Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Southern Pine Lumber Company
MANUFACTURERS
YELLOW PINE HARDWOODS
ANNUAL CAPACITY OF OUR OWN MILLS 100,000,000 FEET
Texarkana, Texas

OFFICE OF
ARTHUR TEMPLE
PRESIDENT

May 3, 1951

Mr. Arthur Temple, Jr.
Diboll, Texas

Dear Arthur:

I wish so much that you would live under less tension. It is no doubt due to the many heavy responsibilities which you are carrying, and for that reason I wish that you would quit taking on more and more. To this end, I most earnestly suggest that you abandon any thought of promoting a paper mill. This would be a tremendous undertaking, and although I did say that I had no objection to our participating by putting in some land which is not desirable or which we may not need for growing timber, I know that it would mean many headaches, and especially is this true under present conditions when building materials, machinery and equipment would be so hard to get and when, as a matter of fact, judging by what I have heard at Southland meetings, equipment could be purchased only under an escalator clause with the ultimate cost unknown. Goodness knows, you have plenty to do and plenty to think about with your job with Southern Pine Lumber Company and the several other enterprises in which you are engaged.

I am concerned about the time you have for your family and your disposition while you are with Mary and the children. I am also concerned about the cultural side of your life. Most of all, I am afraid that you cannot stand the pressure under which you are working at the present time. It is very apt to lead to high blood pressure, a stroke or heart trouble. You must learn to relax and to get business off of your mind. I don't think that you can continue at the pace you are going.

The only objection I have to the proposed merger of Oil Field Lumber Company with Temple Builders Supply is that it will be something else for you to give your time and thought. I know that you propose to leave most of the detail to Henry Spencer, but I know that you are not going to leave everything to him, and with all else that you have on your shoulders I hate to see you take on anything more. Rather, would I like to see you get out of some of the things you are now in. I am very proud of all that you are and all that you have accomplished, but, to paraphrase scripture, what does it profit a man to gain the whole world if he deprive himself of the full enjoyment of his family and friends and have no time for the higher things and destroy his mental and physical well being.

Affectionately,

Arthur

SOUTHERN PINE SERVICE ASSOCIATION

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** May 3, 1951

Enclosed is check for $2,000.00 payable to Temple-Allen. This is to supplement the working fund in accordance with your request of yesterday morning.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. May 5, 1951

Dear Dad:

We had a meeting of the Board of Directors of Temple Builders today and they voted to recommend purchase of the Oil Field yards to the stockholders at their meeting on May 16th at 2:00 P. M. at the Lufkin Chamber of Commerce office. Therefore, this meeting has been called to approve issue of $225,000.00 additional stock which, together with the $25,000.00 treasury stock now held would make the $250,000.00 which shows to be the book value of the Oil Field Lumber Company as of December 31st, 1950. I presume that you wanted to trade on values as of that date, inasmuch as it approximates the date of our organization and both parties would get the appreciation in value equally on stock trade.

I do not have any idea how much stock will be sold to existing stockholders and others, but feel that we have a great many people who would like to purchase this stock.

Therefore, I would suggest that you check on the stock ownership of Oil Field Lumber Company and find out how they would like to handle their stock. I, of course, would like to retain my stock in the form of stock in the new company.

In regadd to the audit, I would suggest that you do nothing on this for the time being. I talked to Henry today and our plan is to let him go to the various yards and just spot check or test the inventories and prices and just casually look over the properties. As soon as this is done we should be ready to conclude the trade, presuming that the stockholders approve it. I hope that you will inform Mr. Hintz to this effect.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** May 7, 1951

I have received a notice of a meeting of stockholders of Temple Builders Supply to be held on May 16th. I would like very much to attend that meeting, but inasmuch as Mother and I are planning to be in Lufkin on the 11th for the ballet which the girls are in, don't know that I would want to go back again so soon. In any event, I am sending my proxy to Henry.

I have been wondering if it would not be fair to put some value on the Oil Field Lumber Company yard improvements in connection with the proposed merger or sale to Temple Builders Supply. The December 31, 1950 statement showed improvements at $25,743.75 with depreciation at $22,652.21, most of which is applicable against the improvements, which would reduce them to a very low book value, far less no doubt than their actual worth. Hintz brought this up in one of our discussions, and I believe I mentioned it to you once or twice, though I have not pressed the point. If we are going to guarantee the receivables and permit you to charge us back with any that are uncollectible, don't you think that the improvements ought to be included at a fair appraised value?

If the merger or sale goes through, I hope that you will be able to keep both Vickers and Groover as managers at Odessa and Mexia respectively. Vickers, I think, is an awfully good man. The results of his management at Odessa have been very satisfactory. I don't know Groover so well. According to Hintz, he stands very well at Mexia, is well known and generally liked. Whether his physical condition is such that he can handle the job in a satisfactory manner I do not know. Hintz seems to think that he can, but Harry, Jr.'s advice on this may be good. Iwould like to see just as many of the present organization taken care of as possible without, of course, jeopardizing the fully successful operation of the yards.

Before proceeding further with the Oil Field Lumber Company stockholders I wish that you would please let me know how you feel about putting some value on the improvements. I would like to know, too, what you have in mind for the date to consummate the deal. I presume that your sale of additional stock will have considerable bearing on that.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** May 7, 1951

In your letter of May 5th you suggested that we trade on values as of December 31, 1950 in the merger of Oil Field Lumber Company with Temple Builders Supply. I have been giving a good deal of thought to that since receiving your letter, and the idea does not seem altogether practical to me.

Considerable changes may have taken place in the assets of both companies since December 31st, and it seems to me that a more logical, more equitable plan would be to make the trade on the basis of values at some fixed date, such as May 31st or June 30th, depending upon when the details can be worked out and the deal consummated. I don't know what profit Oil Field Lumber Company has shown for this year, because Hintz has not kept me informed and that is one objection I have had to his management. Temple Builders Supply, however, showed a profit of $6,291.00 as of March 31st, and I daresay this is as much or more than Oil Field Lumber Company did in a comparable period of time.

I have no real objection to trading on values as of December 31, 1950, which I assume would be par for Temple Builders Supply stock against something in the neighborhood of $250.00 per share of Oil Field Lumber Company stock without considering any value for improvements above the depreciated book values. However, this method does seem to present some practical difficulties.

Speaking of practical difficulties, it is going to be one hell of a job to determine the cost of my Oil Field Lumber Company stock, and this will also apply to yours and Ann's. Oil Field was originally a partnership which incurred a tremendous indebtedness to Southern Pine Lumber Company which was taken care of by the surrender of Temple Lumber Company and Southern Pine Lumber Company stock by me, Hintz and Harry, and I was liberal with Harry and perhaps with Hintz and took less of Oil Field Lumber Company's stock than I was entitled to for the part of the indebtedness which I assumed. If I should attend the meeting of Temple Builders Supply stockholders in Lufkin on May 16th, I may take Aubrey Canon with me for his help on this tax problem. He may be of value, too, in the overall picture because he not only knows the tax laws thoroughly, but he has also had general legal training. It might be, however, that he would be of more value later.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** May 8, 1951

I wish you would please bring me up to date on the Temple-Allen development. I would like to know how much of the street work has been completed, how much of the utilities have been put in or what remains to be done and also if any additional lots have been sold. The last report I had from you, I believe, was that two lots had been sold at $1,000.00 apiece.

I feel that we may have started this development a little late. Although there may still be a good demand for building sites, I am inclined to think that the demand would have been much better before Regulation X and all of the uncertainties brought about by war and the threat of the extension of war. If we can continue to sell lots, however, on the basis of the price at which the first two were sold, we should come out mighty well, and I hope that we can do so for the benefit of all concerned.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. May 9, 1951

Dear Dad:

In regard to your two letters concerning the trade with Oil Field Lumber Company: I would want to trade on book values as of the first of the year or at some date to be set subsequent to an audit. In regard to appraised value of the properties, the only way that I would agree to that is to have an appraisal of the inventories also and just go in and start the whole deal over from a new basis. Naturally, we are getting something of a bargain in the properties. However, I know that we are taking considerable beating on some of the inventory for I have already determined that to my satisfaction. In other words, the proposition to Oil Field Lumber Company is on the basis of book values December 31st, or we could amend this to read June 1st if you wish.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple Arthur Temple, Jr. May 9, 1951

Dear Dad:

With regard to the Temple-Allen Addition, we have graded in all streets, constructed all drainage structures, which was considerably larger than I had anticipated, we have the pipe on hand for the water system and construction is about to begin on this first part of the water system. It has taken some time to work out arrangements with the City to let us tie on to their facilities and it has also taken considerable length of time to have the plats recorded with the County and City. This latter has held up making deals, inasmuch as we are unable to make deeds to the property until the plat is recorded.

Frankly, I think we have done very well to sell the two lots that we have, considering the fact that we have not been able to get the utilities in yet and have not gotten the thing recorded. A sub-division of this kind is a difficult thing, even when you get full cooperation, but in our case the City has had to be bulldozed into everything that we have gotten.

I agree with you that the prospects of building do not look too good, but nevertheless feel that we will be able to sell enough lots within the next year or two to clear your investment and, therefore, you will just be riding on velvet.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** May 9, 1951

I would be interested to know about the item of $10,341.75 shown on the analysis of profit for April under the heading Oil Leases and Renewals. I presume this is a bonus payment on an oil lease.

The continuing loss on hardwood, $9,334.26 for April and $29,121.80 for the year to date, is bad. I wish that we could get our hardwood lined up so that it would show a profit or the realization of at least something for stumpage.

I presume the loss of $4,765.71 on the treating plant is due to the fact that we are just getting started in this division and probably did not ship out enough to offset the operating cost.

The small spread between rent and labor and supplies on dwellings is gratifying, or, as for the month of April, I should say that the profit of $966.37 looks good. However, in view of the fact that we had a loss of $11,091.62 on dwellings for the year to date, it would indicate that April was not a typical month. It would be a great day indeed when we could go from a loss on our dwellings to a profit or a break-even basis.

I am sorry that the ice plant continues to lose. It looks as though this thing ought to make money.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. May 10, 1951

Dear Dad:

I have been waiting for my detailed statement before giving you a run-down on last month's statement. Your points are well taken in the letter I received from you today and I give you the following information.

Whereas our pine showing for the month was satisfactory, we should have made considerably more money had not our shop work and materials and supplies been rather high. We have had several meetings on this and I think that we can look for some improvement in the next few months. Our labor is excellent. I don't believe any sawmill in the country can make a favorable comparison with our labor figures. However, the men have gotten in the habit of using our shop facilities which were considerably expanded due to construction and we have just simply got to break them of the habit. This is a little bit hard to do, but I feel considerably encouraged now. Incidentally, our labor was lower last month in almost all operating departments in spite of the wage increase.

Of course, the biggest problem we now have is our hardwood situation. This continuing loss is, as I told you recently, a result of our shutdown last year and the deteriorating logs are expressed in dollars lost because so much of our upper grade lumber has been graded back to #2 common. This is unfortunate, but I feel that no one is actually to blame. As you know, our Mill #1 shutdown called for Mill #2 going on pine and, therefore, put us out of kilter on our log inventory. Needless to say, we are doing everything possible to correct this. We discussed this rather fully with Ed Price when he was down here and I suggest that you might go over it with him to get the picture. It would save me considerable correspondence. In addition to this, we have been running the gang, which probably was not the best thing to do on hardwood. As soon as we cut up what really good logs we have on hand we will shut the gang down and operate on a much smaller hardwood basis.

The lath mill showing, while not good, was satisfactory considering the overhead charged to them. The hardwood flooring unit I consider satisfactory, inasmuch as a great deal of the month was spent on endmatch pine.

Our road trucks show a rather high loss which is not altogether correct. Actually, had the expenses for the month been normal, we would have shown a profit. We have made a complete revision in the method of handling this item and have turned it over to Willis Jordan, shop foreman. I think that we can look for considerable improvement. Also, several

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

hundred dollars expense was charged erroneously to the trucks, but we discovered it too late to take it out of the statement. Therefore, it will appear as a credit next month. Also, truck and trailer registration hit them a very heavy blow last month and these two items combined more than account for the loss in this department. Needless to say, we charge very high depreciation to our truck units now and this, of course, is taken into consideration.

I am afraid the ice plant is just a bad deal. I don't know how we can get it going any better. I have spent considerable time on it and have really accomplished very little to improve the situation. I will continue to do so and hope that someday we can show a profit there, but feel that for the time being we must be satisfied with just considering this a payment in lieu of buying ice as we previously did. I don't think that we are really coming out bad on the deal with this in mind. Also, the rate of depreciation approaches about $500.00 a month over at that plant and this is taken into consideration. None of the above provides a good excuse for having an operation like this that has very little prospect, but I think we probably just made a bad decision when we decided to build it.

The loss on the concrete tile plant, of course, is not true. As explained to you before, their method of bookkeeping shows a loss while they are building up inventory and shows a profit when they are shipping out. At the present time they are building up inventory and this inventory is not taken into consideration in this statement. I think probably we will change this next month so that we will take inventory and show this thing about a break-even proposition all the way. Actually we are charging this material out to our departments (which use all of it) at approximate cost and, therefore, there is no opportunity for profit therein.

You are correct in your assumption on the treating plant. This statement shows approximately the first three weeks of actual shipping operation, whereas it contains expense for two full months operation plus all operations that have occurred since its inception. As you know, they have been peeling poles up there for several months and storing them on the yard and all of this has gone into operations. I think that this plant is going to show a very handsome profit as soon as they get their crews lined up properly, but I don't think we should be too hard on them at the present time. Training good crews for this sort of thing is rather difficult and they are making excellent progress. Most of the other items, I believe, are self-explanatory, but I will call your attention to the timbers sold, which has the same explanation as previously. This is the hardwood tie account, which shows a loss on stumpage, whereas actually we salvaged some timber that had no value on the books.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Therefore, instead of a loss of about $1,000.00, we probably had a profit of approximately $2,000.00, but I don't think anyone would argue to change this method of showing it.

Your comment on the dwellings was appreciated, but it was not deserved. Actually the reason for the profit last month was that all supplies, which have been scattered all over the place, were taken to the lumber yard and credit was given to the dwelling account and charged into inventory at the lumber yard. Therefore, I cannot accept your congratulations on showing a profit on dwellings. However, I feel very encouraged and think that considerable progress is being made in this account. Our houses, generally speaking, are in the best shape I have ever seen them. We have our work systematized now by virtue of the new lumber yard and we have cut out the entire negro carpenter crew and are reducing the white carpenter crew.

The other items, I believe, are self-explanatory with the exception of oil leases and renewals which cover the lease of our reserve portion of land up in the Nacogdoches area to Humble Oil Company. I discussed this deal with you previously, but will be glad to give you another letter on it if you would like to have it.

Under other expense I have seriously considered cutting out the BUZZ SAW to reduce the personnel expense. This may be a foolish thing, inasmuch as the BUZZ SAW probably costs less than $400.00 per month, but I am taking steps to eliminate it anyway. I may change my mind on this, so don't put it down in the book yet.

The other items are in line and satisfactory and, therefore, I will not go into them. If you would like more information on any particular item please contact me.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** May 10, 1951

I have no objection at all to trading on the basis of book values as of December 31, 1950. Really, what I had in mind when I wrote you several days ago was that some changes might have taken place since the first of the year, and that it would be to the interest of stockholders in Temple Builders Supply to figure values as of the date of sale. However, if you are willing to take the Oil Field Lumber Company stock on the basis of December 31st values, it is perfectly all right with me, and I am sure that it is with Harry and Hintz because this is what we have discussed all along.

I am not going to press the point that Oil Field Lumber Company stockholders should be allowed more than the depreciated book value for improvements. For my part, I am entirely satisfied to make the trade on the basis of December 31st book value for the stock. I brought this up only to feel you out and get your reaction.

I haven't heard anything from Hintz or Harry Walker about having a meeting of Oil Field stockholders in Lufkin on next Wednesday, May 16th, the same day you are going to have your Temple Builders Supply meeting. I hope they will agree. It seems a good idea to me to have meetings of stockholders of both companies so that all of the details of the deal can be worked out and save a lot of correspondence back and forth. If they do agree and we have an Oil Field meeting in Lufkin next Wednesday, I will probably take Aubrey Canon down with me so as to have his advice and counsel, which I think will be worthwhile because of the legal and tax problems involved. As I wrote you recently, it is going to be one hell of a job to determine the cost of our Oil Field Lumber Company stock, and that means yours and Ann's as well as mine, and I think Harry's and Hintz's are also involved. Theirs, as a matter of fact, was a gift from me when Oil Field Lumber Company was reorganized, because I paid most of the debt to Southern Pine Lumber Company, and their equities were wiped out. In a sense this problem is one drawback to the proposed merger, but it is one that would have to be faced if Oil Field Lumber Company were ever sold or liquidated, and, as I see it, it might as well be faced now.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** May 14, 1951

I really don't think The Buzz Saw is worth the cost of publication, which you said Saturday when I was with you is about $400.00 per month. Unless you do feel, therefore, that this cost would be justified in the event of an attempt on the part of the unions to organize our employees, I suggest that the publication of The Buzz Saw be discontinued at the earliest convenient date.

I used to get a good deal of pleasure out of reading The Buzz Saw when it was gotten out by Jake Durham. However, it seems to have lost a good deal of its punch and is not nearly as interesting to me as before.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. ✓ **From** Arthur Temple **Date** May 14, 1951
Mr. E. G. Prud'homme

I am having the air conditioning system at my home revamped because it has never been satisfactory for cooling, and A. W. Johnson Company, who has had considerable experience with air conditioning as the Carrier representative, assures me that the new system will be adequate in every respect and, in addition, quiet, which the old system never has been.

Johnson has offered to allow me $500.00 for the five-ton compressor and five horsepower motor in the old system and $125.00 for the forced draft cooling tower, or a total of $625.00. I daresay that this equipment has not run more than a total of seventy-two hours, very little at any rate, and it should be just as good as new. The thought occurred to me that there might be some use for this at Pineland or Diboll, and I would be glad to let you have it at what Johnson has agreed to allow me unless, of course, you should feel that it is worth more and would be willing to pay me accordingly. Incidentally, the old equipment is Carrier, too. It is being replaced by a seven and one-half ton compressor and an improved type of condenser for cooling the water, which, in turn, cools the refrigerant.

Let me know if either one of you has any use for this equipment. I would hate to let it go for such a low figure if we can use it at one of the mills.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. May 16, 1951

Dear Dad:

I would appreciate it if you would contact your man with the T&P and see what locations might be available in Longview for a lumber yard site. Possibly the T&P has some property that might be desirable and if you would have them contact me I would appreciate it.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** May 17, 1951

When I ran into Professor Jackson in the office at Diboll recently, he told me about the new uniforms which had been acquired by the choir and said that the boys were awfully anxious to make the trip to Texarkana, which was proposed at our Boggy Slough party last fall and which was called off because it did not seem reasonable to take so many men off their jobs, transport them all the way to Texarkana and back for such a short entertainment. I told this to the Professor, and he said that they would be glad to come up the week of June Teenth, and I told him that it would have to be on a Tuesday if they were to appear before the Rotary Club, and, as I recall, he said that they would be willing to come on that day.

I mentioned this to Allen Collom early this morning when he 'phoned me about going fishing, and a little later K. B. Davis, the program chairman of the Rotary Club, 'phoned and said that there was no set program for Tuesday, June 19th, and they would be delighted to have the Diboll colored choir come up and sing. Frankly, I don't know whether it would be worth the trip, but if the boys would be willing to take the day for that purpose and it would not cost the company anything other than transportation and maybe feeding them going and coming, you might be willing to let them come. What do you think about it?

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** May 17, 1951

Although you were up here Monday night and Tuesday, I presume that you still intend to come up again next Monday afternoon to spend the night and meet with Latane, Newman and me Tuesday morning. I have advised Latane accordingly, and he is planning to come down Monday afternoon in time to have supper with us and spend the night. We are, of course, counting on having both you and Latane out at the house.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** May 17, 1951

I am enclosing my check for $1.25 which I suppose is enough to cover the charge for my long distance telephone call yesterday morning to Georgie from your office. I overlooked taking care of this at the time.

I understood you to say that the yard at Lubbock on which you are figuring is The Lumber Bin. I wanted to see how they are rated in Dun and Bradstreet or the Red Book, but I am unable to find them in either. However, there is The Lumber Bin at Amarillo, which we have shipped in the past and in which, I believe, Joe Prestridge has some financial interest. What is the name of the outfit at Lubbock? I would bet you a pretty that they are not doing any volume of business in excess of $800,000.00 a year. Not one of the Temple Lumber Company yards does that much business, and we have some pretty high steppers.

I hope that you are satisfied with the result of our meeting in Diboll yesterday. I am glad that we worked out a way to overcome the difficulties with which we in Oil Field Lumber Company were confronted. Incidentally, who should take care of the interest on the approximate $210,000.00 which I am to borrow to enable Oil Field Lumber Company to take over the assets of Temple Builders Supply? Do you think it would be fair to divide this expense fifty-fifty? Figuring that we would need the money for about thirty days, that would mean interest of $500.00 or $250.00 for each company at 3% per annum. I might get it for a little less.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Southern Pine Lumber Company
MANUFACTURERS
YELLOW PINE — ANNUAL CAPACITY OF OUR OWN MILLS 100,000,000 FEET — HARDWOODS
Texarkana, Texas

OFFICE OF
ARTHUR TEMPLE
PRESIDENT

May 17, 1951

Mr. Arthur Temple, Jr.
Diboll, Texas

Dear Arthur:

I talked with Harry Wiegel, President of The Texarkana National Bank, this afternoon about a loan of $210,000.00 to Oil Field Lumber Company to take care of the interim financing of the purchase of Temple Builders Supply assets until the additional stock in Oil Field Lumber Company can be sold. He was quite agreeable to making the loan up to the limit of $110,000.00 for The Texarkana National Bank, and he said that he was quite sure that he would have no difficulty in getting one of his correspondent banks to take the balance.

I am enclosing two notes, one for $110,000.00 and one for $100,000.00, which I wish that you would please endorse and then send to Hintz for his endorsement and his signature for Oil Field Lumber Company. Then after Hintz has signed the notes and endorsed them, he should send them on to Harry Walker for his endorsement, and Harry can then send them back to me to be delivered to Harry Wiegel.

Harry agreed to make this loan at the rate of 3% per annum as far as The Texarkana National Bank is concerned, and he said that he would try to get the other bank who will participate to make the loan at the lowest possible rate. I am inclined to think that the other bank will go along on a 3% rate, too. In another letter today I raised the question as to who should pay the interest on this loan and suggested that it would be equitable to have each company, Temple Builders Supply and Oil Field Lumber Company, divide the cost on a fifty-fifty basis. Incidentally, I told Harry Wiegel that I did not think we would need the money for longer than thirty days, but if we do need some additional time, there will be no difficulty about getting an extension I am sure.

I would like to know where this money is to be disposited and how it is to be drawn out and by whom. Couldn't it be left in The Texarkana National Bank? On further thought, however, I think that you would want it deposited

SOUTHERN PINE SERVICE ASSOCIATION

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

to the credit of Temple Builders Supply in The First State Bank and Trust Company, Lufkin, and paid out to the Temple Builders Supply stockholders from there. Maybe we should check with Frank Taylor on this, but as Oil Field will be buying the assets of Temple Builders Supply, I presume that we can pay the money over to them in a lump sum.

Yours very truly,

AT:ld

Harry Wiegel 'phoned that he had gotten commitment on balance at 3%.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple Arthur Temple, Jr. May 18, 1951

Dear Dad:

It would be perfectly agreeable with me for the boys to come sing before the Texarkana Rotary Club. If you definitely book this let me know and I will see that the boys get up there.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. May 18, 1951

Dear Dad:

I note in your letter that you state that no yard would be apt to do over $800,000.00 worth of business in a year. Attached you will find a letter from my old friend, Paris Castleberry, in Fort Worth who has offered to sell us his yard. You will note that they grossed $673,000.00 in the first four months of this year, on which they netted $105,000.00. Please return this letter to me for my files after you have absorbed this.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw
Encl.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. May 18, 1951

Dear Dad:

It is my present plan to come to Texarkana Monday afternoon and spend the night, in order to meet with you and Latane and Newman Tuesday morning.

In all probability, I will leave from Texarkana for Lubbock to inspect the Lubbock Lumber Bin. Mr. Pace was here yesterday and we went over the matter with him carefully. His facts were correct as revealed by a detailed audit by Peat, Marwich, Mitchell. I am attaching a profit and loss statement copied from their audit which might be of interest to you. He has done a wonderful job with the facilities he had and I feel that the proposition is of considerable interest to us. He has offered to rent us his improvements, which are very nice, for a basic rate of $500.00 per month or 1% of the gross volume, whichever is the higher. I suggested this in lieu of paying him a straight $750.00 rental. We would have to buy his equipment and furniture and fixtures, which totals $27,000.00, more or less, and we would purchase his inventory, which would run in the neighborhood of $110,000.00. Incidentally, his accounts receivable total $38,000.00. You will notice from his profit and loss sheet that he has a good bit of travel expense and other items in there that appear excessive and this is due to the fact that he is principal owner of the business and charges off a good bit of household help and other things in his expense.

Incidentally, this yard is located one block from Temple Street in Lubbock. I am extremely interested in this proposition and will let you know what we find out.

In regard to borrowing the money from the Texarkana National Bank, I have endorsed the note and have sent it to John Hintz, together with a note asking him to forward it to Harry Walker and return to you. Please do not cash this note at the bank, because we will not actually need the mondy. I would suggest that you just deposit it with Harry Wiegel and ask him to hold it in the event we do need to actually fund the mondy. In this way, we will not need the money for more than one or two days and I would much prefer not to be out the expense of a lot of interest. I did not think to explain this to you while you were down here, but since the matter has come up I

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

thought that you understood it.

I suppose Frank Taylor has contacted you in regard to the suggested change in the manner of handling the transaction and as soon as I get final word from Jeff Hassell I will contact you.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** May 18, 1951

I presume that you will hear directly from Mr. Hassell or Frank Taylor about the revised plan which they have worked out. It is for Oil Field Lumber Company to apply for a charter under the laws of Delaware and at the same time, I believe, increase the capital stock to $500,00, and then Temple Builders Supply, Inc. will purchase the assets of Temple Builders Supply. To effectuate this plan we will probably have a meeting of Oil Field Lumber Company stockholders in Dallas on or about May 24th or 25th.

It will be necessary, or advisable at least, according to Mr. Hassell, for the present stockholders of Temple Builders Supply to adopt a resolution approving the use of the name Temple Builders Supply, Inc. by Oil Field Lumber Company in its new Delaware charter. I am sure, however, that Mr. Hassell or Frank Taylor will advise you fully about this.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** May 18, 1951

If you have not already sent to Hintz the two notes which I mailed to you yesterday for your endorsement, please send them back to me.

Under the plan worked out by Frank Taylor and Mr. Hassell Oil Field Lumber Company will incorporate under the laws of Delaware as Temple Builders Supply, Inc., and, as a consequence, the notes should be signed by Temple Builders Supply, Inc.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** May 19, 1951

Congratulations on your award of the Lone Star Farmers' Degree, as reported in the May 17th bulletin of Texas Lumber Manufacturers Association. I didn't know anything about this until I read it in the bulletin when I received it yesterday afternoon.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** May 19, 1951

Let's forget about having the colored choir come up from Diboll to sing for the Texarkana Rotary Club. I am hardly in a mood to arrange this, and I realize that there would be some difficulties, perhaps, in feeding the men at the hotel where the luncheon will be, etc. It really looks like too much sugar for a nickel to have so many come such a long distance for such a short entertainment, approximately thirty minutes, and I really doubt if the colored men would want to spend June Teenth in this way.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** May 21, 1951

As you requested, I am returning the letter from P. E. Castleberry.

I note that these people operate two yards in Ft. Worth which did a business of $673,000 in the first four months of this year, on which they made a net profit of $105,000. This is mighty good even for two yards representing sales of $168,000 per month on an average and a net profit, before taxes I assume, of 15% plus. Incidentally, this is a considerably better percentage of profit than was shown by the Lubbock Bin, which was only 8% plus, which was not too good although their profit may have been reduced by various expense items that may not have been legitimate charges.

Apparently you are considering seriously the Lubbock yard. I wonder what you are going to use for money or how you intend to finance the purchase of this yard, putting in a yard at Longview and other expansion plans. You are going to have to sell additional stock in Temple Builders Supply, Inc. to take care of the stock which Hintz wants to sell, and I would like to sell some of mine, too, because I think that I would have too much of an investment perhaps in Temple Builders Supply, Inc. and would like to diversify, buying good stocks listed on the New York Stock Exchange, such as General Motors, AT&T, Phillips Petroleum, etc., etc., even if I should come around to your view of discontinuing my program of buying tax exempt bonds. Being heavily interested already in the retail lumber business in Temple Lumber Company and the lumber business generally, it occurs to me that it might be good policy to include some other lines, and particularly listed stocks for which there is always a market at some price.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

CASTLEBERRY LUMBER COMPANY

Good Building Material at Low Cost

908 West Peach Street • Telephone ED-4418

New Mailing Address: P. O. Box 7127, Sylvania Station

FORT WORTH 11, TEXAS

5-16-51

Dear Mr. Spencer:

If you are looking for yards in North Texas, We have two in Ft. Worth that I believe would fit into your expansion program.

We grossed $673,000 (1680.00 per mo.) worth of business the first 4 months of this year. (15% +)

We made a net of $105,000 for the period, if interested please let us hear from you.

Sincerely yours,

P. E. Castleberry

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** May 22, 1951

We have been supporting the Texas Forestry Association with two memberships, one in my name and one in Bob Waite's, and we have a request for a renewal. Before taking any action on this I would like to know what you are doing for the Texas Forestry Association at Diboll. If you are contributing sufficiently to relieve this office, I will advise them accordingly, but in that event would suggest that one membership be taken out in my name.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** May 22, 1951

I have gotten a cashier's check from The Texarkana National Bank payable to John E. Hintz in the amount of $40,000.00, which is to pay him for 160 shares of his Oil Field Lumber Company stock at $250.00 per share. The certificate will be issued in your name, and you can let me have your note for $40,000.00 by mailing it to me here, bringing it with you to our meeting in Dallas Thursday afternoon or any other way to suit your convenience. However, I think that it is important your note be dated today, May 22nd, in order that this whole transaction may be completed in ample time prior to our meeting Thursday.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Southern Pine Lumber Company
MANUFACTURERS
YELLOW PINE — ANNUAL CAPACITY OF OUR OWN MILLS 100,000,000 FEET — HARDWOODS
Texarkana, Texas

OFFICE OF
ARTHUR TEMPLE
PRESIDENT

May 23, 1951

Mr. Arthur Temple, Jr.
Diboll, Texas

Dear Arthur:

The merger of Oil Field Lumber Company with Temple Builders Supply has become so complicated and is fraught with so many problems that I am almost sorry we decided to go into it. In the first place, my principal incentive was the liquidating of my Oil Field Lumber Company stock on the basis of the proposition which you made to us in Dallas in January, which was that you would give us stock, cash or stock and cash in Temple Builders Supply for our stock in Oil Field Lumber Company at book value as of December 31, 1950, or at least that is the way I understood you, and others did, too. On the other hand, when you were here yesterday morning and we were discussing how much of Oil Field Lumber Company stock would be cashed, you indicated that you did not have any idea of taking as much as $75,000.00 of my stock for cash, and you intimated that you might take as much as one-half of my stock for cash, which would be $50,000.00. I am wondering, though, how you are going to be able to raise the money to pay Hintz, Verna Florence and me, not to mention Ann, if she wants any cash, and at the same time sell additional stock to take care of the purchase of the Lubbock yard, any others which you might decide to buy, and put in a yard at Longview as you contemplate. I am afraid, in short, that I am going to be left with my full present interest in Oil Field Lumber Company, in Temple Builders Supply, Inc., which would be $100,000.00 plus the $5,000.00 I have already invested, which is much more than I would want.

I have a cashier's check for $40,000.00 which I am taking over to Dallas tomorrow to pay Hintz for his 160 shares of Oil Field stock which is to be issued in your name. You are to give me your note for that amount. However, this depletes my credit balance on the books here, and I don't like that; I wonder if you would be agreeable to my discounting your note at The Texarkana National Bank, which would put me back in good standing on the books and at the same time would bolster Southern Pine's bank account, which it needs. In any event, I want you to consider this $40,000.00 your first obligation to repay through the sale of additional stock or any way you see fit.

Your original proposition to buy our Oil Field stock for cash, stock or stock and cash was a very simple one. It is too bad that we could not have proceeded

SOUTHERN PINE SERVICE ASSOCIATION

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

on that basis. It has become much more involved, what with my putting up $40,000.00 to buy Hintz's stock, arranging to borrow $210,000.00 with my personal endorsement to purchase the assets of Temple Builders Supply, incorporating under the laws of Delaware, qualifying to do business in Texas, and lastly, but quite important to me, the risk of your not being able to pay in cash for $75,000.00 worth of my stock, which was the principal incentive to me in the first place.

If you are favorably impressed with the Lubbock yard and want to buy it, and if you want to put in a yard at Longview which may take all of the capital that you can raise, maybe you would prefer to drop the Oil Field deal altogether. If so, that would be perfectly all right with me, because I am afraid that you are not going to be able to raise the capital to do all that you want to do and to reduce my interest in Temple Builders Supply, Inc. under the present plan to approximately $25,000.00 or $30,000.00, or even $50,000.00, the basis on which you were figuring yesterday morning in my office.

I cannot help but compare your expansion plans with what we went through in the '20's, when we added yard after yard, took on this and that, and when, just before he died in 1931, Gilbert wrote Henry or E. C. that the sheriff was stepping on our coattails, and I think the worry over our condition had a lot to do with Gilbert's sudden death. I was left with $2,000,000.00 of debts that had to be paid off during the depression. I do wish that you would quit promoting new enterprises, undertaking new ventures, and trying to do more than any one man possibly can do justice to. As I wrote you recently, you certainly have enough to occupy your mind, your thought and your energy without always getting into something else. With this in mind it would be far better, in my opinion, for you to take over the Oil Field Lumber Company yards and be satisfied or, as an alternative, take over the Lubbock yard and maybe put in one at Longview if you can raise the capital, but taking over the Oil Field yards, the Lubbock yard and putting in a yard at Longview, and no telling how much else you have in mind, is just too much to be taking on.

It is always hard for me to discuss these things when we are together. I have to wait until I can sit down calmly and write. I do wish, though, that you would give some serious thought to what I have had to say, not only in this letter but previously.

Affectionately,

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. May 25, 1951

Dear Dad:

I received your letter upon my return from Dallas yesterday and was somewhat depressed after reading your letter.

I have been promoting this merger as much for your benefit as any other single factor, feeling that it would relieve you of a rather difficult proposition, in the event something happened to Hintz, which certainly will happen before too many years. Also, although I think that it is a pretty good buy for the Builders Supply, I feel that certainly the stockholders of Oil Field Lumber Company are very fortunate to get the deal that they have received. Also, in regard to the $40,000.00, I don't know whether I can get it or not without seriously crippling my credit, but I will try to do so if you think that it is fair. However, I would like to call to your attention that this entire $40,000.00 deal is not for my benefit, but it is for the benefit of the stockholders of Oil Field Lumber Company, inasmuch as we did not contemplate buying Mr. Hintz's stock until after the transfer was made and at which time my investors would have their money on deposit with me and I would be out nothing. However, due to your peculiar tax situation, we have gone this long and more expensive route and, therefore, I don't see that I should bear the brunt of the $40,000.00 loan.

Also, you refer in your letter to Latane and have several times to me to the matter of endorsing the $200,000.00 note at the bank. If you will remember correctly, we have all endorsed this note and, although it may be necessary to have this money outstanding a few days, it is a paper transaction and there is no risk involved, and I can't see that that is of much importance.

I will admit that this thing has gotten rather involved and that it is a little messy. However, it really isn't so complicated if you just take it easy and take step by step. Also, I have the utmost confidence in Mr. Taylor and Jeff Hassell and feel that everything will be very simple when we get a couple more steps completed. Actually, it is not really too complicated if we didn't have to deal with people like Hintz and a few others who don't understand anything. I have done much more complicated transactions than this in

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

one afternoon by simply getting everybody together and cutting out all the discussion and reading through the matters and getting everything signed up at once. Of course, this is better when all is said and done and I think everything will work out okey.

I don't know what we will do about the Lubbock yard. Certainly, it is an excellent deal and I would like very much to have it, but as you stated in your letter, I don't know how we can handle it. I certainly don't want to go into it if it would be a burden to us and unless I can figure out a proper way of handling it, we certainly won't. One thing that may interfere with any further expansion at the present time is my desire to improve the plant at Texarkana, particularly the planing mill at this time. We certainly should get more satisfactory machines in the planer and get a little better labor situation.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

P. S. I think that we will be able to sell your stock which you very understandably wish to liquidate subsequent to the original issue. I know a good many of our stockholders who would like to increase their investment as soon as they can get hold of the money, but I question whether we will be able to take the full 320 shares at the outset. However, I feel sure we can satisfy you on this and eventually take over as much of your ownership as you would like to dispose of. One reason I have for holding your liquidation down at this time is that, whereas I understand your reason, I don't know whether all of my stockholders would. I think it would look a little funny to go to them with a proposition that I say is good and for you to be getting out as fast as you can. Everybody hasn't had the benefit of all our conversations that have gone before.

A. T. J.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. May 25, 1951

Dear Dad:

In reply to your letter of May 22nd, we have been contributing to the Texas Forestry Association quite heavily. As I recall, we contributed $500.00 at Diboll for last year on your instructions. I have deliberately overlooked the matter of sending anything this year, inasmuch as I can't see where the Forestry Association does us any good. I know that my ideas are rather revolutionary on this and feel that you may want to continue some contribution. My main objection is that their entire program is aimed at the wood lot timber grower, encouraging him to grow timber, which merely subsidizes the operation of little mills, which in turn wreck our market when things get tough. We get absolutely no timber from this sort of grower and, therefore, I conclude from a selfish angle that I would like to see all of the little wood lots cut out, so that we own all the timber that is left. The big mills don't break the prices, but the little fellows that this sort of thing supports continuously do. I feel sure you will want to do something for them and suggest that you let me know what you have in mind.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** May 25, 1951

Mr. A. L. Davis and Colonel Davies of American Taxpayers Association came by to see me this morning, and Mr. Davis presented to me your note of introduction.

We are contributing to Western Tax Council of Chicago and made a contribution just a week or ten days ago when their representative was here. This, however, I believe is the first such contribution we have made in some time. We used to contribute years ago, I am sure, to American Taxpayers Association but have not been solicited by them in quite awhile. In view of the fact that both of these associations seem to be advocating the same sort of tax legislation and seem to have the same high caliber of men for their officers and directors. I don't suppose that it makes much difference whether we support one or the other. At any rate I do not feel that we should contribute to both, and I told Mr. Davis that although I did say that I would make some investigation of American Taxpayers Association and would let him hear from me. I have concluded, though, that there is no point to our making two separate contributions in the same direction or for the same cause.

It is always somewhat difficult to really evaluate these people who solicit money. I frequently think that we are subject to a great deal of duplication of effort, and I wish that such people could get together and, as a result, I think they would operate more effectively.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** May 25, 1951

I hope that you and Henry got back to Lufkin safely.

I wish that I had had an opportunity to talk with you privately about what you found out at Lubbock. I will be interested to know what price Mr. Pace has put on his yard and other terms of the deal which I understand you have taken under option.

Referring to my letter of May 23rd, it is, of course, out of the question to drop the Oil Field Lumber Company deal since we have gone so far, but I would suggest that very serious consideration be given to the abandonment of any further expansion, the purchase of the Lubbock yard, the putting in a yard at Longview, etc., because I do not want to see you overextended.

As for selling my stock in Temple Builders Supply, Inc., I am reconciled to going along with whatever cannot be disposed of, but please bear in mind that I do not feel that it is to my particular interest to be involved to the extent of $105,000.00 and would like to reduce my investment down to $25,000.00 or $30,000.00. However, I wish that you would consider your first obligation to sell the 160 shares purchased from Hintz to repay the $40,000.00 which I advanced, and I think then you probably should work on the 80 shares of Verna Florence.

I called Josh on my return home last night and told him that you were particularly anxious for him to attend the meeting in Lufkin Saturday afternoon. He did not say that he would or would not but said that we would talk about it today. If he will go, I would not object to making the trip with him. I don't want to be in the attitude of refusing to do my duty but did not see much point to my making the long trip just for such a routine meeting where everything is cut and dried, as at the meeting in Dallas yesterday. In this connection, I wonder if you are going to consider the purchase of the Lubbock yard. However, I presume that any such discussion at this time might be premature.

Josh is leaving about our paying down Sat. for the meeting.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr May 26, 1951

Dear Dad:

I am glad to hear that you have taken the action you did on Mr. A. L. Davis and Colonel Davies of the American Taxpayers Association. You know how I feel about contributions, but I did feel that you would probably be interested in this proposition and, therefore, referred them to you.

Yours very truly,

Arthur Temple, Jr

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** May 28, 1951

Dictated 5/27/51

Possibly I have said too much about selling some of my stock in Temple Builders Supply, Inc. Certainly, I don't want this to be any burden to you and I am perfectly willing to ride along until you have gotten out of the way the stock which you have taken over from Hintz and the 80 shares which Hintz said Verna Florence would want to sell, and I might go even further and include such additional stock as it may be necessary to sell to raise the capital the required amount for our present operations. I don't want to force the issue at all but would like to reduce my participation to $25,000 or $30,000 if it can be done without working any undue hardship on you. Just bear my wishes in this connection in mind, therefore, and do what you can to accomplish my purpose when it is convenient.

I wonder if you had Lottie send the telegram which I asked you to have her send just as we were leaving the office. Mother had not received it when we arrived at the airport, although she had guessed the time of our arrival and was on hand to meet us, and the local office of Western Union reported as late as seven or eight o'clock last night that no telegram had been received for her. It is not very important, perhaps, but if the telegram was filed and if the charge is either on your bill or ours, it should not be paid.

I thought we had a very satisfactory meeting at Diboll yesterday, and I am glad that I made the trip with Josh. It is probably a good thing that Mr. Hassell is so particular to do everything strictly according to Hoyle because we may be saved some headaches later as a result. We probably would not have been in the mess that we are with Oil Field Lumber Company if we had had such advice as we are now getting from Mr. Hassell and Frank Taylor, and if we are paying for such service, it is well to have every "i" dotted and every "t" crossed.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple, Arthur Temple, Jr. May 28, 1951

Dear Dad:

John Curren called me the other day from New Orleans and stated that he and Cy Lowe had dissolved their partnership and I think that he would like to meet with us to discuss the future of our dealings with their company. I would like for you to advise when you will be in Diboll next and perhaps we can get Eck over here and discuss this thing a little bit and give John an opportunity to talk to us. What is your reaction?

Yours very truly,

Arthur Temple, Jr.

ATJ:lw
cc: Mr. E. G. Prud'homme

P. S. In many respects I would prefer to retain Cy Lowe instead of John Curren. Cy mentioned to me that this was perhaps going to take place and I discouraged it all I could at the time. However, now that it has happened we are forced to make a decision.

A. T. J.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. May 29, 1951

Dear Dad:

Just a note to let you know that some progress is being made on the well in Anderson County. Apparently this well had been given up for having too much salt water, but our latest advice is that they are hauling oil from the well now to the Pan-American refinery and have already hauled 600 barrels. For some reason the salt water condition seems to have cleared up and they are producing about 15 barrels a day at present. This should be a pretty good little producer and we are pretty optimistic about it.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Southern Pine Lumber Company

MANUFACTURERS

YELLOW PINE — HARDWOODS

ANNUAL CAPACITY OF OUR OWN MILLS 100,000,000 FEET

Texarkana, Texas

OFFICE OF
ARTHUR TEMPLE
PRESIDENT

May 29, 1951

Mr. Arthur Temple, Jr.
Diboll, Texas

Dear Arthur:

In accordance with Mr. Hassell's letter of May 28th, copy of which was mailed to you, I have signed the formal contract between Temple Builders Supply and Temple Builders Supply, Inc. in duplicate and enclose this contract in duplicate for your signature, Henry Spencer's as secretary of Temple Builders Supply and Harry Walker's as secretary of Temple Builders Supply, Inc.

If you find it in order, please have this contract signed as indicated in Mr. Hassell's letter and return the duplicate copy to me.

Yours very truly,

AT:ld

SOUTHERN PINE SERVICE ASSOCIATION

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Southern Pine Lumber Company
MANUFACTURERS
YELLOW PINE — HARDWOODS
ANNUAL CAPACITY OF OUR OWN MILLS 100,000,000 FEET
Texarkana, Texas

OFFICE OF
ARTHUR TEMPLE
PRESIDENT

May 30, 1951

Mr. Arthur Temple, Jr., Diboll
Mr. H. W. Walker, Dallas

Gentlemen:

I am enclosing copy of a letter which I am writing to Reginald Robinson, son-in-law of John Hintz. He called me by long distance telephone last night, and he and Verna Florence talked to me, I suppose, twenty or thirty minutes, and the burden of their conversation was that Hintz was terribly upset.

Mr. Robinson suggested that everything would be all right if Hintz could be given something to do. I told him that I didn't know of any place for him in the new organization but that he would be perfectly free to hang out as much as he wanted to at the Mexia yard, that he probably would be a director of Temple Builders Supply and, as such, would have a voice in the policies of the company.

The conversation was quite disturbing to me. I am naturally soft-hearted and am always touched by a woman's tears. Hintz has had a good many hard knocks in his business career but a good many of them have certainly been of his own making, and he was certainly very fortunate to be reinstated as a stockholder in Oil Field Lumber Company when the Southern Pine note was paid off in 1938.

Yours truly,

AT:ld

SOUTHERN PINE SERVICE ASSOCIATION

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

May 30, 1951

Mr. Reginald Robinson
4139 (?) Anita Avenue
Fort Worth 9, Texas

Dear Mr. Robinson:

I am not sure about your address, because I wrote it down without my glasses on when I was talking with you over long distance 'phone last evening. However, I hope that you will receive this letter because I want you and Verna Florence to understand thoroughly my attitude about the merger of Oil Field Lumber Company with Temple Builders Supply.

I have favored this merger for the following reasons: Oil Field Lumber Company is made up of men well along in years. The three major stockholders, John Hintz, Harry Walker and I, have gotten to the point in life where we are not inclined to be aggressive and take advantage of opportunities for expansion which may be offered from time to time. I am not acquainted with the manager at Richland, but the managers at Odessa and Mexia are pretty well along in years, too, and the manager at Mexia, Mr. Groover, has a heart ailment, as you probably know, and only recently returned to duty after a prolonged spell. There are no young men in the organization, Harry Walker, Jr. having recently resigned to take a position with Temple Builders Supply, who could be depended upon to take over and operate the business in the event anything happened to Mr. Hintz. In short, my feeling is that the organization has gone to seed.

In the event anything should happen to Mr. Hintz I would certainly be in favor of selling out or liquidating the business. In either event, I do not think that we could hope to realize anything like as much as book value for our stock, and that is the basis on which we are going into the merger. Temple Builders Supply is made up of young, aggressive men who have been very successful, and I am confident that stock in that company will yield considerably better returns than stock in Oil Field Lumber Company. The stock in Temple Builders Supply is held by a considerably larger number of stockholders, probably thirty-five or forty people, and, as a consequence, I am sure that there will be a considerably better market for that stock than there is or would be for stock in Oil Field Lumber Company, which is so closely held.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

I am convinced that the possibilities for successful operation are much greater with Temple Builders Supply than with Oil Field Lumber Company under the circumstances. The only possibly objection I can see to the merger is that Mr. Hintz may be looked upon as something of a casualty, because he will be without a job and the salary which he has been receiving as President and General Manager of Oil Field Lumber Company. On the other hand, I know that he was offered the managership of the Mexia yard, which he declined, and I suggested that he might take over the Mexia yard for his interest in Oil Field Lumber Company and operate it individually, but he did not choose to do that. I have suggested that he be elected a director of Temple Builders Supply, which will give him a voice in directing the policies of the new company and will continue the associations and contacts that he has had in the past and even on a broader basis. He will come out of this thing pretty well fixed financially. He will have stock of a value of $62,500.00 if he elected to take all stock in Temple Builders Supply, but he has indicated that he would like to take one-third stock and two-thirds cash. That means he will have about $21,000.00 of stock in Temple Builders Supply and $41,500.00 in cash, which he is free to invest in any way he sees fit. In addition, he will qualify for Federal old age benefit, which will give him $68.00 or better per month for life, and for all I know, he may have other investments which he has made in the past from something like $42,000.00 which he has received in dividends from Oil Field Lumber Company stock in the past ten years and from what he may have saved from his salary.

Mr. Hintz's status is not different from that of many others except that he is in better shape financially than most people who are retired at the usual retirement age of sixty-five. It is too bad that he doesn't have some hobby, such as fishing, hunting or something of that sort. I believe he is interested in gardening but, of course, that would not occupy his interest all year round. Maybe he can develop some interest. I don't like to see him taking this thing as hard as you indicated he is, and, frankly, I don't see any reason for it because I think the merger is in the best interest of the stockholders of Oil Field Lumber Company, just as much to his interest as to mine except he is losing the salary which he has been receiving. I do hope that he will become fully reconciled to the merger, that he will take an active interest in the business of Temple Builders Supply and that he will find ample to occupy his mind to the end that his remaining days will be happy and useful.

Sincerely yours,

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date May 30, 1951

I have no plan at the present time to go down to Diboll but, as you know, am subject to call at any time. I shall be glad to make the trip any time circumstances justify.

I am sorry that John Curren and Cy Lowe have dissolved their partnership. I thought they made a pretty good team. While I know very little about the respective merits of the two, I am inclined to feel that John Curren would be the better one for us because he has had considerably more experience, and he has a way about him that has always been quite impressive to me. His very size seems to give him considerable authority.

I have felt for some time that we have been paying John Curren out of proportion to services rendered. I would like to get our retainer, and I think what we pay him might be considered a retainer, down to a lower figure if we could, but I don't suppose that it is too burdensome, spread, as it is, among Southern Pine Lumber Company, Temple Lumber Company and Temple Manufacturing Company.

AT:ld
cc E. G. Prud'homme

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

May 30, 1951

Mr. Arthur Temple
Southern Pine Lumber Company
Texarkana, Texas

Dear Dad:

Thank you very much for your contribution to the Diboll Library Fund. Sorry not to have written sooner, but we certainly appreciate your interest in this and feel that it will be a great service to the school and community as well.

Sincerely,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. May 31, 1951

Dear Dad:

I just talked to John Oliver in the Forest Products Division of NPA in Washington and he advised that Tuesday night our application was forwarded out of his department with a recommendation of a high percentage of amortization on the dry kilns themselves, with a medium amortizatinn on the other facilities included in our new construction. I would interpret this to mean some where around eighty percent on the dry kilns and fifty percent on the balance. Of course, it is not a cinch that this will be cleared by the DPA in the same light as handled by the NPA. However, their recommendation is generally followed by the DPA and, therefore, we are very optimistic.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw
cc: Mr Lalane Temple

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date May 31, 1951

I thought we were through with any thought of having the colored choir come up from Diboll, but Allen Collom called me last night and asked if we could not have the choir come up for a picnic which he and Bill James, Sr. are giving the Rotary Club at their country place about six miles from Texarkana off the Fouke road. Allen also said that he would like for you and Mary to come up for this occasion whether the colored choir comes or not. I am sure that you would not be interested.

I told Allen that the objection I saw to his suggestion was that the men would not get back to Diboll until the early morning hours and would hardly be fit to report for work Monday morning, July 2nd. He said they could start their singing at, say, five o'clock, be through by six, and after supper could start home. Frankly, that doesn't sound very practical to me. I could only tell him that I would put it up to you to see what you thought of it.

I wonder just how much the colored choir wants to come up to Texarkana. They seemed quite enthusiastic when it was first suggested out at Boggy Slough last fall, and Professor Jackson told me some weeks ago when I saw him in Diboll that they were still counting on it. If they would consider coming up here a pleasure and a privilege, you might want to arrange for them to do it. Frankly, I don't know of any better occasion. One objection to having them come up to sing for the Rotary Club was that it would be an awfully long trip up and back for such a short performance, only about twenty or thirty minutes, which is all that is ever allowed at Rotary luncheons. Out at Allen's picnic, however, they could sing for a longer period or as long as their repertoire held out.

Please bear in mind that I am not urging this at all. I realize the objections, chief of which would be the long trip and late arrival back in Diboll, the hazards of night travel on the highways, etc. I am thinking more in terms of doing something for the colored choir in the first place and, in the second place, accommodating Allen and contributing something to the success of his party.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date May 31, 1951

Supplementing my letter of yesterday in regard to my going down to Diboll to confer with John Curren, I suppose my next trip down that way will be in connection with the Oil Field Lumber Company - Temple Builders Supply merger. Just what will be required of me in this connection I don't know, but it occurs to me that I may have to make the trip for that purpose. If so, you might arrange to have John Curren come up at that time.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date June 1, 1951

I am glad to learn from your letter of May 31st that you have had favorable report from John Oliver in the Forest Products Division of N.P.A. Please keep me advised of any further developments.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date June 1, 1951

The last time you brought me up to date on the Temple-Allen project, the real estate development project south of Lufkin, I believe that you said that there had been some delay in getting the area platted by the city government. I wonder if this has been straightened out and if there are any other difficulties in the way of completing the improvements so that we may proceed with the selling of lots.

You have so many irons in the fire that I hesitate to write you about this development. However, I am very much interested in it and am particularly anxious to put on an aggressive selling campaign before the inflationary trend which we are experiencing takes a downward turn.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date June 1, 1951

When Helen and her children passed through here last Monday, she spoke of having her son, Rusty, who I believe is fourteen years of age, come down and work at Diboll this summer. I told her that I did not think it would be possible because of the Wage-Hour Law restriction on child labor, and, further, I advised against it on the ground that he is a rather frail boy, maybe no more than all boys at fourteen, however, and accustomed as he is to the climate in the east, and particularly the summer climate of Westhampton Beach, I thought that it would be awfully hard on him and might seriously impair his health.

When Helen passed through here yesterday after having visited in Nacogdoches and Lufkin, she said that you had agreed to give Rusty a job, and I believe that you contemplated working him in the woods. I suppose that means with the forestry crew which goes out from Diboll every morning to mark trees to be cut, etc. That, of course, would not be as hard work as felling trees in the woods, handling lumber on the plant, etc., but even so, I wonder if it would be advisable to take a young kid from the east and expose him to such hazards as he would be exposed to. There may be some exception in the Wage-Hour Law to work in the woods, but if there is, I am not familiar with it, and even if Rusty's employment would not be in violation of the law, I would be opposed to it under the circumstances. Incidentally, in addition to the Wage-Hour Law there is another Federal law against the employment of children below a certain age, a law passed back in 1916, and I believe there is also a state law governing the employment of children.

In spite of what he may think of it at the present time, the best place for Rusty to spend the summer is at Westhampton Beach, Long Island. If he wants to work, there is no reason why he should not get something to do with his father, who I believe is building houses and has a manufacturing plant where he is making filters or something of the sort for the atomic research laboratory on Long Island.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. June 2, 1951

Dear Dad:

I told Helen that Rusty could come down here and we would find something for him to do. What I had in mind was putting him on some kind of light work, like working around the store, or something of that sort. Since the kid wants to get out and work I thought perhaps it would be all right. However, if you object to it, please let Helen know that it will be impossible to do so. It was my thought that probably he could live with Mrs. Farrington down here and eat at the boarding house and probably the experience would do him a lot of good. I certainly would not put him in any place that we were not allowed to work a boy, or in such place that it would be dangerous. Let me know what you think of this.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple Arthur Temple, Jr. June 2, 1951

Dear Dad:

Please don't worry about bothering me about the Sussex Downs development in Lufkin. Actually, nothing much has happened since I talked to you last. I have planted some young mimosa trees which are doing well along the entrance, paid up a few small back taxes, and have made some progress toward getting the utilities actually installed. As you know, we have all the pipe on hand and have been trying to locate a ditching machine with which to do the work. Presumably, the gas company will go in at the same time we install the water lines. The installation of utilities has more or less held up the sale of additional lots, although we do have a good many prospects.

Of course, present conditions and lack of mortgage financing is going to slow down our sales somewhat, but I honestly feel that you are going to have an awfully good deal out of this and, although it may take a little time, I feel that you will be pleased with the deal.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX. www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date June 4, 1951

I have no objection to giving Rusty Allan some easy job around the store, office or something of that sort. The impression I got from Helen was that you intended to work him in the woods, and I thought that probably would be unwise from the standpoint of his health to say nothing of a violation of the Child Labor Provision of the Wage-Hour Act, the Federal Prohibition of Child Labor as enacted in 1916, and possibly a Texas statute. Even with him working in the store or office I think you should check very carefully with legal counsel to determine whether or not the employment of a boy of fourteen would violate any law.

I am not going to say anything to Helen. I do feel, however, that fourteen is too young an age for any boy to be working at a sawmill so far from home.

AT:ld

Copied from an original at The History Center, Diboll, TX . www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date June 5, 1951

Got your message through Raymond Martin by teletype about the Nacogdoches County well. I am glad that Corbin Robertson is optimistic and hope that this well will turn out to be a good producer.

In going over the Peat, Marwick, Mitchell and Company audit yesterday afternoon several questions occurred to me. One thing, out of $50,501.00 in notes and accounts of employees and local residents only $14,507.00 is secured. This seems a rather small, too small, in fact, percentage of the whole. Comparing this item with the same on the report as of December 31, 1949, however, I find that employees notes and accounts receivables aggregated $70,105.00, of which $24,779.00 was secured. It appears then that there has been a gratifying reduction in this item.

I note that the audit report still shows that we own some land in Webb County, Texas. If I am not mistaken, the report for 1949 did, too. We did own a 27,000-acre ranch in Webb and Dimmit Counties some years back, but we sold it. As far as I know, we own nothing there now.

I don't think we should continue to show a loss on our stores. As you know, Pineland showed a very nice profit on its mercantile operations, and I do not see why we should not do as well at Diboll. I know that you have rather felt that we should reduce our prices at the stores to eliminate all profit or to reduce the profit to a very low figure, but my position is that we have a substantial amount invested in stores, inventories, etc., on which we are entitled to make a fair return, and by fair return I have in mind something like 5% or 6% net. It may be that the loss at Diboll is due largely, if not entirely, to your store management, with which I know you have not been satisfied, but I wonder if it may not be due in part, at least, to a policy set up by top management.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. June 6, 1951

Dear Dad:

The item of $50,000.00 mentioned in your letter as being shown on the Peat, Marwick, Mitchell statement includes Accounts and Notes Receivable of all types. When you consider that we operate two grocery stores, one drug store and do a little financing on the side, as well as interim financing on housing, I don't think this is out of line. George is making me an analysis of this at the time and I will give it to you when I have it. I do know, however, that our Accounts and Notes Receivable should be at a very low level, inasmuch as we have the Credit Union functioning beautifully and what notes cannot be made by them are being made by the First State Bank at Lufkin. We occasionally do have to make some notes, but they are strictly emergency notes and, therefore, we have a very low amount compared to previous years' operation. More about this later.

In regard to the stores, as you know, I have been very upset about this for a long time. Inasmuch as June is the last month in this half and we will have a fair picture of our operation at that time, I think I will do nothing for the moment. I told George Smith that after this half year we would inventory each month, just as the larger chains do and, therefore, get a balance sheet showing us how we are doing each month.

If the stores do not show some improvement as of the end of June I think that I will definitely force Mr. Drew's hand and make a change. I cannot help but think that nearly any change would be an improvement. This view is shared by most of the townspeople and even if I don't improve the internal control situation, I will at least get a more likable manager in the place.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date June 8, 1951

The showing for Diboll for the month of May looks good. It is particularly gratifying to see the nice profit shown by the treating plant, also that the ice plant is in the black for a change.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. June 9, 1951

Dear Dad:

Thanks a lot for your comment on the May statement. Needless to say, I am quite well pleased, even though our net profit probably should have been considerably more with a decent showing on hardwood. I don't think I have got the answer to this hardwood thing completely yet, but should be able to get it straightened out within the next two months. We are at present selling a great number of logs which have already deteriorated, trying to salvage something out of them. Actually, it would give us a terrific loss to run them through the mill. I have touched on this before, so don't see a great deal of use in going into it further.

I believe that our cost statement will compare favorably with any statement in the industry, as of last month. I am, of course, particularly proud of the new construction part which shows a 68¢ per thousand cost for sorting, 56¢ labor cost for stacking, 49¢ labor cost for kilns, which includes the transfers and 94¢ on the takedown. Also, you will notice our remanufacturing plant labor went down to 18¢ with the new plant in operation.

I think the overall cost in this department will go down a little bit more even. You will see very quickly that with a total cost of $9.87, less $4.27 depreciation that we are getting it through this entire department for about $5.60. I think we can reduce this. Also, purchases of band saws and slasher saws hurt our sawmill cost a little bit, although it is still excellent. If you will compare our labor throughout the statement you will find a very good picture as compared with Pineland, for instance.

Of course, our statement is still loaded with a good bit of expense that might be interpretted as capital expense. I have particular reference to the Accounts #14 and #15, Road Maintenance Labor and M&S, which are merely new road construction. You will notice that we have spent in excess of $16,000/00 this year on this item alone. Also, included in Accounts #117, #118 and #119 is the cost of land and timber improvement on which approximately $15,000.00 to $20,000.00 has been spent this year for deadening and girdling of scrub hardwood in upland pine areas. This work is certainly worthwhile and should pay big dividends. However,

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

these are unusual costs and should be taken into consideration when comparing them with other companies, such as Pineland or Kurth, et cetera.

Also, the same thing that was true last month and will be true from now on is heavily weighted against our cost figure in the depreciation account. Although this makes our cost look bad compared to other plants, it is nevertheless tax free profit, in my opinion, and should be considered a boon rather than a handicap.

The Treating Plant had a fair showing and I think we can expect about $20,000.00 a month out of them. Of course, I am going to put a little more of the general overhead over on them and this may hold them down somewhat. I am going to try to be fair about this, but they should pay part of this office expense, since we keep books for them.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date June 12, 1951

What are your plans in connection with the Temple Cotton Oil Company meeting to be held in Little Rock at 2:00 P. M. Tuesday, June 19th? We would like for you, Mary and Chatsie to come up Monday afternoon and spend Monday night with us if that would be agreeable to you. I understand that you are going to visit Jo and Latane and go from Little Rock to Jackson, Mississippi, where you will leave Chatsie, and then you and Mary will go on over to Point Clear for a stay.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. June 13, 1951

Dear Dad:

I have a letter from Bob Waite to George Smith stating that we are to discontinue the Temple Foundation after June. At least this is the effect of the letter, inasmuch as it states the final figures that can be used. I wish that you would give us some definite understanding of what we should do on this. I have gone over all of our people who are on the Foundation and for the life of me I can't see how we can cut any out. It is pitiful - the condition in which some of these people are situated. Please let me know how you want this handled in the future - either cut it out, cntinue it, or the company pay it.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date June 14, 1951

Answering your letter of June 13th:

I wrote Damrel, with copy to George Smith, on June 12th setting out just what we have in mind to take the place of the Temple Foundation, which expired on October 2, 1950, after the funds which had been accumulated are exhausted during the current month. I am enclosing a copy of that letter which I think sets out clearly what we propose to do.

There will be no radical change in the procedure. Hereafter checks will be drawn on an account in The Texarkana National Bank in the name of Temple Foundation. Such checks will be signed and countersigned by two of three individuals at Diboll and Pineland, by you, Calvin Lawrence and George Smith at Diboll, by Eck, Damrel and Bruce Burnet at Pineland and at Texarkana by me, Bob Waite and Aubrey Canon. The accounting will be done at this office.

We have not gotten the approval of the Treasury Department yet on the new trust, and, consequently, we do not know for sure whether contributions by Temple Lumber Company and Southern Pine Lumber Company and certain individuals will be deductible or whether the income to the trust will be exempt from taxation. However, I am confident that such approval will be forthcoming, and if and when it is, we can appropriate such amounts from the surplus accounts of both companies to provide such money as may be needed, and I suppose Marguerite, Georgie, Gertrude and I will make contributions to the Foundation. Each one of us contributed $500.00 last year, and you will probably recall that Southern Pine Lumber Company appropriated $5,000.00 for this purpose at the last annual meeting of directors. I contemplate that the Temple Lumber Company directors will meet at an early date to consider the building of a hardwood mill at Pineland and also to consider the appropriation of $5,000.00 or some such amount to the Foundation.

In view of the fact that the original Foundation set up in my father's will has expired, I think we have a good opportunity to screen our lists of beneficiaries and eliminate any that can be cut off without undue hardship. To that end, I have written Jim Harrington and Mrs. Jack Fields, but I am not too sanguine of our being able to accomplish anything because I am sure that both are, in fact, in need of our continued support, and both will no doubt make a strong appeal.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

C
O
P
Y

June 12, 1951

Mr. R. A. Damrel
Pineland, Texas

Answering your letter of June 11th addressed to Bob Waite:

All of the money in the Temple Foundation will have been expended by the end of this month, and there will be nothing left to draw on in the future. However, we have set up another foundation to take the place of the one provided for in my father's will, the one which expired fifteen years from the date of his death, or October 2, 1950. It is contemplated that our companies, Southern Pine Lumber Company and Temple Lumber Company, will contribute to this new foundation toward the end of their respective fiscal years, and also my three sisters and I will probably supplement the fund.

Under the new trust it is Bob Waite's idea, I think, to issue all checks on an account or accounts set up in the name of the trust. I think it is his idea further that you will be authorized to draw checks on such an account for Pineland's beneficiaries, and George Smith will be authorized to do likewise at Diboll. In the meantime, however, or until these bank accounts are set up, I suggest that you issue checks to the beneficiaries just as you have done in the past, send this office a debit memorandum covering, and we will charge any surplus over the balance in the Temple Foundation to the new trust. We should be ready to go on the new basis by the first of July.

AT:ld
CC Mr. E. G. Prud'homme
Mr. G. S. Smith

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date June 15, 1951

I have read with interest the bulletin "Brevits" issued by Vance, Sanders and Company of Boston.

I presume you sent this to me apropos of our several discussions about my policy of buying municipal bonds. I think, however, the situation with respect to Harvard is entirely different, because income to such a college is tax exempt. Under such circumstances it is not hard to see why the trustees of Harvard are investing more heavily in common stocks and less in bonds because of the difference in yield, which is greater now than ordinarily prevails. However, in my case a municipal bond which yields 2.5%, tax free, is the equivalent of taxable income or yield of approximately 9%, and 9% is considerably above the return which can be expected from high-grade stocks listed on the New York Stock Exchange. Furthermore, such common stocks are subject to more violent fluctuation in price than are municipal bonds and, as a consequence, would not be so good for my purpose, namely, to provide cash with which to meet estate and inheritance taxes.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Southern Pine Lumber Company
MANUFACTURERS
YELLOW PINE — HARDWOODS
ANNUAL CAPACITY OF OUR OWN MILLS 100,000,000 FEET
Texarkana, Texas

OFFICE OF
ARTHUR TEMPLE
PRESIDENT

June 22, 1951

Mr. Arthur Temple, Jr.
C/o Grand Hotel
Point Clear, Alabama

Dear Arthur:

Carrol called last night upon receipt of a letter from me to say how happy he was at the prospect of coming to work for Southern Pine. In my letter I simply told him that you had talked with me Monday night and that I was entirely in accord with the plan which you had discussed with him. Carrol said that he had already decided to discontinue his automobile business and liquidate. When I asked about the filling station, the U. S. Tire franchise, etc., he said that he had made other arrangement for them. Just what he has in mind for these, I don't know.

Since our conversation last Monday night I have been wondering if the cost of clearing land for farming would be justified. At any rate, I think that we should proceed slowly with the program which you have in mind for Carrol, starting out with the raising and grazing of cattle on the ranch, looking after the pecan orchard and maybe planting crops in such open areas in our holdings which are adaptable to farming or cattle. I am not sufficiently familiar with our holdings to know how much open acreage we have which could be adapted to farming or cattle raising or whether the individual tracts are of sufficient size to be looked after and operated profitably.

Goodness knows, I hope that this thing will work out all right because I am so anxious for Carrol to get on his feet. I know that you will do everything you can to help him.

Hope that you and Mary are enjoying your stay at Point Clear. From all I have heard of it, it must be a very delightful place.

Give my love to Mary.

Affectionately,

Kady

AT:ld

SOUTHERN PINE SERVICE ASSOCIATION

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. June 28, 1951

Dear Dad:

It is obvious from the results of the inventory taken and the closing entries made as revealed in Frank Taylor's balance sheet, that Mr. Hintz has not complied with our agreement in Dallas to take the inventories in the manner heretofore taken. It is quite obvious that a business that has a consistently uniform mark-up over a period of years does not jump to a 90% mark-up on cost over night. Actually, this increase is a direct result of appreciation of inventory and in view of the fact that it was agreed that it would be taken on the same basis as of December 31st (i.e. same unit prices), I feel that a very careful adjustment should be made. I am instructing Henry Spencer to, as soon as possible, make a cursory check of the physical inventories to determine damaged or unsalable stock, in order that he may recognize it on physical inventories taken, and also, I will expect Henry to refigure the inventories to check the unit prices used thereon for conformity with our verbal agreement in Dallas. This, of course, can be done subsequent to the issue of the stock, which should be forthcoming any day now.

I believe that we are out of the woods and now we can attack the few remaining problems individually and work them out to everybody's satisfaction in the near future.

It is my information that within the next few days I will be able to release your $40,000.00, inasmuch as we should have our permit to do business in Texas within that time.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw
cc: Mr. Henry Spencer

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date June 30, 1951

I have no way of knowing, of course, what Hintz may have told Vickers, and I have no way of knowing just how Vickers took the inventory at Odessa. It would appear, as Frank Taylor suggested in his recent letter, that Vickers used replacement value rather than cost or market, whichever was lower, and it was understood, of course, that the latter method would be employed; in short, as I understood it, that the inventory would be taken on the same basis as in the past.

I am sure that you know that all I want is a fair deal for the stockholders of Oil Field Lumber Company and the stockholders of Temple Builders Supply. I want you and other stockholders in Temple Builders Supply to be fully satisfied, and to that end am in full accord with a thorough checking of the inventory, as outlined in your letter of June 28th.

I will be awfully glad to get this merger deal behind us, and just as soon as you are ready for the $191,000.00 plus, which will be necessary to pay the stockholders of Temple Builders Supply for the assets of that concern, let me know, and I will make the necessary arrangements. I don't think that it will be necessary to have you or any others endorse the notesfor I believe the Texarkana National Bank and its associate will be satisfied to lend the money on my endorsement. I don't like to be involved in such a large amount but trust that the money will be required for only a few days until the full amount is subscribed in new stock in Temple Builders Supply, Inc.

I think that Oil Field Lumber Company should bear its full share of the cost of Frank Taylor's and Jeff Hassell's services. Just how the expense should be allocated, I don't know. Would you be willing to leave this to the judgment of Frank Taylor and Jeff Hassell as independent and disinterested parties?

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. June 29, 1951

Dear Dad:

In re the clipping from the Dallas News showing a 6500' Woodbine test near Weches in the Daniel McLean Survey, I am unable to contact Dave Kenley today to see if this is on our land. The McLean Survey is apparently a 640 acre section which includes three scattered tracts of ours. Successful tests there would undoubtedly include any of our land if a structure of any size at all is found. We have that survey covered pretty well.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 2, 1951

As a result of the discussion at Pineland last Thursday, I presume that you will get in touch with Olin Industries' representative to let him know that we are interested, at least to the point of discussing the possibilities of our putting in Temple Lumber Company lands for stock in a paper mill or mill to make cellophane.

While I am not altogether convinced that we can have our cake and eat it, too, and by that I mean reserve future pine saw timber, I think we ought to consider the possibilities because it is quite conceivable that stock in a cellophane mill for our lands at present market value might yield us considerably more than would saw milling. I think the idea is at least worth further consideration.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 2, 1951

You left the little booklet attached out home when you stopped over on your way to the Temple Cotton Oil Company meeting in Little Rock. Don't know whether you want it or not. I read it, and it is a pretty good simple argument in justification of accelerated depreciation under the Defense Production Act.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** July 2, 1951

Temple learned from Raymond Martin on the teletype this morning that Diboll would be down on the 3rd and 4th. I can understand why you might give a holiday on July 4th, but why two days? I wonder, too, if these are paid holidays on top of the week's vacation just concluded.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** July 3, 1951

Since writing you yesterday about a two-day shutdown at Diboll for July 4th, I have recalled that you arranged for Governor Shivers to be at Diboll today, July 3rd.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. July 4, 1951

Dear Dad:

I rather imagine Ernest Kurth wanted to discuss with you the matter concerning Olin Industries. I do not think that he is too concerned about the fuel pole situation and if he is, I don't think he would bring that up.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

P. S. We did not pay the men for July 3rd and 4th. The only time they get paid holidays is on vacation week.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 6, 1951

This will acknowledge receipt of Temple Builders Supply, Inc. check for $40,000.00 payable to you, which you have endorsed over to me in payment of your note dated May 28, 1951. I have endorsed this note as paid in full and return it herewith.

I left the office at about four o'clock yesterday afternoon to drive down to Marshall to pick up Tommy and Jane and bring them home for a visit with us while Ann attends some kind of a church meeting in Norman, Oklahoma. That is why I was not here when your message came over the teletype asking if I contemplated any trip to Diboll soon.

I do not have any trip down that way in mind but suppose I could go most any time, though I would rather not go while the children are here or while Ann is with us Monday and Tuesday of next week. I could go any time if necessary. However, I will be glad to give you my proxy for a Temple Builders Supply, Inc. directors' meeting. Let me know, please, what you wish me to do under the circumstances.

I assume that it will be in order for me to resign as president of Temple Builders Supply, Inc. so that you may be elected president. I hereby submit my resignation to be acted upon at the earliest possible date and to be effective at the pleasure of the board of directors.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 6, 1951

I am having Temple teletype a message to you about selling my stock in Temple Builders Supply, Inc., and this will confirm and explain that message.

Instead of selling up to $75,000.00 of my stock in Temple Builders Supply, Inc., as I told you on the phone yesterday, I think it would be advisable to confine the sale to $37,500.00, which would represent 150 shares of my Oil Field Lumber Company stock at $250.00 per share. If there is to be any reduction in the price paid for the Oil Field Lumber Company stock under $250.00 per share, then the amount of Temple Builders Supply, Inc. stock to be sold should be reduced accordingly.

In explanation of this change of attitude on my part, will say that there is some question as to my cost basis on the 250 shares of Oil Field Lumber Company stock acquired from L. D. Gilbert. Because of the way this stock was taken over by me when the Oil Field debt to Southern Pine was paid off and Hintz and Harry Walker were re-established as stockholders far beyond what they were entitled to, an examining agent for the Internal Revenue Department could give me lots of trouble from a tax standpoint if the stock were sold. To avoid opening this issue, therefore, Aubrey Canon and Frank Taylor are of the opinion that I would do well to hold my stock in Temple Builders Supply, Inc., representing the stock in Oil Field Lumber Company acquired from Gilbert, until death or to be disposed of under the tax-free gift provision of the Internal Revenue Code permitting $3,000.00 to any one individual per year.

This is all rather complicated or difficult to explain: suffice it to say, I would want to sell not to exceed $37,500.00 of my stock in Temple Builders Supply, Inc., assuming that the consideration on my Oil Field Lumber Company stock will be $250.00 per share. X

x If there is any shrinkage in per share value, cancel same on all of the stock bought in Temple Bros. for $5000.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 6, 1951

I have just read Frank Taylor's letter of July 5th to you in regard to the allocation of charges for his services among Oil Field Lumber Company, Temple Builders Supply and Temple Builders Supply, Inc. and his suggestion with respect to the allocation of Mr. Hassell's charges.

This is to advise that what Frank Taylor has suggested meets with my approval. I don't know who could determine a better division than Frank Taylor and Mr. Hassell.

These charges are pretty heavy, but I do not think they are excessive in view of all that has been done.

Arthur: Mail the enclosed copy to Hintz if you see fit.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. July 7, 1951

Dear Dad:

Today I accepted Mr. Drew's resignation as store manager. You will note from your statement that the stores lost $6,777.00 after turning the thing completely back to him this six months. He has been trying to make a profit, but has been unable to do so. It is my present plan to hire a manager from the outside familiar with cash store business and turn the grocery store over to him. It is my present intention to turn the dry goods department over to Lefty Vaughn.

Mr. Drew would like to draw $35.00 a month from the Temple Foundation, but there is a possibility I may be able to work this out without doing it. Also, we will undoubtedly have to give him free house rent, although I think he is perfectly able to pay. Nearly anyone of his age, even if they have a little money saved up, is scared to death of the possibility of using up all that they have saved. Therefore, I think that it is all right to give him free house rent and if necessary, $35.00 per month. For some time past he has been making collections for the United Gas Company for which he receives $35.00 per month. I hope to be able to continue this arrangement and therefore, let them take care of him in the future.

Our statement was surprisingly good last month, inasmuch as I had really expected a loss of $25,000 to $30,000 overall. In addition to this, we stood a $5,000.00 auditing fee and the $7,000.00 loss on stores. Of course, the showing was nothing to get happy about, but it was so much better than I expected that I am pleased. The Treating Division showed a $5,700.00 profit, you will note, after spending about $1,200.00 on concrete walks which were charged to expense and doing a great deal of paint work around the plant getting it finally finished. In addition to this, the showing was cut down somewhat due to the fact that we are stockpiling poles on an order for Western Electric and the profit will not be shown on these poles until they are shipped. This will also have the effect of raising our inventory in the future. Nevertheless, these poles are covered by a contract and we will take the profit when they are shipped. Hardwood lumber showed a small loss last month, but it was nothing like what I had expected and

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

therefore, I feel that we are perhaps coming out of the woods a little on this. The flooring unit showed about the loss I had anticipated, in view of the fact that we shipped principally low grades with very low selling price. However, I suppose this will be a dog fall at best from now on until the market picks up.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple Arthur Temple, Jr. July 7, 1951

Dear Dad:

A rough estimate on the freight involved on the fuel pole business is that TSE will get $55.00 per car on twelve cars destined for El Paso each month, or a total of $660.00 per month and $8.56 switching charge on sixteen cars per month for a total of $137.00. These last cars go to points in Arizona. This would be a total of approximately $800.00 per month on the present basis, or $9600.00 additional revenue for the TSE yearly.

We have an application in for a rate to Arizona which will give us probably the same division on these cars for Arizona that we are getting on the ones for El Paso. In this case we would get about $1,540.00 per month, or $18,480.00 per year. This ain't hay and thought you might like to know about it.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw
cc: Mr. W. Temple Webber

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 10, 1951

I am enclosing my check payable to you for $10.00. I wish that you would please turn this over to the fund at Lufkin Memorial Hospital being established as a memorial to E. C. Durham. I intended to give you currency for this purpose but did not think of it at the right time.

By the way, I suppose this should be entered as from Katherine and Arthur Temple, or Mr. and Mrs. Arthur Temple.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 10, 1951

After you left my office this afternoon I got out copy of my letter of July 6th in regard to sale of $37,500.00 of my stock in Temple Builders Supply, Inc., read it, and for the life of me I cannot see any reference to sale of Oil Field Lumber Company stock, or anything in the letter, in fact, which is not according to Hoyle and just as I intended.

For your ready reference I am enclosing a copy of that letter and wish that you would please tell me where it is in error. Incidentally, I would like to have this copy returned for my file.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple Jr. From Arthur Temple Date July 10, 1951

I found on my desk on my return from Lufkin your letter of July 7th in regard to the benefit which the TSE will receive from the fuel pole order.

This is indeed nice business for our railroad, and I am sure that the fuel pole business will be very profitable in every way. Incidentally, I was relieved when Ernest Kurth did not mention our having taken the fuel pole business away from Angelina County when I met with him in his office yesterday afternoon. While I am sure that everything you did to get the order was legitimate, I did not relish being on the defensive.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple Arthur Temple, Jr. July 11, 1951

Dear Dad:

Thought you might be interested in reading this. It represents considerable thought by our foremen and is, I think, pretty sound.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw
Encl.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. July 11, 1951

Dear Dad:

Unless I hear from you to the contrary, I take it that it will be all right to discontinue paying the Trade Promotion fee to Southern Pine Association. I would like to set this money aside for our own developments.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple Arthur Temple, Jr. July 11, 1951

Dear Dad:

I have Mac's letter with regard to Billy Temple. I am in agreement with his comments. However, I would be very much opposed to putting anybody in the purchasing department without considerable time in a retail yard operation. It is of the utmost importance that whoever is doing the work in Bill's office be thoroughly familiar with the attitude, desires and aspirations of the individual managers. Six months hardly seems like sufficient training to me.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw
cc: Mr. D. G. McNair

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. July 11, 1951

Dear Dad:

I wonder if you ever thought about putting Billy Temple in Temple Manufacturing Company. It seems to me that this outfit just drifts along at loose ends and it would be worthwhile to the family to have someone in the organization. Billy's hardwood experience would certainly not be lost there and perhaps he would feel that he had his own little avenue of endeavor. What do you think of this?

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 11, 1951

I am enclosing some correspondence which was apparently intended for you but which was addressed to me at Diboll and forwarded from there to me here.

I have read over again the letters from Wood Briquettes, Inc. and Nickey Brothers, the originals of which Eck showed Temple and me when we were in Pineland some time ago. Apparently, these pres-to-logs cannot be made satisfactorily from pine but require hardwood, and, as a consequence, I do not think that you would be interested in making them at Diboll where your production of hardwood is limited. Then, too, you will note that only kiln dried shavings and sawdust can be used, according to the manufacturer of the machines.

I discouraged the purchase of machines to make these pres-to-logs at Pineland because the investment is quite heavy, and we need sawdust and shavings for fuel. Aside from this, Nickey Brothers state that the operation has not been very profitable to them except from the standpoint of disposing of their sawdust and shavings, which they had formerly had to truck some distance and dump.

We are getting into so many things and, as a result, our operating capital is not what I would like for it to be. I would like to build up our cash and the equivalent and not invest in something like this under the circumstances. However, I would have no objection to further investigation if you are interested.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

TEMPLE LUMBER COMPANY

PINELAND, TEXAS

TO Mr. Arthur Temple, Jr. FROM E.G. Prud'homme DATE July 9. 1951

We attach herewith copies of letters from the Briquette people and Nickey Brothers in Memphis regarding pres-to-logs. Believe this pretty well covers the pres-to-logs situation. However we have a complete file on this and will be glad to forward on to you if you want additional information.

EGP
ajp

Cc - Mr. W. Temple Webber

Enclosures (2)

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

W O O D B R I Q U E T T E S I N C.
LEWISTON, IDAHO

March 14, 1951

Mr. E.G. Prud'homme
Temple Lumber Company
Pineland, Texas

Dear Mr. Prud'homme:

Please accept our apologies for being so slow in replying to your letter of February 17th. We assumed that there was no hurry about this matter from what you said in that letter, and have been very busy with other matters resulting in delay in replying to your letter.

The thing that bothers us mostly about your setup is not the gum refuse, which we believe would handle satisfactorily in a regular hardwood setup as it would probably be about the same weight per cubic foot as oak or hickory or other southern woods. We believe that a percentage of pine would also work satisfactorily in with these hardwoods, perhaps even helping the mixture, but if there were occasions when you have nothing but pine, it would not be practical to compress the pine refuse in a hardwood setup on the machine. If it were possible, in cases where you might be running straight pine, to store the shavings in a part of the fuel bin, which should be built in connection with the Pres-to-logs plant, and then work those shavings off in a mixture with other species, they probably could be handled satisfactorily.

A one machine plant is never a very exonomical installation, as the investment in buildings and auxiliary equipment would usually be almost as much as you would have in a two machine plant except for the additional cost of the machine itself, also the labor cost in a one machine plant is quite high per ton of product as it is necessary to tie up one man to operate the machine, whereas one operator could operate two machines and in some cases even three or four machines. All of these things are relative, and provided you are getting a sufficiently high price for the product, the operation could be a profitable one.

As we told you in our letter of February 12th, we lease the machine on a down payment and tonnage rental basis. The present down payment required is $16,400 per machine FOB Portland, Oregon, and the rental is 50¢ per ton on the product

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

actually manufactured. This rental is not subject to any maximum or minimum and in cases where the plant is not able to run, no rental is paid.

We furnish at time of installation an installation engineer to supervise the initial operation of the machine and teach your employees its operation and maintenance.

The period of the lease is for fire years continuing at the end of that time unless cancelled by either party on thirty days notice.

Without going into detail at this time and without any knowledge of construction costs in your area, we would guess that you would have in the nieghborhood of $55,000 invested in the one machine pres-to-logs plant by the time you had it in operation. Your electrical rates are fairly reasonable and assuming that your labor rate is in the neighborhood of $1.00 an hour, your cash cost of manufacturing a ton of Pres-to-logs would be around $4.00 a ton. Assuming an investment of $55,000 to be retired over a five year period against a normal manufacture of 4,000 tons of product per year, your retirement cost would be $2.75 per ton making your total cost of manufacture $6.75 per ton approximately.

We will be very glad to answer any further questions that may develop in connection with your study of the subject.

Very truly yours,

WOOD BRIQUETTES, INC.

Roy Huffman,
General Manager

RH:ph

C
O
P
Y

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

N I C K E Y B R O T H E R S
Memphis, Tennessee

March 15, 1951

Temple Lumber Company
Pineland, Texas

Attention: Mr. E.G. Prud'homme

Gentlemen:

Your letter of May 9 has been received and we are very glad to supply you with as much information as we can in the matter of Pres-to-logs.

We have four of these machines in our operation, and so far have to show a very low profit margin on this operation, and one which would not be attractive as interpreted, but nevertheless is an advantage in many ways. We of course have put the usual proportionate company overhead on this operation, as we do every other operation, and considering all factors, the books do not show any attractive profit.

In regards to the proposition with the manufacturers, we wouls say that it is worked on a rental licensee basis. We pay them an installation charge which is supposed to be approximately the cost of the machine, but we do not gain title to it. This is done in order that they may protect the franchised area. In addition to this cost it is necessary for us to install bins, blow systems, chain conveyors, mechanical feeding and handling apparatus, a building to house the machine, and methods of getting the logs away from the machines.

The Pres-to-log company gives us a 5-year contract, during which time we are able to amortize these charges in the length of the contract. We do not know of any instances in which the contracts have been allowed to lapse after the end of 5 years, but in all cases with other people the contracts have been continued on and on. We have had very pleasant relations with the company, and are very glad that we have gone into this proposition.

Before entering into this deal, our wood disposal problem was a very expensive one insofar as getting rid of it, hauling it to the city dump, and all of these charges of course no longer exist, but also have not been credited to the operation. We burn wood fuel in one of our 600 h.p. boilers, and burn gas in our 800 h.p. boiler. It is our estimate that the wood as fuel

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

replacing gas is worth about $1.00 a ton to us, and therefore by selling it as Pres-to-logs we realize considerably more than $1.00 a ton.

In answer to your question regarding Gum shavings and sawdust, we can state that this would have no effect on the operation of Pres-to-log machines as long as the shavings and sawdust were from kiln dried lumber. These machines will not handle air dired or green material.

If you would like to see our machines in operation we would be very glad to show them to you.

Yours very truly,

NICKEY BROTHERS, INC.

W. Jeter Eason

P.S. Give our regards to Mr. Arthur Temple, who we remember as a friend of ours during OPA days.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. ✓ From Arthur Temple Date July 11, 1951
Mr. E. G. Prud'homme

I think the question of whether we go into the laminating business or not should depend upon the extent to which it would help us to move items which would otherwise be slow and whether we could get more for the items laminated than otherwise, enough to give us a return on the investment in materials and equipment and to pay us for the extra work involved.

Taking these items up in order, we have always been able to sell 1 x 4 - 8' and I believe 2 x 4 - 8' which we have accumulated in the ordinary course of business at a price. I presume the same is also true of the standard items that would be used to make up laminated cross arms. It would then be a question, I assume, as to whether we could get enough more for the laminated stock to justify this operation. That, it seems to me, is something that will have to be determined. Apparently, laminated 2 x 4 - 8' and cross arms are practical and desirable items from the standpoint of the users. We know, or can find out, whether the laminated 2 x 4 - 8' can be sold for enough to justify themselves, and I think we should determine before we decide what we will do what we can get for the laminated cross arms and whether such price or prices will yield a profit over the standard items of 1" and 2".

All of the above no doubt sounds elementary. It is. However, since Arthur put the question to me several times, what I thought of our going into the laminating business, I can only state the case as I see it. I would be glad to make the necessary investment if it would appear to be a paying proposition, and that is something which will have to be worked out, I should think, by the production and sales departments. I am perfectly willing to go along with whatever decision may be arrived at in that way.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 12, 1951

Referring to your letter of July 11th, I don't think that we ought to discontinue paying into the Trade Promotion Fund of the Southern Pine Association without notifying Herb Berckes of our intention. If that action is taken, and I am inclined to agree with you that it should be, I think that I am probably the one to advise him.

Trade promotion is something that has always been hard for me to figure out. Almost everyone agrees that the Association should promote southern pine, and a great many whose judgment I respect have advocated spending even more than has been spent in the past. I will admit that I have never had any constructive ideas along the line of trade promotion, and consequently, have felt that I have not been in a position to do much criticizing.

I have felt that the Southern Pine Association should carry the load when the grain door manufacturers, for instance, decide to promote the use of wooden grain doors by the railroads and combat the use of paper doors. Likewise, they should carry the load in promoting southern pine for boxes, etc. In both of these instances, and I presume, however, the Trade Promotion Committee has taken the position that as a great many of the subscribers to the Trade Promotion Fund do not make grain doors and boxes the general fund should not be used for such purposes. My argument is, on the other hand, is that anything which promotes the use of southern pine helps the whole industry. I think these are legitimate fields for the Trade Promotion Committee, and, through Temple, I registered a protest against their failure to support with money wooden grain doors.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 12, 1951

I have not given any consideration to placing Billy Temple with Temple Manufacturing Company, because Temple Manufacturing Company has always been looked upon more or less as a step-child, and the box business in ordinary times is so highly competitive that it is difficult to make much of a showing. In casting about for a place for Billy I have had in mind one of our better established lines, which I felt would be of greater interest to him and hold out more promise.

I don't want to deliberately make a place for Billy. The organization of Temple Manufacturing Company is rather small, and I believe that it is fully staffed. I rather think that it would be harder to work him in there than with the Retail Division of Temple Lumber Company. However, if McNair does not come up with something, I might talk to Tripp and see what he thinks.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. July 14, 1951

Dear Dad:

I had in mind putting Billy Temple in Texarkana for the same reason that you prefer not to. The fact that Temple Manufacturing Company is a stepchild indicates that it needs some family participation, inasmuch as none of us are well acquainted with the box operation. I suppose I am now as much a box man as any member of the family and frankly, I can't see why Temple Manufacturing Company shouldn't have an awfully good operation. They are sitting on top of the best local market in the world, which provides a good income type of business. I have had an opportunity to observe Mr. Tripp in action and, whereas I think he has a good crew as far as I can tell, I feel that possibly the business should do better. Attached is a copy of a letter I have written to him relative to a rather large debt charge-off which I can see no reason for. It is my personal opinion that Billy would make a good man in this job and should develop it into something worthwhile.

I think all of us have more or less ignored this little step-child and have probably discounted its potential considerably. It is really a pretty good deal with quite a nice potential and if you don't put Billy in it I should think it would pay us to put some other sharp young man that we could depend upon to work closely with us. I would like to discuss this further with you when I see you.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. July 12, 1951

Dear Dad:

I notice from the comparative statement as of June 30th that although our cash has gone down approximately $300,000.00, our Accounts Receivable have increased $220,000.00 and our inventories have increased approximately $180,000.00. In addition to this, our current liabilities have been decreased $200,000.00.

I suppose that the Treating Plant is largely responsible for the increase in Accounts Receivable and probably the greater part of the inventories. This is I suppose to be expected, but nevertheless, I hate to see our cash reach the low point it now has. We are going everything we can to help on this and think that some progress has been made. Actually, the decrease in cash last month was occasioned by payment of quarterly income tax.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 12, 1951

Under separate cover I am sending you a memorandum addressed to the Advertising and Trade Promotion Committee of the Southern Pine Association, which was sent to Temple as a member of that Committee.

This report, I think, gives a pretty good birdseye view of the activities of the Advertising and Trade Promotion Committee. It shows the type of work which they are doing and what is suggested for the future.

This Department of the Southern Pine Association is no doubt quite active. Just how to evaluate what they are doing is difficult. At the same time I am not in a position to suggest how the work might be improved, but I am convinced that without any such department the Southern Pine industry would undoubtedly suffer.

Am also enclosing a statement of revenue and expenses of the Advertising and Trade Promotion Committee which may give you a better idea than you now have as to where the money goes, how much is spent on the various activities and what this amounts to overall.

Please have this on hand when I return.

AT:ld

Copied from an original at The History Center, Diboll, TX . www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 12, 1951

Mother and I have given up our trip to Washington, New York and Vermont with the two boys and have decided to run over to Point Clear for a few days if we can get accommodations at Grand Hotel. We could leave any time after next Monday noon, and I wish that you would get in touch with Grand Hotel by telephone or otherwise to see what is available. We would like a double room with twin beds and bath and would prefer for our visit to be over a week-end, preferably the week-end of July 21-22. Since it is a good day's drive from Texarkana to Point Clear, right at 500 miles, we would like to have our room available for occupancy in the evening.

Assuming that you will communicate with Grand Hotel by telephone, please let me know the charge, and I will reimburse you.

I hope that the abandonment of our trip to the East this summer will not be a great disappointment to Buddy. We told Tommy of our change in plan this morning before he left for home, and while he was disappointed, he took it very nicely, especially in view of the fact that your mother promised to take both of the boys up in the fall after Mrs. Sage returns from Vermont. The only objection to that postponement is that the boys will have to be taken out of school, which I do not like. Incidentally, Ann was to tell Mary about the change in our plans on her arrival in Lufkin this afternoon.

AT:ld

Manuel like to write Mr. Tarrant. What are his initials and address?

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 13, 1951

I would like to know if you have been successful in getting another order for ammunition boxes for Red River Arsenal. Would also like to know how you came out on the first order.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 14, 1951

A Mr. Branch, representing Texas Manufacturers Association out of Dallas, came by yesterday afternoon. He suggested that we increase our contribution to TMA from $500.00 per year, which we have been paying, but I told him that we were contributing so much in so many different directions that I was disposed not to make any increase. However, I did tell him that I would give the matter some further thought.

In view of your objections to such contributions, I don't suppose that you would be in favor of contributing more to TMA. However, if you feel that we should do more in view of the fact that Al Cudlipp is President of TMA this year, please let me know. I do think this organization has done some good work, particularly with the legislature, and the thing that has resulted in more direct benefit to us, perhaps, than anything else was their successful fight to have unemployment compensation left in the hands of the states, which resulted in holding down our unemployment insurance cost. Mr. Branch mentioned what several others were giving, but the only ones I remember are Humble $5,000.00 and William Cameron and Company $1,000.00.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 14, 1951

When Ann was here I suggested that she borrow from you the complete opera"Rigoletto", which we sent you on long-playing records for your birthday. We had a letter from her this morning saying that neither you nor Mary knew anything about this album, and I am surprised because I handed it to you at Diboll on one of my trips down there. Incidentally, this album was recommended to us by Latane, and we thought it was very fine.

You carried it home from Diboll and had it when you left the office.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. July 16, 1951

Dear Mr. Temple:

Mr. Frank Farnsworth's address is Bell Telephone Laboratories, Murray-Hill, New Jersey.

Yours very truly,

Lottie

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 16, 1951

I made the same comment to Tripp that you did about the charge-off for bad debts on the Temple Manufacturing Company statement. It will be interesting to see what he says.

The main reason that I would hesitate to place Billy Temple with Temple Manufacturing Company is that their Dallas plant is not much. Most of the machinery is obsolete, and it is not an efficient plant by any means. Because of our experience in the box business, the unfortunate location of the Dallas plant, I have never thought that we would be justified in spending a lot of money to modernize it. As a result, I have always looked upon it as something of a cripple, something we had to put up with in the hope that we would be able to sell out or, perhaps, liquidate and come out whole. In short, the box business has been something that I have been disposed to endure. I would be reluctant to place Billy in such a business. Then, too, the organization is rather small, and, as a result, I think it would be rather hard for him to be absorbed. In view of the history of this business, I doubt if Billy would be highly elated by being connected with it.

Your estimate of Tripp may be correct, but I have always thought that Tripp was very capable. He has an active mind, and his long years of experience certainly should qualify him to operate a box business. He has a good reputation in the trade, and he served on the Advisory Committee to OPA and is now serving in the same capacity, I believe, with OPS.

Under ordinary conditions the box business is highly competitive. The demand for wooden boxes has declined to such an extent that the productive capacity far exceeds the need. So much of the container business has gone to paper. As far as Dallas itself is concerned, we have always been plagued by Waples-Platter at Fort Worth, who have never been willing to cooperate and who apparently ran their box business as a sideline and primarily for the benefit of their wholesale grocery business. The situation there is considerably better since Tommy Winston has been replaced.

Temple Manufacturing Company has made a modest profit consistently for a number of years now. Their capital stock was wiped out completely at one time but has been built back up until the stock now has a value of probably better than $40.00 per share. Incidentally, it is awfully hard to recoup the capital because such a heavy percentage of profit has to go to the Federal Government in taxes.

We went into the box business originally over my protest, primarily to provide a use for shorts and waste materials at Diboll. It never worked out that way. We soon found that boxes required good lumber. We made the mistake, too, of going into the busines with old man Silvers, who designed and supervised the plant at Diboll, which Tripp always maintained was a monstrosity. Of course, Silvers had built the plant at Dallas, too. There is no real good reason why we should be in the box business, and I have always hoped that we would be able some day to dispose of this business to someone else, but we don't have very much to attract a buyer. I may be altogether wrong in my attitude.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

I think some young man of a more aggressive type would probably do something with it. That, however, would take money, and I have never been interested to that extent. I am sure that I am influenced largely by the Federal tax program, which has done so much to destroy incentive.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple, Arthur Temple, Jr. July 16, 1951
Dictated July 15, 1951

Dear Dad:

We completed the first order for Red River Arsenal and at present have a bid in that we should hear from Monday. I am very hopeful that Red River will award us this business Monday. It will be for eighty thousand M105 boxes.

On the first order we made $8900/00 net. From this, of course, it will be necesaary to deduct the expense of shut-down since that time and general revision. We have spent a little money keeping our crew together and getting everything changed up just like we want it.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple Arthur Temple, Jr. July 17, 1951

Dear Dad:

I am not interested in increasing our contribution to the Texas Manufacturers Association. I had in mind cutting it and would like to do so if you see fit. I would be willing to give $100.00 from Diboll, but think this is plenty.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 18, 1951

I appreciate very much your calling the Grand Hotel at Point Clear and making a reservation for us beginning July 30th. I have not written the hotel yet, as you suggested, because Mother wants to wait until she hears from Mrs. Sage after telling her of the change in our plans. In the event Mrs. Sage shows great disappointment or hurt, I think Mother would want to go on up now. However, I am sure that Mrs. Sage will not express any such feeling because I have heard her say a number of times that she did not think we ought to feel obligated to make our vacation trip to Stowe every summer.

I do not want you or Southern Pine to bear the expense of the telephone call you made to Point Clear. Wish that you would please let me know the charge when you get the bill. I tried this morning to find out what the toll is, but the long distance operator was unable to give it to me. Therefore, the only thing I see to do is to wait until the bill comes in.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple Arthur Temple, Jr. July 19, 1951

Dear Dad:

What has happened to Texas & Pacific stock? Humble Oil has maintained a pretty steady situation during the recent slump, but your outfit has gone down from about ninety-five to the high seventies.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 20, 1951

Texas and Pacific stock on the New York Stock Exchange is what might be termed a volatile stock. That is due to the fact that there is very little of the T&P stock in the hands of the public since the Missouri Pacific owns a majority of the common stock as well as all of the preferred stock, and, as a result, it does not take very much trading to effect the price one way or the other.

The T&P is in an exceptionally strong position. Its earnings continue good, and it is, I think, a very good buy at the present market price, $79.00 per share at the close yesterday. It pays regular quarterly dividends of $1.25 per share, but its earnings are in the neighborhood of $14.00 per share annually. Much of its earnings has been going into improvements, a great deal into dieselization, and by the spring of 1952 the railroad will be completely dieselized. The physical properties are in fine shape and the management is sound and progressive.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple Arthur Temple, Jr. July 20, 1951

Dear Dad:

I did receive the Trade Promotion material from Howard O'Brien. I was familiar with all this, having attended most of his meetings last year. As far as I am concerned the cancellation still stands.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. July 20, 1951

Dear Dad:

With further reference to the laminating plant, I am still very much in favor of going ahead with this if you all can see your way clear. For instance, in trying to buy little mill lumber for my box plant I can now purchase 1 x 4 random length S4S for $57.50 delivered Diboll. Undoubtedly rough dry or rough green 1 x 4 8' would be somewhat cheaper. Thought you might be interested in knowing this.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw
cc: Mr. E. G. Prud'homme

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 23, 1951

Last night Mother and I went out to the Reservation to have a visit with Bill Moseley and his wife. Bill told me that you had recently gotten a contract for boxes from Lone Star, which I already knew, of course. He seemed to be familiar with the order and your desire to use gum, and we talked about that a little bit, and I suggested that they have you make up a few samples using gum, which they could test. He seemed to think that something might be worked out, but the trouble with authorizing gum on your order was that someone had quoted a lower price. With all of this I know you are familiar.

Bill said that he was sorry he did not see you when you were here last week. He suggested that the next time you come up that you drop by to see him. I think this would be well worth your while, because Bill occupies a responsible position with Day and Zimmerman. I believe he is assistant to the head man, and I think he is the son-in-law of the president of the company. I believe I told you that he was graduated from Williams in the class of 1936.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 23, 1951

Since you 'phoned Saturday afternoon that Mr. Evans of Olin Industries would be down Tuesday night, I have been debating whether I should or should not go down to discuss with you and him our participation in a company to be formed to build a cellophane mill. I have not made up my mind as to what would be the best strategy, but I am somewhat inclined to think that I ought to go. One thing I confess is deterring me; I am not very keen about making the trip particularly in this weather.

I have been doing a good deal of figuring as to what value we should put on our land in an exchange for stock. You mentioned, I believe, at our recent Pineland meeting $30.00 or $35.00 per acre. Joe Kurth, on the other hand, in his tentative proposition on the sale of his Jasper properties offered his land at $15.00 to $20.00 an acre. On the basis of timber values at present, however, good timber growing land has a much higher value, a value which is really fantastic. Assuming a growth of 200 feet per acre and a fair market
X value of $35.00 per thousand feet, that would mean $7.00 per acre per year increment, and say the expense of looking after the land, tax, etc., would be 50¢ per acre, would leave $6.50 net. Capitalizing this return as 5% would give a value of $130.00 per acre. Figuring $20.00 per thousand as fair market for timber and 200 feet per acre per year growth would give $4.00 per acre increment less 50¢ expense, $3.50 net, which multiplied by twenty would give a value of $70.00 per acre. Something may be altogether wrong in my figuring, but you could discount my base figures considerably and get an awfully high value for the land.

I wonder if you have by any chance discussed valuations of land with Dave Kenley. I think he is pretty well posted and his advice might be worthwhile. I wonder, too, if it would not be a good idea to have Eck sit in with you when you talk with Mr. Evans. It might not be so important in this first conversation.

I have just talked to Josh. Thought he might like to run down with me tomorrow since he has been talking about a trip to Diboll, but he is leaving at noon for Chicago.

AT:ld

X All this is from our standpoint of course — not the buyers.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 24, 1951

I don't feel like calling Joe Kurth and asking him for an option on his Jasper mill timber and land. In the first place, I doubt if he would give it without some consideration, and in the second place, if we should work out something with Olin Industries, I would prefer to have Joe put his Jasper lands in on the same basis and get as much for his as we would get for ours. It would be pretty small of us, I think, to try to get Joe's land and then turn it in at a considerable profit when, as a matter of fact, we were put in touch with Olin Industries, or they were put in touch with us, by Ernest.

As a matter of fact, Joe has never made any definite proposition on his Jasper operation: he simply gave tentative figures subject to negotiation. I am sure Ernest has talked to him about the possibility of Olin Industries' building a cellophane mill, and as Joe is well informed as to values and is a good trader, I am afraid we would not get very far doing what you suggested on the 'phone this morning. If Olin Industries should take his land, then we might be able to buy the mill at Jasper to cut hardwood at a favorable price. Another thing, if we should buy him out lock, stock and barrel, we would have to put up a large amount of cash and, in turn, we would get stock in Olin Industries, or at least I assume that is the line on which your discussion with Mr. Evans will run. I would not want to put out that much money under our present circumstances.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 25, 1951

I realize that it would be mighty nice to have an up-to-date appraisal of the Diboll plant but whether it would be worth $9,750.00 ($6,500.00 for the initial appraisal plus $650.00 per year for five years), I don't know. I know that Josh has been very much in favor of new appraisals for both Diboll and Pineland, and Eck contracted with Coats and Burchard in March for an appraisal of the Pineland plant for $4,950.00 with annual revision at $500.00 per year, which is considerably less than their proposal for Diboll, and I wonder if there is that much difference in the two jobs. Incidentally, Eck got competitive bids, and if we decide to have an appraisal at Diboll, it might be well for you to do likewise.

Josh is out of town and will not return until this afternoon. However, I did talk with Wop Heath this morning, and he suggested that it might be well to wait until we are through with the improvements at Diboll, but if we are going to have an appraisal, I don't see much point to waiting because the annual revision will bring it up to date from year to year. On the other hand, by waiting we might get by without the annual revision charge.

I wonder what George Smith's idea is. He looks after our insurance, and I should think that he would be in a better position than anyone to determine whether or not our insurance is adequate. I am inclined to think that between George and Wop we ought to be able to arrive at sound insurable values. At any rate, I would be inclined to go along with George's recommendation as to whether we should have a new appraisal at this time or wait and as to whether we should have the annual revision for a period of five years.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 26, 1951

Are there any developments in our real estate sub-division? I would like to keep up with what is going on.

Carrol told me the night Temple and I stayed with him following E. C.'s funeral that you all had decided to pave a part of the sub-division. I think this is a good idea. Certainly, no lot would appeal to me at all for a residence if the street was not paved. Paving would make the sub-division look so much more attractive, too, and I think it would help the sale of lots.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple Arthur Temple, Jr. July 27, 1951

Dear Dad:

In regard to the sub-division, the water lines have been put in serving all lots inside the city limits and we are trying to get the City to go ahead and work out the sewer agreement with us. The gas company is ready to go at any time and is making satisfactory progress on the lots that are sold. I have had under consideration for some time the idea of paving Tom Temple Boulevard, which will give us a pretty classy arrangement. I have hesitated to do so because I didn't want to spend the money, but I believe that it is the thing to do provided we can get it in this summer. I still feel very optimistic about the lots and think that you are going to be well pleased with the deal.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 26, 1951

How is the wood flour mill doing?

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple Arthur Temple, Jr. July 27, 1951

Dear Dad:

The wood flour mill is running full time up until the last three days. We are out of orders for the time being, but I don't think that this will continue too long. This little slump in the building business has really hit roofing and, therefore, our market to some extent. However, I don't think that this is any cause for disappointment. Attached you will find my statement for last month which I think should be interesting to you. I think we will have our money out of this thing before a year or two is over plus a considerable amount of money that Herb is recovering for Temple-White. This stuff amounts up pretty fast on a small investment and I feel very good about it.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. July 26, 1951

Dear Dad:

I had my meeting with Mr. Evans and we discussed the situation in a general way. Incidentally, it turned out that Mr. Evans is an old visitor to Quogue and we enjoyed discussing this matter.

I started out after hearing the background of his company by stating that in the event we wanted to trade at all and could get together on price, it would first be necessary to get several requirements that I felt sure we would have out of the way. One, I told him that we would not sell any standing timber, but that I felt that he would not want to buy this anyway. I refer to timber ten inches and up. Second, I did not think that we would sell the timber land outright, but might be interested in a trade for stock. I indicated that when the full information was before us we could discuss this further, but that probably we would want stock in the entire Olin Industries rather than in the company being formed. This would prevent us being stockholders in a captive company. Third, I stated that some assurance would have to be worked out whereby they would continue to grow saw timber and that this would be available either on option or on contract basis to the Temple Lumber Company. I also stated that under no circumstances would we sell the minerals. These requirements did not seem to be too objectionable, although I think they would really like to buy a large tract of land. At any rate, he appeared very interested and I think that probably discussions can go forward a little further.

About Olin Industries, this is a very large family corporation very closely held, which includes Winchester Arm, Western Cartridge, a chemical division, cigarette paper plant and a pulp division. I think they have additional manufacturing industries, but I don't remember any of the others. It is a very successful corporation and from his statement it is the second largest individually owned or family corporation in the world. The stock is not listed on the board, but it is occasionally traded in the St. Louis market. Apparently some of the stock, a small quantity, was held in St. Louis and there is a little trading there. I think probably you should request full reports on this industry from some broker with whom you do business. Incidentally, I was correct in stating that the government forced DuPont to license Olin to manufacture this cellulose product in which they are interested and from what Mr. Evans said, it is an extremely profitable business. The finished product sells for over

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

$1,000.00 per ton and can be made 100% from gum.

It is merely a horseback guess, but I believe we could get upwards of $40.00 per acre for our fee title under the terms listed above. Olin already has a Certificate of Necessity for this project. If I can think of any other facts that you might be interested in I will give them to you. He has requested a general outline of our acreage held by Temple Lumber Company and I am sending him a map. He also wanted a rough estimate of the pulpwood that would be on this acreage after the timber was cut and I am trying to secure some preliminary figures along this line. Incidentally, the survey that Eck is making at this time should prove very helpful if we get into this negotiation. I am extremely interested in this proposition for I feel that it may be our best bet to get on a stable earning basis at the mills, rather than peace to famine as we have known it in the past.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 27, 1951

Am glad to have your letter about your conversation with Mr. Evans of Olin Industries. We can do some more figuring on this proposition, and I will look forward to discussing it further with you the next time we are together.

I wonder if you are planning to come up here any time soon. Josh was up yesterday afternoon and told me of the attitude of the committee from the Texas City Council on damages to Temple Builders Supply when the underpass is put in. He said that they propose to pay us $5,500.00, which does not seem anywhere near enough to me considering that they will take about ten feet of our property and will eliminate any possibility of loading from the front of the building. If you should come up to go into this matter further with the representatives of the Council, I wonder if you could not make it Sunday afternoon so as to bring Charlotte and Carolyn for our trip to Point Clear and have your conference Monday morning. My thought is, of course, that you might bring Mary and Buddy with you and, of course, all stay at our house and close it up after we leave. I may be wrong but I am not too keen about the two girls coming up on the train alone from Jacksonville.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple Arthur Temple, Jr. July 27, 1951

Dear Dad:

Today I sold my Southland Paper Mill stock (328 shares) for $55.00 per share. Thought you might be interested in knowing what it is worth.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date July 27, 1951
Mr. E. G. Prud'homme

Temple went down to New Orleans for a special meeting of the Trade Promotion Committee Monday and Tuesday, and on his return I asked him to give me a written report of his impression of the work of this department of the Southern Pine Association and his recommendation as to whether we should continue the special contribution of 10¢ per thousand feet or not. I urged him to attend this meeting with a critical eye and to find out from Stanley Deas, Herb Berckes or anyone else of the Association staff with whom he might come in contact, all that he could about the Trade Promotion Committee, its work, past, present and future. Enclosed is Temple's written report.

Temple is convinced that the Trade Promotion Committee is going to be considerably more active and direct its activities in a more intelligent manner under the chairmanship of Tom DeWeese than heretofore. He was really quite enthusiastic, and I think that he will take considerably more interest in this committee of which he is a member. It has been my contention all along that it ill behooved us to criticize any activity of the Association if we are not doing our part to make its work effective and worthwhile. As you will note from the report, the Association is going to take an active part in the promotion of grain doors and wooden boxes, their failure to do which has been the basis of my principal complaint in the past.

Under the circumstances and in view of Temple's recommendation I ask that each one of you continue the special assessment of 10¢ per thousand feet from Diboll and Pineland. Let's give the Trade Promotion Department additional time to prove its value. Incidentally, practically all of the larger and better mills who are members of the Southern Pine Association are supporting trade promotion with the voluntary contribution, and I doubt if we could afford to withdraw unless we are positively convinced that we should do so.

One thing which has probably created a bad impression is the accumulation of a surplus of about $70,000.00 in the Trade Promotion Department during a period of time when it was not deemed necessary or advisable to do as much as now or in the future, when trade promotion will be more needed. Obviously, while this surplus was being built up, we and other contributors have not gotten our money's worth, but it is there to be used for our benefit.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple W. Temple Webber July 26, 1951

The meeting of the Trade Promotion Committee of the SPA in New Orleans Monday and Tuesday was the best I have ever attended and convinced me that we should continue to support the expanded program, expecially in view of the fact that 72% of the production is contributing and this includes nearly all of the larger companies. I feel that the work that has been done is worthwhile and there are several new projects that are interesting to us.

First, the committee has finally decided to do something for Grán Doors and appropriated $10,000 for this work. There will be a member of the staff spending his full time contacting the railroads and everything possible will be done to combat the paper door. The entire program will cost up to $25,000, 60% of it being underwritten by Mordie Mummert who hopes to get some help from other Grain Door manufacturers.

Other items that are going to receive preferred attention now are the following - research on dimension crook control; promotion of treated lumber; promotion of Southern Pine in boxes and crates; research on laminated Southern Pine; quality lumber promotion.

I was surprised to learn that the Douglas Fir and Western Pine people have done such a good job of selling their product that in many cases Southern Pine has been omitted from government specifications. The Trade Promotion staff has been on the alert to get Pine re-instated.

Jim Ben Edens suggested that we spend one dollar per thousand for trade promotion and a majority of the committee was in accord. As a result, a subcommittee was appointed to study such a program and make recommendations to the Board of Directors in September. After hearing this discussion I was glad that none of the committee members knew that we had threatened to withdraw our ten cents per thousand participation and I certainly hope that Arthur, Jr., and Eck will be agreeable to our continuing this.

WTW:mok

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. July 28, 1951

Dear Dad:

I will, of course, go along with whatever you and Temple decide on the Trade Promotion. I would be much more in favor of a $1.00 per thousand fee than I am the present 10¢. In other words, I think that unless we really get on the ball on this thing we had just as well discontinue it and go our way. Herb is a pretty good salesman and I am not at all surprised that you were sold. However, I have seen those printing presses run before and all they turn out is literature that receives improper distribution. Unless some good concrete program can be outlined I still don't think much of it. It is all very well to say that they are going to work on laminating and grain doors, etc., but I would like to know what the actual program of work will be. I think probably they are getting around to shutting the gate on wooden grain doors, but as I have said before, the basic difficulty in a promotion program lies in the fact that SPIB grades cover a multitude of sins. There is no uniform quality in southern pine and hence you do not have a salable product as a whole. I have often said and still say that Proctor & Gamble could not sell much soap on the basis that "This is soap" and nothing more. You have got to have something to sell. Our customers know as well as we do that southern yellow pine covers everything from the type of stuff I am buying for $70.00 for my box factory up to the high quality product put out by our company and a few others. In a sense, the louder we yell in promotion of the present set-up the bigger the blanket we put over the poor quality boys. In effect, we are merely telling the public that southern yellow pine is good and therefore, the natural implication is that all southern yellow pine is good, and therefore, instead of raising the reputation of the industry as a whole, we automatically classify ourselves with these peckerwoods and bring our reputation down to their level. I am three thousand percent sold on this theory and most retailers and wholesalers privately agree with me. Therefore, I see no future in it. It does have some possibilities for boxes, grain doors and other low quality products that we can't touch. For instance, I am using pine on the box for Texarkana, but I simply cannot use Southern Pine Lumber Company stock for the simple reason that it is $20.00 higher than the type of stuff that is equally accepted.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** July 28, 1951

I am returning the Love Wood Products' statement which you sent me with your letter of July 27th. I presume you want these for your file.

I am in full accord with George's recommendation as to an appraisal. While it would undoubtedly be nice to have an up-to-date appraisal for insurance purposes, I don't think that it would be worth the cost as proposed by Coats & Burchard.

Although you got a very good price for your Southland Paper Mill stock, I wonder why you sold it unless to get some cash to apply on your indebtedness. If this was your purpose, I think you may have been wise to sell the stock, because if I were you, I would certainly want to get my indebtedness down to a low figure, if not eliminate it entirely, during these boom times and before another depression sets in. In this connection, I don't think that a depression is imminent because with the determination on the part of our Government to continue the re-armament program, regardless of the outcome of the Korean truce, I cannot see anything but continued deficit financing and resulting inflation. On the other hand, one never knows when the turn is coming.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. July 30, 1951

Dear Dad:

Attached you will find correspondence from Mr. Vickers with reference to the Smith account which I discussed on the 'phone with you. This will give you some idea of what a messed up affair this is. In the first place, he took on this job without a firm commitment and for a job of this size, I think this is inexcusable. Second, he has allowed the contractor who is supposed to be a good friend of Oil Field Lumber Company to go out and purchase about $5,000.00 worth of stuff from other lumber companies. In addition to this, the deal has many other holes in it which I could discuss with you. I am going out there with Henry and Ned Shands, Jr., our local attorney who handles land titles, et cetera, on Wednesday and on the way to Dallas in the car I will stop by and discuss this matter with Mr. Hintz. We will spend Wednesday night in Odessa and return to Lufkin Thursday evening. As you know, this job was listed as one of the accounts receivable when we took over and therefore, we are indemnified by the stockholders of Oil Field Lumber Company on this account. However, I think that probably I can get the thing worked out for you and I will contact you on every move. I am very hopeful that the thing will come out without a loss and will let you know something as soon as I get back.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw
cc: Mr. John Hintz
Mr. H. W. Walker

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. August 4, 1951

Dear Dad:

The well in Cherokee County that we have had for some time produced 760 barrels last month. This is not bad and indicates that it is probably a pretty good little well after all.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. August 6, 1951

Dear Dad:

Today I called Mr. Drew in to explain the $4700.00 loss and he indicated that he felt that it was probably in inventory, either at the end of June or at the end of this last month. I am inclined to agree with him, but when I mentioned checking it to see if the current inventory was correct or just where the loss occurred, or the discrepancy was he got very nervous and made me feel that perhaps something might be wrong. I mentioned nothing about anyone stealing anything, but he seemed to feel that I thought so. At any rate, in spite of my insistence that I thought nothing dishonest had happened he kept repeating that he hadn't stolen anything and that it would be impossible to determine whether or not last inventory was correct. All of this nervous talk led me to believe that perhaps something might be wrong, so I have asked George to get Peat, Marwick, Mitchell to make a thorough audit of the store as of the end of this month. This will give us a clean basis to start on if nothing else. Dick Wimp's deal will then start at the first of September and we will have all of this behind us, whatever it is. If you object to this let me know, but otherwise I will go ahead as stated.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date August 6, 1951

What is Southland Paper Mills paying us for pulpwood? Eck told me when he was here Sunday that Champion is paying Pineland $3.75 per cord for thinnings, $2.15 for tops and $2.40 for hardwood. I would like to know, too, if Southland is taking any hardwood from us. I don't believe they are.

AT:ld

Copied from an original at The History Center, Diboll, TX . www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date August 6, 1951

Let me know just as soon as you hear from Vickers as to whether he intends to take over the Odessa yard. If he does not, I would like to have an audit by Peat, Marwick, Mitchell and Company, as you suggested.

If you have not returned the Ford which Henry drove to Longview last Friday morning by the time you get this letter, wish you would please get it back to us as soon as possible. I don't know when we may have need for it.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** August 7, 1951

Referring to your letter of August 6th, if you feel that an audit of the store is indicated, certainly I have no objection. As a matter of fact, I think that it would probably be well to have one with a change in management.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. August 7, 1951

Dear Dad:

Southland Paper Mills pays us an average of around $14.00 per cord for pulpwood. As you know, the contract is given to Southern Pine Lumber Company and all payments disbursed directly to them. We pay Shirley so much per cord, which leaves us a net of about $3.25 on tops and thinnings where there is a balanced production of both. Thinnings alone would be the same price or a little higher and tops only is $1.50 per cord.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

P. S. No hardwood.

A. T. J.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. August 7, 1951

Dear Dad:

I haven't heard from Vickers on the yard yet and as a matter of fact, I will not know for a few days as to whether my deal went through as planned. I will advise you as soon as it looks proper to have Peat, Marwick, Mitchell come in. The car should be back to you by the time you get this letter.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. August 7, 1951

Dear Dad:

Thanks a lot for the boost on the 300,000 feet of #1 common and better sap gum. I have wondered for a long time why Pineland wasn't obligated to help us some, everything else being equal. Of course, it is not pleasant to sell Pineland anyway, except under circumstances such as at present. At any rate, this will help. Thanks a lot.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date August 7, 1951

I am enclosing a memorandum from Tom DeWeese, Chairman of the Advertising and Trade Promotion Committee of the Southern Pine Association. You probably received a copy of this directly from the Association, but because it is such a good report on the recent meeting of the Advertising and Trade Promotion Committee, I thought that I would send this one to you to call it to your particular attention in view of the discussions we have had relative to our support of this work.

AT:ld

an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com

From the desk of

TOM DEWEESE

I hope you will read the attached very carefully.

It is important, and deserves your best thought.

Tom DeWeese

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Southern Pine Association

E. OSWALD LIGHTSEY, PRESIDENT, MILEY, SOUTH CAROLINA
J. R. BEMIS, 1ST VICE-PRESIDENT, PRESCOTT, ARKANSAS
TOM DeWEESE, 2ND VICE-PRESIDENT, PHILADELPHIA, MISSISSIPPI
W. T. NEAL, TREASURER, BREWTON, ALABAMA
H. C. BERCKES, SECRETARY, NEW ORLEANS, LOUISIANA

OFFICE OF SECRETARY AND MANAGER
CANAL BUILDING
New Orleans, (4) U.S.A.

August 6, 1951

TO THE TRADE PROMOTION COMMITTEE:

On July 23 and 24 I presided at a meeting of our Trade Promotion Committee in New Orleans. It was the first time I acted in this capacity since assuming the Chairmanship of the Committee, and the experience was most gratifying.

First, I would like to pay a well deserved tribute to the members of the Committee who attended the New Orleans meeting, because they did an outstanding job in approaching our marketing problems and coming up with practical recommendations for dealing with them. I feel certain that the results of their efforts will earn the commendation of all SPA Subscribers, and I hope, their full support.

Out of this meeting came POSITIVE ACTION which reflected a determined effort to face squarely our problems, and to develop a course that will enable us to hold and expand our markets. We considered the problems of this industry all the way from the production to the ultimate use by consumers.

We are all familiar with the too frequent complaints about CROOKING OF SOUTHERN PINE DIMENSION. It is the reason given by dealers for the willingness of their customers to pay a premium for other species. While the problem is principally with 2 x 4's, it goes beyond that because mixed cars of other species find their way to the dealers' yards. This is true not only in our important Midwestern markets, but to an alarming degree in the producing area. Your Committee felt that this problem can be licked and that a solution could result in not only stopping the trend to other species, but also in regaining much of the market we have lost. To this end the staff was instructed to undertake a study of the crooking problem and to explore ways in which it can be minimized. Through an analysis of the research already started at the Forest Products Laboratory and of the steps initiated by some manufacturers and dealers, it is felt that a sound basis for further research can be established. The successful laminating of 1 x 4's to make 2 x 4's by one Subscriber is one possible means of solving the problem which will be studied.

Our Committee approved a project to protect a 100-million-foot-a-year-market for lumber -- WOODEN GRAIN DOORS. This important outlet for low-grade Southern Pine is threatened chiefly by a less

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

expensive "one-use" paper grain door. Here again we must do something in our own behalf, and while not all Subscribers are directly interested in wooden grain doors, this is a market for lumber which indirectly affects all Southern Pine producers.

Your Committee recommended personal contacts with railroad officials, elevator operators and others; advertising in suitable media and literature emphasizing the advantages of the wooden grain door based on recent tests which disclose why it represents the safest and most economical barricade in the long-run. We appropriated $10,000 for this purpose, and to this will be added $15,000 by Mr. M. A. Mummert. Thus, we have developed a $25,000 force at a cost to the Association of only $10,000.

To assist in the development of this campaign I have appointed Mr. W. Temple Webber and Mr. H. L. McNeill to serve with Mr. M. A. Mummert and the staff to work out the necessary details.

Another market that received specific attention is BOXES and CRATES. The Association's new publication, "Wooden Boxes and Crates" was reviewed, and because of the tremendous volume of lumber required by the civilian market as well as the military, we recommended intensified work in this field. The potential lumber market for boxes and crates is so great that your Committee recommended the development of a program of specific activity for submittal to the Steering Committee for approval. The staff will undertake this at once.

Another substantial authorization was made for a MOTION PICTURE to augment the Southern Pine public relations program. A tremendous amount of research and study is necessary to develop the right kind of movie for our industry. The Steering Committee was authorized to proceed with investigation of the motion picture after all pertinent facts are developed into a suitable script. The study will, of course, reveal final cost and also distribution plans so that our message will reach the widest possible audience.

The staff announced that final arrangements had been concluded for the employment of a publicity and public relations specialist and that he takes over on August 6. We can now look for a continuous program of effective publicity for Southern Pine to be directed to every segment of our consuming public. This will greatly strengthen every phase of our work.

Our meeting in New Orleans moved us a step closer to a plan for merchandising quality Southern Pine. As you know, the Association's Committee on Study and Planning charged our Committee with the responsibility of developing a practical plan for the promotion of specially identified lumber through a distinctive label such as our Association Seal of Service. We examined a type of adhesive label and understand that the Association is now working to have a type of equipment devised to apply this label automatically. You will be kept advised of progress on this project.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

DEALER RELATIONS received studious attention, because retention of the good will and active cooperation of dealers is vital to the continued use of our product. Groups of dealers have sought our help in promoting quality lumber, and your Committee felt that nothing should be left undone to capitalize fully on this type of cooperation. Any merchandising plan in the interest of Subscriber products must consider the function of the retailer as an important factor in the final decision of lumber buyers. Unfavorable attitudes of home owners, farmers, specifiers and others caused by experiences with poor quality Southern Pine is just as serious a problem for the friendly Southern Pine dealer as it is to the manufacturer.

Your Committee felt that when dealer groups have an interest in common with our own program in establishing a demand for quality lumber and want to do something about, every cooperation should be extended. Intensified local effort by dealers is most effective, and we authorized the staff to explore fully the opportunities for intensive work, starting out in Louisville, Kentucky and perhaps one or two other locations, where work can be done in behalf of quality Southern Pine.

This "pilot plant" idea could very well establish the pattern for similar work in other areas to strengthen our position. When meetings are held with dealer groups, it is contemplated that some mill principals participate in the discussions. I hope, therefore, that when the call is made upon any of you, you will be ready to serve.

Another important decision was the "go ahead" signal on releasing "THE SOUTHERN PINE STORY". The manuscript for this new publication was prepared by Mr. Stanley F. Horn, and is now being studied by the Committee. The public relations possibilities of this book are unlimited. We discussed the potential distribution among schools, newspaper and magazine editors, architects, engineers, retailers, and the general public. The initial order is for 100,000 copies, but members of the Committee present were so enthusiastic about "THE SOUTHERN PINE STORY" that they expressed a desire to distribute quantities themselves. One member indicated he wants 8,000 copies. This evidence of Subscriber cooperation suggests a saving in printing cost by increasing our initial order to 200,000 copies, and I hope Subscribers will indicate the number of copies they want.

The industry has long needed a publication like this, especially in view of changes in our industry during recent years; in forestry, grading and manufacture, seasoning, and other subjects in the public interest.

I am also personally gratified at the approval given by our Trade Promotion Committee to the position taken by the Southern Pine representatives (J. R. Bemis, Lacy Hunt, and myself) with respect to the NLMA policy on building codes and moisture content. All Subscribers received a copy of Mr. Bemis' letter to Dean Johnson

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

dated June 21, 1951 explaining our position. The Association's General Counsel, Mr. C. E. Dunbar, discussed the legal aspects and expressed the opinion that our position that NLMA should not oppose a decision made by building code commissions providing for a moisture content requirement is neither illegal nor a violation of our Consent Decree. As a matter of fact, Mr. Dunbar felt that the analysis made of the West Coast's memorandum outlining their views, strengthens our representatives on the special committee to defend our position on this controversial question.

Our meeting in New Orleans did not follow a rigid pattern or order of business. Rather, Committee members present were given an opportunity to place the various subjects in an order of importance according to their own appraisal. Then, we tabulated the "votes" and developed an agenda based on the selection of subjects designated.

GOVERNMENT REQUIREMENTS AND SPECIFICATIONS were considered to be of major concern at this time. The fact that many faulty specifications exclude Southern Pine makes it imperative to have SPA field men call on government agencies in Washington and at installations throughout the territory. Examples of the importance of this work were cited by experiences in Texas where Southern Pine as exterior trim was excluded; where #2 dry Southern Pine was specified along with #3 green fir. One Committee member told of definite accomplishments in having Southern Pine used at Sheppard Field after specifications and buying practices started out to favor West Coast species. So important is this type of work that your Committee authorized the employment of an additional field man so that such discrimination against our product can be promptly and effectively handled. This new field man reports for duty on August 15.

The question of BETTER SALES REPRESENTATION was carefully reviewed. This is vitally important to Subscribers because too many sales representatives are inclined to consider themselves as brokers and often fail to act as mill representatives in negotiations of disputes with buyers. The uninformed salesman needs educational material about Southern Pine that will enable him to do a better job of selling our product. Your Committee recommended the continuance of furnishing salesmen with the best available literature and other material to acquaint them with the merits of our product. Also emphasized was the need for developing material in portfolio form for use by salesmen; continuation of meetings with sales representatives to review local problems. These personal contacts would be conducive to a better understanding and aside from that our promotion material would reflect their ideas.

Our TECHNICAL AND EDUCATIONAL SERVICE was regarded by the Committee as fundamental, and its continuance was urged. Such outstanding publications as the Southern Pine Manual, the Grade Use Guide, and the Bulletin of Southern Pine Dimension combine to supplement personal contact work with architects, engineers and

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

others on the important matter of specifications.

Your Committee felt that the SPA's technical publications must reflect late information to keep pace with modern developments and we therefore recommend a new edition of "Modern Timber Engineering" which has established such an enviable record as a textbook in Universities throughout the country.

To hold the market for Southern Pine against competing materials, the Trade Promotion Committee recommended that a study be made by the staff to determine how the promotion of TREATED SOUTHERN PINE could be most effectively handled.

It was brought out that some of our manufacturers find it advantageous to arrange with plants having the necessary facilities for the treatment of some of their lumber. The staff was authorized to prepare a list of plants equipped with treating facilities as a guide to Subscribers, and that consideration be given to questions relating to specifications for treated lumber and possible cooperation with wood preserving plants.

Considerable interest was shown in the increasing use of GLUED LAMINATED LUMBER. The SPA's technical division submitted a book on laminated Southern Pine which will be ready for distribution within a few weeks. Unit Structures, Inc., Peshtigo, Wisconsin, which has specialized in laminated Southern Pine construction has announced plans for the opening of a new plant at Magnolia, Arkansas.

An example of how this type of construction can hold markets for Southern Pine was indicated by a recent change in design by the Corps of Engineers for warehouse roof construction from steel to laminated beams. In this modern development, our Trade Promotion Department is keeping pace.

We carefully examined the opportunities for promoting Southern Pine for WINDOW AND DOOR FRAMES and for EXTERIOR TRIM. We saw how SPA field men were able to successfully overcome resistance in housing projects in Texas and at government installations where a prejudice against the use of Southern Pine had developed. The Committee considered the fact that competing species have been carrying on a strong program to displace Southern Pine in this market. Because Southern Pine has special qualities such as hardness and ease of treatment, which make it particularly suitable for these uses, it was recommended that the staff explore the needs to expand this market including the possibility of developing a commercial standard for Southern Pine window and door frames.

The two-day meeting in New Orleans impressed me, as I am sure it did all members of the Committee, that what we are doing in Trade Promotion is absolutely necessary to the continued and proper use of Southern Pine. Some members of the Committee felt that all phases of our Trade Promotion activities should be stepped up, and that an effective space advertising program be included.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

In response to a plea by Mr. Edens that this industry give serious consideration to a program commensurate with the importance of the industry and the problems faced in retaining its markets, the Committee agreed to work up an outline of such a program to submit to the Board of Directors for consideration. They recognized that the total expenditures for Trade Promotion under the present limited finances are small in comparison to many individual firms producing products which compete with Southern Pine, and that the proposal of Mr. Edens for an expenditure of $750,000 a year would not be unreasonable for an industry the size of ours. It was recommended that a Sub-Committee of the Trade Promotion Committee work with the staff to develop this program.

There were a number of other subjects pertaining to the marketing of Southern Pine discussed by the Committee, but I believe all that involved Committee action has been covered in the foregoing.

Following is a list of the Committee members who were present for the New Orleans meeting:

Tom DeWeese, CHAIRMAN, A. DeWeese Lumber Co., Philadelphia, Miss.
L. F. Nelson, VICE CHAIRMAN, The Alger-Sullivan Lbr. Co., Century, Fla.
Melvin Anthony, Springhill Lumber Company, Springhill, La.
(Representing Mr. Bruce Anthony)
J. L. Avery, Frost Lumber Industries, Inc., Shreveport, La.
Harvey Creech, E. L. Bruce Company, Memphis, Tenn.
Edwin L. Douglass, Augusta Hardwood Company, Augusta, Ga.
A. P. Downing, T. R. Miller Mill Co., Inc., Brewton, Ala.
Jim Ben Edens, Edens-Birch Lumber Co., Corrigan, Tex.
(Representing Mr. H. V. Kiley)
Forrest Girdner, Bradley Lumber Co. of Arkansas, Warren, Ark.
Louis Glazer, Dierks Lumber & Coal Company, Kansas City, Mo.
Lacy H. Hunt, J. S. Hunt Lumber Co., Inc., Nacogdoches, Tex.
C. H. McKnight, St. Joe Lumber & Export Co., Port St. Joe, Fla.
H. L. McNeill, Kirby Lumber Corporation, Houston, Tex.
(Representing Mr. J. K. Herndon)
R. Fred Moore, Crosby Forest Products Company, Picayune, Miss.
M. A. Mummert, The Mummert Company, Progreso, Tex.
W. T. Neal, Jr., T. R. Miller Mill Co., Inc., Brewton, Ala.
T. G. Tilford, Nacogdoches County Lumber Co., Nacogdoches, Tex.
Willard Ward, E. L. Bruce Company, Memphis, Tenn.
W. Temple Webber, Southern Pine Lumber Co., Texarkana, Tex.

Also present were:

J. Cornelius Rathborne, Rathborne Lbr. & Supply Co., Inc., Harvey, La.
J. I. Howze, Rathborne Lbr. & Supply Co., Inc., Harvey, La.
Henry Anthony
Charles E. Dunbar, Attorney

I know that this report is rather lengthy but it is so important that I hope it receives your full attention. And, if what our Committee has done meets with your approval, I should like to know. If you have any suggestions or comments, they will be most welcome.

Sincerely yours,

TD:CH
Copy to All Subscribers

Tom DeWeese, CHAIRMAN
SPA Trade Promotion Committee

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date August 7, 1951

I received this morning the analysis of profit and loss at Diboll for the month of July. The profit shown for the treating plant, $11,254.00, looks mighty good, and if the treating plant can continue at this rate, it will prove to be a very good investment.

The store loss of $4,702.00 for July is quite distressing as is the loss for the year to date of $11,480.00. I cannot understand such a showing for the stores even though conceding that the management may be poor. I hope that you have already made a shake-up in the management, or if you have not, that you will do so soon to put a stop to such an inordinate loss as we have sustained to date this year.

Eck was here over the week-end, and we had quite a long discussion Sunday morning about leasing the grocery store at Pineland to a man who has been merchandising counselor or something of that sort with Schumacher at Beaumont. His job has been to install systems and to advise I. G. A. stores whom Schumacher sells. He proposes to pay us 1½% of his gross sales for rental of the store plus one-half of 1% on the fixtures. On our present volume, which should be increased, this would give us $400.00 per month, which appears to me to be fair enough, but I don't know. I do think that we would be better off to lease our stores on a fair rental basis and be relieved of carrying the accounts and all of the other headaches connected with the mercantile business, and, according to Eck, the accounts particularly have been quite a problem.

Kindly work-
out any lease
you can
agree upon.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. August 8, 1951

Dear Dad:

I guess by now you have received a copy of our red and black statement for the month of July. Altogether, I am not too displeased, although I am certainly not satisfied with the showing. Pine, I think, was satisfactory and I will write you more later about that. Hardwood lumber, of course, was a continuing disappointment, but I cannot help but feel that perhaps we will make some of this back if the hardwood market will pick up and we can liquidate our inventory at a good price. Incidentally, I am bidding some boxes for Louisiana Ordnance Depot which will be gum if we get them. The lath mill shows a loss for the first time in a long time, but this is an inventory error which we have already found, but did not correct in our statement. Therefore, we will show a bigger profit next month. About one-third of our production was not turned in inventory and therefore, we had a good month and next month we should show a profit of an additional 100,000 laths. Hardwood flooring unit loss was less than I had anticipated, but I don't know when this market will be back. Unless it does we stand to continue losing on it, but perhaps our loss is less than we would have if we tried to liquidate this in rough oak stock. Actually, last month we shipped most of our volume in number two and even number three and therefore, we could hardly hope to make a good showing. Of course, it must be realized that about $27.00 per thousand charged against the flooring unit is for overhead.

The treating plant picked up its feet considerably and I would call this month's showing about average. I certainly expect to make this much or more each month, barring unforeseen difficulties.

Road trucks made what they are entitled to make this month. We have changed this all around and have turned them over to the shop foreman and exact tallies are being kept on everything. These two diesels should make us some money as we are entitled to make on our deliveries.

The ice plant made a good profit last month and I am inclined to think perhaps we will show a profit for the year, although a very small one. If the remaining two or three months of summer are hot I feel sure that we will lay aside enough to bring us out of the red. It we can do this I will be happy for the first time about the ice plant. If we can earn

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

our operating overhead plus depreciation, I will not be too displeased. As you know, our depreciation is a pretty heavy figure and would represent a pretty good profit if it were not there.

The concrete pipe plant should be ignored, inasmuch as this is an arbitrary figure which will be adjusted to break even at the end of the year.

I am particularly pleased that the retail yard is continuing to show a little profit. I feel that this is one of the best moves that we made and in the future will be a very good investment. I think that the yard will not only serve the purpose for which it was intended, but it will show a profit over a period of time. It is an excellent yard and I think it offers some real possibilities for us as this territory developes, which it will do.

The real blow on the statement came on the retail stores. Frankly, I don't understand it and I am going into it today and will give you more information when I have it. As you know, we have started taking inventory monthly and I can't understand this entry at all unless it is an error in taking the inventory. Also, there is a possibility that Drew may be trying to get some losses that he knew he had covered before Mr. Wimp takes over. I do know that about $1200.00 additional bad accounts were charged off this month, but this certainly doesn't explain a loss of this kind for one month. I will get to the bottom of this and give you a full report.

The capital assets shown as poles and piling sold is $1400.00, which is the net profit on the fuel poles. In the future this account will be set up separately so that we can watch it and tell how we are coming out.

Pulpwood was off due to the fact that we were entirely in tops and therefore, received considerably less for our stumpage.

As usual, timber sold reflects the loss in tie stumpage sold for that purpose.

I don't know why we didn't receive any production royalty or why our production royalty has been so low this year. I have written Dave Kenley asking him to make a thorough search into this matter and give me a report. Actually, we should have a pretty good size check, according to my figures.

Attached you will find a little statement I got up yesterday on dwellings, rent, labor and supplies for the past years and estimating the current year on the basis of the first seven months. I think it is interesting and shows a good trend. Particularly am I gratified with the fact that we have gotten our rents up from $60,000.00 to $76,000.00 per year. Also, it must be borne in mind that we have made substantial improvements, rather than just patch-

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

ing up.

I have been working hard on the items listed under other expenses and feel that these accounts are about as low as we are going to be able to get them. Certainly, there is nothing we can do about Memorial Hospital and I know that I can't get the clinic below the figures shown. There may be a little room for improvement in personnel, but I rather doubt it, I will give you more information when I have it.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw
Encl.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

		Rent	Expenses	Loss
1947		$60,000.00	$129,000.00	$69,000.00
1948		62,000.00	169,000.00	107,000.00
1949		66,800.00	106,000.00	39,000.00
1950		74,000.00	118,000.00	44,000.00
1951	(At the rate of)	76,000.00	111,000.00	35,000.00

Copied from an original at The History Center, Diboll, TX. www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date August 10, 1951

I am sending you a copy of a letter I am writing Eck about the 4/4 Common and Better Sap Gum which we hoped to ship from Diboll. Possibly some further explanation would be in order.

Eck called me on the 'phone this morning to say that they could buy it for $18.00 per thousand feet less than the prices that we had agreed to accept and I assume these were $100.00 and $120.00 delivered Pineland. However, Ed agreed with Carl yesterday to accept $93.00 and $113.00 f.o.b. Diboll, but Carl teletyped early this afternoon that he could buy up to 400,000' at $80.00 and $120.00 delivered Pineland, subject to our inspection, and we told him to go ahead and buy it.

I am, of course, sorry that we cannot apply Diboll's stock. However, I don't think that you would want us to meet any such competition, and incidentally, Eck said that this little mill lumber was even better than Diboll's, if anything, for their purpose since so much of it was full sawn. Temple, Ed and I discussed what we ought to do, and since Ed is of the opinion that he will be able to get probably $90.00 for the Common and Select and $110.00 for the FAS, we decided to hold Diboll's stock for a better market. I only hope that we will not be disappointed, and I don't think we will be unless the market goes all to hell.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. August 13, 1951

Dear Dad:

You will be happy to know that we have succeeded in getting a release of the $4763.00 deed of trust held by the A & M Lumber Company against the Smith job in Odessa. This will help us somewhat and as soon as I get the final figures on what the second lien will be I will let you know. We have estimated this at around $20,000.00, but these things have a way of coming out differently than estimated. As soon as Henry returns from Odessa Wednesday I will give you the final figures.

Incidentally, it is just a technicality, but we have drawn the second lien to Temple Builders Supply due to the fact that this account is owned by us at the present time. However, we do not want this construed as assumption of this second lien by Temple Builders Supply. I merely write you this to put it in the record, inasmuch as some others are involved. You might let Hintz know that we have handled the thing in that manner and should close it Tuesday.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date August 13, 1951

Ed told me this morning that Southern Hardwood Producers would have their technical man here on Wednesday to confer with people at Red River, and I presume Lone Star, in an effort to have Gum and perhaps other hardwoods included in their specifications for boxes. Ed will take this man out to the Arsenal and do whatever he can.

I know that you would be interested to know this.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** August 14, 1951

I am certainly glad tolearn from your letter of August 13th that you have succeeded in getting a release of the $4,763.00 deed of trust held by the A&M Lumber Company against the Smith job in Odessa.

I think it was quite proper to have the second lien drawn in favor of Temple Builders Supply instead of to Oil Field Lumber Company because Oil Field Lumber Company is no longer in existence. Of course, the guaranty on the part of the Oil Field Lumber Company stockholders applies,and while I do not think there is any room for doubt on this question, I will inform John Hintz and Harry Walker of the circumstances as you suggested.

I don't suppose you have heard anything from Vickers about his taking over the Odessa yard. Maybe Henry will have something on this when he returns from Odessa Wednesday. I wish that you would please let me know whether Vickers has made any decision, and please let me know when you think an audit will be in order. In connection with an audit, what would you think of having your man in Lufkin, the one who used to be with Ernst and Ernst, do this work rather than someone from Peat, Marwick, Mitchell and Company's office? In suggesting this, my thought is that we might get a more thorough job since I assume your man, who is a C. P. A., would do the work himself rather than some underling, and he might do it for less than Peat, Marwick, Mitchell would. Another thing, I would like to give your Lufkin man any work that we could because it might be to our advantage to have some competent auditor or accountant near by to look after various odd jobs which might come up from time to time.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** August 15, 1951

The technical man with Southern Hardwood Producers has been here today, and Ed took him out to Lone Star, where they had quite a long conference with Mr. Schneider (am not sure whether the man's name is Schneider or Snyder.) They did not have a very satisfactory visit because this man told them in no uncertain terms that while boxes which had been furnished Red River Arsenal had been satisfactory to the Government, they would not be satisfactory to Lone Star, etc., etc. In short, Ed and this man from Southern Hardwood Producers feel that they did not get anywhere.

The thought has occurred to me that it might be well to write Lyndon Johnson and tell him the story. Lyndon Johnson is, as you, of course, know, chairman of a sub-committee of the Senate, which has been termed the "watch-dog committee", which, among other things I suppose, is trying to limit extravagance and waste in Government purchases, and I think that there would be a very good opening for you to show him just how wasteful and extravagant Lone Star is in refusing to take Gum or Group 3 woods. I would bet a dollar to a doughnut that he could change their ideas out at Lone Star if he took a mind to, and with all of the boxes that will be bought in the rearmament program I am inclined to think that he would be very much interested. Knowing Lyndon Johnson as you do, I feel that you are in a particularly good position to bring this matter to his attention.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** August 16, 1951

I wonder how much of an investment you are contemplating in connection with Carrol's work. What I have in mind, of course, is investment in cattle primarily.

I am so anxious for any venture that Carrol may go into to be successful, because he has been unfortunate in what he has done in the past, and I feel that he needs to be successful for his morale. I mentioned to you my concern for him on one of your recent visits here.

In addition to my concern for Carrol, I am reluctant to put out much money on any new undertaking, because we have expanded so much in recent years, spent so much money on the plant at Diboll, installing creosoting plant, etc., etc., and still have the rough shed to build, so that I can see our cash and bonds entirely depleted and possibly the necessity for borrowing money just as Pineland is having to do now. Ever since we got out of debt in 1936 I have had a horror of going back into debt, and particularly for capital investment.

Both to avoid a flop for Carrol and because of the comparatively low state of our finances, I have suggested that we go slowly on the plan to operate the ranch for our own account and to develop other areas which may not be suitable for growing timber. Frankly, I do not have very much conception of what you propose to do other than to operate the ranch, and I would like to know if you have made any estimate of what this new undertaking will cost. It will, of course, involve the investment in cattle to start with, and cattle are mighty high.

I am naturally anxious to have Carrol with us, but just wonder in view of the circumstances if there is not something else he could do.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** August 17, 1951

I was very glad to get Henry's two letters of August 16th, copies of which I note went to you.

Apparently he was successful in closing the Smith apartment house job as we discussed. I have no further comment but hope very much that Mr. Smith will be able to make a loan with a second lien for the balance of over $50,000.00, which will release approximately $20,000.00 we have tied up.

I understand from the last paragraph in one of Henry's letters that Vickers is still of a mind to purchase the Odessa yard if he can make the necessary arrangements, but that he will keep Vickers on as manager otherwise. I am glad of this because I think Vicker's reputation, his knowledge of the business and his familiarity with the trade should qualify him to do a better job than someone coming in cold, provided, of course, Vicker's is not fundamentally dishonest.

If you think the time is right for an audit at Odessa, I wish that you would arrange for Mr. Carl Rode of Lufkin to do the work if you agree that he would be preferable to Peat, Marwick, Mitchell and Company. I don't think it is necessary for me to engage him. This letter and others which I have written should be sufficient authority from the standpoint of Oil Field Lumber Company stockholders.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Sunday morning

Temple and I are leaving early Tuesday morning for Pineland and it would be nice to have a visit with you if you shpuld find it convwnient to join us. We plan to spend the night and return here Wednesday morning.

Dad

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** August 20, 1951

I am returning Mr. Edlund's letter of August 13th about his personally conducted tour of several European countries.

I would not be very keen about visiting any European countries to see sawmills, because I doubt if they have much, if anything, over there which is better than what we have in this country, and I certainly wouldn't want to make the trip in December. I think, too, that if I made such a trip, I would prefer to go by boat because I recall when I went over in 1914, the trip over and back was one of the high spots.

I don't know whether your suggestion was serious or not. I doubt it. Anyway, I don't think that such a trip would be justified from a business standpoint, though I know that I would enjoy being with you on this or any other kind of tour.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

IVAN EDLUND
259 PARKVOOD AVENUE
KENMORE 17, NEW YORK

Aug. 13th, 1951.

Mr. Arthur Temple, Jr.,
D i b o l l , Texas.

Re: A guided tour of 5 E u r o p e a n countries
for purposes of studying sawmills- and timber industry.

Dear Arthur:

I am arranging a guided tour of 5 European countries - Sweden, Norway, Holland, England and Scottland - for the purpose of studying sawmills- and the timber industry. I am enclosing a prpposal for the guided tour.

The trip will be made by airplane and is tentatively scheduled for Dec. 1th - Dec. 17th.

The first visit will be in Glasgow, Scottland, where we will visit the largest sawmills- and lumbermanufacturer in Scottland, Brownlee & Company, City Saw Mill, Bort Dundas. From Glasgow we will go to London, there we will visit one of the largest lumbermanufacturer in London, Austins of East Ham Liimited. In Holland we will visit two of the largest lumbermanufacturer in Western Europe. From Amsterdam in Holland we will go to Sweden, where we will visit some of the largest sawmill in north part of Sweden and different sawmills in the middle part of Sweden, and we will also go to Eskilstuna and see a factory making modern sawmill machinery, which machinery also is sold in the United States.

This is an exeellent opportunity to study modern samills in the European countries, and as you know, I have 14 years experience in the Swedish timber industry. Cost, including travel, room and meals will be $ 1200 per person, and the start will be in New York.

I will appreciate wery much if you will be interested in this tripp. I am planing to have 16 men in the goided tour. From Sweden we will also go to Norway.

I will be pleased to know if you will be interested, and also if you think some more member in the sawmills associàtion in Lufkin will be interested.

Yours very truly
Ivan Edlund

Enclosing, proposal for guided
tour for sawmills- men.

AN UNUSUAL OPPORTUNITY TO VISIT EUROPEAN SAWMILLS AND THE TIMBER INDUSTRY.

Copied from an original at The History Center, Diboll, TX - www.TheHistoryCenterOnline.com - 2006.016

Proposal for guided tour of 5 European countries for the purpose of study sawmills and the timberindustry. The trip will be made by airplane from New York City and tentatively scheduled for Dec. 1th to Dec. 17th.

December 1th. Start from New York City.

2- 3 Glasgow, Scottland: Visit in The Brownlee & Company, City Saw Mills Port Dundas, the largest sawmills- and lumbermanufacturer in Scottland.

4- 5 London, England: Visit in The Austins of East Ham Limited, one of the largest lumbermanufacturer in London. Opportunity to see London City.

6-7 Rotterdam and Zaandam, Holland: Visit in two of the largest lumbermanufacturers in Holland and also in Western Europe.

8-11 North part of Sweden: Visit in some of the largest sawmills in North part of Sweden.

12-15 Stockholm, Sweden: Visit in different sawmills, and visit in a factory in Eskilstuna, making modern sawmills machinery. Opportunity to see Stockholm.

16-17 Oslo, Norway. Visit in modern timberindustry.

18 Returned in New York City.

This is an excellent opportunity to study modern sawmills and the timber industry in Europeancountryas well a factory making modern sawmills machinery in Sweden, together sawmills manager which have 14 years experience in the Swedish timber industry.

The cost including, travel, room and meals will be $ 1200 per person, and the guided tour will start in New York City.

-.-.-.-.-.-

-.-.-

IVAN EDLIND,
259 PARKWOOD AVE.,
KENMORE 23, NEW YORK.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

AN UNUSUAL OPPORTUNITY TO VISIT EUROPEAN SAWMILLS AND THE TIMBER INDUSTRY.

Proposal for guided tour of 5 European countries for the purpose of study sawmills and the timberindustry. The trip will be made by airplane from New York City and tentatively scheduled for Dec. 1th to Dec. 17th.

December 1th. Start from New York City.

2- 3 Glasgow, Scottland: Visit in The Brownlee & Company, City Saw Mills Port Dundas, the largest sawmills- and lumbermanufacturer in Scottland.

4- 5 London, England: Visit in The Austins of East Ham Limited, one of the largest lumbermanufacturer in London. Opportunity to see London City.

6-7 Rotterdam and Zaandam, Holland: Visit in two of the largest lumbermanufacturers in Holland and also in Western Europe.

8-11 North part of Sweden: Visit in some of the largest sawmills in North part of Sweden.

12-15 Stockholm, Sweden: Visit in different sawmills, and visit in a factory in Eskilstuna, making modern sawmills machinery. Opportunity to see Stockholm.

16-17 Oslo, Norway. Visit in modern timberindustry.

18 Returned in New York City.

This is an excellent opportunity to study modern sawmills and the timber industry in Europeancountryas well a factory making modern sawmills machinery in Sweden, together sawmills manager which have 14 years experience in the Swedish timber industry.

The cost including, travel, room and meals will be $ 1200 per person, and the guided tour will start in New York City.

-.-.-.-.-.-

-.-.-

IVAN EDLUND,
259 PARKWOOD AVE.,
KENMORE 23, NEW YORK

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple Arthur Temple, Jr. August 22, 1951

Dear Dad:

I just happened to be doing a little checking on T. E. Stephens, who was the Trulyn Shipping Company in Edinburg. You will remember that Temple Manufacturing Company charged off $10,000.00 on this account last year. I don't understand how this happened, inasmuch as there is a good bit of background material for the thing. In the first place, we had a little unsatisfactory experience with him not taking up a special shipment in 1930 and 1931, but furthermore, it has been generally known for the last year or year and a half that Mr. Stephens was in bad shape with the Internal Revenue Department over his taxes and was threatened with a shutdown. As a matter of fact, everyone else had alraady stopped shipping him some time prior to that and even the bank in Edinburg refused to handle his account. I think that the handling of this matter on the face of it appears rather poor and think that some steps should be made to try to recover it.

Incidentally, Mr. Stephens spent some time in an insane asylum some years back.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** August 23, 1951
Dictated 8/22/51

I cut the enclosed out of the Beaumont Enterprise this morning on the way back from Pineland.

Temple has talked to me a good deal about Johnnye, and I am disappointed that he is handling the office work at the treating division so poorly and that he made the mistake of booking so heavily on long poles. I am beginning to wonder just what his experience with Koppers was, and I am inclined to think that it probably was handling the yard, looking after the treating or something of that sort rather than selling, pricing the stock and other office work. He does not seem to understand the necessity for the prompt handling of inquiries and giving information to Temple, and perhaps others, when requested.

From what Temple has told me, I am sure that you are cognizant of Johnnye's weaknesses. I do not wish to add any more to your concern but only to suggest that I think it is very important that we get started off right at the treating division, and if Johnnye does not get on the ball, we had better be looking around for someone who is better qualified to head up the treating division. Johnnye is a very likeable fellow, and I hope that it won't be necessary for us to replace him, but we have too much of an investment in the treating plant not to have it handled efficiently at the top.

AT:ld

he History Center, Diboll, TX www.TheHistoryCe

Wednesday, August 22, 1951

Two Lufkin Men To Attend National VFW Meeting in New York

LUFKIN, Texas, Aug. 21. (Spl)—Johnnye Foster, state senior vice-commander of the Veterans of Foreign Wars, and John Hensley, commander of the local Post 1836, will leave this week for New York to attend the national encampment of the VFW August 26 to 31.

Hensley has been appointed a member of the civil defense committee by Charles C. Ralls, national commander-in-chief of the VFW.

Following the encampment, Hensley will stop in Washington, D. C. to attend meetings of the Veterans Appeals Board.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** August 23, 1951

I don't suppose the Joe Kurth house, the one on Grove Street which you had before you built your present house, is for sale or could be bought at a reasonable price, could it? Your mother has always liked this house very much indeed, and if it was available at a reasonable price, that would be an added incentive for us to move to Lufkin.

You will probably say that if we move to Lufkin we ought to build a new house. Maybe so. However, it would be quite an undertaking under present conditions even if we could get a permit to build the type of house that we would want. I refer particularly to the Government ban on metals such as steel, copper and aluminum.

Temple and I have been talking a great deal about moving the sales office to Diboll, which would necessitate moving our residencies to Lufkin or Diboll. Certainly, there are many advantages to our having the sales office down there, but it would, of course, be awfully hard for us to pick up and leave Texarkana, where we have lived all of our lives. Possibly the main incentive to me to move would be that I would be in closer touch with the business, because I have felt very much out of things in recent years.

You said several things when you were here last which implied that you are getting restless and would like to devote all of your time to your own affairs. I hope that is not the case, but if it should be, there is no question but that I would move to Lufkin at once, because I think that someone in the family, someone representing the major interests should be in charge. Likewise, if anything should happen to Eck, I would go to Pineland, temporarily at least or until someone capable of taking over the management could be determined; Pineland would be a very serious problem because as far as I know Eck does not have anyone in the organization who could take over unless it would be Fowler, and I don't know much about him and he doesn't seem to have much force, but Eck said that he had considerable all-round experience in sawmilling, including logging.

I do feel that the business has gotten pretty far away from me, or perhaps I should say that I have gotten pretty far away from the business. I might be much happier if I were more active, more conversant with what was going on and having a voice in the day to day decisions. You may be sure that we are continuing to mull this thing over, and I hope and pray we may be able to work it out the right way.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. August 24, 1951

Dear Dad:

I will let you know something about the Pete Little house as soon as I can get the information.

In your letter of the 23rd you mentioned my remarks which indicated I was getting restless at Diboll. Nothing could be further from the truth. I am very content here, but do feel like I have built an organization that could very well run satisfactorily without me, in the event the general offices were moved here. A great many of the decisions that I am making are decisions which could easily be made by you without burdensome trouble and actually should be made by you. It is all very well to say that I should contact you and let you make them, but those things just don't work out in practice.

My whole thought is that the expense of a general manager such as me could be eliminated, along with several other jobs, in the event that you did move down here. Incidentally, I say this not from a selfish motive, but simply because I think the welfare of the business comes before any of the individuals concerned. I am conceited enough to think that I have fulfilled a place during the last few years. I am also conceited enough to feel that I have built a strong organization and therefore, to a large extent, have served my usefulness in my present position. I just want you to know that at such time as such a move were made it would be perfectly satisfactory with me if you agree with the above and wanted to eliminate my job. I have ample outside interests that could consume my time and provide revenue and I believe that the above thinking is consistent with my stated policy of running the business for the benefit of the stockholders of Southern Pine Lumber Company without regard for individual situations.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** August 24, 1951

I received your teletype message stating that Mr. Rode's charges for senior and junior accountants are $5.00 and $3.00 per hour respectively. These rates are considerably under Peat, Marwick, Mitchell and Company's new rate of $6.50 per hour, but Frank Taylor has offered to make a concession in our case, or give us what might be an average rate of $6.25 per hour. This reduced rate, however, would not apply to an audit for Temple Manufacturing Company, because he said their work would require for the most part work of senior and junior accountants and not so much clerical help.

I wonder if you have arranged for Mr. Rode to audit the Odessa yard. In view of his rates and inasmuch as you have recommended him very highly, I would much prefer to have him do the work than Peat, Marwick, Mitchell, and if you think it is in order, wish that you would have him proceed.

I hate like everything to pay out $2,000.00, or anything like that amount, for an audit for Temple Manufacturing Company, but in view of the fact that we have not had an audit of this company since 1948 or 1949, one now might be in order. It is true, though, that their organization is small, and everything is concentrated at Dallas, and I think, too, that Tripp keeps pretty well abreast of everything that goes on. I wish that you would find out and let me know when Mr. Rode could take care of this work. Temple Manufacturing Company's fiscal year ended June 30th, and already almost two months have elapsed. I don't suppose it would make very much difference if there was some further delay.

I am looking forward to having a visit with you next week. As I wrote George Smith yesterday, I am planning to leave here next Tuesday morning, arriving in Diboll in time for lunch for a conference with you all and the examining agent for the Internal Revenue Department. Although I will have Bob Waite with me, I am not going to be in any hurry on this trip but will take sufficient time to have a good visit.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** August 25, 1951

I am certainly glad to learn from your letter of August 24th that you are not becoming restless with your job at Diboll. Certainly, it would be a big disappointment to me to have you leave, and whether we move to Diboll or Lufkin or not, I would want and need someone in the capacity of manager. While all that you say about building up an organization, etc. is true, someone will be required to keep things going, coordinate the various activities and departments, etc., and with Pineland, the Retail Division, Temple Manufacturing Company and other interests I certainly would not want to be tied down too much by details.

Am looking forward to a good visit with you next week.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. August 25, 1951

Dear Dad:

Carl Rode is arranging to begin his audit of the Odessa Yard the first of next week. I have a great deal of confidence in him and feel that he will do an excellent job. I know that he will hold the expenses down as much as possible and still do a thorough job. I would suggest that you wait until this audit is completed and see how you like his work and then decide what you want to do about the Temple Manufacturing Company.

Lottie went home just a few minutes ago and I think that her baby will probably be here within the next few hours. I knew that you would be interested in knowing about it. If you decide that you want to send her any flowers I think that she will be in the Memorial Hospital.

Mary and the children are in Dallas until Tuesday of next week. Mrs. McQuiston is going north for a month or so right away and they wanted to have a little visit before she left too.

Yours very truly,

Arthur Temple, Jr.

ATjr/n

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** August 25, 1951

I am returning Bovay's letter of August 23rd together with the article which he has written to be published in various trade journals.

I found this very interesting and a very good description of our treating plant. I did take the liberty of running a line through the word "the" where it precedes "Southern Pine Lumber Company." So many people refer to our company as "the" Southern Pine Lumber Company when its name is, of course, Southern Pine Lumber Company.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

H. E. BOVAY, JR.
CONSULTING ENGINEERS
ESPERSON BUILDING
HOUSTON 2, TEXAS
TELEPHONE CHARTER 0447

August 23, 1951

Please return

Mr. Arthur Temple, Jr.
Southern Pine Lumber Company
Diboll, Texas

Dear Arthur:

The attached article on the Wood Treating Plant has been written by us for publication in various trade journals in the near future. As on our previous articles on Project I and the Edge Sorter, we will welcome your comments on this presentation.

Sincerely,

H. E. Bovay, Jr.

RBR:gmc
Attachment

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

NEW WOOD TREATING PLANT IN OPERATION AT SOUTHERN PINE LUMBER COMPANY, DIBOLL, TEXAS

by
H. E. BOVAY, JR.,
and
RICHARD B. ROBERTSON
OF H. E. BOVAY, JR., CONSULTING ENGINEERS
HOUSTON, TEXAS

On April 10, 1951, the Southern Pine Lumber Company in Diboll, Texas initiated operation of their Wood Treating Plant. This was the culmination of years of planning by Southern Pine Lumber Company and of careful engineering studies by the staff of H. E. Bovay, Jr., the Consulting Engineering group which furnishes Southern Pine consulting engineering service.

The management of the mill had for years had an idea of locating a wood treating plant near the mill in order to have always on hand a source of supply of poles and lumber from their properties which could be treated and sold along with their other finished products. The completion of their wood treating plant causes Southern Pine Lumber Company to become one of five such companies in the Southwest who own and operate their own treating plant.

Mr. Arthur Temple, Jr., Vice President and General Manager of the Southern Pine Lumber Company, decided that more positive action should be taken toward installation of the treating plant in late 1949. At that time he assigned Mr. J. U. Foster, Manager of the Treating Division, and the Consulting Engineering firm of H. E. Bovay, Jr., to make a complete study of the possibilities of such a plant. As a result, other plants were visited and helpful ideas were contributed to the new plant; the Southern Pine foresters, headed by Mr. Kenneth Nelson, made a complete study of their timberlands with a view of defining what products could be furnished to the treating plant for treatment; the engineering organization, meanwhile, prepared cost studies and economic surveys; and market testing was carried on by Mr. Foster and the engineering group. This culminated in a report to the Board of Directors in early 1950 which defined the size plant, the treating materials recommended, the estimated plant cost, the estimated cost of operation, and a complete economic study of the feasibility of the proposed plant.

The plan was approved by management and detailed design of the plant was started soon afterward. Ground was broken in April 1950 and except for minor troubles in obtaining materials the construction went along smoothly until the plant was ready for operation.

It is interesting to note that the first attempt to start up the plant was entirely successful. It was not necessary to shut down for minor changes or even to repack a valve or a pump gland. This successful start up with no troubles at all is a very real tribute to the careful and accurate work of the Southern Pine Lumber Company's construction forces.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

As a result of the economic studies and overall planning, it was decided that the plant would be equipped with one 8 foot diameter x 82 foot long cylinder for treating with creosote, and one 8 foot diameter x 42 foot long cylinder for treating with pentachlorophenol. The 8 foot diameter for the treating cylinders was decided upon since this is the most efficient size in combination with standard gauge track. Use of standard gauge track made it possible to tie in with existing railroad trackage to the lumber mill and to the main line railroads. The length of the cylinders was determined by the length of the poles and piling to be treated which in turn was established by both the market and the available raw materials. The treating cylinders were designed for a pressure of 225 psig and for 28 inches vacuum. An outstanding feature of these cylinders is the door hinges which are of original design and permit opening and closing of the heavy doors, easily by one man.

The treating plant is located on twenty acres of ground which provides room for the treating building and the cylinders in one area, the working tanks and storage tanks in a second area, the air drying and storage of poles including a pole peeling machine and sorting station in a third area, and the plant office building and locker and change house in a fourth area. These respective areas are separated by distances as required by fire prevention standards but are grouped close enough to be conveniently located with respect to each other. The pole storage yard is laid out for maximum air drying of poles and has 21 railroad switches located on two and one-half miles of track to facilitate the handling of material. All tracks lead directly to the treating cylinders which reduces material handling time considerably.

The storage tank area has 5 tanks, 2 of which are creosote working tanks, one is the pentachlorophenol working tank, and the other two are the creosote storage tank and penta storage tank. These tanks are connected by piping to the treating cylinders and pumps. The treating fluid is drawn from the working tank by pumps and pumped into the cylinder. After the process of treating is complete, the treating fluid is pumped back into the working tank from the cylinder and the difference of elevation of the fluid in the tank as indicated on remote reading monometers in the Treating Building gives direct reading of the amount of treating fluid retained by the charge of treated material.

Inside the Treating Building are located the transfer pumps and fill pumps, an Ingersoll-Rand air compressor with 100 HP motor, the instrument panel with gauges giving direct readings of temperature, pressure, flow, etc., for the process, a laboratory for checking treating fluid analysis, and miscellaneous piping and valving to and from the treating cylinders.

The creosote treating process consists of the following steps:

1. After the charge is in the treating cylinder and the door is closed, the cylinder is filled with compressed air to 100 pounds pressure.

2. Creosote is pumped into the treating cylinder from the creosote

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

working tank by a centrifugal fill pump until the charge is completely covered and the cylinder is full.

3. The pressure within the treating cylinder is built up to 180-200 pounds by a duplex reciprocating pump.

4. After the creosote preservative has been permitted to penetrate the charge for a specified time depending on the amount of treatment desired, the treating cylinder is emptied by blow back and by use of the fill pumps and the excess creosote is transferred back to the creosote working tank.

5. After the treating cylinder is emptied of fluid, a vacuum is pulled on the treating cylinder by first an atmospheric jet called a hogging jet and then a two stage jet to increase the amount of vacuum.

6. After this vacuum is held for the required amount of time, the vacuum is released, the creosote remaining in the bottom of the cylinder is pumped back to the working tank and the cylinder door is opened for removal of the charge.

The process for treating with "penta" is the same as for creosote except for pressures used, but the times vary according to the amount of treatment required.

The lumber is prepared for treatment by either air drying it in the yard or steaming it in the treating cylinders over night. The entire steam supply for this seasoning of material, to power the steam-driven pumps, to heat the working tanks and to operate the jets for pulling vacuum on the treating cylinders is furnished to the treating plant through a 3600' long 6" steam line from the sawmill power plant nearly 3/4 mile distant. This 3600' steam line is supported by hangers above ground, trapped at regular intervals, covered by 2" insulation, provided with carefully designed bends to allow for expansion and contraction and aluminum jacketed over its complete length.

The lumber to be treated is moved around the storage yard and to the treating vessels on trams by diesel powered locomotive cranes and engines. The first of these cranes was bought second hand, reconditioned, and equipped with a new diesel engine and torque converter for a small percentage of the cost of a new locomotive crane. This system was so successful that a second crane was later obtained by the same procedure.

The telephone poles to be treated are run to a pole peeler machine in the storage yard where any bark and knots are trimmed smooth and the tops of the poles are framed and bored. A 1200' long endless conveyor chain takes the poles away from the pole peeler and delivers them to distribution bays for sorting according to length and class.

The change house and locker room is of particular interest since it is thoroughly modern and is designed for cleanliness and worker comfort just as much as any of the modern change houses found in big industry today. The

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

house itself fits the architectural pattern of the plant in that it is constructed of wood framing with log cabin creosoted siding. Wall hung plumbing fixtures are used in order to improve sanitation and made it easy to clean the floors. The showers are equipped with shower heads of special design to use the least amount of water and of a type which cannot be removed or tampered with by persons using the showers.

The floor is of inexpensive concrete construction, finished with a color pigment to improve its hardness and ease of cleaning. The entire building inside and out presents a pleasing appearance and has a beneficial effect on worker morale in addition to encouraging cleanliness and good habits among the workers.

Another feature of the plant is that waste reclamation is carried out very successfully. Leakage in the plant which normally cause the control room floor and the area around the cylinders to become very dirty and fouled with penta and creosote has been kept to a minimum. The plant as a whole is very tight and all drainage is carried to waste reclamation ponds. The penta pond and the creosote pond are separate so that fluids will not mix and result in emulsions which are difficult to handle. A large portion of penta and creosote normally lost to drainage is recovered in these ponds and almost clean effluent is finally released to the drainage system.

Very careful heat balances which had been made previously of the lumber milling operation resulted in allowing the plant to be built without the installation of steam generating equipment, or a large expensive electrical substation. Electrical power is purchased from the Southern Pine Lumber Company's lumber mill rather than from a public utility company. Steam is also delivered to the treating plant from the lumber mill through a line 3600' long. This not only saved original investment but results in large operating savings since no more manpower is required to operate boilers and electrical gear. These items are perhaps the best examples of what can be achieved as a result of overall planning when additions are being planned to a manufacturing facility.

Consistent with all well-engineered facilities, Southern Pine's Treating Plant was designed with provision for future expansion at a minimum of cost and interference with operations. The treating cylinders are so arranged with the treating building that additional cylinders can be installed along the line of treating cylinders and can be connected to the necessary pumps and working tanks without interfering with operation of the existing cylinders. Expansion of existing cylinders can be accomplished even more readily by extending the length of the existing cylinders if and when the market justifies this increase in capacity.

Raw materials for this treating plant are to be drawn from the company's own timber lands and through working agreements with adjoining lumber companies. This constant and assured supply of treating material gives this modern treating plant a considerable edge over other plants which depend on open market buying of raw material.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. J. U. Foster is Manager of the Treating Division. Mr. C. F. Lord is Superintendent of the Treating Plant.

It is interesting to note that the original estimate both of plant construction and of the operating cost and profits to be obtained have been accurate within a few percent based upon operating data obtained thus far. Since the plant has been placed in operation, production has been increased almost at once to maximum capacity and production has not been able to meet the demands. Contracts are already in existence which will consume most of the plant's treated lumber output for the next 5 years. The present plant was put into operation with a very small amount of trouble shooting and successful operation seems assured at this time.

Copied from an original at The History Center, Diboll, TX . www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date August 30, 1951

Now that the young lady who has been getting out The Buzz Saw since Jake Durham left is giving up the work, and I believe leaving Diboll, don't you think that it is a good time to discontinue the publication of this paper? Frankly, it has not been very interesting to me since Jake quit, but even if it is interesting to the employees and the people of Diboll generally, I don't think that it is worth the cost of $400.00 per month, and I suggest again that you drop it.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple Arthur Temple, Jr. September 1, 1951

Dear Dad:

I hope that you won't object, but we have decided to continue the Buzz Saw for the present time. We are making every effort to reduce the cost and have contacted Herb White, the T.S.E., The Treating Division, etc., and all of them are going to bear part of the expense. The people seem to want it and I would hate like the dickens to discontinue it in view of the existing facts. I will be glad to discuss this with you at any time, but if you still feel that we should cut it out anyway, I will be glad to do so.

Yours very truly,

ATjr/n

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date September 3, 1951

I certainly would not insist on your giving up The Buzz Saw, because you are in a better position than I to judge of its value. It has been costing a good deal to get it out, $400.00 per month as I understand, and I have doubted if the company gets that much good from it. If the TSE and Temple-White will participate in the expense of publication, that will help.

When I wrote you several days ago, I had not read the current issue. I did read it later that day and was agreeably surprised at its make-up, and if this issue was compiled by Paul Durham, the new editor, I think that it will be a better paper than we have had since Jake Durham left.

One thing I have missed since Jake Durham left is what might be called the editorials. Jake used to get in some pretty good licks for the company, and I wonder if someone, maybe you, could not write one editorial for each issue.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date August 30, 1951

I did not have much to say Tuesday afternoon when you told me about the deal which you had made with the stave man. I was tempted to question the price of $50.00 per thousand feet because I recalled that several years ago whisky makers were desperate for suitable white oak for staves and were paying around $100.00 per thousand feet for logs. I wonder, too, if it would be a good idea to sell off the best of our timber if we are going to continue to manufacture hardwood lumber.

Since my return home I have discussed your deal with Anderson. He raised the point as to whether the stave man would take all trees which he cut down or only those which he found to be suitable after they are cut. I recall that some years ago when we figured on a deal of this sort that the stave maker insisted upon passing on the logs after the tree was felled, and we were unwilling to agree to that. If this point has not been discussed, it might be well for you to bring it up and have a clear understanding.

Anderson does not think that this man can depend upon very much suitable timber from us. I suppose, though, that he is planning to supplement what he will get from us with timber from other sources.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date August 30, 1951

While I realize that it might be more convenient for you to deal with a local agent on fire and related insurance, I am sure that if you will review past history you will find that Offenhauser has effected a considerable saving for us over rates which we were paying Epperson and Rankin Benedict, the reciprocals, and if I am not mistaken the stock company rates we are now paying are less than we are paying to Epperson, and I believe these lower rates are due largely, if not entirely, to work which Josh and others in his organization have done with the Commission in Austin. It's a cinch that we get better service, supervision, etc. from Offenhauser than we do from Epperson, and if any change is made in our insurance carriers, I am inclined to think that it should be away from Epperson and with stock companies.

Of course, the argument in favor of carrying some of our insurance with Epperson is to maintain competition in the insurance field. At one time, many years ago before we had the reciprocals, the stock companies raised their rates so high that insurance was almost prohibitive, and I believe the reciprocals were brought into being because of this fact, or maybe because many sawmills were unable to get insurance at all. For this reason I don't think that I would advise taking our insurance away from Epperson, but as between Epperson and Offenhauser I do think Offenhauser has done the better job. Check this with George and see if I am not correct.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple Arthur Temple, Jr. September 1, 1951

Dear Dad:

Attached you will find our copy of the contract with the stave mill. I believe it is self-explanatory, b ut suggest you read it and return to me with any questions we might have. I asked Ed Price to talk to you about this and sent him out in the woods to check the actual utilization of timber and to estimate our return. If you are still dissatisfied with this arrangement, please let me know and we will discuss it further.

Yours very truly,

ATSjr/n

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date September 1, 1951

When I was in Diboll last week, we talked about retaining the services of Martin Dies for some period of time at a cost of $1,000.00 to each company. If you have not discussed this with Martin Dies and think that we could get by for less, I would like to do it, but I wouldn't want to pinch down too hard, and aside from a desire to help Martin, I realize that the greatest good will derive from a liberal attitude on our part.

Handle as you think best, but just thought that I might suggest a reduction from the figure we discussed if you think it would be in order.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple Arthur Temple, Jr. September 1, 1951

Dear Dad:

Mrs. Rawls called me today with further reference to getting out the little book that will go to all employees in connection with the new hospitalization and group life policy. It is customary to have a letter from the head of the organization printed in the book and it is urgent that such a letter be written by you and air mailed to Mr. Fred Hansen, Minnesota Mutual Life Insurance Company, 156 East Sixth Street, Saint Paul, Minnesota. I feel sure that you have a copy of the booklet which has been used by Temple Lumber Company and you could more or less follow the outline of the letter given by Mr. D. G. McNary in it. However, I think that one of the best things to do is to call attention in this letter to the importance of cooperation from the employees in keeping the rate down. It might be called to their attention that the protection is there to help them when they have a real need for it, but that abuse of the policy will lead to increases in rates each year. If you would write a good letter along this line and send it to the above address I would appreciate it very much.

Yours very truly,

ATjr/n

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date September 3, 1951

I will be glad to get out a letter or foreword for the little booklet to be given to all of our employees in connection with the group health and accident and life policy we are taking out with Minnesota Mutual. However, in order to have something to go by, a guide both as to substance and length, I am writing Mrs. Ralls for several samples or copies which have been gotten out by other concerns for whom she has written this type of insurance. Since you are in a hurry for this, I tried to reach her by long distance telephone this morning but was unsuccessful and presume that she is taking the Labor Day holiday.

I wrote such a letter as you have requested when we took out this insurance originally with Mrs. Ralls but don't have a copy of what I wrote then and I do not have what McNair wrote. These may be somewhere in the file, but I don't know where to find them.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Bobby Farley

please return

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date September 3, 1951

I am returning the contract between Southern Pine Lumber Company and Elbert Farmer. I am glad to read this so as to better understand the deal and appreciate your sending it to me.

I have talked with Ed since his return from Diboll last week, and from what he said and from what he reported as the opinion of Kenneth Nelson and Bobby Farley, I am inclined to think that this contract may work out all right for us. As I see it, everything depends upon the class of logs which the stave mill is able to use, and in this connection I am glad to see that the contract does provide for cancellation upon thirty days' notice, which provision can be invoked if we find that we are being hurt.

As I wrote you recently, I have always understood that stave makers required the very best quality of white oak logs, which were in strong demand some years ago at as high as $100.00 per thousand feet. It is something entirely new to me that a stave mill can use post oak and oak with worm holes, a much lower grade of oak, in other words, than I have been led to believe is generally required, and I shall be interested to watch this operation and see how it works out.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. September 3, 1951

Dear Dad:

I have already contacted Martin Dies about the contribution and he was very grateful. I am paying this all in one check so it will not tend to be recurring. I am sorry that this does not conform with your later thoughts, but it is in line with what we decided definitely and therefore, I hope it will be satisfactory.

Yours very truly,

Arthur Temple, Jr.

ATjr/n

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

DIBOLL, TEXAS

To Mr. Arthur Temple From Arthur Temple, Jr. Date September 3, 1951

Dear Dad:

I have already contacted Martin Dies about the contribution and he was very grateful. I am paying this all in one check so it will not tend to be recurring. I am sorry that this does not conform with your later thoughts, but it is in line with what we decided definitely and therefore, I hope it will be satisfactory.

Yours very truly,

Arthur Temple, Jr.

ATjr/n

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date September 5, 1951

I recently took 97 shares of Temple Lumber Company stock at $100.00 per share from Mrs. Cox to apply on a loan which I had made her for $5,000.00, and purchased outright 47 shares because she needed the money. I was reluctant to take in this stock at $100.00 per share, but Mrs. Cox is up in her eighties, is not in good health and is apt to pass away at any time without anyone to inherit from her. Furthermore, I would feel obligated to assist her in case she runs out of money and does not have any more stock to sell. The point I am trying to make is that I don't feel that I imposed upon her, because she has not been out of her apartment for years, her needs are very modest, and I would be disposed to take car of her if that should become necessary.

I would be glad to let you have the 97 shares or any number up to 97 at what I paid, $100.00 per share. I would not want you to take this stock at this price and turn around and sell it. If it is to go outside of the family, I would prefer to offer it to some of the Temple Lumber Company men.

AT:ld

opied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:0

DIBOLL, TEXAS

Dear -

I have
had heard from
Mrs. Rice. If
Annie has from
her by tomor-
row morning
will call her o
you for the
Rain of Dia-
Cream so I can
write the
letter you
want. Will
anything to go by.

A. J.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date September 6, 1951

I told Herb Berckes that I would be unable to attend the meeting of Directors of the Southern Pine Association to be held in New Orleans next Thursday and Friday, September 13th and 14th, because I had already said that I would go to El Paso on the special train from Dallas for a T&P Directors' meeting on Friday, the 14th. As a matter of fact, I would rather attend the SPA Directors' meeting in New Orleans, because this trip to El Paso is going to be a pretty long drawn out affair requiring me to leave here Wednesday afternoon, and I will not return until Sunday noon unless I should decide to fly back from El Paso Friday afternoon after the meeting or Saturday morning. After committing myself definitely to attend the El Paso meeting, however, I did not feel that I should back out.

Herb Berckes said that it would be all right for me to have you or Temple attend the SPA Directors' meeting as my proxy. Temple is loath to attend because he has been on the go so much, and I wonder if you would like to attend in my place. It is not necessary, of course, that anyone attend the meeting for me, but if you would like to go or if you feel that it would be worthwhile, I would be glad for you to represent me. However, don't do it unless you want to.

Please let me know by return mail because a room has been reserved in my name at the Roosevelt Hotel for occupancy early Thursday morning, September 13th, and that reservation should be canceled if the room is not going to be used.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date September 8, 1951

I do not see any harm in your talking with the Champion Paper Company representative, and if Champion will pay us more than Southland is paying us, or will pay us, or if they will take hardwood which would make a contract with them more attractive, I would have no objection to going with them. However, we are substantial stockholders in Southland, and everything else being equal, I would rather do business with Southland but certainly not at any penalty or disadvantage.

I suggested that you talk with Ernest and find out just why they have been paying someone else more than they have us. I think it is always better to thrash out some complaint like this before getting mad and taking some drastic action. I hope, therefore, that you will talk with Ernest and find out just what the situation is and what he proposes to do about it before breaking away from Southland. He may have a satisfactory explanation of a higher price paid to someone.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date September 8, 1951

The last thing you said about going to New Orleans to represent me at the meeting of the Board of Directors of the SPA next Thursday and Friday was that you would like to go and would consider it. Please let me know just as soon as you have made up your mind, so that I can cancel the reservation at the Roosevelt Hotel if none of us goes, but Temple talked last night as though he might go if you do not.

I suppose I am taking about enough standing with Gosh. auction of Bilali 9/12 — 14 to think Hard Corpich.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date September 8, 1951

I have talked with Temple about advancing the prices on pine and hardwood squares we are furnishing Temple-White, and he is of the opinion that there would be no objection to increasing the pine $2.00 per thousand pieces and the hardwood $1.00 per thousand pieces in line with Herb's suggestion, retroactive to September 1st, and without filing any request with OPS.

Since you, Temple and Herb all seem tobe of the opinion that this will be all right, I withdraw my objection.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date September 8, 1951

On July 25th I wrote you in part as follows: "Eck contracted with Coats and Burchard in March for an appraisal of the Pineland plant for $4,950.00 with annual revision at $500.00 per year, which is considerably less than their proposal for Diboll, and I wonder if there is that much difference in the two jobs."

Yesterday in our conversation at Diboll about an appraisal I suggested that you might write Coats and Burchard and see if they would not make a proposal for Diboll at a guaranteed maximum cost under what they had proposed, something more in line with what the Pineland job cost. Frankly, I don't see why there should be so much difference, and, if anything, the lower cost should be at Diboll, where there is so much new work and where, it occurs to me, almost everything about the plant would be easier to figure than at Pineland.

I am inclined to think that it would be better for us to have an appraisal by Coats and Burchard or some other recognized firm of appraisers if we could get the cost down to a reasonable basis rather than have our own men do the work. For one thing, it would be more acceptable as proof of loss, and it would no doubt be gotten up in very much better form.

In my letter of July 25th I also suggested that you might get competitive bids. Coats and Burchard might be more disposed to get on the money if they knew that others were bidding on the business.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date September 8, 1951

We did not discuss our proposed move when I was in Diboll this week. There didn't seem to be a very good opportunity, and, furthermore, I did not know of anything to add to what has already been said.

My thought is that we will drift along for the present. There are many, many considerations in this proposed move. For one thing, it is awfully hard to pull up stakes and leave Texarkana where we have so many friends and associations, and there are so many people involved, some employees of many years who might not fit into the picture at Diboll, and, on the other hand, others who I think would fit in probably who cannot make the move.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. September 10, 1951

Dear Dad:

I have your letter with reference to the letter to go in the front of the group life insurance policy. I would suggest re-wording as follows:

In your paragraph one, second line I would like to revise the wording of the second sentence to read "When the employees of all our companies buy this insurance together from a reliable company". I don't like that wording "unite as an organization".

In paragraph three your last sentence is a little high flown, in my opinion. I would like for you to revise the last part to say, "because the final cost of this insurance is determined by the total claims paid". It might also be well to add a sentence saying, "Therefore, if we use this insurance when we shouldn't it will cost us more the next year".

In your last paragraph I would suggest that you use the "Temple Industries" rather than Southern Pine Lumber Company and Temple Lumber Company, inasmuch as it covers all of the Temple Industries.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

P. S. I don't believe I will go to New Orleans, so count me out.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date September 11, 1951

I wasn't too happy about the foreword which I drew up to be inserted in the booklet covering our life, hospitalization and surgical benefits insurance. I had been down to Diboll, returning Friday evening, and I had a good deal to do Saturday morning and, consequently, did not give this job as much time and thought as I would like to have. Then, too, the sample booklets which Mrs. Ralls sent me did not help much. Another thing, I was not very familiar with the coverage in the Minnesota Mutual and the Inter Ocean policies: for instance, didn't know that anyone other than employees of Southern Pine and Temple Lumber Company were included.

I have made changes in line with your suggestions, and I hope that the final draft will be satisfactory.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date September 11, 1951

I am returning Myers-Spalti's letter which you may want for your file.

I talked with Ed about the grade of hardwood we are shipping, and he doesn't seem to think that, generally speaking, we are shipping too good a grade. He said that one reason the Myers-Spalti stock, which they complimented so highly, may have impressed them so favorly was that it had been cut out of the stained logs, and the stain had been ripped off, which gave the stock a better appearance.

Myers-Spalti has always been a very fastidious buyer of hardwood. I know that Anderson was very dissatisfied with their grading, so much so that I believe he refused to sell them after they had made claims on several cars. Certainly, we cannot afford to give anyone any more than they pay for.

Temple told me that O. H. Sample in St. Louis had complimented a car from Diboll very highly and claimed that it was so much better than a car which they had received from Pineland. I mention this only as evidence that we may be shipping too good a grade of hardwood at Diboll. Dewey Ballenger with all of his experience should know how our grades now compare with what we have shipped in the past, and he should be able to get the grades right, not too good and not too bad.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. September 12, 1951

Dear Dad:

I have forwarded your letter to Clyde and I think it is quite possible he can do some good with Mr. Bell. He is looking for contract loggers and if Mr. Bell wants the work I think we will be able to do some business.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. September 14, 1951

Dear Dad:

Eddie has been doing a lot of checking on the hardwood flooring unit since the last statement came out and Dewey Ballinger believes that the inventory was taken 103,000 feet short of rough dry in the shed. As best we can tell, this is the case and this, of course, would have reduced considerably the loss on the flooring unit. I feel sure that something of this kind did take place, inasmuch as we know we don't have a waste figure such as was shown in the statement last month. Of course, when I say that it is bound to have occurred in inventory, I mean either this inventory or previous inventories of stock on hand. If Dewey is correct the difference will show up this month. If he is not correct it probably was an inventory somewhere back down the line, which would have reflected a greater inventory, we will say on August 1st than we actually had.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** September 17, 1951

I thought that the enclosed memorandum prepared by Mr. Chester Hayes, Vice President - Traffic of the T&P, for the Directors who made the trip to El Paso on a special train for a meeting of the Board last Friday, might be of interest to you, particularly the paragraph pertaining to Odessa.

We had a fine trip out to El Paso. Left Dallas at 9:40 Thursday morning on a special train made up of the finest equipment, all compartment and drawing-room cars except a combination compartment and observation car on the rear; had our meeting in El Paso Friday morning, after which we were royally entertained at luncheon, a cocktail party late in the afternoon and dinner at Juarez. I came back on the Eagle leaving El Paso at 12:50 A. M. Saturday rather than wait for the special which laid over until 1:00 P. M. Saturday. Everything was done for the comfort, convenience and pleasure of those who made the trip; in short, everything was done in true T&P style, first class.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. G. S. Smith **From** Arthur Temple **Date** September 18, 1951

I am enclosing a letter which I have received from Mr. Henry Bahr, Secretary, Forest Industries Committee on Timber Valuation and Taxation.

I did not get much satisfaction out of this letter. It looks pretty much to me as though he missed the point of my letters, but maybe I have started something which will give us something more definite for a basis for determining fair market value. At any rate, will let you know if anything further develops.

I don't suppose you would be interested in the pamphlet by Mr. Charles W. Briggs, which Mr. Bahr enclosed or the mimeographed memorandum on valuation of stumpage. I am sure you saw these when they came out several years ago after Section 117 (k) was adopted. If, however, you think these will be of any benefit to you, let me know, and I will send them on to you.

× Sent them to you yesterday

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

E. B. TANNER, CHAIRMAN
PORTLAND, OREGON
CHAS. W. BRIGGS, VICE CHAIRMAN
ST. PAUL, MINNESOTA
HENRY BAHR, SECRETARY
WASHINGTON, D. C.

Forest Industries Committee on

TIMBER VALUATION AND TAXATION

(N.L.M.A. ACCOUNT NO. 6)

1319 EIGHTEENTH STREET, N. W.
WASHINGTON 6, D. C.

September 11, 1951

Mr. Arthur Temple
President
Southern Pine Lumber Company
Texarkana, Texas

Dear Mr. Temple:

This will acknowledge your letters of August 30 and September 3 with reference to determining the fair market value of stumpage for the purposes of Section 117(k) of the Internal Revenue Code. The problem you present is a difficult one. The market price of timber has been advancing at such a rapid rate that the old criteria of values are probably of limited use today.

Our Committee gave considerable thought to this problem of valuation at the time Section 117(k) was enacted. Mr. Charles W. Briggs, one of the members of the committee, prepared a very careful study of the problem which we mimeographed and sent out to forest owners. Mr. Briggs also devoted a considerable part of his pamphlet entitled "The New Timber Tax Amendments and Their Application" to the problem of stumpage valuation and we also sent out a shorter summary statement of the problem back in June of 1944. I am enclosing copies of these three documents.

The difficulty with any arbitrary formula is that it cannot take into account adequately the factors of quality, species, availability, etc. The question is not what is the average value of stumpage but rather what was the value at the beginning of the fiscal year of the particular trees cut during the year. For example: you might assume two identical tracts with a good stand of mixed hardwoods. The owner goes in and cuts all of the white oak from one of the tracts. He might be justified in claiming a market value of up to $100 per M ft. If you assume the original tract had a value of $20 the removal of the white oak might have reduced that value to $15. Certainly it is not worth as much as the adjacent stand which has not been cut.

This problem differs from region to region. In the Northwest where there is a lot of mature timber, the West Coast Lumbermen's Association has annually compiled information as to all transactions of which they can secure record. These transactions are broken down by characteristics of the timber--quality, cutting method, logging costs, and transportation costs. I understand that the compilations they have made have been useful to those who participate in supplying the information.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

In recent months there has been some criticism on the part of Treasury officials of excessive valuations claimed by owners under Section 117(k). At the meeting of the Executive Committee of our Tax Committee in San Francisco last month, this matter was discussed and it was decided that the committee would ask someone to make a talk at each industry meeting held in coming months to urge that forest owners be conservative in their valuations to avoid antagonizing the Treasury officials and to safeguard the retention of Section 117(k).

I am sending a copy of each of your letters, as well as a copy of this letter, to Chairman Tanner. He may want to supplement what I have said.

Sincerely,

Henry Bahr

Henry Bahr
Secretary

HB/ep
Enclosures

cc: E. B. Tanner

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date September 22, 1951

Since I have returned home, I have received Harry Walker, Jr.'s letter to stockholders advising of election of eight additional directors to serve with H. W. Walker, Sr., who was on the temporary Board and did not resign.

In view of the fact that Harry, Jr. is on the Board I don't think that Harry, Sr. would mind being left off, and since the Board is made up almost entirely of what might be called "our crowd", I think it might be well toleave Harry, Sr. off next time and put in his place Josh Morriss or someone who has not been so closely affiliated with us in business to give a little broader representation.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** September 22, 1951

I am returning Coats and Burchard Company's letter of September 17th.

I don't see how they can justify the higher cost of an appraisal at Diboll in spite of the figures shown in their letter. For instance, I can't see how they can arrive at 638 machines for Diboll against 484 for Pineland, when the dimension mill and finishing plant at Pineland are taken into consideration, and, too, with all of the new work which has been done at Diboll where we know the cost and value, it would seem that Diboll ought to get by for less if anything.

I hardly know what to recommend other than that we get several other appraisal companies to bid on the work. By doing that we would at least know whether we are getting the best price available. I don't suppose you have taken any steps to have anyone else bid on the job.

AT:ld

opied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:0

Edmund
this fellow
down onion
ed for Texas
Edition. He
asked for a
small picture
of Edmund plant
& Stacy Kim
he might get
one from you.
Kim is in
Lufkin tomor-
row.

D. C.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

EXECUTIVE DEPARTMENT
AUSTIN 11, TEXAS

ALLAN SHIVERS
GOVERNOR

WILLIAM L. McGILL
EXECUTIVE SECRETARY

June 1, 1951

Mr. F. O. Schroeder
Southern Manager
Manufacturers Record
Lovington, New Mexico Baltimore, Md.

Dear Mr. Schroeder:

It is gratifying to learn that you plan to publish another issue featuring the resources of Texas.

I have reviewed with interest the issue compiled under your direction five years ago, and I feel that it was a credit to Texas and Texans.

The schedule of contents for the forthcoming issue appears to be even more comprehensive. Such a presentation should be of much value in attracting new industries to this State.

Knowing the reputation of Manufacturers Record for factual reporting, I feel that the articles which you have outlined will be useful to those who contemplate plant expansions. When they read the Texas story they cannot help but decide that this State offers significant opportunities for industrial development.

The governmental agencies of Texas will be glad to assist you in compiling the information required for this issue.

Sincerely yours,

ALLAN SHIVERS

AS:mjh

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple Arthur Temple, Jr. September 24, 1951

Dear Dad:

I have no word from Eddie as to his condition but expect him back about Tuesday and should know something soon after that.

In regard to the little difficulty we had with the drivers, the following:

As per my instructions, Sweeny met the men when they came out the morning after we spent the night in Pineland and told them that we had considered the matter fully and that we were unable to make a change and that we hoped theywould all be happy and go back to work, but we understood their position if they did not. However, it was made plain that we were firm in this stand. However, upon my arrival back the men asked to see me and Sweeny, Clyde Thompson and myself met with the men in my office and their spokesman requested that we pay them merely for the hours worked at their regular rate of pay and let them punch a clock. We, of course, presented the fact that task work had proven more satisfactory, but they also commented that in the event any of them lay down on the job that we could fire them. They were presenting this as a means of trying to get back to work without losing too much face and frankly, we were glad to have it. Incidentally, Mr. Seibert pointed out that this was in accordance with the law and that we were treading on mighty thin ice any way using the old set-up. With this in mind and in view of their attitude, we made a deal with them to put a punch clock up at the shop and let them punch in and out. I personally feel that this will merely occasion a little closer supervision, but will befair to both parties. After all, it is pretty hard to argue against paying a man for the hours he works.

The big danger in the thing is, of course, that the other men on the job will consider this a victory for the group that walked out. I don't think that it is a victory, but a reasonable agreement between the men and the company.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

I have put out the word to all of our foremen that we will not consider any more matters of this kind unless the men remain on the job. I don't know whether I can make this stick or not, but at least it should serve some purpose in discouraging this sort of thing. Although I am perfectly well satisfied with the arrangement, I cannot help but feel that the company loses some ground whenever they have a thing of this kind.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** September 26, 1951

I received yesterday your letter about the settlement of the dispute with seven of your log-truck drivers.

I think that you came out of this thing very well. It was an unpleasant thing, one which was, perhaps, fraught with considerable danger, but I don't see anything in the settlement to set a bad precedent or cause any future trouble.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006.016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date September 26, 1951

Last week when I was at Diboll, or possibly when we were driving from Diboll to Pineland, you said that you had made an analysis of the cost of the shopping center at Pineland and had found that extras not contemplated when the construction was authorized amounted to something like $100,000.00.

If you have this analysis in such form that you can send it to me, I wish that you would. In the event it is not in suitable form, I wonder if you would be good enough to give me the information in a letter, such information as the total cost as originally contemplated and the items which were added and what they cost.

I looked at the three rooms being built on the north end of the store, and while I think that they are going to be very nice and something which is needed at Pineland to take care of out of town visitors, I certainly agree with you that someone went overboard on the tile in the baths. Not only could the colors be improved upon but I never saw such an extravagant waste in tile which extends almost the full height of the walls when a four or five foot wainscoting would have been ample, probably more attractive and certainly in better taste. Eck was very unhappy about this, too, and disclaimed any responsibility for it. Who was responsible I did not ascertain.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. ✓
Mr. E. G. Prud'homme

From Arthur Temple

Date September 26, 1951

I have a letter from McNair as per the attached copy. Wish you would give his suggestion as to bonuses for retail yard employees your consideration and let me have as soon as possible your reactions.

While I have not digested thoroughly all that I have read about bonuses, my understanding is that any bonus plan which has been followed in the past can be carried out this year, but that any new plan will have to be approved by the Wage and Salary Stabilization Boards.

I am writing McNair that we cannot make any decision as to bonuses for retail yard employees or for mill employees, for that matter, until we have a meeting of our board of directors, and it would be my idea to file an application for approval after definite action is taken at our regular annual meeting to be held in Pineland on October 17th. In the meantime, however, I think it would be well to consider McNair's suggestion and be thinking about what we may want to do, and to that end I would like to have your ideas, which might embrace the mill employees as well as the retail yard employees.

AT:ld

COPY

TEMPLE LUMBER COMPANY
Houston, Texas

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

TO: Mr. Arthur Temple FROM: D. G. McNair DATE: September 25, 1951

I thought perhaps you and Mr. Webber might have come to Houston this week but understand now through Bill that you will not be here, and there seems to be nothing definite as to what week you will pay us a visit.

Among the things I wanted to talk to you about is the matter of bonuses to employees at the end of our fiscal year. We have not discussed this at all; and in view of the fact that most any plan that we might set up would have to be submitted to the Salary Stabilization Board, I thought perhaps it would be a good idea to recommend to you the plan that I have in mind - that is, if bonuses are to be paid at all. You will probably recall last year a special meeting was called of the Board of Directors at Diboll to discuss the matter of bonuses, and it was decided that they would be paid to managers, key men and outstanding employees; and this plan was to be carried out by the mills as well as the Retail Yards. After the end of the fiscal year, however, the Buzz Saw came out in big headlines stating that bonuses had been paid at the mills to all employees. This caused quite a bit of dissatisfaction among the retail people because the majority of them received no bonuses.

If it is not out of order, I would therefore like to recommend that bonuses be paid to all employees who have been with the Company one year or longer as follows:

1. All employees, except yardmen, who have been with the Company more than five years will receive one month's salary.

2. All employees, except yardmen, who have been with the Company for one year but less than five years will receive one-half month's salary.

3. All yardmen who have been with the Company more than five years will receive $50.00.

4. All yardmen who have been with the Company one year but less than five years will receive $25.00.

5. No bonuses will be paid to those employees who have been with the Company less than one year.

Last year we paid bonuses totaling $31,000.00; and if we pay bonuses this year, based on the above plan, the total will be very close to $33,000.00. This plan will penalize the managers and key men; but in view of the fact that for two years straight running all employees were paid a bonus and last year all employees at the mills were paid a bonus, I believe it would be much more satisfactory to cut down the amount paid the managers and key men and distribute it among other employees who failed to get a bonus last year.

It is true that our profits this year will be far less than they were for the year 1950; nevertheless, if bonuses are to be paid, I recommend the above plan.

McNair/WWT

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. September 27, 1951

Dear Dad:

I don't want to start a quarrel with Eck on this building over at Pineland, but the information I gave you was correct. Just as soon as the final touches are on the building I will give you a final statement giving all of the information you want. Such matters of taste like the tile and the changes in the rooms down on the north end of the building were certainly Eck or Eck's representative's instructions. I believe he turned this sort of thing over to John Powers. There is no use quarreling over spilt milk, but we certainly had nothing to do with the planning of the rooms.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. September 28, 1951

Dear Dad:

I see nothing wrong with Mr McNair's plan for paying bonuses if the wage stabilization board will approve it. Frankly, we are not entitled to do this, as I see it, unless it is within the regulations of the board. It is possible that this last six percent they authorized on salaried employees will allow us to do it, but I doubt very seriously if we will be able to do it on the wage earners. You will remember that previous to this time wages were increased to absorb the yearly bonus and therefore, I doubt that any such action would be legal.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. September 28, 1951

Dear Dad:

I wasn't going to bother you with this matter, but since Eck sent you a copy of his correspondence in regard to the group insurance I feel compelled to send you the reply from Calvin Lawrence. It is very strange to me that we have had no difficulty at all, whereas Eck seems to have more trouble than anybody. Every damn time he doesn't handle a matter from beginning to end he takes exception to it and gets sore. Actually, they are saving a lot of money under the present set-up and it is working out beautifully.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw
Encl.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** September 28, 1951

I note that Eck has posted a notice of an increase in wages amounting to 2.2% average. This does not strike me as the same increase which you have posted at Diboll, but maybe it is so nearly the same that the difference is negligible.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. October 1, 1951

Dear Dad:

With further reference to Eddie's letter on the trucking, I think that you will find that Pineland's increased revenue is partly due to the high freight rate on which they haul dimension stock. Also, I feel that we charge more to our trucks than they do, inasmuch as we keep detailed records.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** October 2, 1951

I am enclosing a letter which I received this morning from Charlie Gribble of Nacogdoches; also, copy of a letter I am writing him and copy of a letter which I am writing Jordan asking Jordan to send him a copy of the last financial statement of the TSE.

With little or no prospect I suppose of any dividend from the TSE, the thought occurred to me that you might like to buy Charlie Gribble's 31 shares. If so, you might make him an offer. If you are not interested, then I suggest thatthe TSE might take it in, allowing him par or anything up to that figure. I suggest par because I do have a smypathetic feeling for him, know that he has had a lot of hard luck, and under the circumstances would be disposed to be liberal with him. Wish you would please discuss this with Jordan, and whatever you and he work out will be all right.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

649 Logansport St;
Nacogdoches, Texas;
Oct 1, 1951.

Mr. Arthur Temple, Sr.
Texarkana, Ark

Dear Mr. Temple:

For sometime I have been wondering if there is any prospect of the Stockholders getting anything from the Texas Southeastern R.R. Co.

About 4½ years ago I had some trouble with my heart and was compelled to slow down and then for a year-and-a half I worked only half a day, - in the mornings. And then was compelled to quit work already. So I have been unemployed since July '48. Consequently my income has shrunk considrably.

Please write me and give me what information you can in regard to the T.S.E. I have some obligations to meet before the end of this year and just now don't see just how I can do so.

With kindest regards and best wishes,

Sincerely yours.

C. E. Gribble

CC Mr. Arthur Temple, Jr.
Mr. C. A. Jordan

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

October 2, 1951

Mr. C. G. Gribble
649 Logansport Street
Nacogdoches, Texas

Dear Mr. Gribble:

In writing you about your TSE stock I note that I failed to answer your direct question as to whether there is any prospect of a dividend.

Frankly, I doubt if there is. While the railroad is in good shape financially, its earnings are nominal, and there is always the need for investment for the improvement of the property. It was with the thought that there would not be any dividend on TSE stock this year that led me to write you in my other letter with the suggestion that you might want to sell your stock.

Sincerely,

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple Arthur Temple, Jr. October 3, 1951

Dear Dad:

According to Mr. Jordan, as of the first of the year the TSE Railroad had an authorized capital stock of 2500 shares of which 2343 were outstanding. They have a par value of $100.00, or a total outstanding capitalization of $234,300.00. In addition to this, we have a surplus as of that time of $199,271.00.

We have made about $20,000.00 this year subsequent to the last statement. This does not include a provision for income tax.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006.016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date October 3, 1951

I wrote Ernest Kurth and asked what he intended to recommend to the directors of Southland Paper Mills with respect to a dividend before the end of the year, and I know that you will be glad to learn that he has told me that it is his intention to recommend a dividend of $2.00 per share. In view of the fact that we own 45,304 shares of Southland stock, this will mean a considerable boost.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. October 5, 1951

Dear Dad:

Attached you will find the Defense Production Administration's authorization of our Certificate of Necessity which we have finally received. You will note from page 2 that they have eliminated practically all of it, but that they did actually give us some amortization privilege. The last paragraph states that Project 1 has been completed eliminated and 75% of Project II has been eliminated. It appears to me that only 50% of the remaining quarter of Project II has been approved, but we are going back at them on this matter since it has been so disappointing. I will let you know further. Please return these papers.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw
Encl.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. October 5, 1951

Dear Dad:

I am not going to write you a letter commenting on the statement this month, as there is no point in my commenting on it, since I don't understand it myself.

Yesterday when I found out that the overrun was 2% I knew that we were in for a bad showing. However, it's the same old thing about inventories. I am inclined to think that perhaps inventory may have been taken wrong last month, inasmuch as we showed an unusually large overrun. However, it could be that they made a mistake this time and therefore, the showing. I would like to comment, however, that in the past Henry always showed a minimum overrun of 10% whenever anything of this kind came up on the theory that everything would average out. I cannot see the justification for this, even though it may work out in the long pull. Any arbitrary adjusting of inventories doesn't suit me and I would much rather have this bad showing than to wonder if it was correct or incorrect. In other words, I would like to take my medicine now if I have any to take.

I know that all of this discussion that has been going on in the past few months about incorrect inventories in the flooring unit (incidentally, the flooring unit shows a good profit this month, which is undoubtedly due to the facts related in my last month's letter at which time we showed an exorbitant loss) and in other places must seem to you to be a pretty sloppy way of handling your business. It seems the same to me. However, in all fairness to the people taking the inventory these figures must be regarded at any time as approximate. It is a very difficult thing to take an exact inventory of quantities of lumber in process such as we handle. It must be borne in mind that all of these figures are an approximation and the best we can do is to be uniform about them wherever possible. I realize that this is a pretty weak statement and it is particularly disappointing to me, inasmuch as I thought this month would be a bell ringer. I still think that we had an unusually good month, as will be borne out in some statement in the future. I don't know if all of the above is clear to you, but will be glad to discuss it with you. At any rate, I hope we can all forget this month and have a good one in October.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. October 5, 1951

Dear Dad:

Attached you will find three letters, together with supporting papers from Coats & Burchard Company. They have agreed to revise their estimate down to $1,000.00 for sawmill 1, sawmill 2 and the planer. I would appreciate it if you would go over this with Wop and Josh in an effort to see if you want to go into this thing further and if we will come up with a complete report at the end through the combined efforts of Coats & Burchard and Mr. Heath.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw
Encl.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. October 6, 1951

Dear Dad:

Attached you will find a lease prepared covering agreement on a well in the south end of Jasper County. In my opinion, we have made an excellent deal here on the one-fourth acres retained under Cullen's lease. As you can see, we have leased them approximately 684 acres and we have retained 50% interest. This is a fairly deep test and a very expensive well. The Gulf Oil Company, Cullen, Houston Oil and American Republic are all interested in this well and that means that it probably is pretty good. I know that Cullen is very interested in it and so I am rather optimistic. I have not leased them everything that we have retained in this area and we have several tracts surrounding it which I have just retained for additional speculation over their protest. Please execute all copies and return them to me for delivery. This well will start digging right away.

I have completed a deal with McCrary to drill another well just north of his producer in Anderson County which should start digging in the next few days.

Also, Ernest Kurth's well is on location and should be spudding in right away. We have leased him 3,000 acres in this area and although the well is not on our land, it is not too far from it. We also have some open acreage near the well. We have about two more deals cooking, but nothing definite right now.

Incidentally, we are making some progress I believe on the deal with Stanolin, but it has narrowed down to leasing them all of Sabine County that is open and all of Angelina same. This involves about 110,000 acres and we are talking about a $165,000.00 shooting option for twelve months with a renewal for a like amount. Under it they would get a selection privilege on 3,000 acres and up for $15.00 an acre and possibly two more years at $1.00 an acre. We are still arguing about some fringe details, but hope to have something really definite on this soon. This cash wouldn't hurt anything.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw
Encl.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** October 8, 1951

I know that you are disappointed in having your Certificate of Necessity authorized by the Defense Production Administration cut down to one-half of one-fourth of the cost of Project II, which, as I figure it, means only $63,425.00. I was afraid that we would not be allowed anything for Project I, which was completed before the application was filed, so that there was little incentive for the Government to allow us any accelerated depreciation.

I don't recall just what I did say about giving you $50.00 if we were granted a Certificate of Necessity. I suppose I am obligated and will pay off just as soon as the Certificate is received. I did not stipulate any percentage of the full amount requested, did I?

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006.016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** October 8, 1951

I returned the Certificate of Necessity yesterday along with the lease on Temple Lumber Company's acreage in Jasper County. You should have had it this morning.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** October 8, 1951

I am returning the lease on Temple Lumber Company's acreage in Jasper County. Yes, I think you made a very good deal on this, and with the people who are in on it I am very hopeful that it may be very profitable for us.

I have also noted with interest other deals, as mentioned in your letter of October 6th. I am particularly pleased at the prospect of our getting something like $165,000.00 for a shooting option from Stanolind. A bird in the hand is worth two in the bush, and although we may some day get worthwhile production, up to date we have gotten far more from leases and shooting options than we have out of royalty.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** October 8, 1951

I have considered Coats and Burchard's latest appraisal, one for sawmill #1, sawmill #2 and the planing mill at a guaranteed cost not to exceed $1,000.00 with an annual revision at $150.00, with Josh, and he and I both think that such an appraisal is all that we require. If you agree, therefore, I suggest that you go ahead and sign the contract.

Inasmuch as we know the cost of all of the improvements which have been put in at Diboll in the last year or two, I don't see that an appraisal would be of much value on such additions. If we have sawmill #1, sawmill #2 and the planing mill appraised, I feel that what we will have will be fully adequate for any fire loss which we might have.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** October 8, 1951

I am enclosing The Kiplinger Tax Letter of October 6th, thinking that the last part of it pertaining to violation of wage controls might be of some interest to you.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

THE KIPLINGER TAX LETTER

WRITTEN PRIVATELY FOR CLIENTS

THE KIPLINGER WASHINGTON AGENCY

1729 H STREET, N. W., WASHINGTON 6, D. C.

Dear Sir: Washington, Saturday, Oct. 6, 1951.

Your taxes for this year and next year are pretty well settled. Rates, amounts, timing...whole pattern of new law is now clear. Individuals and business firms both will be affected...everyone. For most, higher rates, a bigger bite. For a few, some relief.

Individual taxes will climb about 2% this year, on '51 incomes, and approximately 12% on '52 incomes. These are rates for MOST taxpayers, married couples with incomes up to $60,000, single persons up to $30,000. Others, upper income groups, will have smaller increases...less than 12%. The bigger the income the smaller will be the tax boost, percentagewise.

Take-home pay of employes will be reduced, starting on Nov. 1. That's when the new and higher withholding rates will go into effect. Higher withholding than the law requires will also be allowed for employes who find that withholding rates do not cover tax liability. Extra amount may be taken out of pay, if employer & worker agree to it.

Corporation taxes will rise to a top rate of 52%, from old 47%. Will apply to three-quarters of this year's income, all of next year's. For small corporations...under $25,000 profit...rate will be 30%. For bigger outfits, additional tax of 22% on profit over $25,000. Excess profits tax on corporations will not be tightened in law. Base period credit will remain at 85%...won't be cut to 75% as suggested. And for many special cases, tax will be eased by new relief provisions.

Capital gains: The top tax rate will be kept at 25%, unchanged. Capital losses: Stiffer treatment. Short-term capital losses will offset long-term capital gains on a $1-for-$1 basis in the future. Present law allows $1 short loss to offset $2 long gain for tax purposes. Change will apply to taxable years that start after tax bill is signed. For most taxpayers, this means 1952. But for some fiscal year taxpayers, it will apply to transactions in rest of 1951. Hits individuals only.

Excise taxes will also go up on Nov. 1. (And prices will follow.) Affected lines will include liquor, sporting goods, electric appliances, cigarets, lighters, gasoline, automobiles, trucks, fountain pens, etc. Floor stocks taxes will have to be paid on all the inventories of liquor, beer, wine, and cigarets held by wholesalers and retailers. On gasoline, inventory tax will apply to all wholesalers, some retailers.

And higher occupational taxes. Liquor retailers will pay $50, instead of $27.50 a year...liquor & beer wholesalers, $200 for $110 now. And on bookies, a new $50-a-year tax...with stiff penalty for violation. Bets taken by bookies...a 10% tax, probably passed to "consumer."

The new tax law will be complex, will raise many new problems. Write us if you have any questions on it, and we'll try to get answers.

COPYRIGHT, 1951, THE KIPLINGER WASHINGTON AGENCY, INC.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

There's tax RELIEF in the new law, too, as well as tax increases. Benefits for business AND individuals...much for some, little for others.

Percentage depletion will benefit some minerals for first time, percentage increased for others. On coal, rate will go from 5% to 10%.

Coal royalties will get the benefit of capital gains treatment.

Income from unharvested crops sold with land will be capital gain rather than ordinary income. Provision is retroactive...to Jan. 1, 1951.

Livestock: Profit on draft horses and dairy or breeding animals held for a year or more will also be taxed as capital gain, retroactively.

Heads of households will get half of the split-income benefit now given only to married couples. Will apply where child or grandchild, or blood relative with less than $600 income, lives with the taxpayer.

Dependents will be able to earn up to $600 a year in the future without taxpayer's losing an exemption. In past, $500 was the maximum.

Family partnerships: A special provision will make it easier for businessmen to take in wife and children as partners...split profits.

Death benefits which are paid by employer to employee's survivors will be tax exempt if the benefits do not exceed $5000 for any worker.

Tax on sale of residence: Tax law will give homeowners a break if they sell one home, buy another within 12 months. No tax will be due on profit they make in selling the old home. That will be the basic law. But we've been flooded with inquiries on the way new provision will work. Regulations haven't been drafted yet, but here are some probable answers:

Only the principal residence of taxpayer is covered...his "home." No change in tax on sale of other houses...beach cottages, lodges, etc.

New home can be bought before or after sale of the old home... as long as bought within 12 months. Covers any sale after Dec. 31, 1950.

Entire proceeds of sale must go into new house to avoid any tax. If new home costs less than selling price of old, some tax may be due.

Building a new home: No tax if construction starts within year after sale of old home, and you move in within 18 months after the sale.

Reporting sale of residence...no special tax form will be used. Cost & profit data will be reported on Schedule D, as they always were, and taxpayer will note on the form that money is to be used for new home. Don't get careless because no tax is due...report all costs accurately. They represent tax basis that determines the tax you may eventually pay.

If tax return is due before you invest the proceeds in new home, you won't have to pay tax...just indicate that you INTEND to purchase new home within 12 months. If you change your mind, pay the tax later.

One jarring note: Tax break may only POSTPONE payment of tax. A taxpayer may buy 3 or 4 homes in a lifetime, each costlier than last. Under the new provision, he can make a profit on each sale, pay no tax. Trouble is, some day he may be hit with tax on ALL profits at same time.

Example: Sell $10,000 home for $15,000, put it all in new home, no tax. If new home is then sold for $17,000, taxable profit is $7000, difference between old basis of $10,000 and selling price of second home. As your family and your means grow, may find yourself with $50,000 home and a $10,000 tax basis. If you sell then and DON'T buy a new residence, you may be liable for capital gains tax on the entire $40,000 difference.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Corporations will have to report ALL dividends paid out in 1951, no matter how small. For prior years, only dividends of $100 or more had to be reported. The change has been in the wind for a long time, is now official (TD 5859). The date for reporting corporate dividends has been changed from Feb. 15...information returns are now due Feb. 28. The $100 limitation is retained for building & loan ass'ns, co-op banks, credit unions, a few others...they report only dividends of $100 or more.

Fiscal year corporations with tax years ending after Mar. 31 and before Oct. 1 will be required by new tax law to file Jan. 15 return, which will apply new corporate tax rates to part of their 1951 income. Jan. return is in addition to Oct. 15 return due from some corporations.

If you file on Oct. 15, HOLD BACK the return until last minute. Reason: You may be permitted to forget about the Oct. return entirely, file Jan. return instead. If so, no tax will have to be paid until Jan.

Deferred payment to by-pass salary controls is OK'd by Tax Court. Case applies to World War II rules, but may be equally applicable now. Proposed salary increase for firm's president was disapproved by Board. During war years he received only salary which was allowed. After war, when rules were relaxed, firm voted president additional compensation for services during war years. Court says extra payment is deductible as regular business cost in year paid (Buffalo Shook Co., Docket 26257).

Penalty for unintentional price violation is deductible expense, in year it was paid, even though decision fixing penalty was appealed. The deductibility of such payments has been established in many cases, but tax officials claimed deduction should not be allowed if the company challenges the amount of the penalty by appealing to a higher court. U.S. court disagrees (Utica Knitting Co. v. Shaughnessy, N.Dist.N.Y.). Payment was made, can be deducted...appeal makes no difference, taxwise.

Tax crack-down on price violators: Price officials have warned that tax men will be tougher on price enforcement than during last war. Defense act allows revenuers to disregard any payment over the ceiling. Overpayment may be disallowed as business expense, as cost of goods sold, or as part of tax basis. During last war, power to disallow was limited to over-ceiling WAGE payments, did not cover over-ceiling PRICE payments. The gov't tried it anyway...but was stopped by the courts in most cases. Now they have power they wanted...and officials warn it will be used. May raise constitutional questions...up to courts. We'll keep in touch.

Long-term or short-term gain: Tax Court rejects new arguments against its rule for determining meaning of phrase "more than 6 months." It rules that a futures contract acquired on June 19 and sold on Dec. 19 was not held for more than 6 months...and profit on sale is thus taxable at regular rates as a short-term capital gain, rather than 25% maximum which is applicable to long-term capital gains (Fogel, Docket No. 26265). Court reaffirms its long-standing rule that in computing period of time, day of first transaction is excluded...count should have started June 20.

Most states allow quick amortization of emergency facilities. Many businessmen don't think of state tax benefits in planning expansion. Latest state to authorize speedy write-off is Wisconsin...raises total to 30 states, plus Hawaii and Alaska. Generally follow federal pattern.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Freeze on fast amortization has been thawed for many companies. Sixty-day moratorium on new approvals was supposed to be tight...strict. Only most urgently needed defense facilities were supposed to get OK. But long list of certifications has been issued for less urgent plants... facilities which were planned, or even BUILT, before start of Korean war.

Pre-war expansions were under a deadline, according to officials. Certificates had to be issued by Sept. 23...or applications would expire. But the Revenue Bureau says this is not so, deadline is still months away for most firms...does not come until tax return is due on March 15, 1952.

Reason for freeze...THEORETICALLY...was to overhaul amortization.

Effect of freeze...ACTUALLY...is to deflect criticism of program. Mobilization Boss Wilson claims moratorium was needed to rejigger rules, in line with recommendations of Congress and suggestions of officials. But in practice it's silencing complaints about slowness and unfairness in amortization program. Not much action was expected during the freeze. So business got much more in way of tax benefits than was anticipated. Net, fewer gripes about the same inequities that caused a furor before.

Current freeze may be continued. There's talk of extending it for a few weeks past original Oct. 18 termination date. Reason for this: The policy revision is late. Officials are unsure about expansion goals, what to do about allowing amortization as a cost in gov't contracts, etc. If it's done, it will mean more time lost for average business firms.

Proposal to tax health and other welfare insurance contributions paid by employers for workers will soon get approval from the Treasury. New ruling will hold payments to be part of wages...taxable to employes. It was prompted by rapid spread of fringe benefits in union contracts.

Ruling was held up by complaints from unions, insurance outfits, but has now been cleared for final action. Will come out later this year, cover voluntary contributions as well as those paid under union contract.

Pension plans and annuity policy will NOT be covered by ruling. These are already taxable...after policies mature and payments are made.

First crackdown on wage control violators is about ready to go. Wage stabilizers have a string of cases involving serious overpayments, are now working out size of penalties...how hard to slap each employer.

Loss of tax deduction for WHOLE payroll of any group of employes in which a single worker was overpaid will be the severest punishment... together with disallowance of wages as cost in figuring gov't contracts. Not many companies will be hit this hard...yet. Officials will be lenient for a while...especially where "mitigating" circumstances are present.

Firms that are fuzzy about wage rules, forced to overpay workers by pressure of competition for labor supply, etc., will get off easiest. They will have only part of wage disallowed...more than the overpayment, but less than full amount of the overpaid workers' total compensation. However, where higher-than-allowed wage was to pirate labor, no leniency.

Crackdowns will mount from now on. Shortage of enforcement staff has hampered operations, but agents are being hired in growing numbers. And as rules become more familiar, violators will get stiffer penalties.

Yours very truly,

Oct. 6, 1951 THE KIPLINGER WASHINGTON AGENCY

N.B.→ QUOTATION NOT PERMITTED. MATERIAL MUST NOT BE REPRODUCED IN WHOLE OR IN PART IN ANY FORM WHATSOEVER.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** October 8, 1951

For fear that you may not see the report of Mr. Romeiser of Southern Hardwood Producers on his contacts with Mr. Schneider of Lone Star Ordnance plant and others, I am enclosing a copy which we received yesterday. I am sorry to say that this report does not hold out very much hope for Group III woods.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

REPORT OF CALL ON MR. SCHNEIDER, PROCUREMENT DIRECTOR, LONE STAR ORDNANCE ARSENAL TEXARKANA, TEXAS, AUGUST 17, 1951

Based on a report of discrimination against certain Southern hardwoods, a personal call was made on Mr. Schneider, in charge of ammunition box procurement for Day and Zimmerman, an engineering firm operating the Lone Star Arsenal for the Ordnance Department. E. B. Price of the hardwood sales department of the Southern Pine Lumber Company, Texarkana, notified us of this species limitation and aided in the presentation of our story to Mr. Schneider.

Mr. Schneider claimed at the outset that there was no intention to discriminate against Group III woods. He then gave us his reasons for not accepting gum and admitted that his personal experience was limited to ammunition box procurement during World War II at Laporte, Indiana. He stated, however, that his decision to bar Group III hardwoods, or gum specifically, was backed up by "experts" whose identity we were unable to determine.

Schneider stated that his experience with gum for ammunition boxes during the last war was largely unsatisfactory. He mentioned also that in a recent shipment of mortar shell boxes to the adjoining Red River Arsenal a large percentage of the gum boxes were rejected as being un-usable. It was apparent that Mr. Schneider would like to restrict the specification to Group I woods.

A strong point voiced by Mr. Schneider was that because of the severe types of exposure anticipated for the boxes before the ammunition is used by the troops it is essential that a species be utilized that has good "staying in place" characteristics. Schneider claims that gum warps and twists to such an extent that nails are pulled, hardware loosens, or the lids become impossibly stuck.

Of course, there are many answers to Schneider's objections and we covered them thoroughly. We pointed out that if the boxes are made in conformance with the specifications, gum will make as good a box and often a better box than the other species. Schneider stated that even under the new system of final inspection at the arsenal, they lost money on gum boxes. He contends the rejection rate is higher which causes slow-downs or even stoppages of the packing lines and thereby increases the costs.

Throughout our conversation we attempted to correct Schneider's mistaken ideas regarding the suitability of Group III woods for ammunition boxes. I believe we created some questions in his mind and he stated, in conclusion, that it was not his intention to rule out Group III woods permanently but at present felt he had no other choice.

Mr. Schneider's experience with poor gum boxes makes it extremely difficult to change his opinion in one call. In fact the real problem is an over-all one of getting well manufactured and properly seasoned gum into these boxes rather than the very poor stock which some box manufacturers use.

* * * * * * * * *

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

REPORT OF CALL ON MR. E. A. KELLY, PROCUREMENT DIRECTOR, LOUISIANA ORDNANCE PLANT, SHREVEPORT, LA., AUGUST 29, 1951

Following up the report by Mr. Kurz of Frost Lumber Industries and our telephone conversation with Mr. Kelly last week regarding the discrimination against Group III woods, a personal call was made at the Louisiana Ordnance plant which is now being operated by Remington-Rand, Inc. Mr. Kelly has been with Remington-Rand for 30 years and was their assistant director of purchases before coming to Shreveport.

Although Mr. Kelly seemed to have a good knowledge of lumber species and ammunition boxes, I could not make a dent in his attitude toward Group III woods. Kelly, of course, showed me the gum box an interested bidder left at his office about two weeks ago. In those two weeks it had warped and twisted badly and was not usable. The box demonstrated very well why dry lumber is important in box construction.

I believe Mr. Kelly was convinced that well manufactured and dry gum would make a good ammunition box but he had no confidence at all in the possibility that if gum was allowed they would get good gum. Because price is the basis for awarding the box contracts, Mr. Kelly claimed that allowing gum would mean, in most cases, cheap and poor gum. Even with their tough inspection he believes that their troubles would be increased to such a point that the boxes would cost them more than southern pine boxes. He said that so long as their ammunition box requirements did not become extremely heavy he would not take any of the chances he felt would be involved if Group III woods were allowed.

Under the present circumstances it will be difficult to change Mr. Kelly's ideas.

Based on this call at the Louisiana Ordnance Plant I believe our next step should be a complete discussion of the matter with the officials of the Ordnance Ammunition Center at Joliet, Ill. Lt. Col. G. W. Mulder is the proper official to talk to at Joliet.

* * * * * * * * *

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

REPORT OF CALL AT ORDNANCE AMMUNITION CENTER JOLIET, ILLINOIS - SEPTEMBER 25, 1951

The purpose of this call at the Ordnance Ammunition Center was to attempt to find answers to a number of questions which have arisen in connection with our efforts to have the Group III hardwoods permitted for ammunition box construction. I was unable to talk to Col. G. W. Mulder, Chief of the Material Division, however, I did have a profitable discussion with Major M. D. Hiers, Assistant Chief.

Contrary to previous reports the Ordnance Department has not yet directed that all arsenals under their control must accept any of the four groups of woods for ammunition boxes. The change in methods of inspection previously reported has been made in a number of Ordnance districts so that with inspection at the arsenal rather than at the manufacturer's plant, better compliance with the specifications will be obtained.

The Ordnance Department has recognized that one of their big problems in improving the quality of the ammunition boxes they buy is to eliminate, wherever possible, bidders who are not legitimate box makers but who have gone into the business with nothing more than a low bid. Operators such as these can be blamed for much of the strong feeling against gum in ammunition boxes. Any action that might be taken to eliminate the incompetent and irresponsible box makers will be a step toward the improved acceptance of good gum lumber in box construction.

According to the Ordnance officials, positive steps are under way to develop a system of classification whereby only properly qualified box manufacturers will be kept on the bidders list. At the present time few responsible box makers even submit bids because of the nature of the competition. If the Ordnance Department, with the cooperation of other individuals and associations, is able to get ammunition boxes from reliable manufacturers and fully in accordance with the specifications, Group III hardwoods may again be permitted.

The attitude expressed to me by several officials of the ammunition center regarding gum boxes was not good. Although much of it was pure prejudice, they do have service reports which make the job of re-selling gum more difficult. Fortunately some of the arsenal and ammunition center people realize that properly manufactured and properly seasoned gum will make satisfactory boxes. They know that much of the fault lies in the kind of contractors who have been providing the boxes and in the methods of inspection. Accordingly, I believe our approach should be one of cooperation and it was with this attitude that I spoke to the officials at Joliet.

I do not believe we can afford to again spend time and effort promoting the Group III hardwoods unless we are reasonably sure the right kind of lumber will be used. We know what bad gum will do, consequently I believe we should continue our work with the Ordnance Department to eliminate this material and thereby gradually regain confidence for gum as a good box species.

In regard to private firms operating Ordnance plants such as Remington-Rand at the Louisiana Ordnance Plant, the problem is slightly different in that the operator has more freedom of action. They, of course, will participate in any effort which will improve the quality of box contractor.

Red Stone Arsenal at Huntsville, Alabama, is outside the authority of

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

the Ordnance men at Joliet. It is anticipated, however, that they will follow any recommended improvements although they are responsible only to the Chief of Ordnance at Washington.

In spite of the fact that the trip to Joliet did not win the acceptance of Group III woods I believe we have a better picture of the over-all problem. Unless the irresponsible box manufacturers are eliminated and the specifications enforced rigidly, particularly regarding moisture requirements, I question that we, as the representatives of reputable southern hardwood manufacturers, should promote an excellent ammunition box species when unseasoned and poorly manufactured gum lumber continues to go into ammunition boxes.

* * * * * * * * * *

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. October 11, 1951

Dear Dad:

The bonus plan suggested by you and Mr. McNair and figured by Eck would figure about $43,000.00 here.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. October 12, 1951

Dear Dad:

As I told you previously, we have received our CMP rating on the steel for the rough shed and the mills have finally agreed to accept the order. Therefore, the bulk of it will be rolled in December, which should put erection up in the early part of next year.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

pied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:0

12/18

ARTHUR TEMPLE, JR.
DIBOLL, TEXAS

I suppose
going to Diana
tomorrow afternoon.
Probably Thurs.
afternoon. Have de-
cided Irvine
accompany
him.

W. T.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date October 18, 1951

Hobo Jack came in to see me Tuesday afternoon when I was pretty busy, and I told him that I could not see him but that he might come back next week. As he left, he said something about working on something for you, and I believe he mentioned some program which was being sponsored by Russ Palmer. He has mentioned Palmer to me several times and given me the impression that he has pretty well sold himself to Palmer.

Unless I should hear from you in the meantime, I will have nothing to do with Hobo Jack or make any contribution to him. I have been turning him down consistently in the past because I cannot help but think that the fellow is a fraud.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. October 19, 1951

Dear Dad:

Of course, Hobo Jack is a fraud. However, although I don't think he could help us any, he might be able to hurt us, so I keep putting him off and have, upon occasion, given him very small donations. There is nothing to him and I certainly wouldn't do anything for him.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date October 19, 1951
Dictated 10/18/51

I mentioned to you after the meeting in Pineland yesterday that I would like to get our personal obligations to the company cleaned up before the end of the year so that they will not show on our annual statements. These are, according to the last Diboll statement, Temple-Allen $6,056.93, Carrol Allen $2,881.37, Arthur Temple, Jr. $1,629.84. In addition to these, there is Temple Associates $13,886.21, which I assume is a current account for material purchased and, as a consequence, is of no concern to me.

I note that the Pentacostal Church owes $3,378.12, which I assume is a loan in line with your policy of helping Diboll churches. The same, I presume, is true of the F. A. A. Broiler House $3,014.36, that is, that this is a loan or advance possibly for materials which will be repaid in due time.

I also mentioned the Max Wortham account $1,720.15 as shown on the last statement, but you said that this had already been cleared.

AT:ld

Copied from an original at The History Center, Diboll, TX. www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date October 19, 1951

Ernie (E. O.) Harmon, who has worked on my Grassy Lake boats from time to time and who has just finished working two of them over, is a great squirrel hunter, and he has talked to me several times about hunting squirrels on the Neches River near Diboll. He will probably go down there in the next few days, probably the early part of next week, and I told him to contact you, and you would steer him to the best place to hunt squirrels. I really had in mind that you might give him a permit to hunt along the river in our Trinity County pasture. I will appreciate it very much if you will fix him up, because he has accommodated me a number of times and I will no doubt have occasion to call upon him again.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date October 19, 1951

I may have sent you a copy of Frank Taylor's letter of June 22nd in which he made us a proposition for an audit for 1951. However, in the event that you have not seen this letter, I am enclosing it and wish that you would please return it after you have read it.

I thought that I would make a point of contacting Mr. Rode the next time I am in Lufkin to find out what he would charge for making such an audit as Peat, Marwick, Mitchell and Company has made for us in the past. However, if you would be so good as to talk to him about it and get his ideas, I would appreciate it very much because with a trip to San Antonio next week for several days and then the trip to Washington and New York with the boys coming up at the end of next week, I don't see any prospect of getting down your way any time soon. Of course, an hourly rate would not be conclusive or much indication as to the overall cost, and if Mr. Rode could give us a guaranteed maximum fee such as Frank Taylor has proposed, that would be much better for comparative purposes. I presume you have on file all of the reports from Peat, Marwick, Mitchell and Company for 1950, which would give Mr. Rode some idea of the extent of the work involved. Bear in mind that there are two reports for each company, the report on the examination of accounts and supplementary comments, and the Retail Division of Temple Lumber Company, of course, is treated separately except for the supplementary comments.

I hope that you won't feel that I am putting off on you something which I should attend to. It just happens that it is not convenient for me to look after this now or for the next several weeks, and, knowing Mr. Rode as you do, I thought that you might be willing to discuss his doing the audit with him.

I rather like the idea of a company auditor. However, the difficulty is in finding the right type of man who would be qualified for this sort of work, and there is, of course, the possibility of collusion which you would not have in an outside, independent audit.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. October 20, 1951

Dear Dad:

I will communicate your wishes in regard to clearing up the accounts with Southern Pine Lumber Company to Carrol, although I don't think he is able to take care of them at the present time. I will also take care of mine before the first of the year. You are correct in your assumption of the church note and the broiler house note. These are being handled satisfactorily and will be taken care of as contracted.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date October 22, 1951

I don't want to work any undue hardship on Carrol, or anyone else as a matter of fact, in connection with what they owe the company. However, in the case of individuals or any debit balances which are in the nature of accommodations, I would certainly prefer that they be cleaned up before the end of the year so that they will not show on our year-end statement.

I don't know what the money that Carrol owes us represents. I hope, however, that he will be able to take care of it before the end of the year, and in any event I think that he should, perhaps, make some arrangement to liquidate the indebtedness from a regular monthly deduction from his salary if he has no other way of taking care of it.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple Arthur Temple, Jr. October 23, 1951

Dear Dad:

Today I talked to Carrol and he has agreed to take up his balance prior to the first of the year. I will do the same.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. October 23, 1951

Dear Dad:

Attached you will find a letter from Axley & Rode offering to do our annual audit for Temple Lumber Company and Southern Pine Lumber Company. You will see that their figures run about one-third of the proposal submitted by Peat, Marwick, Mitchell. I have gone over this with George and he feels that it is a very good proposal and, of course, we concur with Mr. Rode's suggestion that any specific irregularity be treated separately provided it runs into a major job. However, there have been very few of these and I doubt if he will find anything of this kind.

However, it is possible that we may want to go into methods and systems with him a little bit on a separate deal later and this, of course, would be treated in the same manner.

I would like very much for you to talk to Mr. Rode and wish that you would take this up with him to satisfy yourself as to his confidence, etc. I do not feel like pushing him, inasmuch as he does my personal work and perhaps I am a little over-enthusiastic about him.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw
Encl.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date October 23, 1951

I am looking forward with considerable interest to hearing from you about Mr. Rode's proposition. If I understood you correctly on the 'phone this afternoon, his charge will be approximately $6,000 overall, which strikes me as terribly low, and I wonder if it could include Temple Lumber Company, Pineland and Houston, Southern Pine Lumber Company, Diboll and Texarkana. In other words, all that was contemplated in Frank Taylor's bid of approximately $20,000 including expenses.

I have been considering rather seriously not having an audit this year because of the high cost. If, however, we can get it done for in the neighborhood of $6,000, I think that it will be well worthwhile, and I will be very happy to have this work done by a Lufkin firm.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date October 24, 1951

I am returning herewith the correspondence pertaining to your bid on the E. C. Durham land, cattle timber, etc.

I cannot feel very bad about losing out on this because we don't have any surplus money to invest, what with the building of the rough shed at Diboll and possibly the building of a new planing mill to complete the improvement program at Diboll. Another thing, I always have considerable doubt as to the advisability of our buying young growing timber on today's inflated prices when all the reports I have ever had indicate that we have ample young growing timber to take care of our cut at Diboll, that is, that the growth is sufficient if we had enough mature trees. As Henry Temple used to say, and as I have quoted so many times, "We have too many shoats and not enough hogs."

My inclination is to buy sparingly when prices are high and to maintain a strong cash position to be able to take advantage of bargains when prices are low. Back in the 1920's we expanded during boom conditions and, as a result, were hard pressed when the depression came, and we had considerable difficulty in meeting our obligations and were even forced to sell considerable acreage to the Government at prices which now seem ridiculous.

I would be interested to know who was the successful bidder on the Durham property. I wish that you would let me know when the information is available.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple Arthur Temple, Jr. November 5, 1951

Dear Dad:

Latane Temple has indicated to me that he would like to sell his 148 shares of TSE stock at around $50.00. I told him that it was worth more than this, but that would be all I would be interested in paying for it. I wonder if you would be interested in our buying this for the TSE. This would be $7,000.00 and we can afford to do it if you think it advisable.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** November 6, 1951

I think the TSE could well afford to pay Latane $50.00 per share for his 148 shares of TSE stock. With a book value of close to $200.00 per share I don't see how we could go wrong in doing this. At the same time I think that we are probably fully justified in holding the price down to $50.00 in view of the dividend paying record of the TSE and the prospects for dividends in the near future.

I have discussed this with Temple, and we are agreed that it will be all right to offer Latane $50.00 per share for his stock.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** November 6, 1951

I do not see much to our buying the Corrigan mill unless by doing so we could tie up the saw timber which Champion will have to offer and unless we can supply this mill with timber from Champion, and possibly Southwestern, without drawing on our own timber. If it would mean cutting our own timber, then it seems to me we would be hurting ourselves, because from all I have ever heard what we need is to cut as much as possible from the outside and leave our own timber to grow.

If we could supply this mill with timber from the outside, haul it to Diboll green and put it through our kilns, I can see that we would be able to cut down on our overhead and, I suppose, would have additional lumber to sell at a profit, all of which would be to the good. On the other hand, it would not appeal to me very much to handle the lumber at Corrigan through the mill, the planing mill and ship from there, because while we might be able to operate at a profit, we would run some risk of not being able to do so and we would have just that much more to look after. A lot would depend on what kind of a cutting contract you had with Champion: if on a percentage basis such as 25% of our f. o. b. average selling price, for instance, we would stand a better chance I suppose of coming out whole than if we agreed on a fixed price for timber on today's market.

While I am not enthusiastic about any further expansion, taking on anything more than we now have, I think the proposition ought to be figured from the standpoint of how it would fit in with our Diboll operation. If it would supplement that without increasing the drain on our own timber, then I think the proposition might be worth considering. I am not much interested in speculating on a mill to be salvaged and sold. That is foreign to our line of business and is, I think, fraught with considerable risk.

I wonder just how much saw timber Champion will have to offer. I have understood that Edens-Birch was hard pressed for timber, and I recall when they were figuring on the Grayburg timber it was stated that they had their backs to the wall and had to do something. As a matter of fact, I don't suppose they would be selling out unless their saw timber is about exhausted. Would Champion then be able to supply from 75% to 90% of the Corrigan mill's requirements, which I understood you to say in our phone conversation that you would be figuring on?

I have given some further thought since talking with you about going down to Houston tonight. I do not feel much like making the trip because I have not yet gotten over my trip to Washington and New York, and I have concluded that you might be in a better trading position if you do not have to make any definite commitments but can fall back on having to call me.

With our shortage of cash and with all that we can spend money on at Diboll, anything of this sort would have to look awfully good to interest me, and, as I stated, it would have to fit in with or supplement our Diboll operation. I am simply not interested in going out and engaging in new ventures which have little or nothing to do with our present operation even though they may hold the promise of profit. Goodness knows, we have enough to say grace over now, and, as I used to say to Gilbert back in the '20's when we were expanding, what does it profit a man to own the whole world if he has no money. That was the position in which we found ourselves when the depression

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

hit, assets galore, but we were in debt to the extent of about $2,000,000.00 and we made many sacrifices and suffered unmitigated hell before we got easy.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date November 7, 1951

I am returning Mr. Jack F. Laws' letter of November 6th in regard to the picture albums.

I think that the leather-bound picture album which you brought up for me to see is very attractive indeed, but I don't think that this is anything which we would want to distribute to any of our friends and customers, because I think that it probably has little advertising value, and it would run into a good deal of money.

I don't know of what use one of these albums would be to me. In a way it would be a nice thing to have, but, like the album of pictures of the Kirby Drive Yard, it would probably be laid aside and seldom referred to. In short, I think the one album which you have is perhaps sufficient for our organization.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date November 12, 1951

The showing of Diboll for the month of October is very gratifying indeed. If my analysis is correct, it shows what an increased volume will do.

I don't understand the small profit of $151.72 for the treating plant for October. I had hoped, too, that the loss of the stores was at an end, but possibility the loss of $992.89 for the month was a hangover from the old regime, that the new management had not had sufficient time to be fully effective.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date November 12, 1951

I wish that you would let me know what developed on your trip to Houston in connection with the Edens-Birch mill at Corrigan.

Inasmuch as I have not heard anything from you on this, I assume that there was nothing of interest in the proposition.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. November 13, 1951

Dear Dad:

In regard to the Edens-Birch matter, I met Jim Ben at the Texas State Hotel about 5:30 and he came down to my room and outlined his proposition. It seems that he was about to trade with Champion on the basis of $30.00 per acre for the land and $30.00 per thousand for the timber, which would amount to about six and three-quarter million dollars and they were hung up over the question of whether Champion would take the improvements and sawmill, or whether Jim Ben would keep them. This involved quite a bit of equipment and dry goods, etc., which ran the total up to about a million six hundred thousand dollars for the plant and miscellaneous. Of course, I told Jim Ben immediately that we were not interested in anything of that size and certainly not on such short notice. However, there was a side agreement which was rather tempting, except that I couldn't see any point in discussing it with such short time to make a decision. Champion had offered to let them keep the sawmill and stores, etc., and had agreed to sell them fifteen million feet of timber per year from their holdings not less than twelve inches and agreeing to mark all the timber on their land sixteen inches and up. This was to be sold to them at $32.50 per thousand and would run for five years. At the end of five years Jim Ben could elect to discontinue sawmilling and Champion would have to buy in the mill and the original figure less $180,000.00. However, if Jim Ben elected to do so they would continue to buy timber at the rate of fifteen million feet per year from Champion for another ten years. I guess this is a little hazy, but I have tried to put it in a few words. It is a rather complicated deal.

We, of course, were gratified over the showing at Diboll this month. However, your comment is justified on the Treating Plant and represents probably an accounting discrepancy. Johnnye indicated to me that this was one of his best months and he actually looked for a profit of around twenty to twenty-five thousand dollars. He still feels that the profit is there and that it will show up in inventory.

The problem at the store is one of adjustment. We have done a great deal to reduce overhead and further steps are being taken at this time. Also, it will take some time for Dick to build the sales up to where they were several years ago. I am happy about one thing though. The money that we take in is all there and there is no question

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

about whether a bunch of bad accounts are being accumulated. The thing is on a businesslike basis and I want to give all parties concerned ample time to work it out. It takes a little time to get our feet on the ground on these things and I hope you will be patient on the matter.

Judge Minton is examining the abstracts on the $325,000.00 deal and it looks as though we will close this if the title is okey. Our plan is to cut this with little mills principally, and ship on transit rates to Diboll. If we do this, we will probably shut down our night run on pine at the mill, because we will have sufficient volume to maintain our operation without it. In addition to this, it is anticipated that probably a third of this timber will come to Diboll in the form of logs. We would send only the larger stuff to Diboll and I am not sure that this would be practical in any sense. However, the timber is good, although small, and the price is right. Also, I am not overlooking the considerable tax advantage, inasmuch as we need a purchase at this time to establish fair market value for this year. We have purchased practically no timber this year and we are in bad shape from this standpoint.

Yours very truly,

Arthur Temple, Jr.

ATJ:LW

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. November 14, 1951

Dear Dad:

Dred Devereaux is retiring on the 15th of this month. Just whether or not he will remain retired is anybody's guess. However, I wonder if you would agree to give him a deed to his home, inasmuch as he has been an outstanding employee and has made the company a world of money. I would personally favor this and if it is all right, I will go ahead and do so. Please let me hear from you.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date November 14, 1951

I wish that you would please write me the particulars about the $325,000.00 timber deal in order to refresh my memory and to give me something in writing that I can put in my file. You discussed this deal with me when you brought the boys up for our trip to Washington and New York when my mind was pretty well occupied with the details of our trip, and I am not too clear on just what we are getting, where the timber is, etc. The main thing I am interested in is the location, the amount of timber and the price per thousand feet. I would, of course, like to have any other information which you think will be of interest.

As of October 31st we had $500,000.00 in Government bonds and $169,681.00 in the bank, not counting what Diboll had, or a total at both Diboll and Texarkana $197,097.00, according to the combined statement which Bob Waite gets up. Rather than sell some of our Government bonds at a sacrifice in order to send you the $325,000.00 you will need, we will arrange to borrow $100,000.00 from The Texarkana National Bank and we will send you The Texarkana National Bank's cashier's check for this amount, $325,000.00, payable to Southern Pine Lumber Company which I presume you can endorse over to the people from whom you are buying. Under this arrangement we will have very little money left to operate on, possibly $50,000.00 at this office, and unless our receipts are exceptionally good, we will probably have to borrow additional money to take care of our needs.

In view of our rather stringent cash position, I am inclined to forget about the Edens-Birch deal unless it can be definitely demonstrated that this would be an awfully good deal for us, one which we could not afford to turn down. We still have a good deal of money to spend for plant improvements, and I hate to see our cash going down and down, leaving little or nothing with which to pay dividends, etc., etc.

× Or exchange for 1st. State Bank's cashier's check.

AT:ld

P.S. Kah mailing check in time for you to have conference this afternoon.

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple · Arthur Temple, Jr. November 15, 1951

Dear Dad:

The $325,000.00 timber deal is as follows.

Fourteen million feet of pine from ten to eighteen inches located on 7,000 acres just west of Humble, Texas. It is located on the Southern Pacific and Missouri Pacific, both of which will handle green lumber into Diboll at $2.00 per thousand. This would give us an average price of around $23.00 per thousand, and on all except about two and a half million feet the grade is very good, although the timber is relatively small. All of us feel that this is an excellent opportunity to supplement our production without cutting our own timber and thereby reducing our cost. Also, the above is based on Scribner scale which is about lumber footage, which is just as good on a little mill set-up. However, for the purpose of our accounting we are setting this up as approximately nine million feet with a higher unit price, which will allow the customary overrun. This is not contrary to customary practice and it is not an attempt to mislead the government. This will help our outside purchases for the year considerably and I expect to have all of our profit this year covered by a long term gain. The fee title to this property was not bought. We have five years to cut it. There are a good many poles on the tract and we will, of course, go over it first for poles before beginning our sawmill operation. I will let you know more when there is more to report.

Yours very truly,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** November 15, 1951

I told you yesterday afternoon on the 'phone that I was thinking of going down to the mills next week. When I do go to Diboll, I would like to go by Pineland, too. However, I don't see how I can make it very well next week because I will have to be in Fort Worth next Tuesday for a meeting of the Trustees of the Episcopal Foundation of the Diocese of Dallas, which looks after the trust funds in the hands of the Bishop, and of course Thanksgiving comes on Thursday, and we are engaged to have dinner with the Cavens, which has become something of a tradition.

I will try to get down the early part of the week of November 25th. It would have to be the early part of the week because I have a meeting of the T&P Directors in Dallas on November 29th.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. **From** Arthur Temple **Date** November 15, 1951

I am dividing the stock which I purchased from Mrs. Cox between you and Ann and, accordingly, enclose Temple Lumber Company's stock certificate #237 for 48 shares in your name.

AT:ld

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

Mr. Arthur Temple . Arthur Temple, Jr. November 17, 1951

Dear Dad:

I got quite a surprise when I received the 48 shares of stock in Temple Lumber Company from you. It was very thoughtful of you to make this gift to me and I appreciate it very much.

Sincerely,

Arthur Temple, Jr.

ATJ:lw

Copied from an original at The History Center, Diboll, TX www.TheHistoryCenterOnline.com 2006:016

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. Arthur Temple, Jr. From Arthur Temple Date November 21, 1951

When you engaged the services of Kester Denman, I thought that we were probably overstaffed with legal talent and so wrote you at the time, and I have expressed the same thought to you on several occasions since. I am convinced that we are employing too many lawyers, and as much as I like Kester, I wish that you would please arrange for Mr. Minton to look after all of the title work, preparing of deeds, leases, etc. that we require, thus obviating the necessity of employing Kester further.

I understand that there is a possibility of Mr. Minton's moving his office to Diboll in order that he may be better able to look after our business. I am very much in favor of that, and I wish that you would please work out what you can along that line, too.

AT:ld