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GENERAL
ND 11/FG 175
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AG 64
CAS

June 30, 1964

Dear Belford:

I have just received a report from the Department of Defense on the Willett Flying Service problem which you wrote to me about on June 1. The Department advises that appropriate people have carefully reviewed all the information you furnished and again given detailed consideration to Mr. Willett's claims. They have concluded however, that based upon both the record and the need for continuing the restrictions for reasons of air safety, the Government must adhere to the position stated in the Court action.

I have not undertaken to familiarize myself with the details of the dispute, but taking into account the review that has been given the problem and the fact that all the issues have been resolved by the District Court (although subject to appeals), I must conclude that we cannot offer any relief from the Court's decision on the injunction. I regret the facts do not permit us to be of assistance in this case.

Sincerely,

Lee C. White
Associate Special Counsel
to the President

Mr. Belford V. Lawson, Jr.
Lawson, Reynolds, Wagner, Pitts,
Nesbitt and Stahl
1725 K Street, N. W.
Washington 6, D. C.

GENERAL
AG 5-1 (2)

THE WHITE HOUSE
WASHINGTON

6/3

Miss Dick / Byrd, Rolt W. Va.
x 4 or 7

14 Copies Report on Pesticides

Ordered from Press Releases

G. P. O. 15¢ a copy

our supply is very limited

Sent 6/3/64

(4)

GENERAL

THE WHITE HOUSE OFFICE

ROUTE SLIP

(To Remain With Correspondence)

AF
AG 5-1
FG 150-9
ST 7-6

TO Secretary of Agriculture

Attn: Mr. Sydney A. Skoglund

PROMPT HANDLING IS ESSENTIAL. WHEN DRAFT REPLY IS REQUESTED THE BASIC CORRESPONDENCE MUST BE RETURNED. IF ANY DELAY IN SUBMISSION OF DRAFT REPLY IS ENCOUNTERED, PLEASE TELEPHONE OFFICE OF THE SPECIAL ASSISTANT.

Date June 25, 1964

FROM THE SPECIAL ASSISTANT

ACTION:

Comment _____

Draft reply _____

For direct reply X

For your information _____

For necessary action _____

For appropriate handling _____

See below _____

Remarks:

GPO 16—71264-2

Ltr to the P, 6/20/64, fm Leland Schoonover, Pres, Montana Wildlife Federation, Polson, Montana - enclosing statement developed by the Western Montana Fish and Game Assoc and adopted by the Montana Wildlife Fed and recommending its perusal and study -- opposed to U.S. Forest Service plans to use chemical sprays over thousands of acres of Montana and Idaho this coming summer to combat spruce budworm damage to timber; feel too many unknown factors prevail in spray program for the general good.

rah

By direction of the President:

Ralph A. Dungan
Special Assistant
to the President

Wm. M. Thompson

GENERAL
AG 8-1

SCREWWORM ERADICATION USA
APRIL 1, 1964

STATUS REPORT

1964

FOREWARD

The enclosed material concerning screwworm eradication in the United States will, we hope, bring you up-to-date on this program.

This material is submitted in an effort to show:

(1) The outstanding job which has been done in this regard in the Southeast and the Southwestern parts of the United States with local sources more than matching what was required of them.
(2) The importance of this dramatic program.
(3) That the problem now is one of an international nature.
(4) That the granting of the request for $5,500,000 from the Congress with no requirement of specific matching for fiscal 1965 is justified.

This program possibly can be operated more economically in the future, but, at the present time it must be adequately financed as it provides many other benefits. The present program affords greater protection to the northern and southeastern portions of the United States which are screwworm free and provides a ready source of sterile flies to stamp out future outbreaks, if any.

The successful completion of this program will result in great benefits to livestock and wildlife and will protect the investment of over twenty million dollars which has been made in screwworm eradication. All who have worked so diligently in the effort sincerely hope that we are near a successful conclusion.

INDEX

SCREWWORM ERADICATION IN THE SOUTHWEST

April 1, 1964

I.

HISTORY PRIOR TO FEBRUARY 14, 1962

Prior to 1962 many livestock leaders visualized a screwworm eradication program in the Southwest and in order to implement this program, in 1961 they formed the Southwest Animal Health Research Foundation to solicit contributions from Livestock producers and Sportsmen throughout the Southwestern States. The Southwest Animal Health Research Foundation is a non-profit corporation, governed by a Board of Trustees, representing the States of Texas, Louisiana, New Mexico and Oklahoma. In February, 1962, the corporation had about One Million Dollars on hand and was in the process of securing Three Million Dollars, the last million of which was received in the month of February, 1963. These funds were to be twenty-five per cent of the cost of the estimate of an eradication program in the Southwest which was estimated to take a period of three years to complete. The commencement of this program was accelerated because of cold weather and the program actually got underway in February, 1962, when a two-fold program was launched to (1) eradicate screwworms from the Southwest, and (2) to prove the feasibility of a barrier to prevent re-infestation of the areas from migrant flies from Mexico.

II.

PLANS AND RESULTS

1. Plant and Plant Capacity:

   (1) PROJECTION - The first plant was a temporary one constructed at the United States Department of Agriculture Research Facilities at Kerrville, Texas, and which had a capacity of about twenty million flies per week. This plant was used during the construction of a permanent plant at Moore Air Force Base , Mission, Texas. It was estimated that the permanent plant at Moore Air Force Base would have a capacity of 75,000,000 flies per week; that it could be built in one year;

and that it would cost about $1,200,000.00.

(2) RESULTS - The temporary plant facility produced about 25,000,000 flies per week during the spring and early summer of 1962, and the permanent plant was dedicated in late June or early July, 1962, having been constructed in four to five months at a cost of about $650,000.00. This plant has produced as many as 150,000,000 flies per week.

2. Time Schedule - Eradication

(1) PROJECTION - It was estimated that eradication would take a full three years.

(2) RESULT - The experts state that we have demonstrated eradication during 1963 in the areas where screwworm flies survive the winter in the United States before beginning the northward migration, and that the reinfestation that we have experienced during the fall of 1963 was the result of flies migrating into the United States from the Republic of Mexico. The attached joint statement of the cooperators in the program dated 1 February 1964 agrees that eradication has been achieved.

3. Time Schedule - Barrier

(1) PROJECTION - The proposed plan for keeping the United States free of reinfestation from the Republic of Mexico was to establish and prove a barrier zone in which sterile flies would be dropped on a systematic basis. It was estimated that this barrier would have to be about 100 miles wide because flies live approximately two weeks and migrate about 70 miles and that it would not be proven for three years.

(2) RESULT - It has now been learned that flies migrate 180 miles and Dr. E. F. Knipling of the United States Department of Agriculture states that it is his opinion that the barrier which was established in the Gulf Coast Plain Area of Mexico (the only place that a barrier was fully established and serviced in 1963) was effective last summer and fall. The attached statement also declares the feasibility of a barrier has been established.

III.

FINANCING

1. General

(1) PROJECTION - The Southwest Eradication Program was started as a matching program during the three-year evaluation period with local sources paying fifty percentum of the cost of "the production, irradiation and release of sterile flies." In addition to this proposal, it was projected that there would be items that would be fully a Federal responsibility during the eradication effort. Further, the thinking of those concerned was that the protection of areas freed of screwworms would be a Federal responsibility since the threat of reinfestation exists primarily in Mexico.

(2) RESULT - On the present level of spending the local sources will have over-spent the Federal funds on all items spent by the United States Department of Agriculture, even including those deemed to be a Federal responsibility during the eradication effort.

2. Federal

The United States Department of Agriculture spent about $800,000.00 during the year 1962 and about $2,750,000.00 each year in fiscal 1963 and fiscal 1964 on the program.

3. Southwest Animal Health Research Foundation

The Southwest Animal Health Research Foundation has spent approximately all of the funds which they have secured from Livestock Producers and Sportsmen in the Southwest and by the end of the current fiscal year will have spent in excess of $3,200,000 00, which will be all of their money.

4. States

The State of Texas will have spent in excess of $2,700,000.00 in addition to many integrated services in kind in the program by 1 July 1964, and will have no other funds for screwworm eradication. The Texas Legislature does not meet until January 1965, so it will be impossible to secure additional funds from that source. Producers from

other states in the Southwest have contributed through the Southwest Animal Health Research Foundation, and the other states have spent some funds in the effort.

IV

PROGRAM RESULTS

The program has been so effective that most livestock producers and sportsmen in the Southwest feel that it is 100% successful. However, the experts feel at this point that it has been 99% effective. Louisiana and Arkansas have not had a case of screwworms in two years; Oklahoma had only 22 cases during 1963; the southeastern states, which are free from screwworms, were not threatened by reinfestation in 1963 for the first time since their successful eradication program, and the migration of the screwworm in the State of New Mexico was to some extent contained in 1963. The program is one which has had universal approval and acceptance and,

(1) We have demonstrated that eradication can be achieved in a given area;

(2) We have proven the effectiveness of a barrier of sterile flies where one is properly implemented and serviced; and

(3) We are faced with a problem now, that is one of an International nature where the eradication gains made in the Southwest and eradication in the Southeast are constantly threatened by reinfestation from the Republic of Mexico.

V.

FUTURE OF THE PROGRAM

1. ERADICATION

To protect the gains made, the Southwest and the Southeast must be protected from reinfestation by migrant flies from Mexico.

2. BARRIER

Any barrier of flies which is established and maintained must be largely in Mexico and this is an International problem which cannot be accomplished by the State of Texas, the Southwest Animal Health Research Foundation, nor a combination of States short of all the States.

3. FINANCES TO DATE

(1) The State and the Southwest Animal Health Research Foundation will have spent

their $6,000,000.00 by 1 July 1964, and be out of funds with no more in sight.

(2) Unless the United States Department of Agriculture can take the program as a Federal responsibility on 1 July 1964, it appears that the $12,000,000.00 investment which has been made may be sacrificed and that all gains of screwworm eradication will be lost.

(3) There is ample precedent for the program becoming at this time a Federal responsibility:

A. The states of the Southeast do not share in the cost of the Mississippi River Control Line.

B. Border states do not share directly in the cost of the fever tick buffer zone.

C. Border states do not man international boundaries to protect the United States from infestation by disease or insects from foreign lands.

D. No state does or can finance operations in a foreign country which is where the main portion of the barrier or buffer zone will be maintained.

4. FUTURE FINANCES

(1) The present budget before the Congress provides for $2,750,000.00 on a minimum 50-50 matching basis. To have the program become a Federal responsibility, we should have in any appropriation bill passed:

A. An additional sum of approximately $2,750,000.00.

B. No requirement of matching funds from local sources.

(2) While the main responsibility of the program will become Federal under this arrangement, all states threatened by reinfestation of screwworms will have to provide necessary inspection and allied services.

(3) Ranchers, sportsmen, interested trade associations and others will have to continue their efforts to prevent reinfestation.

Attachment: "Status of the Southwest Screwworm Eradication Program" dated 1 February 1964.

STATUS OF THE SOUTHWEST SCREWWORM ERADICATION PROGRAM

Texas Animal Health Commission

Southwest Animal Health Research Foundation

United States Department of Agriculture

February 1, 1964

Since inception in February 1962, the basic objectives of the Southwest Screwworm Eradication Program have been "to initiate the program to evaluate the feasibility of establishing an artificial barrier zone of sterile screwworm flies along the Mexico-United States Border and to eliminate flies in Eastern New Mexico, Texas and areas in states to the north and east of Texas." These basic objectives may properly be divided into two parts: (1) the elimination of the screwworm in New Mexico, Texas and areas in the states north and east of this eradication area, (2) the evaluation of the feasibility of maintaining an artificial barrier zone of sterile flies along the Mexico-United States Border. Both objectives have received attention concurrently during the past two years with encouraging results.

The first of these basic objectives, the elimination of the screwworm from the overwintering areas in New Mexico, Texas and areas in the states north and east of this eradication area, has been attained. Although there were varying numbers of cases during the preceding year, there have been no confirmed cases since mid-December A careful study of these cases has shown convincingly that they entered from outside the area. Likewise, similar cases will occur during the coming year. However, each case can be effectively suppressed as in the past year.

The attainment of the second objective to establish and evaluate the feasibility of maintaining an artificial barrier zone of sterile screwworm flies along the Mexico-United States Border to prevent reinfestation of the areas freed of the screwworm, has been more difficult.

On the basis of information available at the beginning of the program in the Southwest, it was believed that a barrier approximately 50 to 75 miles wide would be adequate. However, tests during the past year have shown that a screwworm fly can migrate at least 180 miles during its lifetime -- more than twice as far as previously considered likely. This new knowledge demonstrated the need to adjust the protective barrier zone to a width of at least 200 miles by extending program operations deeper into Mexico. Consequently, during the past year it has been necessary to operate a barrier zone of varying intensity and width. The zone had to be modified according to seasons and climatic conditions. We will have to continue to modify the barrier as situations dictate.

While the operation of the barrier zone has not kept all infestations out of the area, as noted above, it has been effective in preventing establishment of a self-perpetuating population in the area. Experience has shown that such a zone can be effectively maintained. We think, therefore, that the second objective has been attained.

An evaluation of what has been accomplished and what is in prospect for the future clearly shows that a barrier zone similar to the one now in operation will be required. Although the barrier may be improved by pushing some parts of it further into Mexico, the financial and other requirements of the operation, at least during the fiscal year 1965, will be as great as those committed for this year's operation.

THE WALL STREET JOURNAL

EASTERN EDITION TUESDAY, JULY 16, 1963

RELIEF FROM SCREWWORM IN SIGHT

$100 MILLION LOSS ANNUALLY

PRODUCTION NEAR 130 MILLION FLIES PER WEEK

26 AIRPLANES COVER 140,000 SQ. MILES OF SOUTHWEST

Costly Cattle Pest Faces Eradication in Big Sterilization Drive

* * *

Output of U.S. Screwworm Fly 'Factory' to Curb Breeding In Infested Southwest Area

By JOE WESTERN
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Life-saving relief, by a means pesticide-worried Rachel Carson would approve, is in sight for multitudes of livestock in danger of being bitten to death by infant insects.

Government scientists and Southwest ranchers are mobilizing for what may be the last big battle to eradicate the screwworm fly, a costly, long-time scourge of Western ranges.

These flies, about twice the size of ordinary house flies, grow from larvae whose bodies taper and are ringed something like a wood screw. The larvae, feeding on animal wounds, have destroyed hundreds of thousands of cattle, hogs, sheep and goats since the insect's first U.S. appearance in Texas in 1842; losses to farmers in recent years have ranged up to $100 million annually.

The plan of attack does not depend on chemical pesticides whose safety is challenged by Miss Carson, the well known scientist-author and others. Instead, it calls for stamping out the insect by the largest application yet of a novel technique being tried against several insect pests: Sterilization of adult screwworm flies by atomic radiation. Swarms of the sterile flies, released in infested areas, mate fruitlessly with untreated ones; the reproduction cycle ends because the females breed only once in a lifetime.

Fly "Factory"

Soon output of sterile screwworm flies will rise to 130 million a week, one-third above production in recent weeks, in a Government fly "factory" located in a converted airplane hangar near Mission, Texas. The participating insects will then consume a total of 75 tons of nutria, a rat-like animal, and horse meat and 7,000 gallons of cattle and swine blood each week.

After eating a mixture of the meat, blood and water, the flies lay eggs; when the larvae enter the cocoon-like pupae stage, they are exposed to rays from radio-active cobalt and the adults which emerge are sterile.

The production effort is being carried on by a force of 300 scientists and other employes working three eight-hour shifts, seven days a week in a 76,000-square-foot maze of trays, funnels, pipes, conveyor belts, vats, radiation chambers and packaging lines. Security measures to prevent escape of even one fertile fly rival military safeguards.

Twenty-six airplanes, some borrowed from the Navy and some hired from private owners, are flying daily missions from four distribution points to spread the sterilized flies over 140,000 square miles of pasture, range and forest land in Texas, New Mexico, Oklahoma, Arkansas and Louisiana. To check possible infestation of animals moving in and out of the five state area, 28 inspection stations are operating. Four of these were recently set up along the Arizona-New Mexico border.

The screwworm extermination drive has been building up since February of last year when the Agriculture Department, the Texas Animal Health Commission and the privately financed Southwest Animal Health Research Foundation jointly announced they intended to stamp out the flies in three years. For this finish fight, $6 million is being furnished by Uncle Sam, $3 million by Texas and $3 million by an estimated 100,000 livestock producers in the Southwest.

Gains Already Made

Some significant gains already have been made. Partly because of the efforts to hold down the flies' reproduction and partly because severe cold last winter killed off many of the pests, livestock raisers in the five-state target area reported only 2,023 animals attacked this year through last week, far fewer than the 23,056 cases reported a year earlier. (Scientists assume at least five times as many animals are attacked as reported.)

Screwworm eradication became theoretically possible about eight years ago when Federal researchers developed the sterile-fly method. Tests showed it was effective on a local scale. But widespread infestation and lack of enough sterile flies made extinction remote until the winter of 1957-58. Severe cold then killed off all the pests in the Southeast except for about 50,000 square miles of Southern Florida. Scientists hurriedly built a sterile-fly factory at Sebring, Fla., and began airplane distribution of the agents of destruction. By mid-1959, the last infestation in the Southeast was wiped out.

But the problem remained serious in the Southwest. The flies had a banner year as recently as 1961. C. G. Scruggs, president of the Southwest Animal Health Research Foundation, calculates that about 10% of the 40 million head of cattle, goats, sheep and hogs in the five hardest-hit states have been attacked in most years. "Screwworm flies managed the livestock economy of the Southwest," he says. "Farmers assumed that every wounded animal would be infested." Ranchers had to hire extra hands to check wide-ranging herds continuously. Newborn animals are especially vulnerable because raw, exposed navel tissues are favorite targets for screwworm attack.

The adult female fly, when attracted to an animal wound, lays about 250 eggs. Within a day, the tiny hatched larvae bury themselves in the wound and devour the flesh for up to six days. Untreated animals attract more of the flies and die in a week or 10 days.

But research findings have convinced scientists that the menace can at last be eliminated from the U.S.

A promising idea now being tested calls for a screwworm barrier between Mexico and the United States. It consists of an infestation of sterile screwworm flies spread from the air in a belt averaging 100 miles wide from the southern tip of Texas to the southeastern corner of Arizona. The barrier is aimed at halting an annual screwworm migration from Mexico. Though cold winter weather in the U.S. kills most screwworms, others safely winter in Southern Texas or below the border and move northward in spring and summer.

But research keeps turning up new problems as well as new answers. Only a few weeks ago, scientists discovered that fertile screwworm flies can migrate as far as 180 miles instead of only about 70 miles as previously believed. "This means we might have to widen that barrier if we can get enough sterile flies to do it," says R. G. Garrett, director of the Texas Animal Health Commission.

100,000 LIVESTOCKMEN RAISE $3 MILLION

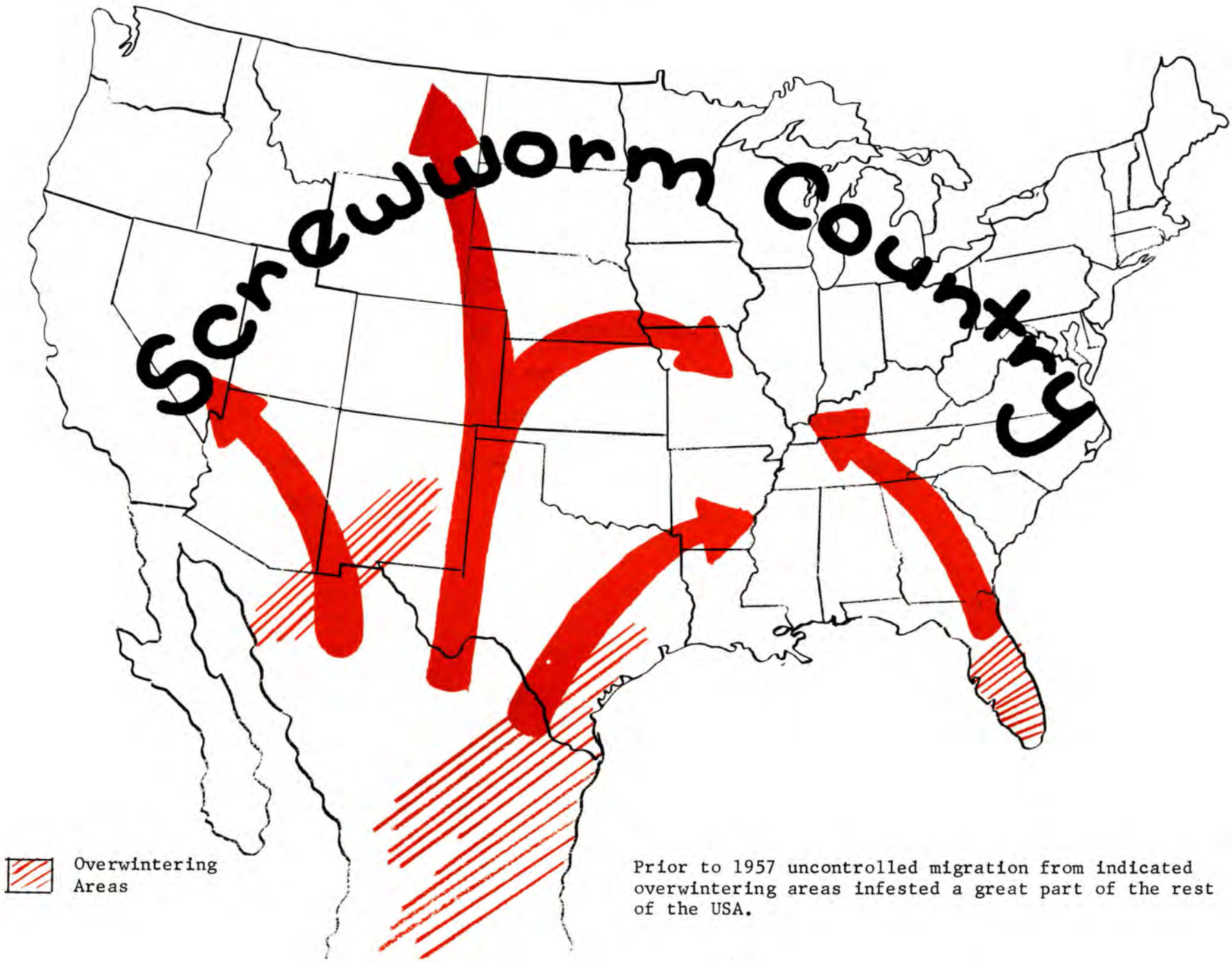
ONLY 2,023 INFESTATIONS IN 1963

10% OF 40 MILLION ANIMALS ATTACKED

YEAR AFTER YEAR SCREWWORMS ARE TRANSPORTED AND/OR MIGRATE NORTH, EAST AND WEST FROM THE "OVERWINTERING" AREA INTO THE REST OF THE UNITED STATES.

MIGRATION AND TODAY'S TRANSPORTATION SYSTEM MAKES THE SCREWWORM EVERYBODY'S PROBLEM.

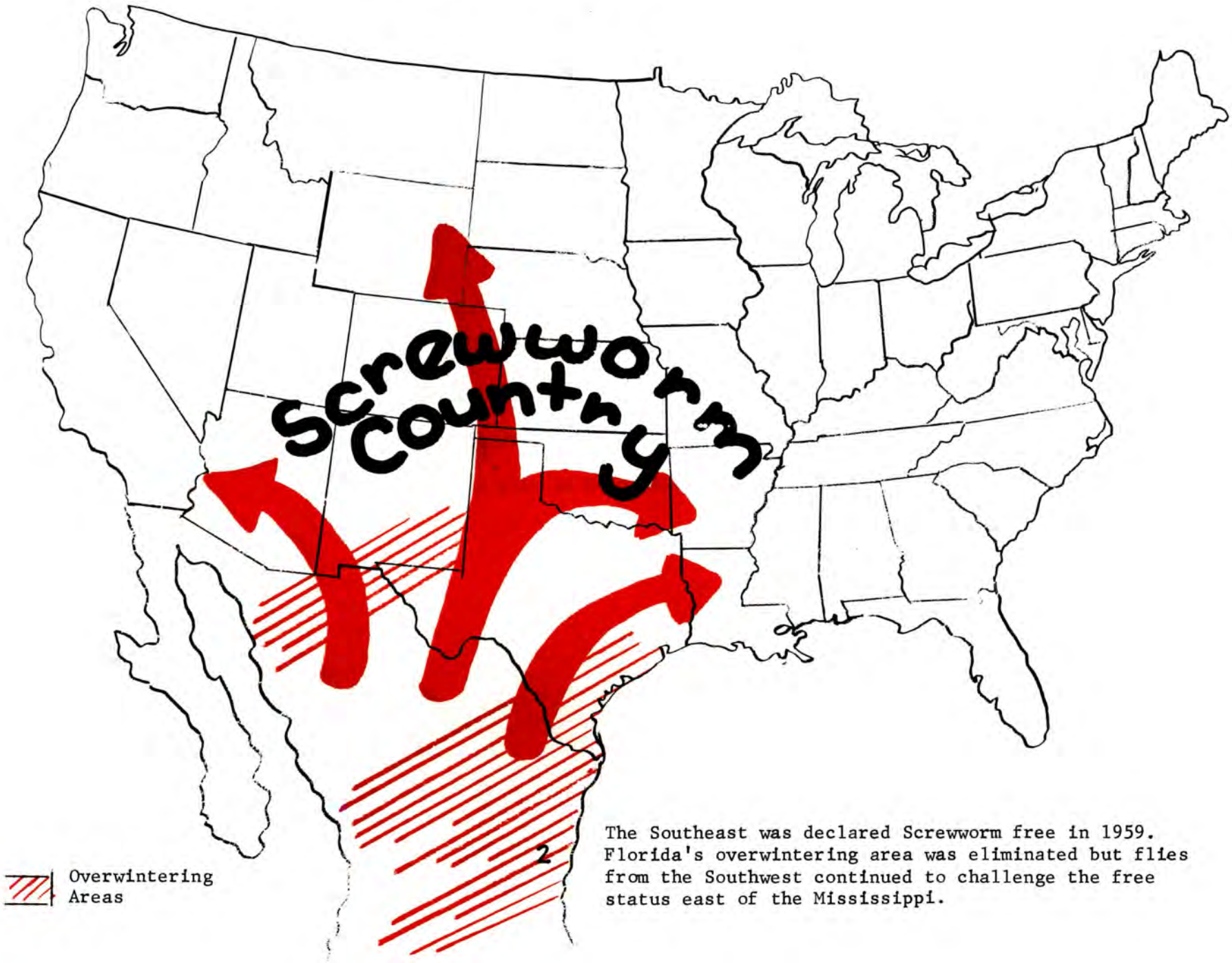
1957



Prior to 1957 uncontrolled migration from indicated overwintering areas infested a great part of the rest of the USA.

A SUCCESSFUL ERADICATION PROGRAM IN THE SOUTHEAST ELIMINATED SCREWWORMS FROM THE OVERWINTERING AREA IN FLORIDA, RESULTING IN ALL STATES EAST OF THE MISSISSIPPI BEING FREED FROM SCREW-WORM INFESTATION. ISOLATED OUTBREAKS, HOWEVER, CONTINUE AS A RESULT OF PRESSURE FROM SCREWWORM INFESTED AREAS IN THE SOUTH-WEST.

1960



Overwintering Areas

The Southeast was declared Screwworm free in 1959. Florida's overwintering area was eliminated but flies from the Southwest continued to challenge the free status east of the Mississippi.

A SUCCESSFUL SCREWWORM ERADICATION PROGRAM IN THE SOUTH-
WEST HAS LESSENED THE DANGER OF POSSIBLE RE-INFESTATION
OF THE SOUTHEAST, BUT UNLESS AN EFFECTIVE STERILE FLY
BARRIER IS MAINTAINED IN NORTHERN [redacted] MEXICO, ALL
SUSCEPTIBLE AREAS WILL BE EVENTUALLY RE-INFESTED.

1964

Overwintering Areas

After the completion of a successful Screwworm Eradication Program in Eastern Arizona, New Mexico and Texas as declared February 1, 1964.

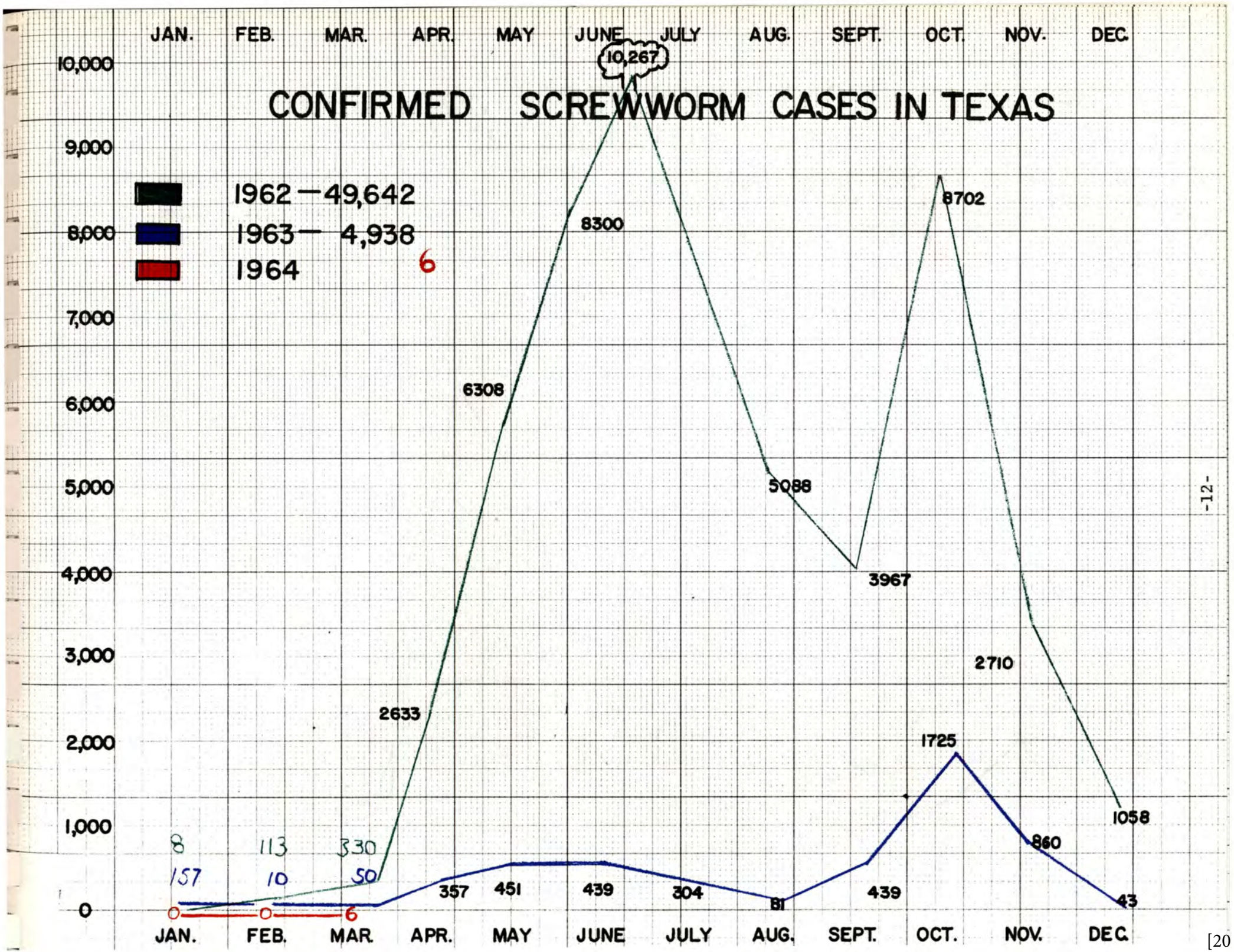
GRAPHS

SCREWWORM INCIDENCE DURING ERADICATION

(TEXAS ONLY)

NON-SCREWWORM CASES

(Showing increased Reporting of Suspected Cases)

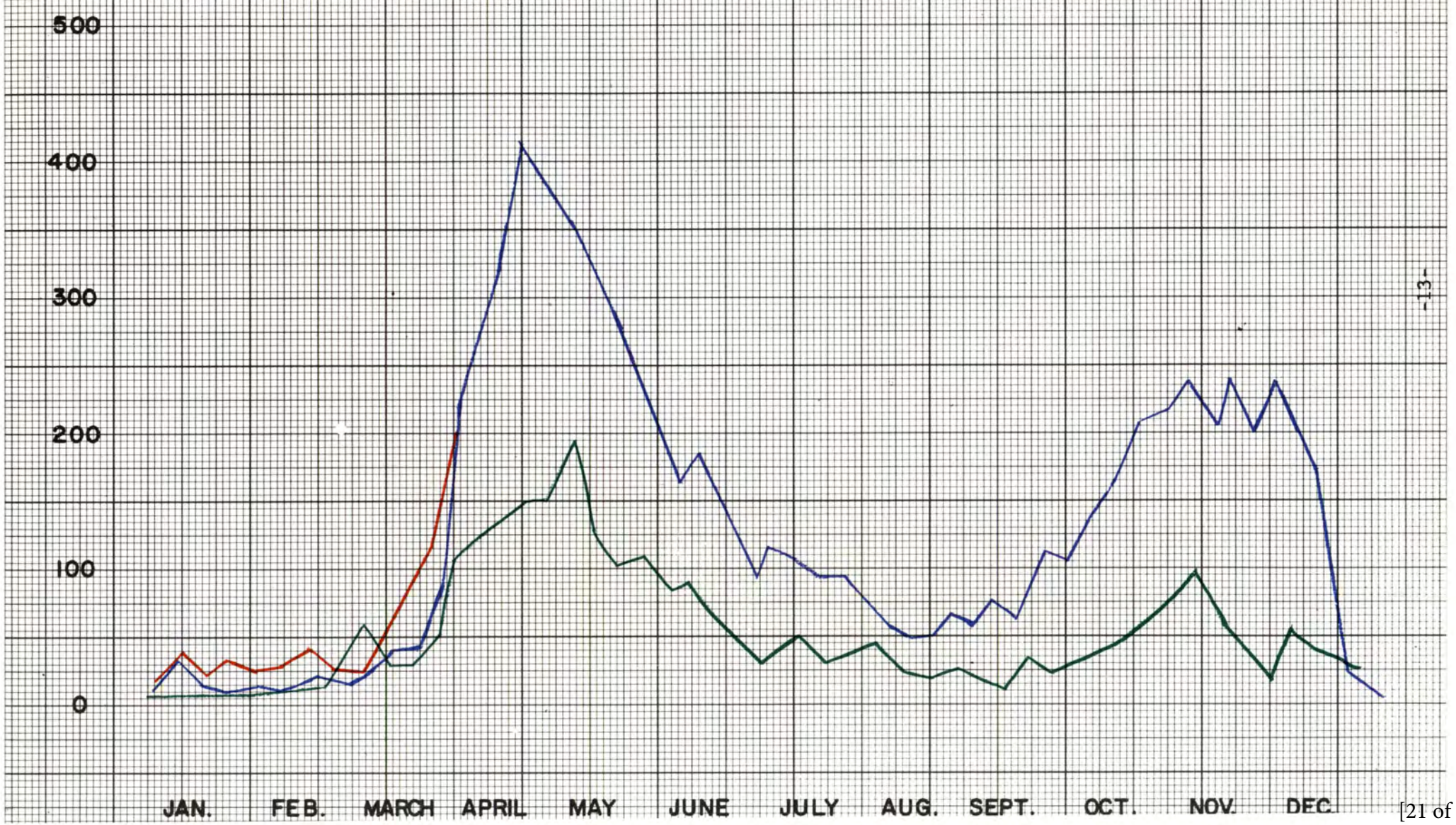

CONFIRMED SCREWWORM CASES IN TEXAS
1962 — 49,642
1963 — 4,938
1964
6
JAN. FEB. MAR. APR. MAY JUNE JULY AUG. SEPT. OCT. NOV. DEC.
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
10,267
8300
6308
5088
3967
8702
2710
2633
1058
1725
860
439
357
451
439
304
81
43
8
157
113
10
330
50
0
0
6
-12-

CONFIRMED NON-SCREWWORM CASES IN TEXAS

CASES INDICATED WEEKLY

1962 – 2,548
1963 – 6,562
1964 – 662

PRODUCERS INTEREST & VIGILANCE INDICATED BY INCREASED REPORTING OF NEARLY 300% 1963 OVER 1962



MAPS

SCREWWORM INCIDENCE

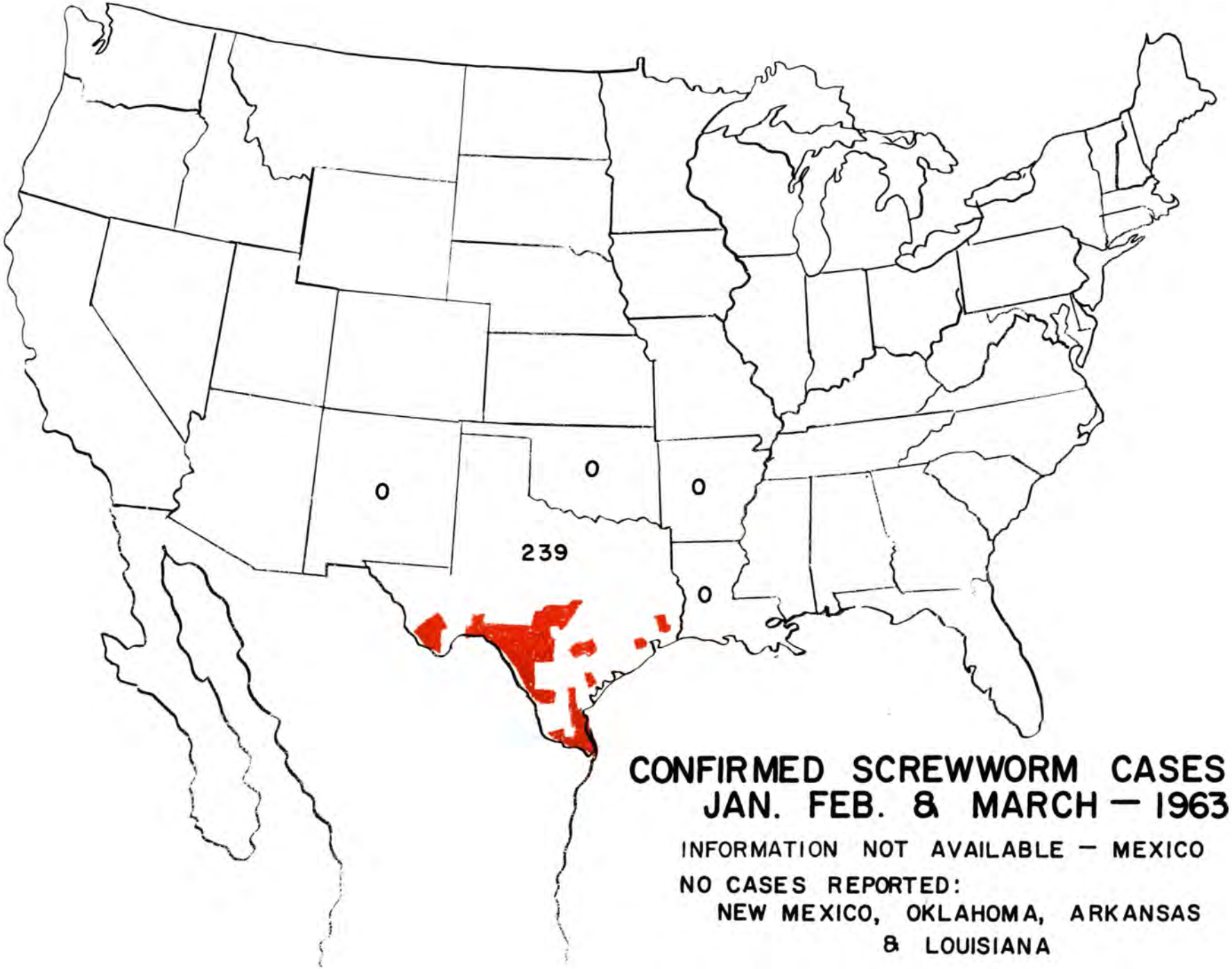
FIRST THREE MONTHS OF

1962 - 1963 and 1964

(FIVE STATES IN SOUTHWEST PROGRAM)

CONFIRMED SCREWWORM CASES
JAN. FEB. & MARCH — 1962

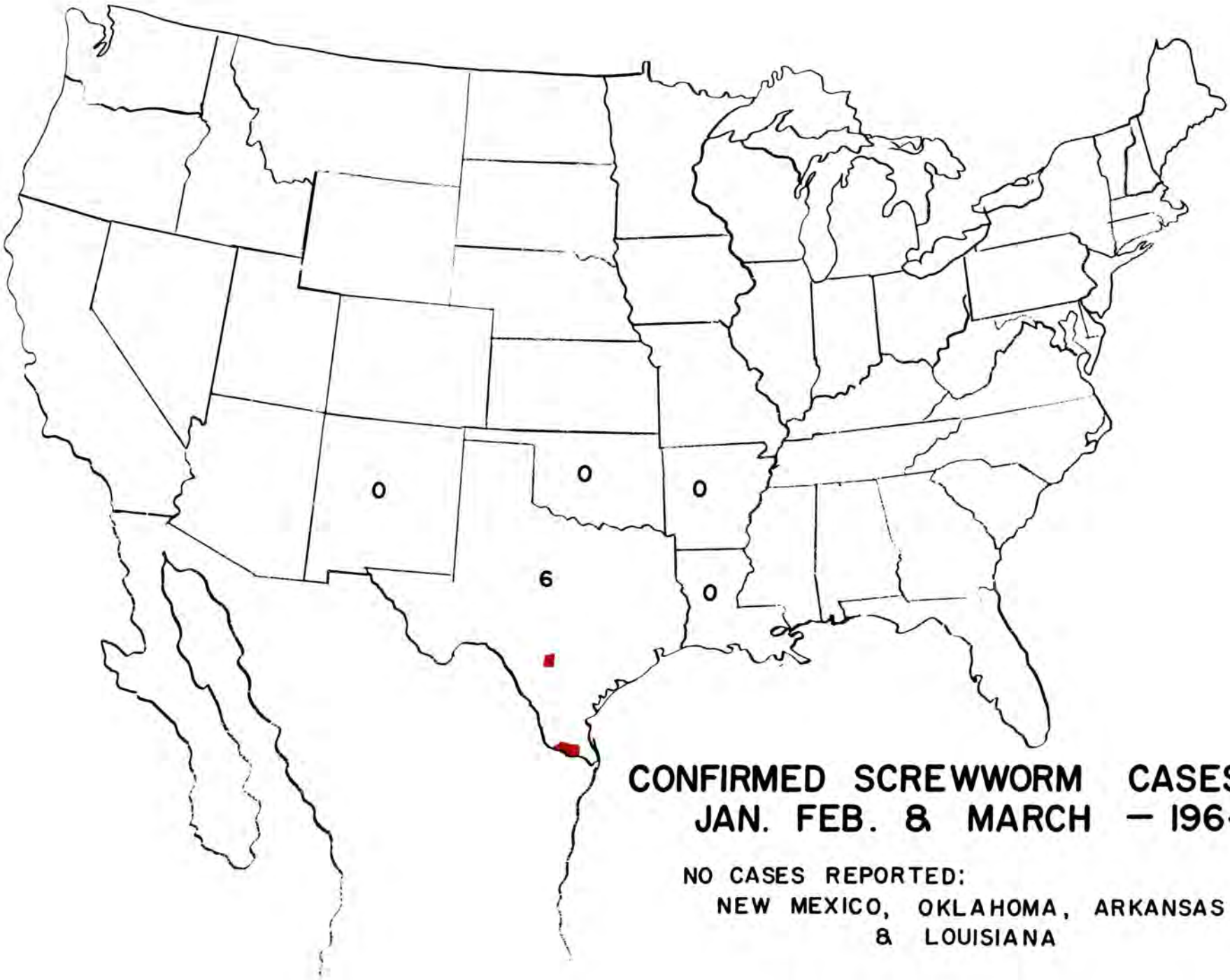
INFORMATION NOT AVAILABLE — MEXICO
NO CASES REPORTED:
NEW MEXICO, OKLAHOMA, ARKANSAS
& LOUISIANA



CONFIRMED SCREWWORM CASES
JAN. FEB. & MARCH — 1963

INFORMATION NOT AVAILABLE — MEXICO

NO CASES REPORTED:
NEW MEXICO, OKLAHOMA, ARKANSAS
& LOUISIANA



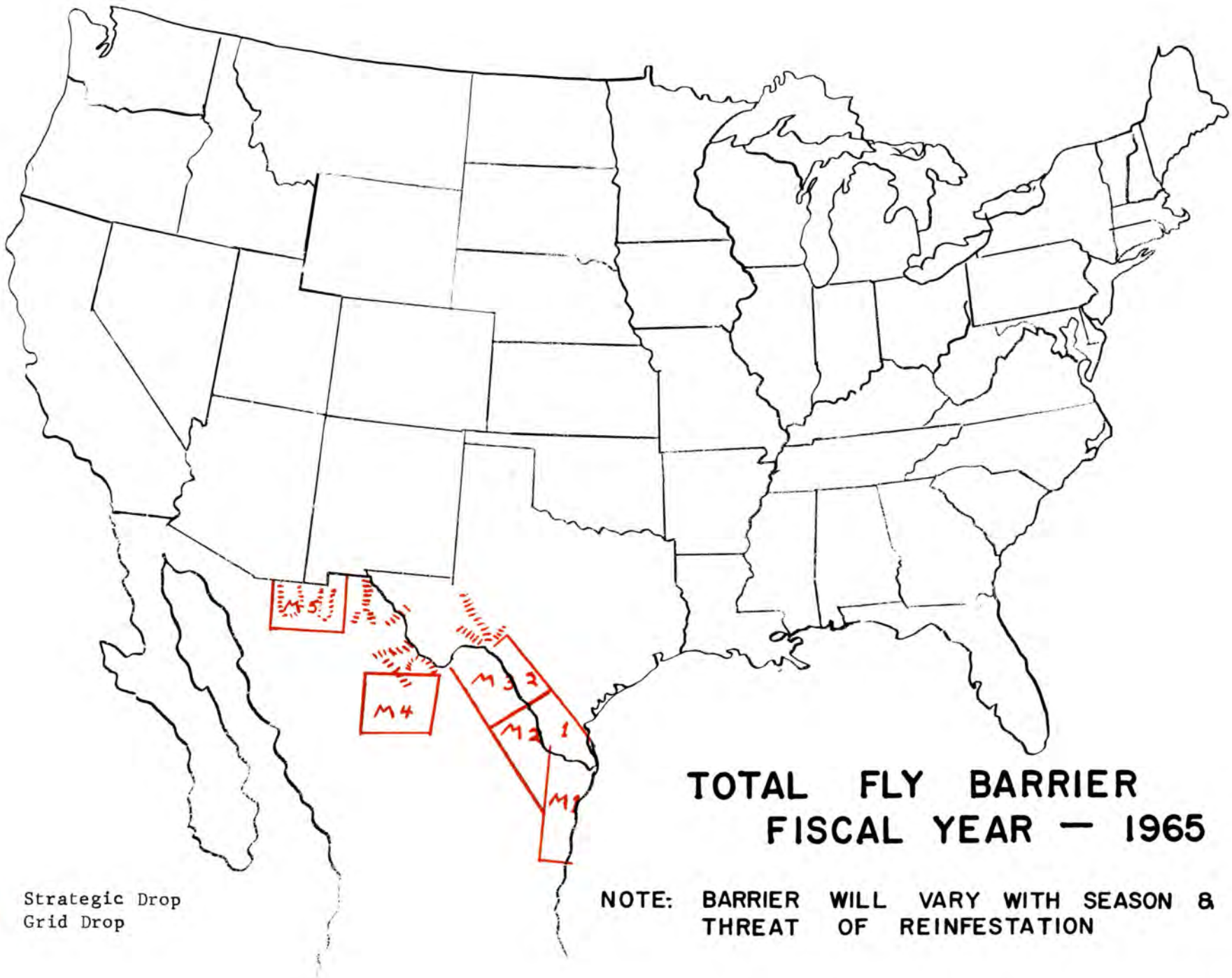
CONFIRMED SCREWWORM CASES
JAN. FEB. & MARCH — 1964

NO CASES REPORTED:
NEW MEXICO, OKLAHOMA, ARKANSAS
& LOUISIANA

STERILE FLY BARRIER ZONE (FISCAL 1965)

THIS INTERNATIONAL ZONE (90% IN MEXICO) INDICATES THE AREA

OF THE PROGRAM WHICH THE CONGRESS IS BEING ASKED TO FINANCE



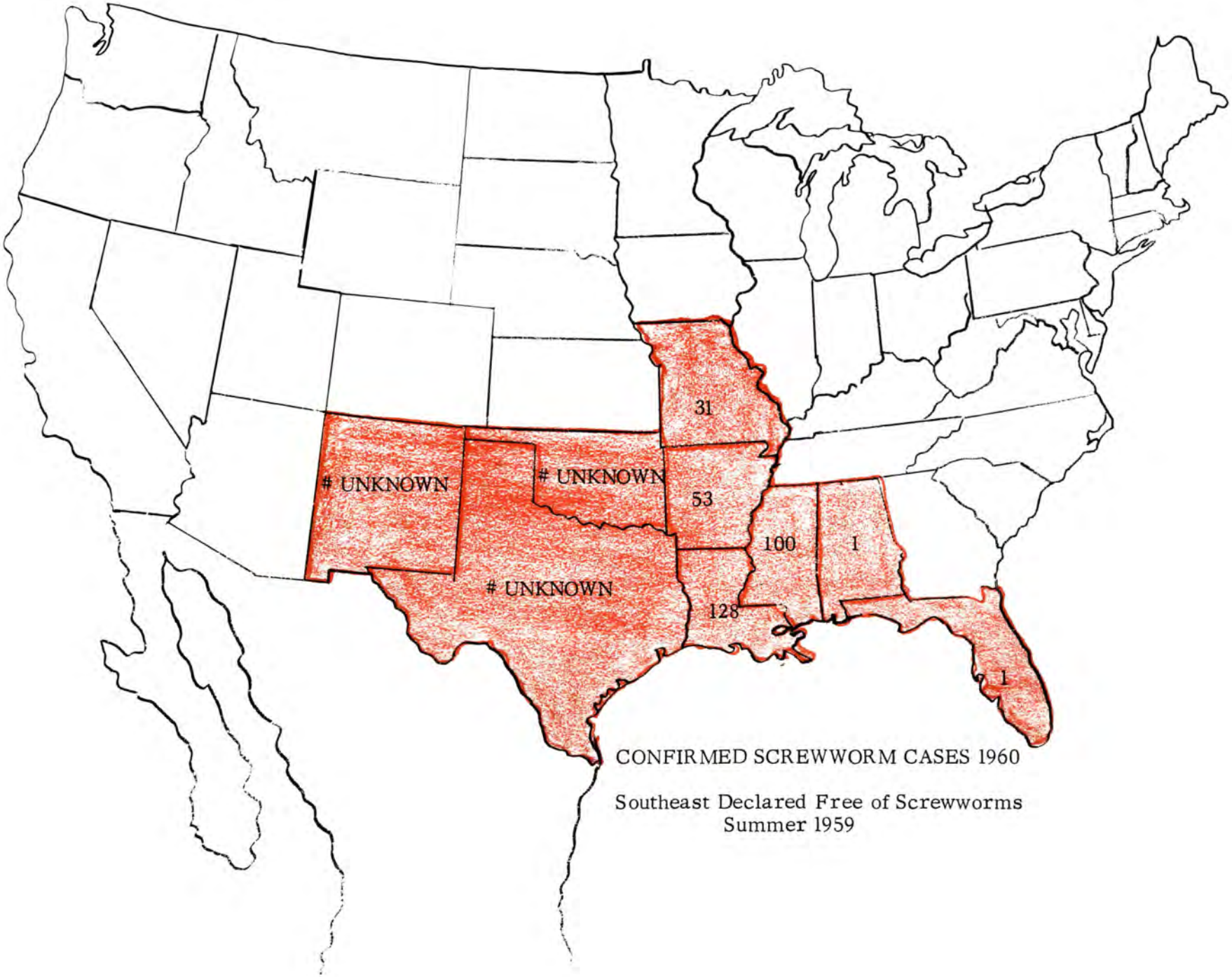
TOTAL FLY BARRIER
FISCAL YEAR — 1965

NOTE: BARRIER WILL VARY WITH SEASON & THREAT OF REINFESTATION

MAPS

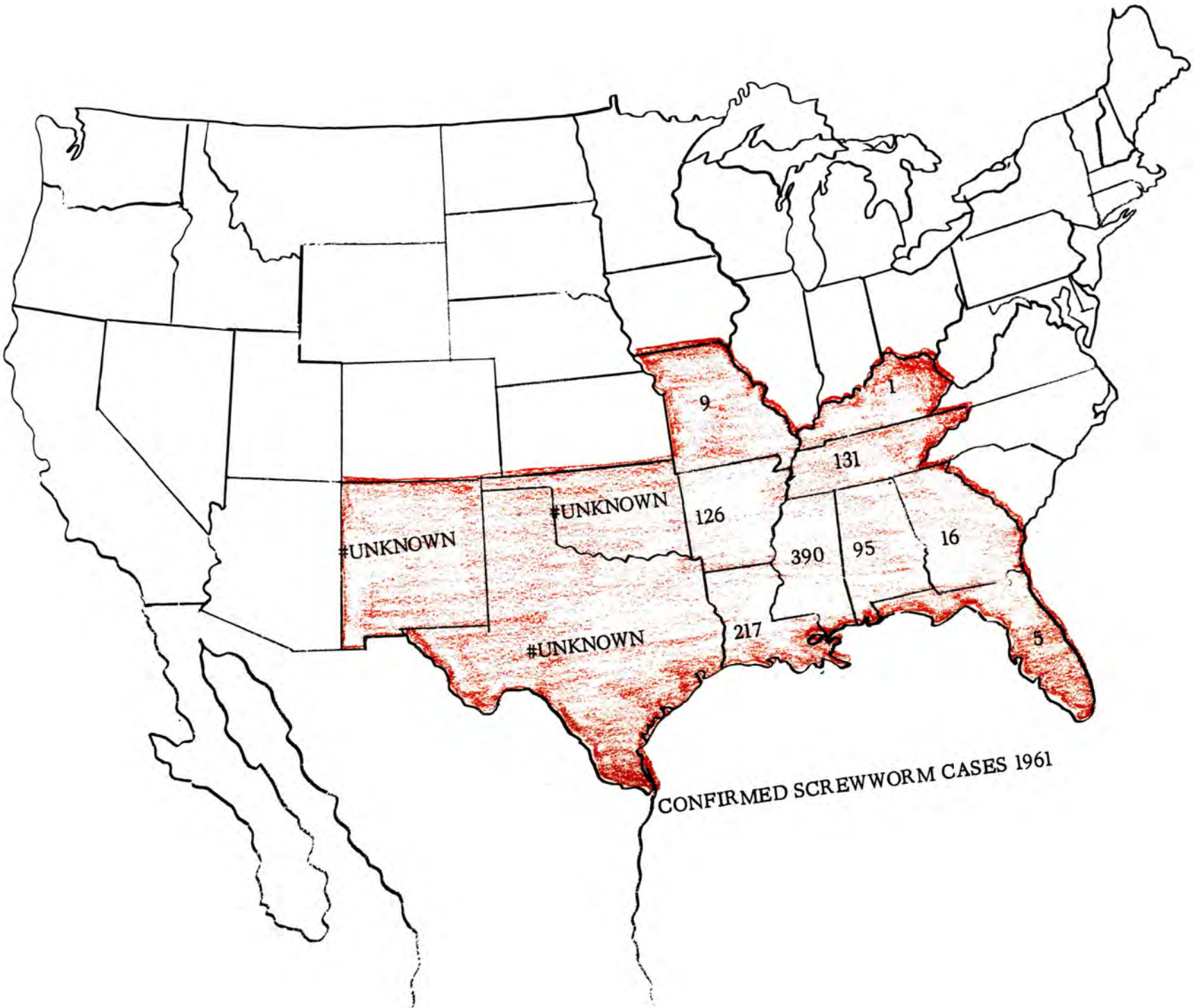
RELEASE OF PRESSURE OF REINFESTATION ON SOUTHEAST SCREWWORM COUNTRY

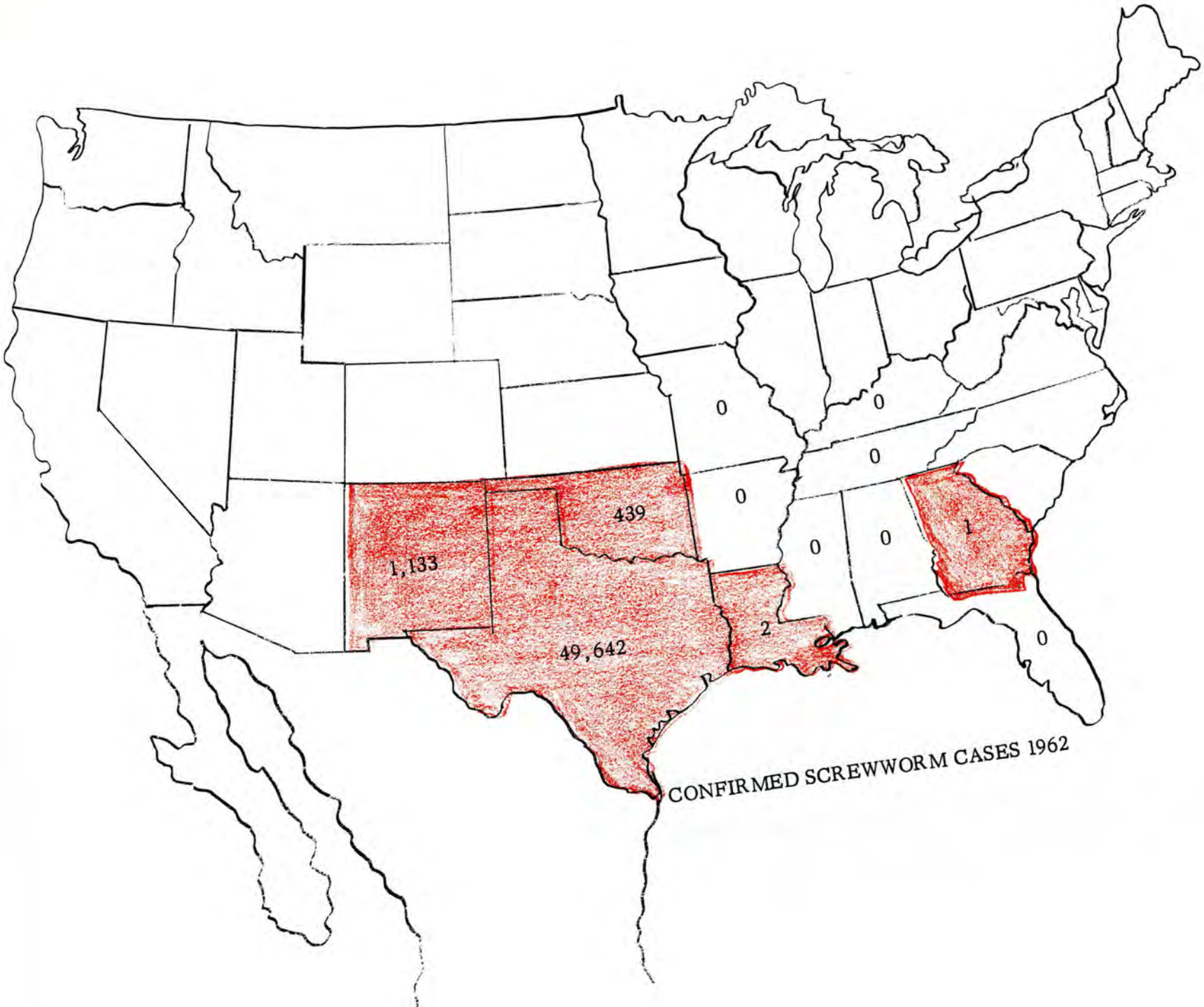
AFTER THE SOUTHEAST WAS DECLARED FREE OF SCREWWORM IN 1959



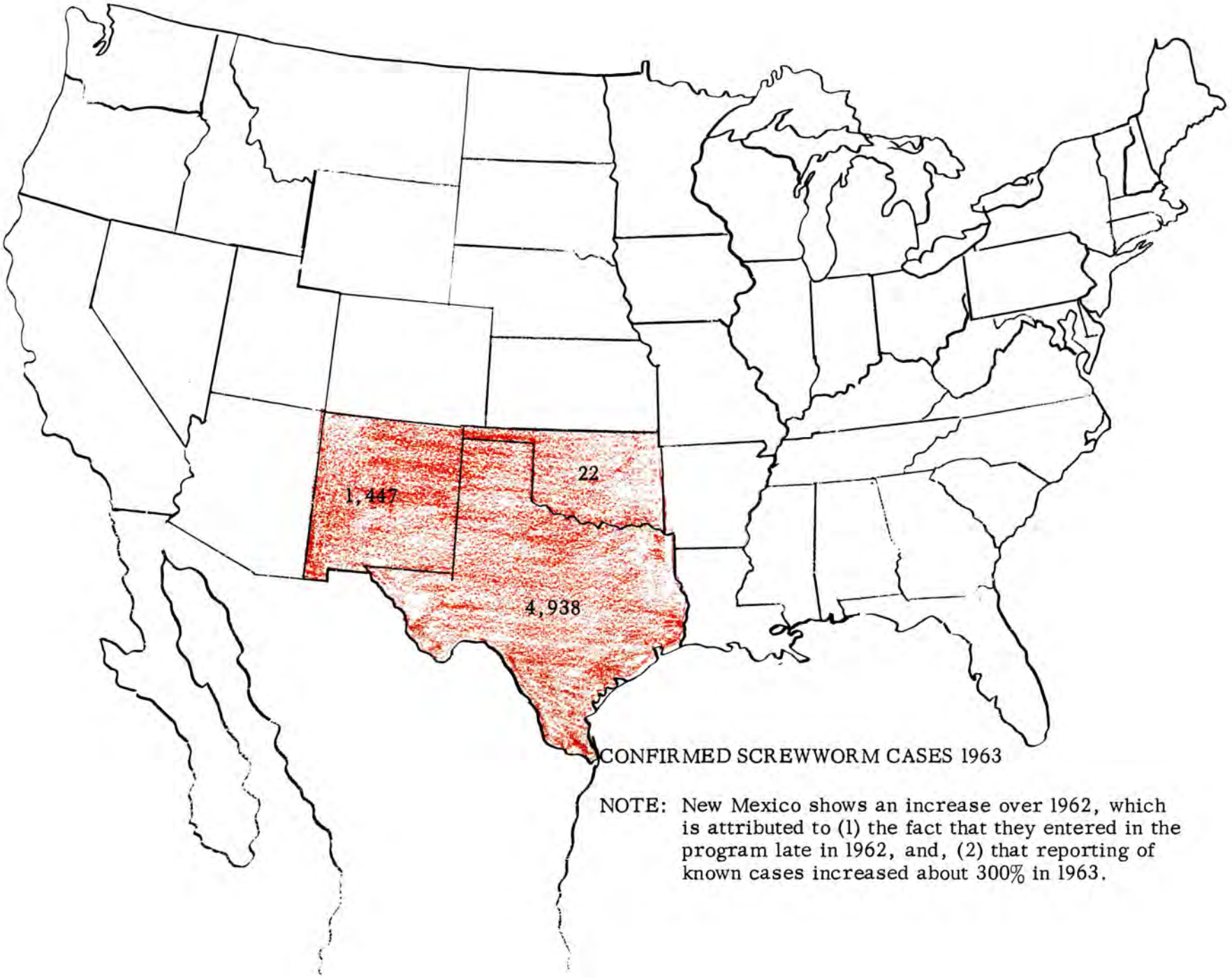
CONFIRMED SCREWWORM CASES 1960

Southeast Declared Free of Screwworms
Summer 1959


9
1
131
#UNKNOWN
126
#UNKNOWN
390
95
16
217
#UNKNOWN
5
CONFIRMED SCREWWORM CASES 1961



CONFIRMED SCREWWORM CASES 1962



CONFIRMED SCREWWORM CASES 1963

NOTE: New Mexico shows an increase over 1962, which is attributed to (1) the fact that they entered in the program late in 1962, and, (2) that reporting of known cases increased about 300% in 1963.

INCIDENCE OF SCREWWORMS IN STATES EAST OF THE MISSISSIPPI RIVER AND ADJACENT TO THE MISSISSIPPI ON THE WEST AFTER COMPLETION OF THE SOUTH EAST SCREWWORM ERADICATION PROGRAM.

	Incidence before Southwest Program		After initiation of SW Program (February 14, 1962)	
	1960	1961	1962	1963
Missouri	31	9	0	0
Arkansas	53	126	0	0
Louisiana	128	217	2	0
Sub-Total (States West of the Mississippi River)	212	352	2	0
Mississippi	100	390	0	0
Alabama	1	95	0	0
Florida	1	5	0	0
Georgia	0	16	1	0
Tennessee	0	131	0	0
Kentucky	0	1	0	0
Sub-Total (States East of Mississippi River)	102	638	1	0
GRAND TOTAL	314	990	3	0

Total two years before Southwest Program - - - - - - - - - 1,304

Total two years after Southwest Program Initiated - - - - 3

LIVESTOCK ORGANIZATIONS AND INTERESTED PARTIES IN SOUTHWEST SCREWWORM ERADICATION PROGRAM

NEW MEXICO CATTLEGROWERS ASSOCIATION, INC.
Albuquerque, New Mexico

March 24, 1964

A RESOLUTION:

WHEREAS, the eradication of the screwworm will save our industry 70 to 100 million dollars a year, and will prevent the loss of many game animals, and

WHEREAS, the livestock producers of the southwest have contributed over three million dollars, the states another three million dollars and the Department of Agriculture a matching six million dollars to the Screwworm Eradication Program. This program, guided by the Southwest Animal Health Research Foundation has had almost miraculous success, in that eradication has been achieved and the feasibility of a barrier has been proven in less than two years, and

WHEREAS, the continuation of the program is now an international matter, involving protection of the United States from reinfestation from Mexico, moving the barrier farther south in Mexico would benefit thousands of livestock producers in our neighbor country, and

WHEREAS, matching funds will be expended by June 30, 1964, the international aspect of protecting our industry from future infestation of screwworms now becomes a responsibility of the Federal government,

NOW THEREFORE BE IT RESOLVED, that the New Mexico Cattle Growers Association urges that the U. S. Department of Agriculture continue and extend this program to snsure the proper protection of our industry, and

BE IT FURTHER RESOLVED, that we commend and extend our thanks to the New Mexico Screwworm Committee and the Southwest Animal Health Research Foundation for their dedicated efforts in carrying this program to the successful point of achieving eradication in the southwest in less than two years.

New Mexico Screwworm Eradication Committee

Phelps White,
President
Box 874, Roswell, N. M.

Wm. A. Ljungdahl,
Exec. Secretary
Box 425, University Park, N. M.

April 1, 1964

Sub-committee on Agriculture
House Appropriations Committee
Honorable Jamie Whitten, Chairman
House Office Building
Washington, D. C.

Gentlemen:

The New Mexico Screwworm Committee was formed two years ago with the express purpose of supporting the Southwest Screwworm Eradication Program. The committee is a composite organization composed of representatives for various organizations in New Mexico interested in livestock, animal health, and wildlife. These organizations include the New Mexico Woolgrowers Association, New Mexico Farm Bureau, the New Mexico Cattlegrowers, and others. This letter does not necessarily represent the attitudes of these various organizations, but is simply the statement of the committee. It is anticipated that the other groups will express themselves separately, according to the specific ways in which this program affects their industry. A resolution of the New Mexico Cattlegrowers Association, which was approved March 24, 1964, is enclosed.

The Southwest Screwworm Eradication Program has been extremely successful in New Mexico, particularly in the eastern part of the state. Although the screwworm problem is not as acute in most of New Mexico as it is in parts of Texas, Mexico, and other warm, semi-tropical climates, it is generally felt throughout the state that this is truly a great program and offers tremendous benefits to the ranching industry generally. Local areas of the state, particularly southwestern and southeastern New Mexico stand to realize tremendous benefits from screwworm eradication. A good gain in wildlife population should also be expected as a result of the program. Acceptance of the program is general throughout New Mexico, and attitudes universally favor its continuation and expansion. Two very important geographical areas in the eradication area lie within New Mexico. These are the west flank bordering Arizona, and the southwest corner bordering Mexico and Arizona. Protection of the entire control area from reinfestation is partly dependent on these two areas as integral parts of the overall sterile fly barrier.

Since the basic objectives of the program, as set out originally, have been met, matching funds from state and local sources will no longer be available after 1 July, 1964. Approximately $6 million of such money will have been spent by then. These objectives have been accomplished in about two years, about a year ahead of schedule. With these two points in mind, it is respectfully requested that the committee favorably consider REMOVING THE MATCHING FUNDS LANGUAGE FROM THE PROPOSED BUDGET and APPROVING A SUM OF MONEY NECESSARY TO CARRY THE PROGRAM FORWARD WITHOUT INTERRUPTION. This program is benefiting livestock and wildlife from Arizona to Florida and south into Mexico. Eventual monetary support should be solicited from Mexican producers and the Mexican government. The long range benefit to Mexican livestockmen, thus the Mexican economy, should be very great.

Thank you very much.

Respectfully yours,

Phelps White

PHELPS WHITE, Chairman
New Mexico Screwworm Committee

RESOLUTION

SCREWWORM ERADICATION

WHEREAS, the incidence of the costly screwworm fly has been reduced by 99% in Oklahoma during 1963, with only twenty cases being confirmed in that year, thereby reducing livestock death loss, labor requirements and the required medications for treatment of wounds infested with screwworm larvae; and

WHEREAS, Oklahoma beef cattle producers have voluntarily contributed funds to finance this screwfly eradication program in the Southwest;

THEREFORE, BE IT RESOLVED that the Oklahoma Cattlemen's Association continue to support this eradication program and urge the United States Congress to appropriate adequate funds in an effort toward eleminating this International problem of re-entry and re-infestation.

TEXAS AND SOUTHWESTERN CATTLE RAISERS ASSOCIATION

410 EAST WEATHERFORD ST. • FORT WORTH, TEXAS 76102

FRED WULFF, PRESIDENT
BEN H. CARPENTER, VICE PRESIDENT
T. L. ROACH, JR., 2ND VICE PRESIDENT

PAUL MASON, TREASURER
JOE S. FLETCHER, SECY.-GEN. MGR.
ERNEST DUKE, ASSISTANT SECRETARY

April 2, 1964

The Honorable Jamie L. Whitten, Chairman
Subcommittee on Agriculture
House Committee on Appropriations
Room H305, Capitol Building
Washington, D. C.

Dear Mr. Whitten:

The Texas and Southwestern Cattle Raisers Association , which is composed of 13,250 members in the states of Texas and Oklahoma wishes to submit and respectfully request that the following statement be placed in the minutes of your Committee.

In 1959, officers of the Texas and Southwestern Cattle Raisers Association visited screwworm eradication facilities in Florida and during this trip, became convinced that such a program was feasible in Texas and the Southwest.

An action program was started toward bringing this about, and in 1961, the Association joined with other groups in forming the Texas Animal Health Research Foundation, the primary purpose of which was to raise money through voluntary producer contributions for use in getting a screwworm eradication program for the southwest.

Texas and Southwestern Cattle Raisers Association members and officers joined wholeheartedly in the drive to produce funds. Producers were told they would not be asked for money for this purpose again, and the response was gratifying. The screwworm eradication program was initiated in February, 1962.

Texas and Southwestern Cattle Raisers Association inspectors cooperated with other officials in working to prevent re-infestation through screwworms being transported into the eradication area. The full force of the Association was thrown behind

an educational program urging producers to cooperate with regulations regarding movement of cattle and to continue to treat all wounds, thus reducing the possibility of re-infestation in this manner. The Association's magazine, The Cattleman carried monthly features reporting progress of the program and any developments affecting this progress.

The Association has contributed through its public relations program, amount of time spent by its inspectors, and other contributions to the program, approximately $78,153.42.

Producer satisfaction with progress of the program was demonstrated in a rather spectacular fashion when it became apparent that more producer money would be needed. Despite the fact that they had been told they would be asked for money only once, they responded again, bringing total producer contributions to more than $3,200,000.

To cattlemen, the eradication phase of the program has been a success. Time after time during this past year the Association has received reports from ranchers stating they had not had a single case of screwworms. Many stated that this was the first time in their life time that they could remember of this happening, and some have stated it has meant more to them than any development in the livestock industry in their memory.

Throughout the entire program, the Association has worked with this program in every way which promised to be of benefit, and we pledge our continued support in full measure in keeping screwworms out of the Southwest. This includes continued participation by our inspectors.

We feel strongly that he beneficial results of this program should not be jeopardized by inadequate screwworm entry prevention measures, and that the protection of areas freed of screwworms is a Federal responsibility since the primary threat of reinfestation is in Mexico.

We further feel that in view of the above-stated fact, that it is a responsibility of the Federal Government that the Congress

appropriate the amount of $5,500,000 with the matching provisiong deleted for the purpose of carrying out this program.

It is imperative that this program be carried forward to a successful conclusion and we earnestly solicit your support in obtaining this appropriation.

Respectfully yours,

Fred Wulff

FRED WULFF
President

FW:nr

TEXAS SHEEP AND GOAT RAISERS ASSOCIATION
233 W. Twohig
San Angelo, Texas

House Appropriations Committee
Subcommittee on Agriculture

STATEMENT

Certainly it is vital at this time to continue the Southwest Screwworm Eradication Program as it is the only proven effective deterrent to the screwworm. As you know, the screwworm winters in the interior of Mexico and while we have for all practical purposes eradicated this pest from Texas, we are threatened by reinfestation. It would appear to be false economics to carry out a program of this magnitude to the point where it is today and not protect the successful investment we have made because of a lack of funds.

Our Association has in the past and shall in the future continue to support the screwworm eradication program. We have expended an undetermined amount on this program and we know it is working and returning dividends. For these reasons and others, we most respectfully urge that the Subcommittee on Agriculture of the House Appropriations Committee in their wisdom shall appropriate an additional $2,750,000 necessary to carry out the Southwest Screwworm Eradication Program without matching funds at the earliest possible time.

DAVID READ
Executive Secretary

-30-

Sheep & Goat Raiser Magazine

Editorial by Elmer Kelton

Eradication of the screwworm has had far-reaching benefits to livestock owners and sportsmen of the Southwest. In Texas alone, it was estimated that the screwworm was costing livestock owners $100 million a year. The price paid by wildlife is beyond measure. Toll among deer and other wild animals was staggering, to say nothing of the mute suffering that inevitably led to a slow and agonizing death.

A tangible result already seen has been a sharp increase in the number of deer. This is a bonus for sportsmen and all who love the outdoors.

Extension of the screwworm program south into Mexico will have two beneficial results. It will preserve the screwworm-free status of the Southwest, and it will be a major goodwill step for our neighbors in Mexico. The screwworm is a mortal enemy to the small stockman in that country, because the loss of even a few animals can mean virtual starvation for people existing on a marginal basis. In time, if international cooperation eliminates the screwworm south to the narrow part of Mexico, maintenance of the line will be simple and relatively inexpensive.

The screwworm has been a curse to Mexican people as long as there has been a written record. This program gives the United States and Mexico a chance to work together and eliminate this ancient enemy.

Route 3
Morrilton, Arkansas
April 1, 1964

Mr. Jamie Whitten
Sub-Committee on Agriculture
House Appropriations Committee
House of Representatives
Washington, D. C.

Dear Mr. Whitten:

In regular session on March 31st, the Board of Directors of the Arkansas Cattlemen's Association discussed the Screwworm Eradication Program in the southwest, and unanimously passed the following resolution:

> BE IT RESOLVED THAT the Screwworm Eradication Program, having been termed a success, should now be considered the duty of the U. S. Department of Agriculture to continue, inasmuch as its programing is of an international nature thereby making it impossible for the border states to coordinate in and support financially.

It is hoped by the cattle producers of the State of Arkansas that a long-range program can be developed whereby the terrific losses suffered in the past by screwworm infestations will be discontinued.

Sincerely yours,

G. W. Adkisson, Jr.
President
Arkansas Cattlemen's Association

A SCENE ON OUR FARM IN 1907

COTTON

COTTON SEED

CATTLE

CORN

BERMUDA HAY

HOGS

PECANS

JOHN BEAN SPRAYS

FRANKLIN PRODUCTS

THOMPSON CHEMICALS

GEESE

R. B. & J. H. WILLIAMS

PLANTERS, MERCHANTS AND GINNERS

NATCHITOCHES, LOUISIANA

ESTABLISHED 1875

J. H. WILLIAMS
OWNER

PHONE 5151

April 2, 1964

Honorable Jamie Witten
Washington, D. C.

Dear Sir

I am writing this letter for the Louisiana Cattlemen Association of which I am first vice-president. I am also chairman of the Disease and Sanitation Committee of this organization.

During the past two years and a half we have been entirely free of the pest (screwworn) of which we have been worried with during many years past. We have been entirely free of this worst of all pest, the screwworn in our cattle and our wildlife. The Southwest Animal Research Foundation together with the USDA has done a remarkable job. They have driven the screwworn apparently out of the southwest and we would like to keep it away.

We have been reliably informed that it will take approximately five and a half million dollars in the next appropriation to use to maintain a barrier zone. Let us urge that you do whatever you can to get this sum of money to be expended for that purpose without matching funds.

The people of this area have lived up to what they promised to do raising over three million dollars of local contributions to do this job. The state of Texas also gaven an additional three million dollars. These were matching funds with the federal money.

During the past two years I have been on the board of the Southwest Animal Research Foundation and I must say I have never been with a group that spent money as careful as they did not getting one dime for their personal favors including many trips to various points. I feel confident that we can count on your support.

Sincerely

J. H. Williams

J. H. Williams
Vice-President of the Louisiana Cattlemen Association
Chairman of the Disease and Sanitation Committee

My name is C. G. Scruggs. I am editor of The Progressive Farmer magazine and operator of cattle ranches in Central West Texas and in East Texas.

We have closely followed the progress of screwworm eradication since the early 1950's when we visited the Kerrville, Texas USDA, ARS station and saw some of the very earliest work of the scientists when they were still learning how to produce screwworms on an artificial basis and eradication was still only a theory. With permission of the Committee, we should like to point out some points in regard to the program that seem significant to us:

1. I know of no more spectacular dividend of agricultural research than the screwworm eradication program. Relatively few dollars of USDA money were used to develop the scientific technique of male sterilization of screwworms. This finding has made it possible to stop a 25-35 million dollar annual loss because of screwworms in the Southeast. The annual cost in the Southwest has been put at $100 million annually. As a result then this work has brought annual savings of some $125-$135 million and perhaps more.

Further, the tremendous entomological achievement of eradication through induced sterility promises to help eradicate boll weevils and many other insect pests - a highly exciting and important prospect for the U.S. Just recently, in a visit with the Secretary of Agriculture of Mexico, he spoke of the tremendous potential for his country in the biological control of insects.

2. Another point to consider is that 100,000 livestock producers through the Southwest Animal Health Research Foundation voluntarily put up over 3 million dollars to get a program going in the Southwest. We do not know of a similar program on a voluntary basis receiving such widespread financial support. The joint partnership of individuals in the Foundation, the State of Texas and U.S. Government in this program to date has made a sterling contribution to the common good of the U.S.

However, now that eradication has been achieved in the Southwest, the screwworm problem has become an international one. The best protection the Southwest and the Southeast can get is to push this insect much further South in the Republic of Mexico and prevent his re-entry into the United States.

3. As a result, only the U. S. Department of Agriculture can do this work - nearly all of which must be done in the Republic of Mexico. The states and producers cannot operate in the Republic of Mexico.

Therefore, we hope you and your committee will carefully study the international needs and potential of the screwworm eradication program - now in exactly the same category as fever ticks and other international pests - and take the necessary steps to see that it is fully funded beginning in fiscal 1965 by the U.S.D.A. and without matching provisions.

In closing, let me tell the committee how much all livestock producers appreciate your support of screwworm eradication in the past.

Thank you.

Cochise-Graham Cattle Growers Association

PRESIDENT - Esli Meyer, Willcox
FIRST VICE PRESIDENT - Bill Hughes, Willcox
SECOND VICE PRESIDENT - Lloyd Adams, Dragoon
SECRETARY-TREASURER - Maud Post, Benson

Box 82 Benson, Arizona

DIRECTORS

J. F. Browning, *Willcox*
Ray Claridge, *Safford*
Joe A. Clinton, *Hereford*
Ralph Cowan, *McNeal*
Houston Davis, *Tombstone*
Leslie Ellsworth, *Safford*
[illegible] *Thatcher*
W. B. Mattice, *Pima*
Charlie Prude, *Bonita*
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A. R. Spikes, *Bowie*
Jim Wilbourn, *Douglas*
Marvin Glenn, *Douglas*
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Forrest Froelich, *Willcox*
Neuel Weatherby, *Klondyke*
Jack Bryce, *Pima*
Gerald Foote, *Safford*
Laurence McDonald, *Douglas*
[illegible] *Klondyke*

April 6,1964

Arizona Livestock Sanitary Board
Arizona State House
Phoenix,Arizona
Dear members of the Livestock Sanitary Board.

Following is a resolution passed by members of the Cochise-Graham Cattle Grower's Association in annual Convention held in Douglas Arizona April 4,1964.

Whereas--

A program of Screw worm eradication is in the stage of completion from the New Mexico line east---and--

Whereas---

In order to assure that the progress that has been made in the eradication of screw worms,it is necessary to provide necessary funds for a program of protection from Mexico and the adjoining state of Arizona.

There fore-----Be it resolved---

That this Association favor the continuing of this program and that a barrier zone of at least 200 miles be added to the eradicated area which would go west into Arizona and south into Mexico.

Thank You.

Esli Meyer ------pres.
Maud Post
Maud Post-------sec.

RECEIVED
APR 8 1964
Livestock Sanitary Board

LIVESTOCK ORGANIZATIONS AND INTERESTED PARTIES IN SOUTHEAST

Florida Cattlemen's Association
P.O. BOX 646 • PHONE 847-4511
KISSIMMEE, FLORIDA

March 12, 1964

Mr. Dolph Briscoe, Jr., Pres.
Southwest Animal Health Resc. Foundation
P. O. Box 969
Mission, Texas

Dear Dolph:

The following two wires were sent to Senator Spessard Holland on March 11, 1964:

> SINCE SCREWWORMS ARE STILL PRESENT IN NEW MEXICO, ARIZONA AND SOUTHERN CALIFORNIA THE FLORIDA CATTLEMENS ASSOCIATION IN SESSION THIS DATE URGENTLY REQUEST THE REESTABLISHMENT OF THE QUARANTINE LINE ON THE MISSISSIPPI RIVER TO PREVENT REINFESTATION OF THE SOUTHEAST.
>
> RALPH CELLON, PRESIDENT

> THIS IS TO ADVISE YOU FLORIDA CATTLEMEN IN SESSION THIS DATE URGE YOU FAVORABLY CONSIDER THE FIVE AND ONE-HALF MILLION DOLLAR REQUEST NEEDED FOR THE SOUTHWEST SCREWWORM ERADICATION PROGRAM TO ESTABLISH AND MAINTAIN THE BUFFER ZONE TO PREVENT TRANSMISSION OF THE DISEASE TO THE U.S.
>
> RALPH CELLON, PRESIDENT

We would appreciate your recognition of our position in respect to this problem. The insect costs Florida and the Federal Government many dollars to eradicate and to stamp out several outbreaks. Unless the quarantine line is maintained and the buffer zone established it will be almost impossible to prevent the disease from being reintroduced to Florida and the Southeast.

Sincerely,

Ralph Cellon,
President

P.S. Dolph, we sent this letter to all members of our Congressional Delegation.

AJJ:mrh

Alabama Cattlemen's Association

600 Adams Avenue
P.O. Box 1746

MONTGOMERY 3, ALABAMA

Telephone 265-1867
265-9563

April 1, 1964

Honorable Jamie Whitten
House Otfice Building
Washington D. C.

Dear Congressman Whitten:

The Alabama Cattleman's Association is vitally interested in the Screwworm Eradication Program now being carried out in the Southwest.

The Southeast has eradicated screwworms at a cost of several million dollars to the federal government and to the Southeastern states. In order to keep the Southeast free of screwworms, we ask that funds be included in the Department of Agriculture budget to maintain the screwworm inspection lines along the Mississippi and Pearl River.

The Screwworm Program is no longer an individual state problem, but it has now become a national problem.

We respectfully urge your Sub-Committee to approve the Screwworm Program and recommend that 5½ million dollars be appropriated to complete the Eradication Program in the Southwest and to maintain a buffer zone along the Mexican border. We further recommend that the matching clauses be deleted from this program.

Sincerely,

Selden Sheffield

SELDEN SHEFFIELD
President

eap

April 2, 1964

Congressman Jamie L. Whitten
House Office Building
Washington, D.C.

Dear Congressman Whitten:

Our attention has been directed to the House Appropriations Agricultural Sub-Committee hearing you will head this coming Wednesday, April 8. The subject of this hearing, the Screwworm Eradication Program in the Southwest, is one of vital interest to beef cattlemen in the entire southern half of the United States. Our highly successful screwworm eradication program in the southeast has been a tremendous aid to cattlemen in this area, and while the Mexican Border is a considerable distance from herds in this area, the flight pattern of the screwworm fly coupled with the rapid long distance mobility of the trailer truck makes the continuation of this southwestern eradication program a matter of real importance to Mississippi beef cattlemen.

The request of the Southwest Animal Health Research Foundation for $5,500,000 in federal funds with no matching required by local sources seems to us legitimate and reasonable. The fact that the protective band of sterile flies is to be maintained well within the borders of Mexico certainly makes the federal responsibility in this matter completely logical, and the amount of the request is based on previous years operation of this very successful program.

This letter then is to inform you that the beef cattlemen of Mississippi do heartily endorse the eradication program as outlined by the southwestern group and earnestly request that you do all in your power to

effect this appropriation. At the same time, our Mississippi group urgently requests the continuation of the "Mississippi line" inspection stations to assure early detection of any infestations which may reach the United States in spite of the Southwest Commission's best efforts.

Be assured that the Mississippi cattle industry appreciates your consideration and support in this as well as other current matters of vital interest to the industry.

Sincerely yours,

David R. Pingrey
Executive Secretary
Mississippi Cattlemen's Assn.

DRP:chh

Georgia
CATTLEMEN'S ASSOCIATION

HENRY GREEN
PRESIDENT
MADISON, GA.

FELIX MARBURY
FIRST VICE PRESIDENT
ALBANY, GA.

ROBERT GUNBY
SECOND VICE PRESIDENT
SHARPSBURG, GA.

BOB BLALOCK
TREASURER
WOODBURY, GA.

BEN T. SMITH
IMMEDIATE PAST PRESIDENT
1323 CANDLER BUILDING
ATLANTA, GA.

JOE W. ANDREWS
EXECUTIVE SECRETARY
P. O. BOX 801
MACON, GA.
SH 3-8612

April 4, 1964
Madison, Ga.

Mr. Jamie Whitten, Chairman
Sub-Committee on Agriculture,
House Appropriations Committee,
House Office Building,
Washington, D. C.

Dear Sir:

The Georgia Cattleman's Association is very much interested in the Southwest Screwworm Eradication Program. We strongly feel that unless a barrier is maintained to prevent reinfestation from Mexico, it appears that the money invested may be sacrificed and that all gains of screwworm eradication will be lost.

We believe that it is not the responsibility of any single state to man international boundries to protect the United States from infestation of insects from foreign lands.

We strongly uge that the money requested for this program, $2,750,000 be appropriated. This is certainly a worthwhile program and is of great benifit to all cattle producers in the United States.

Yours very truly,

Henry D. Green
President

LETTERS & RESOLUTIONS

PUBLIC OFFICIALS

Jackson, Mississippi
April 1, 1964

TO WHOM IT MAY CONCERN:

During the regular meeting of the Southern Livestock Sanitary Officials at Biloxi, Mississippi, on March 25, 1964, I certify that the following resolution was adopted by this group.

Vernon D. Chadwick

Vernon D. Chadwick, D.V.M.
Secretary, Southern Livestock
Sanitary Officials

RESOLUTION

The Southern Livestock Sanitary Officials, assembled in session at Biloxi, Mississippi, this 25th day of March, 1964, having heard and thoroughly discussed problems inherent with the continuation of the Southwestern screwworm eradication program, with possible attendant repercussions to the south eastern states' livestock industries through reinfestation with this pest should the Southwestern program be curtailed, hereby strongly endorses and urges for the consideration of the Congress of the United States the following:

1. That the existing screwworm inspection stations located along the Mississippi and Pearl Rivers be maintained as a vital protective measure in preventing the possible reintroduction of screwworms into the southeastern states where several millions of dollars have heretofore been spent in eradicating this scourge.

2. That the present U. S. Department of Agriculture budget request for fiscal year 1965 now before Congress be doubled to provide a sum of $5,500,000 for conducting an adequate program to prevent the reintroduction of the screwworm fly from its present confines in Mexico into the Southwest eradication area where elimination of the pest has apparently been achieved.

3. That the language of the congressional act which provides for this appropriation limiting federal participation to a 50-50 matching basis with local funds be deleted since this is essentially now an international problem of preventing reinfestation from a foreign country.

We strongly feel that this disease problem, which has cost the livestock interests of this country many, many millions of dollars is one which at this time cannot be compromised. Sufficient time has not elapsed since the eradication of this pest in the Southwest to provide an experience index to determine probability of reinfestation and it is premature to consider less than the continuation of an all out effort directed toward the maintenance of a screwworm free United States.

JOHN CONNALLY
GOVERNOR OF TEXAS

April 3, 1964

The Honorable Clarence Cannon,
The Honorable Jamie L. Whitten, and the
Appropriations Sub-Committee for Agriculture
United States House of Representatives
Washington 25, D. C.

Gentlemen:

As you are well aware, the State of Texas has taken part during the last two years with the United States Department of Agriculture and the Southwest Animal Health Research Foundation in conducting a screwworm eradication program in the Southwest. The eradication is now complete and the feasibility of a barrier along the Mexican border to prevent re-infestation of the areas of the United States free of screwworm has been proven.

While the southwestern states, livestock producers, and sportsmen of the five southwestern states have helped continue this program to date by furnishing over one half of the necessary funds, I believe that the program now is one of an international nature and that its expense should be primarily a Federal responsibility since the problem now lies in the Republic of Mexico.

Therefore, we respectfully request that $5,500,000 be appropriated for this program and that the requirement of matching by local sources be eliminated. The State of Texas, livestock producers, sportsmen, and other interested persons will continue to provide necessary inspection service, survey, assistance in fighting outbreaks, and other services within the United States; but it would be most difficult to spend a great amount of state funds in Mexico, where the problem now lies, to protect a great area of the United States.

Thanking you for your consideration, I am

Sincerely,

John Connally

John Connally

C
O
P
Y

April 6, 1964

Mr. Jamie L. Whitten, Chairman
House Agricultural Subcommittee on Appropriations
House Office Building
Washington 25, D. C.

Dear Mr. Whitten:

The Arizona Game and Fish Department wishes to urge your favorable consideration of pending federal legislation in your committee which will allow for the continuation and completion of the screw-worm control program in the Southwest carried on cooperatively by the Animal Disease Eradication Division of the U. S. Department of Agriculture and the respective states.

We feel that the removal of screw-worms as a limiting factor of game populations could be of great benefit and in the public interest.

Sincerely,

Wendell G. Swank, Director

P. M. Cosper, Assistant Director

Copies to:
Senator Carl Hayden
Senator Barry Goldwater
Representative John J. Rhodes
Representative Morris K. Udall
Representative George F. Senner, Jr.

PMC:gfh

THE USE OF ATOMIC ENERGY FOR THE ERADICATION OF FLIES AND THE UNIQUENESS OF THE PROGRAM HAS ATTRACTED NATIONAL INTEREST AS INDICATED BY ARTICLES IN MAGAZINES OF WIDE DISTRIBUTION.

The screwworm fly annually kills cattle and game valued at over $100 million. Now, an ingenious genetic trick is winning man's war against it

SEX and SCIENCE DOOM a PEST

Calf sick with screwworm infestation. Death is sure for any animal that goes undoctored.

In "fly factory" a female lays eggs on meat kept at body heat to simulate living flesh.

By BYRON W. DALRYMPLE

Reprint

This article appeared in the July 1963 issue of True Magazine. We are grateful for their permission to use this article here.

Cartons of flies are released from planes that fly a carefully marked grid, shown on map, seven days a week.

Homemade ejector on plane belly has distributed flies by the hundreds of millions over the huge Texas rangeland.

Cartons of sterilized screwworm flies are put on USDA plane nicknamed "atomic bomber."

■ The sight was totally repulsive. Row on row of meat-filled trays were crawling with maggots like a scene from some horror movie. The man at my elbow said casually, "These are screwworm-fly maggots. When we get the new plant going down at Mission, Texas, we'll raise and release 100 million adult flies each week!"

He was Dr. Raymond C. Bushland, a slight, quick, nervous and agile-minded entomologist who gazed upon the scene that revolted me with immense satisfaction. Well he might, for here in this gruesome factory-laboratory was nightmarish evidence of a great scientific idea brought to reality. The screwworm fly—perhaps the most costly and diabolical pest native to this country—was in the process of total eradication.

"It sounds enigmatic," he'd said when we first met, "that we should raise and release millions of flies to bring extinction to the species."

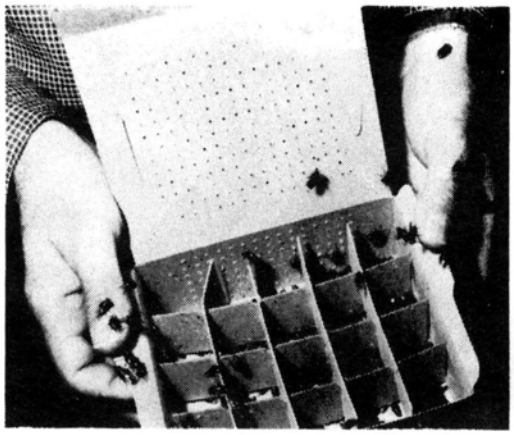
It had, indeed. But in that seeming paradox is hidden one of the most fantastic tales of the century, a startling demonstration of new-found powers of science over nature.

That horror-house creation, the adult screwworm fly, is innocuous enough in appearance. It is about twice as large as a house fly, blue-green, with three darkish stripes down its back. Its name derives from rows of spines winding around the body of the larva, or maggot, making it look screw shaped. This fly belongs to the blowfly group. But ordinary blowflies, as everyone knows, lay their eggs in carrion, upon which the maggots feed. The vile screwworm fly deposits its eggs in wounds on living animals, both wild and domestic, from birds and deer to cattle, sheep, goats—and even man. The maggots gorge on the living flesh. Results are too ghastly to bear description.

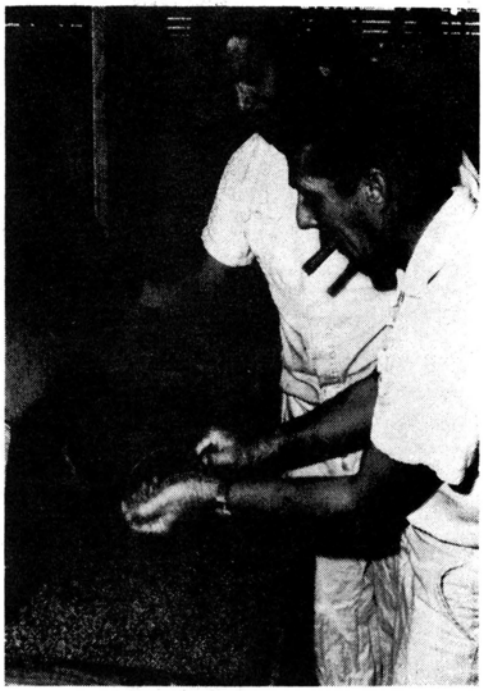
When I first heard about the amazing Texas screwworm project I went immediately to the U.S. Department of Agriculture Entomology Research Station outside Kerrville, Texas, Dr. Bushland's headquarters. I found an intense, chain-smoking, busy man whose title, under the Agricultural Research Service, is Investigations Leader for Livestock Insects Investigations. He heads up, from the Texas location, a group of research labs scattered over the U.S. Bushland is all scientist to the core, precise, with endless ideas and persuasive opinions and manner.

"Years ago," he told me, "when I was just out of college and working for the department as an entomologist, the screwworm intrigued me because of its utter viciousness, as well as the tremendous economic damage it did. We were always being urged to do something."

But what to do? The range of the fly, Bushland explained, was to some extent controlled. Known only to the western hemisphere, the species cannot tolerate cold weather, thus is limited to the South and Southwest. After the larval stage, the pupa are formed, drop to the ground and bury themselves in



Box of pupae hatches into box of flies ready to be dropped from plane, releasing sterile males.



From the mouth of this separator drop 100 million factory-grown larvae (maggots) each week.

Tremendous quantities of blood—upward of 6,000 gallons a week—are used at the Mission, Texas, "fly factory" as part of the food for hordes of maggots.

SEX and SCIENCE

the soil. They survive throughout winter where soil temperatures are not low enough to kill them.

With warm weather they emerge as adult flies, spread northward, traveling up to 35 miles a week. The females lay about 250 eggs at a time which hatch in warm weather within 24 hours. The cycle—egg, maggot, pupa, fly—requires only 21 days in summer.

"Sometimes," Dr. Bushland related, "outbreaks occur far outside the breeding range. Ten years ago I was rushed to South Dakota to see what was wrong with livestock. Farmers were horrified. Herds were being decimated. It was screwworm, brought in through a shipment of Texas steers. As soon as cold weather came it was over. But meanwhile a million dollars' damage was done."

During mild winters in screwworm territory the pupae spread over a broad range, get a head start next season over a much broader region before cold curtails them again. Following severe winters, damage is less widespread. But damage, regardless of winter's severity, is awesome.

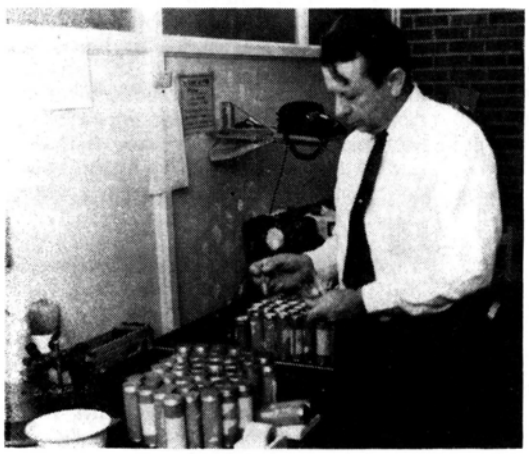
"Let me show you something," Bushland arose, pointed with characteristic quick gestures to a map of the Southwest. "Associations of ranchers across this territory estimate screwworm losses of," he paced the words slowly, "one — hundred — million — dollars — every year!"

I had already witnessed to the last shudder individual instances of how this damage begins and ends. Let's say a steer cuts itself on a fence. Screwworm flies locate the blood, often within minutes. If the steer is not promptly found and doctored, the maggots launch their gruesome attack, proceed with such horrible effect that the steer soon dies. When young domestic animals are born in warm weather, mother and young must be doctored immediately to prevent screwworm infestation. Otherwise maggots literally eat the belly out of the young, and if the mother has hurt herself even slightly during birth, the same type of fate is hers.

"It's not just the loss of livestock that runs up the bill," Dr. Bushland said as we discussed these distasteful aspects. "Since ranching first began in the Southwest, cowboys have ridden the range doctoring 'wormies.' Each must be attended to at least twice a week. Cowboys never find them all. And untold miles of extra fences must be built to hold infested stock."

It is in the undoctored wildlife realm that one can see most dramatically just how diabolical is this winged killer. In screwworm areas, at least 12 percent of adult buck deer trapped in summertime have infestations caused simply from rubbing velvet from their antlers. These deer invariably die, their faces literally eaten away. That's one buck in 8 lost at adult size to antler rubbing alone. The astonishing loss of fawns is the real jolt: some years it's as high as 90 percent! Many of the mothers die, too. Other wildlife, right down to skunks and

Fly eggs in uncountable numbers are removed from racks to be hatched. Getting flies to lay under conditions simulating live flesh was tough problem.



For tight control over breeding, various batches of eggs are checked, graded for superior traits.

Canister of pupae is hooked to chain for conveying to remote, shielded radiation chamber.

various small animals, have to cope with the same problems.

Back in the late 30's, Bushland and another young USDA entomologist, Edward F. Knipling, were doing routine screwworm research. "We were," Bushland says with a grin, "the lowest rungs on the ARS ladder. It was Knipling who hit on the basic idea that launched this whole thing."

Observing captive flies, they began to suspect that the females mated only once, avoided males thereafter and died without further egg production in about three weeks. Knipling said, "If our suspicion's correct, and we could find some way to sterilize the males, we'd overwhelm the race and bring it to eventual extinction."

It was a daring, fantastic scheme. But like many such, putting it into practice was something else. First came the long struggle just to be listened to. There was the general impression that Bushland and Knipling were young scientific crackpots.

But later Knipling moved up to head the ARS lab at Orlando, Florida. During the war it produced sensational results in many fields such as insect repellents and sprays. So impressive was Knipling's record there that he progressed swiftly, finally was sent to Washington to become Director of the Entomology Research Division of the ARS. Immediately his word went out to Dr. Bushland, who also had gained steady promotions: "Investigate that screwworm eradication idea we were plugging back in the Thirties."

People had ribbed them originally about how they'd catch and sterilize male screwworm flies, but they'd planned to raise their own. Bushland patiently learned to raise screwworm flies in captivity, by adding a preservative to meat, keeping it at body temperature, adding blood and water.

"The flies get everything they'd get from a living creature," he explained, "and are fooled by temperature into thinking it's alive."

Not until the 1950 harangue about whether or not to build the H-bomb did the irradiation idea hit like the bomb itself. Gamma rays emitted by cobalt-60 might possibly be used for sterilization.

The general idea was to raise large quantities of screwworm flies, sterilize them, release them in areas where wild flies were concentrated. There they would breed with wild flies and each other. No matter how they were mixed up, no progeny would be forthcoming. Carried far enough, the result on paper was total decimation.

Slowly Bushland learned a technique of irradiation that worked well in the lab, and felt ready to test the scheme, which sounded wilder by the day, for the range of the pest was vast almost beyond conception. In 1954 the island of Curacao in the Caribbean, where screwworm flies swarmed, was set as a test site. Surrounding water served as a natural barrier against new infestations from other islands. [*Continued on page 75*]

Sex and Science Doom a Pest

[*Continued from page 37*]

"We knew flies would have to be distributed by air," Dr. Bushland told me. "Timing of these mass releases was carefully planned, and when the test was over we were as overwhelmed as the flies. They had vanished."

Dr. Bushland and associates now moved in on Florida in earnest. Screwworm damage there and over the Southeast was estimated at around $20 million annually, with the overwintering area of the pest mainly in Florida. The USDA "fly boys," in full cry now, estimated that for only a portion of the cost of one year's loss they could, in a two-year period, wipe out the Florida screwworm fly.

"Not everyone was on our side," Bushland remembers. "One cattleman even threatened to shoot at the planes distributing the flies.

"Florida, looking back, was a natural. In the winter we had the wild flies sort of bottled up, with water barriers on three sides and cold on the fourth. It was simply a matter of enough money, personnel, and organization. A mass attack."

The entomologists now passed the ball to veterinarians of Animal Disease Eradication, whose job it is to carry out programs affecting the nation's livestock. They took the researchers' knowhow, applied it so effectively that today the Florida screwworm is filed with the dodo.

But Bushland & Company were not allowed to quit there. Texas ranchers, ears to the ground, were busy raising $3 million of their own money, donating 50¢ a cow, 10¢ a goat or sheep, and trying to force the federal government to ante up an appropriation. They got it, too, in a cooperative program among USDA, the Texas Animal Health Commission, and themselves.

If the Southeast looked big, when the researchers turned their gaze westward vistas were little short of appalling. Damage there was annually at least five times greater. Land areas needing attention made Florida look puny. Nor were there water barriers, except the Gulf on the east. Westward lay a 1,200-mile stretch of critical territory, and below it wide-open Mexico.

"The master plan we created," Dr. Bushland explained, "was to set up facilities to mass produce and sterilize flies in overwhelming numbers. These would be dispersed by a fleet of planes in a carefully worked out grid, throughout the entire infestation area."

That was only a beginning, to keep local flies under control. The Texas-sized thinking was aimed at the border area. What about wild flies constantly migrating northward? At a precise time of season, the entomologists planned a living barrier of sterile flies ready to challenge all invaders. This barrier would be roughly 100 miles wide, and 1,200 miles long, stretching from the Gulf to Arizona. Every square mile of that vast domain would be populated with from several hundred to several thousand sterile male flies.

It was a staggering undertaking, but neither Bushland and his research associates nor the implementing veterinarians seemed to have misgivings. They estimated the king-sized job at three years, and launched it in a king-sized way. The pilot fly factory was set up at Bushland's Kerrville, Texas, headquarters. Meanwhile a huge plant was planned closer to the scene of largest operation, with Mission, Texas, on the Rio Grande, as the site.

The Mission plant has now been rolling for months. The statistics on its operation are fantastic.

"Each week upward of 6,000 gallons of blood and over 100,000 pounds of meat go into the plant," Bushland says. "Out the other end, boxed and ready for dispersal, are carted a hundred million sterile flies! These are distributed by a fleet of two dozen planes flying seven days a week."

How many flies, I inquired, have already been released over Texas? He estimated it at two billion. How many more will be required? About four billion a year over the project's remaining period. It was set up at three years. Might 1963 be the year of the big whammy?

Dr. Bushland hedged cautiously. "We could get a break. Last winter was exceptionally cold, squeezing down the range of heavy infestation. It could happen that 1963 would see us further along than we expect. However, scientists don't plan on luck."

Continuous ground sampling determines general population density of wild flies in various areas, thus the number of sterile males needed per square mile at any given time in each location. When new cases are reported, planes line up. Trucks carry cartons of flies to points from which the planes will disperse them. Daily flying routes for each pilot are mapped out, staggering them so to get complete coverage.

Fly production is just as regimented. Fertile flies are reared by thousands so they can produce the maggots which will become irradiated pupae. Temperature, humidity must be kept at exact levels. The meat must be prepared with preservative, kept at body temperature. Lights attract the flies to the meat. After egg laying, the caged flies go into a cold room to be chilled, immobilized so they cannot escape when the cages are cleaned.

In another room eggs are taken from the meat. Some are kept, along with some males, for future brood stock. Remaining eggs are weighed for division into containers for the hatchery. On and on the process goes, ever more complicated, until pupae are loaded into canisters in which they get a jolt of cobalt-60.

"Even with all this effort," Bushland sighed, "an uncooperative rancher who fails to report or treat screwworm cases on his ranch can upset the whole balance in his vicinity, undo much of what we've done there, and prolong the program."

Notwithstanding all the difficulties, Dr. Bushland and the control people running the Mission plant and the planes don't talk about "if"—they talk about "when." That "when," meaning when the screwworm is extinct in the Southwest, is going to bring some startling and unique problems of its own.

"It's fascinating to contemplate." Bushland was at his most intense again. "There'll be more beef, mutton, wool, mohair, all raised more easily. There will be some dislocations of unskilled labor, market price adjustments, maybe even gluts. Feed dealers will feel the effects. So will fencing dealers. And of all side effects, the one least thought about so far that may have the hardest wallop is wildlife."

Texas, even with prodigious screwworm losses, already has a deer herd threatening to overwhelm its range. Some biologists envision deer without screwworm losses erupting like rabbits in Australia. Foxes, raccoons, skunks, already plentiful and with populations upon which screwworm effects are not precisely known, may suddenly become a curse upon the land. This could mean that wild turkey flocks and other game bird populations will be drastically affected. The chain reaction may continue for years.

"But all of this," Dr. Bushland said, "is just a beginning. When Edward Knipling hit upon the sterilization idea, neither he nor I guessed how far it would be projected. Knipling in his present high position is now reorienting the entire research program, placing great emphasis on the sterilization system for other uses. He is the one who should have the major credit."

He then unfolded for me some astonishing facts for the future. For Dr. Bushland is taking aim at other p sts. He will leave Texas this year to become director of a new $2 million laboratory at Fargo, North Dakota—the Radiation and Metabolism Laboratory of the Agricultural Research Service. Forty-eight PhD scientists will be installed there. Twelve of these, with 24 helpers, will give their whole effort to sterilization research.

With the fire of the hunter, hot on new trails, in his eye, Bushland told me, "At Orlando, progress has already been made with house flies and mosquitoes. We hope to carry it farther. We are confident we can also eventually control the boll weevil, the codling moth, and many others."

As he talked on, I wondered how many people would be scoffing at them when things get really rolling in Fargo. But I knew one thing was sure—the boll weevils, codling moths, the house flies and mosquitoes had better look out, because with scientist-hunters like these after them, their days are numbered.

—Byron W. Dalrymple

Established 1845 **SCIENTIFIC AMERICAN** October, 1960 Volume 203 Number 4

The Eradication of the Screw-Worm Fly

This destructive parasite of livestock has been eliminated from the southeastern states by releasing large numbers of male flies that have been sterilized by ionizing radiation

by Edward F. Knipling

A fundamentally new method for controlling animal populations—one that enlists the reproductive process of the species in its own extinction—has entirely eradicated a major agricultural insect pest throughout a large continental region. The pest is the screw-worm fly which infests livestock; not a single screw-worm fly h
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released in the infested area. T
males, mating with the female the natural population, nullified their reproductive capacity. The result was the complete elimination of the natural pop-

of the ecological system completely undisturbed. Secondly, no species can acquire immunity to sterile matings as it can to the insecticides that have been used in the past. There is a third and not so apparent advantage. Killing agents tend to become progressively less efficient as the p population declines, and
le urvivors egin the
pop
loss
each year.

The adult screw-worm fly has a metallic blue body, about 3/8 inch long. It

populated with screw-worm flies few newborn calves, lambs, kids, pigs or young of the larger game species will escape attack.

Tiny maggots hatch from the eggs in 12 to 24 hours. They begin feeding on the flesh head-down and closely packed in the wound. The feeding larvae cause a straw-colored and often bloody dis-
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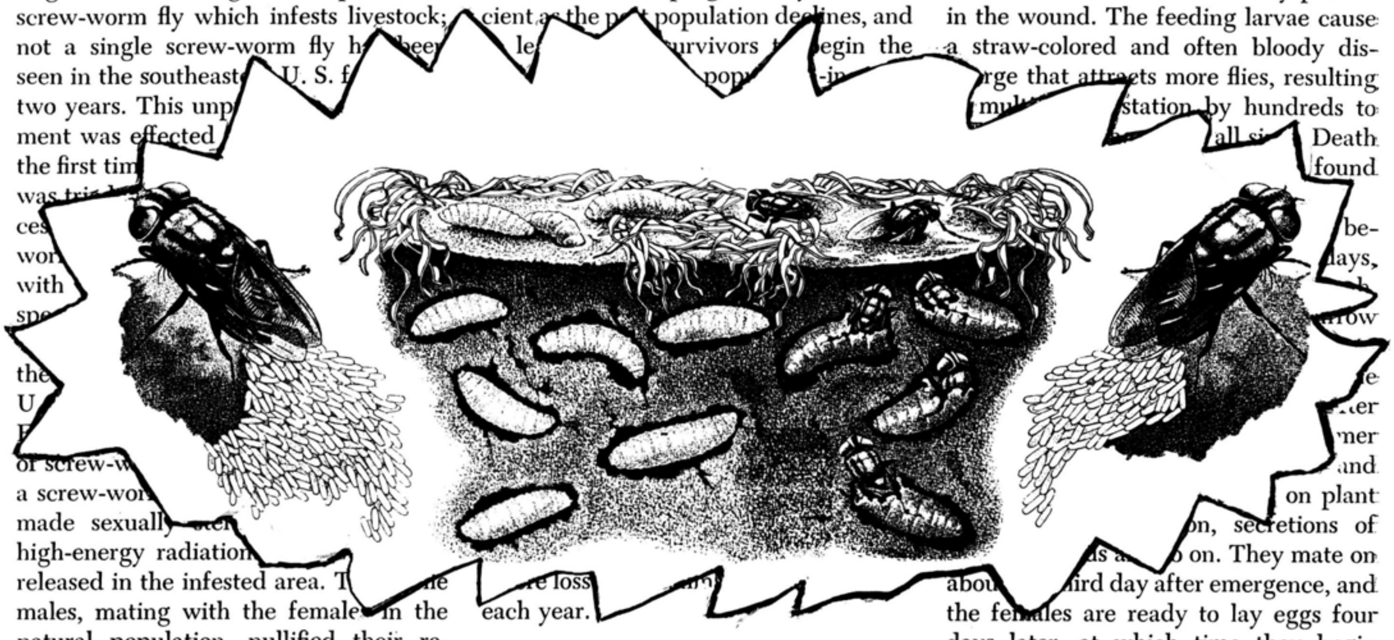
abou ird day after emergence, and the females are ready to lay eggs four days later, at which time they begin searching for suitable hosts on which to lay eggs and start the next generation



LIFE CYCLE OF SCREW-WORM FLY is depicted in these drawings. The female fly lays a compact mass of 200 to 300 eggs in the wound of a warm-blooded animal (left). Within a day the eggs hatch into larvae, and five days later the larvae leave the wound, burrow into the ground and metamorphose into pupae (second from left). Some eight days later the pupae metamorphose into flies (third from left). About three days later the flies mate, and four days after that the female deposits her eggs (fourth from left).

THE LIGHTER SIDE

Many lines and pages of copies have been written about the Screwworm Eradication Program. The following are examples of the many cartoons which have been published.


YOU MEAN YOU'RE REALLY STERILE!
Ace Roid

And you told me you were <u>sterile</u>!

AS

Screwworm
P-22-

88TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 1387

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1965

MAY 8, 1964.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WHITTEN, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 11202]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Agriculture and related agencies for the fiscal year 1965. The bill covers estimates contained in the 1965 budget, pages 85–180 and 817–819, and budget amendments contained in House Document 240, dated March 9, 1964. Also, the 1964 supplementals contained in House Document 203, dated January 21, 1964, as amended by House Document 284, dated March 23, 1964, have been considered in reporting this bill.

The bill provides funds for the general operations of the Department, including various activities such as research, disease and pest control, extension, soil and water conservation, marketing services, meat and poultry inspection, agricultural credit, crop insurance, the Commodity Credit Corporation, Public Law 480 and other assistance programs.

The bill includes total appropriations of $5,182,665,000 for these purposes in the coming year, a reduction of $406,257,600 in the budget requests which total $5,588,922,600. The amount proposed is $1,059,632,215 less than appropriated for fiscal year 1964. None of the 1964 supplemental requests totaling $6,663,000 have been approved.

A summary of the budget requests and amounts recommended by the committee follows. A detailed breakdown by individual appropriations appears at the end of the report.

	Budget request	Recommended in bill	Reduction
Title I—General activities	$1,432,340,600	$1,393,687,000	−$38,653,600
Title II—Credit agencies	58,802,000	55,885,000	−2,917,000
Title III—Corporations (including Public Law 480 and other assistance programs)	4,097,780,000	3,733,093,000	−364,687,000
Title IV—Farm Credit Administration	(2,876,000)	(2,876,000)	
Total	5,588,922,600	5,182,665,000	−406,257,600

The 1965 Budget for Agriculture

A review of the President's Budget for 1965 indicates that the Department of Agriculture has received a greater reduction in appropriated funds for the coming fiscal year than the sum total for all other departments of the Federal Government. The amount requested for all activities of the Department is about the same as requested for the National Space Agency. It is nearly $1 billion less than requested for the Department of Health, Education and Welfare and is approximately one-tenth of the request for the Department of Defense. It is only twice what we propose to spend for the Atomic Energy Commission next year. In making these comparisons, we in no way mean to pass judgment on the needs of these departments or agencies.

On the basis of appropriation requests before the Committee for fiscal year 1965, the budget carries a net reduction under fiscal year 1964 of $653,374,615 as follows:

	Appropriation, 1964	1965 budget	Reduction
General activities	$1,568,016,315	$1,432,340,600	−$135,675,715
Credit agencies	78,892,900	58,802,000	−20,090,900
Corporations (including Public Law 480 and other assistance programs)	4,595,388,000	4,097,780,000	−497,608,000
Total appropriation	6,242,297,215	5,588,922,600	−653,374,615

The reduction proposed by the Bureau of the Budget for the Department of Agriculture would have eliminated important research stations at Petersburg, Alaska; Glendale, Arizona; Clarkedale, Arkansas; Quincy, Florida; Tallulah, Louisiana; Durham, New Hampshire; University Park, New Mexico; Geneva, New York; Scottsbluff (Mitchell), Nebraska; Brownsville, Texas; and Logan, Utah. It would also have eliminated the following market news services: Fort Smith, Arkansas; Baltimore, Maryland; Tulsa, Oklahoma; Memphis, Tennessee; and Nashville, Tennessee. The budget also proposed to eliminate certain marketing research which has done so much for Chicago, Boston, Philadelphia, New York, Pittsburgh, Detroit and many other cities in helping to improve marketing facilities. Further the budget would have drastically reduced the Agricultural Conservation Program for next year, as well as the Extension Service, Watershed Protection, Flood Prevention and assistance to districts by the Soil Conservation Service.

CERTAIN RESTORATIONS ESSENTIAL

The Committee is convinced that these activities are extremely valuable, particularly to the consumers of the country, and should be continued. It believes that they are far more essential than work done by the Department of Agriculture for other agencies and departments. Such extra work should be reduced sufficiently to offset the manpower requirements and cost of these activities which are to be restored in the following amounts:

	Funds	Man-years
Agricultural Research Service:		
Closing of field research stations	$264,000	29
Transportation and facilities research	662,000	60
Extension Service:		
Payments to States and Puerto Rico	2,590,000	(1)
Soil Conservation Service:		
Curtailing of State offices, area offices, work units, and plant materials offices	1,344,000	162
Small watershed planning	1,025,000	111
Flood prevention	2,767,000	58
Statistical Reporting Service:		
Consumer surveys	94,000	1
Agricultural Marketing Service:		
Payments to States and possessions	75,000	(1)
Closing of market news offices	50,000	7
Total	8,871,000	428

[1] Personnel not counted against Federal employment ceilings.

The Department is directed to provide a budget balancing offset to these restored items by eliminating an equivalent amount of work for the Agency for International Development, for which a transfer of nearly $12,000,000 is proposed for fiscal year 1965.

In the opinion of the Committee, it is far better to use taxpayers money to improve American Agriculture and protect the American Consumer than to provide training and technical assistance to our competitors in world agricultural markets through the Agency for International Development.

None of the funds of the Department should be used to promote or assist in promoting overseas production of any agricultural commodity for export which (1) is affected by any price support program in the United States, (2) is given financial support through purchase or other assistance under Section 32 of P.L. 320, 74th Congress, or (3) is included in the inventories of the Commodity Credit Corporation.

The net budget decrease of $135,675,715 under General Activities is largely due to (1) the proposal to finance the Special Milk Program in fiscal year 1965 by transfer from Section 32 funds in lieu of a direct appropriation, and (2) a reduction in the appropriation for the Conservation Reserve Program which is due to expiration of 83,543 contracts during the coming year. The Committee has gone along with both of these changes.

The net budget reduction of $497,608,000 under Corporations is largely due to a change in policy. Instead of the Bureau of the Budget requesting funds to fully reimburse the Commodity Credit Corporation

for capital impairment, the 1965 request represents only a partial restoration of capital impairment for losses of the Corporation. This sum, together with cash receipts from the sale of commodities on hand, is estimated by the Budget to provide sufficient funds to cover CCC operations during the coming year.

Of course, should a major change occur in weather conditions, volume of production, prices and market conditions, or domestic and export sales, the provision of further funds might become necessary. The Committee has gone along with this change, however, primarily because it believes the Corporation should make increased efforts to secure adequate funds from additional dollar sales to meet its financial needs during the coming fiscal year.

COMPETITIVE-BID SALES FOR DOLLARS, A MUST

The Committee renews again its insistence that the Department see that U.S. commodities are kept in world markets at a competitive price, using competitive-bid sales of commodities to insure that we remain competitive and to regain our share of world markets.

Experience in 1962 and 1963 demonstrates conclusively that the Department must keep the competitive-bid sales program to insure that U.S. commodities will be constantly competitive in world markets. In 1962, using the payment-in-kind program, cotton exports totaled only 3.8 million bales. In 1963, 4.3 million bales were sold abroad, of which 2.1 million bales were sold in the last half of the year, after the Department returned to competitive-bid sales. This represented an increase of 1.3 million bales over the last half of 1962. This increase was due almost entirely to the resumption of sales on competitive bid during the latter part of 1963 at the insistence of this Committee.

The export of an additional 3 million bales of cotton in the coming year, for example, could make available an additional $380 to $400 million for CCC by requiring a smaller investment if sold from private sources or by providing cash for operating expenses if sold from CCC stocks. Increased exports of 100 million bushels of wheat would put some $140 million back into CCC operating accounts. Exports of 100 million bushels of corn would return $125 million.

By all means we must not return to the situation which existed prior to 1954 when the Department refused to sell U.S. agricultural commodities competitively in world markets, notwithstanding unlimited authority to sell competitively for dollars.

PRESIDENTIAL MANPOWER CEILINGS

Severe manpower limitations have been placed upon the Department's programs for fiscal years 1964 and 1965.

The effect of these end-of-year employment targets for 1964, in some instances, is to negate Congressional action taken last year to provide funds to meet special problems. While such funds have been appropriated for fiscal year 1964 they are not being used for the purposes intended by Congress, since personnel cannot be employed under the established ceilings to carry out the work. For a number of items, reserves have been established by the Bureau of the Budget to impound such funds, even though they were specifically provided by Congress to meet urgent needs.

These employment targets include positions for work done for other Federal agencies and organizations outside the Department with transferred funds. In some cases, the personnel limitations require reductions in the regular activities of the bureaus and agencies in the Department to cover personnel financed from transferred funds. In the opinion of the Committee, savings in funds and personnel made necessary by our present tight financial situation should come at the expense of extra activities for other agencies, rather than at the expense of the regular programs of the Department of Agriculture.

Also included in the manpower ceilings are positions financed from funds contributed by States, local governmental units and private organizations to meet special problems. The Committee feels that this practice should be discontinued, since it could result in discouraging local contributions which are urgently needed to supplement Federal funds provided for these special purposes, and recommends to the President that manpower ceilings be removed from personnel paid from such non-Federal funds.

In view of these Presidential reserves and manpower ceilings, the Committee must insist that all agencies of the Department use funds and manpower allowed to carry out all regular basic responsibilities for which funds are provided by Congress, prior to undertaking extra-curricular functions. Joint and cooperative domestic programs with private industry, the Corps of Engineers, and Departments of Commerce, Interior and Health, Education and Welfare shall be deemed to be regular programs. The order of priority should be as follows:

(1) Regular basic responsibilities.

(2) Work for other agencies of the Department of Agriculture related to their regular basic responsibilities.

(3) Work for other agencies of the Department related to recently established "pilot" programs.

(4) Work for other agencies and organizations outside the Department.

Further, within the manpower ceilings, it is expected that the Secretary will use his 7 percent transfer authority between funds within each agency to see that manpower available to the Department is used on the most essential activities. Also, the Department should make at least a prorata reduction in Washington office personnel by attrition where further manpower reductions are necessary.

Discontinuance of the work done by transfer of funds from the Agency for International Development as previously directed will make 448 man-years of employment ceiling available to cover the 428 man-years required to cover the activities restored for fiscal year 1965 as discussed above. Most of this is for research, soil conservation operations, marketing research, and statistical reporting service as outlined above.

IMMEDIATE PROBLEMS FACING FARMER AND CONSUMER

There are two pressing problems currently facing American Agriculture and the American Consumer which must be given immediate attention. One of the more pressing is that facing the tobacco

producers and processors and millions of consumers as a result of the recent report of the Surgeon General on "Smoking and Health." The other is due to the terrific impact present publicity is having on the producer and the consumer with regard to the use of insecticides and pesticides, the use of which is absolutely essential to our high standard of living.

The Committee has included funds in the bill to enable the Department to undertake research immediately to meet these urgent problems. Under authority given by Congress last year, the use of $3,000,000 of Section 32 funds for research on these problems in the next year has been provided for in the bill, along with other items discussed under that section of the report.

THE TOBACCO PROBLEM

Tobacco has been a major agricultural commodity through the years. It is produced in 21 States and is the fifth largest income-producing crop to farmers. It is an $8 billion industry with growers receiving about $1.2 billion per year. It pays some $3.3 billion each year in taxes to our Federal, State, and local governments.

Due to the implications of the Surgeon General's report, it is essential that we find the answers through research. In this effort we must have the cooperation of the Department of Agriculture, the Department of Health, Education, and Welfare, and private industry, to determine the properties of tobacco which may affect the health of smokers and to develop means to eliminate any harmful substances found.

It is extremely important that this research begin immediately. The answers to this problem must be found just as rapidly as possible to prevent economic ruin for growers, substantial losses of revenue to the Federal and local governments, and possible injury to the public health.

The Committee hearings disclose that the University of Kentucky has a Tobacco Research Laboratory built with $4.5 million of State funds which is now available and has been offered to the Department of Agriculture by University and State officials for such research. It is located adjacent to the New Medical Research Center at this University and is ideally situated for a coordinated agricultural-medical research problem of this nature. Accordingly, the Committee has included $1,500,000 of Section 32 funds in the bill for 1965 to enable the Department to immediately initiate tobacco research at this location in collaboration with the State University, State agencies, the Department of Health, Education and Welfare and other public and private organizations which can contribute to a concerted approach to this urgent research need.

THE PESTICIDE RESIDUE PROBLEM

The need for additional research on development, testing, and use of pesticides and insecticides, together with the effects of sprays or other residues from products used in agricultural production is very acute. Recent well-publicized books and articles, not always based on complete and objective information, have increased public concern about this matter. Current statements in the press which make certain claims concerning the effect of agricultural pesticides on fish

in the lower Mississippi River present a completely one-sided point of view, and in this instance it is not claimed that health is affected.

To enable the Department to protect agriculture and the consumer by developing and presenting full and complete facts on this matter and to develop improved methods of insect and pest control, some expansion of research activities in this area is necessary. Congress provided for the establishment of a weed control laboratory last year. Since the work at this location will be directly concerned with the use of pesticides, insecticides, other agricultural chemicals, materials, and methods, plans for this facility should be modified to permit testing and development of pesticides, insecticides and other materials necessary to agriculture, including effects of residues.

For expanded research on use of pesticides and control of insects and pests, the Committee has included the budget estimate of $1,500,000 under Section 32 for next year, including such amount as may be needed for the modification of plans at the weed control laboratory provided last year to include this type of research.

Both the Department of Health, Education and Welfare and the Department of Agriculture are deeply interested in protecting the public health. Both departments have responsibility for approving materials for use as pesticides and insecticides for agricultural purposes.

Neither Department, we are sure, would want to needlessly deprive the American Consumer of any part of the finest and cheapest food any Nation has ever enjoyed. In recent weeks, however, after materials have been approved and put into use, new means of detection of minute amounts of residue have resulted in news releases, press accounts, and headlines which needlessly frighten the consumer, do financial damage to the manufacturer and the farmer, and lessen the supply of food for the consuming public, though there is no claim that the public health is endangered. Neither the Department of Health, Education and Welfare, nor the Department of Agriculture would want to needlessly destroy any American business or agricultural enterprise. Yet that is what present policies are doing in cases where there is no evidence of danger to the public health.

The members of the Committee recall the cranberry incident in 1960, when a whole industry was practically destroyed by reckless statements and charges. It took $10,000,000 recommended by President Eisenhower to compensate for the damage and bring back public acceptance of this commodity. The public health must be protected. However, the supply of food and the processes which make food and fiber plentiful and cheap must also be protected where there is no evidence that public health is endangered.

In an effort to prevent further financial damage to American producers and loss of food for consumers as a result of reckless handling of this problem, the Committee has set up $250,000 for the use of the Secretary of Agriculture to collaborate with the Department of Health, Education and Welfare in working out rules and regulations *including the recommendation of such changes in the law as may be necessary* to protect our high standard of living with the most plentiful, cheapest and finest food and fiber any Nation ever had—while at the same time protecting the public health.

The food supply shortage is said to be Russia's "Achilles heel." Russia's monumental failure to provide food for her people and their allies is her chief weakness in the world of today. We must prevent our Nation, where only 18 percent of total income goes for food, from

sinking to Russia's level, where some 50 percent or more of national income is spent for food.

It is the firm belief of this Committee that news releases or other public statements regarding any pesticide or other material which such departments have authorized for use should not be made unless at least one of such departments states that there is evidence that the continued use of such material would injure the public health.

Further, some provision should be made for payment of financial losses to any producer, processor, or manufacturer resulting from statements or actions concerning the use of approved pesticides, insecticides, chemicals or other materials, where there is no evidence that their use endangers the public health. The payment for such damages should be made by the department issuing or negligently permitting the issuance of such statement or action.

PROTECTION FROM DISEASE AND PESTILENCE

It is estimated by officials of the Department that, if it were not for the use of fertilizers, insecticides and pesticides, in five years the cost of a very inferior quality of food to the American consumer would double, and in 10 to 15 years the people of this nation would be short of essential foods.

The threat from insects and diseases becomes increasingly serious as the speed and volume of travel increases between all areas of the world. Nearly 57 million more persons entered the United States during fiscal year 1963 than in 1954. The number of planes, ships and other carriers in 1963 was over 26 million as compared to 14 million in 1954. The number of pieces of baggage inspected increased three-fold in 6 years—from 9 million in 1957 to over 27 million in 1963.

The opening of additional ports along the St. Lawrence Seaway and increased non-stop overseas air flights to airports in the interior of the country are also increasing the threat of introduction of new pests from abroad.

It has been estimated by Agriculture experts that the damage to crops by the more than 600 different kinds of major destructive plant insects in the United States amounts to nearly $4,000,000,000 each year. Cotton insects account for nearly $600,000,000 annually, cereal and forage insects account for some $400,000,000 annually, and stored grain and household insects cause annual damage of over $1 billion. It is further estimated that annual losses caused by plant diseases total $2,500,000,000, and that livestock losses due to diseases and parasites exceed $2,000,000,000 per year.

If foot-and-mouth disease should become established in this country, it is estimated that annual losses would be in the billions of dollars. It is further predicted that the introduction of fowl pest in this country could virtually eliminate the poultry industry. The introduction of rinderpest would cost the Nation $1 billion annually.

To fully appreciate the effects of these destructive diseases and pests, it is necessary only to look to other parts of the world where food production is subject to their ravages. In the Middle East, desert locusts have been sweeping the semiarid lands for centuries, leaving ruined crops and starvation in their wake. In Pakistan, severe locust, caterpillar, and cricket outbreaks have caused losses as high as 80 percent in some areas. It is almost impossible to maintain supplies of grain in storage in India because of the ravages of weevils, bran beetles, and the world's worst pest of stored grain—the khapra beetle, which is now a threat in the United States.

Stored-grain pests are so bad in tropical areas of the world that the race to eat the grain before insects devour it results in frequent periods of starvation. The people compete with the pests for survival. Their low standard of living thus becomes understandable.

The distribution of cattle in Africa is determined primarily by the presence or absence of the tsetse fly. This is a major reason why an African child, once weaned, may never again taste milk. The cattle tick and the human warble or torsalo fly cause tremendous losses to hides, beef, and milk production in Central and South America. Mortality among calves may be as high as 70 percent in some of the most heavily infested areas.

A recent report from Argentina indicates that 50,000 calves succumbed in one year's time to screwworm—the same one found in this country. The Argentines have had no effective means of dealing with this pest.

AMERICAN AGRICULTURE—A LONG-RANGE CONSUMER CONCERN

The agricultural problem facing the Nation in the long view is not the matter of present commodity surpluses. The real long-range problem is the consequences of serious changes now taking place in agriculture which could jeopardize the consumer's supply for food and fiber for the future. Such factors as declining farm population, decreasing income from farming, and increasing average age of farmers are significant indicators of problems ahead for the Nation's consumers.

In the last 10 years, the number of farmers has decreased from 19.9 to 13.4 million. During this same period, the investment required per farmer has increased from $23,877 to $51,472. The farmer's share of the consumer's food dollar has decreased from 44 percent in 1953 to 37 percent in 1963. The net income as related to investment has decreased from 13.3 percent to 7.8 percent in the past 10 years. Also the average age of farmers has increased from 48.3 years to 50.5 years between 1950 and 1960.

The President has recently announced a program designed to give more attention to the consumer's role in the highly competitive economy of the United States. In this connection, he has appointed a new Assistant Secretary of Labor to create more wide-spread interest in this matter.

While this special emphasis on consumer interest is probably justified, it seems appropriate to point out that perhaps the first consumer interest should be American agriculture and the Department of Agriculture, both of which do a primary and basic job of protecting and serving the consumer. All urban consumers must look to the rural producer (who is also an important consumer) for (1) the protection of his food supply from disease and pestilence, (2) the protection and conservation of the Nation's soil, water and timber supplies, and (3) the providing of a major market for the products of labor and industry, which market is essential to the consumer's income.

PROTECTION OF OUR BASIC NATURAL RESOURCES

The American farmer and our agricultural programs provide the principal means of protecting and conserving our soil, water and

timber for the benefit of the present generation of consumers as well as future generations yet unborn.

This country had 8,000 billion board feet of timber about 150 years ago. Today we have around 1,600 billion board feet left—only 20 percent of the original stand.

Only 175 years ago we had 500 million acres of fertile soil in this Nation. We have already wasted 200 million acres (40 percent) and another 100 million acres (20 percent) is washing away today.

Just a few years in the future we will need three times the amount of water we use today—which points up the need to properly protect and manage our water supply. In some areas of this country we are already finding that expansion of population and industry is limited by the lack of adequate sources of water.

In recent years the United States has been spending large sums of money to maintain its position in the world and support its defense and defense related activities at home and abroad. For fiscal year 1965, it is estimated that 52 percent of the budget will be used for this purpose.

The public debt has been increasing year by year as a result of these and other Federal expenditures. The public debt of $257,000,000,000 in 1950 increased to $286,000,000,000 in 1960. It is expected to reach $312,000,000,000 by June 30, 1964, and $317,000,000,000 by June 30, 1965.

What we have been and are now doing is depleting our timber, our soil fertility, our sources of water and other natural resources to support these large public expenditures and carry this tremendous public debt.

We must have adequate defense. We must keep up with space exploration and similar activities. At the same time we must preserve the basic economic foundation of our Nation to support all of these billions of dollars of expenditures which are a drain upon our economy.

We must give more attention and financial support to reforesting our lands, protecting our watersheds, harnessing our streams for electricity, reclaiming our lands through soil conservation, developing our sources of water and stressing those things which build up the potential economic strength of this Nation.

If we leave to future generations a fertile land, with timber restored, with soil erosion stopped, and with water resources developed, this country will be able to meet its future domestic problems, international threats and financial needs. If we neglect these basic responsibilities, we will leave future generations nothing to look forward to or to build on. Money alone is of no value. It must be supported by a sound economy based on natural resources to generate new wealth for future generations.

More than half of the estimated $1.2 billion average annual floodwater and sediment damage in the United States occurs on the headwater streams and small tributaries. And sediment causes costly damage to the Nation's 10,000 major water storage reservoirs. *The amount of erosion-produced sediment dredged annually from our rivers and harbors exceeds the volume of earth dug for the Panama Canal.*

Through the years, the Agricultural Conservation Program has been the Federal Government's principal economic stimulus to farmers and ranchers to voluntarily apply needed conservation measures. It is used in all agricultural counties in the 50 states, Puerto Rico and the Virgin Islands. Conservation practices were carried out under this program in 1963 on over a million farms and ranches, covering nearly

400 million acres. The program has over 1 million participants each year, which represents nearly 25 percent of all farming units in the United States.

This program has stimulated twice as much economic activity as the amount of Federal funds spent, since the farmer puts up about half the cost of the practices, plus his labor. The per capita annual cost is about $1.50 and the investment per acre of farmland is 54 cents.

To make certain that the contribution of this program to the Nation's conservation effort is maintained at least at present levels, the Committee has provided the full $220,000,000 (plus $30,000,000 for administration) for the 1965 program. This is the same amount that has been carried for this purpose for a number of years.

The various programs of the Soil Conservation Service, the research agencies and the Extension Service are also contributing much to our conservation efforts throughout the United States. The Flood Prevention and Watershed Protection programs are now beginning to bring real benefits to the Nation by "catching the water where it falls" in the upper reaches of the watersheds of the country and by reducing the volume of sediment flowing down our streams and rivers to the ocean. Improved conservation on the farms of the country is beginning to restore the productive capacity of the remaining land and to preserve it for the consumers of the future, the number of which are increasing at an alarming rate!

The Committee also has restored proposed budget reductions for these important agencies for fiscal year 1965 to prevent a slowing down of their conservation activities and a corresponding reduction in national interest in this essential need.

PROTECTION OF MARKETS FOR LABOR AND INDUSTRY

The economic welfare of each segment of the nation's economy is dependent on the economic strength of each of the others. History demonstrates that our Nation is prosperous only to the extent that our agricultural economy is strong and healthy.

Agriculture is the principal source of new wealth. It is the main provider of basic raw materials which support all segments of business and industry. Around 65 percent of the basic raw materials used in industry come from the farm. Reliable estimates indicate that each dollar of wealth taken from the soil generates 7 dollars of income throughout the rest of our economy.

Agriculture is our largest industry. It employs 12 times the number of people in the steel industry, 9 times the number in the automobile industry, and twice the number in the transportation and public utility industries. In addition, it supports directly another 10 percent of our nonfarm population which supplies the farmer with his needs and processes and markets his products.

Agriculture is a major dollar earner in world markets and is playing an important role in solving our balance of payments problems. It is expected that agricultural exports will represent 25 percent of our total exports in fiscal year 1964 as compared to 22 percent in fiscal year 1956.

Agriculture is one of the major markets for the products of labor and industry. Agriculture uses more steel in a year than is used for a year's output of passenger cars. It uses more petroleum products that any other industry in the country. It uses more rubber each year than is required to produce tires for 6 million automobiles. Its

inventory of machinery and equipment exceeds the assets of the steel industry, and is five times that of the automobile industry.

Urban workers benefit directly from this rural demand for machinery, equipment, supplies and the other items used on the nation's farms. Significant changes in this demand, therefore, have a direct effect on business and employment in urban areas. *Every major business recession in this country has been preceded by the loss of income and purchasing power at the farm level.*

This important rural market must be protected by the assurance of adequate income to the producers of farm commodities and maintenance of farm purchasing power. Business prosperity and full employment in the cities is dependent on a strong and dependable agricultural market, including both large and small farms.

The programs of the Department which help the producer to market his commodities at home and abroad efficiently and profitably, as well as the activities of the Commodity Credit Corporation and other agencies which have an effect on production and commodity prices, have done much to maintain agricultural income and thereby protect this important market for labor and industry. The Committee has attempted to provide sufficient funds in the bill for fiscal year 1965 to make certain that these essential services will be available to the producer and their benefits will be available to the consumer during the coming year.

THE CONSUMER'S STAKE IN AGRICULTURE IS INCREASING

Because products from the farm have become so abundant in recent years, and because the percentage of the Nation's income spent for food decreases each year, the average consumer in this country is inclined to take his supply of food for granted. He frequently overlooks the fact that he is completely dependent for the food on his table on the efficiency and productivity of the American farmer and the assistance he receives from the various programs of the Department of Agriculture, the Land-Grant Colleges, the Extension Service and other agencies which are devoted to the support of our agricultural economy.

Urban consumers frequently overlook the fact that research, insect and pest control, meat and poultry inspection, school lunch and special milk programs, market inspection, fruit and vegetable inspection, soil conservation, flood prevention, watershed protection, and many other programs financed in this bill have direct benefits to every person living in the United States and to future generations. They tend to disregard the fact that many segments of our economy other than the farmer are important beneficiaries of our farm programs. In fact the general public receives the major benefit from many of these activities.

In cooperation with officials of the Department, special analyses have been made of the benefits received by the general public from Federal funds spent for agriculture. One such analysis showed that, of the funds expended by the Department of Agriculture for fiscal year 1960, all had benefits to the general public and over 54 percent had direct benefits to the consumer of equal importance to those for the farmer. Subsequent studies show the same to be true for the funds appropriated to the Department each year since that time.

American consumers are enjoying the highest standard of living ever known to man. The reason is that fewer and fewer people are producing more and more food, which releases more of our population to provide the many things which contribute to this high standard of living. Less than 8 percent of our people now can produce enough to feed our entire population.

Also, American consumers enjoy the greatest variety and the finest quality of food available anywhere in the world. Such food is the most wholesome and healthful in the world.

Further, per capita food expenditures in the United States are the lowest in the world in relation to consumer income. It is usual for people in most areas of the world to spend one-third to one-half or more of their income for food. United Nations figures for 1958 show the percentage of income spent for food in certain areas as follows: Italy, 46 percent; Japan, 51 percent; Ceylon, 57 percent; Nigeria, 71 percent. In the United States, food costs now take only 18 percent of the disposable income, as compared to over 50 percent in Russia, as pointed out earlier.

The consumer's stake in Agriculture will become increasingly vital in the future as the world's population explosion creates even larger demands for food and fibre. This alarming population expansion can be fully appreciated when it is realized that the population of the world, which reached the first billion by the year 1830, took only 100 years, 1830 to 1930, to reach 2 billion and only 30 years, 1930 to 1960, to reach 3 billion. It is expected to exceed 6 billion people by the turn of the century. The population growth in the United States is more than keeping pace with world expansion. U.S. population increased from 13 million in 1830 to 123 million in 1930 and 179 million in 1960. It is expected to reach 340 million by the year 2000.

Within the next decade or two, unless we continue to increase the efficiency of our farm production and provide the economic incentive to induce young and efficient producers to remain on the farm, food surpluses in the United States will likely disappear and the consumer will be faced with possible food shortages and much higher food costs. The 1959 census shows that some 17 percent of all farmers in the United States were 65 or older. An additional 22 percent were 55 to 64 ages of age. By 1970, nearly half of the farmers will be 55 years of age or over.

Unless our present system of Agriculture can survive, it is conceivable that the time could come when a significant portion of the 92 percent of non-farm population will again have to return to the soil to obtain their food supply. This is the situation in certain Soviet controlled countries and other areas of the world.

Work in Rural Areas

In his State of the Union Message of January 8, 1964, the President stated: "This Administration today here and now declares unconditional war on poverty in America. I urge this Congress and all Americans to join with me in that effort." Subsequent developments as reported in the press and elsewhere outline his efforts to follow through on this announcement.

While we believe the primary purpose of our agricultural programs should be to maintain a strong agricultural economy to prevent

poverty, we do know such poverty exists. We feel that efforts to deal with poverty in rural areas should be under the direction of the Department of Agriculture.

Various agencies of the Department of Agriculture have had long and valuable experience in dealing with people in rural areas, including those who have had to live on the edge of poverty due to subsistence farming on small acreages. These agencies, including the Farmers Home Administration, the Extension Service, the Rural Electrification Administration, and the State and County ASC Committees are to be commended for their work in this area through the years. They are to be commended for making it possible for life on the farm to be a little more comfortable and thereby slowing down migration to cities, with all the economic and social problems involved. They are also to be commended for their efforts to develop an economically healthy Agriculture to help prevent poverty and make it possible for farm families to stay on the farm.

The Farmers Home Administration has made a major contribution toward enabling farm and rural people, through its various credit programs and valuable technical assistance, to become economically sound and financially responsible. Loans are made to those in rural areas who are unable to secure credit from any other source for (1) acquiring, enlarging or improving farms, (2) developing facilities for soil and water conservation; (3) financing annual farm operating expenses, (4) constructing farm housing, (5) and restoring damages from natural disasters.

HOME MANAGEMENT SUPERVISORS

This Committee has strongly supported the Farmers Home Administration through the years. It believes that this agency, along with others in the Department, can assume a major role in improving the economic situation of people in rural areas. It remembers that very effective work with farm families was done by this agency in former years when it had "Women Home Management Supervisors." For many years these home management supervisors worked with the womenfolk of the borrowing families, most of which were in the lower economic levels, on such matters as home budgeting, economical spending, home canning, sewing, etc. They taught the wives to use thrift and resourcefulness to help the family meet its financial problems.

This system proved very successful. It is a major reason why the repayment record of borrowers from the Farmers Home Administration has been so remarkable, with principal and interest repayments consistently exceeding scheduled installments due. This home supervisor service was ended a few years ago, however, against the wishes and best judgment of members of this Committee.

We would call attention to the fact that in recent years, several new programs have been assigned to this agency, including "Rural Housing for the Elderly" and "Rural Renewal" to meet the problems of low-income rural areas. Several years ago, at the instance of this Committee the housing program of this agency was broadened from "farm" housing to "rural" housing. This has enabled this program to meet the housing needs in many small towns and villages not formerly eligible for loans from either the Federal Housing Agency, which served strictly urban areas, and the Farmers Home Administration, which was limited to farming areas.

If the home management supervisors were reinstated and their responsibilities enlarged to cover all needy families in rural areas, this would be the best possible approach to dealing with the economic problems of depressed rural areas. As has been proved by the Farmers Home Administration many times, a successful climb from poverty to economic well-being is primarily due to the influence of the wife in the rural family and her ability to handle the family finances wisely.

URGENT NEED FOR CONTROL OF EXCESSIVE AGRICULTURAL IMPORTS

Following the great economic depressions of 1921–1923 and 1929–1932, both of which were started by a decline in farm purchasing power, the Congress enacted laws designed to stabilize the agricultural economy. The primary purpose of such measures was and consistently since then has been to enable agricultural producers to maintain their purchasing power for the good of the economy of the entire Nation.

This legislation had two important features. The first was to establish a price support system—with a parity index tied to cost based on the income of industry and labor—which would keep farm income in balance with the farmer's production costs. The second feature provided for acreage controls and marketing quotas to keep supplies on hand, plus expected domestic consumption and exports, in balance with production.

In view of the nature of this legislation, it has been applied largely to non-perishable basic agricultural commodities—those which can be stored and carried over into the following year or years.

Subsequently, Congress enacted Section 32 (thirty-two) of P.L. 320, 74th Congress, to provide an additional means of protecting the purchasing power of farm producers. The primary purpose of Section 32 (thirty-two) (which is financed from 30 percent of annual import duties) was to support agricultural markets by purchasing surpluses on the domestic market and diverting them to new uses, including increased exports. An amendment adopted in 1939 placed the primary emphasis of this program on perishable non-basic commodities—those which must be marketed soon after production and harvest.

It is to be noted that the provisions of all of these farm laws have been directed toward controls, prices and markets in an effort *to maintain purchasing power of American Agriculture at somewhat near a par with purchasing power of labor which is protected by minimum wage guarantees and bargaining rights—and with industry which can make automatic mark-ups to assure adequate return on investment.* It is also important to note that control of supplies on hand and in sight is an essential element of these laws. Unfortunately, this feature of the law has not worked too well in view of constantly increasing yields resulting from improved seeds, fertilizers, insecticides, production techniques, etc.

At the time it enacted these measures, Congress recognized that they could not be effective unless some protection was provided against agricultural imports from areas with cheap labor and low pro-

duction costs. Accordingly, it enacted Section 22 (twenty-two) of the Act of August 24, 1935. The pertinent provisions of this law are as follows:

"(a) *Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall so advise the President, and, if the President agrees that there is reason for such belief, the President shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts* * *.

"(b) *If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees not in excess of 50 per centum ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse for consumption, as he finds and declares shown by such investigation to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, any program or operation referred to in subsection (a) of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken:* * *.

"*In any case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President may take immediate action under this section without awaiting the recommendations of the Tariff Commission, such action to continue in effect pending the report and recommendations of the Tariff Commission and action thereon by the President.*

"(c) *The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such data as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law numbered 330, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees shall not be considered as duties for the purpose of granting any preferential concession under any international obligation of the United States.*"

One of the problems facing American Agriculture in maintaining its purchasing power has been the failure of the Federal Government to use the provisions of Section 22 quoted above to limit imports of competitive products where necessary to prevent undue competition from abroad. This makes it virtually impossible for any farm program to work. *It is impossible to maintain a balance between supply and demand through buying up of surpluses—using Section 32 funds or otherwise—when unlimited amounts can enter the country from abroad in direct competition with American production.*

OVERSEAS PRODUCTION ENCOURAGED BY U.S.

To further complicate this situation, our own Federal Government has been providing funds and technical assistance to enable competitors (Americans and foreigners) to increase their production overseas—both in quantity and quality—and to take over much of our traditional world markets with commodities produced with cheap labor, land and materials. It is extremely difficult for the American farmer to compete with foreign producers—although efficiency of production and superior quality has enabled him to retain some of his foreign markets despite this disadvantage.

The most serious situation facing the American farmer in this regard, however, is the current program of the U.S. Government which provides loans and investment guarantees to encourage *American* producers with American "know-how" to move their activities abroad to take advantage of cheap labor, land and materials and to realize the benefits of certain tax advantages on overseas earnings.

Under the Foreign Assistance Act of 1961, American agricultural producers and other businessmen are being encouraged to go into business in foreign countries. In a brochure distributed to business interests throughout the country by the Agency for International Development (AID) entitled "Aids to Business—overseas Investment," Americans who wish to move their interests abroad are given the following attractive inducements:

(1) *Investment Surveys.*—AID will pay up to 50 percent of the cost of a trip to "explore the feasibility" of private investment abroad.

(2) *Dollar Loans.*—AID will make dollar loans to encourage American investors to go into business abroad. The Export-Import Bank, International Finance Corporation, the World Bank and the Inter-American Development Bank are also available for this purpose.

(3) *Local Currency Loans.*—AID will make local currency loans to Americans from foreign currencies generated under Public Law 480, the Agricultural Trade Development and Assistance Act, to undertake overseas production.

(4) *Investment Guaranties.*—AID will guarantee the American investor against inconvertibility of currency, expropriation, confiscation and other political risks and will guarantee against certain normal business risks inherent in all business ventures.

It should be noted, also, that the President's latest foreign aid message dated March 19, 1964 (House Doc. No. 250) proposes even more liberal tax credit for American investment in less developed countries. Amendments recommended for enactment during the current session of Congress propose an additional tax credit of 30 percent on amounts invested by U.S. concerns abroad.

To add to these inducements to expand overseas competition, the failure of the Federal Government to curtail imports through the use of Section 22 makes it possible for commodities produced abroad with American capital and know-how and with cheap foreign labor to flow back into the United States in unlimited amounts to put our own American producers still located in this country out of business.

A study of this situation makes it apparent that *the use of Section 22 to control agricultural imports is an absolute necessity if any farm program is to work and if American farmers are to remain in business in this country.*

Recent developments in the cattle industry are a case in point. Cattle prices in the United States have dropped drastically in recent months and many cattle producers are facing financial ruin. At the same time imports of livestock, meat and meat products have been increasing. Such imports have increased by more than 400% in the last few years. While recent negotiations have resulted in some "voluntary" reductions in meat imports from Australia and New Zealand, the volume still coming in is creating a surplus on the domestic market which is continuing to depress cattle prices.

The Secretary recently announced that Section 32 will be used to buy up some of this meat surplus for use in the school lunch program and similar worthy causes in an effort to bolster the market. However, unless meat imports from abroad are curtailed through the use of Section 22, the demands on Section 32 funds will be very heavy and it is doubted that this approach can be effective.

SPECIAL INVESTIGATION OF CATTLE IMPORTS

In view of the serious threat to American Agriculture from imports, including those produced under the investment guarantee program of AID, the Committee has initiated a special investigation of (1) imports of livestock, meat and other agricultural products during the past 10 years, (2) the extent to which U.S. funds and technical assistance have been used in production of such imports; and (3) the effect of American production abroad on our own farmers here at home.

A preliminary report indicates that U.S. imports of beef and veal have increased from 271 million pounds in 1953 to 1440 million pounds in 1962, an increase of over 430 percent, and an estimated 1679 million pounds in 1963. Increased imports from the 3 largest importers are as follows:

[Million pounds]

	1953	1962	1963 (estimate)
Australia	2.6	638.8	747.0
New Zealand	1.8	298.9	332.0
Ireland	4.6	102.5	105.7

This report also indicates that U.S. imports of other meats, including pork, mutton and lamb have increased substantially during this same period. Also, increased numbers of live cattle and calves, largely from Canada and Mexico, were brought into the U.S. during these years.

While prices received by farmers for beef cattle increased somewhat over this 10 year period, they have dropped from $22.60 per 100 pounds in 1959 to $19.85 per 100 in 1963, a reduction of $2.75 or 10.4 percent. Hog prices at the farm level have gone down from $21.40 per 100 pounds in 1953 to $14.98 in 1963, a reduction of $6.42 or 30 percent.

Despite the availability of Section 22 to control imports to protect domestic production, the report states further that "Livestock, meat and meat products have never been regulated under Section 22."

It is also pointed out in the report that over $400 million of Section 32 funds have been spent between 1936 and 1962 to remove surplus meats from the market as follows: beef—$111.5 million; lamb—$4.8 million; pork—$202.1 million; pork and beans—$2.0 million; and miscellaneous meats—$83.8 million.

SECTIONS 22 AND 32 MUST WORK TOGETHER

The relationship between Section 32 (thirty-two) and Section 22 (twenty-two) is extremely close. While it has been stated by Department officials that Section 22 is applicable only to price supported commodities, a careful reading of the law will show that a special provision was added to make it applicable to commodities covered by Section 32, including meat and meat products.

In the opinion of the Committee, consideration should be given to permanent legislation which would require the invoking of the provisions of Section 22, where imports are a contributing factor to the surplus.

DIVERSION OF GRAIN SHIPMENTS TO AUSTRIA

By directive dated August 20, 1963, the Committee requested that an inquiry be made into the alleged illegal diversion of grain shipped to Austria under the barter program.

Two interim reports were received on December 6 and 11, 1963. These reports, with names and other identifying information deleted, were inserted in the Congressional Record (p. 24040, December 19, 1963). A final report was received by the Committee on January 17, 1964. In view of pending consideration by the Department of Justice as to further investigations and possible legal action, the content of this final report has been withheld from publication.

The two interim reports indicate that 568,428 metric tons of total shipments of 1,010,380 metric tons of feed grain (corn, barley, and sorghums) did not arrive in Austria and were diverted to other countries in violation of the terms of the barter agreement. They also indicate that 10,500 tons were relabeled as Argentine grain and reshipped to Austria and that 10,015 tons were diverted to East Germany.

This investigation established that the diversion was knowingly accomplished by at least 4 Austrian grain importers who have been charged with violations of Austrian law that two additional Austrian importers may ultimately be found to have contributed to the diversion, and that certain West German grain importers may have conspired to obtain the diverted grain.

According to information developed by the Committee investigation, the diversions were made possible by the lack of established controls by the Department of Agriculture to discover infractions of barter

contracts and to enforce the provisions thereof. Further, there are indications that the Foreign Agricultural Service did not assume sufficient responsibility in at least one location and did not make adequate checks to detect the diversions and institute corrective action at an early date.

From reports of the Foreign Agricultural Service it appears that steps have being taken to prevent repetition of these and similar illegal handling of commodities shipped abroad under government financed programs. Regulations and reporting procedures designed to assure proper records, inspections and reports are being instituted. Further, definite responsibility for carrying out such regulations and procedures has been placed on the U.S. Agricultural Attaches in those countries where assigned and on appropriate U.S. Embassy personnel in other countries.

The Committee is deeply concerned by developments of this kind. The excellent reputation of the Department and the Foreign Agricultural Service must be maintained for the good of American Agriculture. Further, the programs of the Department—which provide the food and fibre for the 190 million consumers in the United States and millions of foreign consumers throughout the world at the lowest cost ever known in the history of the world—must be kept free of any suggestion of illegal or unethical conduct. American Agriculture—which is the foundation of a prosperous Nation enjoying the highest standard of living ever known to man—cannot afford the undesirable results of such actions.

The Secretary is urged therefore to review the policies, regulations and procedures in each agency and division of the Department to make certain that everything possible is done to prevent such occurrences in the future. The new Office of Inspector General, which has been established to centralize all audit and inspection work directly under the Secretary of Agriculture, should take the lead in such a review and should work closely with heads of the various agencies and divisions of the Department in this effort. Apparently, this office has done a fine job to date to bring together and improve this work.

Also, further instances of possible shortages of shipments of agricultural commodities abroad and of illegal speculations and manipulations in commodity markets should be given thorough investigation and appropriate legal and administrative actions should be taken.

INSPECTION ACTIVITIES

The 1965 Budget also indicates that legislation is to be proposed by the President which would curtail certain inspection activities of the Department, including inspection under the U.S. Grain Standards Act.

In the opinion of the Committee, no action should be taken which will weaken or curtail any inspection service of the Department.

In 1952, the Committee made a special investigation of the warehousing activities of the Commodity Credit Corporation, including serious shortages in certain commercial warehouses and elevators storing CCC grain and other commodities. One of the major reasons for such shortages was found to be the lack of adequate inspection both prior to and during storage. In many cases it was found that no inspections had been performed during a period of four or more years. In a few cases, no inspections had been made in ten years.

The Committee report on this study stated: "The Committee is of the opinion that lack of inspection has contributed more than any other single thing to the rash of conversions which has developed. It believes that this situation cannot be corrected until the Department institutes adequate inspection, improved handling of warehouse receipts, and establishes a close follow-up on loading-out orders."

In view of this experience of 12 years ago, and because it is general practice to use warehouse receipts as negotiable instruments and loan collateral, the Department is urged to maintain its inspection services on the present basis. Funds have been included in this bill to finance these activities during the coming year, despite the proposed changes in legislation. To cut down on inspection would be to invite serious trouble.

Here again, the new Office of Inspector General should coordinate with the agencies and divisions concerned to make certain the inspection activities of the Department are efficiently and effectively operated.

TITLE I—GENERAL ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

The Agricultural Research Service was established by the Secretary of Agriculture on November 2, 1953, under the authority of the Reorganization Act of 1949 (5 U.S.C. 133z–15), the Reorganization Plan No. 2 of 1953, and other authorities. It conducts farm, utilization, nutrition, and consumer use research, plant and animal disease and pest control and eradication activities, and operates the meat inspection service. The Administrator of this Service is also responsible for the coordination of all research of the Department. The Service also carries out emergency programs, when necessary, for the control and eradication of animal diseases, such as foot-and-mouth disease, and for the control of emergency outbreaks of insects and diseases.

Marketing research, the funds for which are merged with this appropriation, is directed toward the development of answers to problems encountered in moving agricultural products from the farm to the consumer, such as improved product quality, and improved equipment and facilities.

Research.—The bill includes $97,656,000 for fiscal year 1965, including $4,921,300 for marketing research. The amount recommended is an increase of $1,222,925 over 1964 and a reduction of $5,418,875 in the budget estimate. The increase is provided to cover mandatory pay increase costs for the coming year for the regular ARS research program and for marketing research.

Consistent with last year's action, the Committee has again combined the funds for marketing research with the other research programs financed by this appropriation. As the demand for research continues to grow, it becomes increasingly difficult to clearly differentiate between these two areas of research and to conduct the work under two separate agencies. This consolidation should prevent duplication and increase the effectiveness of the Department's research efforts and should make it possible to do more research with the same amount of money. The sum of $662,000 of the proposed budget reduction for marketing research has been restored, as discussed earlier in the report.

Funds for other essential research needs have been provided for by transfer from Section 32 funds under the Agricultural Marketing Service. A complete explanation of these funds will be found under that portion of the report.

As noted earlier, $264,000 has been restored to this appropriation to continue the operation of 12 field research stations proposed to be eliminated by the Budget. Offsetting savings can be made by elimination of work done by transfer of funds from the Agency for International Development.

The Department is requested to keep the Committee currently advised of all research grants, allocations or contracts entered into with funds in this appropriation, giving a description of the project, the length and terms of the agreement, and the result sought.

Plant and animal disease and pest control.—The Committee recommends an appropriation of $65,255,000 for the next fiscal year, an increase of $937,000 over 1964 and a decrease of $400,000 in the budget. The entire increase is required to meet mandatory pay increase costs in fiscal year 1965.

The amount allowed includes increases of $200,000 for plant and animal quarantine inspection at ports of entry, and $600,000 for enforcement of the Virus-Serum-Toxin Act and the Insecticide-Fungicide-Rodenticide Act. It also provides $200,000 to be used on a 50–50 matching basis to help meet the serious infestation of boll-weevil in Texas and New Mexico through a Federal-State cooperative approach. These increases will be offset by proposed budget decreases of $1,000,000 for other eradication activities which can be curtailed at this time.

Since 1962, the Federal Government has spent some $6,300,000 for screwworm eradication in the Southwest. During this same period, the State of Texas spent approximately $2,700,000, plus some services in kind, and the livestock producers and sportsmen in the area spent in excess of $3,200,000—a total of $5,900,000 from local sources, plus extra services. According to latest reports, the program has been fully effective and the screwworm had been eradicated from the entire area. It has been proposed to establish a buffer zone of several hundred miles south of the Mexican border to prevent reinfestation by migrant flies from Mexico at an annual cost of around $5,500,000. It has been further proposed that the Federal Government finance the entire cost, in lieu of the 50–50 matching arrangement in effect since 1962.

The Committee recognizes the value of a buffer zone as proposed. It recognizes the threat of reinfestation from Mexico, whether it be screwworms, fruitflies, citrus blackflies or any similar insect pests. However, it does not feel that the Federal government should provide the full cost of supporting such a buffer zone. It recommends, therefore, that the Executive Branch explore the possibility of establishing a joint program with Mexico to provide the necessary protection.

The full budget estimate of $2,750,000 for screwworm eradication in the Southwest has been retained in the bill for 1965, should it be needed. The language in the bill, however, requires full matching for $2,500,000 of this amount by obtaining funds from the States affected as well as other local sources. In the event a major program should be re-instituted, a sum of $250,000 may be used without matching to make spot checks and meet isolated outbreaks as may be necessary.

Meat inspection.—For meat inspection an appropriation of $30,454,000 is proposed for next year. This is an increase of $2,558,000 over 1964 and a decrease of $383,000 in the budget request. The increase includes $697,000 for mandatory pay increases plus $861,000 for reclassifications of non-veterinary meat inspectors under Civil Service Commission standards. The 1964 supplemental estimate of $90,000 for reclassifications will not be needed since the funds cannot likely be made available prior to the close of the 1964 fiscal year. In the future, reclassifications and other actions requiring additional funds should not be initiated by the Department by change in job classification or otherwise without prior approval by the Congress.

An increase of $1,000,000 has also been included to provide for 100 additional meat inspectors required to handle the ever-increasing demands for this mandatory inspection service. Due to the constant dispersal of meat packing establishments to areas closer to the source of supply, the number of plants and cities and towns in which located continues to increase. Since 1961, the growth has been as follows:

Fiscal year	Establishments		Cities and towns	
	Number	Percent increase over prior year	Number	Percent increase over prior year
1961	1,451		599	
1962	1,511	4.1	623	4.0
1963	1,590	5.2	672	7.9
1964 (estimate)	1,696	6.7	700	4.2
1965 (estimate)	1,760	3.8	723	3.3

Special foreign currency program.—Oversea research carried out under sections 104(a) and 104(k) of Public Law 480 is financed by foreign currencies in amounts authorized in the annual appropriation bill. It supplements and complements research financed by regular appropriations. Such research is not intended to duplicate or displace other research conducted by the Department or its cooperators.

No new funds are recommended for next year. A carryover of prior year unobligated funds of between $14,000,000 and $15,000,000 will be available to continue this program during fiscal year 1965.

COOPERATIVE STATE RESEARCH SERVICE

The Cooperative State Research Service was established by Secretary's Memorandum No. 1462 dated July 19, 1961, and Supplement 1, dated August 30, 1961, under Reorganization Plan No. 2 of 1953. The service carries out (1) administration of the Agricultural Experiment Stations Act of August 11, 1955, (Hatch Act of 1887, as amended, 7 U.S.C. 361a–361i); (2) payments under Section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623) to State agricultural experiment stations; and (3) grants to nonprofit institutions for support of basic scientific research under the act approved September 6, 1958 (42 U.S.C. 1891–1893).

The full budget estimate of $42,440,000 is provided for this program for fiscal year 1965. The increase of $1,012,000 over 1964 includes $32,000 for mandatory pay costs in 1965 and $980,000 to expand research at the agricultural experiment stations.

The land-grant colleges are basic agricultural research centers and their cooperative research is highly essential. They are urged to keep their salary levels competitive so as to attract and retain highly trained and competent research scientists.

Last year the Congress requested information to show the full amount of Federal funds received by the State experiment stations through grants and contracts for research projects in addition to this appropriation. The Department reports that such contracts and grants totaled approximately $20,000,000 in fiscal year 1963, as follows:

Atomic Energy Commission	$3, 843, 421
Department of Health, Education, and Welfare	10, 947, 020
Department of Defense	667, 068
National Science Foundation	3, 659, 935
Tennessee Valley Authority	252, 544
Department of Interior	207, 166
Other	547, 593
Total	20, 124, 747

EXTENSION SERVICE

Cooperative agricultural extension work was established by the act of May 8, 1914, as amended by the act of June 26, 1953 (7 U.S.C. 341–348), and the act of August 11, 1955 (7 U.S.C. 347a). The legislation authorizes the Department of Agriculture to give, through the land-grant colleges, instruction and practical demonstrations in agriculture and home economics and related subjects and to encourage the application of such information by means of demonstrations, publications, and otherwise to persons not attending or resident in the colleges. Extension educational work is also authorized under the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627).

State and county extension work is financed from Federal, State, county, and local sources. These funds are used within the States for the employment of county agents, home demonstration agents, 4–H Club agents, State specialists, and others who conduct the joint educational programs adopted to local problems and conditions.

Payments to States and Puerto Rico.—The Committee recommends $67,295,000 for the coming fiscal year, which restores the proposed budget reduction of $2,590,000 and will permit the program to continue at the 1964 level.

As discussed earlier in this report, the Committee feels that this work is far more essential to the American farmer and consumer than the work the Department is performing for the Agency for International Development. It has recommended the elimination of such extra outside work to the extent necessary to offset this and other restorations of proposed budget cuts.

The Committee again recommends that efforts be made to maintain competitive salary levels for county agents and home demonstration workers in order to attract well-trained and highly qualified personnel to this program.

Retirement costs for extension agents.—The bill carries the full budget estimate of $7,410,000 for fiscal year 1965. This appropriation is provided to cover the Federal share of retirement costs for cooperative extension agents.

Penalty mail.—An appropriation of $3,113,000 is provided for fiscal year 1965, the same amount as provided for fiscal year 1964. This item covers penalty mail costs of State extension directors and county extension workers, as authorized by law.

Federal Extension Service.—The Federal Extension Service provides for leadership, counsel and assistance to the 50 States and Puerto Rico. The committee recommends the full budget estimate of $2,451,000 for the coming fiscal year, an increase of $50,000 over the 1964 appropriation. The entire increase is provided to cover mandatory pay act costs in 1965.

FARMER COOPERATIVE SERVICE

The Farmer Cooperative Service was established following the enactment of the Farm Credit Act of 1953 (Public Law 202, Aug. 6, 1953), which transferred the research and technical assistance work for farmers' marketing, purchasing, and service cooperatives, under the Cooperative Marketing Act of 1926 from the Farm Credit Administration to the Secretary of Agriculture.

The Service conducts research, advisory, and educational work with cooperatives on problems of organization, financing, management policies, merchandising, costs, efficiency, and membership to help farmers who are members of such organizations improve the operations of their businesses. It cooperates with the Extension Service, land-grant colleges, banks for cooperatives, State departments of agriculture, and other agencies to bring about better understanding and application of sound cooperative principles and practices. It also advises other Federal agencies on problems relating to agricultural cooperatives.

The sum of $1,082,000 is provided for fiscal year 1965, an increase of $22,800 over fiscal year 1964 and a decrease of $20,200 in the budget estimate. The increase is approved to meet the pay increase costs required for this organization in the coming year.

SOIL CONSERVATION SERVICE

The Soil Conservation Service was established by the act of April 27, 1935 (16 U.S.C. 590a–590f). It assists soil conservation districts and other cooperators, watershed groups, and Federal and State agencies having related responsibilities in bringing about physical adjustments in land use that will conserve soil and water resources, provide for agricultural production on a sustained basis, and reduce damage by floods and sedimentation. Its major programs are as follows:

Conservation operations: The Service provides technical help to farmers and ranchers in the 50 States, Puerto Rico, and the Virgin Islands in carrying out locally adapted soil and water conservation programs. As of June 30, 1962, farmers and ranchers had organized 2,929 conservation districts.

Watershed protection: The Service has general responsibility for administration of the watershed protection program of the Department, established by Public Law 566, 83d Congress, and the development of its guiding principles and procedures.

Flood prevention: The Service has general responsibility for administration of the flood prevention program, and the development of the Department's guiding principles and procedures.

The program is conducted in the 11 major watersheds authorized by the Flood Control Act of 1944.

Great Plains conservation: The Service has general responsibility for administration of the Great Plains conservation program, authorized by Public Law 1021, 84th Congress. This program provides for long-term cost sharing under contracts with farmers and ranchers in designated counties of the 10 Great Plains States.

Resource conservation and development activities: The Service has general responsibility under provisions of section 102, title I of the Food and Agriculture Act of 1962, for developing overall work plans for resource conservation and development projects in cooperation with local sponsors; to help develop local programs of land conservation and utilization; to assist local groups and individuals in carrying out such plans and programs; to conduct surveys and investigations relating to the conditions and factors affecting such work on private lands; and to make loans to project sponsors for conservation and development purposes and to individual operators for establishing soil and water conservation practices.

Conservation operations.—Soil conservation assistance is being provided for an increasing number of soil conservation districts each year. With only a few exceptions, most of the Nation is now organized into such districts. As of June 30, 1962, 2,929 districts had been established and the number increased to 2,942 as of June 30, 1963. It is estimated that they will increase to 2,972 by the end of fiscal year 1964 and 3,000 by June 30, 1965.

An appropriation of $100,511,000 is recommended for fiscal year 1965, an increase of $2,585,000 over 1964 and $1,761,000 over the budget request. The increase over 1964 includes $1,815,000 to cover the mandatory pay act costs in 1965 plus $770,000 to provide technical assistance to the 28 new districts expected to be organized in the coming fiscal year.

As pointed out earlier in this report, the President's budget for fiscal year 1965 would have required the following reductions in State and area soil conservation offices as well as elimination of some 50 work units serving existing soil conservation districts:

	Amount	Man-Years
Reduction of administrative staff in State offices	−$100,000	17
Consolidation of plant materials and agronomic technologies in field offices	−400,000	35
Reduction of 10 area offices in several States	−160,000	18
Consolidation of work units at about 50 locations	−740,000	92
Other miscellaneous savings	−1,442	
Payment to Employees' Compensation Fund (P.L. 86-767)	+57,442	
Total	−1,344,000	162

The amount recommended by the Committee for next year restores these proposed budget reductions with a directive to the Department to eliminate work for the Agency for International Development in sufficient amount to offset the funds and manpower needed for this far more essential work.

The additional funds of $770,000 to provide technical assistance to the new soil conservation districts to be formed next year are essential if we are to continue to encourage new areas not yet organized to come into the soil and water conservation program of the Nation. In certain States such as Missouri and several Far Western States, local conditions resulted in a delay in organizing districts and entering the program. To fail to provide funds for these areas as they are ready to take their place in the National program would be unfair to those areas which have not been able to organize sooner.

Watershed protection.—The full budget estimate of $65,848,000 is provided in the bill for the coming year, an increase of $2,401,000 over 1964. Of the increase, $428,000 is required to meet mandatory pay act costs in 1965. The balance is recommended for river basin surveys and installation of works of improvement in "PL 566" watersheds.

The 1965 budget proposed a reduction of $1,025,000 for small watershed planning. This reduction would have reduced the staff of technical experts and aides currently engaged in watershed planning by about 110 positions and would have resulted in the completion of 22 less project work plans in 1965 than in 1964.

The Committee has restored this proposed cut in planning, as outlined earlier in this report, and has included specific language in the bill to provide $5,524,000 for watershed planning next year, the same amount as authorized for 1964, plus day increases. Offsetting reductions in work financed from AID have also been directed in this instance.

The status of watershed planning assistance and the large number of project applications remaining to be acted upon are indicated in the following figures supplied by the Department:

	1963 actual	1964 estimate	1965 estimate
Applications:			
Received, current fiscal year	234	230	245
Received, cumulative at June 30	1,936	2,166	2,411
Planning:			
Authorized, current fiscal year	121	125	105
Authorized, cumulative at June 30	890	1,015	1,120
Completed, current fiscal year	90	95	73
Completed, cumulative at June 30	542	637	710
Remaining to be planned at June 30	786	891	1,026

Flood prevention.—The fiscal year 1964 level of operations for this program are recommended again for fiscal year 1965. Accordingly, an appropriation of $25,423,000 is included in the bill for 1965. As has been discussed earlier in this report, the Committee cannot agree to the proposed budget reductions for the various soil conservation programs of the Department which contribute so much to the future strength of this Nation. Reductions in soil conservation work for other countries of the world through the Agency for International Development should be made by the Department to offset the amount of the restoration for this program.

The progress on most of the 11 major watersheds financed by this appropriation is still far behind the original schedule established in 1944. At that time it was estimated that these projects would be completed in some 15 years. Work on the Buffalo Creek watershed project in New York is now estimated to be completed in 1964. However, the remaining 10 projects will still require many more years to complete, even though it is 20 years since the program was originally

established. Now that local sponsors are meeting their responsibilities at increasing rates, the Department should make every effort to speed up the completion of this work. Constantly increasing construction costs and salary increases, and the flood protection these projects will provide, make it good national economy to complete these projects at the earliest possible date.

Great Plains Conservation program.—The bill includes $14,176,000 for fiscal year 1965, an increase of $564,000 over 1964 and a decrease of $568,000 in the budget request. The increase includes $64,000 for mandatory pay costs in 1965, plus $500,000 for cost-sharing assistance to participating farmers and ranchers.

Interest in participating in the Great Plains Conservation Program has continued to increase. Applications for program assistance received in the fiscal year 1963 totaled 3,885. As of July 1, 1963, the Service has 4,110 unserviced applications on hand as compared with 3,855 at the end of 1962. There were 2,852 new cost-share contracts covering 5,051,330 acres signed in the fiscal year 1963 as compared with 2,450 covering 4,950,101 acres during 1962. The average size of farm and ranch units placed under contract in the fiscal year 1963 was 1,772 acres. The average size of all units placed under contract through June 30, 1963 is 2,295 acres.

Resources conservation and development.—This new program, which was authorized by section 102 of the Food and Agriculture Act of 1962 (Public Law 87–703), provides for technical assistance in planning and carrying out land conservation and land utilization projects in selected areas. Although the Soil Conservation Service is responsible for administering the work of this program, it is carried on cooperatively with other Federal agencies and departments, State and local agencies, and sponsoring organizations. Other agencies of the Department of Agriculture share in the work of these projects in accordance with their regularly assigned functions. Governing bodies of soil conservation districts, in cooperation with other interested committees or groups, are expected to provide local project sponsorship. These projects will usually be in areas where acceleration of conservation activities is required to provide additional economic opportunities to the residents of a single district, or parts of several adjoining districts, or other geographic planning units within a land resource area.

The 1964 appropriation of $1,496,000 is again recommended for fiscal year 1965, a reduction of $548,000 in the budget request. In addition, an unobligated balance of $1,075,000 of the 1964 appropriation will carry forward into next year, which will make a total of $2,571,000 available in 1965. The proposed reduction for resource investigation and planning will provide an additional $281,000 for resource development and technical services.

ECONOMIC RESEARCH SERVICE

The Economic Research Service was established by Secretary's Memorandum No. 1446, Supplement No. 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953, and other authorities. The Service develops and carries out a program of economic research designed to benefit farmers and the general public. The findings of this research are made available to farmers and others through research reports

and through economic outlook and situation reports on major commodities, the national economy, and the international economy.

The full budget estimate of $9,476,000 is included in the bill for fiscal year 1965. The entire increase of $229,200 is provided to meet mandatory pay costs next year.

The Department's program of research and related reporting in farm production and resource development economics is conducted from headquarters in Washington, D.C. and is concerned chiefly with problems of regional and national scope. Field studies generally are conducted in cooperation with State Experiment Stations and often in cooperation with other Federal agencies. When studies are made jointly by Federal and State agencies, Federal workers usually are most interested in regional and national applications of results, while State workers are most often interested in local applications.

STATISTICAL REPORTING SERVICE

The Statistical Reporting Service was established by Secretary's Memorandum No. 1446, Supplement 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953, and other authorities. The Service was created to give coordinated leadership to the statistical reporting research and service programs of the Department. It provides a channel for the orderly flow of statistical intelligence about the agricultural economy of this country. The primary responsibilities of this Service are the nationwide crop and livestock estimates, coordination and improvement in the Department's statistical requirements, and special surveys of market potentials for agricultural products.

The Committee recommends the full budget estimate of $11,431,000 for the next fiscal year, an increase of $840,100 over 1964. The increase includes $187,000 for mandatory pay act costs in 1965, $62,500 to meet the full annual cost of cattle-on-feed reports initiated last year, and $590,600 to continue the long-range program for the improvement of the crop and livestock estimates begun in fiscal year 1961. In 1965 it is expected that enumerative surveys will be expanded to all continental states except California and Oregon which will remain on a pilot basis.

The amount recommended for 1965 includes sufficient funds to restore the proposed budget elimination of $94,000 for consumer surveys. In the opinion of the Committee this work, which relates to research on market quality, standardization of processed products, and utilization, is extremely valuable to the Nation's consumers and should be continued. Offsetting reductions should be made in work done for the Agency for International Development, as outlined earlier in this report.

AGRICULTURAL MARKETING SERVICE

The Agricultural Marketing Service was established November 2, 1953, under authority of section 161, Revised Statutes (5 U.S.C. 22), Reorganization Plan No. 2 of 1953 and other authorities. The Service carries on the following principal programs with appropriate funds:

Marketing services: These activities contribute to the efficient and orderly marketing of agricultural commodities. Funds for

the research activities have been transferred to the Agriculture Research Service.

Payments to States: The Service administers the matched fund program for marketing activities carried out through cooperative arrangements by State departments of agriculture, bureaus of markets, and similar State agencies.

Special milk program: Assistance is provided to States for making reimbursement payments to eligible schools and child-care institutions which inaugurate or expand milk service in order to increase the consumption of fluid milk by children.

School lunch program: Federal assistance is provide to States, Puerto Rico, Virgin Islands, and Guam for use in serving nutritious midday meals to children attending schools of high school grades or under in order to improve the health and well-being of the Nation's children, and broaden the market for agricultural food commodities.

Removal of surplus agricultural commodities and marketing agreements and orders: These activities directly or indirectly tend to maintain prices received by farmers and establish and maintain orderly marketing conditions through (*a*) removing from the market surplus agricultural commodities through purchase and donation to eligible recipients, export and diversion payments; distribution of Commodity Credit Corporation donated commodities to eligible outlets authorized under section 416; and cooperation with the food trade and others to encourage greater consumption of abundant foods; (*b*) formulation and administration of marketing agreements and orders.

Food stamp program: This program, operating on a pilot basis in fiscal year 1963, is aimed at increasing domestic consumption of agricultural commodities by providing increased purchasing power to needy persons through issue of food coupons.

Market services.—The bill for the coming fiscal year includes $39,389,000 for marketing services, an increase of $2,196,400 over 1964 and a net decrease of $126,125 in the budget estimate. The increase includes $896,400 to meet mandatory pay act costs in 1965, $135,000 to complete the modernization of the market news leased wire service and to meet the cost of increased teletype rates, $665,000 to cover the reclassification of non-veterinarian poultry inspectors based on revised Civil Service standards, and $500,000 to provide 56 additional poultry inspectors to handle increased mandatory poultry inspection workload in the coming year. The 1964 supplemental request of $173,000 for reclassifications has not been included. As pointed out for meat inspection, the Committee feels that future reclassifications and other actions requiring additional funds should have advance Congressional review.

The Poultry Products Inspection Act of 1957 requires the Department to inspect for wholesomeness all poultry moving in interstate or foreign commerce. The law was enacted primarily to protect consumers against diseased and otherwise unwholesome meat. Since enactment of this law, the number and capacity of plants and evisceration lines in plants requiring inspection service have reflected substantial growth, as have the pounds of product inspected. Although production may fluctuate from season to season because of low prices, the general trend is continuing upward—at a rate of about 6 to 7 percent estimated for 1965.

At the beginning of this report, it was noted that the 1965 budget proposed a reduction of $50,000 and the closing of 5 market news service offices at Fort Smith, Arkansas; Baltimore, Maryland; Tulsa, Oklahoma; Memphis and Nashville, Tennessee. The funds provided for 1965 will enable the Department to continue the service at these locations and to add reports on soybeans and wheat at Memphis.

The increase of $135,000 recommended for the market news leased wire service includes $60,000 to cover increased rates which will go into effect in 1964 based on authorization of the Federal Communications Commission on May 29, 1963, and $75,000 to complete modernization of equipment to increase transmission speed and realine circuits serving the southeastern and gulf coast areas. This is expected to complete the modernization program begun in 1962.

Payments to States and possessions.—Federal payments, authorized by section 204(b) of the Agricultural Marketing Act of 1946, are made under cooperative agreements between the U.S. Department of Agriculture, State Departments of Agriculture, Bureau of Markets, and similar State agencies for the conduct of eligible marketing service activities on a matching fund basis. The States contribute at least half of the cost and perform the work with State personnel.

The 1964 appropriation of $1,500,000 is recommended again for 1965. This is an increase of $75,000 over the budget request as outlined earlier in this report.

With these additional funds, the Department should study the needs for additional market news services on a matching-fund basis resulting from the decentralization of reporting from large central markets to the smaller markets closer to the production areas. In this connection, consideration should be given to installing some type of livestock market news reporting in Idaho, where no service exists at present. Also grain market news reporting begun in Missouri in 1961 should be continued on an experimental basis looking forward to regular financing in future years.

Special milk program.—The special milk program is aimed primarily at increasing the consumption of fluid milk by children. Nonprofit schools of high school grade and under, all nonprofit summer camps and child-care institutions devoted to the care and training of children, are eligible to participate in the program.

From its inception in fiscal year 1955 through fiscal year 1962, the program was financed through advances from the Commodity Credit Corporation. The Agriculture Act of 1961 (Public Law 87–128) approved August 8, 1961, changed financing to a direct appropriation beginning June 1, 1962. The 1965 budget proposes to finance the program by transfer from Section 32 funds in lieu of a direct appropriation.

From 1962 to 1963 the number of participating schools and institutions increased from 88,188 to 90,486. Of the latter figure, there were 85,220 schools and 5,266 child-care institutions and summer camps. The number of one-half pints of milk served increased from 2.6 billion in 1962 to about 2.8 billion 1963. During this same period expenditures rose from $89,000,000 to $93,900,000.

A total of 438 needy schools serving more than 13,600 children participated and consumed approximately 6.2 million half pints of milk under the limited experimental program of special assistance.

The Committee recommends the full budget estimate of $99,831,000 for 1965 and concurs in the budget proposal to finance the program next year by a transfer of funds from Section 32. This action is not to be considered a precedent for future years, however, since Section 32 funds must be kept available to prevent market surpluses and price declines of agricultural commodities as the need arises.

School lunch program.—The Committee proposes a direct appropriation of $146,400,000; plus the transfer of $45,000,000 from section 32 funds for the purchase of meats and other foods needed to provide balanced school lunches. This is an increase of $9,784,000 over 1964 and a decrease of $1,210,000 in the budget request.

For a number of years, the Committee has felt that funds for this program should increase as the number of children participating in the program increases. Last year the appropriation was computed on a fixed amount per meal for the first time. The Committee has followed the same procedure again this year in determining the amount of the appropriation recommended for fiscal year 1965.

In fiscal year 1962 a total of 2.4 billion school lunches were served. This increased to nearly 2.6 billion in 1963 and is expected to exceed 2.7 billion in 1964. It is estimated that 2.886 billion meals will be served in 1965. At an average of 5 cents per meal, $144,300,000 will be required for cash reimbursements and Section 6 purchases during the 1965 school year, plus $2,100,000 for administrative expenses, a total of $146,400,000. This amount has been included in the bill. No funds have been earmarked to initiate special cash assistance to needy schools.

Removal of surplus agricultural commodities (sec. 32).—Section 32 funds are used to encourage exportation and domestic consumption of agricultural products and to stabilize market prices either through announcements that the Department stands ready to enter the market, or by actual participation in the market. Generally, surpluses are removed from the market through purchases, which are then donated to schools, institutions, and needy persons.

Last year the Congress approved language under this heading to permit the use of section 32 funds for activities which would help to increase consumption of farm commodities and thereby reduce the demands for purchases through this fund and reduce the investment of Commodity Credit Corporation funds in commodity inventories. The 1964 Appropriation Act also provided authority to include a similar provision in future appropriation bills in an amount not to exceed $25,000,000.

Pursuant to this authority, the Committee has provided for the use of $25,000,000 of section 32 funds in fiscal year 1965 for the following research programs which should help to increase consumption by reducing the cost of production and increasing the utilization of agriculture commodities:

Expanded research activities

Research on health-related problems of tobacco (discussed earlier in report)	$1,500,000
Research on control of insects, including development and testing of insecticides and materials used in agricultural production (discussed earlier in report)	1,500,000
Staffing of research laboratories previously authorized and now ready for operation	1,200,000
Research on reductions in cost-of-production	9,400,000
Research on expanded use of agricultural commodities	9,400,000
Total research	$23,000,000

Construction and alteration of facilities

Alteration and improvement of utilities, Plum Island, New York, not to exceed	$250,000
Construction and remodeling of facilities, Beltsville, Maryland, not to exceed	850,000
Replacement of facilities, Fort Collins, Colorado, not to exceed	450,000
Construction of peanut research laboratory in Georgia, not to exceed	450,000
Total construction and alteration	$2,000,000
Total authorization	$25,000,000

The $1,200,000 provided for staffing 15 new research laboratories in various parts of the country, which were previously funded and are now ready for operation, is based on a budget estimate included for this purpose under the Agricultural Research Service. The estimate has been excluded from the Agricultural Research Service research appropriation.

A total of $18,800,000 has been included under this heading for expanded research on cost of production and utilization of agricultural products. This is in keeping with increases allowed in recent years to expand research designed to deal with the problems of agricultural surpluses. A number of additional pressing research needs were brought to the attention of the Committee during its hearing this year, including research on floricultural and horticultural crops, pecans, avian leukosis and other poultry diseases, special problems of swine, strawberries, blueberries and grapes, forage crops, York spot disease of apples, soybean production, sugar, cotton, wool and mohair, biological control of pests and insects, soil and water conservation, cereal leaf beetle, coffee harvesting, and many others. The Department is expected to give attention to these essential research needs in the allocation of these funds next year.

The Committee has included $250,000 for alterations and improvements at the Foot-and-Mouth Laboratory at Plum Island, $850,000 for construction and remodeling of facilities at the Beltsville Research Center, and $450,000 for replacement of sugarbeet, pasture and range research facilities at Fort Collins, Colorado. These amounts are provided in lieu of budget requests for these purposes presented under the Agricultural Research Service.

Pursuant to an agreement entered into by the House and Senate Conferees at the time the 1964 Agriculture Appropriation Bill was adopted last December, not to exceed $450,000 of Section 32 funds is authorized for the establishment of a research facility in Georgia to be used to house the peanut shelling research work now underway at Dawson and to bring together the peanut research on production and

marketing now being conducted at various locations in Georgia, if desirable. It has been agreed that this laboratory will not do any peanut "quality" research.

Based on a last-minute agreement of the Conferees last December, the 1964 bill included $9,500,000 for the construction of a new Southeastern Research Laboratory which has been located at Athens, Georgia. It was fully agreed by the conferees at that time that this laboratory would not do any peanut quality research, for which additional funds were provided at the New Orleans Laboratory, and that it would not undertake research which would displace work being done at the other four major utilization laboratories.

The Committee has gone along with the use of Section 32 funds in the coming year for the Special Milk Program and the Food Stamp Plan. It does not feel, however, that the Department should look to this fund for permanent financing of these programs. Section 32 must be able to move into the market quickly, if necessary, with sufficient funds on hand to purchase a large enough quantity of commodities to remove surpluses and bolster prices. The diversion of these funds for other large uses could make Section 32 ineffective due to lack of funds.

FOREIGN AGRICULTURAL SERVICE

The Foreign Agricultural Service promotes the export of U.S. farm products and represents the Department and U.S. agriculture abroad. It conducts foreign market development programs and collects and disseminates to U.S. agriculture the basic information essential to aggressive foreign marketing of U.S. agricultural products and to making necessary adjustments to meet changing situations abroad.

For the coming year, the Committee recommends an appropriation of $18,790,000, an increase of $202,500 over 1964 and a reduction of $1,734,000 in the budget estimate. The increase covers mandatory pay act costs in 1965.

The economic position of this country is heavily dependent upon increasing the present level of agricultural exports. The annual agricultural export total of around $5 billion accounts for one-fourth of the nation's total products and provides a market for products of one cultivated acre out of five.

The dollars for market development activities which are provided in this appropriation are used for the purchase of foreign currencies accruing under Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (P.L. 480). Such currencies are expended in accordance with the authorities contained in Section 104(a) of the Agricultural Trade Development and Assistance Act of 1954, as amended (P.L. 480).

The Department is directed to review the activities of U.S. market cooperators under the market development program and to establish criteria for the use of Federal funds—both dollars and local currencies—by such cooperators. This program appears to be very effective in promoting foreign sales of U.S. agricultural commodities. Criticisms concerning expenditures for such work must be avoided.

COMMODITY EXCHANGE AUTHORITY

The Commodity Exchange Authority administers the Commodity Exchange Act of September 21, 1922, as amended. The objectives are to prevent commodity price manipulation and market corners; prevent dissemination of false and misleading crop and market information affecting commodity prices; protect hedgers and other users of the commodity futures markets against cheating, fraud, and manipulative practices; insure the benefits of membership privileges and contract markets to cooperative associations of producers; insure trust fund treatment of margin moneys and equities of hedgers and other traders and prevent the misuse of such funds by brokers; and provide information to the public regarding trading operations and contract markets.

The bill carries an appropriation of $1,100,000 for fiscal year 1965, an increase of $47,000 over 1964 and a decrease of $19,000 in the budget estimate. The increase includes $21,000 for mandatory pay act costs in 1965 and $26,000 for additional trade practice investigations.

For a number of years it has been necessary to conduct investigations on a highly selective basis due to limited funds and personnel. The above increases should enable the agency to more nearly meet the need in this area of responsibility.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The Agricultural Stabilization and Conservation Service was established by the Secretary of Agriculture on June 5, 1961, under the authority of Reorganization Plan No. 2 of 1953, in accordance with the Reorganization Act of 1949, as amended (5 U.S.C. 133Z). The Service carries on the following principal programs from appropriated funds:

Acreage allotments and marketing quotas: The Agricultural Adjustment Act of 1938, as amended, authorizes production adjustment for designated basic commodities (tobacco, peanuts, wheat, cotton, and rice) through acreage allotments, and the adjustment of supplies through marketing quotas when supplies reach specified levels in relation to normal demand.

Sugar act program: The chief objective of the Sugar Act of 1948, as amended, is "to protect the welfare of consumers of sugar and those engaged in the domestic sugar-producing industry." This involves (a) determination of U.S. consumption requirements; (b) administration of quotas to regulate imports of sugar produced in foreign areas, as well as marketing of sugar produced in domestic areas; and (c) payments to domestic producers of sugarbeets and sugarcane, provided producers comply with certain labor, wage, price, and marketing requirements prescribed by law.

Agricultural conservation program: This program is authorized by the provisions of section 7 to 16(a), inclusive, and section 17 of the Soil Conservation and Domestic Allotment Act, as amended. Its objectives include (1) restoring and improving soil fertility, (2) reducing erosion caused by wind and water, and

(3) conserving water on land. Cost-sharing assistance is furnished to individual farmers and ranchers in the 50 States, Puerto Rico and the Virgin Islands for carrying out approved soil-building and soil- and water-conserving practices on their farms. This assistance represents only a part of the cost of performing the practice. The farmer bears the balance of the cost, and in addition supplies labor and management necessary to carry out the practice.

Cropland conversion program: Section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended, by section 101 of the Food and Agriculture Act of 1962, provides for long-term agreements under which cropping systems and land uses will be changed (1) to permanently shift to better productive use cropland which is not well suited for crop use, and (2) to temporarily shift to better productive use and utilize for other purposes land which is suitable for crop use but not currently needed for crops.

Emergency conservation measures: The objective of this program, which is authorized by the Third Supplemental Appropriation Act of 1957 and the Supplemental Appropriation Acts of 1958 and 1959, is to restore to normal agricultural use farmlands which have been damaged by wind erosion, hurricanes, floods, or other natural disasters. To this end, farmers are offered cost-sharing assistance for carrying out approved practices.

Conservation reserve program: The conservation reserve program authorized by the Soil Bank Act is a long-range program under which farmers have voluntarily contracted to take cropland out of production for a specified number of years and devote it to conservation uses. In return the farmer receives (a) an annual rental payment for the contract period, and (b) assistance in either cash or conservation materials and services for carrying out approved conservation practices on the reserved acreage.

Commodity Credit Corporation program activities: Various price support and related programs have been authorized in numerous legislative enactments since the early 1930's. Operations under these programs are financed through the Commodity Credit Corporation. Personnel and facilities of the Agricultural Stabilization and Conservation Service are utilized in the administration of programs of the Commodity Credit Corporation, and the Administrator of the Service is also Executive Vice President of the Corporation.

Foreign assistance programs and other special activities: Various surplus disposal programs and other special activities are conducted pursuant to specific statutory authorizations and directives. These laws authorize the use of CCC funds and facilities to implement the programs. Appropriations for these programs are transferred or paid to the Corporation for its costs incurred in connection with these activities, such as Public Law 480; International Wheat Agreement; Bartered materials for supplemental stockpile; National Wool Act.

Expenses, Agricultural Stabilization and Conservation Service.—An appropriation of $105,602,000 is included for fiscal year 1965, a decrease of $8,960,000 in the budget estimate. The amount recommended is a net increase of $1,231,500 over the 1964 appropriation. However, it is a decrease of $12,368,500 when the 1964 deficiency of $13,600,000 for administering the 1964 feed grain program is taken into consideration.

Two items of increase have been allowed for 1965. An amount of $1,761,415 has been included for mandatory pay act costs in 1965. Also, $1,835,631 has been allowed to correct an imbalance between appropriated funds and funds transferred for Commodity Credit functions, with an offsetting reduction in the CCC transfer. The two increases are partially offset by a decrease of $2,365,546 due to economies in administering the conservation reserve and agricultural conservation programs.

No additional funds have been allowed for administering the feed grain and wheat stabilization programs for 1965. The amounts needed for these purposes cannot be accurately estimated until the effect of recent legislation on future fund requirements can be fully determined.

Sugar Act program.—Payments are made to domestic producers of sugarbeet and sugarcane who comply with certain special requirements. To finance these payments, a tax of 50 cents per hundred pounds is imposed on all beet and cane sugar processed in or imported into the United States for direct consumption. During the period 1938–63, collections of $2.1 billion from excise taxes and import taxes have exceeded payments by $527.4 million. Estimated collections through fiscal year 1965 of $2.3 billion will exceed estimated payments by $565 million.

The Committee recommends an appropriation of $86,400,000, an increase of $8,400,000 over 1964 and a decrease of $1,100,000 in the budget estimate. The 1964 supplemental estimate of $6,400,000 contained in House Doc. 203, dated January 21, 1964, has not been included in the bill.

Total sugar production in the 1964 crop year covered by this appropriation is estimated at 6,490,000 tons, the same quantity as produced in the 1963 crop year. The increase for 1965 will be used to make payments for increased production in 1963 in the continental sugar beet and cane areas.

Agricultural conservation program.—An appropriation of $225,000,000 the full budget estimate, is recommended for 1965 to make payments earned under the program authorized in the 1964 bill and to honor a small balance of unpaid 1963 commitments not fully covered by the 1964 appropriation. Amounts due under this program are legal commitments and funds must be provided to pay all contracts entered into.

The Committee has also restored the 1965 program authorization to the regular level of $220,000,000—plus $30,000,000 for administration under the heading "Expenses, ASCS." Almost every year in recent years, Congress has been required to restore budget cuts in this item.

In the opinion of the majority of the members of the Committee, the funds expended through this program return to the Nation the greatest possible conservation benefits. Further, this program provides the best possible means of meeting local conservation needs in