

(h) *With business enterprises.*—Private electric power companies are large suppliers of wholesale energy to our electric borrowers, and there is in REA an office whose primary responsibility is working with private power companies and other suppliers on matters of power contracts and power supply. When power supply problems arise, this office explores every potential avenue of satisfactory wholesale supply of electric energy in order to insure that the most advantageous arrangements are made, and that REA loans for generation and transmission are not made until after every available alternative has been thoroughly explored.

In the telephone program we work closely with the Bell System and other telephone companies in assisting our borrowers to develop toll and joint use agreements.

In both the electric and telephone programs, REA works closely with equipment manufacturers on the design, standardization, and adequacy of the supply of equipment, and works with engineering firms in the development and standardization of system design and construction.

REA maintains a close working relationship with CPA firms all over the United States, and with the American Institute of Certified Public Accountants.

8. *Laws and regulations*

The Rural Electrification Act of 1936 (7 U.S.C. 901–24) with amendments as approved. The appropriation act for Department of Agriculture and Related Agencies reference is 5 U.S.C. 511–512, fiscal year 1966 Public Law 89–316.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

Electric service, and modern dependable telephone service, are such essential and integral parts of our life that it appears to be impracticable to measure their specific contribution toward increased personal income, productivity, etc. Indeed, business and industrial activity can scarcely exist without these essential utility services.

The social benefits of electrification and rural telephone service are not measurable in dollars, but are tremendous. It would be intolerable if the millions of Americans living in rural areas had to do without such commonplace conveniences of the 20th century as indoor toilets, running water, effective central heating, bright light for children to study by, television, automatic laundry equipment, and appliances and laborsaving devices almost without number. The ability to communicate by telephone with neighbors, business establishments, schools and emergency services is indispensable to modern living. Without modern electric and telephone service, outmigration would increase and the economy of rural areas would wither. This would harm the entire American economy and add to the social and economic ills of urban areas.

In a much more narrow sense, the annual cash expenditures of the customers of the electric and telephone systems for their electric and telephone service, plus the construction expenditures of the borrowers, plus the expenditures of electric consumers for electric appliances and their services (which have been estimated at more than \$1