompensated services and, with the consent of the State, such State and local officers and employees, and appoint, without regard to the provisions of the civil service laws, such officers and employees, as may be necessary, prescribe their duties and responsibilities and, without regard to the Classification Act of 1923, as amended, fix their compensation: **Provided**, That in so far as practicable, the persons employed under the authority of this Executive Order shall be selected from those receiving relief.

To the extent necessary to carry out the provisions of this Executive Order the Administrator is authorized to acquire, by purchase or by the power of eminent domain, any real property or any interest therein and improve, develop, grant, sell, lease (with or without the privilege of purchasing), or otherwise dispose of any such property or interest therein.

For the administrative expenses of the Rural Electrification Administration there is hereby allocated to the Administration from the appropriation made by the Emergency Relief Appropriation Act of 1935 the sum of \$75,000. Allocations will be made hereafter for authorized projects.



The White House,
May 11, 1935

7037

P R E F A C E

THE PRESIDENT OF THE UNITED STATES WAS GOING FISHING. It was May 11, 1935, and Franklin Delano Roosevelt would soon leave the White House for the Blue Ridge Mountains with Vice President John Nance Garner and the Speaker of the U.S. House of Representatives Joseph Byrns.¹ Normally, Roosevelt’s Oval Office was hosting up to fifteen meetings a day as FDR guided the nation through the Great Depression.²

On this day, there were none. It was a clear day, the Oval Office bathed in light from the giant windows filling the room’s southern curve. At 10:30 a.m., an “open-air” car was going to motor FDR to the Woodmont Rod and Gun Club near the West Virginia and Maryland border. After a day of trout fishing, there would be steaks, political gossip, and a few cocktails. Before he could do any of this, there was one piece of important presidential business.

FDR had to do something in 1935 about social security and about creating jobs for the vast number of unemployed Americans. But today, before he left, FDR planned to sign Executive Order 7037, establishing “an agency within the Government to be known as the Rural Electrification Administration . . .” The Executive Order had been drafted by Morris Cooke, a talented engineer who had urged

The Executive Order establishing the Rural Electrification Administration. President Franklin D. Roosevelt signed the Executive Order and then went fishing.

Roosevelt to read a “twelve-minute memo” that made the case for a national rural electrification plan.

The president knew something about the electric power industry. As governor of New York, Roosevelt had consulted experts, seeking to develop hydropower on the St. Lawrence River. It was Cooke, however, who had set up this new rural electrification agency after FDR failed to commit to a specific plan or offer Cooke a sense of direction.³

FDR was feeling the pressure to act. Both the American Farm Bureau Federation and the National Grange had passed resolutions urging federal action to provide light and power to the countryside. A month before, Congress had allocated \$100 million for construction of rural distribution lines as part of a relief project. All FDR had to do was authorize the plan that would allow \$75,000 for putting the administrative, technical, and operational jigsaw together.⁴

Only 10 percent of the farms across America had electricity and those without it were living a life of drudgery.⁵ FDR had witnessed the difficulties in Georgia near his cottage at Warm Springs. He had seen hardship up close with U.S. Senator George Norris of Nebraska as they toured the Tennessee Valley after FDR's election in 1932.⁶ There, only two of every one hundred farms had electricity. Sanitation was primitive, medical care was sparse, and infant mortality rates were astonishingly high. In the first one hundred days of his presidency, FDR together with Norris led the passage of the Tennessee Valley Authority Act, creating a series of dams that would transform the region through inexpensive power, flood control, and improved navigation.

FDR was aware of an experimental TVA cooperative in Corinth, Mississippi, which showed promise bringing electricity to farmers.⁷ Perhaps this concept could be expanded across the nation.

Roosevelt picked up his pen. It was going to be a massive job, and he was pleased that he had convinced Cooke to become the first administrator of this new REA, located in the basement of the Interior Department.⁸ FDR signed his name across the bottom right corner of the document. The blueprint was in place. FDR's job for the day was done.

All they had to do now was electrify five million farms.



Photo courtesy of the National Rural Electric Cooperative Association

Clyde Ellis said his good friend Harry Truman would be remembered “as one of our greatest presidents.”

2

HOW ABOUT THAT FARM VOTE?

ON SEPTEMBER 16, 1948,¹ ON THE EVE OF A GRUELING campaign trip that would take him twenty-one thousand miles across America,² President Harry S. Truman made an unannounced visit to a NRECA regional meeting held in Washington, D.C.³ His plans were not initially made public, and the event does not even show up on his official schedule. Yet he appeared at the Washington Hotel before two hundred fifty electric co-op leaders because, unlike many in a politically fickle town, they had not abandoned him. It did not matter that his GOP opponent, Governor Thomas Dewey, held a commanding thirteen-point lead in the polls.⁴ It did not matter that almost everyone, including the president's own mother-in-law, believed Truman was certain to lose. Electric co-op leaders were standing by Harry Truman.⁵

But it was more than politics that brought him there, though NRECA's Clyde Ellis lobbied the White House staff for Truman to appear, almost to the point of harassment. The sixty-four-year-old Truman had a connection with the group, forged from growing up on a farm with no electricity, water, or plumbing, from cooking on

a coal stove and knowing the hand pump would freeze solid in the winter.

His talk at 8:30 that evening was impromptu and nostalgic of his days as a loyal U.S. Senate supporter of electric co-ops.⁶ “I remember the terrific fight which was made to prevent the passage of the rural electrification law,” Truman told electric co-op leaders. “This organization and rural electrification have brought things to the farmers that they never dreamed of when I was a kid on the farm.”

He spoke of Missouri and his farm where his nephew, also named Harry Truman, now lived, making use of the modern conveniences available because of electricity. Truman missed the old farm in Missouri, but he was not ready for Tom Dewey to send him back there. Political pundits were already chattering about who would serve in the Dewey administration. Rumors circulated that C.A. Sorensen, president of the Nebraska Association of Public Power Districts, was on the short list for REA administrator.⁷ (Sorensen’s son Ted would soon become a trusted adviser to Senator John F. Kennedy and play a central part in his relationship with electric co-ops.)

Truman was undaunted by both his electoral challenge and the obstacles of serving the farmer at the end of the line. “I hope you continue to actively fight for *expansion* until every farm in America has the necessary power,” he said. “As long as I am president . . . I, myself, shall continue that fight.”⁸

The expansion that Truman spoke of was continuing at a blistering rate. Two houses were being connected each minute of every working day, not only in the isolated reaches of the Dakotas and Montana but in denser areas of the East where some had missed electricity the first time around.⁹ Truman’s speech was a test run for one of the defining issues of his campaign: rural electrification. “I am going to try telling the country just exactly what the issues are,”

Truman said. “And when we get through with that program, I don’t think there will be any doubt about the result.”¹⁰

The next morning, Truman hopped aboard the seventeen-car *Ferdinand Magellan*, a specially equipped luxury train.¹¹ They headed toward the Midwest at 80 mph, the breakneck speed a metaphor for his entire presidential campaign. The first stops would be in Iowa, before heading west. His itinerary seemed appropriate, for the odds of winning the election “loomed as large as the Rocky Mountains,” wrote Marquis Childs, one of the seventy reporters on Truman’s train.¹² Elmo Roper, one of the nation’s most respected pollsters, had suspended his work because he considered the election essentially over.¹³ The Gallup Poll had Truman trailing Dewey by ten points among farm voters, an embarrassing development for a farmer-president who took pride in his plowing ability.¹⁴

The Staley Milling Company of Kansas City also conducted a poll that autumn. As farmers came into their feed stores, they were asked to buy an elephant-labeled feed bag if they were supporting Dewey or a donkey-labeled feed bag if they were supporting Truman.¹⁵ President Truman’s strategists believed he could not win without the farm vote.¹⁶ He had a lot of ground to make up and only forty-seven days to close the gap.

On September 18, 1948, at 8:50 a.m., the *Ferdinand Magellan* rolled into Oxford, Iowa.¹⁷ With the presidential seal fixed to the rear platform and three loudspeakers mounted on the roof, Truman gave his third speech of the day, an appeal for rural voters in the crucial swing state.

“I don’t have to convince you about conservation and crop insurance and rural electrification and those other things which the Democratic Party instituted and which have given the farmers the greatest prosperity they have had in their history.”



Photo courtesy of the National Rural Electric Cooperative Association

Clyde Ellis signs NRECA-U.S. AID contract in the Oval Office on November 1, 1962. Minutes later, President John F. Kennedy was again working on the Cuban Missile Crisis.

4

THE POLES AND WIRES OF NOVEMBER

IF SUCH A THING AS A NORMAL MORNING EXISTED AT THE White House, President John F. Kennedy usually started it with breakfast in his bedroom and a stack of newspapers and secret diplomatic cables delivered during the night. Somehow he was able to focus, despite the cartoons blaring in the background for the entertainment of his young children, John and Caroline.¹ For the previous three weeks, events had been far from normal. The early morning routines most families took for granted—breakfast, the morning paper, and cartoons—were, for a period of days, at risk from nuclear annihilation.

In October 1962, President Kennedy was informed of a U-2 spy-plane's discovery of Soviet nuclear-tipped missiles in Cuba. The nuclear strike force could reach most major U.S. cities in less than five minutes.² The president decided immediately that the Soviet Union's actions could not be tolerated. Over an intense thirteen days, the world held its breath as Kennedy and his Russian counterpart Nikita Khrushchev confronted each other in a diplomatic chess match, each with the power of mutual destruction. A nuclear war

would have meant the deaths of one hundred million Americans and more than one hundred million Russians.

On Sunday, October 28, Khrushchev agreed to remove the missiles from Cuba, culminating what Kennedy aide Ted Sorensen called the “most dangerous thirteen days in the history of the mankind.”³ Kennedy, by all measures, had showed determination and courage under pressure, ignoring recommendations by his military advisers for an invasion of Cuba. Many believed it was Kennedy’s finest hour as president. Yet the hour was not over.

On November 1, 1962, *The New York Times* headline read: CASTRO IS BALKING AT INSPECTION; MISSILE REMOVAL ON, U.N. HEARS. U.S. RENEWS AIR-SEA WATCH TODAY.

President Kennedy had other secret information, including a U.S. State Department cable that arrived after midnight. “Castro in impossible and bitter mood. He was extremely bitter at soviets . . .”⁴

While the almost unbearable international tension of the Cuban Missile Crisis may have abated, it still continued. Tens of thousands of Soviet troops were still deployed in Cuba, as well as Soviet nuclear submarines.⁵ New tensions quickly mounted between the United States and the Soviet Union over inspection of missile sites and the withdrawal of other deadly short-range weapons. The crisis was ongoing.

Reflecting this volatile situation, the president cleared his schedule except for the most pressing meetings. This included a 10 a.m. meeting with an ad hoc group called the Executive Committee, or ExComm, which advised him throughout the missile crisis.⁶ The ExComm included, among others, Secretary of State Dean Rusk, Defense Secretary Robert McNamara, and the president’s brother, Bobby Kennedy, the nation’s attorney general.

Only one other meeting, an unusual one, was scheduled the entire day, at 9:30 a.m. It was a routine contract signing that rarely

involves the president. This type of event, in this case between the U.S. Agency for International Development (USAID) and NRECA, typically occurs with little fanfare in the stale confines of a federal office building. Yet, there was nothing routine about what Kennedy had experienced in the previous days. There were many reasons that, at the appointed hour, Kennedy was in the Oval Office waiting for electric co-op leaders. It had to do with politics, diplomacy, and a bottle of wine.



ABOUT THE AUTHOR



TED CASE IS THE EXECUTIVE DIRECTOR OF THE OREGON Rural Electric Cooperative Association in Salem, Oregon. From 1997–2008, he served in the Government Relations Department of the National Rural Electric Cooperative Association in Arlington, Virginia. He has a M.A. in Fiction Writing from Johns Hopkins University. He lives in Wilsonville, Oregon, with his wife, Nicole, and two children, Malia and Jack.

IN the 1930s, only one farm in ten had electricity before President Franklin D. Roosevelt created the Rural Electrification Administration to bring rural America out of the darkness. FDR's partners were the nation's electric cooperatives. From humble beginnings, electric co-ops developed into one of the most formidable lobbying organizations in the United States.

Power Plays explores the defining moments in the relationship between electric co-ops and the U.S. presidency—a history that intersects with some of the most important events of the last seventy-five years: FDR's infamous “purge” of dissident Democrats, the classic 1948 Truman-Dewey presidential campaign, JFK's Cuban Missile Crisis, the Vietnam War, Nixon's Watergate scandal, and the terrorist attacks of September 11, 2001.

Ted Case takes readers inside the White House to give the stories of twelve presidents and the four electric co-op leaders who built the National Rural Electric Cooperative Association into a major force on the American political scene: Clyde Ellis, Robert Partridge, Bob Bergland, and Glenn English.

A fast-paced, behind-the-scenes story about political strength, political survival, and epic legislative battles, *Power Plays* is an essential read for those interested in the past—and future—of electric co-ops.

For more information visit:
TedCaseAuthor.com

“Ted Case has written an outstanding book outlining the history of the electric co-op program. It should be required reading for every CEO, board member, and employee of every electric co-op in the country. This book should get your co-op blood pumping!”

—GLENN ENGLISH, Former U.S. Representative and NRECA CEO

“*Power Plays* offers a dramatic, compelling account of the greatest political victories in electric co-op history. A must read for electric co-op leaders.”

—BOB BERGLAND, Former U.S. Secretary of Agriculture and NRECA General Manager

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