

FOR IMMEDIATE RELEASE  
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FROM THE OFFICE OF CONGRESSMAN BOB DOLE  
244 HOUSE OFFICE BUILDING  
WASHINGTON 25, D. C.

"Secretary of Agriculture Freeman's assurances to newsmen that he has been unable to establish any evidence of favoritism on the part of Department of Agriculture officials toward indicted Texas financier Billie Sol Estes demonstrate the utter futility of having that agency investigate itself," Congressman Bob Dole charged today.

The Kansas Republican, who introduced more than three weeks ago, the first resolution calling for a full-scale investigation of Estes' relationships with USDA officials, reiterated his demand for a thorough Congressional probe.

"Congress appropriates the funds and writes the legislation under which the Department of Agriculture operates," Dole noted. "Congress has the responsibility of determining how those funds are being used and how the farm programs are being administered. Congress should be investigating now. Congress should move before all of the Department records relating to the Billie Sol Estes scandal are removed from the hands of career employees and placed in the 'protective custody' of Mr. Freeman's personal political appointees.

"If the Secretary is unaware of any evidence of favoritism toward Estes, he obviously has not been reading the newspapers or tuning in on radio and television newscasts. He must not have read the Department's own files relating to the Estes case, either. Surely these files are still accessible to Mr. Freeman, though not to the press or even to some of the Department employees who had been investigating the matter.

"The Secretary told the press he had laid down a hard rule with respect to gift-taking by USDA employees. He was quoted as saying, 'You gotta' be pure--you gotta' look pure.' Thus far the heavy emphasis seems to be on the 'look pure' part of the Freeman directive.

"In addition to denying charges of favoritism, the Secretary also said he wished to 'emphasize that the government hasn't lost a dime--not a single dime to Estes.'

"If Mr. Freeman really wants to get at the facts and definitely establish that there was neither favoritism to Estes nor loss to the government, let him take a further look at these charges, most of which have been widely circulated:

1. "The charge that government-owned grain was loaded out of warehouses in the Kansas City area and shipped to Estes-owned storage facilities in the Plainview, Texas, area. The 'in-and-out' charges, plus the transportation cost, on the several trainloads of grain which were allegedly so moved would amount to many thousands of non-recoverable government dollars. With perhaps two phone calls and the expenditure of ten minutes of his time, Mr. Freeman can determine whether or not this happened. He can even get the box car numbers and the total cost of the operation, if there was such an operation. While he is about it, he could also determine whether, as charged, the flat storage facilities owned by Estes in the Plainview area contained a higher percentage of government-owned grain than those of Estes' competitors who operated similar types of storage in the same area. The Secretary might get a real eye-opener if he were permitted to peek at the list of stockholders in United Elevators, the largest of Estes grain storage companies.

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2. "The charge that USDA permitted Estes to post a much smaller bond covering his grain storage operations than is required of other warehousemen throughout the nation who store grain for the government. Under the standard formula, Estes should have been bonded for several millions of dollars. He got by on a \$700,000 bond and when it was about to be raised to \$1,000,000 a USDA official ordered a cutback to the original \$700,000 on the basis of an allegedly uncertified audit which showed Estes to have a net worth of \$12,000,000 when he apparently was actually insolvent. In this connection, Mr. Freeman would do well to refer to File No. D-3-595, dated Nov. 17, 1961, if it is still among the records which he is protecting. This is a memorandum to Thomas H. Miller, Acting Director, Southwest Area, ASCS, from William H. Duggan, Director of ASCS Investigative Division. The Subject is 'Billie Sol Estes, Pecos, Texas--Purchase of Pooled Cotton Allotments.' Attached is a Dun & Bradstreet Report on Estes' financial condition, dated Oct. 30, 1961. This report shows his net worth to be not \$12,000,000 but \$6,802,434. It notes further, "Current condition not fully determined but it is believed that debt would continue moderately heavy in relation to worth." On the last page of the 4-page Dun & Bradstreet report is the information that on several of the Estes operations, including United Elevators, Inc., 'Statement has been declined.' A prudent public official, with access to both the uncertified audit of Estes and the Dun & Bradstreet report of Oct. 30, 1961, could hardly have believed that Estes had a net worth of \$12,000,000 and that the government grain which he held in storage was under adequate bond. Was it "favoritism" to continue the Estes bond at \$700,000 in the light of these known facts? Let Mr. Freeman investigate and decide for himself."

3. "The charge that when three top political appointees of USDA overruled the career technicians and administrators on the legality of the Estes pooled cotton acreage allotments there was abundant evidence in the Department's own files that Estes' sales of land to farmers were fraudulent and were made under impossible payment conditions. Mr. Freeman might want to read a USDA 'Brief'--'Subject Billie Sol Estes, Pecos, Texas--Purchase of Pooled Cotton Allotments.' It notes that Estes 'sold' (the word is in quotes in the brief) undeveloped land in Pecos and Reeves Counties, Texas, to displaced holders of cotton allotments at prices ranging from \$200 to \$400 an acre. Most of the 'farms' sold by Estes to farmers, the brief notes, were a mile in length and as narrow as 41 feet. Imagine a farm a mile long and 41 feet wide! Can Mr. Freeman still conclude, after reviewing the Department's own records in this matter, that three of his top political appointees in USDA might not have shown perhaps just a wee bit of favoritism toward Estes in deciding that the pooled cotton allotment operation was all on the up and up?

"I strongly urge that Mr. Freeman check out these three charges. When he completes that job, I will be more than happy to supply him with some more leads on what has been happening in his own Department."