

RURAL ELECTRIFICATION IN TEXAS:  
BARTLETT ELECTRIC COOPERATIVE, A CASE STUDY

THESIS

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## INTRODUCTION

The rural electric cooperative is young in terms of American history; it has existed in the United States for only one-fifth of the life of the country. The presence of this type of electric utility, however, has had a far greater proportionate effect on the country than its forty-plus years would suggest. Conceived by President Franklin Delano Roosevelt and born in 1935, it was nurtured through infancy by the many rural pioneers who saw a brighter future in its maturity. In 1935, when an executive order created the Rural Electrification Administration (REA) as a relief measure for a depressed nation, approximately two percent of rural America was electrified. In 1980, that figure stands at ninety-eight percent. The story of lighting up a dark countryside is impressive. Its socioeconomic impact on American society has been profound. It has, in fact, revolutionized rural living.

As one segment of the foregoing literature indicates, today's approximately 1,000 rural electric systems represent one of the outstanding accomplishments of twentieth-century America. As such, they possess histories worthy of study. Only one, however, can claim to be the first in the country. That distinction belongs to the Bartlett Community Light and Power

Company and its successor, the Bartlett Electric Cooperative, of Central Texas.

Somewhat surprisingly, a detailed investigation of that path-breaking experience has not been attempted. That oversight justifies this undertaking, which required considerable oral research. Fortunately, many of the cooperative pioneers are only now beginning to leave the program and are available for interviews. They have also made possible the examination of organizational records. Additionally, the Bartlett Tribune, an active participant in the story, is readily accessible. These kinds of grass roots sources are essential to any valid consideration of the beginnings of a program so closely tied to the people it touched. The formative period of the Bartlett enterprise--from its founding in 1935 to American entry into World War II, in 1941--constitutes a revealing period in rural electrification and the first step toward a comprehensive history of a neglected feature of the state's past.

The statistical dimensions of rural electrification have been recorded in government documents and publications which date from the beginning of the REA. That agency's Annual Statistical Report: Rural Electric Borrowers provides technical and statistical information for loan recipients. Other special publications, such as Electric Power on the Farm: The Story of Electricity on Farms, and the Movement to Electrify

Rural America, The REA Pattern, and Rural Lines: The Story of Cooperative Rural Electrification, are devoted to quantitative and sociological analyses from the federal government's perspective.<sup>1</sup>

Historical consideration of rural electrification on the local, state, and national levels has been treated in the writings of REA officials and in a number of more scholarly works. To date, local studies have received limited attention, since most remain unpublished and are not comprehensive. Representative of this genre is the series of articles on specific Texas cooperatives which appeared in 1951 and 1952 in Texas Co-Op Power, the monthly publication of the Association of Texas Electric Cooperatives.<sup>2</sup> Several state histories have been completed, such as those for Kansas, Illinois, Montana, Nevada,

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<sup>1</sup>The Annual Statistical Report: Rural Electric Borrowers (Washington, D.C.: Government Printing Office, 1935-) includes information on all REA borrowers as well as composite tables which treat the nation as a whole. More specialized are: U.S., Department of Agriculture, Rural Electrification Administration, Electric Power on the Farm: The Story of Electricity on Farms, and the Movement to Electrify Rural America (Washington, D.C.: Government Printing Office, 1936); The REA Pattern (Washington, D.C.: Government Printing Office, 1936); and Rural Lines: The Story of Cooperative Rural Electrification (Washington, D.C.: Government Printing Office, 1972).

<sup>2</sup>Texas Co-Op Power featured a series, "The Story of a Co-op," beginning in January, 1951. Specific articles include "Floyd County Co-Op," "Bartlett, First in the United States," "Electricity Once Thought Luxury, Now an Essential," "Pride of Wood County," "B-K--Typically Texas," "Guadalupe Valley," "Cap Rock Fills the Need," "Belfalls Outlast 'Claim Jumpers'," "Hard Work Brings Electricity to Southwest Texas," "Hamilton Seized Opportunity." Texas Co-Op Power, January 1951-February 1952.

Pennsylvania, South Dakota, and Wisconsin.<sup>3</sup> Of particular significance are the firsthand impressions of individuals closely associated with the program. Clyde Ellis, first general manager of the National Rural Electric Cooperative Association and former Congressman from Arkansas, wrote A Giant Step, a history of the founding and growth of rural electrification in America. Harry Slattery, REA Administrator from 1939 to 1945, wrote Rural America Lights Up, which traces three periods of rural electrification history from 1910 to 1940. Jerry Voorhis, Executive Director of The Cooperative League of the United States, also reviewed the history of the rural electrification in a broader work entitled American

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<sup>3</sup>For the states mentioned, see Kenneth E. Merrill, Kansas Rural Electric Cooperatives: Twenty Years with the REA (Lawrence, Kansas: University of Kansas, Center for Research in Business, 1960); Harold Severson, Architects of Rural Progress: A Dynamic Story of the Electric Cooperatives as Service Organizations in Illinois (Springfield, Illinois: Association of Illinois Electric Cooperatives, 1967); Frank J. Busch, Power for the People: Montana's Cooperative Utilities (Missoula, Montana: University of Montana Press, 1976); Jeannette S. Griggs, Let There Be Light: A Rural Electrification Documentary (East Ely, Nevada: Mt. Wheeler Power, 1974); Harlan Severson, Miracle Blessing: Rural Electrification in Pennsylvania (Harrisburg: Pennsylvania Rural Electric Association, 1977); Paul C. Mathis, Development and Growth of the REA Electrification Program in South Dakota (Vermillion, South Dakota: State University of South Dakota, Business Research Bureau, 1962); and Lemont K. Richardson, Wisconsin REA: The Struggle to Extend Electricity to Rural Wisconsin, 1935-1955 (Madison, Wisconsin: University of Wisconsin Experiment Station, 1961).

Cooperatives: Where They Come From . . . What They Do . . .  
Where They are Going.<sup>4</sup>

Several biographical works provide insight into the principal national figures. Treatment of FDR and the New Deal contribute to the understanding of the President's role in the origins of REA. William Leuchtenburg's works on FDR are especially helpful. They include: Franklin D. Roosevelt: A Profile, Franklin D. Roosevelt and the New Deal, 1932-1940, and The New Deal: A Documentary History.<sup>5</sup> Valton J. Young's study of Sam Rayburn, The Speaker's Agency, is of some use, but perhaps more helpful is Rayburn's autobiography, "Speak, Mister Speaker", which is actually a chronological compilation of Rayburn's addresses and correspondence.<sup>6</sup> Kenneth Trombley examined the life of Morris Cooke in The Life and Times of a

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<sup>4</sup>Clyde T. Ellis, A Giant Step (New York: Random House, 1966); Harry Slattery, Rural America Lights Up (Washington, D.C.: National Home Library Foundation, 1940); Jerry Voorhis, American Cooperatives: Where They Come From . . . What They Do . . . Where They are Going (New York: Harper & Brothers, 1961).

<sup>5</sup>See William E. Leuchtenburg, Franklin D. Roosevelt and the New Deal, 1932-1940 (New York: Harper & Row, 1963); Leuchtenburg, ed. The New Deal: A Documentary History (New York: Harper & Row, 1968); and Leuchtenburg, comp., Franklin D. Roosevelt: A Profile (New York: Hill and Wang, 1967).

<sup>6</sup>Valton J. Young, The Speaker's Agent (New York: Vantage, 1956); Sam Rayburn, "Speak, Mister Speaker" (Bonham, Texas: Sam Rayburn Foundation, 1978).



Happy Liberal, and Glenn Martz is concerned with Clyde Ellis in Ellis in Wonderland.<sup>7</sup>

The present study offers a preliminary description of the national scene from which emerged the Bartlett Community Light and Power Company (1935-1940) and the Bartlett Electric Cooperative (1940-present). The first of these (BCL&P), an investor-owned utility, subsequently became a non-profit, member-owned rural electric cooperative (BEC). Overall growth of BCL&P and BEC will be examined, as will the social implications for the Central Texas area they served. As the experiment proved its worth, it met and solved numerous technical problems, improved its management, and consistently displayed its willingness to meet the needs of its members. Its early years constitute a compelling example of rural progress.

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<sup>7</sup>See Kenneth Trombley, The Life and Times of a Happy Liberal: A Biography of Morris Llewellyn Cooke (New York: Harper, 1954); Glenn Martz, Ellis in Wonderland: The Amazing Story of a Million-Dollar-A-Year Lobby, and the Man Who Runs It (Washington, D.C.: Washington News Syndicate, 1959).

## CHAPTER I

### "THAT 'SOCIALIST' THING CALLED REA"

As late as 1912, rural electrification in Texas was purely a local matter. But in that year, a new era in power distribution began when the Texas Power and Light Company extended an electrical transmission line from Waco to Hillsboro, Waxahachie, Ferris (a suburb of Fort Worth), Trinity Heights (a suburb of Dallas), and on to Corsicana.<sup>1</sup> By the early 1920's, the nationwide desire for rural electrification increased. Farmers and ranchers were anxious to eliminate some of the tedium associated with their existence and add some of the conveniences which city-dwellers enjoyed. Rural Texans, like other Americans, considered electricity crucial to an easier, more enjoyable existence.

In response to this demand, the National Electric Light Association, in 1923, helped organize the Committee on the Relation of Electricity to Agriculture (CREA), which was to investigate the uses of electricity on farms and determine whether a profitable rural market existed. Largely financed by the electric power industry, farm organizations, government agencies, and equipment manufacturers, CREA undertook its first study in a twenty-farm area outside Red Wing,

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<sup>1</sup>Texas Almanac and State Industrial Guide: The Encyclopedia of Texas (Dallas: A. H. Belo Corporation, 1939), p. 224.

Minnesota.<sup>2</sup> Half of these farms were supplied with electricity and practically all of the electrically powered agricultural equipment in use at the time. Those lucky enough to acquire electric service for the study soon realized that the cost of power was proportionate to the decrease in other expenses. Further, CREA found that farmers and their wives could utilize electricity in over two hundred ways.<sup>3</sup>

Simply, electricity could raise the general level of rural life. But the cost of extending service appeared prohibitive. The CREA study indicated that the nationwide charges for constructing rural lines in the 1920's ranged from \$2,000 to \$3,000 per mile, a rate far in excess of that for towns and cities. During the Great Depression of the 1930's, it became evident that rural Americans could not afford electric service without federal assistance.<sup>4</sup>

This realization was not lost on President Franklin Roosevelt. On May 11, 1935, in Executive Order No. 7037, he created the Rural Electrification Administration (REA) under the Emergency Relief Appropriation Act.<sup>5</sup> At first,

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<sup>2</sup>Harry Slattery, Rural America Lights Up (Washington, D.C.: National Home Library Foundation, 1940), pp. 15-16.

<sup>3</sup>U.S. Department of Agriculture, Rural Electrification Administration, Rural Lines: The Story of Cooperative Rural Electrification (Washington, D.C.: Government Printing Office, 1972), p. 4 (hereafter cited as Rural Lines).

<sup>4</sup>*Ibid.*, p. 4.

<sup>5</sup>*Ibid.*, p. 4. From 1935 to 1939, REA was an independent executive agency; in 1939 it was placed in the Department of Agriculture, where it presently exists.

REA's authority appeared unlimited, since the enabling order allowed it "to acquire, by purchase or by power of eminent domain, any real property or interest therein" and to sell or lease property. Whether this authorization might affect the actual purchase or condemnation of existing power plants was not clear. The only apparent restriction on REA was the extent of its funding.<sup>6</sup>

The mission of the original REA was twofold: to increase employment and stimulate the production of electrical equipment; and, as aid to agriculture, to make power available to farmers and other rural residents. Although the Executive Order was silent as to how funds would be dispersed, it suggested that farmers might organize mutual companies.<sup>7</sup> Throughout the nation and in Texas, the order was well-received, since the running of power lines would create many jobs for manual laborers. And farmers, in particular, reacted positively to the prospect of acquiring electricity.<sup>8</sup>

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<sup>6</sup>Three Texas dailies agreed on the new area of federal interest and suggested that the order was an attempt to circumvent a 1935 federal court injunction against sales of power by the Tennessee Valley Authority. See the Austin American, Dallas Morning News, and El Paso Times for 12 May 1935.

<sup>7</sup>Murray R. Benedict, Can We Solve the Farm Problem? An Analysis of Federal Aid to Agriculture: With the Report and Recommendation of the Committee of Agricultural Policy (New York: The Twentieth Century Fund, 1955), p. 68; Dallas Morning News, 12 May 1935.

<sup>8</sup>Questionnaires from Joe Zajicek, President of Bartlett Electric Cooperative, Rogers, Texas, 24 April 1976, and E. Babe Smith, retired President of Pedernales Electric Cooperative, Marble Falls, Texas, 3 May 1976.

First-year expenditures for the rural electrification program, approximately \$100 million, were committed to the completion of about twenty percent of the projected work in the United States. An additional \$100 million would be available for the second year, provided that REA met the following criteria:

- . . . direct employment of a "satisfactory" number of those on relief rolls
- . . . extension of electric lines to at least 100,000 farms, and
- . . . limitation of wages for each worker to the approximate annual average of \$1,100 set by the President.<sup>9</sup>

Some conservative critics contended that the Executive Order would have limited success since it depended on grants and outright subsidies to relieve unemployment. Also, REA was faced with the problem of establishing requirements for approving individual loans, as well as insuring effective use of government funds. Further complications might result from the fact that most of the unemployed who would be affected lived in the cities and did not have access to necessary transportation or housing facilities.<sup>10</sup>

Criticisms notwithstanding, Morris L. Cooke, REA's first director, brought high-voltage enthusiasm to a challenging position. At the time of his appointment, his office

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<sup>9</sup>U. S. Department of Agriculture, Rural Electrification Administration, The REA Pattern (Washington, D.C.: Government Printing Office, 1963), p. 2

<sup>10</sup>Joseph G. Knapp, The Advance of American Cooperative Enterprise: 1920-1945 (Danville, Illinois: The Interstate Printers & Publishers, Inc., 1973), p. 364.

was already operating in the basement of the Department of the Interior. Business Week depicted Cooke as a "livewire," who promised quick action in bringing electricity to the thousands of farmers whom the private utilities had neglected. Cooke insisted that rural electrification could be advanced on a business-like basis, as opposed to reliance upon outright grants. He also expected the cost of construction to be less than \$1,000 per mile. Cooke was, however, restricted, since he was bound to use relief labor, a necessary condition in applying for a second \$100 million.<sup>11</sup>

Cooke persevered, however, and gave new direction to REA. Almost immediately, he insisted that REA be established as a loan agency, free to use skilled labor, as opposed to providing employment principally for the unskilled. While the spread of rural electrification might not lower living expenses or decrease unemployment, the possibilities for the improvement of farm living standards justified the change in emphasis. Under Cooke, REA's primary objective was to spread the benefits and values of technology through rural electrification; reducing unemployment figures became secondary.<sup>12</sup> Roosevelt agreed, and on August 7, 1935, he issued Regulation No. 4, which established REA as a lending

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<sup>11</sup>"Rural Electrifier: Cooke of REA," Business Week 8 June 1935, pp. 22-24; for information on Cooke's directorship, see Kenneth Trombley, The Life and Times of a Happy Liberal: A Biography of Morris Llewellyn Cooke (New York: Harper, 1954), pp. 161-173.

<sup>12</sup>Rural Lines, p. 5; U.S. Department of Agriculture Technology on the Farm (Washington, D.C.: Government Printing Office, 1940), pp. 108-109.

agency. This action freed REA from many relief program regulations and allowed Cooke greater latitude in making decisions.<sup>13</sup>

Initially, REA was to act as a banker, a lender for utilities that would extend lines. Since these companies controlled ninety-five percent of the existing services, they would seemingly be the principal borrowers. Cooke commented early in August of 1935 that it would be difficult to "upset that balance" in making rural electrification loans. The most critical problem in dealing with municipally owned utilities and farm cooperative plants was that throughout the country they were generally not as economically sound as the private concerns. Cooke, it appeared, was caught in a "no-man's land."<sup>14</sup>

As a solution, the resourceful REA administrator suggested that a committee of seven utility executives consider the extension of electric service to farms. Such a group was formed, conducted a two-month study, and concluded that lack of progress in rural areas resulted not from excessive rates, but from difficulty in financing residential wiring and the purchase of appliances. The committee also declared that the privately owned utilities could utilize all of REA's

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<sup>13</sup>Association of Texas Electric Cooperatives, An Introduction to the Texas Rural Electrification Program: Orientation Manual (Austin), [1975], p. C-1. (This association hereafter cited as TEC).

<sup>14</sup>"Mr. Cooke in No-Man's Land," Business Week, 10 August 1935, p. 26; Austin American, 8 August 1935.

\$100 million to help eliminate these problems. Four months passed without substantive action from the established utilities. Meanwhile, despite considerable congressional opposition, Cooke remained determined to lend all of the federal money to the private utilities, provided they met his terms, which included the lowering of rates.<sup>15</sup>

Rising demand for rural power forced a solution. Private companies either could not or would not meet the need, and they apparently thought rural electrification, on the scale which the government proposed, to be unnecessary. Consequently, they sought to borrow only a small portion of the available funds. This inaction was largely responsible for the creation of consumer-owned, non-profit cooperatives.<sup>16</sup> The establishment of REA as a lending institution for cooperatives was a popular idea with farmers in Texas and nationwide. Loans that had previously been almost impossible to obtain from banks and private lenders were now available.<sup>17</sup>

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<sup>15</sup>"Mr. Cooke in No-Man's Land," p. 26; U.S. Department of Agriculture, Rural Electrification Administration, Electricity for the Farm Through REA (Washington, D.C.: Government Printing Office, 1940), pp. 7-14; Slattery, Rural America Lights Up, pp. 109-110.

<sup>16</sup>The REA Pattern, p. 2; Murray R. Benedict, Farm Policies of the United States, 1790-1950: A Study of Their Origins and Development (New York: The Twentieth Century Fund, 1953), p. 338.

<sup>17</sup>Joe Zajicek, President of the board of directors of BEC, interview, Bartlett, Texas, 24 January 1978 (hereafter cited as Zajicek interview, the form for subsequent citations of other interviews); Slattery, Rural America Lights Up, p. 57.



Organizing cooperatives, however, was no easy task. In 1935, all forty-eight states lacked laws authorizing the formation of electrical cooperatives, and some explicitly restricted their creation. Yet in lieu of specific state legislation, it was possible to secure charters under general corporation statutes and still retain many co-op features.<sup>18</sup> On the local level, necessary organizational work usually fell to a few civic leaders. Prior to contacting REA for specific instructions, they had first to sell the idea of cooperatives to area farmers, organize meetings, collect membership dues, and secure signatures of potential consumers. Rural electric cooperatives were new. They were not an outgrowth of existing groups, such as marketing or consumer co-ops. Rural electric cooperatives were designed to meet a definite need for rural electrification. As they began to develop, and as investor-owned companies continued to eschew federal funds, Cooke reversed REA policy regarding private utilities and came to favor the newly formed cooperatives.<sup>19</sup>

At the grass roots, farmers were easily convinced of the advantages of electricity. The difficulty lay in explaining the relationship of the co-ops to the federal government. Frequently, farmers worried over obligating themselves to Washington, and though the membership fee

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<sup>18</sup>Slattery, Rural America Lights Up, pp. 38-41; "Cooperative Societies Under the Rural Electrification Program," Monthly Labor Review, September, 1936, p. 595.

<sup>19</sup>Knapp, Advance, pp. 362-64.

was often as low as five dollars, many were not sure that electricity was worth the expense. Therefore, eager and accommodating organizers would often accept two dollars and a note for three dollars. Obtaining signatures for utility line easements across private property was another time-consuming task, since many owners feared that they would be mortgaging their land to the United States Treasury.<sup>20</sup>

Organizers soon discovered that farm women were strong allies and attempted to include them in negotiations. Wives were generally more eager than their husbands to acquire electric service and would sometimes pay the sign-up fees if their spouses balked. After power reached the farms, they often put electricity to work before the men did. A survey conducted shortly after one project became operative indicated that almost eighty-five percent of the members bought radios and electric irons; sixty-three percent, washing machines; and forty-eight percent, vacuum cleaners.<sup>21</sup>

As cooperatives were being planned, Congress signified approval of REA. Early in 1936, Senator George Norris, of Nebraska, and Texas Representative Sam Rayburn introduced

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<sup>20</sup>Rural Lines, pp. 8-10.

<sup>21</sup>Ibid., pp. 9-18. The attitudes of women during the formative years were confirmed by two rural Texas residents, Theresa Smith and Grace Zajicek in telephone interviews conducted on 21 April 1976.

companion bills.<sup>22</sup> This joint measure quickly cleared Capitol Hill and President Roosevelt signed it on May 20 as the Rural Electrification Act. An important aspect of the Act was the four types of activities for which loans would be granted:

- . . . the construction of distribution lines
- . . . the construction of generating and transmission facilities
- . . . the wiring and plumbing of consumers' premises, and
- . . . the acquisition and installation of electrical and plumbing appliances.

Additionally, the President was authorized to transfer all records, property, and personnel from the REA as created under the executive order of May, 1935, to the REA set down in the recent Act.<sup>23</sup>

The REA legislation reflected another measure, the Public Utility Holding Company Act. Often referred to as the Wheeler-Rayburn Act, it became law in August of 1935, in spite of the determined opposition of the investor-owned

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<sup>22</sup>Sam Rayburn, a native of Bonham, Texas, was a member of the Texas legislature from 1900 to 1912. In 1913 he began a forty-eight year career in the United States House of Representatives that ended with his death in 1961. Rayburn served as Speaker of the House under four Presidents. In 1957 he recalled: "Of all the bills I have helped on, I think I am the proudest of the Rural Electrification Act as it has brought so much good to farm homes throughout our land." Sam Rayburn, "Speak, Mister Speaker" (Bonham, Texas: Sam Rayburn Foundation, 1978), p. 59.

<sup>23</sup>The Statutes at Large of the United States of America from January, 1935, to June, 1936, Vol. XLIX, Part I (Washington, D.C.: Government Printing Office, 1936), p. 1363.

utilities. Rayburn referred to this interest group as "the richest and most powerful lobby Congress had ever known." While private companies did not actively contest the Rural Electrification Act, they fought the appropriation of funds for REA. Rayburn expressed his confusion with the power companies' position, "because," as he remembered, "in 90 cases out of a hundred there was no place on earth for the rural electrification set-ups to buy their power except from the power companies."<sup>24</sup>

More than a lending agency, REA began supplying guidance, engineering expertise, and promotional efforts to the cooperatives. Simply put, the federal government's role shifted from that of banker to entrepreneur. The President faced sharp criticism for this and other of his "socialistic" New Deal policies. An address by Hudson W. Reed, a spokesman for private utilities, exemplified the opposition. Speaking before the Third World Power Conference in Washington, D.C., in September of 1936, Reed asserted:

The history of Government operation of sponsorship of such projects [as REA] here and elsewhere, indicated that over and over again the taxpayers have to pay the losses incurred. There is nothing in the present plan to indicate that history will not again repeat itself.<sup>25</sup>

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<sup>24</sup>Rayburn, "Speak, Mister Speaker," pp. 131-32.

<sup>25</sup>Hudson W. Reed was management engineer for United Gas Improvement Company in Philadelphia. "Rural Electrification in the United States," Third World Power Conference, Vol. VIII, September 1936, pp. 758-59.

The same attitude was apparent in Texas. In May of 1937, delegates to the Texas Republican convention in Fort Worth attacked Roosevelt's "greatest peacetime spending orgy in history." The President was likened to Benedict Arnold; supposedly he would lead the country into "the clutches of an even more ruthless despot--Communism."<sup>26</sup> Sam Rayburn reflected on this response:

When free enterprise had the opportunity to electrify farm homes--after fifty years they had electrified fewer than 3 percent. Today [in 1959], after the Democrats put in that "socialist" thing called REA, more than 90 percent of the rural homes in Texas have electricity.<sup>27</sup>

Pro-REA sentiment maintained that member-users would, in time, fully own and manage the co-ops, which would then receive only general supervision from the parent agency. User ownership, the argument continued, would ultimately prove efficient and successful.<sup>28</sup>

Though loud criticism persisted, REA went forward. Funds came forth for cooperatives, distribution lines were run, and farm homes were wired. As co-ops appeared, many private utilities were encouraged to build more lines beyond towns and cities.<sup>29</sup> In Texas, the Texas Power and Light Company (TP&L), in August of 1935, announced its plans to

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<sup>26</sup>Austin American, 27 May 1937.

<sup>27</sup>Rayburn, "Speak, Mister Speaker," p. 359.

<sup>28</sup>Benedict, Can We Solve?, pp. 82-83.

<sup>29</sup>"Power for the Farmer," Business Week, 4 July 1936, pp. 28-19.

increase its rural service. To this end, two measures were taken: the former minimum of ten customers per service line was reduced to five; and the charge for bringing power to farms was lowered. But in May of 1936, TP&L had begun work on a nine-mile line that would affect some one hundred homes in Lee County, Texas. This line, averaging over eleven homes per mile, indicated that TP&L was still somewhat reluctant to expand into sparsely populated areas.<sup>30</sup> As such, the company did not read the times. The impact of REA on Texas was evident. If rural Texans were denied privately generated electricity at reasonable rates, they would organize to overcome this condition. They faced an enormous task. Though by 1939 fourteen private companies reached the Texas farm population, statewide coverage was still below the national average.<sup>31</sup>

As REA took hold, bitterness developed between the established investor-owned utilities and the cooperatives. Some private companies established "spite lines," or those which were erected soon after the organization of cooperatives. These lines often paralleled those of the cooperatives and served the same areas.<sup>32</sup> Federal reaction to spite lines was not consistent. In 1937, a bill was introduced in the Senate to eliminate restrictions on REA to construct lines in rural areas already surveyed by electric

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<sup>30</sup>Dallas Morning News, 8 August 1935; Austin American, 23 May 1936.

<sup>31</sup>Texas Almanac, 1939, p. 245.

<sup>32</sup>Rural Lines, p. 12.

companies. It grew from the fear that private interests would take rural projects to court and succeed in having them outlawed. The general policy of REA was to continue cooperative projects, even in the presence of competitors. Spite lines did not annoy Cooke, who maintained that more farms would be electrified by competition than by coercion. He was more disturbed at the utilities' practice of "skimming the cream," or signing up a few prosperous farms in a community and leaving out smaller customers.<sup>33</sup>

Further friction occurred when utility executives claimed that their companies were the rightful suppliers of wholesale power to all REA-financed cooperatives. In one case, Texas Power and Light argued that installation of additional generating equipment and transmission lines would only duplicate existing facilities.<sup>34</sup> Fearing entrapment, cooperatives rejected long-term contracts which the private companies offered. As the co-ops made plans to build their own generating systems, established utilities felt the pressure of competition and lowered their prices. Thus cooperatives were able, without duplicating facilities, to buy power for distribution to their members.<sup>35</sup>

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<sup>33</sup>The Texas Almanac bore out Cooke's view when it reported in 1936 that a majority of the state's public utilities were extending transmission lines to most of the state's populous agricultural areas. Texas Almanac and State Industrial Guide: The Encyclopedia of Texas (Dallas: A. H. Belo Corporation, 1936) p. 482. See also "Power for the Farmer," p. 29.

<sup>34</sup>Marquis Childs, The Farmer Takes a Hand: The Electric Power Revolution in Rural America (Garden City, New York: Doubleday and Co., 1952), pp. 178-82.

<sup>35</sup>Zajicek interview.

In retrospect, rural electric cooperatives developed in the United States because of the inaction of privately owned utilities. Though need and demand were longstanding, they failed to further rural electrification and claim the leadership in a movement to improve the standard of living in the American countryside. Utilities not only ignored opportunities for growth under REA, but they, in effect, boycotted REA, provoked competition, and brought about the destruction of their hold over the power industry. As cooperatives took root, they reversed public attitudes of REA toward the private utilities, and co-ops became the favored borrowers of REA. Most important, they became the dominant force in what has amounted to a social and economic revolution in rural America--which began in a modest community in Central Texas.



## CHAPTER II

### THE BARTLETT COOPERATIVE CREATED

In the mid-1930's, Bartlett, Texas, claimed a population of about 2,000. Located between Austin and Waco on the Bell and Williamson county line, Bartlett's economy was agricultural. Crops were as diversified as the Central Texas soils from which they sprang. From "black-waxy" and sandy loam came large yields of corn, cotton, and oats. Williamson County led the state in corn production; and Bell County ranked high in the output of both corn and oats, though cotton was its leading harvest. In both counties, livestock-raising was significant and included beef and dairy cattle, hogs, sheep, goats, and poultry.<sup>1</sup>

Although rural dwellers in these two counties outnumbered the "urban" residents by more than two to one, the two elements complemented each other. The well-developed dairy industry was located near the larger towns, such as Round Rock and Taylor. Georgetown, Taylor, and Belton catered to the cotton business and provided beef and poultry-processing

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<sup>1</sup>Texas Almanac, 1936, pp. 290, 454.

plants. They were also marketing centers and shipping points for agricultural output, like wool and mohair. Since Texas had few mills, wool and mohair had to be shipped from the counties' larger towns to the manufacturing markets, most of them located in New England.<sup>2</sup>

One of several farm-oriented communities, Bartlett accommodated seventy-five businesses and a progressive attitude in support of the agricultural economy. That Bartlett was bound in thought and activity to its productive countryside was clear in the statement of W. W. Fox, editor of the Bartlett Tribune, in 1935:

Because of the similarity in our social, economic and business interests, we are truly one large community . . . . The interests of the people of this community, town and rural, are so closely connected and so nearly identical that it would be impossible for either group to ever pursue a policy in conflict with the interest of the other.<sup>3</sup>

This cooperative attitude allowed the Bartlett "community" to loom large in the history of rural electrification in both Texas and the United States.

In 1935, Texas contained more farms than any other state. In contrast, Texas ranked forty-fifth in terms of

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<sup>2</sup>Ibid., pp. 136, 147, 256, 390, 454.

<sup>3</sup>Editorial, Bartlett Tribune, 12 April 1935 (hereafter cited as Tribune).

farms receiving "central-station" electric service, or electricity from generating plants or intermediate stations. It was not surprising, then, that many of the first loan applications to the newly created Rural Electrification Administration came from the Lone Star State. Bartlett Community Light and Power Company, seventh in the nation to apply for assistance, requested \$33,000 in November of 1935 and "energized" four months later, the first REA borrower to begin operation.<sup>4</sup> The background to that fulfillment merits consideration.

The Bartlett municipality had received acclaim in 1934 because it had built its own electric generating plant at a cost of \$90,000, raised through the sale of six percent revenue bonds.<sup>5</sup> Previously, residents were dependent upon Texas Power and Light, whose rates they considered excessive. Since TP&L was the only power supplier in the immediate area, opportunities for purchasing current elsewhere were nonexistent. Depression hardships notwithstanding, citizens of

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<sup>4</sup>Some consumers were making the change from individual lighting power plants to "central station" service. In 1936, the Texas Almanac, 1936 (p. 482), reported 12,000 farms with individual power systems. See also Bartlett Community Light and Power Company, Minutes, 29 October 1935-10 March 1936, Main Building, Bartlett Electric Cooperative, Bartlett, Texas (these records hereafter cited as BCL&P Minutes and date; this repository hereafter cited as BEC).

<sup>5</sup>See R. W. Miller Scrapbook, BEC. Miller was Mayor of Bartlett in 1935, the year in which he became the first superintendent of Bartlett Community Light and Power Company.

Bartlett acted to remedy the situation. Civic leaders, with considerable help from the town's women, sold the idea of building a generating plant. Upon completion, the facility served some of Bartlett's residents, while others remained with TP&L. After a year's operation, it became clear that legal barriers restricted extension of the municipal plant's lines beyond the city limits. This condition gave rise to further popular actions.<sup>6</sup>

The Bartlett facility was eager to furnish electricity to rural residents and suggested that power could be made available to them if they would bear the cost and assume the responsibility of running lines which would receive municipal current at the city limits. Texas Power and Light, which continued to compete with the Bartlett plant and was not restricted in its rural expansion, also proposed making electricity available to outlying homes. New customers of TP&L would be assessed for the construction of lines, but as an incentive to sign on with TP&L, they were to receive "a certain reduction in the amount owed the company." If and when enough customers were secured, TP&L offered to cancel

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<sup>6</sup>H. M. Keith, interview, Bartlett, Texas, 24 January 1978. In 1934, Keith was employed by the City of Bartlett to work in its Light Department. In 1935 he started work for BCL&P and succeeded R. W. Miller as superintendent.

the debt for subsequent customers.<sup>7</sup> Still, neither the Bartlett nor the TP&L option held much appeal, since rural customers could scarcely afford to purchase electricity, appliances, or equipment, much less finance the construction of lines.<sup>8</sup>

Eager for electricity but dissatisfied, farm folk were determined to effect change for the better. Morris Cooke had hoped REA could work closely with managers of municipal plants in providing rural electrification, but restrictions on municipally owned utilities in Texas threatened this option. To make matters worse, Texas law did not permit the organization of electric cooperatives.<sup>9</sup>

Therefore, any distribution facility would be legally classified an investor-owned utility. These obstacles notwithstanding, Bartlett area leaders sought to take advantage

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<sup>7</sup>Texas Power and Light practices were being criticized because of the current holding company controversy aggravated by the Rayburn-Wheeler Act, which sought to abolish public utility holding companies. John W. Carpenter, President and General Manager of TP&L, defended his company, declaring that it had been able to reduce rates only because its holding company could provide "financial assistance and aid." Bartlett residents argued that their fourteen percent reduction in rates was due to the fact that they did not receive "any of the so-called 'financial assistance' [profit manipulation] from bloated holding companies of Wall Street." See the Tribune 6 April 1935.

<sup>8</sup>R. E. Bunker, President of the board of directors of BEC, interview, Bartlett, Texas, 24 January 1978.

<sup>9</sup>U.S., Rural Electrification Administration, Rural Electrification News, Vol. 1, No. 3, November 1935, pp. 12-13.

of rural electrification loans through REA. Quick action brought results. On August 23, 1935, the Tribune reported that a \$33,000 loan for rural electrification had been initially approved. Construction funds would become available as soon as an organization was formed and signed a contract with REA.<sup>10</sup> These efforts would have nationwide implications and would pave the way for the development of over 1,000 rural electric cooperatives in the United States over the next forty years.

Private companies in Texas reacted quickly to the potential competition. Between June and November of 1935, investor-owned utilities began construction of 500 miles of lines, increased activity which allowed them to add 5,000 rural customers during that year. Since these new lines averaged seven consumers per mile (down from the previous eleven), it was obvious that private utilities were feeling enough pressure to extend service to at least the more densely populated rural areas. Meanwhile, newly formed cooperatives, eager to reach the sparsely inhabited parts of the state, were faced with the task of organizing, hiring employees, initiating construction procedures, and instituting policies and financial procedures.<sup>11</sup>

In the Bartlett area, the necessary steps were soon taken. On October 29, 1935, three prominent individuals

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<sup>10</sup>Tribune, 23 August 1935.

<sup>11</sup>Ibid., 13 December 1935.

became the first officers (and stockholders) of the Bartlett Community Light and Power Company (BCL&P), a corporate endeavor separate from the existing municipal power plant. W. R. Janke was elected president, E. M. Steglich, vice-president, and Robert Friedrich, secretary-treasurer. This initial meeting also produced two agreements: one with the City of Bartlett to construct "a rural electric distribution system in Bell and Williamson Counties"; and another with the REA "for the purpose of securing funds with which to prosecute such construction." In addition, the new board hired William G. Morrison to:

- . . . prepare plans and specifications for construction of such work
- . . . consult and assist in the purchase of materials for construction
- . . . provide equipment for construction work . . .
- . . . act as agent to employ skilled and unskilled labor
- . . . prepare payrolls and progress reports, required by REA
- . . . pay attorney's fees necessary for preparation of legal documents and easements
- . . . pay personal traveling expenses
- . . . secure proper employee's liability insurance, and
- . . . supervise satisfactory and economic construction of distribution system.<sup>12</sup>

In short, Morrison was employed to supervise the physical creation of BCL&P.

Morrison's role was significant to the development of rural electrification in Texas. His involvement in the

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<sup>12</sup>BCL&P Minutes, 29 October 1935.

BCL&P project not only secured business for his Waco engineering firm, but it also distinguished the Texas program from those in other states. Whereas agricultural extension agents were activists and developers of programs in other areas of the nation, Morrison Engineers was a prime mover in Texas. Morrison contracted similar jobs with several cooperatives in Texas and ultimately added local organizers to his technical staff. In fact, several managers of Texas rural cooperatives began their careers with Morrison. Furthermore, Morrison's success encouraged engineering firms in other cities to take advantage of the growth of rural electrification, although Waco remained the focal point in the state during the early days of the program.<sup>13</sup>

Under Morrison's direction, BCL&P was organized on a limited-profit basis and was, in effect, a farm cooperative. Though Texas law did not make provision for such an organization, organizers and area residents referred to BCL&P as "the co-op." Evidence of this is shown in the establishment of financial priorities for the enterprise. Its revenue would, first, pay REA the monthly installments provided for in the loan agreement. Second, BCL&P would retain sufficient monies to meet expenses related to maintenance, billing, collecting,

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<sup>13</sup>Jim R. Cobb, General Manager, Association of Texas Electric Cooperatives from 1958 to 1976, in an interview with staff of TEC, n.d.



and taxes. Third, the remainder of the income would purchase power from the City of Bartlett. By January of 1936, BCL&P had signed a supplementary contract with the Bartlett facility, whereby rates would be adjusted according to REA suggestions.<sup>14</sup>

Although creating an organization was not easy, rendering it operational was more difficult. Through William Morrison, BCL&P quickly set out to sign members, secure property easements, and hire the necessary personnel to accomplish the tremendous job of providing electricity to previously unserved areas.

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<sup>14</sup>BCL&P, Minutes, 29 October 1935 and 6 January 1936. By late 1935, REA was providing financial advice to the organizers.

## CHAPTER III

### FIRST IN THE NATION

Achieving the REA goal of "the greatest number of electrified farms within the shortest possible time" would require the cooperation of rural organizers. But more than cooperation was necessary to make rural electrification a reality. Many farm- and ranch-dwelling Texans would have gladly welcomed the extension of lines, but their willingness to adhere to REA requirements was another matter. Further, REA would not provide funds unless the borrower could convincingly project success, sign members, and secure right-of-way easements. In short, meeting the REA objective of "area coverage" would necessitate a joint federal-local enterprise.<sup>1</sup>

Membership drives provided considerable challenge to rural electric pioneers. They spent much of their own time and money, and they encountered many obstacles in attempting to lengthen membership rolls. Sometimes several trips to a potential member's home were necessary before the hesitant

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<sup>1</sup>Tribune, 25 October 1935.

subscriber was convinced. The human side of the problem was significant, as recorded responses to an early Bartlett membership drive indicated:

"wants lights but old man says no"

"no money, in bed with broken back"

"too much money"

"don't think can use"

"landlord won't let them have lights"

"maybe in 2 years"

"working by day, don't want"

"teachers want lights, trustees don't want."<sup>2</sup>

On the other hand, there were those who wanted electricity, obstacles notwithstanding. Their attitude, "service at once!," reflected an eagerness to enjoy long-denied conveniences which were now within reach.<sup>3</sup> In September of 1935, the Tribune reported that ninety-eight farmers had entered into contracts with BCL&P and that "several prospective users . . . were being urged by officials of the company to sign at an early date in order to facilitate the survey of power lines."<sup>4</sup>

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<sup>2</sup>Bartlett Membership Book, BEC. This notebook is unpaginated.

<sup>3</sup>Ibid.

<sup>4</sup>Tribune, 6 September 1935.

Regulations called for an REA borrower to provide service to at least two members per mile of line. Often, BCL&P was hard-pressed to meet this requirement. Such was the case in the summer of 1939 when BCL&P experienced some delay in securing final loan approval for a project. An appeal to potential customers appeared in the Tribune on July 14: Only five customers were needed to qualify. During the ensuing week, one new member was added, and the paper issued another call.<sup>5</sup>

The movement to light up the countryside meant current for those whom private utilities had bypassed. For example, the Charles Saage home was located a little less than a mile from the Bartlett city limits, but TP&L had never offered service. The Saage family did not approach the company because, they believed, "TP&L had no intention of providing rural service." But when the Saages learned of the BCL&P intention to extend lines in their direction, they promptly applied for membership.<sup>6</sup> The J. A. "Doc" Powitzky family lived within three hundred yards of TP&L facilities and were turned down on the several occasions they requested a connection. While an employee of Bartlett Community Light and

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<sup>5</sup>Ibid., 14 and 21 July 1939.

<sup>6</sup>Curtis Saage, interview, Bartlett, Texas, 2 February 1978.

Power Company, Powitzky was contacted by a representative of TP&L and offered cost-free extension of lines to his home. Revealing his dedication to BCL&P, he declined. "No sir, it took y'all twenty years to make up your mind--just give me two years and I'll have it [electricity]."7

R. E. Bunker, a local farmer, recalled his rural upbringing with gas lights. The Bunker family had long wanted electricity for their home about ten miles from Bartlett, near Little River. Many of the people in that small community believed they should have been able to "hook up," since TP&L lines followed the railroad tracks through the middle of town. Bunker recalled:

We tried to get them to wire that little town, and they wouldn't do it. It wasn't long before REA began to organize. Well, TP&L flew down there and they wired that little town. They began to sign rural customers, but just the ones on the main roads. My home was too far off the beaten path . . . ."8

At the same time the REA concept was hailed, it was also doubted. Skepticism was an important obstacle in early membership drives. While some feared forfeiting the \$5 fee to a futile cause, others thought that \$5 was not sufficient

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7J. A. Powitzky, director of BEC, interview, Bartlett, Texas, 24 January 1978.

8Bunker interview.

and that the program was "bound to be a losing proposition."<sup>9</sup> Editor W. W. Fox, a frequent New Deal critic, decried the President's lack of fiscal restraint:

The effect of the enactment of the \$4,800,000,000.00 (billions) federal work-relief measure in the country will, no doubt, be the determining factor in the success or failure of the Roosevelt Administration and will determine the effectiveness of the economic policy of returning to prosperity by the route of extravagant spending rather than saving.

The present course, he continued, was "in open violation of every economic law." Yet, he confessed, it was "a changing world . . . ."<sup>10</sup> Although Fox endorsed the REA program, he questioned the feasibility of accomplishing its goals through the work-relief approach. Fox, like Cooke, preferred the long-term benefits of REA to the immediate need to employ as many people as possible.

Securing members and answering critics were only part of the job. Even more difficult was obtaining right-of-way easements, which was, in fact, one of the major impediments to the rapid development of BCL&P. Simply put, the shortest possible route for the extension of lines was also the most practical method of reaching more consumers. Yet it also required crossing private land, and some farmers did not want to "mortgage their property to the government," nor did they want "those 'so and so' poles in their way." Although some

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<sup>9</sup>Powitzky interview.

<sup>10</sup>Tribune, 12 April 1935.

easement collectors met relatively little opposition, a single "hold-out" could cause a lengthy delay. Nor did easement collecting become easier with time. For example, this kind of problem occurred in 1938 and again in 1940, when the Tribune reported that "obtaining easements [had] slowed up the work to some extent." Often BCL&P would ask volunteers to contact reluctant neighbors about signing easements.<sup>11</sup>

Many of BCL&P's easement problems were solved with the use of "slack spans" in the construction of lines. Slack spans allowed engineers to route lines without having to extend poles or guy wires beyond the limit of a right-of-way. By eliminating tension in a span of wire, and relocating guy wires and anchors, lines could be directed away from areas in dispute. One such problem was described and solved at a board meeting in 1940:

Whereas, It has been impossible to procure easements from Reinhold Schwertner for a stub pole and down guy in his farm in order to hold the electric line running eastward from there to serve William Whitlow . . . the cooperative . . . can erect slack spans in the electric lines . . . at the northwest corner of the farm of Emil Schwertner in order to reach William Whitlow.<sup>12</sup>

Although easements were not easily obtained, the problems were confronted on a section by section basis along a proposed path of construction, and the list of possible

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<sup>11</sup>Keith interview; Tribune 11 February 1935 and 19 April 1940.

<sup>12</sup>BEC Minutes, 2 March 1940.

solutions, products of experience, grew rapidly. Both easement and membership difficulties concerned organizers from the beginning. They were as much a part of REA as its heralded successes.

In the fall of 1935, membership and right-of-way requirements fulfilled, William Morrison spent two weeks in Washington. He returned with final approval for a \$33,000 REA loan to Bartlett Community Light and Power Company. The three BCL&P executive officers personally bore the expense of Morrison's trip. Their investment paid dividends. Morrison reported that the loan represented "the entire cost of building the lines" and that work could begin within two weeks. Actual construction of the fifty-nine-mile project, designed to bring electricity to 110 rural homes, necessitated additional employees. The board's attempt to attract trained and qualified personnel clearly indicated that no effort was being made to hire unskilled labor, an initial REA stipulation and a point of discussion at BCL&P's incorporation meeting.<sup>13</sup> REA did not, however, object to this practice, although it did insist on setting wage rates for semiskilled and unskilled employees. Compensation ranged from twenty-five cents an hour for common laborers to a dollar for truck operators.<sup>14</sup>

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<sup>13</sup>Tribune, 8 November 1935; Keith interview; BCL&P Minutes, 29 October 1935.

<sup>14</sup>BCL&P Minutes, 11 July 1936.



Since most of the city facility's requests for service had been met by 1935, it assisted BCL&P in reaching rural residents. Initially, therefore, Bartlett Community Light and Power Company relied heavily on the experienced personnel of Bartlett's municipal plant. One such employee was Horace M. Keith. A native of nearby Davilla, Keith hired on with the city in 1934, after receiving training in electrical system construction in Freeport, Texas. In 1935, he began work as a seventy-five-cent-an-hour line foreman and "general flunkie." R. W. Miller, Mayor of Bartlett and spearhead of the movement to build the municipal facility, became BCL&P's first general manager, and J. V. Morris, a local lawyer, was retained to handle legal affairs.<sup>15</sup>

Helping to further rural electrification was pay enough for some people, and the Company utilized a considerable amount of volunteer talent. For instance, "Doc" Powitzky worked with William Morrison in surveying the first forty-mile right-of-way. After construction began, he was added to the payroll as a "grub," or lineman's helper, and eventually became an overseer. In this position, Powitzky used his own truck to deliver employees to the job, "make the rounds," and pick up the workers at quitting time. For this, he earned eighty cents an hour, "for me and my truck." In some

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<sup>15</sup>Keith interview; Miller Scrapbook.

instances, volunteers were eventually reimbursed for their out-of-pocket expenses.<sup>16</sup>

With volunteers and paid employees, BCL&P began setting poles in November of 1935. Horace Keith supervised the work of Fred Shadoan, Curtis Holstein, Charles Stokes, Charles Pickle, Ed Mullis, Jeff Irvin, and Oscar Cowsert. W. R. Janke, Jr., one of BCL&P's incorporators, also helped the crews. The work was arduous. The first completed section included thirty-six poles, all of which had been hand set in holes dug with long-handled shovels. Placing a thirty-foot pole required eight men. Poles were shipped to Bartlett by rail, then trucked to the work sites.<sup>17</sup>

The long-awaited day was March 7, 1936. Though rural life was at a crossroad, those involved did not fully realize the impact of the moment. On that Saturday evening, the Charles Saage family became the first in the country to receive electric service from an REA borrower. They had used a (Delco) battery-powered system for household lighting, but had longed for the efficiency of high-voltage electricity which their neighbors less than a mile away had been enjoying. Twenty-five-year-old Curtis Saage watched the BCL&P crew work all day to deliver service. In anxious anticipation, the Saages had already disconnected their battery

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<sup>16</sup>Powitzky interview; BCL&P Minutes, 10 August 1940.

<sup>17</sup>Some of the first BCL&P poles cost as little as \$4.50 each. Keith interview.

system. When several crew members objected to working on Saturday, and the crew foreman actually quit about noon, Tim Boyd, a TP&L employee, offered his "know-how." After he corrected some wiring difficulties and connected the transformer, history waited only for young Saage to announce that he was going to "throw the switch." He did, the lights went on, and the family rushed off to an uncle's birthday party. Four decades later, the immediate impact of the event was remembered: "The thought of being the first in the nation didn't register at that time."<sup>18</sup>

Crews were back at work on Monday; 139 other connections were called for under the terms of the REA loan. Soon, BCL&P found its efforts seriously challenged, as TP&L, somewhat spitefully, sought access to the same area. One observer watched as TP&L began running "spurs," or lines, in several directions out of town so as to block its competitor. While no legal action was instituted, BCL&P conceded nothing and progressed as planned. According to "Doc" Powitzky, TP&L's attempts to discredit the rural enterprise were only "natural in competition." Speaking of the program in general, W. R. Janke, Jr., would recount that other utilities had also tried to "scare us off." BCL&P did grow, however, although it has been suggested that the increased activity of

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<sup>18</sup>Saage interview.

investor-owned companies in the Bartlett area restricted the size of BCL&P to one-fourth of its potential.<sup>19</sup>

Even though construction costs were not as great as private utilities claimed, they were seemingly insurmountable for a beginning cooperative. The problem of building a financially sound system with limited means was compounded by the general economic malaise of the 1930's. If new BCL&P members could not pay for electricity consumed, construction costs could not be met. Marginal, or relatively remote, consumers could not guarantee the business' success and actually threatened it. Just as the Bunkers lived "off the beaten path," so did many others, a condition which meant that BCL&P shared the dilemma similar of TP&L: justifying the extension of service to sparsely inhabited areas. REA realized the importance of their borrowers being just that, borrowers, and counselled them on practices which would help to ensure repayment of loans. The "two-member-per-mile" REA requirement was sound, although it did deny some far-removed families the current they desired.<sup>20</sup>

In 1937, the pressure of meeting financial requirements began to influence BCL&P's attitude toward expansion. Commitments to REA, state and local government, and their power supplier placed heavy demands on BCL&P's directors. If

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<sup>19</sup>Powitzky interview; Janke interview; Cobb interview.

<sup>20</sup>Saage interview; BCL&P Minutes, 5 June 1937.

potential members could not consume enough electricity to justify the expense of extending lines, then such an undertaking would not be cost-effective. While rural leaders felt strongly about helping improve the standard of living for as many as possible, they did not want the business endeavor to collapse because of poor management. Board deliberations for 1937 reflect this concern, in that additional lines were to be run only to those families who "really want[ed] electricity" and would "use sufficient energy to liquidate the expense of building." In particular, directors feared that extension of lines beyond the "black land territory" just east of Bartlett might not be productive and were slow to move into this area.<sup>21</sup>

While they experienced the usual growing pains of a new business, BCL&P leaders also re-examined the corporate structure of their business. In 1935 the option of incorporating as a cooperative did not exist, since Texas laws did not provide for such a procedure. As a result of Texas' Electric Cooperative Act of 1937, however, three adults were now able to organize an electric cooperative by obtaining a charter from the state and paying a \$10 membership fee.<sup>22</sup> Late in 1939, the BCL&P board met and voted to change from

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<sup>21</sup>Belfalls Electric Cooperative was incorporated in 1936, after organizers drew on the experience of BCL&P's success and extended service to the area in question, near Davilla, Texas. "The Story of a Co-Op--Bellfalls Outlasts Claim Jumpers," Texas Co-Op Power, June 1951, p. 11.

<sup>22</sup>Art. 1528b, Vernon's Annotated Texas Civil Statutes. (Kansas City: Vernon Law Book Company, 1938), pp. 135-143.

an investor-owned corporation to a member-owned cooperative, "in order to take in [additional] communities and areas . . . Friendship, San Gabriel, Sharp, Joe Lee, Sparks, Prairie Dell, and Theon." On January 19, 1940, the first board meeting of the Bartlett Electric Cooperative was held, officers were elected, a charter was accepted, by-laws were adopted, and membership certificates for incorporators and directors were authorized. Thus the BCL&P had become the BEC, and the former three-member board was expanded to nine positions. BCL&P executive officers were retained, and selected to serve with them were these representatives: Tom Douglas (Prairie Dell), Felix Schwertner (Theon), H. L. Partlow (Friendship), Loyd Kirkman (San Gabriel), George C. Lafferre (Sharp), and A. F. McLean (Joe Lee).<sup>23</sup>

The cooperative showed significant growth in March of 1940, when William G. Morrison again contracted to provide engineering services and certain types of new electrical equipment were approved for use. In that same month, the increased need for electricity resulted in the signing of an agreement with TP&L to provide the necessary power in excess of the capability of Bartlett's municipal light plant. March also saw BEC accept bids for construction of eighty-eight

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<sup>23</sup>BCL&P Minutes, 19 January, 1940; Tribune 10 November 1939 and 19 January 1940.

miles of additional lines. Attending this progress and growth was increased REA involvement with the operation of BEC, in the form of more guidance and technical assistance.<sup>24</sup>

With relative ease, BEC secured and surveyed the necessary easements, and construction of the first project of the newly identified cooperative began in June of 1940. By that time, REA and the rural electric program had proven their worth to the nation and the state. When America went to war, almost fifty organized co-ops existed in Texas. The strong co-ops, which entered wartime with four and five hundred members, endured shortages and emerged in the forefront of the post-1945 thrust of the cooperative movement.

Based on this healthy beginning--or "embryo of success," as one participant called it--rural electrification "really got going." Bartlett was on the map of rural America. Jim Cobb, Manager of the Association of Texas Electric Cooperatives from 1958 to 1976, felt that "it never would have been accomplished if there hadn't been grass roots support and grass roots action" across the nation. This commitment of Americans to the betterment of rural life was illustrated in the social revolution which electricity generated among the farm population of Central Texas.<sup>25</sup>

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<sup>24</sup>BEC Minutes, 1 and 15 March 1940; Tribune, 19 April 1940.

<sup>25</sup>Cobb interview.

## CHAPTER IV

### "LIKE THE BOYS IN TOWN"

The social implications of the rural electric program were many. The success of BCL&P and BEC laid the foundation for a changing lifestyle in a significant area of Central Texas, just as other enterprises around the country were affecting their customers. Immediately, Bartlett's pioneers began reaping the benefits of their accomplishments. Electric-powered engines contributed to increased farm productivity and higher property values; the radio provided entertainment and information; and various kinds of household appliances allowed more leisure time. In short, a modern standard of living was now within reach, and the newly liberated ruralites were uplifted as a result of what Senator Lyndon B. Johnson later called this "20th century blessing."<sup>1</sup>

With progress came the problems of growth: reaching families still without service, deciding whether or not to borrow additional funds from REA with which to finance

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<sup>1</sup>Lyndon Johnson, "Twenty Years of Progress in Rural Electrification: The History of the Rural Electrification Administration as Reported to the United States Senate on May 11, 1955," U.S. Congress, Senate, 84th Congress, 1st Session, Senate Document 42, p. 2.



expansions, instituting sound customer relations, assessing fair rates, and negotiating valid power contracts. All of this was necessary so as to attract new members and provide for increased per-household electrical consumption. The joint authors of this "story of the dignity of man"<sup>2</sup> were those who implemented the program and those whom it affected. Their experiences constitute the story's essence at the grass roots.

One of the more evident effects of the co-op was the sense of accomplishment which its founders exhibited. Even before the Bartlett projects had been made operational, Doc Powitzky wrote to the Temple (Texas) Telegram proclaiming the success of the endeavor. He voiced the appreciation of the its patrons and expressed the hope that the advantages they would enjoy could be extended to all rural areas by "our advanced government of today." W. W. Fox shared Powitzky's gratitude. His editorial section in the Tribune consistently trumpeted the benefits of rural electrification. In late 1935, he speculated that the project would make the community more desirable and would greatly enhance its economy.<sup>3</sup>

There was, in fact, a broad economic impact. The extension of rural lines meant the expenditure of considerable

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<sup>2</sup>Ibid.

<sup>3</sup>Doc Powitzky to the Editor, Temple (Texas) Telegram, newspaper clipping in possession of Powitzky, n.d. See also Tribune, 8 November 1935.

amounts of money in Bartlett. In 1939, the possibility of \$75,000 to \$100,000 being expended, because of the co-op's expansion, fueled discussion as to the extent of BCL&P's meaning to the community. This sum would cause depression-era business to boom and would provide steady employment for many residents. The project's eighty-three miles of new lines would reach Theon, Prairie Dell, Friendship, Laneport, Vilas, Joe Lee, Althea, and Alligator, thus extending the direct benefits of rural electrification and spreading \$10,000 in wages among area construction workers.<sup>4</sup>

The progress of the "first in the nation" mirrored the economic and social growth of the people it served. As of January 1, 1936, the Bartlett Community Light and Power Company claimed assets of only \$150, the original stock of the three incorporators. This money was used for taxes and other miscellaneous expenses. By April 1, BCL&P realized its first "income" in the form of meter deposits, or memberships, and by April 20, fifty had been received. In May, BCL&P registered its first actual revenue from service provided when eight customers paid \$15.40.<sup>5</sup>

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<sup>4</sup>Tribune, 10 February, 8 September 1939.

<sup>5</sup>BCL&P, "Financial Statements, January 1, 1936-July 1, 1940," BEC, Bartlett, Texas.

Nearly one-third of these receipts were paid to the supplier of power, the Bartlett municipal plant. BCL&P had agreed to pay 2 1/2 cents per kilowatt hour (kWh) for the first 5,000, 2 cents for the next 15,000, 1 1/2 cents for everything above 20,000. BCL&P in turn charged members a minimum of less than \$2.25 per month for usage up to 25 kWh; 5 cents for the next 40; 3 cents for the next 90; and 2 cents for anything above 155. The Red Wing project of the 1920's, the experiment that justified the need for rural electrification, had also charged its users according to the cost of providing service. During the last year of the study (1927), average consumption per consumer was 265 kWh per month at an average cost of 6.46 cents.<sup>6</sup>

The amount of electricity purchased from the City of Bartlett increased significantly from June to December, 1936, from 261 kilowatt hours to 2,269. It was obvious that the addition of rural service would strain the small municipal generating plant. Business continued to grow, and by September of 1937, BCL&P's income could finally reflect a slight margin. Yet however much the co-op strived to get ahead, its purpose was never to show substantial net earnings, but merely to maintain a reserve commensurate with financial commitments. For the thirty-four months following September, 1937, its gross operating revenue exceeded \$500 only once, in

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<sup>6</sup>BCL&P Minutes, 6 January 1936, 3 April 1937; Slattery, Rural America Lights Up, p. 19.

August of 1939. Average monthly (gross) revenue for this period was \$375.71. In spite of these less than impressive figures, the co-op actually achieved stability, and more important, helped to promote economic growth in the area.<sup>7</sup>

Such reasonable rates, as well as the reputable service of BCL&P, were big reasons for the location of a Civilian Conservation Corps camp near Bartlett in the late 1930's. The Tribune applauded the fact that "we obtained a CCC camp for Bartlett because we were able to offer them much cheaper rates on water and lights than the many towns in our section that were bidding for the camp."<sup>8</sup> In this way, BCL&P provided indirect benefits to its service area and helped to sustain a federal employment relief agency as well.

The extension of service continued at a rapid clip throughout the late 1930's. Typically, most new work was begun before the completion of existing projects. At a special board meeting in late July, 1936, directors discussed the forty-two miles of new lines which had just been completed and learned that an additional \$3,000 was needed to add another eight miles in Bell County. Construction time

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<sup>7</sup>BCL&P Minutes, 11 July 1936.

<sup>8</sup>The Tribune frequently mentioned BCL&P's reputation for quality service. Clippings from Tribune and miscellaneous correspondence in Miller Scrapbook.

was estimated to be two months.<sup>9</sup> The electrical shock was spreading, and the expansion of the program meant that names like Roosevelt, Rayburn, and Cooke became known to all those closely associated with this cooperative effort.<sup>10</sup>

These national leaders did much to make rural electrification possible. One man, in particular, helped to link national and local activism. Lyndon Johnson, United States Representative from Texas during the early years of the program, was instrumental in the organization of the Pedernales and Lower Colorado River cooperatives in the central part of the state. Johnson recognized REA Director Morris Cooke as a "great, social-minded engineer," who found a way to overcome the obstacles of administering an emergency agency and convince Congress to produce one of the country's "greatest achievements . . . ." Largely because of Cooke, Johnson believed, electric power replaced "muscle and mule power."<sup>11</sup>

When the "livewire" Cooke resigned, in 1937, REA experienced a severe loss. His successor, John Carmody, held the position until 1939, when he left to head the Federal

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<sup>9</sup>BCL&P Minutes, 28 July 1936.

<sup>10</sup>Names of these men appear often in contemporary industry periodicals. In particular, they are frequently mentioned in the Tribune.

<sup>11</sup>Johnson, "Twenty Years of Progress," p. 2.

Works Agency.<sup>12</sup> Carmody's departure prompted Roosevelt to offer the position to Lyndon Johnson. Johnson rejected the \$10,000-a-year appointment in order to honor his "contract with the people of the Tenth District of Texas," as an elected member of the House of Representatives. Roosevelt accepted the rejection and congratulated Johnson's constituents for their support of his decision. Subsequently, Harry Slattery of South Carolina assumed the position.<sup>13</sup>

Although public reaction in Bartlett was not recorded, Johnson's decision was heralded by the "hundreds of earnest men who have worked with us in successfully developing the great REA power and flood control program on the Colorado River in Texas."<sup>14</sup> Lee McWilliams, Superintendent of Pedernales Electric Cooperative in the late 1930's confirmed constituent approval of Johnson's stand. After presiding at a membership meeting, McWilliams wrote:

We were all plenty excited when Ray Lee called from Austin and gave us the story . . . I had it announced

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<sup>12</sup>Rebecca Wise, ed., Rural Electric Fact Book, all new edition (Washington, D.C.: National Rural Electric Cooperative Association, n.d.), p. 40.

<sup>13</sup>Lyndon Johnson to Franklin Roosevelt, 29 July 1939, Box No. 187, Lyndon Baines Johnson Papers, Lyndon Baines Johnson Library, Austin, Texas (this collection hereafter cited as JP); Wise, Fact Book, p. 40. See also Lee McWilliams to Lyndon Johnson, 7 August 1939, JP .

<sup>14</sup>Johnson to Roosevelt, 29 July 1939, JP. See also McWilliams to Johnson, 7 August 1939, JP.

over the loud speaker at the afternoon and night performance Saturday.

The crowd started applauding before the announcer could finish the news flash. It would have done you good to have heard it. The stands were packed.<sup>15</sup>

The people of the Tenth District, which included a small part of BCL&P's service area, obviously realized the advantage of keeping Johnson as their spokesman in Washington. They recognized the importance of the country cousin relationship they enjoyed with Johnson. His presence in the House, they believed, guaranteed the success of programs which were important to them.

Rural Texans applauded the work of Cooke and Johnson, and they appreciated the fruits of their labor. Sam Rayburn, sponsor of the movement to light rural America, graphically stated their feelings when he recalled:

Maybe some of you do not understand what it means to live away out there somewhere on the side road, where it is lonesome, where you sit on the fence and just wish that somebody would come by, anybody, to break the loneliness, with no conveniences. The mother and sisters build up a big fire in the fireplace in July and August and scorch their arms and their faces putting smoothing irons down there. They rub their knuckles off on the washboard. You trim lampwicks, and have to carry a lamp from one room to another, and have the chimney burst in your face. Now, most of those places have the comforts and conveniences of electrification, and they are enjoying it. It has lifted them up more than anything in the world. Nothing can lift up the farm home and take more drudgery off the farm wife than to have the conveniences of rural electrification.<sup>16</sup>

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<sup>15</sup>McWilliams to Johnson, 7 August 1939, JP.

<sup>16</sup>Sam Rayburn, "Speak, Mister Speaker," p. 275.

W. R. Janke, Jr., of Bartlett, could not have agreed more. He knew what it meant to live "away out there." As a youth, Janke was sensitive to the differences between country and city boys. For him and his kind, "going to town" carried more meaning than a change of location. It was a cultural experience. The city dwellers had electricity; his family did not. One of the obvious gaps between Janke and his in-town schoolmates was that "they could have electric trains . . . . I always wanted an electric train so I could be like the boys in town."<sup>17</sup> By the time his home was wired, Janke was a young man, his fascination for electric trains in the past. In later years, however, he retained clear memories of that boyhood sense of inferiority, which grew from living on a farm.

The cooperative helped its members erase this dubious distinction. Through a contract with the Electric Home and Farm Authority (EHFA), BEC agreed to assist in the "collection of monthly installments upon certain electrical appliances for the home."<sup>18</sup> In Bartlett, the Blair-Stokes Hardware Company agreed to participate in this "self-help"

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<sup>17</sup>Janke interview.

<sup>18</sup>The EHFA, a credit agency created by President Roosevelt in 1933, gained significance in 1935 when FDR created the REA. Accredited appliance dealers participated by selling appliances to consumers on an installment-purchase plan. The dealer then sold the contract to the EHFA, and the cooperating utility collected the installments to be forwarded to the EHFA. Slattery, Rural America Lights Up, p. 67.



plan, making appliances available to BEC members on credit.<sup>19</sup> Appliances not only freed ruralites from tedious chores and arduous labor, but also represented the acquisition of status. Some of the more eager purchased appliances prior to receiving electric service and displayed them on the front porches of their homes.<sup>20</sup>

The symbols of emancipation took a variety of forms. For the most part, however, heads of rural households had one thing in mind -- "to get one drop cord with a bulb screwed in it." But farm wives insisted on more conveniences. In 1936, Doc Powitzky bought his wife an "electric ice box" for her birthday on June 3. Three days later, their home received current. "Boy, I made her happy!," Powitzky remembered. His grateful spouse exclaimed: "Now we can make our own ice!"<sup>21</sup> Cubes were a genuine "luxury," but the needs of the people went far beyond the quest for status. It was "pitiful what shape the people were in in the rural areas," recounted one Bartlett area resident. Many felt that "Santie Claus had come" and vowed never to return to the former way of life.<sup>22</sup>

Once the time-saving appliances had been acquired, the most efficient operation of them had to be learned. Again,

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<sup>19</sup>BEC Minutes, 8 June 1940.

<sup>20</sup>Cobb interview.

<sup>21</sup>Powitzky interview.

<sup>22</sup>Ibid.

REA took a leading role. The "REA Circus" toured the country so that manufacturers' representatives and home economists could conduct demonstrations for new and potential co-op members on the variety of electric servants available and their many uses. In the Bartlett area, Blair-Stokes Hardware sponsored this type of program, coordinated by Tina Stewart, a home demonstration agent from Bell County. The agenda for her "school on the use of electricity in the rural home," on July 1, 1938, included "Wiring the Home," "Selection of Appliances," and "Cost of Operation of Appliances."<sup>23</sup>

Bartlett Electric Cooperative, descended from Bartlett Community Light and Power Company in 1940, pushed to maintain the growth rate its parent company had set. In 1940, the BEC board took action to continue new extensions, rent office space, sign an appliance contract with EFHA, conclude a power agreement with Texas Power and Light, add lighting to the front of the co-op's main building, purchase a pickup truck, and adopt the use of newer types of equipment. BEC also hired an engineer, a bookkeeper-stenographer, a janitor, and a lineman. It cooperated in training National Youth Administration girls in office work; and it acquired the services of a wiring inspector from REA. Progress was such that by early 1941 directors were discussing the construction of an

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<sup>23</sup>Cobb interview; Tribune, 24 June 1938.

office building and the purchase of twenty miles of line from the neighboring Belfalls Electric Cooperative.<sup>24</sup>

The program's beauty was not without blemish, however. Growth meant larger problems, and almost every solution was a precedent. But the BEC directors seemed suited to the task. They carefully examined all issues, for they realized that not only was the financial integrity of the business at stake, but its reputation would either enhance or detract from its future operations. Although difficulties were many and diverse, the board was especially sensitive to its public image. Several easement problems were addressed in 1940, and each of them received individual consideration. One of these, a request for payment from damages to pecan trees in N. H. Handor's leased orchard in Belton, consumed a significant amount of board time in 1940 and 1941. Its ultimate resolution required eight months of discussion and compromise.<sup>25</sup>

With this pattern of growth and success, BEC would move into a decade of uncertainty. The advances of the past would be put to the test in the war years. The program would be scrutinized and questioned, it would feel the effects of international affairs--and it would ultimately emerge stronger.

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<sup>24</sup>BEC Minutes, 2 March 1940-19 July 1941.

<sup>25</sup>Ibid.

## CHAPTER V

### OBSTACLES AND ORGANIZATION, PROGRESS AND PERSPECTIVE

The successes of the 1930's would bear significantly on the performance of the Bartlett Electric Cooperative in the 1940's. New problems meant new challenges to the co-op; difficulties different from those of the previous decade would test the strength of the Bartlett co-op and rural electrification nationwide. World War II interrupted the move toward an easier way of life through electrical conveniences, and shortages of materials slowed the growth of BEC, even though the demand for reliable service increased. Wartime cooperatives in Texas and across the country found it difficult to project power needs and came to realize the benefit of alternate sources. Because of the increasing cost of, and the growing need for electricity, existing power contracts proved inadequate.<sup>1</sup> The demands of the late 1930's and early 1940's dictated cooperation, a hallmark of this period in the field of rural electrification.

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<sup>1</sup>Don Waddell, Manager of BEC, interview, Austin, Texas, 29 October 1979; Slattery, Rural America Lights Up, pp. 128-29.

The 1940's would test the purposefulness of the co-op's directors. Experience and foresight were definite assets as they planned for the future. As early as June, 1938, they had begun to look for other sources of power to meet their growing needs. Late the next year, negotiations began with Texas Power and Light, and on March 7, 1940, TP&L and BEC concluded a contract. Power purchased from TP&L was to be available on or before August 1 of that year.<sup>2</sup>

The agreement with TP&L was indicative of BEC's effort to establish and maintain sound relations with other agencies and organizations of similar scope. Morris Cooke had initiated this concept in 1935 when he met with municipal plant managers with whom he hoped to work closely. Cooke emphasized the need for state and national organizations "to bring about collaboration, to effect economies, and to keep a record of progress."<sup>3</sup> Very early in its existence, BCL&P collaborated with other Texas co-ops in exchanging ideas, offering suggestions, and comparing performance figures; and BEC continued this policy.

As they sought to combat their difficulties, cooperatives shared their concerns, as Cooke had urged. Preliminary meetings were held in Texas, some under the direction of REA, some at the initiative of the co-ops. BEC's superintendent, R. W. Miller, began attending state gatherings in 1940. In

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<sup>2</sup>Power Contract, 7 March 1940, Main Office, BEC.

<sup>3</sup>Tribune, 25 October 1935.

October of that year, in Fort Worth, an important action was taken when delegates appointed an executive committee to negotiate with TP&L for a reduction in wholesale rates for its cooperative buyers. Shortly thereafter, the optimistic Miller assured BEC directors that this combined approach would prove successful.<sup>4</sup> Another by-product of the Fort Worth meeting was the formation of the Texas Power Reserve Electric Cooperative (TPR), a grassroots trade association, which was chartered by the state and incorporated on December 3, 1940. Headquartered in Austin, its chief purpose, as its name indicated, was to provide emergency auxiliary power through portable generators which hard-pressed members could rent. TPR also assisted members in negotiating contracts with existing power suppliers.<sup>5</sup>

Cooperatives throughout the state were becoming convinced of the practicality of collectively securing their own power. This realization spawned another type of Texas cooperative, one whose purpose was to generate electricity. Such was the mission of the Brazos Electric Power Cooperative (BEPC), which BEC and several co-ops founded. Incorporated in 1941 and based in Waco, BEPC underscored the desirability

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<sup>4</sup>BEC Minutes, 13 July-9 November 1940.

<sup>5</sup>Texas Power Reserve Minutes, 3 December 1940-28 April 1941, Headquarters Building, Association of Texas Electric Cooperatives, Austin, Texas. The first generator was purchased in April, 1941.

of united action in the face of a common obstacle: real and anticipated power shortages. To provide an immediate source of current, BEPC signed, in 1941, a twenty-five year contract for power produced by the Morris Shepard Dam hydroelectric plant on the Brazos River.

Bartlett Electric Cooperative continued to buy power from Texas Power and Light until the Brazos system was operative. A new contract with TP&L was signed in December of 1940 and amended the following March. The most important changes stipulated that BEC was not committed to a long-term agreement and indicated that co-ops, in the process of attempting to achieve self-sufficiency, did not want to be restricted by prior commitments.<sup>6</sup> Their caution was rewarded. Soon after they appeared in Texas and elsewhere, power-generating cooperatives effected a lowering of the wholesale rates of TP&L and other private suppliers. For instance, during a sixmonth period in 1945, the average reduction of these charges throughout the country amounted to sixty percent.<sup>7</sup>

While securing necessary power would seem to be the overriding concern, distribution became even more demanding. This time, at the outset of the 1940's, impediments were not the reluctance of potential members to join the co-op or

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<sup>6</sup>BEC Minutes, 14 December 1940-8 April 1941.

<sup>7</sup>"Power Companies Fight Generation, Transmission: Poage Says REA Program Facing Crucial Battle," TCP, December 1945, p. 1.

or easement problems. This time, materials essential to the extension of lines would be in short supply, and those which private utilities were able to purchase were not always available to rural electric cooperatives. Coordination to overcome another common need was imperative during this formative period of Texas cooperatives. And it was implemented--in sharing information and knowledge and in the consolidation of efforts to acquire supplies and services. Likewise, cooperatives pooled their needs, so as to strengthen their position when contracting for power, as well as to make possible quantity buying and enhance their status as purchasers.

The war brought additional shortages. Unfortunately, foresight and cooperation were no longer sufficient to carry BEC through. Moreso than in the pre-Pearl Harbor period, the scarcity of construction and maintenance materials was worrisome. The war effort consumed many necessary items, while others, classified as low priority, were not produced. As before, available materials were quite often reserved for preferred customers, the large investor-owned companies. But discrimination brought forth determination. Steps were taken to overcome a difficulty which beset Texas co-ops, that of finding "uncommitted" poles for line construction. In 1944, several Texas rural electric officials travelled through the South in search of poles. In Georgia, they located a sufficient number and negotiated a price.



On learning that they were intended for co-op use, the supplier "discovered" that they had already been "sold."<sup>8</sup> Frustrated and angry, but not defeated, the Texas rural cooperatives once again met the challenge, though not until the last year of the war. In February of 1945, Texas Power Reserve purchased two pole-treating plants in Lufkin and Longview and met the immediate need.<sup>9</sup>

As the attempt to acquire poles revealed, rural cooperatives were in a category apart from investor-owned and municipal utilities, a distinction which became clearer with time. Even though the difference sometimes adversely affected the bargaining power of cooperatives, they generally felt they provided a yardstick which other utilities could utilize in measuring their cost and quality of service. In the 1940's co-ops compared notes and established their yardsticks.

While identifying mutual concerns and problems, they encouraged each other to uphold existing standards of service. In 1941, for instance, BEC met with six other central

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<sup>8</sup>Charles Wagner, interview, Austin, Texas, 10 August 1977. Wagner, a rural electric pioneer, participated in the southern pole-buying junket. During his career, he worked with the Bandera Electric Cooperative in Bandera, the Nueces Electric Cooperative in Robstown, and the Texas Power Reserve Electric Cooperative.

<sup>9</sup>"Texas Power Reserve Buys Pole Plants: Statewide Cooperative Takes Step to Relieve Critical Shortage," TCP, February 1945, p. 1.

Texas cooperatives to compare rate and performance statistics.<sup>10</sup> Communication of this sort contributed to the solution of many types of problems and strengthened the statewide program.

Another factor drew Texas co-ops closer together. In 1944, 14,000 copies of the first issue of Texas Electric Co-Op Power, a monthly publication of Texas Power Reserve, were delivered to the consumers of eight member co-ops. George Haggard, General Manager of TPR, was the founding editor, and Haggard's wife remembered that she and her children spent hours each month readying the current issue for mailing. It was typical of the co-op approach that the entire family took part. The efforts of many hands paid off, and within a year subscriptions totalled 39,200.<sup>11</sup>

The return of peace would bring other problems and needs, but Bartlett Electric Cooperative, as well as other cooperatives in Texas and the United States, would confront

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<sup>10</sup>BEC Minutes, 21 June 1941.

<sup>11</sup>George Haggard served as General Manager of Texas Power Reserve Electric Cooperative from 1944 to 1948, when he became Assistant Administrator of REA. In 1949, he was promoted to Deputy Administrator, two years before being killed in a plane crash. In his name, a memorial commendation is presented annually by the National Rural Electric Cooperative Association to an outstanding journalist associated with the program. Bill Lewis, interview, Austin, Texas, 30 October 1979; Laytha Haggard, interview, Austin, Texas, 1 December 1977; and "George W. Haggard," Current, June 1951, p. 1. (Current was a monthly magazine of Texas Power Reserve Electric Cooperative for directors and employees of rural electric cooperatives in Texas.)

them with knowledge and expertise born of experience. While BEC was the first of REA's borrowers to provide service, all the pre-war co-ops were path-breakers. Many faced problems similar to those of BEC. While the Bartlett project was the first to energize under the REA program, Bartlett's efforts represent and embody the spirit of the co-op program throughout Texas and the nation. BEC was there from the beginning --breaking ground, laying foundation, and giving meaning to cooperative structure. In this regard, BEC is a principal character in the Texas story of rural electrification.

The odds were against the successful development of this new type of electric utility. In Texas, the lack of adequate laws of incorporation provided the first obstacle. Skepticism that such a program could work was another. Organization and implementation of the program were difficult, but they were often overshadowed by the opposition of existing investor-owned utilities.

Ironically, the first real affirmation of the program came from these existing utilities, such as Texas Power and Light Company. Their strong opposition to a rural electric program is testimony to the fact they ultimately saw co-ops as a threat to their own growth. As with many investor-owned utilities, TP&L was the only available source of the electric power from which a growing co-op, such as BEC, could buy adequate amounts of power. Still, TP&L refused

cooperation, and wholesale rates to cooperative buyers ultimately forced BEC and others to form their own generation and transmission cooperatives.

Texas co-ops themselves recognized their common problems and capitalized on their collective strength by forming their own association in 1940-41. Within this framework, co-ops in Texas have maintained stability and continue to grow into the 1980's. In 1980, BEC is one of seventy-five distribution cooperatives serving in Texas. Bartlett Electric Cooperative is a member of the Association of Texas Electric Cooperatives, Brazos Electric Power Cooperative, and San Miguel Electric Cooperative, a new lignite-fired generation plant headquartered in Jourdanton, Texas. Together with three generation and transmission systems, and the Rural Electric Division of the City of Bryan, these seventy-five distribution systems employ over 4,200 people and serve almost two million Texans through some 750,000 connections.<sup>12</sup>

Accomplishments in the areas of growth and problem-solving have been notable, but more significant is the evidence of society's acceptance of rural living and the actual improvement of the quality of life on the nation's farms and ranches. The record of progress is overwhelming,

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<sup>12</sup>TEC, Directory, 1979.

and living "in the country" is no longer a stigma. Rural electric pioneers deserve praise for these advances. They defeated the myriad problems that beset them in order to change the face of rural America. In the formative period of the late 1930's and early 1940's, every solution provided "a new dawn, a new beginning." As such, the story of rural electrification, as told through the early experiences of the Bartlett Electric Cooperative, represented a "series of new beginnings."<sup>13</sup>

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<sup>13</sup>Quoted from the 118-slide audio-visual presentation by the Association of Texas Electric Cooperatives, entitled "A New Dawn . . . The History of Rural Electrification," n.d., Headquarters Building, TEC.

APPENDIX A

MAP

McLENNAN CO.  
BELL CO.

WACO

935 BELFALLS

BELTON

LITTLE RIVER

436

JOE LEE COMM.

PRAIRIE DELL

ALLIGATOR

BELL CO.  
WILLIAMSON CO.

35

487

BARTLETT

SAN GABRIEL

SCHWERTNER

FRIENDSHIP

THEON

971

TAYLOR

79

ROUND ROCK

WILLIAMSON CO.  
TRAVIS CO.

AUSTIN

0 5 10 20 MILES  
SCALE



APPENDIX B  
QUESTIONNAIRE



APPENDIX B  
QUESTIONNAIRE

This questionnaire was distributed to seven rural electric leaders who participated in the beginnings of BCL&P and BEC. Recipients were recommended by the staff of the Association of Texas Electric Cooperatives in the spring of 1976. At the time, the concept of the case study of Texas rural electrification had not developed, therefore solicitation of responses was not confined to Bartlett-area residents. The document, as circulated, follows:

1. What was the public reaction to the President's Executive Order that created the Rural Electrification Administration as unemployment relief?
2. What was the public reaction to the establishment of the Rural Electrification Administration as a lending agency in August, 1935? How did it differ from the reaction to President Roosevelt's executive order?
3. How did government leaders support the creation of rural electric cooperatives? From what levels of government did they come?
4. What was the procedure for raising money for membership in a cooperative? How difficult or how easy was this?
5. How did farmers' wives react to the establishment of rural electrification? Were they more or less eager than the men?
6. How did the established power companies react to the establishment of rural electric cooperatives? In what ways was this reaction demonstrated? Was there any cooperation in setting up lines?
7. What was the relationship of the cooperatives to the government? Banker? Borrower? Subsidizer?
8. Do you feel that in any way this cooperative effort resembled socialism?
9. Did the creation of the cooperatives affect the semi-monopoly of the private companies?
10. When did the public utilities first begin to advertise in newspapers and magazines and on the radio?

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