

*Dole  
Speech*

REMARKS OF CONGRESSMAN BOB DOLE  
NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE  
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BILLY SOL ESTES -- THE ONE MAN WHO UNDERSTOOD THE FARM PROGRAM

THE BILLIE SOL ESTES CASE WAS THE FIRST SCANDAL OF SUBSTANCE TO PLAGUE THE KENNEDY ADMINISTRATION. IT IS IMPORTANT TO US BECAUSE IT HAD ITS ROOTS IN TEXAS POLITICS, AND BECAUSE PERSONS WHO WERE POLITICAL ASSOCIATES OF THE THEN VICE PRESIDENT LYNDON B. JOHNSON WERE AMONG THOSE WHO TRIED TO BE HELPFUL TO BILLIE SOL.

1. BILLIE SOL WAS NAMED BY AGRICULTURE SECRETARY ORVILLE FREEMAN AS A MEMBER OF THE NATIONAL COTTON ADVISORY COMMITTEE DESPITE THE FACT THAT THE AGRICULTURE DEPARTMENT'S PERSONNEL OFFICE RECOMMENDED AGAINST THE APPOINTMENT. FREEMAN DID NOT EXAMINE THE RECORDS HIMSELF, BUT ACTED ON THE ADVICE OF UNDER SECRETARY CHARLES S. MURPHY, WHO HAD BEEN HEAD OF A JOHNSON FOR PRESIDENT COMMITTEE IN THE DISTRICT OF COLUMBIA IN 1960. MURPHY MADE THE RECOMMENDATION DESPITE THE HIGHLY DEROGATORY PERSONNEL OFFICE REPORT, A 140 PAGE REPORT ON COTTON ALLOTMENT TRANSFERS OF QUESTIONABLE LEGALITY, AND A HIGHLY CRITICAL F.B.I. REPORT. THIS WAS ADMITTEDLY A WRONG DECISION, BUT FREEMAN AND MURPHY SAID IT WAS MORE A MISTAKE THAN POLITICAL FAVORITISM. MANY EDITORIAL PAGES DISAGREED, AND CALLED IT POLITICAL "FAVORITISM."



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2. THERE WAS A LONG DELAY -- OF MORE THAN A YEAR -- BEFORE THE AGRICULTURE DEPARTMENT DECIDED TO CANCEL ILLEGAL COTTON ALLOTMENTS THAT ESTES HAD OBTAINED THROUGH A "SCHEME AND DEVICE" THAT WAS MADE TO APPEAR TO BE A SALE OF FARM LAND. HE WAS IN TROUBLE ON THESE ACREAGE ALLOTMENT TRANSFERS AS EARLY AS JANUARY, 1961,, WHEN HE WITHDREW \$40,000 IN CASH FROM THE BANK AND DEPARTED FOR WASHINGTON FOR THE KENNEDY INAGURAL CELEBRATION. THERE IS TESTIMONY HE SPENT \$6,000 FOR TICKETS FOR THE INAUGURAL WHICH HE GAVE TO CLIFF CARTER, AN AIDE TO VICE PRESIDENT JOHNSON, TO DISTRIBUTE AMONG DESERVING GOVERNMENT EMPLOYEES OR POLITICAL HELPERS. THERE HAS BEEN NO DISCLOSURE AS TO WHAT HAPPENED TO THE OTHER \$32,000.

A YEAR LATER, THE AGRICULTURE DEPARTMENT STILL HAD NOT REACHED A DECISION ON THE COTTON ALLOTMENTS, AND THERE WAS TESTIMONY THAT EMERY (RED) JACOBS HAD INSTRUCTED ONE INSPECTOR TO WRITE A SLANTED REPORT FAVORING ESTES. IT APPEARED THAT ESTES WAS GOING TO GET BY WITH A PART OF HIS FRAUD UNTIL A SMALL NEWSPAPER IN PECOS, TEXAS BROKE THE STORY OF SOME LIQUID FERTILIZER BANK FRAUDS AND A STATE COURT OF INQUIRY, AN F.B.I. INVESTIGATION AND THE MCCLELLAN SUBCOMMITTEE INVESTIGATION CAUSED THE CRASH OF THE ESTES EMPIRE. THEN, AND ONLY THEN, DID THE AGRICULTURE DEPARTMENT BRING ACTION TO COLLECT \$544,000 FROM ESTES IN CONNECTION WITH THE ILLEGAL COTTON ALLOTMENT TRANSFERS.

A MEMORANDUM OF APRIL 11, 1962, WRITTEN BY JOHN BAGWELL, GENERAL COUNSEL FOR THE AGRICULTURE DEPARTMENT, NOTES THAT THE VICE



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PRESIDENT (JOHNSON) HAD CONTACT WITH SECRETARY FREEMAN AND UNDER SECRETARY MURPHY IN 1961 IN CONNECTION WITH THE ESTES COTTON ALLOTMENT TRANSFERS.

THE INVESTIGATION OF THIS CASE BY THE MCCLELLAN SUBCOMMITTEE DEMONSTRATED THE DIFFICULTY OF OBTAINING THE FACTS THAT ARE UNFAVORABLE TO A GOVERNMENT DEPARTMENT. SECRETARY FREEMAN, WHO WAS APPARENTLY UNINFORMED ON SOME ASPECTS OF THE ESTES CASE, MADE A LOUD DEFENSE IN WHICH HE CHARGED THAT REPUBLICANS WERE BALLOONING THE WHOLE ESTES SCANDAL OUT OF PERSPECTIVE. HE DENIED ANY FAVORITISM, AND THEN PROCEEDED TO TRY TO HIDE OR DISREGARD THE FACTS SHOWING FAVORITISM.

THE DEPARTMENT TRIED TO DISCREDIT OR MUZZEE N. BATTLE HALES, THE ONE EMPLOYEE WHO HAD THE COURAGE TO TESTIFY THAT HE BELIEVED THAT THE COTTON ALLOTMENT TRANSFERS CONSTITUTED "FAVORITISM." IN MARCH, HALES WAS DENIED AN IN-GRADE PROMOTION THAT IS NORMALLY AUTOMATIC "BECAUSE THE ESTES INVESTIGATION REPORT IS STILL PENDING." YET, WITHIN A TWO-MONTH PERIOD, FREEMAN'S DEPARTMENT GAVE A "DISTINGUISHED SERVICE AWARD" TO HORACE GODFREY, THE ADMINISTRATOR OF THE ASCS AT THE TIME OF THE ESTES MESS.

THIS EFFORT TO PUNISH THE MAN WHO TESTIFIED COURAGEOUSLY DOES NOT PROMOTE HONEST INDEPENDENCE.