

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

MAR 1 1960

MEMORANDUM FOR MR. PAARLBERG

Subject: Cranberries

I have reviewed a draft of a proposed letter to the Secretary of Agriculture urging further action by the Department to aid cranberry growers.

Aside from any legal question, I am strongly opposed to the use of "Section 32" funds for a payment or purchase program to reimburse cranberry growers for losses incurred during this marketing season. It appears to me that the initiation of an obviously special program to help these growers would imply strongly that the Federal Government is to blame for the situation and thus establish a precedent for other groups in similar circumstances to demand Federal aid. In addition, our past experience with so-called temporary or special programs, indicates that it might be difficult to terminate such a program. As a matter of fact, limiting this program to the crop of cranberries could be construed as further evidence that the Federal Government was to blame for the situation.

I believe that the situation requires a special effort by the Federal Government. However, I also believe that such effort should involve increased emphasis on the type of aid the Department usually gives to such commodities. This could include, along with emergency credit, special help in organizing and carrying out a special promotion program to assure consumers that the berries are wholesome. If price reductions are necessary to sell the berries, I would urge that a program be implemented to provide payments based on the volume of cranberries marketed. This would be in the long run interest of both the grower and the Federal Government and would provide an incentive to start winning back consumers immediately.

Maurice H. Stans
Director