

The terms of the local development company loan were based on its fund being supplied on a standby basis until the Government loan has been fully paid. As you can readily see, these conditions materially differ from those set forth in Attachment A. Our analysis indicated sufficient earnings projections to meet not only this debt burden but the other requirements necessary to operate this business.

Our staff made a thorough study of the application. Loan specialists in EDA evaluated the material submitted by the applicant, and engineers and market analysts from the Small Business Administration conducted a detailed investigation. Consultations were held with growers, wholesalers, and retailers of cut flowers, North Carolina State University, Society of American Florists, American Association of Nurserymen, and the U.S. Department of Agriculture. Also, an opinion from an independent consultant. As a result of the information obtained from these numerous sources, it was concluded that the restrictions of Section 702 of our Act were not applicable and the loan was approved.

For your information, the average 1966 unemployment rate in Avery County was 17%. This project at full operation is expected to employ 41 additional people of the county's hard-core unemployed, thus creating long-term employment opportunities.

If there is further information that I can supply you, do not hesitate to call on me.

Sincerely,

COLEMAN B. STEIN.
Director, Office of Business Development.

SOCIETY OF AMERICAN FLORISTS,
SHERATON-PARK HOTEL,
Washington, D.C., October 11, 1967.

Mr. COLEMAN B. STEIN,
*Director, Office of Business Development, Economic Development Administration,
U.S. Department of Commerce, Washington, D.C.*

DEAR MR. STEIN: The enclosed letter which was directed to the Honorable Ray A. Taylor, and signed by your predecessor, James T. Sharkey, is self explanatory. In the third paragraph of this letter Mr. Sharkey commented that consultations were held with the Society of American Florists.

I would like very much to know on what authority this statement was made. I would appreciate very much your pinpointing the name of the person in my organization who was purportedly consulted with by EDA. I would also like to know the dates and what was discussed. A check of my staff indicates we have had no discussions with EDA on a loan that was approved for Vaughn's Blue Ridge Nursery, Inc., Pineola, North Carolina.

Ross P. Davis, when he was Executive Administrator of the SBA, wrote a two page article for our American Florist magazine relating to the work of the SBA. The editor and chief of the magazine indicated there was no discussion held concerning the subject included in Mr. Sharkey's letter to Representative Taylor.

Your consideration of this request will be greatly appreciated.

Sincerely,

JOHN H. WALKER,
Executive Director.

AMERICAN ASSOCIATION OF NURSERYMEN, INC.,
Washington, D.C., October 12, 1967.

Mr. JAMES SHARKEY,
Director, Office of Business Development, U.S. Department of Commerce, Economic Development Administration, Washington, D.C.

DEAR MR. SHARKEY: A letter addressed to Congressman Roy A. Taylor, dated February 21, 1967, and signed by you, has recently come to my attention. The letter, which is concerned with an application of the Vaughn's Blue Ridge Nursery for an EDA loan, refers to the American Association of Nurserymen as a consultant prior to approval. For one reason or another, we can find no records in this office, of ever having been consulted on any application for an EDA loan. For that reason, we respectfully request your office to furnish us with background information on the particulars concerning consultation by your office with ours on the loan in question.

Thank you.

Sincerely yours,

ROBERT F. LEDERER,
Executive Vice President.