

all areas of the country. It is far more effective than many other approaches adopted in recent years.

Conservation practices under this program are developed initially at the local level by ASC State and county committees, the Soil Conservation Service, and the Federal Forest Service. Representatives of the land-grant colleges, the Farmers Home Administration, State conservation committees, and other State and Federal agricultural agencies also participate in these determinations.

The recommendations of these groups are used as the basis to formulate joint recommendations to the Agricultural Stabilization and Conservation Service in Washington. From these recommendations, the various agencies of the Department in Washington develop and recommend to the Secretary of Agriculture a national program. State and local people then develop their local programs within the structure of the national program approved by the Secretary. No practices are adopted and put into effect in any State or county unless approved by the local conservation groups.

Apparently the Bureau of the Budget and others who do not support this program are not aware of the important part it plays in building terraces, waterways and erosion control structures and in financing other conservation practices as an integral part of the extremely effective and successful PL 566 small watershed program. Without the ACP cost-sharing program, the small watershed program could not operate satisfactorily. Further, the ACP program finances some 1200 soil conservation technicians who provide assistance to soil conservation districts and the small watershed program, in addition to furnishing technical assistance for this program. The proposed reduction of \$100 million would have eliminated an estimated 555 of these soil conservation technicians.

The contribution of the ACP program to the watershed program and other conservation efforts of the Nation is reflected in the following table of conservation measures performed under the program:

Practice	Unit (in thousands)	Extent under 1962 program	Total accomplishments 1936-1962
Water storage reservoirs constructed to distribute grazing, control erosion, and conserve irrigation water and wildlife.	Structures....	49	1,800
Terraces constructed to control erosion or conserve water.....	Acres.....	694	27,000
Stripcropping systems established to control wind or water erosion and conserve water.	Acres.....	377	111,000
Enduring vegetative cover established to control erosion, conserve water, and for land-use adjustment.	Acres.....	3,900	348,000
Competitive shrubs controlled on range or pasture to permit growth of adequate cover for erosion control.	Acres.....	2,000	46,000
Trees and shrubs planted for forestry purposes, erosion control, or land-use adjustment.	Acres.....	285	3,600
Forest tree stands improved for forestry purposes and erosion control.	Acres.....	213	2,800

*Conservation reserve program.*—An appropriation of \$194,000,000 is proposed to meet conservation reserve contract commitments in 1965. This is a reduction of \$100,000,000 below 1964 and is \$4,000,000 below the budget request.

The decrease in this program is due to a reduction in annual rental payments in 1965 as a result of the expiration of 83,543 contracts covering 6,719,915 acres previously withheld from production.

Payments under this program will continue through 1973 on a diminishing basis as follows:

Fiscal year	Annual rental payments for current contracts (dollars)	Estimated acres in reserve (acres)	Fiscal year	Annual rental payments for current contracts (dollars)	Estimated acres in reserve (acres)
1966.....	156,316,341	14,187,673	1970.....	42,806,735	3,602,369
1967.....	151,094,466	13,617,720	1971 <sup>1</sup> .....	815,034	70,653
1968.....	131,043,730	11,363,846	1972 <sup>1</sup> .....	85,573	7,785
1969.....	116,374,484	9,688,294	1973 <sup>1</sup> .....	1,750	134

<sup>1</sup> Represents mandatory extensions because tree seedlings were unavailable during 1960.

*Cropland conversion program.*—The Food and Agriculture Act of 1962 authorized the Secretary of Agriculture to extend conservation reserve contracts expiring in December 1962, for the calendar year 1963. A total of \$6,150,000 was appropriated in fiscal years 1963 and 1964 to liquidate such contracts covering approximately 700,000 acres. No further funds are needed for this purpose in fiscal year 1965, since this feature of the program has not been extended beyond 1963.

The Food and Agriculture Act of 1962 also authorized the Secretary to carry out a pilot program to determine how land not needed for crop production can best be used for conserving and developing soil, water, forests, wildlife, and recreational resources.

The pilot cropland conversion program has been offered in 41 counties of 13 states, involving differing geographic and agricultural situations. In addition, offers have been made to enter into a limited number of agreements in other States and counties to convert cropland to recreational enterprises only. About 2,800 agreements involving 129 thousand acres of cropland have been entered into.

Because this program appears to be a miniature soil bank under a new name, the Committee made a special investigation of its operations during the past year. A number of operational weaknesses were found, including (1) lack of documentation of land ownership and eligibility, (2) failure to require that practices be carried out on acres covered by contract, (3) lack of consideration of economic feasibility, (4) cost-sharing payments on earth moving on horseshoe, badminton, basketball, baseball and tennis courts, (5) lack of limits on cost-sharing payments with possible cost per acre in excess of value of land, and (6) failure to require that recreational facilities be made available to public.

Though the Department has undertaken to correct these deficiencies, the Committee feels that the program should be continued on an experimental basis and should not be expanded beyond the level of the 1963 program. Accordingly, it recommends an appropriation of \$7,200,000 for 1965, the same amount as expended for the 1963 program. This is a reduction of \$2,800,000 in the budget estimate.

#### OFFICE OF RURAL AREAS DEVELOPMENT

Rural areas development program activities are carried out by the Office of Rural Areas Development which was established by the Secretary of Agriculture's memorandum 1448 of June 16, 1961. The responsibilities of the Office are to (1) provide leadership and initiative

in the formulation of plans for carrying out rural development programs of the Department of Agriculture; (2) coordinate and expedite the application of resources of Department agencies in assisting State, local, private, community, and farm organizations and individuals working for the improvement of economic conditions in rural areas; (3) maintain liaison with appropriate departments and agencies of the executive branch and with officials of public and private organizations to assure coordinated effort in utilization of available resources in support of the rural areas development program. The Office also coordinates work conducted by USDA agencies under the Area Redevelopment Act and the accelerated public works program, acts as liaison between USDA agencies and other Federal agencies. It also advises State and local governments in establishing projects under these programs.

The full budget estimate of \$124,000 is provided for fiscal year 1965, an increase of \$4,000 over 1964. The increase covers mandatory pay act and salary advancement costs during the coming fiscal year.

#### OFFICE OF THE INSPECTOR GENERAL

Internal audit, inspection, and investigations activities are carried out by the Office of the Inspector General which was established by the Secretary of Agriculture's Memorandum No. 1503 dated June 25, 1962, and No. 1524 dated December 21, 1962. The Office is responsible to the Secretary for assuring that existing laws, policies, and programs of the Secretary are effectively complied with on every level of administration in accordance with the intent of the Congress and the Secretary. It insures prompt and appropriate corrective action in those areas in which deviation from established law, policy, procedure, rules, or regulations has developed; and conducts internal audit, inspection, and investigative activities within the Department and coordinates and correlates them with various investigative agencies of the executive and legislative branches of the Government.

The Committee recommends the full budget estimate of \$9,874,000 for the next fiscal year, an increase of \$161,600 over funds available for fiscal year 1964. The entire increase is needed to meet mandatory pay act costs in 1965.

#### OFFICE OF THE GENERAL COUNSEL

The Office of the General Counsel, originally known as the Office of the Solicitor, was established in 1910 (5 U.S.C. 518) as the law office of the Department of Agriculture, and performs all of the legal work arising from the activities of the Department. The General Counsel represents the Department in administrative proceedings for the promulgation of rules having the force and effect of law; in quasi-judicial hearings held in connection with the administration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities, including appeals from the decisions of the Commission to the courts. He serves as General Counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation. He reviews criminal cases arising under the programs of the Department for referral to the Department of Justice.

The bill includes \$3,784,000 for fiscal year 1965, an increase of \$85,500 over 1964 and a decrease of \$69,000 in the budget request. The entire increase is provided to meet mandatory pay act costs for the coming year.

#### OFFICE OF INFORMATION

The Office of Information was established under its present name in 1925 as a consolidation of functions formally organized as early as 1889, to coordinate in the Department the dissemination of information useful to agriculture as directed by the act establishing the Department of Agriculture in 1862.

The Office has general direction and supervision of all publications and other information policies and activities of the Department including the final review, illustrating, printing, and distribution of publications; clearance and release of press, radio, television, and magazine materials; maintenance of central files of news and general illustration-type photographs; and the preparation and distribution of exhibits and motion pictures. The Office publishes the Yearbook of Agriculture, the annual report of the Secretary of Agriculture, the Department Directory, and the Department List of Publications; handles the details of distributing farmers' bulletins allotted to Members of Congress; and services letter and telephone requests for general information received in the Department. Under the Department's working capital fund, the Office also produces visual informational materials, such as motion pictures, art and graphics materials, and still photographic work for the Department and other Government agencies.

The full budget estimate of \$1,648,000 is recommended for the next fiscal year, an increase of \$14,000 over 1964. The entire increase is provided to meet mandatory pay act costs in the coming year.

#### NATIONAL AGRICULTURAL LIBRARY

The Library, pursuant to the Department's organic act of 1862, and under delegation from the Secretary, "procures and preserves all information concerning agriculture which can be obtained by means of books \* \* \*." Under the act establishing the Department, the Library also serves as the National Agricultural Library.

The Library makes available to the research workers of the Department and the State agricultural colleges, as well as to the general public, the agricultural knowledge of the world that is contained in published literature. The Library collects current and historical published material and organizes it for maximum service to the Department and to the public through reference services, loans of publications, bibliographical services, and photo reproductions of library material. It issues a monthly Bibliography of Agriculture in which is listed the agricultural literature of the world. The book collection approximates 1.2 million volumes.

For salaries and expenses the Committee recommends the full budget estimate of \$1,347,000 for fiscal year 1965. The increase of \$20,860 is allowed to meet mandatory pay act costs next year.

The budget request of \$7,000,000 for construction of a new library has been deferred in view of the fact that plans and specifications will probably not be ready in time to begin construction during the 1965 fiscal year.



## OFFICE OF MANAGEMENT SERVICES

The Office of Management Services was established by Secretary's Memorandum No. 1529, dated January 29, 1963 to provide management support services for certain agencies and offices of the Department. These management support services include budget, accounting, and related financial management services; information services; personnel; organization and related services; and procurement, property, space, communications, messenger, paperwork management, and related services. This consolidation of management support services was made to provide greater economy and effectiveness, improved utilization of manpower and management techniques, increased specialization of professional skills, and more extensive use of time-saving equipment.

These services are provided for the Office of the Secretary, Office of Budget and Finance, Office of Hearing Examiners, Office of Management Appraisal and Systems Development, Office of Personnel, Office of Plant and Operations, Office of Rural Areas Development, Office of Information, National Agricultural Library, Office of the General Counsel, Office of Inspector General, Farmer Cooperative Service, Commodity Exchange Authority, Cooperative State Research Service, Economic Research Service, Statistical Reporting Service, and Office of Management Services.

The Committee recommends the full budget request of \$2,482,000 for this activity for the next fiscal year, a decrease of \$59,200 below 1964. The amount approved includes \$47,000 for mandatory pay act costs in 1965. The net reduction below 1964 results from savings due to the centralization of management services under this new operation.

## GENERAL ADMINISTRATION

The Secretary of Agriculture, assisted by the Under Secretary, the Assistant Secretaries, and members of their immediate staff, directs and coordinates the work of the Department; formulates and develops policy; maintains relationships with agricultural organizations and others in the development of farm programs; and maintains liaison with the Executive Office of the President and Members of Congress on all matters pertaining to legislation and policy to insure effective performance of the agricultural programs of the Department.

The following activities are also included under General Administration:

Personnel administration and service is carried on by the Office of Personnel, the staff agency with responsibility for the personnel management program of the Department.

Budgetary and financial administration and service is carried on by the Office of Budget and Finance, the staff agency with responsibility for functions relating to overall administration of the budgetary, fiscal, and related affairs of the Department.

General operations are carried on by the Office of Plant and Operations, a staff agency exercising general staff management direction of the housing of the Department's activities; the leasing of commercial

space and management of real property; procurement activities; purchasing, warehousing, utilization and disposal of administrative and operating supplies and equipment.

Management appraisal and systems development functions are carried out by the Office of Management Appraisal and Systems Development which was established by Secretary's Memorandum No. 1477 of December 8, 1961. The Office is responsible for the general direction, leadership, and coordination in the department of management appraisals, systems design, automatic data processing, operations research, and related management techniques.

Regulatory hearings and decisions include the work of the Office of Hearing Examiners and of the Judicial Officer. The Hearing Examiners carry out the provisions of the Administrative Procedure Act relating to the holding of hearings (5 U.S.C. 1006, 1010). Hearings are held in connection with prescribing of new regulations and orders, and on disciplinary complaints filed by the Department, or on petitions filed by private parties asking relief from some action of the Department.

The National Agricultural Advisory Commission was established pursuant to Executive Order 10472, approved July 20, 1953, amended by Executive Order 10937, approved May 3, 1961. In its advisory functions, the Commission is concerned with the broad fields of agricultural policy and administration, both as they affect the U.S. farmer and the national economy.

For the coming fiscal year, the Committee recommends an appropriation of \$3,530,000, an increase of \$307,000 over 1964 and \$173,000 in the budget estimate. Of the increase, \$57,000 is approved to meet mandatory pay costs in fiscal year 1965. The balance is provided to finance the Secretary's new program on pesticides discussed earlier in this report.

## TITLE II—CREDIT AGENCIES

## RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration was established by Executive Order 7037 of May 11, 1935, to make loans for extension of central station electric service to unserved rural people. It was continued by the Rural Electrification Act of May 20, 1936, and became part of the Department of Agriculture on July 1, 1939, under Reorganization Plan II. On October 28, 1949, Public Law 423 amended the act to authorize loans for furnishing and improving rural telephone service.

Electric and telephone construction loans are self-liquidating within a period not to exceed 35 years at 2 percent interest.

*Loan authorization.*—The Committee recommends the full budget estimate of \$365,000,000 for electrification loans, including a contingency reserve of \$90,000,000. This is a reduction of \$60,000,000 below the electrification loan funds authorized for 1964. While the budget proposed a single contingency fund for both electrification and telephone loans, a separate contingency reserve has been established for each program.

For the telephone loan program, the bill for 1965 includes the same amount as provided for 1964, \$70,000,000. The increase of \$7,000,000 in the budget request has been placed in a separate contingency reserve for telephone loan purposes.

The number of telephone subscribers being served by REA borrowers has regularly been increasing by more than 100,000 per year, and this is expected to continue. In addition, there is a rapidly developing demand for a grade of service better than the old 8-party line. This has lead REA to recommend 4 party flat rate rural service as the preferred standard, and in response to the demand, many borrowers are forecasting and developing systems to provide one or two party service in rural areas. The requirements for upgrading of service is expected to lead to an increase in loan applications in 1964 and 1965.

The Administrator of REA is to be commended for his cooperation in formulating and issuing regulations in accord with the directives in last year's reports of the House and Senate committees. In connection with last year's report of this Committee, it should be clearly understood that the directives contained therein were intended to apply to generation and transmission loans to G&T cooperatives and not to relatively small transmission loans to distribution cooperatives. The regulations issued recently pursuant to these directives should be interpreted and administered on this basis.

The Committee feels that loan funds provided to REA should not be used for power generation loans where the feasibility is based solely on the cheaper power rate resulting from the lower interest rate paid by REA cooperatives than is available to private investor companies unless essential to get area coverage at reasonable rates.

In connection with Section 5 loans, the majority of the Committee feels that the REA should investigate each request prior to approval to see that the application is for purposes *directly* related to the distribution, generation or transmission of electrical energy.

In evaluating the place of REA in the rural electrification industry, it is important that a few significant facts be kept in mind:

(1) The Nation as a whole used 761,380 million kilowatt hours of electricity in 1960. This is expected to increase to 2,692,650 million kilowatt hours by 1980—an increase of over three times.

(2) The REA financed systems serve only 8 percent of the consumers and receive only 5 percent of the revenues. They operate only 1 percent of the generating capacity and sell only 4 percent of the kilowatt hours.

(3) The REA financed systems serve an average of 3.3 consumers per mile as compared to 33.2 consumers per mile on commercial utility lines. REA borrowers have a gross annual revenue of \$460 per mile of line compared to \$7,164 gross annual revenue per mile of commercial companies.

(4) During fiscal year 1963 REA cooperatives used a total of 37,518 million kilowatt hours of electric energy. Of this total only 6,597 million kilowatt hours (approximately 17%) were generated by REA-G&T cooperatives. Nearly one-half of the balance (14,393 million kwh) was purchased from commercial power

suppliers. The rest (16,259 million kwh) came from municipal and other publicly owned suppliers.

(5) Of the approximately 1,000 REA borrowers only one is delinquent in an amount of \$55,000, and this amount is being steadily reduced.

*Salaries and expenses.*—An appropriation of \$11,641,000 is proposed for the administrative expenses of the REA program in fiscal year 1965. This is an increase of \$492,000 over 1964 and \$213,000 over the budget request. The increase over 1964 includes \$242,000 for mandatory pay act costs next year, plus \$250,000 to make the necessary additional surveys required by last year's directives and to process the loan applications without undue delay. With this increase, there should be no reason for any delay in processing applications due to additional surveys and reviews required.

#### FARMERS HOME ADMINISTRATION

The Farmers Home Administration, established November 1, 1946, conducts the following primary activities:

Makes direct and insured farmownership loans to farmers and ranchers for acquiring, enlarging, or improving farms, including farm buildings, land development, use and conservation, refinancing indebtedness, and for loan-closing costs. Loans are repayable in not more than 40 years and bear interest not in excess of 5 percent. Insured loans are made with funds advanced by private lenders and payments of principal and interest are fully guaranteed.

Makes direct and insured soil and water conservation loans to farmers and ranchers and to associations for the effective development and utilization of water supplies and for the improvement of farmland by soil and water conserving facilities and practices. Loans are repayable in not more than 40 years and bear interest not in excess of 5 percent.

Makes direct operating loans to farmers and ranchers for paying costs incident to reorganizing a farming system for more profitable operations, for a variety of essential farm operating expenses such as purchase of livestock, farm equipment, feed, seed, fertilizer, and farm supplies, for financing land and water development, use and conservation, for refinancing indebtedness, for other farm and home needs, and for loan-closing costs. Loans bear interest at 5 percent and may be made for periods up to 7 years, but may be renewed for not more than 5 additional years.

Makes direct emergency loans in designated areas where a natural disaster has caused a general need for agricultural credit which cannot be met for temporary periods of time by private, cooperative, or other responsible sources, including the Farmers Home Administration. Emergency loans bear interest not in excess of 3 percent and are repayable not later than provided for the regular loans for similar purposes.

Makes rural housing loans and grants for building purposes pursuant to title V of the Housing Act of 1949, as amended, to farm owners to owners of other real estate in rural areas, and to long-term farm leaseholders to construct, improve, alter, repair, or replace dwellings

and essential farm service buildings. Direct farm enlargement and development loans, along with building loans, are also made to farm-owners on potentially adequate farms who need to develop their farms so as to increase their income sufficiently to repay the loans. Loans are repayable in not more than 33 years and bear interest at 4 percent.

Makes watershed and flood prevention loans from funds appropriated under "Watershed protection, Soil Conservation Service" and under "Flood prevention, Soil Conservation Service." Such loans are made to local organizations for installing, repairing, or improving works of improvement and water storage facilities, purchasing sites or rights-of-way and for related costs. Loans are repayable in not more than 50 years at an interest rate based on specified outstanding obligations of the Treasury.

Makes insured loans for rental housing for the elderly pursuant to title V of the Housing Act of 1949, as amended. Such insured loans are made to individuals, corporations, associations, trusts, or partnerships to provide moderate cost rental housing and related facilities for elderly persons in rural areas. These loans, made with funds advanced by private lenders, are repayable in the number of years best suited to the individual case and bear interest at 5½ percent. No loan may exceed \$100,000.

Makes direct loans for rental housing for the elderly pursuant to title V of the Housing Act of 1949, as amended. Such direct loans are made to private nonprofit corporations and consumer cooperatives to provide modest cost rental housing and related facilities for elderly persons of low or moderate income in rural areas. These direct loans, made from the Rural housing for the elderly revolving fund, are repayable in not more than 50 years and bear interest at a rate similar to that of the direct loan program of the Housing and Home Finance Agency for the elderly in urban areas which is currently 3½ percent.

Beginning with fiscal year 1964 the Farmers Home Administration initiated technical assistance and loans for rural renewal activity pursuant to section 102 of the Food and Agriculture Act of 1962. Loans are made to local agencies or groups for rural renewal projects specifically related to conservation and land utilization.

*Rural housing loans.*—Section 511 of the Housing Act of 1949, as amended, provides a total of \$650,000,000 in Treasury borrowing authorization for building loans. In addition, the 1964 Department of Agriculture and Related Agencies Appropriation Act provides a direct appropriation of \$25,000,000 for such loans. The status of these funds is as follows:

	Borrowing authoriza- tion	1964 appro- priation
Total available.....	\$650,000,000	\$25,000,000
Estimated obligations:		
Through June 30, 1963.....	—499,793,985	-----
Fiscal year 1964.....	—122,000,000	-----
Fiscal year 1965.....	—5,000,000	-----
Unobligated balance, June 30, 1965 (estimated).....	23,206,015	25,000,000

The amendments to Title V of the Housing Act of 1949 contained in the Housing Act of 1961, broadened the eligibility of individuals for rural housing loans to include non-farm rural residents, as well as farmers. The obligations for fiscal year 1963 of over \$183,000,000 as compared to obligations of \$96,000,000 in 1962 is indicative of the acceleration of the rural housing program. The accelerated demand for rural housing loan funds is expected to continue from both nonfarm rural residents and farm operators.

The Senior Citizens Housing Act of 1962 provided an increase of \$50,000,000 in Treasury borrowing authority under Section 511 of the Housing Act of 1949, the added amount to be available exclusively for building loans for the elderly. The status of the \$50,000,000 authorization is as follows:

Total authorization.....	\$50,000,000
Obligations:	
Fiscal year 1963.....	—3,305,920
Fiscal year 1964 (est.).....	—10,000,000
Fiscal year 1965 (est.).....	—15,000,000
Unobligated balance, June 30, 1965 (estimate).....	21,694,080

*Direct loan account.*—Pursuant to the Consolidated Farmers Home Administration Act of 1961, a direct loan account was established in fiscal year 1962. Collections of principal and interest on loans outstanding are deposited in the direct loan account and are available for principal and interest payments on borrowings from the Secretary of the Treasury and for making additional loans for (a) farmownership, (b) soil and water conservation, and (c) operating purposes. Such loans may be made only in such amounts as may be authorized in annual appropriation acts.

As of the end of fiscal year 1964, it is estimated that this account will have a balance on hand of \$113,300,000. Estimated collections in fiscal year 1965 of \$339,619,000 will make a total available of \$452,919,000 for 1965 loan purposes.

The bill includes authority to use up to \$360,000,000 of this total for loans during the coming fiscal year, \$60,000,000 for real estate loans and \$300,000,000 for operating loans. These are the same amounts as were provided for fiscal year 1964. Of the funds provided for operating loans, \$50,000,000 has been placed in a contingency reserve, to be released by the Bureau of the Budget as may become necessary to meet the needs of the program during the year.

Legislation is contemplated to increase the authority for insured real estate loans from \$200 million to \$450 million. As of this date, this legislation has not yet been forwarded to Congress. Also, the volume of insured loans in the past has never reached expectations. In order to make certain that adequate funds are available in 1965 for such loans, the Committee recommends the 1964 level of \$60 million for the coming year for real estate loans.

*Rural renewal.*—The rural renewal program was authorized by section 102 of the Food and Agricultural Act of 1962. The program provides technical assistance to locally initiated and sponsored demonstration projects. Loans are made to local public agencies or groups for rural renewal development projects specifically related to conservation and land utilization. To be eligible for designation as a rural renewal area, the locality must be one of chronic underem-



ployment on farms and unemployment in the surrounding communities and where agriculture or forestry contributes substantially to the economy.

The Committee recommends that the funds for this program be held to the 1964 level of \$1,200,000. This is a decrease of \$990,000 in the budget request.

A special study made by the Committee during the past year indicates that the objectives of this program could probably be met through regular existing programs, that there is considerable overlapping with other activities of the Department, and that certain loan features of the program could create serious problems. In view of these findings, the Subcommittee feels that this program should be held at the present level for the coming year.

*Rural housing for the elderly revolving fund.*—This program was authorized by the Senior Citizens Housing Act of 1962, approved September 28, 1962. The act authorizes an appropriation of not to exceed \$50 million for a revolving fund to finance the program. It also authorizes loans from the revolving fund to private nonprofit corporations and consumer cooperatives to provide modest rental housing and related facilities for elderly persons (age 62 or over) of low or moderate income in rural areas. These are direct loans, repayable in not more than 50 years. The interest is comparable to housing loans for the elderly in urban areas, which is currently running 3½ percent.

The bill includes an appropriation of \$3,500,000 for this revolving fund in fiscal year 1965. This is the same amount as was provided for 1964 and is a reduction of \$1,500,000 in the budget estimate.

The amount recommended will make a total of \$8 million available for this revolving fund, \$1,000,000 in the Supplemental Appropriation Act, 1963, \$3,500,000 in the regular 1964 Appropriation Act, and \$3,500,000 in this bill. This should provide adequate funds for this purpose through fiscal year 1965.

*Salaries and expenses.*—The Committee recommends an appropriation of \$39,544,000 for the coming year, an increase of \$1,500,100 over 1964 and a decrease of \$640,000 in the budget request. The increase includes \$1,000,000 for mandatory pay act costs in 1965 and \$500,100 to meet the increasing workload resulting from the new programs assigned to this agency by law.

In addition, the Committee has restored language in the bill which authorizes the use of not to exceed \$500,000 of the funds available for the various new programs administered by this agency for the employment of temporary personnel to meet unusual or heavy workload increases.

New responsibilities in the field of financing shifts in land use, recreational enterprises, rental housing for senior citizens in rural areas, farm labor housing, assistance to disadvantaged rural youth and under other authorities of the Farmers Home Administration require new skills and additional manpower, particularly at the field level. With low income farm borrowers, it is particularly important to provide good technical supervision and assistance coupled with needed credit, if the borrower is to become successfully established. The complicated financial management problems of many applicants require more skill and more effort today than formerly was the case.

During the past three years the loan programs of the Farmers Home Administration have more than doubled in volume with no significant increase in employment. The volume of loans made has increased from \$308 million to \$795 million and collections have raised from \$307 million to \$418 million. Loans outstanding and now to be supervised and serviced, have risen from \$1.2 billion to \$2 billion. By June 30, 1964, loans outstanding will total over \$2.5 billion dollars.

### TITLE III—CORPORATIONS (INCLUDING P.L. 480 AND OTHER ASSISTANCE PROGRAMS)

#### FEDERAL CROP INSURANCE CORPORATION

The Federal Crop Insurance Corporation is a wholly owned Government corporation created February 16, 1938 (7 U.S.C. 1501) to carry out the Federal Crop Insurance Act. Its purpose is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for research and experience helpful in devising and establishing such insurance.

Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

The Committee recommends a total of \$10,580,000 for administrative and operating expenses during fiscal year 1965, \$6,942,000 by direct appropriation and \$3,638,000 from premium income. This is a net increase of \$131,000 over 1964 and a reduction of \$11,000 in the budget request. The increase proposed includes \$103,000 for mandatory pay act costs for 1965 and \$28,000 to cover increased rental costs in Washington.

The General Services Administration has determined that the rental rate for space occupied by the Federal Crop Insurance Corporation in Washington shall be increased, effective July 1, 1964, from \$2.10 per square foot to \$4.14 per square foot. GSA advises that this rate is equal to the cost that a commercial landlord would bear, excluding profit.

The 1965 budget estimate is based on the operation of the crop insurance program at approximately the same level as in 1964, with no expansion of the crop insurance program to additional counties or commodities. The following table summarizes the planned program for fiscal year 1965 compared to 1963 and 1964:

Item	1963	1964	1965
Number of counties.....	1,096	1,196	1,196
Number of county programs.....	2,378	2,716	2,716
Number of crops insured.....	418,077	465,000	467,000
Insurance coverage (\$1,000).....	\$498,765	\$566,000	\$574,000
Premiums (\$1,000).....	\$30,545	\$34,500	\$35,000
Indemnities (\$1,000).....	\$24,845	\$25,530	\$26,000

## COMMODITY CREDIT CORPORATION

The Corporation was organized October 17, 1933, under the laws of the State of Delaware, as an agency of the United States, and was managed and operated in close affiliation with the Reconstruction Finance Corporation. On July 1, 1939, it was transferred to the Department of Agriculture by the President's Reorganization Plan I. On July 1, 1948, it was established as an agency and instrumentality of the United States under a permanent Federal charter by Public Law 80-806, as amended. Its operations are conducted pursuant to this charter and other specific legislation.

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feeds, and fibers. Its purposes include stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balance and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

The Corporation is managed by a board of directors appointed by the President and confirmed by the Senate, subject to the general supervision and direction of the Secretary of Agriculture, who is, *ex officio*, a director and chairman of the board. In addition, it has a bipartisan advisory board of five members appointed by the President to survey the general policies of the Corporation and advise the Secretary with respect thereto.

Personnel and facilities of the Agricultural Stabilization and Conservation Service, ASC State and county committees, and other USDA agencies are used to carry out Corporation activities.

The Corporation has an authorized capital stock of \$100 million held by the United States and authority to borrow up to \$14.5 billion. Funds are borrowed from the Federal Treasury and may also be borrowed from private lending agencies. In connection with loan guarantees, the Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by lending agencies or certificates of interest issued in connection with the financing of price-support operations. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the act of March 8, 1939 (15 U.S.C. 713a-4).

The budget is based on the following types of programs: (1) price support, (2) commodity export, (3) storage facilities, (4) supply and foreign purchase, (5) special agricultural conservation program for feed grains, (6) wheat stabilization program, and (7) special activities.

*Reimbursement for net realized losses.*—An appropriation of \$1,724,000,000, the full budget estimate, is proposed in the bill to restore a portion of the capital impairment of the Corporation for fiscal year 1963. This is \$975,400,000 less than the funds carried in the 1964 Appropriation Act.

As discussed at the beginning of this report, the reduction in this item is due to a change in policy by the Bureau of the Budget. Instead of requesting sufficient funds to fully reimburse the Corporation for 1963 capital impairment, only a partial restoration was included in the budget estimate for this purpose. The amount requested and recommended in the bill is the total deemed by the Department to be sufficient, when supplemented with cash receipts from the sale of commodities in CCC inventory, to meet the Corporation's obligation during the coming fiscal year to finance price supports, exports, supply and related programs.

The Committee has approved the budget request, realizing that the amount of money required next year will be determined finally by volume of production, weather conditions, market prices and other factors which cannot be predicted at this time nor controlled in the future. Also, it recognizes that increased dollar sales of CCC commodities on a competitive bid basis could provide the additional operating funds needed for the coming year. Also, it is not possible at this time to accurately foretell the final effect of the wheat and cotton legislation recently adopted.

The Committee has approved budget language which will avoid increasing future appropriation requests by accumulated interest charges on realized losses not restored currently. This change will have the effect of terminating at the close of each fiscal year, beginning with the fiscal year 1964, interest on borrowings from the Treasury in an amount equivalent to the realized losses sustained by the Corporation (1) during the fiscal year 1964 and succeeding fiscal years, and (2) in prior fiscal years, for which the Corporation has not been reimbursed by appropriation. Interest would continue to be charged on borrowings for losses sustained during a particular fiscal year but not after the end of that fiscal year. This would limit interest expenses to borrowings for current operations and would avoid increasing future appropriation requests by interest charges resulting solely from deferral of reimbursement to the Corporation for realized costs and losses applicable to past operations.

The Committee wishes to point out again this year that a major portion of the funds expended by the Commodity Credit Corporation for price support and related activities go to nonfarm groups, including warehousemen, transportation companies, exporters, consumers, and others. A review of the major elements of cost for the past 5 years shows that the percentage of CCC payments to nonfarm groups

has run 58 to 59 percent in 4 of the last 5 years. Figures from the Department of Agriculture are as follows:

Item	Fiscal year				
	1959	1960	1961	1962	1963
Storage and handling.....	\$371,230	\$476,138	\$426,779	\$393,257	\$377,281
Transportation.....	167,553	83,035	164,183	134,051	170,114
Interest expenses (net of income).....	150,182	413,355	354,007	290,651	377,612
Administrative and nonadministrative expense.....	48,219	64,975	89,095	82,804	89,283
Special milk program.....	74,027	80,563	-374	-23	-879
Payments to nonfarm groups.....	811,211	1,118,066	1,033,690	900,740	1,013,411
Other price support and related programs.....	598,813	766,475	714,907	1,030,599	695,556
Subtotal.....	1,410,024	1,884,541	1,748,597	1,931,339	1,708,967
Acreage diversion payments.....			333,223	868,061	945,886
Total realized loss.....	1,410,024	1,884,541	2,081,820	2,799,400	2,654,853
Percentage of payments to nonfarm groups to realized losses for price support and related programs (excluding diversion payments).....	58	59	59	47	59

*Limitation on administrative expenses.*—The Committee recommends the budget estimate of \$37,351,000 for administrative expenses of the Corporation in the coming year. This is a decrease of \$4,299,000 below fiscal year 1964.

The officials of the Corporation and the Agricultural Stabilization and Conservation Service are to be commended for their outstanding administrative record and for the many operating savings and economies they have made in recent years. Despite salary raises and other increased costs, the amount authorized for administration of CCC has decreased from \$45,726,000 in fiscal year 1961 to the recommendation of \$37,351,000 for next year.

#### FOREIGN ASSISTANCE PROGRAMS

A number of statutes provide for the facilities of the Commodity Credit Corporation to be used in carrying out programs for the exportation of surplus agricultural commodities and authorize appropriations to reimburse the Corporation for costs incurred in connection with such programs.

Prior to fiscal year 1962, the Corporation was reimbursed for the costs of these activities by appropriations subsequent to incurrence of the costs. Beginning in the fiscal year 1962, the Congress added funds to place these activities on a pay-as-you-go basis, appropriating for estimated costs in fiscal year 1962. Subsequent bills have included funds for each ensuing fiscal year on the same basis as for other programs of the Department.

Foreign assistance programs are currently being carried out pursuant to the following specific authorizations:

Public Law 480 (Agricultural Trade Development and Assistance Act—7 U.S.C. 1701-1736):

Sales of surplus agricultural commodities for foreign currencies: Under title I of the act, surplus agricultural commodities are sold for foreign currencies. Within certain limitations, these currencies may then be used by the U.S. Government for agricultural market development, purchase of strategic materials, military equipment facilities and services for the common defense, payment of U.S. obligations, military housing, and other specified purposes.

Commodities disposed of for emergency famine relief to friendly peoples: Under title II, the Commodity Credit Corporation makes its surplus stocks of agricultural commodities available for famine relief and other assistance to friendly nations and friendly peoples in meeting famine or other relief requirements and to pay ocean freight charges for the shipment of donated commodities.

Long-term supply contracts: Under title IV the President is authorized to make agreements with friendly nations under which the United States could deliver surplus agricultural commodities over periods of up to 10 years and accept payment in dollars with interest over periods of up to 20 years.

Appropriations are authorized to reimburse the Corporation for its cost in carrying out these programs.

International Wheat Agreement (7 U.S.C. 1641-1642): The Act operates to provide an assured market for wheat to exporting countries at stable and equitable prices. The maximum and minimum prices in the 1959 agreement are \$1.90 and \$1.50 per bushel, respectively, for the basic grade of wheat, No. 1, Manitoba Northern, at Fort William/Port Arthur, Canada, in terms of Canadian currency at the parity for the Canadian dollar determined for the purposes of the International Monetary Fund as of March 1949. The total quantity represents about 36 percent of the world trade in wheat.

The Commodity Credit Corporation makes available wheat or wheat flour to carry out the provisions of the agreement, including the payment-in-kind to the exporter for the difference between the prevailing sales price of wheat under the agreement and the market price. A cash payment for this differential is made for flour.

Bartered materials for supplemental stockpile: Under title II of the Agricultural Act of 1956 (7 U.S.C. 1856), the Commodity Credit Corporation transfers to the supplemental stockpile strategic and other materials acquired as a result of barter and exchange of agricultural commodities, other than those acquired for the national stockpile or for other purposes. Appropriations are authorized for the value of materials transferred at the lower of cost or market value at the time of the transfer.

The rate at which expenditures are made under these programs is influenced by such unpredictable factors as international negotiations, economic conditions abroad, availability of shipping space, and the processing of documents.



Also, these programs are affected by major farm legislation, such as the wheat and cotton bills recently adopted, and the effect of such legislation cannot be foreseen at this point. As one of the officials of the Department states: "These estimates are of necessity very indefinite."

**Public Law 480.**—The bill for fiscal year 1965 includes a total of \$1,887,453,000 to finance the activities under this head, \$1,612,000,000 for Title I sales for foreign currencies, \$220,453,000 for emergency famine relief under Title II, and \$55,000,000 for long-term supply contracts authorized by Title IV. The total recommended is an increase of \$167,487,000 over 1964 and a reduction of \$327,547,000 in the budget request.

The amount provided for sales for foreign currencies includes \$612,000,000 to cover unreimbursed prior year costs and \$1,000,000,000 estimated 1965 costs. The appropriation proposed for emergency famine relief provides \$20,453,000 for unreimbursed prior year costs plus \$200,000,000 for the 1965 program.

Under the long-term supply contract program (Title IV), the foreign governments contract to repay the United States in agreed installments. Such future repayments, including interest specified in the agreements, are deducted from the appropriation request. In effect, the appropriation covers only the difference between the cost of shipments and the export market value which is established at time of the agreement, plus the differential on the U.S.-flag vessels over the foreign flag vessels and interest expense not charged to foreign governments. This latter item is the difference between CCC interest cost and the interest rate specified in the agreement. The Government then must look to the future for recovery of costs due from foreign governments which are financed by the Commodity Credit Corporation.

The matter of the extra cost of shipping agricultural commodities in U.S. ships has become a major issue in view of the large shipments of goods under Public Law 480. This also became a primary consideration in negotiating agreements for sales of wheat to Soviet countries. While the Committee recognizes the need to protect the American Merchant Marine, it does not feel that this should be allowed to interfere unduly with agricultural sales abroad. Further, it does not feel that the Department of Agriculture should be expected to carry the extra costs involved in the difference between world shipping rates and American flag carrier rates.

A statement prepared by the Department shows that the use of U.S. vessels for Public Law 480 shipments since 1955 has cost the Department an extra \$675,700,000 as follows:

[Millions of dollars]

Fiscal year	Title I	Title II	Title III <sup>1</sup>	Title IV	Total
1955.....	9.6		0.1		9.7
1956.....	20.2		.2		20.4
1957.....	50.6		.1		50.7
1958.....	53.8		.1		53.9
1959.....	73.8		.2		74.0
1960.....	79.6		.1		79.7
1961.....	107.7	6.9	1.3		115.9
1962.....	98.4	11.9	.3	0.6	111.2
1963.....	147.0	11.2	.6	1.4	160.2
Total.....	<sup>2</sup> 640.7	<sup>3</sup> 30.0	<sup>3</sup> 3.0	<sup>3</sup> 2.0	675.7

<sup>1</sup> Shipments of nonagricultural materials on U.S. vessels under barter contracts.

<sup>2</sup> The U.S. Government received from the recipient country foreign currencies equivalent to \$343.9 million over this same period of years, representing the estimated foreign-flag vessel rate. Some of these currencies have been available for payment of U.S. expenses abroad.

<sup>3</sup> Reflects costs for ocean transportation on U.S.-flag vessels in excess of foreign-flag vessel rates.

The Department is requested to look into the possibility of paying the extra cost of such shipments in U.S. vessels from foreign currencies available in those countries to which Public Law 480 shipments are made.

Information has also come to the Committee's attention which may possibly indicate that foreign currency sales under Public Law 480 are being made to certain foreign countries which displace regular dollar sales. Attention is directed to those provisions of Public Law 480 which require that Title I sales be "in excess of the usual marketings of such commodities \* \* \*". In the opinion of the Committee, agreements under Public Law 480 which would in any way displace U.S. dollar sales should not be entered into. Normal commercial overseas markets for U.S. agricultural production should never intentionally be sacrificed for international political reasons.

**International wheat agreement.**—The full budget estimate of \$31,838,000 is approved for fiscal year 1965, a reduction of \$54,380,000 below the 1964 appropriation. The amount approved includes \$31,659,000 for prior year unreimbursed costs and \$179,000 for estimated 1965 costs.

It is estimated that, due to the disapproval of wheat producers of marketing quotas for the 1964 crop year, and substitution of a production certificate plan, the open market price will be closer to the competitive world price in fiscal year 1965 than in prior years. However, the final effect of the new wheat legislation on wheat prices cannot be determined at this time. The total shipments in 1965 are expected to be about 120 million bushels and the quantities shipped by country will be in about the same proportion as in 1964.

**Bartered materials for supplemental stockpile.**—The Committee recommends an appropriation of \$82,860,000 for fiscal year 1965, the same as provided for fiscal year 1964. The amount recommended includes \$39,000,000 for unrecovered 1964 costs and \$43,860,000 for the 1965 program.

## TITLE IV—RELATED AGENCIES

## FARM CREDIT ADMINISTRATION

*Limitation on administrative expenses.*—The Administration supervises, examines, and provides facilities and services to a coordinated system of farm credit banks and associations making loans to farmers and their cooperatives. Services and facilities furnished by the Administration facilitate the operations of the several agencies and their progress toward farmer ownership. Typical services are: custody of collateral for bonds and debentures, assistance in financing and investments, credit analysis, development of land appraisal standards and policies, preparation of reports and budgets, and preparation and distribution of information on farm credit. All expenses of these activities are paid by assessments collected from the banks and associations of the farm credit system.

Since December 4, 1953, the Administration has been an independent agency under the direction of a Federal Farm Credit Board (12 U.S.C. 636). The Administration, originally created by Executive Order No. 6084 on May 27, 1933, was transferred to the Department of Agriculture on July 1, 1939, by Reorganization Plan No. 1.

The full budget request of \$2,876,000 is recommended for fiscal year 1965, an increase of \$91,000 over 1964. The increase is necessary to meet the additional mandatory pay costs and lump sum leave payments which cannot be absorbed due to the small size of this organization.

The amount of loans made by the Farm Credit banks and associations continued in an upward trend and reached a new peak during the past year. A net total of \$5.3 billion in credit extended to agriculture in the year ended June 30, 1963, compares with \$4.8 billion for fiscal 1962 and \$4.0 billion in fiscal 1960. The 12 Federal land banks in the year ended June 30, 1963, made loans amounting to \$682 million as compared with \$636 million in fiscal 1962 and \$517 million in fiscal 1960. Production credit associations made \$3.4 billion in short- and intermediate-term loans to farmers in the 1963 fiscal year compared with \$3.0 billion in fiscal 1962. The banks for cooperatives made \$946 million in loans to farmers' marketing, purchasing and business service cooperatives during the year ended June 30, 1963, about \$86 million more than in the 1962 fiscal year.

Due to the increased use of credit by farmers' and their cooperatives, the total amount of loans outstanding among all Farm Credit banks and associations reached a new peak. Outstandings amounted to \$6.3 billion on June 30, 1963, as compared with \$5.8 billion a year earlier. The amount outstanding was at peak levels for each group of banks.

The Farm Credit banks and associations provide slightly less than one-fifth of the total amount of credit used by individual farmers. The proportion of credit used by farmers which is furnished by the Farm Credit System increased only slightly from 17.8 percent at the beginning of 1962 to 17.9 percent on January 1, 1963.

## TITLE V—GENERAL PROVISIONS

The general provisions contained in the accompanying bill for fiscal year 1965 are essentially the same as those included in previous appropriation bills.

Section 501 authorizes the purchase of 472 passenger motor vehicles during fiscal year 1965. This will permit the replacement of 452 vehicles which have reached the Federal replacement standard of 6 years or 60,000 miles. It will also permit the purchase of 20 additional vehicles, 5 for the Agricultural Research Service, 10 for the Soil Conservation Service and 5 for the Statistical Reporting Service. At least 5 of the additional vehicles for the Soil Conservation Service should be used for the Watershed Protection program.

## LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in any appropriation act are included in the bill:

On page 14, in connection with special milk program:

*to be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c).*

On page 16 in connection with Section 32 funds:

*(5) not in excess of \$25,000,000 to be used to increase domestic consumption of farm commodities pursuant to authority contained in Public Law 88-250, the Department of Agriculture and Related Agencies Appropriation Act, 1964, of which amounted \$2,000,000 shall remain available until expended for construction, alteration and modification of research facilities.*

On page 30, in connection with the Commodity Credit Corporation:

*Provided, That after June 30, 1963, the portion of borrowings from Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after June 30 of the fiscal year in which such losses are realized, shall not bear interest and interest shall not be accrued or paid thereon.*

## PERMANENT APPROPRIATIONS

Item	Appropriations, 1964	Budget estimates, 1965	Increase or decrease
Agricultural Marketing Service:			
Removal of surplus agricultural commodities (sec. 32)-----	\$368, 001, 556	\$378, 000, 000	+\$9, 998, 444
Perishable Agricultural Commodities Act fund-----	830, 000	893, 000	+63, 000
Total, Agricultural Marketing Service-----	368, 831, 556	378, 893, 000	10, 061, 444
Agricultural Stabilization and Conservation Service: National Wool Act-----	90, 179, 493	80, 500, 000	-9, 679, 493
Total, permanent appropriations-----	459, 011, 049	459, 393, 000	+381, 951

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1964 AND ESTIMATES AND AMOUNTS RECOMMENDED  
IN BILL FOR 1965

Item	Appropriations, 1964 (adjusted)	Budget estimates, 1965	Recommended in bill for 1965	Bill compared with—	
				Appropriations, 1964	Estimates, 1965
<b>TITLE I—GENERAL ACTIVITIES</b>					
Agricultural Research Service:					
Salaries and expenses:					
Research-----	<sup>1</sup> \$96, 433, 075	<sup>2</sup> \$103, 074, 875	\$97, 656, 000	+\$1, 222, 925	-\$5, 418, 875
Plant and animal disease and pest control-----	64, 318, 000	<sup>3</sup> 65, 655, 000	65, 255, 000	+937, 000	-400, 000
Meat inspection-----	27, 896, 000	30, 837, 000	30, 454, 000	+2, 558, 000	-383, 000
1964 Supplemental (H. Doc. 284)-----		90, 000			-90, 000
Total, Salaries and expenses-----	<sup>4</sup> 188, 647, 075	<sup>4</sup> 199, 656, 875	193, 365, 000	+4, 717, 925	-6, 291, 875
Salaries and expenses (special foreign currency program)-----	1, 250, 000	5, 000, 000		-1, 250, 000	-5, 000, 000
Total, Agricultural Research Service-----	189, 897, 075	204, 656, 875	193, 365, 000	+3, 467, 925	-11, 291, 875
Cooperative State Research Service: Pay- ments and expenses-----	41, 428, 000	<sup>3</sup> 42, 440, 000	42, 440, 000	+1, 012, 000	

See footnotes at end of table, p. 66.



Item	Appropriations, 1964 (adjusted)	Budget estimates, 1965	Recommended in bill for 1965	Bill compared with—	
				Appropriations, 1964	Estimates, 1965
TITLE I—GENERAL ACTIVITIES—Con.					
Extension Service:					
Payments to States and Puerto Rico---	\$67, 295, 000	\$64, 705, 000	\$67, 295, 000	-----	+ \$2, 590, 000
Retirement costs for extension agents--	7, 272, 500	7, 410, 000	7, 410, 000	+ \$137, 500	-----
Penalty mail-----	3, 113, 000	3, 113, 000	3, 113, 000	-----	-----
Federal Extension Service-----	2, 401, 000	2, 451, 000	2, 451, 000	+ 50, 000	-----
Total, Extension Service-----	80, 081, 500	77, 679, 000	80, 269, 000	+ 187, 500	+ 2, 590, 000
Farmer Cooperative Service-----	1, 059, 200	1, 102, 200	1, 082, 000	+ 22, 800	- 20, 200
Soil Conservation Service:					
Conservation operations-----	97, 926, 000	98, 750, 000	100, 511, 000	+ 2, 585, 000	+ 1, 761, 000
Watershed planning-----	5, 424, 000	4, 499, 000	5, 524, 000	+ 100, 000	+ 1, 025, 000
Watershed protection-----	58, 023, 000	61, 349, 000	60, 324, 000	+ 2, 301, 000	- 1, 025, 000
Flood prevention-----	25, 423, 000	22, 656, 000	25, 423, 000	-----	+ 2, 767, 000
Great Plains conservation program---	13, 612, 000	14, 744, 000	14, 176, 000	+ 564, 000	- 568, 000
Resource conservation and develop- ment-----	1, 496, 000	2, 044, 000	1, 496, 000	-----	- 548, 000
Total, Soil Conservation Service--	201, 904, 000	204, 042, 000	207, 454, 000	+ 5, 550, 000	+ 3, 412, 000
Economic Research Service: Salaries and expenses-----	9, 246, 800	9, 476, 000	9, 476, 000	+ 229, 200	-----

Statistical Reporting Service: Salaries and expenses-----	10, 590, 900	11, 431, 400	11, 431, 000	+840, 100	-400
<b>Agricultural Marketing Service:</b>					
Marketing Services-----	<sup>5</sup> 37, 192, 600	<sup>6</sup> 39, 515, 125	39, 389, 000	+2, 196, 400	-126, 125
1964 Supplemental (H. Doc. 203)-----	-----	173, 000	-----	-----	-173, 000
Payments to States and possessions---	1, 500, 000	1, 425, 000	1, 500, 000	-----	+75, 000
Special milk program-----	99, 834, 000	<sup>7</sup> (99, 831, 000)	<sup>7</sup> (99, 831, 000)	-99, 834, 000	-----
School lunch program-----	<sup>8</sup> 136, 616, 000	<sup>8</sup> 147, 610, 000	<sup>8</sup> 146, 400, 000	+9, 784, 000	-1, 210, 000
Total, Agricultural Marketing Serv- ice-----	275, 142, 600	188, 723, 125	187, 289, 000	-87, 853, 600	-1, 434, 125
<b>Foreign Agricultural Service:</b>					
Salaries and expenses-----	<sup>9</sup> 18, 587, 500	<sup>9</sup> 20, 524, 000	18, 790, 000	+202, 500	-1, 734, 000
Commodity Exchange Authority-----	1, 053, 000	1, 119, 000	1, 100, 000	+47, 000	-19, 000
<b>Agricultural Stabilization and Conserva- tion Service:</b>					
Expenses, Agricultural Stabilization and Conservation Service-----	<sup>10</sup> 117, 970, 500	<sup>11</sup> 114, 562, 000	105, 602, 000	-12, 368, 500	-8, 960, 000
Sugar Act program-----	78, 000, 000	87, 500, 000	86, 400, 000	+8, 400, 000	-1, 100, 000
1964 Supplemental (H. Doc. 203)-----	-----	6, 400, 000	-----	-----	-6, 400, 000
Agricultural conservation program---	215, 000, 000	225, 000, 000	225, 000, 000	+10, 000, 000	-----
Conservation reserve program-----	294, 000, 000	198, 000, 000	194, 000, 000	-100, 000, 000	-4, 000, 000
Cropland conversion program-----	11, 350, 000	10, 000, 000	7, 200, 000	-4, 150, 000	-2, 800, 000
Total, Agricultural Stabilization and Conservation Service-----	716, 320, 500	641, 462, 000	618, 202, 000	-98, 118, 500	-23, 260, 000

See footnotes at end of table, p. 66.

## Comparative statement of appropriations for 1964 and estimates and amounts recommended in bill for 1965—Continued

Item	Appropriations, 1964 (adjusted)	Budget estimates, 1965	Recommended in bill for 1965	Bill compared with—	
				Appropriations, 1964	Estimates, 1965
TITLE I—GENERAL ACTIVITIES—Con.					
Office of Rural Areas Development.....	\$120, 000	\$124, 000	\$124, 000	+\$4, 000	-----
Office of Inspector General.....	9, 712, 400	9, 874, 000	9, 874, 000	+161, 600	-----
Office of the General Counsel.....	3, 698, 500	3, 853, 000	3, 784, 000	+85, 500	-\$69, 000
Office of Information.....	1, 634, 000	1, 648, 000	1, 648, 000	+14, 000	-----
National Agricultural Library:					
Salaries and expenses.....	1, 326, 140	1, 347, 000	1, 347, 000	+20, 860	-----
Library facilities.....	450, 000	7, 000, 000	-----	-450, 000	-7, 000, 000
Office of Management Services.....	2, 541, 200	<sup>3</sup> 2, 482, 000	2, 482, 000	-59, 200	-----
General administration.....	3, 223, 000	<sup>3</sup> 3, 357, 000	3, 530, 000	+307, 000	+173, 000
Total, title I, general activities.....	1, 568, 016, 315	1, 432, 340, 600	1, 393, 687, 000	-174, 329, 315	-38, 653, 600
TITLE II—CREDIT AGENCIES					
Rural Electrification Administration:					
Loan authorizations:					
Electrification.....	<sup>12</sup> (425, 000, 000)	<sup>13</sup> (365, 000, 000)	<sup>14</sup> (365, 000, 000)	(-60, 000, 000)	-----

See footnotes at end of table, p. 66.

Item	Appropriations, 1964 (adjusted)	Budget estimates, 1965	Recommended in bill for 1965	Bill compared with—	
				Appropriations, 1964	Estimates, 1965
<b>TITLE III—CORPORATIONS</b>					
(Including PL 480 and other assistance programs)					
<b>Federal Crop Insurance Corporation:</b>					
Administrative and operating ex- penses:					
Appropriation-----	\$6, 944, 000	\$6, 942, 000	\$6, 942, 000	—\$2, 000	-----
Premium income-----	(3, 505, 000)	(3, 649, 000)	(3, 638, 000)	( + 133, 000)	( —\$11, 000)
Total, Federal Crop Insurance Corporation-----	6, 944, 000	6, 942, 000	6, 942, 000	—2, 000	-----
<b>Commodity Credit Corporation:</b>					
Reimbursement for net realized losses	2, 699, 400, 000	1, 724, 000, 000	1, 724, 000, 000	—975, 400, 000	-----
Limitation on administrative expenses	(41, 650, 000)	(37, 351, 000)	(37, 351, 000)	( —4, 299, 000)	-----
Total, Commodity Credit Corpora- tion-----	2, 699, 400, 000	1, 724, 000, 000	1, 724, 000, 000	—975, 400, 000	-----
<b>Public Law 480:</b>					
Sales for foreign currencies-----	1, 452, 000, 000	1, 893, 000, 000	1, 612, 000, 000	+160, 000, 000	—281, 000, 000
Emergency famine relief-----	215, 451, 000	264, 000, 000	220, 453, 000	+5, 002, 000	—43, 547, 000
Long-term supply contracts-----	52, 515, 000	58, 000, 000	55, 000, 000	+2, 485, 000	—3, 000, 000
Total, Public Law 480-----	1, 719, 966, 000	2, 215, 000, 000	1, 887, 453, 000	+167, 487, 000	—327, 547, 000

International Wheat Agreement.....	86,218,000	31,838,000	31,838,000	—54,380,000	-----
Bartered materials for supplemental stockpile.....	82,860,000	120,000,000	82,860,000	-----	—37,140,000
Total, title III, corporations.....	4,595,388,000	4,097,780,000	3,733,093,000	—862,295,000	—364,687,000
<b>TITLE IV—RELATED AGENCIES</b>					
Farm Credit Administration: Limitation on administrative expenses.....	(2,785,000)	(2,876,000)	(2,876,000)	(+91,000)	-----
Total, title IV, related agencies.....	(2,785,000)	(2,876,000)	(2,876,000)	(+91,000)	-----
Total appropriations:					
Title I—General activities.....	1,568,016,315	1,432,340,600	1,393,687,000	—174,329,315	—38,653,600
Title II—Credit agencies.....	78,892,900	58,802,000	55,885,000	—23,007,900	—2,917,000
Title III—Corporations (including PL 480 and other assistance programs).....	4,595,388,000	4,097,780,000	3,733,093,000	—862,295,000	—364,687,000
Title IV—Related agencies.....	(2,785,000)	(2,876,000)	(2,876,000)	(+91,000)	-----
Grand total.....	6,242,297,215	5,588,922,600	5,182,665,000	—1,059,632,215	—406,257,600
Consisting of:					
1965 appropriations.....	6,242,297,215	5,582,259,600	5,182,665,000	—1,059,632,215	—399,594,600
1964 supplementals.....	-----	6,663,000	-----	-----	—6,663,000

Footnotes appear on following page.



<sup>1</sup> Includes \$5,041,375 for marketing research which is merged with this appropriation.

<sup>2</sup> Includes \$4,459,875 for marketing research which is merged with this estimate.

<sup>3</sup> Amended by House Document No. 240, dated March 9, 1964.

<sup>4</sup> In addition, \$1,000,000 reappropriated for contingency fund.

<sup>5</sup> Excludes \$5,041,375 for marketing research which is merged with "Salaries and expenses, Agricultural Research Service."

<sup>6</sup> Excludes \$4,459,875 for marketing research which is merged with "Salaries and expenses, Agricultural Research Service."

<sup>7</sup> By transfer from sec. 32 funds.

<sup>8</sup> In addition, \$45,000,000 transfer from sec. 32 funds authorized for purchases and distribution of food.

<sup>9</sup> In addition, \$3,117,000 transfer from sec. 32 funds authorized.

<sup>10</sup> Includes \$13,600,000 deficiency for fiscal year 1964 submitted in H. Doc. 203, dated Jan. 21, 1964.

<sup>11</sup> In addition, transfers from Commodity Credit Corporation provided as follows: Fiscal year 1964, \$91,720,000; fiscal year 1965, \$87,508,000.

<sup>12</sup> Includes \$150,000,000 contingency authorization.

<sup>13</sup> Includes \$65,000,000 contingency authorization.

<sup>14</sup> Includes \$90,000,000 contingency authorization.

<sup>15</sup> Includes \$7,000,000 contingency authorization.

<sup>16</sup> Includes \$50,000,000 contingency authorization.

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DEPARTMENT OF AGRICULTURE  
OFFICE OF THE UNDER SECRETARY  
WASHINGTON 25, D.C.

May 19, 1964

GENERAL

AG 5-1

ST 43

CONNALLY, JOHN

CANNON, CLARENCE

WHITTEN, JAMIE L.

FG 411/AGRICULTURE,

APPROPRIATIONS SUB-

COMMITTEE FOR

FG 150

MEMORANDUM FOR: Honorable Walter Jenkins  
Special Assistant to the President

FROM: Charles S. Murphy  
Under Secretary

CSM

In view of what you told me on the telephone the other day, I thought you might be interested in seeing this copy of a letter from the Governor of Texas.

Attachment

RECEIVED  
MAY 19 1964  
CENTRAL FILES





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

EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
WASHINGTON 25, D.C.

AG 5-1

APR 11 1964

MEMORANDUM FOR MR. O'BRIEN

Subject: Report on Southwest Screwworm Eradication Program

This is in response to your request of March 13, 1964, for a report on which to base a further reply to Senator Anderson's letter concerning the Southwest screwworm eradication program. *Clinton P.*

Budget Bureau staff met recently with Dr. Anderson, Deputy Administrator for Regulatory and Control Programs, Agricultural Research Service, who is personally familiar with the program to eradicate the screwworm infestation in the Southwest. Dr. Anderson substantiated that a 75-mile wide barrier of sterile screwworm flies maintained along the international border between Texas, New Mexico, and Mexico has been found to be of insufficient width for safety. Dr. Anderson believes that maintenance of a 200-mile wide barrier along the border would be sufficient to prevent further infestation as it has now been determined that the maximum flight range of the adult screwworm fly during migration is about 180 miles. Since the Agricultural Research Service found that this is the maximum range, a 200-mile wide barrier along the most significant stretches of the border has been maintained. However, matching State funds, which had been provided for sharing the costs of a 75-mile wide barrier, will now be exhausted this summer because of the heavier drain occasioned by maintenance of the wider barrier, and additional State appropriations will be necessary to complete the pilot program under present cost-sharing arrangements.

Senator Anderson's letter proposes that the Federal Government assume all costs of this program now that the pest has been eradicated from the southwestern States and the control problem is primarily along an international border. Dr. Anderson pointed out that a precedent does exist for the Federal Government to assume these costs and offered as an example the cattle fever tick program. Originally, the cattle fever tick was widespread throughout the southern and midwestern States. It has now been eradicated and re-entry is prevented at present by border inspection of cattle along the Mexico-U.S. boundary. This program is now financed entirely at Federal Government expense, but this is a relatively inexpensive inspection and enforcement type operation, with costs running about \$700,000 a year. If the screwworm fly were allowed to re-enter the country, it would, without doubt, cause a serious economic problem in the livestock industry in many of the

ccing x of 7/17/64



Mississippi-Missouri Valley States, the Southwest, and the southeastern States. Probably, also, the screwworm would become re-established in Florida as a permanent breeding population. Therefore, a case could be made for full Federal financing of a screwworm control program; however, in our opinion, the border States, such as Texas and New Mexico, should cost-share at least to some extent with the Federal Government if a full-scale control program is undertaken.

When the present pilot program was launched in the Southwest about two years ago, it appeared to us that an effort should be made to explore a cooperative program with Mexico designed to contain the screwworm fly in a progressively smaller area until the pest could be completely eradicated from Mexico. The screwworm could then be prevented from moving north from South America by a relatively small control program in the narrow isthmus connecting the North and South American continents. Accordingly, the Bureau suggested that the Department take steps to explore such a possibility with Mexico. To date, however, little if any progress has been made. Other possibilities might include (1) one of our large public service foundations or (2) the Alliance for Progress undertaking an international project designed to drive the fly out of Mexico. This could cost as much as \$200 million, but would eventually effect control of the screwworm for a fraction of the present costs. Unless a program like this can be carried out, the Federal Government will be faced with the continuing problem of maintaining a 200-mile wide barrier along the rather lengthy border between Mexico and the United States. That magnitude of program poses a possible major problem in that it would expose a relatively large population of flies to this treatment, thereby increasing the possibility that over a span of years the flies might develop resistance to the control method.

Fiscal year 1964 costs of the pilot program are \$2,750,000 of Federal funds and \$2,773,781 of State funds. The States now cost-share on production, irradiation, and release of sterile flies for the pilot program which is designed to run through this calendar year. Costs would be increased substantially by inaugurating a program establishing a 200-mile wide barrier along the entire border, and would rise further during years experiencing short, mild winters. Increased efficiency in producing flies can be expected to hold down costs to some extent.

We recommend that the present pilot program be carried through this year, as designed, continuing the present cost-sharing arrangement that was agreed upon by the Federal Government and the participating States. Further, we shall discuss with the Department of Agriculture the possibility of efforts to reopen talks with Mexico on the desirability of expanding the program to eradicate the screwworm through a cost-sharing program with that Nation. If such is not feasible, and if a full-scale

control program must be launched, an equitable cost-sharing formula should be worked out between the border States benefiting most significantly and the Federal Government, and we would propose that Agriculture undertake such negotiations.

(Signed) E.B.S.

ELMER B. STAATS  
Deputy Director

THE WHITE HOUSE  
WASHINGTON

July 9

Memo for Files:

On April 14, I was informed by Walter Jenkins' secretary that the original copy of Agriculture's memo was on the President's desk. I sent the original copy of Sen. Anderson's letter, the original copy of the memo from Budget, and a copy of Mr. O'Brien's letter red tag to Mr. Jenkins with a note to put the file together. Have been holding these copies, but have heard nothing further. Assume Mr. Jenkins has taken care of this matter.

Jean Lewis



DEPARTMENT OF AGRICULTURE  
OFFICE OF THE UNDER SECRETARY  
WASHINGTON 25, D.C.

April 9 1964

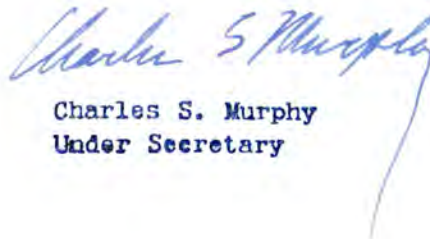
Honorable Lawrence F. O'Brien  
Special Assistant to the President

Dear Mr. O'Brien:

Receipt is acknowledged of your letter of March 13 transmitting one from the Honorable Clinton P. Anderson dated March 11 relative to the Southwest screwworm eradication program.

I have been re-examining this matter at the President's request. Enclosed is a copy of a memorandum I am sending him today.

Sincerely yours,

  
Charles S. Murphy  
Under Secretary

Enclosure







DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON

April 8, 1964

MEMORANDUM

To: The President  
The White House

From: Charles S. Murphy  
Under Secretary

Subject: Screwworm Eradication

Attention: Hon. Walter Jenkins

As requested I have been re-examining the financial arrangements for the screwworm eradication program.

This program has been highly successful in eradicating screwworms in Texas and other Southwestern States in the past three years. It has been financed jointly--with the Federal government providing about half the money and the State of Texas and Texas cattlemen providing most of the other half.

Now it will be necessary to maintain a "barrier" along the Mexican border to prevent re-entry from Mexico. This will be done largely by dropping sterile flies along a strip 75 to 200 miles wide on the Mexican side of the border to keep that strip free from flies. This "barrier" operation will cost \$5½ to \$6 million a year. The Department of Agriculture budget for 1965 now contains \$2,750,000 for this purpose--enough to pay for half.

Texas cattlemen and others, including Governor Connally and Senator Clint Anderson take the position the Federal government should pay the total cost because it is by its nature a Federal responsibility, benefitting many States. There is much merit in what they say. I believe that on the merits the Federal government should pay more than half--perhaps all--of the cost. It is mainly a budgetary problem and probably would require a budget amendment or a supplemental appropriation.

Recently, AID has been looking into the possibility of financing part of the program as an AID project with Mexico. Their preliminary study indicates there are some real possibilities here--although it would be

Notations also sent to  
General Files as of

4/22/64 signed 7/17/64

RECEIVED

10 1964

GENERAL FILES

2--The President

difficult to get it worked out in time for fiscal 1965, and it would be doubtful if as much as half the program could be financed this way.

I recommend that you ask the Bureau of the Budget to get together with AID and Agriculture and such other agencies as you deem appropriate to re-examine this matter and prepare a new recommendation for you promptly.



March 13, 1964

Dear Senator:

For the President, may I acknowledge your letter of March 11 recommending that the Federal Government assume all costs of the screwworm eradication programs, beginning in F.Y. 1965. We have asked for reports from the Department of Agriculture and the Bureau of the Budget for the President's consideration and shall be back in touch with you within the near future.

Sincerely yours,

Lawrence F. O'Brien  
Special Assistant  
to the President

Honorable Clinton P. Anderson  
United States Senate  
Washington, D. C.

j1/ncza



THE WHITE HOUSE OFFICE

**ROUTE SLIP**

(To Remain With Correspondence)

TO Mr. Sydney A. Skoglund  
Office of the Secretary  
Department of Agriculture  
\_\_\_\_\_

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 March 13, 1964

FROM THE SPECIAL ASSISTANT

Ltr fm: Sen. Clinton P. Anderson

**ACTION:** Comment \_\_\_\_\_  
Draft reply \_\_\_\_\_  
For direct reply \_\_\_\_\_  
For your information \_\_\_\_\_  
For necessary action \_\_\_\_\_  
For appropriate handling \_\_\_\_\_  
See below XX \_\_\_\_\_

Remarks: \_\_\_\_\_

**Report on which to base further reply.**

**The Bureau of the Budget is also being asked for a report.**

GPO 16-71264-2

By direction of the President:

Lawrence F. O'Brien  
Special Assistant  
to the President



THE WHITE HOUSE OFFICE

**ROUTE SLIP**

(To Remain With Correspondence)

TO Mr. William D. Carey  
Bureau of the Budget  
\_\_\_\_\_  
\_\_\_\_\_

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 March 13, 1964

**FROM THE SPECIAL ASSISTANT**

Ltr fm: Senator Clinton P. Anderson

**ACTION:** Comment \_\_\_\_\_  
Draft reply \_\_\_\_\_  
For direct reply \_\_\_\_\_  
For your information \_\_\_\_\_  
For necessary action \_\_\_\_\_  
For appropriate handling \_\_\_\_\_  
See below XX \_\_\_\_\_

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**Remarks:**

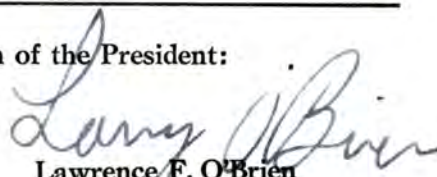
Report on which to base further reply.

The Department of Agriculture is also being asked for a report.

---

GPO 16-71264-2

By direction of the President:

  
Lawrence F. O'Brien  
Special Assistant  
to the President

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MAR 14 10 19 AM '64

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EVERARD H. SMITH, JR., CHIEF COUNSEL

## United States Senate

COMMITTEE ON  
AERONAUTICAL AND SPACE SCIENCES

WASHINGTON, D. C.

March 11, 1964

CARDER  
MAR 13 1964

THE WHITE HOUSE

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RECEIVED

The President  
The White House

Dear Mr. President:

This letter is in regard to the Southwest Screwworm Eradication Program with which I am sure you are well acquainted, and in which I know you have considerable interest.

The objectives of the program were 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 Southwestern and Eastern New Mexico, Texas, and areas in states north and east of Texas. Both of these objectives have received attention concurrently during the past two years with encouraging results. The elimination of the screwworm from the overwintering areas in New Mexico, Texas, and areas in the states to the north and east of this eradication area, has been attained. There have been a few cases reported in these areas but there have been no confirmed cases since mid-December. I am advised that a careful study of these cases has shown convincingly that they entered from outside the area.

New knowledge gained from this program has shown that flies will migrate nearly 180 miles rather than the first estimates of 75 or 80 miles. This new knowledge has demonstrated the need to adjust the protective barrier zone along the border of Mexico to a width of approximately 200 miles.

Heretofore Texas has spent approximately \$6,000,000 on this program and New Mexico and Oklahoma have put out about \$100,000 between them. The Federal Government has spent nearly \$6,000,000 on the program. The areas of the Southeastern United States have reported no cases of screwworm during the past year, but should the U.S.-Mexico border not be properly protected, there will, no doubt, be a reinfestation from Mexico during the coming summer.

The President, p. 2  
March 11, 1964

In view of the fact that the work along the border is required to protect all of the states subject to infestation by the screwworm, I do not believe that the two border states of Texas and New Mexico should be required to contribute one-half the cost for protection of all other states. The present experimental program has accomplished its purpose and I believe that it is now the function of the Federal Government to take over this program and operate it. It is my understanding that the Department of Agriculture is willing and able to do this. However, sufficient funds were not included in the 1965 F. Y. budget for the Department to do this job. I am, therefore, requesting that you give consideration to directing the Department of Agriculture to take over and operate this program and that they be required to request the additional funds needed for Fiscal Year 1965.

I do not have the exact figures and it probably would not be possible to obtain them, but it has been stated to me that the saving in livestock during the past year, together with the saving in time to ranchers, would run into 70 or 80 million dollars. It is also estimated that the increase in wild game is substantial.

I am sure that you will be contacted by some of your people from Texas about this and I want to join in recommending that the Department of Agriculture take over this program beginning in 1965 Fiscal Year.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Clinton P. Anderson', with a long horizontal stroke extending to the right.

Clinton P. Anderson

CPA/wohr



**GENERAL**

AG 5

AG 5-1

April 4, 1964

Dear M. D.: *BRYANT*

This is in response to your March 19 letter concerning the killing and the methods of killing golden eagles for the purpose of protecting domestic livestock from depredating eagles.

Federal protection for the golden eagle, as well as the bald eagle, is provided under provisions of the Act of June 8, 1940 (54 Stat. 250; 16 U.S.C. 668), as amended. Among other things, the Act authorized the killing of depredating eagles in accordance with regulations to be prescribed by the Secretary of the Interior.

Regulations governing the taking of depredating eagles were prescribed by the Secretary and adopted under Part 11, Title 50, Code of Federal Regulations, to become effective April 1, 1963. Under these regulations, depredating eagles may be killed only by livestock owners or their agents when authorized to do so pursuant to the terms and conditions of permits or areawide authorizations issued by the Secretary of the Interior. Such permits or authorizations permit the killing by any suitable means except by the use of poison or from aircraft.

Some interests contend that eagles actually kill few domestic livestock but merely feed extensively on carcasses of such animals found dead from other causes, and that the use of aircraft to kill depredating eagles is neither justified nor necessary. Other interests contend that eagles do cause extensive damage by actually killing livestock, particularly the young of sheep and goats during lambing and kidding seasons, and that due to vast areas concerned, the type of terrain, and the habits of eagles, the use of aircraft is justified and necessary as the only practical and effective method of control which can be employed.

Since sufficient factual information to fully support either contention was lacking, and pending the gathering of such conclusive information, regulations were adopted which in the Secretary's judgment conform to the intent and purpose of the amended Act to provide protection for eagles and at the same time permit protection of property from depredating eagles.

Field investigations of eagle populations, their feeding and migration habits, the severity and extent of their depredations on livestock, and the practicality and effectiveness of control methods are being conducted to secure factual data. No changes in the present regulations are contemplated until factual data indicate that such changes are justified and necessary in order to comply with the purpose and intent of the Act.

With kindest personal regards,

Sincerely,

WALTER

Walter Jenkins  
Special Assistant  
to the President

Mr. M. D. Bryant  
Post Office Box 1928  
San Angelo, Texas

WJ:draft from Interior:rgm

GENERAL

LE/AG 5-1

NR 2

HE

FG 726

March 23, 1964

FG 411/I \*

AC 5-1

Dear Congressman Wyman

In discussing the report of the President's Science Advisory Committee on "The Use of Pesticides" in the hearings of the House Independent Offices Appropriations Subcommittee, you requested information on new legislation for the protection of fish and wildlife.

The actions that have been taken are as follows:

S. 1605 - To amend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, to provide for labeling of economic poisons with registration numbers, to eliminate registration under protest, and for other purposes. This bill passed the Senate on October 22, 1963, and passed the House on February 17, 1964, in lieu of H.R. 9739.

S. 1251 and H.R. 4457 - To amend the Act of August 1, 1958, in order to prevent or minimize injury to fish and wildlife from the use of insecticides, herbicides, fungicides and pesticides. Both the House and the Senate have held hearings but neither has reported the bills. Section 1 would require the Secretary of the Interior to review pesticides legislation labels and would require the Secretary of Agriculture to incorporate suitable cautionary material in the labels. Such language, if followed, would prevent losses of fish and wildlife. Section 2 restates Department of Interior authority for pesticide research and Section 3 will remove the present "ceiling" of \$2,565,000 on pesticide wildlife research by the Department of Interior. All the objectives of these bills have been accomplished by administrative determination except that the ceiling provision still holds.

S. 1250 and H.R. 2657 - Providing for consultation with the Fish and Wildlife Service and with state wildlife agencies before the beginning of any Federal program involving the use of pesticides, or other chemicals designed for mass biological controls. The House and Senate have held hearings, but have not reported the bills. The bills would require that all

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MAR 27 1964  
CENTRAL FILES



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON

OFFICE OF THE SECRETARY

March 19, 1964

GENERAL

PUI/FG165

HE 8-4

AG 5-1

CM/Fish

MEMORANDUM FOR HONORABLE PIERRE SALINGER

I am enclosing for your information a copy of a release dealing with fish kills in the lower Mississippi River. This release has been cleared with other interested agencies and copies have been sent to the President's Special Assistant for Science and Technology.



Harold R. Levy  
Assistant to the Secretary

Enclosure

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APR 1 1964  
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SOUTHWEST ANIMAL HEALTH RESEARCH FOUNDATION

GENERAL  
AG 5-1  
AG 5  
C0190  
FG105

Reply to:

March 6, 1964

Box 389  
Uvalde, Texas

OFFICERS

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JOE T. LANE  
*Vice-President*  
E. L. RICHARDS  
*Secretary & Treasurer*  
MARVIN L. BRIDGES  
*Executive Director*  
PEARCE JOHNSON  
*General Counsel*  
C. C. SCRUGGS  
*Past President*

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*Uvalde, Texas*  
C. H. VALENT  
*Uvalde, Texas*

Mr. Thomas Mann  
U. S. State Department  
Washington, D. C.

Dear Mr. Mann:

Our contacts with Mexican ranchers and with the Mexican Department of Agriculture in the past few months indicate to us that they are very interested in a Screwworm Eradication Program, and also a fever tick eradication program in Mexico.

I know that you are familiar with the livestock industry of Mexico and it is my opinion that nothing could mean more to the economy of Mexico than cleaning up both screwworms and fever ticks throughout Mexico. This is a big undertaking, I realize. However, through the new sterile fly technique, certainly it can be done with screwworms and, through the use of the new pesticides, it can be done with fever ticks. Years ago when arsenic was the only thing that could be used against fever ticks, I do not think it could have been done. Now, I think it could be done.

It is our opinion that nothing could fit more perfectly into the Alliance For Progress than a program of screwworm eradication and fever tick eradication in Mexico, using the know how developed through years of research by the U. S. Department of Agriculture, and cooperating with the Mexican Department of Agriculture and the livestock producers in Mexico.

Any way that we can be of any help in working out such a program, we would like to do so.

With best regards, I am,

Sincerely yours,

Dolph Briscoe, Jr.

RECEIVED  
MAY 1 1964  
CENTRAL FILES

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/5/

GENERAL  
AG 5-1  
AG 5  
C0190

February 25, 1964

Dear Mr. Scruggs:

On behalf of the President, I want to thank you very much for your helpful suggestion concerning the possibility of a joint U. S./Mexican screwworm eradication program. The President did discuss this program with President Lopez Mateos during their meeting in California last week and we are hopeful that a joint effort might be worked out.

I want you to know how grateful the President is for your taking the time to write and extend, on his behalf, our very best wishes.

Sincerely,

/5/

Ralph A. Dungan  
Special Assistant  
to the President

Mr. C. G. Scruggs  
Editor and Past President  
Southwest Animal Health Research  
Foundation  
546 Rio Grande Building  
Dallas, Texas 75202

RECEIVED  
FEB 27 1964  
CENTRAL FILES

THE WHITE HOUSE  
WASHINGTON

*recd by Dungan  
2/19/64*

Ralph Dungan

Can you answer this letter?

JV

# The Progressive Farmer



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THE WHITE HOUSE  
JAN 27 12 41 PM '64

RECEIVED

January 24, 1964

Honorable Lyndon B. Johnson  
President of The United States  
The White House  
Washington, D. C.

546 Rio Grande Building  
Dallas, Texas 75202

Mr. President, almost exactly two years ago you made it possible for the federal government to join with the livestock producers of the Southwest to launch the screwworm eradication program. And we were highly honored that you were kind enough to dedicate the fly production facility at Mission, Texas, in June, 1962. I was especially pleased that I had the honor to preside at that occasion as President of the Southwest Animal Health Research Foundation.

We are proud to report to you that there has not been a single case of screwworms found in the Southwest since December 20, 1963! There were only 4,916 cases in Texas in the entire year of 1963. We have, according to the scientists, 99.7% control. We hope we can remain free in 1964.

The war against screwworms, therefore, must now be waged in the Republic of Mexico to prevent screwworms from migrating to U.S. from that nation. The result is that screwworms are now an international problem - and beyond the bounds in which Southwestern livestock producers and states can operate.

Therefore, we would like to request your consideration of the possibility of placing the subject of a joint U.S. - Republic of Mexico screwworm project on the agenda of your forthcoming discussions with the President of Mexico. Such a program also seems ideally suited as an Alliance for Progress program.

Let us assure you that the livestock producers of the Southwest are pleased beyond words with the success of the screwworm eradication program to date. And we all deeply appreciate the fact that had it not been for your interest in this program as far back as 1957, this wonderful state of affairs would not have been possible.

The world is a better place in which to live because of your magnificent leadership in the last two months.

Yours most sincerely,

A handwritten signature in cursive script that reads "C. G. Scruggs".

C. G. Scruggs, Editor and  
Past President, Southwest Animal Health Research Foundation



at 8/10

GENERAL

AG 5-1

2

February 7, 1964

TR 7

C 0190

Dear Mr. Scruggs:

Thank you for sending me a copy of your letter to the President, suggesting the placing of the screwworm eradication program on the agenda for discussion with the President of Mexico.

I know of the President's interest in this program and I am sure he will be glad to have the benefit of the information contained in your letter and the recommendation you make.

With kindest regards, I am

Sincerely,

Arthur C. Perry,  
Assistant

Mr. C. G. Scruggs, <sup>X</sup> Editor  
The <sup>X</sup> Progressive Farmer  
546 Rio Grande Building  
Dallas, Texas

IBJ:ACP:ra

RECEIVED  
FEB 10 1964  
CENTRAL FILES

✓  
**THE PROGRESSIVE FARMER**  
Dallas, Texas 75202

bcc: Mr. Arthur Perry  
The Presidents Executive Staff  
New Senate Office Building  
Washington, D. C.

January 24, 1964

Honorable Lyndon B. Johnson  
President of The United States  
The White House  
Washington, D. C.

Mr. President, almost exactly two years ago you made it possible for the federal government to join with the livestock producers of the Southwest to launch the screwworm eradication program. And we were highly honored that you were kind enough to dedicate the fly production facility at Mission, Texas, in June, 1962. I was especially pleased that I had the honor to preside at that occasion as President of the Southwest Animal Health Research Foundation.

We are proud to report to you that there has not been a single case of screwworms found in the Southwest since December 20, 1963! There were only 4,916 cases in Texas in the entire year of 1963. We have, according to the scientists, 99.7% control. We hope we can remain free in 1964.

The war against screwworms, therefore, must now be waged in the Republic of Mexico to prevent screwworms from migrating to U.S. from that nation. The result is that screwworms are now an international problem - and beyond the bounds in which Southwestern livestock producers and states can operate.

Therefore, we would like to request your consideration of the possibility of placing the subject of a joint U.S. - Republic of Mexico screwworm project on the agenda of your forthcoming discussions with the President of Mexico. Such a program also seems ideally suited as an Alliance for Progress program.

Let us assure you that the livestock producers of the Southwest are pleased beyond words with the success of the screwworm eradication program to date. And we all deeply appreciate the fact that had it not been for your interest in this program as far back as 1957, this wonderful state of affairs would not have been possible.

The world is a better place in which to live because of your magnificent leadership in the last two months.

Yours most sincerely,

C. G. Scruggs, Editor and  
Past President, Southwest Animal Health Research Foundation



mc/gh  
February 7, 1964

GENERAL

AG 5-1

HE

Dear Pearce:

Thank you for your letter and the attached progress report on the Screwworm Eradication Program.

This reveals a remarkable record in the elimination of the screwworm menace.

You may be sure that we are keeping in touch with developments respecting the program and continue to do what we can to be helpful.

With best wishes, I am

Sincerely,

Arthur C. Perry,  
Assistant

Honorable Pearce<sup>x</sup> Johnson  
Attorney at Law  
Brown Building  
Austin, Texas

LEW:ACP:rm

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FEB 13 1964  
GENERAL FILES

JOHNSON AND BAKER

ATTORNEYS AT LAW

BROWN BUILDING

AUSTIN 1, TEXAS

PEARCE JOHNSON  
RICHARD BAKER

P. O. Box 793  
GR 2-6211

January 7, 1964

Mr. Walter Jenkins  
Assistant to the President  
The White House  
Washington, D. C.

Dear Walter:

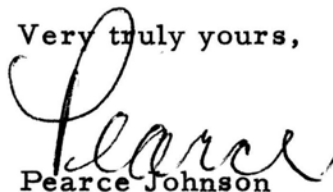
Enclosed is a year end report on the Screwworm Eradication Program, which I hope will be of interest to you.

While there was an "end run" by migrant flies from Mexico to form a small fall build-up of cases, the experts feel that eradication has been achieved in given areas, and the program is considered to be in an advanced stage of development. It also is believed that the barrier was effective just south of Brownsville, Texas, where it was given an opportunity to function. The increase of cases reported in New Mexico in 1963 over 1962 is attributed, to some extent, to the fact that there was increased emphasis on the reporting of cases in that area, and the lack of a real program there in 1962 to stimulate sufficient interest.

In other words, it has been shown that eradication can be achieved and we have demonstrated the feasibility of a barrier to prevent reinfestation from Mexico in the southern area of Texas where it was properly implemented and serviced.

Your interest and help in making funds available for this program are greatly appreciated by all concerned and if you need any copies of the enclosed report, please let me know.

Very truly yours,

  
Pearce Johnson

PJ:ln  
Enc:





# Southwest Screwworm Eradication Program

PROGRESS REPORT

January 3, 1964

Texas Agricultural Extension Service  
Del Deterling, Area Information Specialist  
V. G. Young, State Agricultural Agent  
John G. Thomas, Associate Extension Entomologist

VM

## NEWS IN BRIEF

\*\*\* NO SCREWORM CASES HAVE BEEN REPORTED IN THE SOUTHWEST SINCE DECEMBER 20.

\*\*\* Year-end recap shows nearly 90 percent decrease in screwworms over 1962. (See 1963-YEAR OF PROGRESS.)

\*\*\* Only 43 infestations were detected in Texas and two in New Mexico during December. (See DECEMBER TOTALS.)

\*\*\* More than 165,000,000 sterile flies were released during the week, Dec. 22-28 -- a new record. Many of these were held over from the previous week, however.

\*\*\* Seventy-two Texas counties went the entire year with no screwworms. In 1962, all but 12 counties were infested. (See HONOR ROLL.)

\*\*\* Sterile fly production has been cut by 50 percent, personnel by 30 percent. (See FLY PRODUCTION.)

\*\*\* Nearly six billion (6,000,000,000) sterile flies were released in 1963, while 1.8 billion were dispersed in 1962.

## 1963-YEAR OF PROGRESS

Fantastic gains were made by the eradication project in 1963 if monthly comparative figures are any indication. Compared to 1962, cases were decreased by 90 percent in Texas and 95.5 percent in Oklahoma. Louisiana and Arkansas again had no cases. Only in New Mexico was an increase shown (27 percent). Overall decrease was 87.7 percent.

	TEXAS		OKLAHOMA		NEW MEXICO	
	1963	1962	1963	1962	1963	1962
JANUARY	157	8	0	0	0	0
FEBRUARY	10	113	0	0	0	0
MARCH	50	331	0	0	1	0
APRIL	357	2,633	0	0	36	3
MAY	451	6,308	0	0	139	64
JUNE	439	8,300	3	16	162	113
JULY	304	10,267	6	128	182	193
AUGUST	81	5,088	7	119	168	285
SEPTEMBER	439	3,967	3	102	479	173
OCTOBER	1,725	8,702	1	73	230	207
NOVEMBER	860	2,710	0	6	48	87
DECEMBER	43	1,058	0	0	2	8
TOTALS	4,916	49,484	20	444	1,447	1,133

Cooperative Extension Work in Agriculture and Home Economics, Texas A&M University and United States Department of Agriculture cooperating. Distributed in furtherance of the Acts of Congress of May 8, 1914, as amended, and June 30, 1914.

#### HONOR ROLL OF SCREWORM-FREE COUNTIES

As far as the livestock producers in 72 Texas counties are concerned, the screw-worm fly is already extinct; the last time they had to doctor a case of screwworms was in 1962.

Twelve counties were screwworm-free in 1962, and all but Lipscomb County, made it two years in a row with no cases. The others were: Jasper, Newton, San Augustine, Sabine, Marion, Cass, Camp, Dallam, Sherman, Hansford and Ochiltree.

Other counties with no cases in 1963 included: Anderson, Angelina, Bowie, Brazos, Calhoun, Carson, Chambers, Cherokee, Childress, Clay, Cooke, Delta, Ellis, Fannin, Foard, Franklin, Freestone, Galveston, Gregg, Hardeman, Harrison, Hartley, Hemphill, Henderson, Hill, Hopkins, Hunt, Jackson, Jefferson, Johnson, Lamar, Lipscomb, McLennan, Marion, Mills, Montague, Moore, Morris, Nacogdoches, Oldham, Orange, Panola, Polk, Potter, Rains, Roberts, Rockwall, Rusk, San Jacinto, Somervell, Tarrant, Titus, Trinity, Tyler, Upshur, Van Zandt, Walker, Wheeler, Wichita, Wood and Waller.

Eight Oklahoma counties reported infestations in 1963, compared to 53 in 1962; 20 New Mexico counties had cases last year, compared to 22 the year before.

#### AULD LANG SYNE or WHERE, OH WHERE, DID THE SCREWORMS GO

Eradication officials aren't sure whether this is a gift from Santa, if the screwworm fly has gone South for the winter, or whether folks just believe that finding and reporting screwworm infestations don't fit in with the Holiday Spirit; anyway, not a single screwworm case has been reported in the Southwest since December 20. As this report is written, 11 days have elapsed since the last case was recorded--the longest screwworm-free period anyone can remember. The week of Feb. 24-Mar. 3 was the last and only week since the program started that no cases were reported.

Authorities concede that in view of the highly-favorable results recorded during previous weeks and cold weather which has penetrated to the very tip of the state, it is possible there were no infestations. They are concerned, however, that only four non-screwworm samples were received--the lowest for any one week--which might indicate that producers did not inspect their livestock very closely. And, they say, even if there were no cases, it is highly probable that there are pupae in the soil and several days of warm weather could cause them to emerge.

Flies will continue to be released in all areas where native or fertile screw-worms can survive in an attempt to eliminate the possibilities of fertile matings occurring. Vigilance on the part of producers, particularly in southern Texas and along the Rio Grande, remains of paramount importance.

#### DECEMBER SCREWORM TOTALS

December, with 45 screwworms confirmed was second only to February in least cases reported in one month.

	SCREWORMS		NON-SCREWORMS	
	1963	1962	1963	1962
TEXAS	43	1,058	184	125
NEW MEXICO	2	8	5	18
OKLAHOMA	0	0	9	0
ARKANSAS	0	0	5	0
LOUISIANA	0	0	8	0
MEXICO	2	24	0	2
ARIZONA	11	0	3	0
TOTALS	58	1,090	214	145

# FLY PRODUCTION, PERSONNEL CUT, DISTRIBUTION CENTER CLOSURES

Highly favorable eradication results and the need for economy measures have resulted in several very significant changes being made in operation of the screw-worm program, including the following:

- \* Sterile fly production is being reduced from an average of 140 million per week to 70 million per week.
- \* Approximately 150 persons, or 30 percent of the working force at the Moore AFB plant, have been removed from the payroll.
- \* The employment of all of the USDA screwworm livestock inspectors working in Texas has been terminated.
- \* The San Antonio fly distribution center has been closed.
- \* The fly release zone in Texas has been reduced.

Program officials at Mission and Austin said the decision to cut production and personnel was prompted by successful eradication measures which to date have brought the native fly population practically to zero and have reduced the area where sterile flies are needed. The need to conserve funds now to insure that money is available if emergency measures must be initiated later in the season is also important. They feel that 70 million flies per week should adequately cover the area where screwworms could survive this winter.

With the reduction of the area where fly release is being conducted, the need for the San Antonio distribution center no longer exists, officials said. Centers at Mission, Del Rio and El Paso can adequately cover the present fly release area, they believe.

The 21 livestock inspectors employed by the Texas Animal Health Commission are expected to be sufficient to handle any eradication and control measures needed this winter and spring.

DD:lm



①

GENERAL

AG5-1

HE

Hunter Products  
Corp.

FG11-8-1/carter,  
Clifton C.

February 7, 1964

Dear John:

This is to acknowledge receipt of the letter you wrote prior to your recent trip to Washington. It was good to see you at that time, and I enjoyed our visit.

Sincerely yours,

CLIFF

Clifton C. Carter  
Assistant

Honorable John A. Daniels  
601 Tower Life Building  
San Antonio 5, Texas

msc

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FEB 11 1964  
CENTRAL FILES



12  
ACT 14  
2-7-64  
msc

LEONARD BROWN, JR.  
JOHN A. DANIELS  
BLAIR REEVES  
FRANK DAVILA II

PHONE CA 2-1404

BROWN, DANIELS, REEVES & DAVILA  
ATTORNEYS AT LAW  
601 TOWER LIFE BUILDING  
SAN ANTONIO 5, TEXAS

January 31, 1964

Mr. Cliff Carter  
White House  
Washington, D. C.

Re: Hunter Products Corporation

Dear Cliff:

As I mentioned to you on the telephone last Monday, I represent Hunter Products Corporation of Dallas and San Antonio in connection with a problem they have pertinent to their automatic insecticide dispensing machine. This specific device is an electronic insecticide killer dispenser, which emits every 15 minutes 100 milligrams of a chemical which is non-toxic. I attach for your information a label which has been registered and approved by the United States Department of Agriculture, Registration No. 8169-1, which describes the chemicals involved. We seek letters of authority from the Agricultural Marketing Service as well as the Meat Inspection Division of the Department of Agriculture, so that these dispensing units can be used in meat and poultry processing plants, which are subject to inspection of the 2 above named governmental units. Our problem arises perhaps because this is a new concept of insect control. It does not involve any fogging or any other type of interference with operation of a meat or poultry processing plant, nor does it involve any measurable residue.

I have taken the liberty of attaching hereto a 3-page explanation of our situation, which, I believe, will give you a good idea of what we are concerned about. We need these letters of authority to authorize the Hunter Products Corporation and its properly trained and qualified service personnel to install and service these dispensing units.

As I also indicated to you on the telephone, Mr. Phil John of Hunter Products Corporation and myself will arrive in Washington shortly after noon Tuesday, February 4. I believe we are staying at the Gramercy Inn. We plan on being in Washington Tuesday afternoon, Wednesday, and Thursday, if necessary, and I would appreciate very much if you would give us 30 minutes of your time at your convenience while we are in Washington. We will make contact with your office upon our arrival. I might add that Mr. John will remain in Washington for a few days longer than I will. We are looking forward to seeing you.

Very truly yours,

*John A. Daniels*  
John A. Daniels

WAD  
n-2/4

JAD:pal  
CC: Mr. Phil John  
Mr. Hunter, Dallas, Texas





OF DALLAS



TA 3-2284  
4307 Belmont  
Dallas, Texas 75204

BRIEF  
FOR REQUESTED DEPARTMENT OF AGRICULTURE ACTION

The Hunter Products Corporation has an automatic insecticide dispensing machine utilizing non-toxic insecticides (Pyrethrum-Piperonyl Butoxide) which presents a new and unique approach to flying insect control. Various segments of industry which are plagued by noxious insects need and use this service. This includes restaurants, dairies, canneries, breweries, bottling plants and various other food processing establishments operating under Food and Drug Administration supervision.

However, food plants which process meat and poultry products are excluded from Food and Drug supervision and are covered by regulations issued by the Meat and Poultry Divisions of the Department of Agriculture. As separate agencies they have established their own rules and regulations governing the use of these insecticidal materials that are at variance with those of the Food and Drug Administration. Poultry Inspection is under the Agricultural Marketing Service of the Department and Meat Inspection is under the Agricultural Research Service of the Department.

It is our desire to be able to use these units on the premises of such establishments, when need is indicated, by means of properly planned installations designed to insure that no measurable amounts of insecticide residues will be deposited on edible products.

The Hunter Products Corporation requests letters of authorization permitting the installation and use of these devices in and upon the premises of these establishments in such fashion as to assure maximum flying insect control without contaminating edible products. These installations will be made and serviced by properly trained and qualified service dealers.

DISTRIBUTING AND SERVICING AGENTS FOR



PRODUCTS





OF DALLAS



TA 3-2284  
4307 Belmont  
Dallas, Texas 75204

Page Two

### DISCUSSION

Present operations in Meat and Poultry are based on an ideal condition of insect-free environment. Theoretically, operations continue until flying insect population builds up to a point where it constitutes a definite health hazard, at which time operations are suspended and unrestricted use of insecticides incorporating specific percentages of acceptable materials are introduced in treating the area and destroying insects present. This is followed by a wash-down of the premises and equipment, after the fogging, and before resumption of food processing.

In view of the fact that the shut-down of an operation constitutes a serious economic drain, flying insect populations are permitted to build up. These build-ups vary from day to day in the same plant and from plant to plant among different firms depending on various factors such as weather, plant discipline, production pressures and inspection vigilance. Present procedures are, at best, only an alleviative approach which periodically necessitates drastic measures to temporarily relieve intolerable conditions.

The Hunter Products Corporation has perfected a mode of application of specific materials (Pyrethrums and Piperonyl Butoxide) designed to utilize a heretofore overlooked property of "Tactile Repellancy". It is a well known fact that Pyrethrums and Piperonyl Butoxide are the fastest acting knock-down and kill insecticides commercially available - when present in lethal doses. However, it is not so well known that, unlike other insecticides, these materials when present in sub-lethal doses, subject flying insects to an immediate sensitization or "hot-foot" which not only repels them from treated areas but also drives them away from the premises.

The Hunter Products Corporation automatic flying insect control machine utilizes a special "Magic Mist" 12 ounce aerosol insecticide bomb with a specially built-in metered valve. This valve emits a measured amount (100 milligrams maximum) of materials every 15 minutes. The timing mechanism is so set that this timing sequence cannot be altered. The

DISTRIBUTING AND SERVICING AGENTS FOR



PRODUCTS



# HUNTER *Products Corp.*

OF DALLAS



Page Three

TA 3-2284  
4307 Belmont  
Dallas, Texas 75204

formulation within the can utilizes 1% by weight Pyrethrins, 10% by weight Piperonyl Butoxide, 9% by weight carrier and 80% by weight propellant. Operating over a 24 hour period, 9.6 grams of total material will be emitted. Of this, 0.096 grams will be Pyrethrins, 0.96 grams will be Piperonyl Butoxide and the balance, 8.544 grams, will be carrier plus propellant. The active ingredients so dispensed by this unit over a 24 hour period are, at the very least, 10 times less (and possibly more) than the amounts dispensed at one fell swoosh in the spot application of a standard formula approved by both the Meat and Poultry Division which would contain 0.1% Pyrethrins and 1% Piperonyl Butoxide and 98.9% petroleum oil carrier.

Flying insect control by Hunter Products Corporation methods assure tactile repellancy and prevent insect build-up. Food processing plants, bottling plants, restaurants and others using this service enjoy fly-free and flying insect-free operations with complete safety and at far less cost than ineffective and outmoded measures used in the past. Killing the insect build-up involved fogging and spraying the entire premises with large lethal doses of insecticides for temporary relief.

Under the Hunter Products method, using minute quantities of scientifically formulated non-toxic insecticides at strategic perimeter points only, flying insects are repelled and there is no build-up. Residue is not only minimal but is also controlled and restricted as to area. Hunter Products Magic Mist label, USDA approved and registered (Registration No. 8169-1 dated October 14, 1963) limits distance from exposed foods to no closer than seven feet. The many Hunter Products Corporation service installations now in use have proven their effectiveness, safety and acceptability.

In conclusion, it is our belief that in this age of automation the Automatic Insecticide Dispensing Device perfected by Hunter Products Corporation is being forced to conform to restrictions designed and imposed for an earlier time, earlier mode of application and philosophies which still have their areas of use but have failed to provide continuous flying insect control provided by this unit. In other words, there has been no differentiation between modes of application or consideration of the unique use and application of tried and proven materials. It is believed that the consideration requested is warranted.

DISTRIBUTING AND SERVICING AGENTS FOR



PRODUCTS



GENERAL (2)

AG 5-1  
FO 3-2-1

DRAFTED:

INITIALED: FEB 5 1964

MEMORANDUM FOR ARA - Mr. Mann

FROM AA/LA - Mr. Rogers W 7 N

SUBJECT: The Screw Worm and the Alliance  
X

The screw worm is prevalent throughout Latin America but there have been no requests for U.S. assistance on this problem. The current program in the Southwest for the benefit of U.S. ranchers operates fifty miles inside Mexico and costs \$5.5 million per year, 50% federal, 25% state of Texas and 25% private ranchers group. Agriculture has received appropriations of \$2-3/4 million on an annual basis since 1962. These funds can be used provided matching funds are obtained. Its legal authority is based on the appropriations act (Title I -- Agricultural Research Service) as a benefit to U.S. ranchers. Texas and the ranchers group apparently are planning to withdraw, allegedly because they believe Mexico should carry the matching burden. However, we are informed that New Mexico and Arizona have indicated a desire to expand the program and a willingness to match funds.

USDA believes that -- if the sterile zone were moved from the border to Tehauntepec -- it would still take over five years and upwards of \$150 million to remove the worm from Mexico alone. Eradication would not be assured. To maintain the buffer zone a \$2 million a year control program would probably be required. At least another \$100 million would be required to move to the Panama Canal, and the costs would continue to grow as the campaign moved through South America. There are no natural barriers to the screw worm short of the cold latitudes of South America.

Partly because the economic losses are relatively small -- Mexico's losses to the worm are estimated at some \$8 - 25 million a year -- there is little likelihood that Latin American countries would contribute to a joint campaign on a matching basis. The Mexicans contribute some 20 people, plus customs inspection services (total \$150,000). They permit USDA to carry out aerial de-infestation programs, under informal letters of agreement with the Mexican Department of Agriculture.

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The AID would have the statutory authority to provide grant funds for the control of the screw worm so long as it is to the economic benefit of the recipient country and if it is determined that the sum appropriated for the USDA for this purpose was not intended by the Congress to be the total amount of U.S. government funds to be used for this purpose. (We are making inquiries with the General Counsel of Agriculture.) Under any circumstances there will be costs associated with operations in the U. S.

There is little likelihood that Latin American countries would be willing to provide matching funds because they would have a low estimate of the benefits to costs ratio. Although we have obtained the five year \$150 million estimate from Agriculture to control the worm in Mexico, past experience with aftosa and malaria eradication has shown that these types of estimates are usually understated.

Launching this program under Alliance sponsorship would encourage other groups such as the Florida fruit growers to press for its campaign to eradicate the Mediterranean Fruit Fly which would probably be of primary benefit to U.S. agriculture rather than Central America.

Recommendation: On the assumption that it is necessary to carry out this program with Foreign Aid funds, we undertake a detailed examination of the validity of the \$150 million Department of Agriculture estimate to control the screw worm in Mexico. If this proves to be a valid cost estimate, we then should examine the desirability of undertaking discussions with Mexico on providing loans for this effort at low interest and on long terms. If we are to undertake the program on a grant basis, I would propose that our request to the Congress be increased by a specific line item for this purpose, or we plan on this program for FY 1966 and allow the Department of Agriculture to continue on its current basis through FY 1965.

BPassett/RSternfeld, LA/DP

cc:EvonThurn, LA/CM

THE WHITE HOUSE  
WASHINGTON

Jack,

These are the papers amassed  
UP TO the report received from  
Agriculture this afternoon.

Maybe they will help.

dorothy -  
January 29, 1964

(These folks were set up with  
an appointment with Tom Hughes  
at Agriculture for today, and I  
don't know what eventually worked  
out.)

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JAN 30 1964  
FILES

[1 of 13]

THE WHITE HOUSE  
WASHINGTON

me 8-5900

Rm 817

Tom Hughes  
will set up appt.  
340

1-28

111 3631

[2 of 13]

86X/4K

111 2631

GENERAL (5)

AG 5-1

FG 150

THE WHITE HOUSE  
WASHINGTON

# MEMO OF PHONE REQUEST

Harry Jersig called about the screwworm situation. Wants Mr. Johnson to see Dolph Briscoe and Pearce Johnson because Agriculture Department has changed its mind about what help it will give -- appropriation trouble.

I have called Tom Hughes at Walter's request and asked for a quick report, which is to be given to Walter, who promised Harry Jersig he would let him know something.

dorothy nichols -  
January 27, 1964

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JAN 30 1964  
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OFFICE OF  
THE SECRETARY OF AGRICULTURE

1-27-64

FOR: Dorothy Nicol, Secretary to  
Walter Jenkins

Per your telephone request to Tom Hughes.

1-27-64

Mr. Hughes:

Re Walter Jenkins inquiry

\$2,750,000 has been allocated for southwest eradication program for 1964-65. This is same as for 1963.

The southeast program had:

\$750,000 in 1963 -- total

100,000 in 1964 -- cut

650,000 in 1965 -- cut

leaving zero. As of June 30, 1964 this program will be cut completely off.

This does not affect Texas. There is very little movement of cattle from s/e into Texas. Most moves eastward.

CENTRAL

J

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JAN 30 1964  
CENTRAL FILES



HOTEL WASHINGTON

Pennsylvania Ave at 15th St NW Washington 4 DC

Water -

The enclosed sent at  
the request of Garner  
Fuller -

The main "meat" is IV  
and V - we have three choices,  
it appears -

1. - abandon the program
2. - Have an entirely Federally  
financed program
3. - Go back to the producers  
for more money -

Good luck + best wishes in  
your many choices. - Don't work  
yourselves to death on all the  
problems -

Gearce Johnson

## SCREWORM ERADICATION IN THE SOUTHWEST

January 14, 1964

### I.

#### HISTORY 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 under way in February, 1962.

### 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, 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 area of South Texas 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.

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 just South of Brownsville, Texas (the only place that a barrier was established and serviced in 1963) was effective all last summer and fall.

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 per cent of the cost of 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 and that the protection of the United States from reinfestation once eradication was achieved would be a Federal responsibility.
- (2) RESULT - On the present level of spending, the United States Department of Agriculture will be about \$1,200,000.00 behind on matching the expenditure of local funds by the end of the current fiscal year on June 30, 1964.

2. Federal

The United States Department of Agriculture spent about \$800,000.00 during the year 1962 and about \$2,000,000.00 each year in fiscal 1963 and fiscal 1964 on the matching portion of 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 \$2,700,000.00 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, but the states themselves have put very little money in the program.

#### 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 has had only a few cases during 1963; the southeastern states, which are free from screwworms, have not been threatened by reinfestation; and the migration of the screwworm in the State of New Mexico has been to some extent contained. The program is one which has had universal approval and acceptance and there has been only one confirmed case of screwworms in the Southwest since December 20th, and that was a specimen gathered on December 25th, 1963.

- (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 are constantly threatened by reinfestation from the Republic of Mexico.

#### V.

##### FUTURE OF THE PROGRAM

###### 1. ERADICATION

To protect the gains made, the Southwest 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 nor the Southwest Animal Health Research Foundation.

## 3. FINANCES

- (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. The Federal Government will be \$1,200,000.00 behind on their part of the eradication program as originally projected.
- (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 will 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 following are quotes from the Hearings before the Committee on Appropriations of the United States Senate, April 4, 1962.

- (a) The following is from a prepared statement of the United States Department of Agriculture:

"It is necessary to preserve intact the Federal responsibility to prevent reinfestation of areas freed of screw-worm flies. This involves inspection and quarantine enforcement activities along the Mexican-United States border and at points along the western New Mexico State line to inspect livestock movements to prevent introduction of screwworms from farther west and surveys in Texas, New Mexico, Oklahoma, Louisiana, Arkansas, and other areas to disclose any screw-worm infestations. These are Federal responsibilities with the costs to be borne by the Department without matching by cooperators in the program. This means that the brunt of the reduction would be borne by the cooperative portion of the program concerned with eradication and the release of sterile flies to maintain the barrier zone. A substantial reduction of up to \$1 million in this cooperative program would jeopardize the success of the program. The Department stringently urges restoration of the \$500,000 reduction by the House."



"The proposed appropriation language provides for minimum matching by State and local sources equal to at least 50 per cent of the expenses of production, irradiation, and release of flies. Costs of activities such as additional international and interstate inspection and quarantine, and methods development to reduce Federal costs, would be borne by the Department."

"The Department urges that the Senate restore the full amount of the budget estimate. It would be necessary to apply the House reduction to the portion of the program relating to the production and release of sterile screw-worm flies, since it would be impracticable to absorb any part of it on the Federal activities which are aimed at preventing reintroduction of infestation from Mexico and Western States."

(b) The following is from the discussion held at the above meeting:

#### COST IN FUTURE YEARS

"Senator Russell. What do you estimate it is going to cost yearly to maintain this zone, if your plans do succeed?

Dr. Clarkson. Of course, these are preliminary estimates, but we think it will cost \$1½ million a year. It is costing us now \$750,000 along the Mississippi, plus some inspection costs and some costs of eliminating these occasional outbreaks.

Senator Russell. This would have to be much more intensive than along the Mississippi, would it not?

Dr. Clarkson. Yes, sir. And our estimate is that it would be about double that cost. I am not able to say with any certainty that that would be it; but we have the advantage of the western part of the area that would have to be covered since it is rather high. In normal winters and in cold winters the fly would not overwinter in a substantial area.

But there is no question about it that intensive activities would have to be carried on year-round in the southern parts of the border, where the fly would overwinter each year.

#### FUTURE LOCAL CONTRIBUTIONS TO PROGRAM

Senator Russell. Is it contemplated that the local contributions clause would apply to that, if you succeeded in getting it eradicated?

Dr. Clarkson. No, sir. That is not projected, here. We have not taken that up with the local people. We had projected it on the same basis that we had in the Southeast. There we picked up the cost of the maintenance of the protection, and the States, each and every one of them, have

assisted in the inspection work and in the survey work necessary when occasional outbreaks do occur, and I am sure that would be the case in Texas, New Mexico, and the other States involved here.

Senator Russell. Well, now, this language--the contribution only applies to the screw-worms that are irradiated; is that correct?

Dr. Clarkson. The language applies to the major cost of the eradication effort. The production, irradiation, and distribution of the flies is the major cost. This does not include the cost of the maintenance of the Federal quarantines on the Arizona-New Mexico line or some additional quarantine costs along the Mexican-United States border."

- B. The States of the Southeast do not share directly in the cost of the Mississippi River control line.
- C. Border states do not man international boundaries to prevent the transportation of pests and insects into the United States.
- D. Border states do not share directly in the costs of the fever tick buffer zone.
- E. No state finances operations in a bordering nation to protect the United States of America from insects and disease.

GENERAL

P.P. 12

NATIONAL Agricultural  
Chemical Assn.  
AG 5-1

CONGRESSIONAL

January 23, 1964

Dear Senator Holland:

The President has referred your cordial letter of the 15th to me for response.

Much as he appreciates the kindly intent of Mr. Brinkley's request, the President feels that he just cannot add a taping session to his already over-crowded calendar. Would you please convey to Mr. Brinkley the President's thanks for thinking of him in this regard.

I am returning Mr. <sup>2x</sup>Brinkley's correspondence for your files.

Sincerely yours,

Pierre Salinger  
Press Secretary  
to the President

PS:ecc

Honorable Spessard L. <sup>x</sup>Holland  
United States Senate  
Senate Office Building  
Washington 25, D.C.

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ORIGINAL FILE

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MR. JACK VALENTI

GENERAL  
AG 5-1

File

## SCREWORM ERADICATION IN THE SOUTHWEST

January 14, 1964

### I.

#### HISTORY 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 under way in February, 1962.

### 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, 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.

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- (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 area of South Texas 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.

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 just South of Brownsville, Texas (the only place that a barrier was established and serviced in 1963) was effective all last summer and fall.

### 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 per cent of the cost of 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 and that the protection of the United States from reinfestation once eradication was achieved would be a Federal responsibility.
- (2) RESULT - On the present level of spending, the United States Department of Agriculture will be about \$1,200,000.00 behind on matching the expenditure of local funds by the end of the current fiscal year on June 30, 1964.

##### 2. Federal

The United States Department of Agriculture spent about \$800,000.00 during the year 1962 and about \$2,000,000.00 each year in fiscal 1963 and fiscal 1964 on the matching portion of 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 \$2,700,000.00 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, but the states themselves have put very little money in the program.

#### 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 has had only a few cases during 1963; the southeastern states, which are free from screwworms, have not been threatened by reinfestation; and the migration of the screwworm in the State of New Mexico has been to some extent contained. The program is one which has had universal approval and acceptance and there has been only one confirmed case of screwworms in the Southwest since December 20th, and that was a specimen gathered on December 25th, 1963.

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"The proposed appropriation language provides for minimum matching by State and local sources equal to at least 50 per cent of the expenses of production, irradiation, and release of flies. Costs of activities such as additional international and interstate inspection and quarantine, and methods development to reduce Federal costs, would be borne by the Department."

"The Department urges that the Senate restore the full amount of the budget estimate. It would be necessary to apply the House reduction to the portion of the program relating to the production and release of sterile screw-worm flies, since it would be impracticable to absorb any part of it on the Federal activities which are aimed at preventing reintroduction of infestation from Mexico and Western States."

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B. The States of the Southeast do not share directly in the cost of the Mississippi River control line.

C. Border states do not man international boundaries to prevent the transportation of pests and insects into the United States.

D. Border states do not share directly in the costs of the fever tick buffer zone.

E. No state finances operations in a bordering nation to protect the United States of America from insects and disease.

GENERAL

AG 5-1

CO 190

CONNALLY, John (Gov.)  
CONGRESSIONAL

CM/SCREWORM

ST 43

January 3, 1964

Dear Congressman:

This is in further reference to your letter of December 11 and my reply of December 17 regarding the screwworm eradication program.

We have received a report from the Department of Agriculture which is attached. If we can be of any further assistance, do not hesitate to write us.

Sincerely yours,

Lawrence F. O'Brien  
Special Assistant  
to the President

Honorable Joe M. Kilgore  
House of Representatives  
Washington, D. C.

Enclosure

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January 3, 1964

Information Received from the Department of Agriculture  
on Screwworm Eradication Program in the Southwest

Dual purpose cooperative activities were activated in the early spring of 1962. The primary objective was a trial program to eradicate screwworm flies in New Mexico, Texas and areas to the north and east of Texas. The secondary goal was the determination of the requirements and the economic feasibility for establishing and maintaining an artificial barrier zone of sterile screwworm flies along the Mexican-United States border which would prevent screwworms from entering screwworm-free areas of the Southwest from Mexico.

Progress to date has been excellent. A reduction of up to 99 percent in the number of cases of myiasis has been demonstrated in the eradication area of the United States. This progress indicates that the screwworm fly can be eradicated from the United States; but the requirements and the economic feasibility of establishing the sterile fly barrier zone have not yet been fully determined. However, the probability of preventing screwworm infestations from Mexico by the maintenance of an adequate barrier zone does look favorable.

Because of new knowledge of the greater distance the native screwworm fly may migrate, the maintenance of a sterile fly barrier will be considerably more costly than had originally been anticipated. Operations of the sterile fly barrier zone will necessarily be both in Mexico and the United States. Operations in the United States will be largely confined to Texas, with the largest benefits from the program being gained by the Texas livestock producers.

Because of the above factors, it would appear appropriate that the program would be continued on an equal share basis with the cooperating agencies until the determination can be satisfactorily made of the requirements and the feasibility of the sterile fly barrier zone. Within the foreseeable future, program financial requirements for maintaining the barrier zone with a reserve for combating scattered outbreaks that may be a potential threat to free areas will be substantially at the same level as at present.

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DEPARTMENT OF AGRICULTURE  
WASHINGTON 25, D. C.

January 2 1964

Honorable Lawrence F. O'Brien  
Special Assistant to the President  
The White House  
Washington, D. C.

Dear Mr. O'Brien:

This is in response to your letter of December 17, 1963,  
concerning an inquiry from the Honorable Joe M. Kilgore in  
reference to the continuation of the screwworm eradication  
program in the Southwestern United States. Attached is a  
suggested reply to Congressman Kilgore.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Thomas R. Hughes", is written over the typed name.

Thomas R. Hughes  
Executive Assistant to the Secretary

Enclosure

## Proposed Draft Reply

Honorable M. Kilgore  
House of Representatives  
Washington, D. C.

Dear Congressman Kilgore:

This is in further reply to my letter of December 17, 1963, regarding adequate funds for the continuation of the screwworm eradication program in the Southwest.

Dual purpose cooperative activities were activated in the early spring of 1962. The primary objective was a trial program to eradicate screwworm flies in New Mexico, Texas and areas to the north and east of Texas. The secondary goal was the determination of the requirements and the economic feasibility for establishing and maintaining an artificial barrier zone of sterile screwworm flies along the Mexican-United States border which would prevent screwworms from entering screwworm-free areas of the Southwest from Mexico.

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Operations of the sterile fly barrier zone will necessarily be both in Mexico and the United States. Operations in the United States will be largely confined to Texas, with the largest benefits from the program being gained by the Texas livestock producers.

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If we can be of any further assistance, do not hesitate to write us.

Sincerely yours,

-----  
Lawrence F. O'Brien  
Special Assistant  
to the President

THE WHITE HOUSE OFFICE

**ROUTE SLIP**

(To Remain With Correspondence)

TO Mr. Sydney A. Skoglund  
Department of Agriculture  
\_\_\_\_\_  
\_\_\_\_\_

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 December 17, 1963

FROM THE SPECIAL ASSISTANT

Ltr fr: Cong. Joe M. Kilgore

**ACTION:**

Comment \_\_\_\_\_

Draft reply \_\_\_\_\_

**Draft of further reply** XXXX

For direct reply \_\_\_\_\_

For your information \_\_\_\_\_

For necessary action \_\_\_\_\_

For appropriate handling \_\_\_\_\_

See below \_\_\_\_\_

Remarks: \_\_\_\_\_

GPO 16-71264-2

By direction of the President:

Lawrence F. O'Brien  
Special Assistant  
to the President



December 17, 1963

FORWARDED

Dear Congressman:

Walter Jenkins has asked me to reply to your letter of December 11 regarding adequate funds for the continuation of the screwworm eradication program in the Southwest. We are taking this up with the Department of Agriculture, and shall be back in touch with you when we have further information.

Sincerely yours,

Lawrence F. O'Brien  
Special Assistant  
to the President

Honorable Joe M. Kilgore  
House of Representatives  
Washington, D. C.

j1/az

*Offmin*

Congress of the United States  
House of Representatives  
Washington, D. C.

11 December 1963

DEC 13 1963  
CARDED

Mr Walter Jenkins  
The White House  
Washington 25, D C

Dear Walter

The attached are fully explanatory of what is needed.


As I mentioned on the telephone, the immediate real problem is related to proposals in the fiscal year 1965 budget if the Governor's recommendations are followed. Time is running short.

All concerned would be mighty appreciative of anything you might do to assist in this matter.

If any further information is required, command me and I'll go get it!

With my thanks, I am

Sincerely



bm



## EXECUTIVE DEPARTMENT

AUSTIN 11, TEXAS

JOHN CONNALLY  
GOVERNOR

December 6, 1963

C  
O  
The Honorable Charles Murphy  
Acting Secretary of Agriculture  
Washington 25, D. C.

O  
P  
Y  
Dear Secretary Murphy:

Thank you for your letter of November 14, continuing and supplementing our discussion of October 4 regarding the screwworm eradication program in the Southwest.

We are in wholehearted agreement that the program to date has been a complete success. Since the 99% eradication achieved last summer, re-infestations have been proved to come from migration from Mexico. We also agree that the erection of a barrier to prevent such migrations is an international problem and, therefore, one for the federal government, since any barrier will prevent infestation of the entire South and Southwest area involving many States.

All signs indicate that an effective barrier can be erected on the Border. A limited barrier south of Brownsville has been a technical success. The survey of the additional areas in Northern Mexico has supplied sufficient data to indicate that similar success will be achieved all along the Border. Therefore, as and when eradication is demonstrated in the United States, fly placement can be shifted into Mexico, and a real and meaningful barrier will exist and the control program in the Southwest will no longer be necessary. Also the interstate control line on the Mississippi River for the protection of the Southeast United States can be terminated saving \$3/4 million annually.

Initially, a three-year trial program was contemplated, beginning in approximately February 1962 and extending until February 1965. Originally one year was budgeted for the construction of the sterile fly plant and we



faced many unknowns as to time necessary to achieve eradication, and had little knowledge of what would be necessary to erect an effective barrier. However, our original estimates have proved conservative, since the plant was built in six months, and total eradication in the over wintering area that seeds the affected areas of the Southwest has been achieved more rapidly than originally contemplated. Also we have made great strides in learning what must be done to erect an effective barrier. Therefore, it appears that the original estimate of three years for the trial stage has been materially reduced.

Contributions of producers, utilized primarily for the construction of the plant and the initial stages of the program, have now been practically exhausted, and State funds have been phased into the program in an orderly fashion. At the present rate of expenditure, the State funds will be exhausted by 1 July 1964. Unless federal expenditures are accelerated, at that date the federal government will be approximately \$1,200,000 behind in matching funds expended. With this picture in mind, it appears that proper planning would require the USDA to be in a position to operate the program beginning 1 July 1964, augmented, of course, by the assistance from State and local people in providing inspectors, travel and the like. In other words, it appears that beginning 1 July 1964 the primary function of the program will be the prevention of reinfestation from Mexico, and that your department would plan to undertake that portion of the program as agreed.

Based on all contacts made by the State and producers, we have every reason to expect that the federal appropriation of \$2,750,000 for the fiscal year 1964 will be approved, and the program up to 1 July 1964 will be adequately financed. I therefore urge your department to make budgetary request for the fiscal year 1965 to reflect the change in the program which will occur 1 July 1964. Those close to the program firmly believe that the cost of the barrier will be the same as the cost of the program as now operated - 5 to 6 1/2 million annually. It is our belief that our knowledge and experience to date, together with what will be gained by us until then, will enable us to fully justify the program in every respect. If, however, we wait until February 1965 to evaluate our situation we will create a hiatus that could cause us to have to completely retrace our steps and lose the ground we have so ably gained.

Your understanding and cooperation is most sincerely appreciated.

Sincerely,

John Connally





## DEPARTMENT OF AGRICULTURE

WASHINGTON 25, D. C.

November 14 1963

Honorable John Connally  
Governor of Texas  
Austin, Texas

Dear Governor Connally:

Since our meeting on October 4, 1963, we have reviewed with the Agricultural Research Service the status of the screwworm eradication program in the Southwest, and the need for continuing effective program operations. Progress to date in eradicating screwworms has been excellent and everyone concerned with the program appears to be satisfied with the great reduction in losses previously encountered by livestock owners in the area.

As you will recall, cooperative activities were inaugurated as a trial program to eradicate screwworm flies in New Mexico, Texas, and areas to the North and East of Texas; as well as to determine the requirements and the economic feasibility for establishing and maintaining an artificial barrier zone of sterile screwworm flies along the Mexican-United States border that would prevent screwworms from entering screwworm-free areas of the Southwest from Mexico. Program operations were activated in the early spring of 1962 following unusually severe winter weather in the Southwest which had killed screwworm flies far south of the average over-wintering areas.

As the program has progressed, the incidence of screwworm infestation has been reduced by as much as 99 percent. For example, only a single case of screwworm infestation was reported during August 1963 in a 65,000 square mile area of southern Texas, where the screwworm can survive the winter. However, there was a serious recurrence of screwworm cases reported in this major eradication area of Texas during September. It is believed that these infestations are due to the migration of native flies from Northern Mexico and Southwestern Texas near the Big Bend area. Weather conditions in that area during the summer months have been unusually favorable to the build-up of substantial fly populations. Presently, every effort is being made to eliminate the infestations from this southern Texas area as it provides the source of screwworms that usually invade other regions following the winter months. The fall and

XEROX FROM QUICK COPY

winter months should tell us whether we can maintain the principal overwintering area in south Texas with a minimum number of screwworm cases, and whether we can further reduce the incidence in other parts of Texas and New Mexico at the same time.

The excellent progress experienced thus far would not have been possible without the active cooperation by the State of Texas and the livestock producers in your State. From the beginning of the program to June 30, 1963, financial support was provided by the Southwest Animal Health Research Foundation, an organization of livestock producers in the States of Texas, New Mexico, Oklahoma, Louisiana and Arkansas. Beginning in the Federal fiscal year 1964, your State has appropriated funds to provide the continuing support to the program.

Program officials of the Department, the State of Texas, and interested livestock producers have reviewed recently the requirements for maintaining an effective level of sterile-fly production and release operations during the coming months. It has been agreed that production, irradiation, and release of flies must be continued at the maximum capacity of the Mission, Texas plant facility which is approximately 140 million flies per week. This is a rate much greater than was originally anticipated. Depending on the effects of ensuing colder weather, this weekly rate of sterile flies will be needed to continue eradication activities in overwintering areas while providing the quantity of sterile flies needed to establish the artificial barrier zone along the border. Program representatives of the cooperating agencies are continually reviewing program operations in order to meet adequately the many pressing demands associated with this particular program. Any additional needs based on developments will receive prompt attention.

In its report on the Department of Agriculture and Related Agencies Appropriation Bill, 1964, the Senate Appropriations Committee stated that it has restored \$2,750,000 to the bill for the Federal share of the cooperative screwworm eradication program which is the same amount available in fiscal year 1963. If this amount is provided in the bill as enacted, it will be possible to continue the program in fiscal year 1964 at an adequate level of operations, if present progress is maintained. I assure you that every possible consideration will be given to the financial needs of the Southwest screwworm eradication program for fiscal year 1965.

As mentioned earlier, a vital consideration in this trial program is to determine whether an artificial barrier will prevent screwworm reinfestations into the Southwest from Mexico and that the continued maintenance of such a barrier is economically feasible. In the program submitted to the Congress for Federal funds to join in the cooperative program, it was stated that approximately three years would be required to complete the objectives of the trial program. While it has been made

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clear that screwworms can be eradicated in the Southwest, the feasibility of an artificial barrier zone to prevent reinfestation is yet to be demonstrated.

The coming fall and winter months with the accompanying colder weather will provide an excellent opportunity to direct maximum resources toward establishing the artificial barrier zone. Originally it was planned that sterile flies would be released up to 50-60 miles into Mexico based on the then prevailing information that the native screwworm fly could migrate as much as 50 miles. Experience during the South-east program has demonstrated that the screwworm fly is capable of migrating as many as 200 miles. Thus, it will be necessary to extend operations deeper into Mexico than originally planned. The plans for release of sterile flies for formation of an artificial barrier and determination of the effectiveness of release will be based principally on extensive field survey operations in Northern Mexico which are providing information on the terrain, climatic conditions and other factors contributing to survival of native fly populations.

We expect that sterile fly release and survey operations in Northern Mexico will be in full operation by the spring and summer months of 1964, as the seasonal migration of screwworm flies begins. This will provide valuable experience and additional information necessary to a determination of the feasibility of a sterile fly barrier zone. Such a barrier would serve to protect not only Texas but New Mexico and other States to the North and East of Texas. Once established, intensive activities would need to be continued on a year-round basis in Northern Mexico. Thus, the maintenance of an artificial barrier zone would involve international and interstate considerations.

At the conclusion of the three-year trial program, the Department expects to report fully to the Congressional Appropriations Committees concerning the results of the program. At that time, it will be possible to make a recommendation on the economic feasibility of maintaining the barrier zone in Northern Mexico. Full consideration would be given to all aspects of continuing program operations subsequent to the completion of the present Federal-State-local cooperative trial program.

I am assured that every effort possible is being made toward continuing an effective level of program operations. We will all be watching closely future developments in the Southwest screwworm eradication program.

Sincerely yours,

Charles S. Murphy  
Acting Secretary

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