

But here on the Shore, and in Southern Maryland, the rural people accepted the federal government's offer of low-cost financing to build their own lines, buy their electric power wholesale from the local power company and thus serve themselves with electricity. I am told that both the Southern Maryland Electric Cooperative, serving about 23,000 rural people in Southern Maryland, and the Choptank Electric Company, with about 13,000 member consumers in the rural areas of the Eastern Shore, are doing a splendid job—giving good service, meeting their loan repayments, not only on time but ahead of schedule and with interest.

This is an encouraging example of how a segment of our citizens can work together with their government for the general welfare. This is democracy at work. I am aware that the REA program has not enjoyed complete acceptance in this country, despite the fine record it has established. I have heard people say: "Co-ops are no good; they don't pay any taxes." Well, I know better than that.

Before I became Governor of Maryland, I served for 17 years as Comptroller of the Treasury—as the State's chief tax collector. I know that your electric cooperatives in Maryland pay taxes, as all other co-ops do, for that matter. Of course, you don't pay income taxes because you are a nonprofit corporation, and no person or corporation is required to pay income taxes if there are no profits. I have heard cooperatives criticized in recent years for having taken advantage of low-cost financing—at 2 per cent interest and loan repayments over a 35-year period. From my point of view, there is no justification for such criticism. The Congress of the United States took the position that Americans living in rural areas should have electricity under circumstances comparable to Americans living in towns and cities. It realized that to accomplish this would require rendering some help to the rural areas. There is nothing alien or uncommon about this. Our General Assembly assumed a similar position when it passed the REA Enabling Act. Now that you have served most of the people of your area, and there is an ever increasing daily need for electricity, it would seem to me to be unfair to change the ground rules on your financing. Your organization is to be commended for resisting efforts in Washington to increase the cost of your arrangements for financing.

At this point I might say that I greatly admire the efforts that Representative Tom Johnson made to fight the tight-money, high-interest-rate policies in Washington. Before I get accused of talking "politics," I have a few other points to cover briefly.

In my campaign for the Governorship in 1958, I promised the people