

Declaration of Luis Contreras

I, Luis Contreras, Hereby state and declare the following.

1. My name is Luis Contreras. I am over 18 years of age and a U.S. Citizen. My date of birth is July 17, 1920. My mailing address is P.O. Box 912, Childress, TX 79201.
2. I come from a long line of farmers and cattleman. I am a fourth generation farmer and rancher. I am Hispanic. My wife Lillie and I raised eleven children on our farm. I am currently 84 years old. Because of the United States Department of Agriculture ("USDA") I was forced into bankruptcy, lost my home and ranch, lost my equipment and over 1,000 heads of cattle and suffered physical and mental health problems. My family is a victim of USDA discrimination. I am a victim of USDA discrimination.
3. I began as a cattle rancher in Hall County, Texas in the 1940's. I first used the Farmers Home Administration, or FmHA, in 1943. From the early 1940's to 1971, I leased farmland. In 1971, I bought my own 814 acre farm in Hall County with an FmHA loan. At that time I had 60 mother cows and I was harvesting cotton.
4. In 1973, two of my sons, Alex and Joe Contreras, bought 2,677 acres of farmland and bought 100 head of cattle. In 1976, my son Alex was involved in a bad car accident and had to stop farming. I took over his debt to the FmHA and ran his part of the land from then on with my son Joe. By 1981, Joe and I owned 340 heads of cattle. By 1985, Joe and I owned close to a thousand heads of cattle.
5. Each year, Joe and I paid back more than \$50,000 on our FmHA loans by selling part of our calf crop, and then refinancing for another year. Our serious troubles with FmHA began in 1985 and 1986. In 1985, the County Supervisor, Dale Burris, placed additional and unreasonable requirements on our farming operation. Mr. Burris told us that in order for us to obtain FmHA servicing, we had to pledge for collateral the complete contents of our farm and ranch, including all cattle. Mr. Burris also demanded that we fence in an additional 2,000 acres of our land. Since we did not use this land for grazing we protested having to expend the funds for the fence, but Mr. Burris insisted. We complied with Mr. Burris' demands and received FmHA loans to continue our operations in 1985.
6. In December 1985, Mr. Burris had more financial demands for us. Mr. Burris required us to pay County and school taxes in advance of their due dates (approximately \$2,000); purchase medical supplies for the spring

roundup (approximately \$3,000); and pay the annual payment due the Federal Land Bank on the ranch house. Mr. Burris kept requiring us to make unwise and unnecessary expenditures of funds in order to continue our financing with FmHA. Mr. Burris was demanding that we make unnecessary frivolous improvements to our land, when the money being spent should have been put to a more economical use. We were under Mr. Burris' control because we feared that if we did not do as he requested, he would take away our FmHA funding.

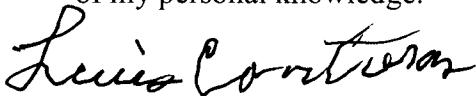
7. Early in 1986, Joe and I returned to the Hall County Memphis FmHA office to apply for our FmHA loans. Mr. Burris became very cold and indifferent and we could not understand why he was treating us this way. Mr. Burris looked at us with disdain and treated us like second-class citizens. Halfway through filling out the applications, Mr. Burris told us we would not meet the criteria for a loan and for the required payments for the subsequent four years. Mr. Burris told us that we were so far in debt that we should not even bother applying for a loan. We were not delinquent on any of our debts and Mr. Burris had no basis for making that statement to us. At that time we had one of the largest family farming operations in Hall County. It became obvious to us that Mr. Burris was intent on shutting our farming and ranching operations down. That is why he made us make those unnecessary improvements to our land; he was planning on seizing and selling our ranch all along.
8. I had been working with the FmHA for forty years, without incident, but for some reason Mr. Burris refused to give us further FmHA funding. Mr. Burris and the USDA office were not interested in anything we had to say, nor were they willing to look at any documents to help support our loan application. It appeared from their words and actions that their main objective was to foreclose on our family ranch. Mr. Burris told us to move out of our house, close the gates and to not worry about the cattle, as they were now government property. When I informed him that the cattle would die within five days if the water failed, Mr. Burris stated, "Let them die, the government's got plenty." When we asked whether we were going to get the FmHA loan, Mr. Burris replied, "No! You're out. I'm going to shut you down."
9. Joe asked Mr. Burris if we could appeal his decision and, if so, how to make the appeal. Mr. Burris told us we could not appeal his decision, which we now know was incorrect. Mr. Burris also told us that the property and cattle were no longer ours and that we had no further responsibility for their upkeep. Mr. Burris further denied us access to our cattle and told us we could sell no cattle whatsoever. We were totally railroaded by Mr. Burris and the USDA. They wanted our property and our cattle. They wanted us out of farming because we were successful Hispanic farmers. In their eyes, we were too successful, and they wanted

to knock us down and make sure we never had another successful farming operation again!

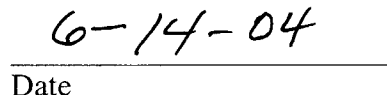
10. We had enough value in the collateral in cattle proceeds to pay off the FmHA loans in 1984 and 1985. Mr. Burris did not believe our count for the collateral cattle and went ahead and seized and sold all our cattle, selling them at auction for \$60,976.62, an amount far less than their actual worth. Mr. Burris thought we had less than 600 heads of cattle. We told him we had over 1,000 heads of cattle. Mr. Burris refused to believe us. Mr. Burris looked down on us, as if what did we know, we were merely Hispanics, and to him, uneducated. After the trucks came and took our cattle, their count was 1,027.
11. The USDA contractors were brutal in the round up of the cattle, and some of the cattle were killed. We were very upset about the brutal treatment of the cattle because we had always carefully taken care of them and we were very proud of our farming and ranching enterprise. We were left to bury the dead cattle, so as not to let their carcasses rot in the sun. In the end, we were right, we had enough cattle to pay off our debt, but by the time the cattle were rounded up and put on trucks, it was too late, the USDA had already taken everything.
12. Mr. Burris never advised us of our right to defer our loans nor did he advise us of any other rights that we were entitled to under the Federal Farm Programs in place at that time. Mr. Burris denied us our right to appeal his decision and he wrongfully turned down our loan application. Mr. Burris also assured us that no bank in town would finance us. Effectively, Mr. Burris sent us into bankruptcy. I can think of no other logical reason than the fact that I was a successful Hispanic farmer. For some reason my success irritated Mr. Burris. To him I was a dumb Hispanic, how could I possibly have a successful farming operation? Mr. Burris broke my spirit and that of my family. We lost all faith in the Government. Clearly what was being done to us was unjust, but no one stepped in to help us.
13. We watched for postings of the sale of our land at either public or private auction, but we saw no announcements. One day in December 1987, Jay McKay, the County Supervisor and an employee of FmHA, working in the Castro County Dimmitt FmHA showed up at the ranch with Max Ham, the Vice President of the First National Bank. Mr. McKay told me he just bought my land. He further stated "Luis, I bought the property but I didn't want the house, only the land. But the FmHA went ahead and gave me the house at no extra cost." He was gloating, as if he were proud that he had gotten our beautiful land and home at a bargain basement price.

14. In February 1989, I became aware of and applied for a re-start program available from the USDA to individuals who had filed bankruptcy. More than two years passed and we heard nothing from FmHA regarding our re-start loan application. We kept inquiring as to the status, but no one would get back to us. Finally in March 1991, Tom Baden, from the FmHA in Washington, D.C., told Mr. Finney (the contact at the FmHA that we were working with) that Mr. Burris stated he had not received our 1951-S application. We told Mr. Finney that was a lie. On the same day, Mr. Finney spoke with Bob Hopper, from the FmHA State Director's office. Mr. Hopper's office informed Mr. Finney that the county office had in fact received our 1951-S package, but they had overlooked it due to "confusion." To date, no one has ever gotten back to us. We are aware of three white individuals in our same county who also applied for "re-start" loan assistance. They were all granted assistance by the USDA.
15. We constantly complained to the USDA and to our Congressman about the discriminatory treatment and misdeeds inflicted upon us by Mr. Burris and the USDA, but no one seemed to want to get involved and help us.
16. An injustice has been done to my family and me by the USDA. I believe that Mr. Burris and the USDA wanted us to lose our property and wanted all of the work that my family and I put into this property - all of the years of labor and financial hardship to be lost. I believe that Mr. Burris entered into a conspiracy to deprive us of our property. I believe I was discriminated against by the USDA because I am Hispanic.
17. Mr. Burris was determined to ruin my family and my good name. Oddly enough, it is Mr. Burris' name that will be remembered in our County. In 1996, Mr. Burris murdered his wife and took his own life.

I have reviewed the foregoing Declaration, consisting of (17) Seventeen numbered paragraphs, and declare, under penalty of perjury that it is true and correct and to the best of my personal knowledge.



Luis Contreras



Date