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CC-Clyde Thompson, Diboll, Texas
CC- A. L. Banks, Temple Lbr. Co., Lufkin, Texas

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

ANNUAL CAPACITY OF OUR OWN MILLS 250,000,000 FEET

TEXARKANA, TEXAS

August 12, 1939

Mr. R. G. Park, Purchasing Agent
Merritt-Chapman & Scott Corporation
P. O. Box 659
Lufkin, Texas

Dear Mr. Park:

I am forwarding the originals of your two letters of August 11 pertaining to your order #12 to our Diboll office. Evidently they were mailed to us in error.

I am very sorry that I did not get to see you a few days ago when I was in Lufkin attending a meeting of the Directors of Southland Paper Mills, Inc. I would like to have discussed with you the possibility of your favoring our affiliated company, Temple Lumber Company, at Lufkin, with some business. In conversation with the local manager of Temple Lumber Company, Mr. Banks, the other day, I learned that they were being given an opportunity to quote but were not getting any orders for cement, plaster, tile, and various other items which you are buying locally, although they had figured their prices down to rock bottom. Mr. Banks told me of a quotation on plaster where he figured five cents per ton profit, but the business went to one of his competitors and, unfortunately, the Temple Lumber Company yard has reached the conclusion that it is impossible to get any of this business and that prices are being solicited merely as a matter of courtesy or for the purpose of getting lower prices from one of their prominent competitors. I feel that such is not your purpose in asking Temple Lumber Company for prices, but at the same time, it is hard to figure out why they are not getting some of your business when they have quoted almost without profit.

The Temple Lumber Company yard has, I believe furnished some nails to the paper mill, but these sales have been made through Lufkin Foundry and Machine Company. For my part, I do not see why it should be necessary for our yard to deal through a third

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party when we have invested to the extent of approximately $450,000 in stock of Southland. Such an investment, I think, justifies favorable consideration of any quotations made by Southern Pine Lumber Company or Temple Lumber Company and I am sure it will be your disposition to give such favorable consideration if you understand the circumstances. Possibly you did not know the connection between Temple Lumber Company and Southern Pine Lumber Company. The ownership of the two companies is virtually the same. Temple Lumber Company is in the retail business, however, while Southern Pine Lumber Company is altogether manufacturing and wholesale. In writing you in behalf of Temple Lumber Company, I am asking only for an even break and a fair distribution of the business where their prices are in line.

Yours very truly,

A. T.

Mrs. Barnes - Please

Glad to do this.

AT:mok

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cc - H. G. TEMPLE - DIBOLL, TEXAS.

E. G. PRUD'HOMME
PINELAND, TEXAS.

ARTHUR TEMPLE

APRIL 4, 1945.

I HAVE JUST READ YOUR LETTER OF MARCH 30TH TO HENRY AND A COPY OF YOUR LETTER OF FEBRUARY 21ST ADDRESSED TO ME, BUT WHICH WAS NOT MAILED IN THE ORIGINAL FOR THE REASONS SET OUT IN YOUR LETTER TO HENRY. YOUR DISCUSSION OF THE ADVANTAGE OF CONTINUING TO OPERATE THE SAWMILL IN DIBOLL IS VERY INTERESTING TO ME AND I AM SURE THAT THERE IS CONSIDERABLE WEIGHT IN YOUR ARGUMENTS.

ALTHOUGH I HAVE ALWAYS KNOWN THAT ANY DISCUSSION OF SELLING OUT, CLOSING DOWN OR TAKING ANY ACTION THAT WILL MEAN THROWING OUT OF EMPLOYMENT ANY APPRECIABLE NUMBER OF EMPLOYEES DOES HAVE AN ADVERSE EFFECT UPON THE MORALE OF AN ORGANIZATION, I HAVE NEVER THOUGHT THAT OUR DISCUSSIONS WERE HAVING ANY SUCH EFFECT AT DIBOLL BECAUSE THEY HAVE ALWAYS BEEN WHAT I MIGHT TERM NEBULOUS, WITH NO DEFINITE PLAN IN MIND, AND I HAVE NEVER RECEIVED MUCH IF ANY SUPPORT TO THE IDEAS WHICH I HAVE ADVANCED, IDEAS WHICH I HAVE THROWN OUT LARGELY FOR THE PURPOSE OF STIMULATING DISCUSSION. I HAVE NEVER DISCUSSED TIMBER FARMING OUTSIDE OF THE IMMEDIATE OFFICIAL FAMILY EXCEPT POSSIBLY WITH EDDIE FARLEY WHEN HE HAS BROUGHT UP THE SUBJECT, AND I DID NOT HAVE ANY IDEA THAT THIS QUESTION WAS BEING CONSIDERED SERIOUSLY BY ANY OF OUR EMPLOYEES UNTIL CLYDE MENTIONED IT JUST AS WE WERE BREAKING UP ON WEDNESDAY, MARCH 28TH, OUTSIDE OF THE ANGELINA HOTEL. AFTER GETTING HIS REACTION, I WROTE EDDIE FARLEY, WITH COPY TO HENRY, BECAUSE EDDIE HAD SUBMITTED AN ALTERNATIVE PLAN TO OUTRIGHT TIMBER FARMING, AND IN THIS LETTER I SUGGESTED THAT WE ALL BANISH TIMBER FARMING FROM OUR THOUGHTS AND DISCUSSIONS AT LEAST UNTIL SOMETHING NEW CAME UP TO JUSTIFY A CHANGE IN OUR OPERATING POLICY. I DID NOT WRITE TO CLYDE BUT SINCE RECEIVING YOUR LETTER THINK THAT IT PROBABLY WOULD BE ADVISABLE TO DO SO.

AS STATED ABOVE, MY IDEAS ABOUT TIMBER FARMING HAVE BEEN PUT OUT TO STIMULATE DISCUSSION TO GET OTHERS TO EXPLODE THOSE IDEAS OR SHOW WHERE THEY WOULD NOT WORK OUT IN PRACTICE. WE FREQUENTLY HEAR THE EXPRESSION THESE DAYS OF A TRIAL BALLOON. MY IDEAS ABOUT TIMBER FARMING HAVE BEEN PRETTY MUCH JUST THAT. AT THE SAME TIME I MUST CONFESS TO YOU THAT I HAVE NOT HEARD MANY GOOD ARGUMENTS AGAINST THE IDEA OF CLOSING DOWN THE SAWMILL AND SELLING OFF OUR TIMBER AS IT GROWS, AND WHAT I HAVE HAD IN MIND IS NOT SELLING ANY FIXED AMOUNT EVERY YEAR. THE PRINCIPAL ARGUMENT WITH ME HAS BEEN THAT UNDER TIMBER FARMING WE COULD SELL WHEN THE MARKET IS HIGH AND WOULD NOT BE FORCED TO SELL AS WE ARE WHEN WE ARE SAWMILLING ANY CERTAIN AMOUNT WHEN THE MARKET IS BAD. WHEN WE ARE OPERATING A SAWMILL WITH A LARGE OVERHEAD, WE HAVE TO SELL. BACK IN THE DEPRESSION DAYS, FOR INSTANCE, WE WERE PERHAPS GIVING AWAY OUR STUMPAGE OR PRACTICALLY SO WHEN WE MIGHT HAVE LEFT TIMBER IN THE WOODS TO GROW. AS FOR A MARKET, WITH THE SCARCITY OF TIMBER GENERALLY, I THINK THAT WE PROBABLY WOULD ALWAYS BE ABLE TO SELL SUCH TIMBER AS WE WANTED TO SELL, OR IF WE DIDN'T SELL IT IT WOULD STILL BE IN THE WOODS PUTTING ON GOOD GROWTH ALL THE TIMBER. I REALIZE FULL WELL THAT MY POSITION AND THAT OF OTHERS IN MY IMMEDIATE FAMILY IS DIFFERENT FROM THE POSITION OF THE RANK AND FILE OF STOCKHOLDERS, OR THOSE

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WHO DO NOT OWN AS MUCH STOCK, AND LARGELY FOR THAT REASON AND ALSO BECAUSE OF SENTIMENT AND THE RELUCTANCE TO THROW OUT OF EMPLOYMENT SO MANY PEOPLE WHO HAVE BEEN WITH US FOR YEARS AND YEARS, I HAVE NEVER SUGGESTED TIMBER FARMING VERY SERIOUSLY.

FOR MY PART I AM PERFECTLY WILLING TO FORGET TIMBER FARMING UNDER PRESENT CONDITIONS, JUST AS I WROTE EDDIE FARLEY AND SUGGESTED THAT HE AND OTHERS DO LIKEWISE. CERTAINLY THE LAST THING IN THE WORLD I WANT TO DO IS TO CAUSE ANY UNEASINESS IN OUR ORGANIZATION, AND IF ANYONE MENTIONS THE POSSIBILITY OF SUCH A PROGRAM TO YOU OR TO HENRY, TO WHOM A COPY OF THIS LETTER IS GOING, I WISH THAT YOU WOULD TELL THEM THAT SUCH A PROGRAM IS VERY REMOTE AND IT IS JUST SOMETHING THAT I HAVE BEEN THINKING ABOUT WITHOUT ANY SERIOUS INTENTION OF PRESSING.

AT.IM

HGT - I WISH THAT YOU WOULD PLEASE PUT CLYDE'S MIND TO REST ON THIS MATTER AND ALSO QUIET ANY FEARS THAT ANYONE ELSE MAY HAVE IF THE OCCASION OFFERS. I DON'T SUPPOSE THAT IT WOULD BE WORTHWHILE TO WRITE TO CLYDE FOR YOU CAN SHOW HIM A COPY OF THIS LETTER IF YOU CARE TO DO SO.

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CC Mr. J. C. Parks
C/o Temple Lumber Company
Lufkin, Texas

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

February 21, 1946

Mr. Curtis W. Fenley
C/o Musslewhite & Fenley
Perry Building
Lufkin, Texas

Dear Mr. Fenley:

In accordance with your letter of February 19th I have signed the deed to Mr. Walter S. Parks as attorney in fact for Arthur, Jr. and enclose it for your further handling.

Yours very truly,

AT:ld

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CC Mr. W. L. McHale, Lufkin
Mr. H. G. Temple, Diboll
Mr. S. F. Styles, Houston
Mr. J. E. Parr, Lufkin

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

March 4, 1946

Mr. E. L. Kurth, President
Southland Paper Mills, Inc.
Lufkin, Texas

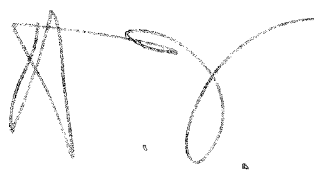
Dear Ernest:

Not only because of our financial interest in Southland Paper Mills, but also because of our interest in Lufkin and Angelina County generally, we want to do our part in the new construction program and will be glad to furnish lumber and other materials from Diboll and from the Temple Lumber Company yard at Lufkin in the same proportion as building materials were furnished by Diboll and the Lufkin yard in the original construction.

You realize, I am sure, that we are severely handicapped by the shortage of lumber and other building materials, and we are unable to do much toward taking care of the demand, especially since the Government has placed additional restrictions upon us recently. We are having to put a large part of our production into special cutting in order to come out whole under OPA prices and we are having to reserve 40% of our construction lumber for HH Ratings, which dosen't leave very much so called "free" lumber, and it is lumber of that designation, I believe, that would have to be used at the paper mill. Then, too, we have a great many commitments out, aggregating a considerable volume of lumber and, I assume, other materials as well, but in spite of all this, we do want to do our part and are agreeable to handling our proportion for the paper mill as outlined in the paragraph above.

I am sending Henry Temple at Diboll and Jimmy Parr, presently in charge of the Lufkin yard, copies of this letter, and if you will have someone figure up our proportion based on the proportion of lumber and other materials we furnished either directly from Diboll or through the Lufkin yard for the original construction, they will do what they can to supply it.

Sincerely,



ST:ld

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Mr. E. A. Farley, Diboll
Mr. S. F. Styles, Houston

Mr. H. G. Temple, Diboll Arthur Temple March 6, 1946

You and Jimmy Parr both received a copy of Ernest Kurth's letter of March 5th in regard to our participation in supplying the paper mill with lumber and I presume other building materials which will be needed in this expansion program. This is in reply to the letter which I wrote to him a few days ago suggesting that we participate in the same proportion as we participated in the construction of the original mill. He brings out the point that there have been two construction periods, the building of the original mill and the addition of the chemical pulp mill.

I am not very familiar with how we were treated on the construction of the pulp mill but I do recall distinctly that when the original mill was built Angelina County got first call on the lumber needed and that was in the time when we and everybody else were anxious to sell lumber and needed the business. I am inclined to think that the Lufkin yard was probably favored to a great extent on the chemical mill construction. However, Jimmy Parr will probably be able to check that on his records. Regardless, however, of the past, I do feel that we are interested in Southland, not only financially but otherwise, and for the sake of harmony I would be disposed to cooperate in supplying what we can now. I realize that we are not in a very good position to do much what with our committments on railroad, car material and implement stock, and our committments to the Temple Lumber Company yards and Temple Manufacturing Company. No doubt we will have very little so called "free" lumber, and it is my understanding that this is the category under which lumber furnished for the paper mill expansion would come. I simply want to commend this project to you and Jimmy Parr, however, for your consideration and to express the hope that we may be able to do a share that will be acceptable and satisfactory. Possibly I am of too forgiving a nature; if so, I feel that it is better to err on that side than to be resentful of past injuries.

AT:ld

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Mr. S. F. Styles, Houston Arthur Temple April 22, 1946

Arthur, Jr. has for some time complained about the percentage of lumber which the Lufkin yard is allocated as compared with what other yards are getting and he has contended that Lufkin ought to get more because their percentage of lumber sold as compared with total sales is ~~comparatively~~ low. In other words, they make their lumber go farther than the yards on an average and considerably farther than such yards as Houston, Heights and the Lumber Market.

Whether there is any justice in his contention or not, I don't know, but I think that the main thing that hurts him is to see Angelina Lumber Yard getting so much more lumber from Keltys than our Lufkin yard is getting from Diboll with the result that many of the Lufkin yard's old customers not being taken care of by us are going over to our competitor. I don't know where I got the information but I believe someone who is in a position to know told me that Angelina Lumber Yard is receiving 350,000' per month from Keltys while our Lufkin yard, as you know, has been allocated 100,000' or less than three times as much.

I have told Arthur that I don't have anything to do with the allocation of lumber which is allotted to the Temple Lumber Company yards. This is something that is worked out in Houston and certainly is a problem of management with which I should not have anything to do. I am sure that you and Bill Hinkle are trying to work the allocation out so as to be fair to each and every one of our thirty-two yards and I know, too, that it is not an easy thing to satisfy the managers of all of these yards under present conditions of ~~the~~ scarcity. As far as I know the allocations are reasonable and fair unless more weight should be given to the point Arthur makes, namely, that their favorable percentage of lumber sold compared to total sales should be given more weight, and I don't see why Goose Creek should have been given more lumber to sell in 1945 than Lufkin when their profit was between one-fifth and one-sixth of Lufkin's, and for that matter, I cannot help but wonder why Goose Creek's showing was not better than it was last year.

I don't want to be in the attitude of urging a policy to favor Lufkin because Arthur, Jr. is there. I am, of course, interested in the Lufkin yard because of Arthur, and not only on that account but also because Lufkin is in our front yard. All I do want is for all yards to be treated fairly, and knowing you and Bill Hinkle as I do, I am sure that is your policy. Bill is probably more responsible than anyone else for the allocation of lumber to the several yards if, in fact, he is not entirely responsible for the allocation, and I know that there is no more conscientious man than he.

AT:ld

cc- A. F. Sr. Lufkin

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cc: Mr. Arthur Temple, Jr.
Mr. E. A. Farley

Mr. S. F. Styles, Houston Arthur Temple April 24, 1946

I am enclosing a full-page advertisement cut out of the Lufkin Daily News of April 22nd, which I received in the mail this morning from Eddie Farley. I can't quite figure out the motive which impelled Angelina Lumber Yard to put this full-page ad in the paper. There may be an implication that other building material dealers are taking advantage of Lufkin customers, but I don't suppose the charge is directed against our yard.

AT:ld

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Sunday, April 28, 1946

Mr. S. F. Styles,

Houston, Texas.

Dear Styles:-

Let's go ahead with our meeting at Diboll Tuesday afternoon. I have heard from both Henry and Eck, and they think it is a good idea for us to get together, discuss the advisability of putting more of our production, particularly at Pineland, through the Temple Lumber Co. yards. Temple is agreeable to such a program. The only question is, is it good policy, and I think we should meet to act on that as a group rather than have it decided from the top. I think we can undaubtedly cut down on railroad and car material, and implement stock, at Pineland without any adverse effect in the future, and the overall profit, not the profit of any one unit, is what we should all be interested in.

I don't think Arthur's main consideration is more lumber for the Lufkin yard. I think he is arguing for more lumber for the Temple group, the same as Bill Hinkle has argued. I am inclined to think there is merit to their arguments.

Aside from all other comsiderations, I think it is desirable for all of us to get together from time to time. So, will look forward to seeing you and Bill at Diboll Tuesday afternoon. If you think it advisable, you might suggest that Zimmerman meet us there Wednesday morning: I don't think Tuesday afternoon would be appropriate, do you?

Yours,

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May 10, 1946

Mr. Arthur Temple
Southern Pine Lumber Company
Texarkana, Texas

Dear Mr. Temple:

We have your letter today in regard to five hundred square feet of bronze screen wire in 24" or 26" widths preferably.

I have contacted all of the hardware stores and the Angelina County Lumber Yard here in Lufkin and also the store at Keltys in regard to getting this wire but there is not a square inch in town.

I also contacted a gentlemen at Jacksonville that I knew but he only had one half roll of 26". I also contacted Mr. Clyde Thompson down at Diboll. I had shipped them some bronze wire some few weeks ago but they did not have any in stock. He also told me that he had gotten a letter from a company in New Orleans that he would be able to get some bronze wire and he told them that they just did not need the bronze wire. However I told him that we would like for him to write this company and ship what he could direct to us.

We received a confirmation today from the Houston Office of two rolls of 42" bronze wire which I am sure we will receive within the next few days. If you wish to get these two rolls, please advise us by return mail.

Yours very truly,

J. E. Parr

JEP:JT

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Mr. H. G. Temple, Diboll Arthur Temple May 11, 1946

The paper mill continues to do mighty well; in fact, the statement for April and for the year to date, which I have just received, indicates that from a net earning statement April was the most profitable month to date and the first four months of 1946 far surpassed any four months' operation in the mill's history.

According to this statement, the mill showed a net profit before depreciation of $193,886.00 for the month of April, depreciation $50,000.00, leaving net income before taxes $143,886.00. For the four months of the current year these figures are: net profit before depreciation $655,640.00, depreciation $200,000.00, leaving net income before taxes $455,640.00.

AT:ld

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June 11, 1946

Mr. Latane Temple
4801 Crestwood Drive
Little Rock, Arkansas

Dear Latane:

I had quite a long talk with Jimmy Webb this morning about your going back to work for Temple Cotton Oil Company. It was the first opportunity I had had since visiting with you Sunday because, as you know, I have been tied up on the jury much of the time. However, I am glad to say that I was excused this morning until Friday and may be entirely through for this term of court.

Jimmy's attitude was quite antagonistic. He harks back to the letter which you wrote several years ago to me at my request, the letter in which you criticized certain practices which prevailed in the cotton seed oil industry, but which he took as criticism of him personally, and he feels as he has felt all along that you should not have gone over his head to write the letter to me even though I may have requested it. Such an attitude is, in my opinion, all wrong and I told him that I, as head of the company, had a perfect right to communicate with and get reports from any employee of the company and that when I had gone to such men as Eddie Farley at Diboll, Sek Prud'homme at Pineland or Arthur, Jr. in the retail division of Temple Lumber Company, there had been no feeling on the part of Henry Temple, who is in charge of our operations at Diboll and Pineland, or on the part of Styles, who is general manager of the retail division of Temple Lumber Company. The conversation ended with my remarking as I walked out of the office that I doubted that you would want to work with Jimmy in view of his attitude.

I cannot help but feel that your association with Temple Cotton Oil Company would be unpleasant for you under the existing circumstances. However, if you want a job with Temple ~~Lumber~~ Company, it is there for you. I feel that you have a right to work for the company which transcends any personal animosity because you are T. L. L. Temple's grandson, you are one of the family, and I am sure that most, if not all, of the family, constituting a big majority of the stock interest, would like to see you affiliated with the company, develop in the business, and it is my desire that you should eventually occupy a position of responsibility. My idea has always been to have one of the family coming up in each branch of business in which we are interested. I would not, however, want you to make any sacrifice of your own happiness nor would I want to see the business torn by internal dissension.

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SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

June 4, 1946

Mr. S. F. Styles, Houston
Mr. M. H. Tripp, Dallas
Mr. E. G. Prud'homme, Pineland
Mr. H. G. Temple, Diboll
Mr. Arthur Temple, Jr., Lufkin

Gentlemen:

Some months ago when I signed up for the Air Travel Plan and deposited $425.00 with American Airlines, it was my impression that the 15% discount on one-way fares which had prevailed before the war was back in effect or would be in effect shortly thereafter. It appears, however, that this discount has never been reinstated, and as far as I can see, there is no advantage whatsoever to our participation in this plan; but, on the other hand, it requires unnecessary bookkeeping because transportation is charged to our account and this office has to send a debit memorandum to Temple Manufacturing Company, Dallas; Temple Lumber Company, Houston; or whatever office is involved.

Bob Kaite and I have talked about this plan a good deal and have decided to ask each one of you to have holders of air travel cards not to use them hereafter but simply hold the cards for a while until we see whether or not the discount is reinstated. I am sure this will work no hardship on anyone because, as stated above, there is no advantage to the plan except the very doubtful possible advantage of not having to carry as much money for transportation as one otherwise would.

Yours truly,



AT:ld

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Just as I said at the stockholders' meeting in January, I would like to be relieved of the presidency of the company because I think that that office should be occupied by someone who knows more about the cotton seed oil business and someone who is in a position to give it more of his time and thought. The last thing in the world I want to get into is an unpleasant controversy and frankly I am not going to subject myself to the nervous tension which would accompany such a controversy. I do not receive any salary, of course, from Temple Cotton Oil Company but even if I did, I would not be dependent upon it. There are a number of stockholders to some of whom their financial interest in the business is more important than mine is to me. At the regular meeting of stockholders, which I think is supposed to be held in August, therefore, I will probably again propose that I be relieved and someone else elected in my place. I mention the stockholders' meeting although, of course, I know that it is the board of directors which elects officers; my refusal to stand for re-election might have some influence upon the election of directors.

Jimmy would not agree to let you know when he will be in Little Rock either by writing you or through Knight, with whom he is in frequent contact by telephone. His idea was that you should seek him out if you desired to talk with him rather than that he should pave the way for a meeting. I don't know what you will want to do under the circumstances, but if you should desire to see Jimmy on his next trip to Little Rock, you can no doubt find out when he will be there from Knight. I doubt very much if you will want to see him under the circumstances.

Affectionately,



ATild

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SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

June 12, 1946

Mr. Latane Temple
4801 Crestwood Drive
Little Rock, Arkansas

Dear Latane:

As requested in your letter which I received this morning, I am having two copies made of the letter which you wrote to me in January, 1942, the letter in which you made some suggestions to improve some of the bad practices which prevailed in the cotton seed oil industry. I am enclosing one of these for you and will send the other one to Arthur today. By the way, you may be interested to know that I sent a copy of the letter which I wrote to you yesterday.

Your letter of June 11th was written, of course, before you received my letter of yesterday. In view of the developments which came out of my conversation with Jimmy Webb yesterday morning, I don't think there is much point to discussing your letter except to say that I would be entirely agreeable to carrying out our original plan but for the fact that I don't know that there would be much for you to do unless you did take over the handling of the company's receivables, which would include looking after the two Gibson accounts and liquidating the Tom Gibson assets. Another thing, I think it might be rather inconsistent for you to live in Little Rock, so far away from the head office if you were to be assistant to the president. However, all of that is beside the point. I don't believe you are going to want to be associated with Temple Cotton Oil Company under the present management and to avoid any unpleasantness, which would be very distasteful to me, I think the best thing to do is to wait until the annual meeting, when I hope a new executive head will be chosen. In the meantime you will have your apartment building to look after and your barbecue pit and rotisserie to promote if it is your intention to proceed with that line. Incidentally, let me suggest that you do not go through with your idea to build these items at the Temple Cotton Oil Company plant. To do so would cause friction under the circumstances.

Affectionately,

AT:ld

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Mr. S. F. Styles, Houston Arthur Temple June 15, 1946

Temple and I have talked a good deal about the new order out of Washington restricting the purchases by retail yards to two cars per quarter or 7% of their January 1942 inventory, and, knowing just how serious this is going to be to our yards, we have concluded that it would be advisable for us to get together at Diboll to discuss the effect of the order upon our yards and try to devise some means of overcoming it.

I will have to be in Lufkin to attend a meeting of the Executive Committee of Texas Lumber Manufacturers Association at noon Wednesday, and since this other matter ought to be attended to with as little delay as possible, we suggest that we get together at Diboll at the earliest hour possible Tuesday afternoon. Temple and I will drive down from here early Tuesday, probably have lunch in Lufkin and proceed directly after lunch to Diboll. I presume you would like to come up with Bill Hinkle, but if for any reason it will not be convenient for you to make the trip, I wish that you would tell Bill of our plans and have him attend the meeting to represent the Temple Lumber Company retail division.

AT:ld

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CC Mr. Arthur Temple, Jr.

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

June 15, 1946

Mr. Latane Temple
4801 Crestwood Drive
Little Rock, Arkansas

Dear Latane:

I had a very pleasant conversation with Jimmy Webb this morning, the first time I have had the opportunity since his trip to Little Rock Thursday.

I am awfully glad that you and Jimmy got along as well as you apparently did. Jimmy was very happy about his conversation with you, and from what he said of your reception of him I am very hopeful that you and he will get along all right together and that your association with Temple Cotton Oil Company will be pleasant and profitable both to you and to the company. Jimmy, I think, is really very happy to have you back in the business which, I am sure you know, is gratifying to me.

With much love to you all.

Affectionately,

AT:ld

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Mr. H. G. Temple, Diboll Arthur Temple July 15, 1946

Referring to your letter of July 13th, I would be very glad to see you appoint a committee consisting of Arthur, Jr., Eddie Farley and Lee Estes to have supervision of the clubhouse at Boggy Slough, and if you are in agreement, I see no reason to wait for the appointment of such a committee. Arthur, I am sure, will be glad to serve, and I believe that Lee and Eddie will, too. I would suggest in this connection, however, that you advise the members of the committee that they are not to make any major expenditures without your approval. This, of course, would not necessarily apply to ordinary maintenance and repairs. I mention this because Arthur suggested when he was up here last week that two attic fans be installed, one in each dormitory, and I question the advisability of any such expense because the clubhouse is used primarily during the fall and winter months and only to a very limited extent during the hot weather and then only by a few individuals for their own pleasure.

I would be very glad to see both Lee Estes and George Smith admitted to the Boggy Slough club membership. I think they should be. They are both key men in our organization, and I think should be entitled to all of the privileges of membership in the club. I don't know what the club by-laws provide for election of new members. I suggest that you investigate this feature and be governed accordingly.

AT:ld

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Mr. H. G. Temple, Diboll Arthur Temple July 16, 1946

For your information the paper mill showed a net profit before depreciation of $180,460.00 for the month of June and, after allowing $50,000.00 for depreciation, a net income before taxes of $130,460.00, or $84,460.00 net income after taxes. For the six months' period - January to June inclusive - these figures are: net profit before depreciation $990,211.00; depreciation, $300,000.00; net income before taxes, $690,211.00; net income after taxes, $507,211.00.

This first half of 1946 is the best six months' period in the paper mill's history and with the recent advance on newsprint, which I have read about in the newspapers and which I assume will be applicable to Southland's products, I suppose it is reasonable to assume that the second half of 1946 will be even better than the first half.

AT:ld

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September 16, 1946

Mr. Latane Temple
4801 Crestwood Drive
Little Rock, Arkansas

Dear Latane:

You will probably recall at the meeting of stockholders of Temple Cotton Oil Company held last January I made the suggestion that I would be willing to sell my stock in Temple Cotton Oil Company at $10.00 per share, and I assumed Marguerite, Georgie and Gertrude would be willing to do likewise if we could get $10.00 per share, the value placed upon this stock by the Government for estate tax purposes, and provided the indebtedness of Temple Cotton Oil Company to Southern Pine Lumber Company would be paid. Newman took this up right away and indicated that he would like to have the opportunity to work on a deal which would result in accepting my proposition, but I was not particularly keen about having him do it, and I was restrained somewhat by the fact that Arthur had paid more than $10.00 per share for the stock which he bought from T. L. and might be involved in a freeze-out or deal which would not be to his interest.

I have recently been giving some further thought to such a proposition, and for my part I would be willing to sell my stock for $10.00 per share, or cost to me, for what stock I inherited, provided Southern Pine could be paid in full, and I wonder if you, or perhaps you and Arthur, would not be interested in seeing what you could do along the same line which Newman contemplated. I feel quite sure that Georgie and Marguerite would follow my lead and be willing to sell, but doubt if Gertrude would because of Newman's attitude.

Affectionately,

AT:ld

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SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

October 1, 1946

Mr. Latane Temple
4801 Crestwood Drive
Little Rock, Arkansas

Dear Latane:

I received your letter this morning and in the same mail one from Arthur, both of which I was glad to get because they give me some knowledge of what you and Arthur discussed here last Thursday, and I am glad to know the lines on which you are thinking because I have not seen Arthur since he was here.

I would see no objection to the plan which you suggested under which we would give you an option on our stock for two years during which time you would see what you could do toward liquidating the indebtedness to Southern Pine but for the fact that you could not finance the operation of the mills unless the properties were free of lien, and I would have some hesitancy in relinquishing control without some protection for Southern Pine. I don't know that I would have much objection except for the fact that you might have difficulty in financing the business and but for the fact, too, that the organization might blow up causing confusion which might react unfavorably on the business and jeopardize Southern Pine's interest.

As far as I am concerned, I would be perfectly willing to give Arthur my stock in Temple Cotton Oil Company to be relieved of my present concern, and the thought has been running through my head this morning that possibly Marguerite would give hers to Bobby and Georgie might be willing to give hers to you since I have heard her express the desire to do something for you. If you three could get our stock, you would have 6,033 shares out of a total of something like 8,440 of the common stock, or control, and might be able to borrow sufficient money to pay off the Southern Pine indebtedness. Frankly, I don't know whether you could or not, but it might be worth a try.

Another plan that might be tried would be for you to contact someone who might be interested in buying the Little Rock mill and someone who might be interested in taking over the Hope mill to see whether or not you could sell these two properties. Swift and Company was interested in Little Rock several years ago after their mill at Little Rock burned, but at that time I could not see the advisibility of selling Little Rock without the others. My idea was to get out completely if we got out of Little Rock. Since then Mr. Lloyd Spencer, President of First National Bank at Hope,

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has intimated that he might be interested in taking over the Hope mill, but I have never been able to get much expression out of him as to what he would be willing to pay for it, and I have been led to believe that he would want it at a bargain if he would buy it at all. However, these two, Swift and Company at Little Rock and Mr. Lloyd Spencer at Hope, might be good prospects. That would leave only Ashdown and the feed mill at Arkadelphia and, frankly, I don't see much prospect of doing anything with it unless you would sell the machinery to be moved and installed in a mill in some more productive territory. Maybe it would be advisable for you to see what might be done along this line because I would not want to load you, or you, Arthur and Bobby, up with something that might entail a loss, and since you are not enthusiastic about the cotton oil business, maybe a plan to dispose of the properties and liquidate the business would be better than one under which you would continue it.

From every consideration I certainly would like to get out of the oil mill business, and would not hesitate to give my stock away or to sell it for whatever I could get if it were not for the indebtedness to Southern Pine. I feel a very strong moral obligation, if not a legal one, to see that that indebtedness is paid. The only trouble to giving my stock away is that a gift tax might be involved, and I certainly would hate to pay a gift tax for the privilege of disposing of something that I do not want at all. However, a thorough audit might disclose the fact that there is no equity in the common stock, and for that matter there would be no tax on the stock which I inherited if the value of the stock is not in excess of $10.00 per share, and I doubt that it is because I don't think the stock is worth any more now than it was in October, 1935, when the Government put a value of $10.00 per share on the stock in Father's estate for estate tax purposes.

I have talked to Jimmy about making a trip to Little Rock with him some time when convenient for me to go. I could not go last week because I had to be in Lufkin and Diboll to negotiate with the C.I.O. and to meet a representative of the Internal Revenue Department, and I can't go this week because I have agreed to drive Katherine to Lufkin tomorrow by Dallas, but if nothing unforeseen comes up to prevent, I will try to make the trip with Jimmy next week. In the meantime, I wish that you would be turning the matter over in your mind. If you could come down to Texarkana, that probably would afford us a better opportunity to talk privately and more completely. What would you think of coming back with Jimmy if he goes up to Little Rock Thursday? In the interim I will try to discuss the matter with Arthur when I see him in Lufkin tomorrow night and Thursday morning.

Affectionately,

AT:ld

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SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

October 4, 1946

Mr. Martin Dies
C/o Collins, Dies, Williams & Garrison
Lufkin, Texas

Dear Martin:

You may recall that yesterday morning while in your office I mentioned the platform adopted by the Republican State Convention at Mineral Wells and the keynote address given by Mr. Currie of Dallas. I thought both of these were so good when I read them that I asked the Republican State Committee to send me a considerable number of each, which I found on my desk when I returned last night.

I am sending two copies of each of these pamphlets and wish that you would hand one of each to J.J.. I am sending these to you in the hope that I may encourage you, as well as others, to support the Republican ticket in the general elections to be held next month although I must acknowledge that you may have, probably do have, good and valid reasons not to do so. Personally, I intend to support the Republican nominees for all offices except that of Governor, doing so with not much hope of electing Republicans to the several offices but rather to encourage the development of a second strong party in Texas.

Sincerely yours,

AT:ld

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CONCLUSION

For a good many years now the so-called liberal faction of the Democratic Party has been attempting to oust the Jeffersonian Democrats from all participation in party affairs in Texas. In this effort the radical element has had the whole-hearted support and cooperation of the National Democratic Administration. It should be apparent that the only practical way to restore true democracy in the United States is through the Republican Party. We respectfully invite and strongly urge all those citizens of Texas who believe in the principles of this platform in preference to the past performance and apparent plans of the New Deal, to support these principles by voting for the nominees of the Republican Party. Only in this way can Texas secure the many advantages of a two-party government, and command the respect in our national affairs to which it is entitled.

REPUBLICAN STATE TICKET — 1946

United States Senator—Murray C. Sells, Gladewater, Gregg County.

Governor, Eugene Nolte, Jr., San Antonio, Bexar County.

Lieutenant Governor, John A. Donaldson, Victoria, Victoria County.

Attorney General, H. L. Ratliff, Corpus Christi, Nueces County.

Associate Justice, Supreme Court, Place 1—Howell Ward, Corpus Christi, Nueces County.

Associate Justice, Supreme Court, Place 2—S. D. Bennett, Port Arthur, Jefferson County.

Associate Justice, Supreme Court, Place 3—Andrew Longaker, San Antonio, Bexar County.

Judge Court of Criminals Appeals—H. L. McCune, El Paso, El Paso County.

State Railroad Commissioner—Frank A. Blankenbeckler, Austin, Travis County.

State Comptroller of Public Accounts—Tom Freeman, Gatesville, Coryell County.

Commissioner of General Land Office—Chas. F. Adams, Jacksonville, Cherokee County.

State Treasurer—Dr. S. A. Lawrence, Paris, Lamar County.

Superintendent of Public Instruction—Mrs. Margaret Conger, Waco, McLennan County.

Commissioner of Agriculture—No Candidate.

REPUBLICAN CONGRESSIONAL CANDIDATES, AUGUST 24, 1946

District	Nominee	Address
2	Don Parker	Liberty
4	Floyd Harry	Farmersville
5	W. J. Rutledge	Dallas
6	Mose Blumrosen	Corsicana
8	Richard F. Burns	Houston
9	Sam Hamburger	Columbus
12	Elton M. Hyder	Fort Worth
18	Frank T. O'Brien	Amarillo
19	Mohler D. Temple	Lubbock

TO OUR FELLOW TEXANS

Free government can function only through political parties. There are only two parties in our country.

When your party abandons the principles for which you stand, you have no recourse other than going over to the party which supports such principles. Otherwise, by voting with your party, which has thrown your principles overboard, you are hastening the complete destruction of your principles.

We earnestly appeal to all Texas Democrats who believe in a

Government by Law and Constitution
Vs.
Government by Bureaus

to join our ranks and participate in our activities and help us make Texas a two-party state and preserve a free and solvent government.

Yours for a two-party State,
R. B. CREAGER,
Republican National Committeeman for Texas,
GEO. C. HOPKINS,
Republican State Chairman,
615 Southland Life Bldg.
Dallas, Texas.

PLATFORM

REPUBLICAN STATE CONVENTION MINERAL WELLS, TEXAS AUGUST, 1946

PREAMBLE

There are two major political parties in the United States —Democratic and Republican. Logically, those citizens of Texas who believe in the political philosophy of the National Democratic Party and who approve of its practices should affiliate themselves with that party. Those who approve of the political philosophy and practices of the Republican Party should affiliate themselves with the Republicans. Those citizens who do not approve whole-heartedly of either party should vote for the candidates of that party whose plan of action is more nearly in accord with their personal views.

The Republican Party of Texas offers to the people of this State a group of candidates, all of whom believe in the American way of life, and who pledge themselves to work harmoniously for the accomplishment of the principles set forth in this platform.

1. RIGHT OF SUFFRAGE.

There has been much criticism by National Democratic leaders of the $1.75 poll tax levied by Texas as a registration fee for voting. It seems to us, however, that a law which requires candidates for party nomiantions in Texas to pay a filing fee which may run as high as $1,250.00 per candidate merely for the privilege of entering the candidate's name upon the ballot is a much greater impediment to good govenrment than the poll tax.

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We demand the repeal of the antiquated Terrell election law which has signally failed in its announced purpose of keeping the negroes out of the Democratic party, and its replacement by a modern law in which party primaries are all held on one date at state expense and the right to run for party office is secured, not by an exorbitant assessment, but by a nominal filing fee plus a petition signed by a specified number or percentage of qualified voters placing their candidate in nomination. We believe that a qualified Texas voter should be free to vote in whichever primary he may choose, and to vote in November according to the dictates of his own conscience. We further demand that Texas voters be given the privilege of every American citizen—a secret ballot.

2. CONSTITUTIONAL GOVERNMENT.

We reaffirm our faith in the Constitution of the United States. We believe in the dignity of the individual and in the principle of local self-government—the same principle of state's rights to which the Democratic party was devoted in its years of greatness.

3. LABOR.

The working men and women of America are entitled to organize for their mutual benefit just as other groups of American citizens are entitled to pool their resources for the purpose of engaging in business; but no groups of American citizens, organized or unorganized, are entitled to make war upon their fellow citizens. Mob violence, whether perpetrated by a lynching party or by an organized group for the purpose of personal financial gain, is a breach of the peace, and no self-respecting government should permit it. Every American citizen should be free to work at a job on terms of his own choosing, and he should not be compelled to join a union in order to do so.

We believe that the Wagner Act should be rewritten to permit civil damages for violation of labor contracts, to give courts review power over board findings of fact, and to deny benefits in strikes violating contracts; that monopolies of labor, as well as of capital, should be prohibited by law; that labor unions, as well as corporations, should be prohibited from using the funds of their members in order to influence elections; that labor unions should be required to conduct fair annual elections and to publish annual accountings of the use made of their funds; that the closed shop should be prohibited by law, and that freedom of speech should be the privilege of all Americans, employers as well as employees.

We sincerely believe that these reforms are not anti-labor, but are in the best interest of the working men and women of America.

4. NATIONAL DEFENSE.

Our splendid American men and women have won the shooting war; but the political bosses of the New Deal are rapidly throwing away the fruits of their dearly purchased victory. Thinking first in terms of votes with which to perpetuate themselves in office, and counting confidently upon the blind adherence of the South to the name of the Democratic Party, the national bosses of that party have reached the conclusion that the radical communistic elements of our voting population control the balance of political power in the United States. For the purpose of courting this radical vote, the un-American policies proposed by the leaders of the CIO have been adopted by the New Deal Administration as its own, and communists and fellow travelers have been placed upon the federal payroll and in high policy making positions in our government by the thousands. The infiltration of our government by alien sympathizers is approaching very dangerously the situation which undermined the national character of France even before her invasion.

We demand the immediate discharge from the government payroll, and especially from all positions of policy making and of public trust, of all communists and their fellow travelers.

5. ECONOMY.

The private industry of our country is in urgent need of more men and women to assist it in creating and distributing the manufactured products and commodities so desperately needed in America and in the world today. Despite this fact, the federal government insists upon retaining upon the federal payroll hundreds of thousands of unnecessary employees, thus retarding our reconversion from war to peace, holding up production, preventing the return of a balanced budget and destroying the true value of the national savings by inflation.

We demand the immediate abolition of all unnecessary government bureaus and of all unnecessary government spending in order that our federal budget may be balanced and the burden of excessive taxation presently necessitated by the wasteful policies of our federal government, may be reduced.

6. JUDICIARY.

As a result of fourteen years of the New Deal, the Supreme Court of the United States and a large part of the federal judiciary have lost the respect of the entire nation. Instead of the tests of experience, character and ability, which were formerly applied in making judicial nominations, the primary requisites of a New Deal appointee have been radical leanings and a willingness to decide any and all cases on grounds of political expediency; to function, not as an independent branch of the government, but as a part of a political machine.

We decry the delegation to judges of our Supreme Court and of subordinate courts of executive and of party functions, and demand the restoration of our judiciary to its constitutional position as a separate and coordinate branch of our government.

7. VETERANS.

The high soundign promises of the New Deal to our returning veterans have not been kept. Under the pressure of organized minorities, their rights to seniority in jobs have been dissipated; even the right to work at all must in many instances be purchased by the payment of a union initiation fee. The G.I. housing problem has been made into a political football. The right to go into business for himself has been hamstrung by a maze of federal regulations.

The least that our government owes to the returned veteran is the right to go back to work, free from racketeering and compulsory union membership; to reestablish homes and business and to return to the American way of life, unhampered by the red tape of bureaucratic regulations. We pledge ourselves to do our full share in this non-partisan matter.

8. AGRICULTURE AND STOCK RAISING.

We believe that the only desirable function of government in agriculture and stock raising is to conduct research and to make available to our farmers and stock raisers the best information possible pertaining to soil conservation and to new and profitable methods of raising and marketing their produce. Adequate roads should be furnished from the farm to market. The thousands of government regulations, originally imposed by the New Deal for the purpose of constricting production, and later continued and multiplied for the purpose of promoting the totalitarian state, should be repealed, and in their place a new program should be immediately instituted, designed not to reduce but to increase production, to restore to the farmer and rancher freedom of decision as to the products he will raise and market instead of having every phase of his activities dictated by government bureaucrats at Washington, and to return to the farmer and rancher a free instead of a regimented market.

9. EDUCATION.

The education of our youth is a matter of prime importance and vitally essential to the future of our country. We do not believe that our great University of Texas or any other state educational institution should be infiltrated with communistic or radical leadership, nor do we believe that such institutions should be used as political footballs. The dignity and importance of the teaching profession should be recognized and adequately compensated. Adequate and equal opportunities for education should be made available to all, regardless of race, creed or color.

10. CARE OF THE AGED AND HANDICAPPED.

The provision of adequate financial assistance to old folks, of adequate hospitals for mental incompetents, an adequate rehabilitation program and proper care for the blind and other Texas citizens who are physically handicapped,—none of these matters should be a partisan issue. Nevertheless, it is our duty to point out that after many decades of complete domination of the government of Texas by the Democratic Party, justice has not been done to any of these Texas citizens. We demand full Texas participation in the federal old age assistance program, and adequate and just assistance and care for our citizens who are mentally and physically handicapped.

11.

We believe that our Texas women should be freed from the antiquated restraints which are still maintained against them by the Democratic Party. We have full confidence that they have sufficient intelligence to handle their own affairs and believe that they should be given by law full freedom of personal contract.

12. SOCIALIZED MEDICINE.

We are absolutely opposed to the socialization of medicine whether it be attempted in the name of a "Comprehensive National Health Program" or of any other high-sounding title designed to conceal the true purpose of the attack.

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land and received all his training in what these fellow travelers refer to as the blighted region of the nation.

Examples could be multiplied but the point has been made. While the educational system of Texas may not be perfect, it is sufficiently well developed so that our boys and girls are not handicapped in their contacts with boys and girls from other areas.

Thus far the southern states have rejected this propoganda. Too well do we know that "he who pays the fiddler calls the tune." Once let the south accept that kind of bounty and it would be only a few years until some of those communistic thinkers would discover that the south was misusing the money and controls would be established under threat of withdrawal of the funds. Once the new course was established the south would have no alternative but to continue because it would depend upon federal grant for the money necessary to maintain its educational institutions.

That such a course would wreak havoc with America as we know it is not open to question. Ask any returning soldier who has served in Italy and Germany what the greatest problem is and they will all tell you that it is the re-education of the Nazi and Fascist youth and the elimination from their immature minds of the false philosophy of totalitarianism]. It is a matter of common knowledge that in order to accomplish this purpose we have had to destroy all text books published by the Nazis and to re-introduce into the German schools the text books formerly used. That task is long and difficult. Whether it will ever succeed is seriously open to question. **It must not happen here:**

The plain truth is that there wolud be no danger of its ever happening here were it not for the voluntary servitude in which the south has placed itself to the Democratic Party. If it ever happens it will be because the south continues to vote for that which it does not want, thus enabling these un-American forces to continue their underground efforts.

It is, therefore, apparent that if this Nation is to be saved from totalitarian philosophies the south must do the saving. It is peculiarly fitting, I think, that this responsibility and this opportunity should be placed upon and granted to the south. For in all of this great Nation of ours, the south is the region in which the native born American most strongly predominates.

I do not mean to cast any aspersions upon those of our citizens who have adopted this country. I do not mean to imply that many of them are not patriotic Americans. But I do say that we native born with our background and traditions, have a heritage in this country which they could never fully understand nor appreciate. Our ancestors fought for this country. It was our blood which established and maintained it as a haven of refuge for the oppressed people of the world. We are the ones who opened the door and permitted them to come in and to share with us the blesings of liberty, equality and opportunity. Unfortunately some of them betrayed our confidence. It is high time that we of the south remind these Robert F. Wagners and Felix Frankfurters that we did not invite them here with the expectation that they would bring with them the self-same foreign ideologies which were responsible for the oppressions from which they fled. Since it is abundantly clear that they have thus abused our hospitality, we must take appropriate measures to draw their fangs.

What can we, as southern Republicans do to assist in the taking of these appropriate measures? We can do two things:

1. We can, in our conventions, nominate the strongest men we can prevail upon to accept our auspices, as our candidates for congress, to go there as Republicans and thus help to assure that control of the next House will not vest in the northern wing of the Democratic Party. Even the election of a conservative Democrat will not do, because he will vote for Democratic control of the House, and this control is all that the present administration hopes to get. This program may sound hopeless but it is not so hopeless as you may believe. In 1944, in the Fifth District (and I mention this only because the approximate figures are known to me) we were only 14,000 votes short of a majority, out of nearly 100,000 votes cast. An outstanding candidate and a vigorous, though not necessarily an expensive, campaign participated in by all loyal Republicans, might conceivably spell the difference. At any rate, hopeless or not, we can at least try. And we can thereafter feel that we did our best to provide our fellow Republicans in other states with a workable, Republican majority, and contributed our bit toward the defeat of the New Dealers' first objective.

Moreover, such a campaign will do much to assist us in the performance of our second great duty. We have a positive duty to our state, to our southland, and to our nation, to invite and receive into full political fellowship with ourselves, the true, constitution-loving Southern Democrat. At present he has no home. We must prepare a place for him. We must so conduct ourselves that in our ranks he will feel at home. He must be given something to work for—not two years from now—NOW!

Once a Southern Democrat accepts our invitation, we must take especial care to see that there is no semblance of favoritism shown to those of us whose Republicanism is of longer duration.

And now, I ask your indulgence that I may, in your behalf, deliver a message to the absent Southern Democrats. This message is from my heart and I am convinced that it bespeaks the sentiments of each of you:

Sons and Daughters of the South: Hear our appeal. Unite with us! Unlike the opposing faction of your party, we pledge you that in our midst you will have to undergo no period of repentance. We Republicans do not consider that your actions have been such as to call for repentance. The door is now open, the opportunity is here, the time is now. But let me warn you that while we shall never shut the door in your face, the time is fast approaching when an entrance would be ineffective to preserve our institutions. May I remind you that this PAC program has no chance of success if the southern states show unmistakably that they will surrender their traditional party membership rather than submit to it. On the other hand, if the Southern Democrat pursues the policy of hoping that he can have his cake and eat it too, the contest will be close indeed, and the outcome certainly not free from doubt.

Oh, you who love the south, her traditions and her institutions; you who have participated in a great conflict to destroy these very idologies in other lands, will you sit idly by and permit this invisible enemy without our gates to fasten these same isms upon our land? Will you, the proud possessors of that southern blood, which has always been freely offered in defense of liberty, now retire to the sidelines, render passive assistance to the enemy and let your northern brother carry the fight alone?

The choice is yours, We can only make the offer. We need you in the Republican Party. Positions of responsibility within our organization are yours for the acceptance. We are not hungry for power or for patronage. We hunger only for the return of constitutional government to America, and an assurance that the blessings of liberty for ourselves and our posterity shall be preserved. Without you our task is hard indeed. Together we shall be invincible!

To Our Fellow Texans:

Under our American system Free Government can function only through political parties. There are only two major parties in the United States.

When the party with which you have been affiliated abandons its fundamental principles; the principles in which you believe; such principles as States Rights, individual initiative, respect for property rights, freedom from the tyranny of bureaucrats; that party has abandoned and left you without a political home.

When this has occurred, but one recourse remains; but one avenue is left open; and that is to sever connection with the Party which has ceased to represent your views and affiliate with the party which more nearly stands for the things in which you believe.

Should a thing so trivial as a Party name be permitted to interfere with a duty so plain, a purpose so high? Surely not.

The Republicans of Texas sincerely and earnestly appeal to those citizens who find themselves out of sympathy with the political theories and actions of the Democrat Party to affiliate with us, thus making effective their political views and giving to our beloved State the inestimable benefits of the two party system.

Yours for a two-party State,

R. B. CREAGER,
Republican National Committeeman for Texas.

GEO. C. HOPKINS,
Republican State Chairman,
615 Southland Life Bldg.
Dallas, Texas

KEYNOTE ADDRESS DELIVERED TO REPUBLICAN STATE CONVENTION, MINERAL WELLS, TEXAS, AUGUST 13, 1946, BY RALPH W. CURRIE, OF DALLAS

Mr. Chairman, Honored Guest, Ladies and Gentlemen of the Convention:

Although we are assembled here as Republicans, it shall not be merely as Republicans that I shall address you. My remarks are directed to you as southerners, as Texans and as Americans.

I speak to you upon the subject:

"We Southerners, Our Opportunity and Our Responsibility."

This topic is one that is very close to my heart. I was born, raised and educated in the south. My southern heritage dates back to the year 1732. My grandfathers, as simple soldiers of the line, wore the Confederate grey and one of them served under Stonewall Jackson. Does it appear strange that with this southern background I should be a Republican? No! It is because I love the South, her traditions and her institutions that I am a Republican. It is my deepest conviction that only through the Republican Party will the south be saved from a fate that it does not deserve and which its people would die rather than to endure.

There is no longer any question that the policies of the National Democratic Party are diametrically opposed to the overwhelming sentiment of the south. For example:

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The south by a great majority favored the "Case Bill" which sought to improve labor relations and to place reasonable restraint upon the power of these arrogant labor leaders who are doing so much to retard recovery in this country. The northern wing of the party stood for the principle that labor unions should be above the law and while the majority of the people opposed this view, the Northern Democrats were able to prevail because the President agreed with them and vetoed the measure.

Certainly no self respecting southerner, be he Republican or Democrat, wants the nefarious FEPC bill, proposed by the Democrats, enacted into law. Yet the administration is bending every effort to secure its passage.

The south opposes socialized medicine. The administration wants to cram it down our throats. The anti-poll tax bill is a clear insult to the southern people. In this connection permit me to call your attention to an article appearing in the current issue of **The Southern Weekly** (August 7, 1946) which in a very clear and forthright fashion analyzes the position of the National Democratic Party. If there should exist any lingering doubt about the anti-southern attitude of the Democratic Party, that doubt could no longer persist in the light of the facts stated in that article. I commend it to your attention. I suggest its dissemination among your southern Democratic friends.

In brief, it is only correct to say that there is not one major domestic issue confronting the country today in which the south finds itself aligned on the side of the administration.

The tragedy is that the administration openly proclaims that it does not care what the south thinks. It is the firm conviction of Hannegan, Wallace, Murray, Wagner, Guffey and others who control the destinies of the Democratic Party, that the south could not be driven from the Democratic ranks no matter what the provocation. And, it must be admitted, the facts thus far developed support their theory. There are signs, however, that this condition may not always continue.

The most significant of these signs is the coalition of southern Democrats, with their natural allies, the Republicans, in both the Senate and the House, during the recently-closed session of Congress. That coalition was the only thing which kept this Democratic-PAC program from being enacted. There is no question that the actions of this coalition had the approbation of a majority of the people of this nation. So well did it work, and so great was the popular approval of its measures, that only presidential veto after presidential veto prevented it from establishing a sound legislative program of its own.

We may be sure that the Democratic Party will, this year, do all within its power to prevent such a coalition from being effective in the next Congress. We may be equally sure that the leaders have a long-range program designed to head off any such movement in the future. Quite naturally, these two objectives must be accomplished by different means, so their strategy is planned upon two fronts. Both campaigns, however, proceed from same premise: **That the south will not leave the Democratic Party.** If we can prove that premise wrong, their program is stymied. If it be correct, their chances of success are at least even.

Their short range objective is to defeat for re-election those Democrats who dared to place the interests and desires of their constituents above the mandate of these northern radicals, who take their orders from Moscow. It must be admitted that time and circumstances are running in the administration's favor. In the south, many veteran congressmen have become weary of the contest and have retired from the arena. Two years ago Martin Dies, of Texas, departed in disgust. He has been replaced by a man who slavishly follows the Communistic PAC dictation. This year, such renowned figures as Sumners, Lanham, Luther Johnson and Fisher—to mention only those from Texas—have walked out—unwilling to sit longer as Democrats in a Congress where the Democratic leadership is characterized by its subservience to labor racketeers, crooked city-machine bosses and dominated, over all, by those with communistic sympathies, placed in high positions in our government, both military and civil, by this same Democratic Party.

Remember, too, that these veteran congressmen were the heads of powerful committees. It was in committee that much of the effectiveness of the coalition was demonstrated. Consider the powerful judiciary committee of which Hatton W. Sumners, of Texas, has been chairman. His retirement means that if the Democrats control the House next year, the chairman will be Emanuel Cueller, the New York radical, who clears everything with Sidney's successor.

In Missouri, Truman himself called upon his political mother, the notorious Prendergast machine—many of whose leaders, by the way, have been released from the penitentiary by the Democrats—to defeat Roger Slaughter, for renomination. The machine delivered—by a narrow margin 'tis true,—but Slaughter was eliminated. This machine procured almost all of its votes from one section of Kansas City. That section was the one in which the illiterate vote predominated. Is anyone naïve enough to think that in those wards the count was honest? Nevertheless, we can no longer count on Mr. Slaughter's support in the next Congress. He won't be there. His place on the influential rules committee will be taken by another Democrat and rest assured it will be northern radical. Yes, if the Democrats control the House as a result of this year's elections, it would seem that they have a much better chance of getting started toward the enactment of their program than they have heretofore had.

So much for their short-range, or open program. There is no concealment about it. They have announced these short-range objectives publicly and are going after them publicly. Not so with the long-range program. It is characterized by secrecy, by stealth, by indirection, by cunning propaganda. It is to that program that I wolud now call your attention. I solicit your most earnest consideration because its effects, if successful, will be far more dangerous. It would, moreover, be a permanent thing. Once it be fastened upon us, no effort of ours could ever overthrow it.

This long-range objective is: To so direct and control Southern thinking that the South will ultimately not only cease to oppose, but will actively support, this foreign-inspired PAC program. And here, I mean not only the CIO-PAC. but also its newer satellite, the National Citizens PAC.

Obviously, the most feasible way to control public thinking is to control the educational institutions whose function it is to teach the child to think. And that is exactly what they propose. They are not yet public about it, but the signs are there for all to see who can read between the lines.

Here is the plan, step by step:

1. The south is to be convinced, whether true or not, that its educational institutions are inferior.

2. Once so convinced, the south must be persuaded that it has not the economic resources to place its schools on a parity with those of other areas.

3. Once so persuaded, the Federal Government will step in with an offer to donate by Congressional grant, a sufficient amount of money to equalize southern schools with others. This grant, at first, will be accomplished by pious disclaimers of any desire to control the schools.

4. Once the south has accepted this federal bounty and has begun to depend upon having its school systems supported by federal appropriations, controls, as ruthless as may be desired, WILL be imposed, under the economic coercion of withdrawal of funds.

Efforts to accomplish the first of these steps—that the schools of the south are below standard—are well under way. Propaganda is, as usual, the chief weapon. Typical of this is an article which appeared in the April, 1946, issue of the **American Magazine**—a periodical designed for family reading. This article is by one John W. Studebaker, the United States Commissioner of Education. By both words and graphs he classifies the schools of the nation into the ratings of good, fair and poor. Only in the southern states is the rating "poor" applied. And in the article he has the audacity to suggest—very subtly—that the south can't help it, and a federal appropriation—without controls, of course—is the only remedy. The whole diabolical plot is there exposed to the discerning reader.

That isn't all. These fellows, with their countless bureaus, have worked up lots of figures. They have supplied them to their minions and have sent them out over the South to run for public office and to use this material in their speeches. It is being done in Texas. Throughout the state, during the recent primary, PAC-supported condidates constantly proclaimed to all who would listen that Texas ranks 38th in education. Every radical candidate for public office in Texas took the identical line. The method is the now-familiar one, which first appeared in print in Hitler's "Mein Kampf": If you repeat a falsehood long enough and positively enough, you can finally get it accepted as the truth.

Having heard so often that Texas was 38th in education I became curious as to the names of the states of even lower rank. Upon inquiry I was not surprised to learn that all of the low ranking states in education were from the solid south. Just after obtaining the ratings of the states in education I happened by chance to run across the vote by states in the 1944 Presidential election. I made comparative tables of the educational rating given by the new dealers and the percent of Democratic vote. The result was startling.

While the pattern is not invariable the following examples are typical:

Texas—38th in education—71% Democratic.
Georgia—43rd in education—83% Democratic..
Mississippi—47th in education—93% Democratic.
South Carolina—48th in education—95% Democratic.

Mind you, those educational ratings were not made by me, they were made by the New Dealers. The percent Democratic is of course the official one. From a purely partisan standpoint we Republicans are entitled to a chuckle at the spectacle of these bureaucrats thus providing that the more ignorant a state is the more solidly Democratic it is. But, common honesty compels us to admit that it just plain is not true. Indisputable facts, not based upon opinion, establish otherwise.

We Texans know that when our citizens are placed in competition with those of northern states we have more than held our own. Take for example the case of Tom Clark of Dallas. I know Tom, and knew him when he was practicing law at the Dallas bar. Tom was never regarded as anything extraordinary. To be sure he was a good lawyer, perhaps even above the average, but he was never able to do more than just hold his own among his brethren in the Texas Courts. I dare say that had he not found the going a little tough he would not have left his Dallas practice for an obscure job in Washington. But, when he reached Washington and his only competitors were Harvard graduates he shone brilliantly by comparison. So brilliantly in fact that when it became apparent that the United States was going to have to have a lawyer to replace Little Biddle, Tom so far outdistanced his nearest rival, that for once the President made a meritorious appointment. Tom, I remind you, was born, reared and educated in the south-

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CC Mr. Arthur Temple Jr. ✓

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

October 4, 1946

Mr. Latane Temple
4801 Crestwood Drive
Little Rock, Arkansas

Dear Latane:

I received your two letters of October 2nd, finding them on my desk last night when I returned from Lufkin. I am glad to know that you are now planning to come down and go to Pineland with us to attend the annual meeting of Temple Lumber Company next Wednesday. Arthur will surely be there, and we will have a good opportunity to get together and discuss further the matter which has been so much on our minds of late. Incidentally, I spent practically all of yesterday morning with Arthur and I think we are pretty well agreed as to the course that should be followed.

I am writing Henry Temple today to suggest that he meet us at Pineland Tuesday evening so that we will have sufficient time to discuss some matters which I would like to take up with him before the meeting Wednesday afternoon. I am assuming that we can be accommodated for Tuesday night. There will be Bob Waite, you, Temple and me to go down from here, which with Henry will not be too many for what we call the apartment at Pineland, provided it is available. I would suggest, therefore, that you plan to leave Little Rock early Tuesday morning, and we will take off from Texarkana for Pineland just as soon as you get here. I hope that the plan as I have outlined will be satisfactory to you, but if it is not, please let me know what is the best you can do, and we will try to adjust the plan to suit your convenience.

Affectionately,

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. H. G. Temple, Diboll Arthur Temple October 5, 1946

I was in Lufkin yesterday and would have gone down to Diboll to see you, but when I called to be sure that you were there, Miss Jimmie told me that you were in Pineland and would not be back until late in the afternoon. I agreed to drive Katherine down to Lufkin by Dallas Wednesday in order that she might be present at the luncheon of the History Club, where Ann was installed as president and presided at the meeting. Since you were not at Diboll and since I did not have any business to attend to, I did have a very satisfactory visit with Arthur, Ann and their families.

Arthur told me that J. J. Collins had been referred to him by Mr. R. E. Minton about a shack out at the ranch, and I think it is somewhere near highway 103. Mr. Minton took J. J. Collins out to shoot armadillos, and, I believe, suggested that he ought to have a place on the ranch where he could go week-ends with his family. If there is no objection from Mr. Minton, I am sure that there will not be any objection from any other source, and so I told J. J. when I saw him that I would take the matter up with you and unless there was some objection or some conflict with some other commitment that I would ask you to work the thing out or turn the matter over to someone else to work out. As the deer season is close upon us, I am sure he would like to know so that he could fix the house up and make his arrangements. For that matter, though, he doesn't expect to do any hunting to speak of because he is a member of the Faglea Club and he says hasn't hunted for years but wants this place more or less as a retreat where he can go with his family on week-ends and to get away from his Lufkin contacts.

The only conflict that I can see is with our commitment to Carrol. I think this place that Mr. Minton had in mind for J. J. Collins is very close to what Carrol had in mind if, in fact, it is not the same place. However, if the house is not one that Carrol had in mind, and I don't think it is because I understood Carrol to say that he wanted to build a shack, there would be no objection to the two being close together. I don't think one would conflict with the other.

Unless you have some objection, therefore, I wish you would arrange with Clyde or someone to work the thing out. I feel sure that you would want to accommodate J. J. Collins.

AT:ld

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SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

October 14, 1946

Mr. Newman B. Gregory
P.O.Box 1301
Dallas 1, Texas

Dear Newman:

It had not occurred to me that a gift tax might be involved if we should turn over our stock in Temple Cotton Oil Company to some individual like Jimmie Webb for the consideration of the payment of the Temple Cotton Oil Company debt to Southern Pine Lumber Company. In discussing this with Bob Waite, he seems to think that there would be a tax based on the fair market value of the stock. When I asked him how the fair market value of the stock would be determined, he said there were a lot of things to be considered, one being what the business could probably be liquidated for. I suggested if we go back to the Peat, Marwick, Mitchell audit report, which I believe was dated in 1938, or about that year, giving full effect to depreciation, there would be little, if any, book value, but he argues that book value would have little consideration; rather would it be what could be gotten out of the business through sale or liquidation.

This is something that I am sure we would want to consider before going ahead with our proposed deal. My object in writing you is to suggest that you ask Frank Taylor of Peat, Marwick, Mitchell & Company about it and you might mention it in your conversation with Mr. Parrot. In the event there should be any tax liability I think we would want to amend our proposition to Jimmie Webb or to anyone else that we might make such a proposition to relieve the present stockholders of any such liability.

Sincerely yours,

AT:ld

CC Mr. Arthur Temple, Jr.
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SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

October 17, 1946

Mrs. William H. Sage
C/o The Fountain
Stowe, Vermont

Dear Manna:

Arthur was here some weeks ago when Katherine received from you a letter in which you asked about the possibility of your being able to get screen wire down in this part of the country. He said that he thought he could get for you what you would need, and, therefore, I suggest that you write him, give him the width and the total linear feet you will require for your porch and window screens. Screen wire is a very scarce article, as are most items of building material, but, as manager of Temple Lumber Company's yard at Lufkin, Arthur is in a position to get such items that the average person cannot get, and what's more, he is very resourceful. I am sure that he will be glad to do what he can to supply your needs if you will let him know what they are.

I returned last night from a short trip to Lufkin. I did not see much of Ann and her children and did not see Mary and her children at all. However, I was with Arthur a good deal of the time. They are all well, but I am sorry to say that Ann has lost her good and reliable colored girl and has not been able to replace her with anyone dependable; consequently, she has her hands full.

I know that your Vermont must be very beautiful at this season of the year. I recall the wonderful falls we had at Williamstown when I was going to college. There is no more beautiful time of year, in my opinion, than the fall, and we are fortunate in having very lovely weather here from September to January 1st, and if you contemplate visiting us at all, I strongly urge that you make it during this season. It is unquestionably our best.

With much love.

Affectionately,

AT:ld

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CC Mr. H. G. Temple
Mr. Arthur Temple, Jr.

October 16, 1946

Mr. E. C. Enlow
C/o Temple Manufacturing Company
Dallas, Texas

Dear Curtis:

Mr. Tripp called me from Clarksdale, Mississippi last night after he had heard about the box factory fire and he expects to be in Texarkana Monday, and I believe intends to go directly to Diboll from here. I may accompany him and certainly will if for any reason it should seem advisable for me to do so.

Tripp suggested that we have a thorough investigation, even calling in someone from the outside if necessary, to determine whether or not the fire was of incendiary origin. I questioned the advisability of this because it was my understanding that our insurance policies would be voided if the plant was set afire. I checked on this with Mr. Josh Morriss of F. W. Offenhauser & Company of this city this morning, and he confirmed my belief. Consequently, we do not want to make any investigation on our own initiative but should leave that to the insurance carriers. It might be well for you to advise Fred Jones accordingly.

Yours very truly,

AT:ld

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ARTHUR TEMPLE, PRESIDENT
HENRY G. TEMPLE, VICE-PRES. & GEN. MGR.
ROBERT L. WAITE, SEC'Y-TREAS.
W. TEMPLE WEBBER, SALES MANAGER

Southern Pine Lumber Company

MANUFACTURERS

YELLOW PINE — ANNUAL CAPACITY OF OUR OWN MILLS 200,000,000 FEET — HARDWOODS

Texarkana, Texas

October 18, 1946

Neiman-Marcus Company
Dallas, Texas

Gentlemen:

Several weeks ago Mrs. Temple and I purchased in your Luggage Shop on Commerce Street several Ronson cigarette lighters at, as I recall, $7.50 each. I would like to get one of these for my son, preferably one in pigskin, and if you have any, will appreciate your sending one to:

Mr. Arthur Temple, Jr.
C/o Temple Lumber Company
Lufkin, Texas

In the event you have one of these lighters which can be sent to Mr. Arthur Temple, Jr. at Lufkin, will appreciate your charging it to the account of Mrs. Arthur Temple, Texarkana.

Yours very truly,

AT:ld

SOUTHERN PINE SERVICE ASSOCIATION

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October 21, 1946

Mr. Latane Temple
4801 Crestwood Drive
Little Rock, Arkansas

Dear Latane:

Mr. Lloyd Spencer, President of First National Bank in Hope, called me this morning and said that he would like to come down and talk to me about buying the Hope mill, reviving the discussion which we had a year or more ago. He said that he would probably be down tomorrow morning.

Of course, I'll have to tell Mr. Spencer that we are not in a position to make him any kind of a proposition right at this time because of our commitment to Jimmy Webb. However, I will have the opportunity to feel him out, ascertain just how interested he is, and I might find out if he would be disposed to take the other properties along with Hope, maybe taking over the stock of the company on some basis not quite as liberal as our proposition to Jimmy. If it does come down to a liquidating proposition, then it would be well enough to have somebody like Lloyd Spencer interested in the Hope mill because my understanding is that the prospects which you had were interested primarily, if not altogether, in Little Rock.

So far as I know, Jimmy has not been able to develop anything as yet. Several days ago when I was in his office, some man connected with the Glidden Company called him from Memphis and told him that his people were not interested. Knight, I believe, went up to St. Louis to see someone connected with Lever Brothers, but the outcome of that trip I don't know. Jimmy has not gone to the RFC because, as he said, they would require an audit and an appraisal which would not only cost money but take considerable time. I am very much afraid that Jimmy is not going to be able to do anything on the proposition we made him and the sooner we know whether or not he is going to develop anything, the better because I am very anxious to work something out along the line we have discussed. I think a good deal about the vast amount of money which is going to be borrowed to finance this season's operation and in

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CC-Arthur Temple, Jr., Lufkin

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

October 23, 1946

Mr. Latane Temple
4801 Crestwood Drive
Little Rock, Arkansas

Dear Latane:

Lloyd Spencer, President of First National Bank in Hope, was down yesterday morning and I had a rather satisfactory conversation with him. I told him at the outset, of course, that I was not in a position to make him any definite proposition because of our commitment to Jimmy Webb, but I showed him the July 31 statement of the company and outlined to him in general terms what we want to do and told him that if Jimmy did not develop anything under our proposition to him that I would be glad to discuss the matter with him after November 15.

Mr. Spencer seemed to be very much interested. While he was interested a year or so ago only in the Hope mill, he now seems to be interested in taking over all of the properties, in fact, all of the assets of the business through purchase of the stock. Of course, he said that he would have to make a thorough analysis of the company's receivables which would take some time, but I don't think the receivables would be any great drawback since he could discount them considerably and still be making a good buy.

I am certainly under no obligation to Lloyd Spencer. He is only another prospect that we have to work with. I think, however, that we should get together and discuss our next move in the event that Jimmy does not develop anything, whether to work with Lloyd Spencer or one or both of the prospects you have. Newman Gregory will be over from Dallas today and I will talk with him to find out what he has learned in Dallas and also what he thinks our next move should be. Personally, I would rather make a clean sale of the stock than to go through all of the trouble of liquidating piece by piece and wind up with a lot of cats and dogs left on our hands, although I realize that we might come out better in the long run through a slow liquidation process.

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I am awfully sorry that the Oldham land was not sold while it could be sold. I have never been able to understand why the management of Temple Cotton Oil Company was so slow to take advantage of opportunities to get cash when cash has been what they needed more than anything else in the world. It is distressing, too, that Roy Cheney did not sell the 382 bales of cotton which he could have sold at 37 cents and 38 cents before the bottom dropped out of the cotton market. Incidentally, I suppose that this is cotton which our own money is tied up in, but, after all, that is neither here nor there. There has always been too much of an inclination to gamble and that is what I fear more than anything else now that federal controls have been taken off. It is primarily for that reason that I hope you will keep just as close a watch on what goes on as you can.

Affectionately,

AT:mok

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CC-Arthur Temple, Jr., Lufkin

October 24, 1946

Universal C.I.T. Credit Corporation
1006 Main Street
Houston 2, Texas

Gentlemen:

In reply to your letter of October 22, we beg to advise that we have done business very satisfactorily with Lufkin Tractor Company of Lufkin, Texas, which we understand is a partnership composed of Arthur Temple, Jr., and E. A. Gibbs. We have sold them a number of cars of mixed feed, running approximately $3,000 per car, cottonseed hulls, and meal, all on open account and they have taken care of their obligations with us promptly. The highest credit extended has been in the neighborhood of $3,000, but we would not hesitate to extend them credit for several times this amount.

We know little about the financial responsibility of Mr. Gibbs, but Arthur Temple, Jr., is the writer's son and we know him to be possessed of considerable means. We would say that he is worth in the neighborhood of $200,000.

Yours very truly,

TEMPLE COTTON OIL COMPANY

AT:mok

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CC Mr. Arthur Temple, Jr. ✓
Mr. D. C. Kenley

Mr. H. G. Temple, Diboll Arthur Temple November 8, 1946

I have no objection to extending the Malibou lease to include an additional 1,500 acres adjoining Highway 103, and if you and others are inclined to grant the request of the Malibou crowd, I suggest that you advise them accordingly.

I do think, as Dave suggested, that it would be well for us to try to get something out of the Malibou crowd in consideration of this additional acreage. Maybe they would be willing to build a fence along the highway. I understand that they have agreed to protect this additional acreage with a rider, which is something.

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SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

November 11, 1946

Neiman-Marcus
Dallas, Texas

Gentlemen:

On October 18th I ordered a Ronson cigarette lighter to be shipped to Mr. Arthur Temple, Jr., C/o Temple Lumber Company, Lufkin, Texas, and in due time received your card, dated October 23rd and signed by Sally Frank, Personal Shopper, stating that the order had been filled.

I have just received a letter from Mr. Arthur Temple, Jr., stating that the lighter has not been received, and I wish that you would please investigate to see if it has been shipped, and if not, that you will make shipment without further delay.

Yours very truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

December 2, 1946

Mr. Lacy Hunt
C/o Tilford Hunt Lumber Co.
Nacogdoches, Texas

Dear Lacy:

A few months ago I purchased a Hotpoint garbage disposall unit through our mills at Pineland, but when I attempted to have it installed at my home, I found that the drain opening in my sink was 3-1/8 inch in diameter while the disposall unit will fit only a 3-1/2 inch opening. Ever since I have been trying to get a sink with a 3-1/2 inch drain opening but so far without success, and the thought has occurred to me that you might be able to help me through H. L. Hunt Plumbing Supply Company with which I believe you are affiliated and which I believe is operated by your brother Lawrence.

What I require is a double sink, the overall dimensions of which are 42 inches long by 20 inches wide. I would, of course, want only a sink of good quality, something likethe one I have, which I believe is cast iron covered with porcelain. If you can help me out on this either through H. L. Hunt Plumbing Supply Company or with any suggestion as to where I might get a suitable sink, I will appreciate it very much.

With kindest regards,

Sincerely yours,

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. H. G. Temple, Diboll Arthur Temple December 4, 1946

When talking to Arthur, Jr. last night about an ice plant for Diboll, he said that Everett Fulgham had told him that in his opinion what Arthur called a G. I. ice plant, which might be obtained from the War Assets Administration as Government surplus, would be just what we needed. I don't know anything about these plants other than this, but the thought occurred to me that if Diboll is on the mailing list for W.A.A. items, you, or whoever looks over these lists, might be on the lookout for a suitable ice plant, or we might even write to the Regional Office of the War Assets Administration, tell them of our needs and ascertain what they might have to offer.

I certainly would like to see a small ice plant put in at Diboll. I believe that it would pay for itself many times over and I certainly would hate to see us go through another summer season unnecessarily with such a shortage of ice that we would be required to haul ice by truck from as far away as Beaumont. It is my understanding that new plants are not available yet and will not be possibly for another year. Under the circumstances, therefore, I do feel that it would be advisable for us to look into an ice plant that might be Government surplus property.

AT:ld

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SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

December 6, 1946

Mr. L. C. Hunt
Hunt Plumbing Supply Company
Nacogdoches, Texas

Dear Mr. Hunt:

I have your letter of December 4th in which you offered to let me have one of two kitchen sinks manufactured by American Radiator and Standard Sanitary Corporation #P6550-S and P6552-S.

Immediately upon receipt of your letter I went out to the local distributor of American-Standard Plumbing Supplies but found that these two numbers were single sinks with drain board while what I need is a double sink without any drain board to replace one which I now have in my home which is set in a built-in cabinet; consequently, nothing but a 42 by 20 double sink will do.

In the event you have what I need, which I believe is shown in the Standard catalog as P-7037-D, I will appreciate very much indeed your letting me know.

Sometime ago I asked my son, Arthur Temple, Jr., who is manager of the Temple Lumber Company yard at Lufkin, to try to get me one of these sinks, and he may have ordered one for me. If, however, you should happen to have one which would be suitable at one of your places, I could ask him to cancel his order; otherwise, would want it to stand.

I note that you are putting in a store at 4th Street and KCS tracks in Texarkana. Incidentally, I learned of this at a recent meeting of the directors of the Texarkana Chamber of Commerce. I am glad that you are coming in here and believe that you will find Texarkana a good point.

I shall be glad to meet your son-in-law, Mr. Carley, and I hope that he will call upon me if there is anything that I can do to assist him in getting established at Texarkana.

Sincerely yours,

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. Clyde Thompson, Diboll Arthur Temple December 10, 1946

I believe that you have ordered for me a General Electric four cubic-foot home freezer. I have about decided that we really don't need this, especially since we have a new locker plant here at Texarkana, and I wish that you would please cancel my order.

AT:ld

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December 10, 1946

Mrs. Arthur Temple
3003 Pine Street
Texarkana, Texas

Dear Mother:

Enjoyed your card, and am happy to advise you that I have discussed the matter with Father Fraher and he has written Sister Elizabeth in Houston, who has charge of that work. He is very hopeful, and says that it has been a dream of his a long time to get a hospital of this type in Lufkin. Dr. Clements was supposed to discuss the matter with the local doctors at a meeting last night to get their endorsement of a Catholic hospital. Without such an endorsement I don't believe we can go very far. I haven't had an opportunity to receive his report as yet. I feel very hopeful in this connection, however. I will, of course, advise you as soon as I have some information. Incidentially, I wish you would ask Dad to drop me a line and advise me the amount of money that the new hospital is costing, as well as the amount of money that was required of the local citizens through public subscription.

As I told you on the phone last night, Buddy is completely well according to Dr. Girard, although they are keeping him under observation. He is up and around, and feeling fine and complains of no pain anywhere. I know that you are glad to hear this.

Love,

Arthur

AFJ:JY

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Mr. H. G. Temple, Diboll Arthur Temple December 13, 1946

Yesterday at lunch at the Angelina Hotel Arthur, Jr. discussed the proposed industrial hospital at Lufkin. He wanted to know how far this project had progressed and how much they expected Southern Pine Lumber Company to contribute or put up, and I had to tell him that I had not heard anything about this undertaking except for the little that Ernest Kurth told me a month or two ago when I met him out in front of the hotel.

Arthur is very much interested in promoting a real first-class hospital at Lufkin, and I think he is right in arguing that Lufkin needs a hospital that would serve the general public rather than one that would serve the industries only. To me, it is very much like putting in a store which would take care of a selected clientele when you might as well put in one that would serve everyone. Certainly a hospital serving the general public would have a better chance to make money orto operate economically, and this is something that we, as well as other industrialists in the Lufkin area, should be interested in.

I made a note to write you and give you my ideas on this, which I think are Arthur's ideas, so that if this matter does come up again you may advocate a general hospital if you are in agreement with us. My idea would be for Southern Pine Lumber Company to take stock in such a hospital, or bonds, rather than make an outright contribution, but if it is put over on the basis of contributions, as was our new Catholic hospital here, then I think Southern Pine Lumber Company should contribute in proportion to the contributions of Angelina County Lumber Company, the Foundries, the Paper Mill and other industries in the Lufkin area.

I told Arthur that we raised $150,000.00 here, which the Catholic Sisters, headed by Mother Damion of the Order of Sisters of Charity, Houston, proposed to match. Under that plan we would have gotten a hospital at a cost of $300,000.00. Instead of following this program, the Sisters have built a hospital here, which will cost when completed more than $1,500,000.00, which means that our $150,000.00 is hardly more than a token contribution. It is Arthur's hope that some such plan can be followed at Lufkin. I think his idea is to submit it to the Baptists first because they are so numberous in Lufkin, but failing to put it over with them or perhaps the Methodists, he wants to contact Mother Damion, or Mother Elizabeth, who, I understand, is about tosucceed Mother Damion if she has not already done so. In any event I certainly hope that a hospital to serve the general public will be adopted in the final plan rather than the promotion of an industrial hospital for the reasons outlined above, and I hope you see this thing as Arthur and I do.

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Mr. D. C. Kenley, Diboll Arthur Temple December 21, 1946

You will no doubt recall that several years ago when we planted duck potato in the ponds on the pipeline on the company's hunting preserve in Trinity County we had scads of ducks, more than I had ever seen before or have seen since. Since then the duck potato has disappeared from these ponds, due in large measure, I suppose, to the breaking of the dams and the loss of water which caused the plants to dry up, and it may be that the hogs also ate it.

I was talking with Ab Grumbles at the clubhouse the other night and asked him to speak to you about planting duck potato again. I am so much interested in this matter, however, that I do not want to overlook anything that I might do to plant duck potato in these ponds again in the hope that we will have good hunting in them again as we have heretofore.

I wish that you would order some more plants from the people from whom you ordered before, or if you have lost the name and address, you can get one from the advertisements in Field and Stream and possibly from one of the other sporting magazines. I think it would be a good investment for us to plant duck potato again because of our past experience and will appreciate your putting this on your agenda.

AT:ld

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CC Mr. Arthur Temple, Jr. ✓

Mr. H. G. Temple, Diboll | Arthur Temple | December 23, 1946

I told Josh Morriss about our discussion of a treating plant at Diboll and he offered to talk with Rube Morriss to see if he knew of any plants that might be for sale and to get any other information that might be helpful to us.

Josh did talk to Rube on the 'phone, and Rube told him that he thought that now was a bad time to figure on putting in a treating plant because so many items are difficult, if not impossible, to get. This is pretty much the same line that I got from R. P. Jackson, who suggested that we might pick up a treating plant in some foreign country which could be brought in as scrap. Rube went on to say, according to Josh, that many treating plants had been put in in the last few years, that competition was going to be awfully keen and that we probably could pick up a plant at a very favorable price in a year or two. He said, as a matter of fact, that the R. E. A. plant at Lufkin might be sold because the Government is finding that they can buy treated material cheaper than they can buy the untreated material and treat it. I believe he also intimated that the old commercial treating company plant at Longview, which was bought by Redding Putman who used to be with Koppers at Houston, was having hard going and might be bought a little later. What he said about these plants at Longview and Lufkin, of course, he would want considered as confidential because I believe he sells them treating material. So I wish that you and also Arthur, Jr., to whom I am sending a copy of this letter, would please be governed accordingly.

AT:ld

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MLBCO. A-4398

SOUTHERN PINE LUMBER COMPANY

DIBOLL, TEXAS

To Mr. Arthur Temple **From** G. S. Smith **Date** 23 December 1946

I have your letter dated 21 December 1946 reference Christmas Bonus and length of Service award.

Will be glad to add your name to the list, in fact I think it should be included, but so as to properly handle I need to know the date that you started working for the Company. Please advise on this at your early convenience so that it can be handled in this office before December 30th.

GSS:FV

CC Mr. Arthur Temple, Jr.
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Mr. D. C. Kenley, Diboll Arthur Temple December 26, 1946

I note your remarks about the duck potato which I suggested being planted in the ponds at Boggy Slough and suggest that if you have any difficulty in finding the name and address of the people from whom you ordered the plants before, or if you are unable to find the name and address, you might buy a copy of Field and Stream at some newstand and look in the advertisements. I have not read Field and Stream in some years, but I do recall when I was a subscriber that there were a number of advertisements of duck food among the back pages. There are a number of such concerns who sell duck food in Louisiana, and I presume that Louisiana would be the most logical place for us to go for duck potato or any other plants that we might care to purchase to set out.

AT:ld

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CC: Mr. Arthur Temple, Jr.

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

December 26, 1946

Mr. Gene Shotwell
C/o Lufkin Telephone Company
Lufkin, Texas

Dear Gene:

I took down to you when I went to Lufkin Tuesday to spend Christmas with Ann and Arthur and their families a case of 20-gauge shotgun shells which Trevor Caven asked me to deliver to you. Arthur and I went by your house late Tuesday afternoon and Arthur put the shells on your backporch. I suppose you found them but doubt if you knew how they got there. I was sorry not to see you when in Lufkin over Christmas. However, we did not tarry long, arriving late Tuesday afternoon and leaving Wednesday about mid-afternoon, and of course there was much to be done in the intervening time.

Sincerely yours,

I hesitated to tell Gene the cost of these shells, but it was $24.98, which I paid, and wish that you would let Gene know the amount if he should ask you.

AT:ld

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January 6, 1947

Mr. Arthur Temple, President
Southern Pine Lumber Company
Texarkana, Texas

Dear Arthur:

The writer was out of the office for several days, and find your letter of December 30th on my return. After reading same, I have come to the conclusion that possibly I did not see your picture, as explained to me by Josh in my telephone conversation with him; but your letter puts another light on it.

We would like to work with you on it. We have considerable information in our files in regard to the old costs, which of course have gone up 75% to 100% within the last five years, and I will want to check over the information we do have and possibly give you such data as we can on the subject.

Furthermore, we have an engineering department fully qualified to build and put into operation such a plant for you - and we think, save you some money. I would like for you to give consideration to using our services, everything being equal.

Please bear with me for a few days until I can get the information together for you and make recommendation as to the size plant, etc. that you will need. In the meantime, I have in mind the Shreveport plant of the American Lumber and Treating Company, operating under contract with the Frost Lumber Industries, which in my opinion would be about the right size for your use. If you have not seen this plant, it may be a good idea to look at it.

Assuring you of our desire to cooperate with you, and our intention of supplying you with as much information as possible, and working with you in every other way we can, and with kindest personal regards, I am

Sincerely yours,

R.M.Morriss
President

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CC Mr. Arthur Temple, Jr.
Mr. E. G. Prud'homme

Mr. H. G. Temple, Diboll Arthur Temple January 8, 1947

I have received a letter from Rube Morriss as per the attached copy. I am sending one of these copies to Eck and one to Arthur, Jr..

When I wrote Rube, I did not know that he was in the business of supplying treating plants; I thought that he only sold material used in the treatment. However, I think that he can probably be of considerable assistance to us, and I am writing him that we will be glad to hear from him further.

AT:ld

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cc: Mr. Arthur Temple, Jr., Lufkin
Mr. E. G. Prud'homme, Pineland
Mr. H. G. Temple, Diboll

January 8, 1947

Mr. R. M. Morriss
C/o Wood Treating Chemicals Company
5137 Southwest Avenue
St. Louis 10, Missouri

Dear Rube:

I received this morning your letter of January 6th and am glad to know that you may be able to assist us further with a treating plant at Diboll. When I wrote you before, I did not have any idea that you had an engineering department which could lay out and possibly install treating plants; really what I had in mind was that you might be able to give us a lead or further information as to where we might go to find out what such a plant as we require would cost and whom we might get to put it in.

When you can get around to it, I will appreciate your giving me such further information as you can. It may be that costs now are too high for us to go ahead with such a project. Certainly if they are 75% to 100% more than what they were five years ago, I think we would probably do well to wait until prices are back to normal. In the meantime, however, we might be able to pick up a plant from someone who is in distress, and maybe you could be on the lookout for such a plant for us. R. P. Jackson's suggestion, as I believe I told you in my last letter, was that we pick up some plant which has been operating in South America or Central America, which could be bought at a low figure and brought into this country as scrap. What do you think of that?

Sincerely yours,

AT:ld

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January 13, 1947

Mr. Arthur Temple, President
Texarkana, Texas

Dear Arthur:

I have your letter of January 8th, and I am very much afraid that you will have a hard time finding idle or second-hand pressure treating equipment.

For your information, there have been about forty or fifty new vacuum and pressure wood treating plants built in the United States during 1946. These plants represent both small and large installations, and we happen to know of a number of others that are to be installed during 1947.

This erection of new plants has resulted in the builders scouring the country looking for second-hand equipment, and we doubt very much whether or not any equipment of this nature would be available for purchase.

However, if and when a recession or depression sets in, there is going to be an over-abundance of treating plants, and they can probably be bought for a song - and you can select your own tune. I imagine that your old favorite - "Deep in the Heart of Texas" would carry a very high priority.

Jackson may have more information than we do on plants for sale in South or Central America; but we do know that the only plant that was made available in the past five years is the one that was purchased by American Creosoting Works from the Standard Fruit and Steamship Company, in Nicaragua. It is our understanding that there are a number of new plants being built in those countries also, and we do know of several inquiries out for plants to be erected in Mexico - so the prospects of buying a plant in any of these countries are, in our opinion, not too good.

Please understand that we have not had any figures lately that would lead us to believe that the cost of erecting a treating plant run as high as 75% to 100% over the 1937-1938 costs. We may be high, but we do know that there would be a considerable increase, and we think you will agree with us on that.

If conditions existing today and the large demand for pressure and vacuum treated forest products continues, and the present prices are obtainable for a period of say five years or longer, with your setup you could well afford to build a plant regardless of cost, charge it off in two years, and have three years big profits.

We are gathering some further information together, and will pass it on to you in a few days. In the meantime, I would certainly like to talk to you about this whole matter, and I am wondering if your travels would bring you up St. Louis way.

Very truly yours,

Wood Treating Chemicals Co.

R. M. Morriss, Sr.
President

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CC: Mr. E. G. Prudhomme
Mr. H. G. Temple
Mr. Arthur Temple, Jr.

January 14, 1947

Mr. R. M. Morriss
C/o Wood Treating Chemicals Co.
5137 Southwest Avenue
St. Louis 10, Missouri

Dear Rube:

Thanks very much for your very interesting letter of January 13th.

I don't ever make any business trips to the east and the only time I remember going up that way in the past year or two was when I was going to Vermont on my summer vacations. The fact of the matter is I have gotten so that I dislike travel and being away from home so much that I avoid any trips which are not absolutely necessary. Most of my tripping is down to the mills, and I probably don't go down there as much as I should.

There is no particular hurry about developing further information on a treating plant for Diboll. However, we would be glad to have anything which you can give us by mail and no doubt you will be stopping off at Texarkana one of these days. When you do come through Texarkana, I will appreciate your giving me a little notice in advance so that I will be sure to be on hand.

Frankly, my own opinion is that we should not put in a treating plant at present high prices but rather wait to buy one when a recession or depression sets in, which, I think, will surely come within the next few years. It is freely predicted that we will have some recession with a decline in prices generally toward the middle of this year, but that recession may not be severe enough to cause many treating plants now operating to be put on the market.

I will say this to you, since you are interested in putting in a treating plant for us, we will certainly give you an opportunity to submit a bid which we will give careful consideration before we go ahead with anyone else.

Yours very truly,

AT:ld

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SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

January 21, 1947

Mr. Lafaye Temple, Little Rock
Mr. Arthur Temple, Jr., Lufkin
Mr. Newman B. Gregory, Dallas

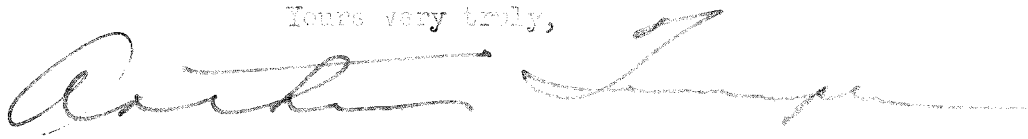
Gentlemen:

Since October, 1937, we have been carrying $25,000.00 insurance on the life of Jimmie Webb with a double indemnity provision in case of accidental death, a participating policy on which the premium is now $890.50. This policy had a cash value, as of October 23, 1946, of $3,643.25 or $145.73 per $1,000.00 of insurance.

There has been some question in my mind as to whether or not we are justified in continuing this policy. I discussed this with Josh Morriss this morning, and he is in favor of our continuing it, and I am inclined to think that it would be advisable for us to do so because we have had it in force now more than nine years and, of course, the premium is based upon the age of Jimmie Webb when it was taken out; in other words, we are getting the benefit of the lower rate which prevailed nine years ago. Another thing possibly worth considering is the fact that Jimmie Webb drives his car to Little Rock once a week, and he is a pretty fast driver, and I don't think that his health is any too good.

I am addressing this letter to you as directors in order to get your opinion as to whether this policy should be continued or not. I will appreciate your letting me hear from you at your convenience.

Yours very truly,



AT:ld

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SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

January 22, 1947

Mr. Newman B. Gregory, Dallas
Mr. Arthur Temple, Jr., Lufkin
Mr. Latane Temple, Little Rock

Gentlemen:

In thinking over the letter I wrote you yesterday about insurance carried by Temple Cotton Oil Company on Jimmie Webb, it occurred to me that my reference to Jimmie's health and fast driving might appear callous. I did not mean it to be; I only had in mind that if we were ever justified in having this insurance I think we are now because Jimmie is nine years older than when the policy was taken out, he does drive pretty fast, and I don't think his health is any too good although he does not seem concerned enough about it to see a doctor, which I have advised.

Sincerely yours,

Arthur Temple

AT:ld

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C
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January 23, 1947

Mr. Arthur Temple
Texarkana, Texas

Dear Uncle Arthur:

Replying to your letters of the 21st and 22nd about the insurance policy carried on Mr. Webb, my offhand opinion is that it is a valuable asset. I should like to know if it is an endowment policy, for that would make it even more valuable. I know that you are confronted with the possibility of selling the properties and the choice that would have to be made with this item. If it is transferable, I should think that it would have a value above its cash value to the insuror and could be marketed accordingly.

I spent most of the morning with Stephens and Spencer, but do not feel that I accomplished a great deal. The summing up was that there was but one thing to do: have them decide what they wanted to pay for the properties etc., after which we could say yes or no. We went into the advisability of their taking on the accounts and inventory. I proposed that they determine what they were willing to give for the actual physical properties leaving us the other assets and the liabilities. I felt that we could more nearly determine what each was getting in that fashion and be left, in our case, with a definite task of closing out the remaining assets without the concern of operating at the same time. It was Spencer's opinion that you were not interested in a plan of this kind, but seems to have some interest in taking on most of the accounts himself, in addition to your objection. He asked me if I thought that there was enough in the Company to pay off the Southern Pine if we undertook to liquidate on our own. I told him that I thought there was with a surplus to distribute against the stock.

I am losing patience with their approach, for they have been given all the information we can afford them and our fair appraisal of all the aspects. Nothing remains but for them to make up their minds. I have the feeling now that they are searching for our lowest figure. By their own figures the Company is worth $184,000.00 to the stockholders. Discounting that, however, we can figure it this way: the depreciated value of the properties, according to them is about $220,000.00. If they were to give us that amount for the physical properties and left the corporate person otherwise intact, we would have about $550,000.00 shown as receivable, from which we might be able to recover enough to complete the repayment of Southern Pine. After that we have the anticipated profits for the season. $200,000.00 would be about $25.00 per share. They muddle the picture with valuations on going concern etc.. What we come around to each time, though, is, "What is the Company worth to them and what is it worth to us?" I believe they see it that way and are about to make an offer. Stephens and Spencer are talking it over now with the idea of coming down to see you next week at which time they want me to be present.

They can continue to contemplate what it is worth to them, but we had better decide what we can hope for in the light of this experience. First of all, we want Southern Pine's money out. If we can't get it out in an over-all sale, then we must seek an alternative. We must decide to take the drastic step of liquidation and so whatever is necessary to facilitate that act. I would suggest seeking a buyer for Little Rock. I believe it would bring $200,000.00 by itself. Receivables should bring $400,000.00. Other properties should bring $100,000.00. Liquidation of inventories should bring another $1-200,000.00.

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The best I can judge is that they are leading up to taking the properties and accounts at a figure which will pay off Southern Pine when the anticipated season's profits are added to their purchase figure. They know of Jimmy's option and feel they can get the properties at a lower figure than his since he failed to purchase under his option.

Affectionately,

Latane

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CC Mr. Newman R. Gregory
Mr. Arthur Temple, Jr.

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

January 24, 1947

Mr. Latane Temple
4801 Crestwood Drive
Little Rock, Arkansas

Dear Latane:

I have your good letter of January 23rd about the insurance on Jimmie Webb's life and your conversations with Messrs. Stephens and Spencer and your conclusions.

I have heard from Newman and Arthur, Jr. about carrying the insurance and they are both in favor of it. Since we are all in favor of continuing this policy, we will follow that course. Newman said that he thought we probably ought to carry it as long as we are trying to sell out but that if we continued to operate, and possibly at a loss, he would favor cancellation.

I have not digested thoroughly all that you wrote about your conversations with Stephens and Spencer and your conclusions but will give that part of your letter some further thought during the day. Suffice it to say here that I certainly do want you to sit in any further meeting I may have with Stephens and Spencer if and when they come to try to work out a sale and purchase either of our stock or the physical assets. Because of your contacts with them during the period of their investigation and because of your more detailed knowledge of the business, I think that you would be very helpful in any such discussion. I suppose Mr. Stephens will let you know when they will come down. Incidentally, I am planning to go to Diboll next Tuesday but will probably be back Wednesday night and will be available at any other time.

Affectionately,

AT:ld

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cc Mr. Arthur Temple Jr.

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

January 31, 1947

Mr. Latane Temple
4801 Crestwood Drive
Little Rock, Arkansas

Dear Latane:

I have not gotten Arthur, Jr. on the 'phone yet to tell him of our conversation with Messrs. Spencer and Stephens this morning, but I have talked with Bill Echols, President of Merchants National Bank at Ft. Smith, Arkansas, and I know that you will be interested in his opinion of Mr. Stephens.

Bill Echols, whom I have known for a good many years or since 1930 during the years when I was playing a lot of golf and attending the Arkansas State Tournaments, told me when I called him by long distance telephone early this afternoon that Mr. Stephens had started with no capital "but his hat" a few years ago, he is now worth in the neighborhood of $500,000.00 or $600,000.00, that he cannot speak of him too highly, that whenever he, Bill, has any bonds to offer for sale he turns them over to Mr. Stephens and tells him to sell ~~him~~ when he thinks the time is right and at the price he feels is proper. He said that Mr. Stephens's reputation generally is very high, that he is a hard worker and very conscientious.

I was glad to hear Bill Echols speak of Mr. Stephens as he did. Apparently his opinion is all that could be desired, and if we should decide to go into a deal with Mr. Stephens and Mr. Spencer, as was discussed in our meeting this morning, it is good to know that Mr. Stephens's general reputation is good and that Bill Echols has the confidence in him that he expressed to me in our 'phone conversation. Such a deal as we discussed in our meeting this morning would require considerable confidence on our part.

I appreciate your coming down to Texarkana for the conference with Mr. Stephens and Mr. Spencer. While I was disappointed that they were not willing to pay us $30.00 per share, or for that matter make us any offer for our stock in Temple Cotton Oil Company, and that they were willing to offer such a low figure for the physical properties and receivables, only $300,000.00 for these two items, I think that they may have suggested a plan of liquidation that may work out satisfactorily for us. I am going to submit their proposition

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to Newman Gregory, who is due in Texarkana this evening, and to Arthur, Jr. on the 'phone, and I may go so far as to discuss it with Josh Morriss and W. T. Murphy, Jr., and I hope to be able to give Mr. Stephens or Mr. Spencer a definite answer by next Monday, as I said I hoped to do. I may get in touch with you in the meantime to see if you have had any other reaction to their proposal.

Affectionately,

AT:ld

CC Mr. Arthur Temple, Jr.
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SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

February 1, 1947

Mr. Latane Temple
4801 Crestwood Drive
Little Rock, Arkansas

Dear Latane:

I have given considerable thought to the proposal made to us by Mr. Spencer and Mr. Stephens yesterday morning and have also talked with Arthur, Jr. on the telephone. I also talked with Bill Echols, President of Merchants National Bank in Ft. Smith, about which I wrote you yesterday afternoon.

The more I think about the Spencer-Stephens proposition the cooler I am toward it. While it is true that all the reports I have gotten about Mr. Stephens, what Bill Echols said and what Harry Wiegel said, it is certainly true that these people are more or less strangers to us, and I question whether we would be justified in turning full control of our business over to them to manage and to liquidate. Furthermore, with the assets apparently so far in excess of the liabilities it looks to me as though they could liquidate the indebtedness and have considerable value left, which, under their proposition, would be split fifty-fifty between them and the present stockholders. While they do possibly have the know-how and connections which would be valuable in liquidation and would have the advantages of no personal entanglements, I think we could probably engage the services of some good man to do the job at considerably less cost.

I have come to the conclusion that the best way for us to proceed is to elect you president of Temple Cotton Oil Company with instructions from the Board of Directors to take such steps as may seem advisable to you and, possibly with the approval of the Board, to liquidate the indebtedness to Southern Pine Lumber Company and, if it is deemed advisable in line with our recent thinking, to liquidate the business piece by piece or to sell out all of the assets together. You could do this, I think, with considerably less embarrassment and criticism than I could: for one thing, I would not be free to take such steps as I might think should be taken without considerable criticism from Katherine, and I am reluctant to do anything to cause any friction at home because peace of mind is so essential to my well being. Another thing, you have been active in the business, are very much more familiar with the details and I have not been able to keep informed as to what is going on:

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opinions which I have expressed have had little or no weight with the management, and policies which I have advocated have been ignored. Whether you or someone else should be put in as president to succeed me I am convinced that Temple Cotton Oil Company needs a new executive head.

Of course I don't know whether my recommendation to elect you president would be followed by the Board of Directors. I suggested it at the meeting held January a year ago, but I did not receive any active support and we got switched off on another tack. I am willing to try it again, but before going into a meeting would like to talk with the other directors informally in order to know just where we stand and to avoid any embarrassing conflict in an open meeting.

I have wandered pretty far afield from the subject which prompted the writing of this letter, namely, to tell you that I do not feel favorably disposed to the Spencer-Stephens proposition. Arthur feels the same way that I do about it, and I am quite sure that Newman, to whom I will talk this morning, will also. If you are still favorably inclined to it, I think it might be well for us to have a meeting of all directors as early next week as we can get them together at which time you could present your argument in favor of the proposition if you care to do so and otherwise we could have the combined judgment of what other steps to take.

Affectionately,

AT:ld

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CC: Mr. Arthur Temple, Jr.
Mr. Latane Temple
Mr. Newman P. Gregory

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

February 7, 1947

Mr. J. V. Webb
Office

Dear Jimmie:

I have your letter of this date tendering your resignation as Vice President and General Manager of Temple Cotton Oil Company. The only thing I can do with this is to present it to the Board of Directors at the meeting which I have called for next Tuesday morning at ten o'clock.

I am sorry that you have the feeling which you appear to have, anything which may have been said, anything which may have been advocated by any of the stockholders or directors, myself included, has, I am sure, been with the good of the business in mind, and the good of the business means the good of each and every stockholder and employee. Certainly, there has been no animosity or antagonism on my part toward you; I have had only the kindliest feeling for you and always will have.

I feel that only the Board of Directors can act upon your suggestion relative to a bonus and the purchase of your stock. I would not be disposed to buy it personally because in the first place I would not consider it to be worth what you think it is worth or what you would want for it; furthermore, I am sure that you know I have no desire to increase my investment in such stock. I will be glad to present your request relative to your stock and a bonus to the Board at the meeting next Tuesday.

I am glad that you anticipate that the earnings of Temple Cotton Oil Company for the current season will be something between $200,000.00 and $300,000.00. Frankly, this is more that I had anticipated. With such earnings as you anticipate I think that this year would be a good time to establish whatever losses there may be in the notes and accounts receivable, and I shall continue to advocate what might be termed a drastic policy with respect to them.

I am taking this method of replying to your letter because I can write better than I can talk and, too, I have been out of the office most of the afternoon attending Mrs. Dorsey's funeral, and you are apparently out of the office now. However, I shall be glad to discuss the matter with you if you wish and at any time that suits your convenience.

Sincerely yours,

AT:ld

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C
O
P
Y

February 7, 1947

Mr. Arthur Temple
Texarkana, Arkansas

Dear Arthur:

The strain during the past few months has begun to tell on me; it shouldn't go on this way. It has always been so that I could count all of you friends, as well as stockholders, knowing that you were depending on me to do all I could; therefore, I could work. I intend to keep it that way. Something has gone haywire. Maybe I have been over-zealous in fighting or believing in my Company and in the future of same, if given a chance. I still feel that way.

As for actual operations, everywhere that we had anything to do we have made money. I don't think anyone could expect me to make money out of air, which is mostly what we have had in Southwest Arkansas for the past several years.

While I am on the subject, there seems to be some misunderstanding as to how I have felt toward disposing of outside properties. For your information during the past several years I have not had a "bite" on any piece of property that I have not pursued to the end, trying to sell same.

Under the circumstances, I am tendering my resignation, effective as soon as possible, and if you desire I will be glad to remain long enough for my successor to familiarize himself with my duties. I haven't anything in sight at present.

Arthur, I have $24,900.00 worth of stock in the Company, $10,000.00 of which I bought direct from the Company at par, the balance from T. L., costing me $3,400.00. We this year will make between $200,000.00 and $300,000.00. If it is possible for you to pay me a bonus and take up my stock, I will certainly need it.

Yours sincerely,

J. V. Webb

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CC Mr. Arthur Temple, Jr.
Mr. Newman B. Gregory

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

February 7, 1947

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I have read with interest your letter of February 6th which sets out your idea for the future operation of Temple Cotton Oil Company and the conditions under which you would accept the responsibility for carrying out the plan suggested.

First, I would like to straighten you out on the impression which you have that my preference is for liquidating down to a point at which we would continue to operate after paying off the indebtedness to Southern Pine Lumber Company. My personal preference is for complete liquidation of the business or to sell out lock, stock and barrel to someone else. However, I am agreeable to continuing to operate if Southern Pine Lumber Company is paid in full and if I should be relieved of all financial and moral responsibility.

Whether we liquidate down to a point and continue to operate or sell out completely, I think your plan is a good one - to start out with the least desirable properties and work down to the Little Rock mill. If we should continue to operate at Little Rock, or possibly at Little Rock and Hope, I think it might be necessary or advisable to retain some gins where it can be shown that they are either profitable operations in themselves or are supplying sufficient seed to the mills to justify our owning them outright or an interest in them. Personally, I would rather get rid of all gins and buy our seed on a competitive market, but I may be wrong in thinking that we could provide an adequate crush without retaining some gins or an interest in them. I am certainly in favor of getting rid of all idle gins, or gins which are not paying their way, and I am in favor of foreclosing on all liens where notes have been running for a long period of years with no payments on interest and/or on principal.

There may be some objection to the conditions which you stipulate, stipulations under which you would accept the job of carrying out the plan outlined. In the first place, there is no stock, either common or preferred, in the treasury and any stock which you might acquire under the option suggested would have to be provided by individual stockholders. The question then arises, who of the present stockholders would be willing to give you a three-year option at $10.00

per share for the common with the preferred thrown in. While some might be willing to sell their stock at $10.00 per share and give the preferred, I think they would probably want to gamble on getting more if a program of liquidation is carried out.

I think that you ought to be at our meeting of Directors next Tuesday morning, scheduled for ten o'clock, because I think the Board will want your ideas as to how we should proceed. My idea is to suggest that you be appointed assistant to the president, and I am willing to suggest a salary of $6,000.00 per year with the understanding that you will devote your entire time and effort to the liquidation of the receivables and the disposal of at least enough of the physical assets to pay the indebtedness to Southern Pine Lumber Company, and if it is the pleasure of the Board, to work out a complete liquidation of the business. The liquidation of the receivables implies that you should have jurisdiction over the credit policy of the company, and my idea would be for you to act as a credit department, approving any and all future advances to ginners and growers. This would divorce the handling of loans already extended and the extending of future loans entirely from local management, which, I think, is too much inclined to make questionable loans for the sake of getting seed. I am outlining this present idea of mine for you to consider it and to get your approval before we go into our meeting next Tuesday. If it is acceptable to you, then I will suggest it for the approval of the Board. If such a plan is adopted, I will be willing to continue to serve as president at least until the regular annual meeting, which is supposed to be held in August.

As far as I know, the present management is handling the actual operation of the business in a satisfactory manner. The only criticism I have, and the only criticism I have heard others express, is in the handling of credits, the subsidizing of ginners and growers and the hanging on to dead properties. It would be my hope that we could continue with the present organization, making such changes from time to time as they seem warranted; I see no reason why we should not discuss the situation at Arkadelphia at our meeting Tuesday morning. Out of consideration for Jimmie Webb, who has devoted 25 or 30 years to the business, I think that we should try to give him the supervision, advice and counsel to which he is entitled and at least try to work with him under the new plan which I have in mind. I think that more frequent meetings o f the Board of Directors would be helpful in stimulating the desired cooperation. He has been left pretty much to his own in running the business, and the owners of the business, and I particularly, as president, may be responsible for spoiling him. Under the plan I have in mind he would be more subject to the will of the Board of Directors, and by taking the handling of credits out from under his jurisdiction, I think that we would be taking away from him the thing which has been most criticized.

Affectionately,

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CC Mr. Arthur Temple, Jr.
Mr. Newman B. Gregory

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

February 8, 1947

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I do not understand the memo on the John K. Gibson account, which was enclosed with your letter of February 7th, except that the account has gone down from $117,047.00 as of January 31, 1946 to $65,701.00 as of January 31, 1947. The other two columns, headed 56% and 67%, are not clear to me and I will get you to explain them when you are here next week.

It is indeed very gratifying to see the reduction of better than $50,000.00 in the past year.

Affectionately,

AT:ld

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SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

February 20, 1947

Mr. Newman B. Gregory
P.O.Box 1301
Dallas 1, Texas

Dear Newman:

I returned from a trip to Diboll last night and the first thing this morning Cobb came up to see me about taking over the Ashdown mill together with its receivables and the gins serving Ashdown.

After considerable conversation I called Latane and discussed Cobb's proposition with him, and the final outcome was that we agreed to sell to Cobb and his associates the Ashdown mill, the gins and the receivables for a consideration of $70,000.00; and while Cobb did not specifically agree to stand the expense of drawing the deed, bringing abstracts down to date and any other incidental expense, I told him that this was what I expected him to do, and I believe we will be able to close on that basis. The only item we will have to stand is taxes for 1946, which Cobb estimates at $3,500.00 to $4,000.00.

This deal, I think, makes the Hope mill and gins all the more desirable to Spencer and Stephens and any other prospective buyers. On the basis of the $175,000.00 price quoted by Latane to them recently for Ashdown and Hope, we will have only $105,000.00 in Hope, and I suggested to Latane this morning that he increase the price of Hope and its satellites. We really should get, I think, not less than $125,000.00 for Hope, and Latane is going to proceed on that basis. I think that Stephens and Spencer are definitely interested in Hope and am optimistic enough to think that he will be able to work out something with them without delay.

I just wanted to report to you on what we have done.

Sincerely,

AT:ld

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February 24, 1947

Mr. J. V. Webb
2901 Pine Street
Texarkana, Texas

Dear Jimmie:

The proposition which you submitted this morning by letter offering to buy the Hope mill, gins and receivables for $100,000.00, payable $25,000.00 cash, the balance on or before one, two and three years in equal payments of $25,000.00, leaving the Hope mill's notes and accounts payable with us to take care of, does not appeal to me, and while I am perfectly willing to submit it, I do not think that it will appeal at all to the other directors.

Since you were in my office this morning, I have run up the totals as shown on the company's last statement to get the following: the total of the physical properties as set down in your letter covering the Hope mill, various gins and stock interest in Planters Gin Company and Emmet Gin Company is $345,282.00; the Hope receivables, disregarding the inside accounts which are just about balanced by the inside acccunts payable, are $16,783.00. I presume, too, it might be in order to disregard the $7,000.00 owed the bank at Blevins. This would mean, then, that you would be getting properties carrying a book value of $345,282.00, plus receivables of $32,672.00, a total of $377,954.00. Since we would have to stand the payables amounting to $16,783.00, we would be receiving only $83,217.00 net for this total book value of $377,954.00, or between 20% and 25%.

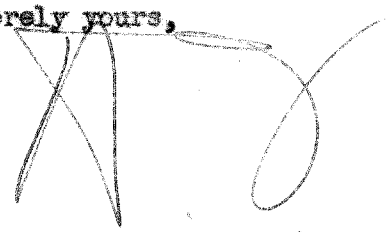
Frankly, Jimmie, I think the Hope mill, its gins and its receivables are worth considerably more than you have offered, $100,000.00 or $83,217.00 net after taking care of the payables. If these assets are not worth considerably more than you have offered, we have been kidding ourselves and the banks from whom we have been borrowing money terribly. I believe we will be able to get considerably more than you have offered and, consequently, I would not be disposed to accept your offer until we had exhausted every other possibility.

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Another thing, the primary purpose, of course, in liquidating some of the Temple Cotton Oil Company properties is to raise enough money to pay the indebtedness to Southern Pine Lumber Company. If we should sell the Hope mill on terms which you offered, there would, of course, be no positive assurance that we would receive the full consideration; our receiving the full consideration would depend upon your being able to operate the Hope mill successfully and take care of the payments at the rate of $25,000.00. I feel, therefore, that we would not be definitely assured of carrying out our purpose by selling the Hope mill or any of the properties, for that matter, on the basis of a 25% down payment.

I would, of course, rather see you have the Hope mill than anyone else. If you should be able to get someone to go into this proposition with you and if you should raise your offer to a point that would interest us and pay all cash, I would be awfully glad for you to acquire this property. I am not in a position to make a definite counter offer to you because Latane has one or two deals pending, but I believe that it would take something like $140,000.00 to buy the Hope mill and all that goes with it including the gins but not including the receivables.

Sincerely yours,



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CC Mr. Arthur Temple, Jr.

Mr. S. F. Styles, Houston Arthur Temple February 24, 1947

I am very much pleased that Arthur, Jr. has been selected by the nominating committee of Lumbermen's Association of Texas as a director of the Association to be presented for election at the Galveston convention next month. I consider this quite an honor, and at the same time I feel that Arthur is well qualified to serve in that capacity and will be an asset to the Association. I am glad that he has signified his willingness to serve.

I am returning the copies of letters written by Curtis Vaughan as requested.

AT:ld

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cc Mr. Latane Temple
Mr. N. B. Gregory
Mr. Arthur Temple, Jr.

February 25, 1947

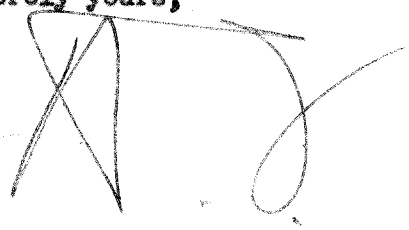
Mr. J. V. Webb
2901 Pine Street
Texarkana, Texas

Dear Jimmie:

I should not have said what I did in my letter yesterday about the Hope mill and its gins being worth considerably more than you offered or else we have been kidding ourselves and the banks from whom we have been borrowing money terribly. That, of course, is true if we should sell Hope at a higher price or the price somewhere nearer in line with what we have in mind. The only difference between your offer and what we have in mind is one of degree, and in either case, of course, we are going to have to take a considerable loss from book values.

Furthermore, I don't know that we will get $140,000.00 cash. We may have to take less than that, and I did not intend to imply that we would not. However, I do think that we will want to sell for cash and not part cash with the balance to be paid over a period of years, and if you are seriously interested in Hope, I suggest that you cast about to see if you can get someone to put some money into this proposition with you and raise your sights above what you offered yesterday. I would indeed like to see you take over the Hope mill, but we are going to have to get all we can out of it and cash to accomplish our prime purpose, namely, the repayment of advances made by Southern Pine Lumber Company. I am sure that you realize this as much as anyone.

Sincerely yours,



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CC Mr. Arthur Temple, Jr. ✓

March 1, 1947

Mr. Latane Temple
C/o Temple Cotton Oil Company
Little Rock, Arkansas

Dear Latane:

Confirming our several conversations and in consideration of your accepting the position of Vice-President of Temple Cotton Oil Company with general supervision of the business, we will give you an option on 500 shares of common stock of Temple Cotton Oil Company at a price of $10.00 per share, this option to run for one year from date or until March 1, 1948.

Although we gave J. V. Webb, former Vice-President and General Manager of this company, an option on all of the stock owned by my three sisters, my son and myself late last fall, the only consideration being the payment of the debt owing to Southern Pine Lumber Company by Temple Cotton Oil Company, which option he was unable to exercise, I firmly believe that may be able to make the stock worth $10.00 per share or more, and we shall be very happy for you to exercise the option given you at any time within the period covered.

It is contemplated that the 500 shares covered by the option are to be contributed by my two sisters, Mrs. G. R. Payne and Mrs. Harry Munz, my son, Arthur Temple, Jr., and myself in equal amounts and possibly including any stock that may be in the company's treasury subject to action of the Board of Directors.

Yours very truly,

AT

AT:ld

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SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

March 4, 1947

Mr. L. C. Hunt
C/o Hunt Plumbing Supply Company
Nacogdoches, Texas

Dear Mr. Hunt:

I have given up the idea of trying to install the garbage disposall unit, which I have had on hand for some time but which could not be attached to my present sink because it has a 3-1/8" drain opening while a 3-1/2" opening is required.

You have been good enough to tell me that you would let me have a 20 x 42 double kitchen sink as soon as you could get one. I wish, however, that you would please disregard my previous request in this connection but know that I do appreciate your efforts in my behalf.

Sincerely yours,

A. T. Jr.

A. T.

In the event that you are trying to get a suitable kitchen sink to accommodate my disposall unit, wish that you would please discontinue your efforts. Would you like to have the unit which I have to sell at Lufkin Tractor Company? If so, I can take it down the next time I go to Diboll. Otherwise, I am sure that I will have no trouble in disposing of it here to one of my friends, many of whom no doubt would be glad to have it.

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CC Mr. Arthur Temple, Jr.

Mr. H. G. Temple, Diboll Arthur Temple March 6, 1947

Temple told me this morning that you were concerned about the cost of feeding Joe, the horse which you took down from here several years ago. I don't blame you a bit because I know that a horse, or any animal in fact, is quite expensive to maintain under present conditions.

I want you to know that it is perfectly agreeable to me for you to make whatever disposition you care to of this horse. As a matter of fact, I don't know in whom title rests at the present time. As I recall, Jimmie Webb and I let you have Joe, thinking that you might be able to use him, and later when you were getting nothing out of him, we agreed to let Arthur, Jr. have him. Later Arthur, Jr. went to the Navy and I presume that you took him off pasture and put him at Diboll, where he would receive better care and where he has been since.

The only suggestion I would make is that you contact Arthur to see if he would like to have Joe. Otherwise, it is perfectly all right with me, and I am sure that it would be with Jimmie if he were here to express an opinion, for you to sell him or give him away. Certainly I see no point to continuing to feed him at high cost when no one is getting any good out of him.

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Mr. H. G. Temple, Diboll Arthur Temple March 15, 1947

The paper mill had another good month in February. They showed a profit before taxes of $245,626.00, leaving $147,626.00 net income after providing for a reserve for Federal Income Taxes in the amount of $98,000.00. These figures for the two months of the current year are: $572,454.00 profit before taxes, $227,000.00 reserve for taxes, leaving net income $345,454.00.

The surplus shown on the balance sheet as of February 28th, 1947 is $2,763,888.00.

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CC Mr. Arthur Temple, Jr.

Mr. H. G. Temple, Diboll Arthur Temple March 15, 1947

I don't know whether Arthur sent you a copy of his letter of March 12th or not but presume that he did not since a copy is not shown on the original.

Arthur said that he would be glad to take the horse, Joe, off of your hands if you are unable to sell him. His idea is to put Joe out at the ranch where he has provided a barn and lot, and he thinks that he might be able to get some use out of him during the coming summer.

I am inclined to think that the best disposition of this horse would be to sell him if you can, and in that event you certainly should deduct any cost for carrying for him, which I assume would probably take the full amount of the sales price.

AT:ld

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SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

March 29, 1947

Mrs. Carrol Allen, Lufkin
Mr. Arthur Temple, Jr., Lufkin

Dear Ann and Arthur:

On the assumption that you might like to have one of your Daddy's baby pictures or pictures taken when he was three or four years old, I am sending each of you one, which were found in quite a large collection of old photographs among T. L.'s effects.

If you should not be interested in keeping these photographs, you might show them to the children and then return them to me, but I doubt if there is anyone other than you two who might care anything about them.

Affectionately,

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. H. G. Temple Arthur Temple April 12, 1947

Southland Paper Mills had a net income before taxes of $354,860.00 for the month of March, or a net after the reserve for Federal Income Taxes of $140,000.00 in the amount of $214,860.00.

These figures for the three months of the current year, January to March inclusive, are net income before taxes $927,314.00, reserve for Federal Income Taxes $367,000.00, net income after taxes $560,314.00.

From these figures it is apparent that the paper mill is continuing to operate profitably, in fact, if I am not very much mistaken, March, 1947 marks the high point in profit since the start of the mill some seven or eight years ago.

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CC Mr. Arthur Temple, Jr.

Mr. Clyde Thompson Arthur Temple May 1, 1947

My sister, Mrs. Newman B. Gregory, has been trying to get a General Electric dishwasher for her summer home at Quogue, Long Island, but has been unable to get one through the dealer up there and has asked me to see if we might not get one for her.

I don't think that we have gotten very much cooperation out of the GE people, probably because we have never done much with their appliances in the past, but I wish that you would please write General Electric Supply Company, Houston, and find out if and when they could let us have one of these units. What she wants is a dishwasher and sink combined but without the garbage disposall, which she thinks she cannot use because there is no sewer system at Quogue but only septic tanks, or something of the sort, and I presume it would not be practical to use a garbage disposall where the grease in garbage would not be taken away.

I told my sister that I was quite sure that I could get her a Hotpoint dishwasher from Interstate Electric Company, Shreveport, through Pineland, but she prefers the GE because it opens at the top while the Hotpoint opens in the front.

Incidentally, I am sending Arthur, Jr. a copy of this letter, and if he has any source from which he might buy one of these GE dishwasher units more readily than you can, I will appreciate his advising me.

AT:ld

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cc Mr. R. A. Jackson
Mr. D. G. McNair
Mr. Arthur Temple, Jr.

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

May 1, 1947

Mr. R. H. Ziegelmeyer, Industrial Agent
Texas and New Orleans Railroad Company
913 Franklin Avenue
Houston 1, Texas

Dear Sir:

The retail lumber yard of Temple Lumber Company at Lufkin, Texas, which is located on the T&NO, is terribly crowded and needs additional space in order to carry on the volume of business which they are doing. There is vacant property adjoining the yard on the west, which belongs to the T&NO, which the company would like very much to lease. If this land is not available to them, it will probably be necessary for them to build a warehouse for the storage of building materials at some distance from the yard, possibly one-half mile or more, which would be very inconvenient and would add considerably to the cost of handling.

If you would consider leasing this land to Temple Lumber Company, I will appreciate your advising Arthur Temple, Jr., Manager, Temple Lumber Company, Lufkin, with copy to Mr. D. G. McNair, Assistant General Manager, Temple Lumber Company, Houston, Texas, in order that they might contact you and confer with you as to terms and conditions.

For your information, Temple Lumber Company is closely affiliated with Southern Pine Lumber Company. I am President of both companies, and the major stockholders are the same in both companies. Southern Pine Lumber Company operates a sawmill at Diboll, Texas, owns one-half of the capital stock of Temple-White Company, which operates a handle factory at Diboll, while Temple Lumber Company operates a sawmill at Pineland, Texas, and thirty-two retail lumber yards in the state. The two companies control a considerable volume of tonnage, and it has always been their policy to favor the Southern Pacific Lines with a heavy percentage of it. I feel, therefore, that Temple Lumber Company is worthy of your favorable consideration of its urgent need for more space at Lufkin.

I assume that you are the one to whom I should write on this matter.

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If, however, my letter should be addressed to someone else, will you please be good enough to refer it to the proper one.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

May 5, 1947

William Kearney & Son
1134 Liberty Bank Building
Dallas, Texas

Gentlemen:

Temple Lumber Company of Lufkin, Texas has referred to me the letter they received from United States Plywood Corporation, dated April 29th, copy of which you have no doubt received.

I am interested in using Flexwood to cover the walls in one or two of our executives' offices here, and if you should have a representative in Texarkana or near Texarkana any time soon, I will appreciate your having him come to see me with a view to giving an estimate on what we have in mind. However, I expect to be in Dallas on May 20th, and if I have time, will probably drop by your office.

I will appreciate it if you will send us one of the sample books showing samples of the different kinds of wood you are able to furnish.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. Newman B. Gregory

May 7, 1947

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I am certainly delighted to read in copy of your letter of May 5th to Knight that the receivables of the Little Rock mill have been reduced from $434,000., as of April 30th, 1946, to $242,000., as of April 30th, 1947, which, I understand, does not take into account the loss of approximately $150,000. on the T. A. Gibson account. In other words, my understanding is that if the T. A. Gibson loss were taken into account the reduction would be increased by $150,000.. Is that correct?

This progress in the reduction of receivables is fully in accord with the policy which I have advocated lo these many years when I was always confronted with the answer that the extension of credit to ginners and growers in large amounts was traditional and customary in the oil mill business and that drastic reductions could not be accomplished without sacrifice of goodwill, which would mean the ruin of our business. I never did believe this, and to substantiate my belief I got reports from Dun and Bradstreet on a number of oil mill concerns in this section and not one of them showed the excessive amount of receivables that our statement showed. I have been and am now willing to assume a large part, if not all, of the responsibility for a policy of drastic reduction of receivables but that is not necessary now because you and others on our board of directors seem to concur fully in such a policy.

I am sending Newman Gregory and Arthur, Jr. a copy of this letter to let them know of the good work being done by Little Rock on its receivables and also to acquaint them with the fact that Temple Cotton Oil Company has reduced its indebtedness to Southern Pine Lumber Company from a high of $694,000. to $550,000., where it stands today, and I understand that Cobb and his associates still owe $37,500. on the purchase of the Ashdown properties, which I suppose can be applied on the Southern Pine debt when it is paid. A letter which I received from Knight this morning said that he thought you would be able to reduce the indebtedness to Southern Pine quite a little more in May; he may have had reference to applying the balance on the sale of Ashdown, but I hope that he is figuring on something more than this.

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I am glad that you wrote Mr. Roney of Caddo-DeSoto Cotton Oil Company, Shreveport. These people are well able to buy our Little Rock and Hope mills if they are inclined to do so, and it does look to me as if they would be logical acquisitions if Caddo-DeSoto Cotton Oil Company is expansion minded. Will appreciate your letting me know what Mr. Roney replies to your letter.

I think it would be well for you or Knight to check up on Cobb to see what progress is being made in forming his company. I have not yet signed any deed or deeds, and I wonder what is causing the delay because Cobb expected to have everything closed up, I believe, in 30 to 45 days from the time we agreed on terms. I presume, too, that you will have someone check the settlement closely so that we will know that we are getting all to which we are entitled on the Ashdown sale.

Yours truly,

AT:ld

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May 9, 1947

Mr. Arthur Temple, Jr., Lufkin
Mr. Newman B. Gregory, Dallas

In a letter to Lutane several days ago, copy of which I sent each of you, I mentioned that Temple Cotton Oil Company had reduced their indebtedness to Southern Pine Lumber Company to $550,000.. This morning we received an additional check from Little Rock in the amount of $50,000., which brings the indebtedness down to $500,000., which means that very good progress is being made in our chief objective.

Sincerely,

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. H. G. Temple Arthur Temple May 14, 1947

A report of Southland Paper Mills, Inc. for the month of April 1947 and for the four months of the current fiscal year shows the following: net income for April before taxes $355,522.52, reserve for Federal Income Taxes $140,000.00, net after taxes $215,522.52. For the four months ending April 30, 1947, net income before taxes $1,282,837.04, reserve for Federal Income Taxes $507,000.00, net income after taxes $775,837.04.

The surplus account shows the following: as of April 30, 1947 $3,194,271.47, which is an increase of $775,837.04 over the December 31, 1946 figure of $2,418,434.43. The figures in the surplus account are net after deducting the reserve for income taxes.

I think you will agree that our investment in Southland Paper Mills, Inc. looks mighty good.

AT:ld

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CC Mr. Arthur Temple

June 16, 1947

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I am a little disappointed that Mr. Guinee did not respond more favorably to our offer of the Hope and Little Rock mills with their gins, but I feel that we made a price as low as could be reasonably expected under the circumstances.

I am perfectly willing to abandon any idea of selling, at least for another year, because I know that we are going to have to make arrangements for operating for the 1947-48 season, and I know, too, that there will be considerable advantage in having a settled state of mind among all of the employees from yourself on down. However, I don't think that we ought to issue any formal statement to the employees to the effect that we have definitely abandoned all thought of selling out or make any definite commitment that we will not sell under any circumstances. I think that it will be quite sufficient to pass the word along to your key men that we are making our plans to continue to operate and that we have no prospect of selling. If, however, some good offer should come to us, I would want to feel free to accept it. That, of course, is a remote possibility.

I hardly know how to answer you about the preferred stock. Frankly, I don't know under what conditions the preferred stock was issued, that is, whether the preferred stock is a lien on the properties and would come ahead of the common stock in liquidation. If it does, then the preferred stock ought to be worth one hundred cents on the dollar. On the other hand, the common stock is the stock that has a speculative value; in the event we operate successfully and are in a position to discharge the indebtedness of the company and eventually pay dividends, it is the common stock that will have the real value. Furthermore, I believe it was your thought in asking for an option on 500 shares of stock at $10.00 per share that you contemplated building up the common stock value and thus making something for yourself. Consequently, I never did consider the preferred stock in the deal and, as I stated in one of my recent letters, I would hesitate to go to Marguerite and Georgie and suggest that they put in their pro rata part of preferred along with the common on which they have agreed to give you an option, either 100 shares each or 125 shares each depending upon whether we can apply the $10,000.00 of stock

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we took back from W. T. Murphy, Jr.. I really feel that those who have agreed to give you the option on the aggregate amount of 500 shares have been liberal, and I hope that you will be content to accept that without any of the preferred. For my part I am perfectly willing to go along on any basis which is agreeable to you and the others, but it would be hard for me to justify to the others the inclusion of a pro rata part of preferred stock along with the common in the option.

Incidentally, on the memo accompanying your letter of June 12th where you figured what we would get out of the proposition made to Mr. Guinee you figure the tax on the gain at 38%. I am quite sure that this would be taxable at 25% as a capital gain and, of course, any capital losses could be applied against any capital gains. Offhand, I don't know of any capital losses which have occurred; I presume that even in the sale of the Ashdown plant there was a capital gain because the depreciated book value was probably less than the sale price. However, since Mr. Guinee turned down our proposition, any talk about gain or loss in a sale of the remaining properties is more or less idle.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr. ✓

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

June 19, 1947

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I talked with Mr. Burford yesterday afternoon after I wrote you, and he gave it as his opinion that Temple Cotton Oil Company could issue some of the presently unissued stock at a discount from par but he added that a stockholder buying stock at a discount would be liable to the creditors of the company for the difference between the price paid and par. In other words, if Temple Cotton Oil Company should sell you some of its unissued stock at, say, $10.00 per share, you would be obligated for the difference between this price and par, or $90.00 per share, to the creditors of the company in case of insolvency, and I think that is a liability which you probably would not want to assume.

Mr. Burford added in the discussion of this matter that a resolution might be passed by the board of directors agreeing to sell you the stock at a discount in consideration of services rendered. He did not say so, but I am sure that in that event you would have to treat as income the difference between the price paid and what might be determined as fair market value and, consequently, would have to pay income tax on that difference. That, possibly, would be an objection to the plan proposed.

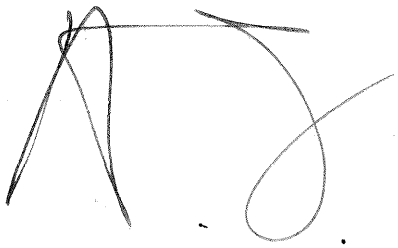
As I wrote you, I would prefer to issue 500 shares of stock to you from stock authorized but presently not issued, if it can be done without prejudice to your interests. I suggest that we give some further thought to this course and discuss it further, possibly, with other lawyers. Maybe we can come to some definite decision as the best procedure before the annual meeting in August.

I wish that you would please let me know what the company's by-laws provide with respect to the annual meeting. Katherine and I have set tentatively the first two weeks in August for our annual trip to Vermont to visit Mrs. Sage; in fact, this time is rather definite.

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If the by-laws should provide for the annual meeting of Temple Cotton Oil Company during that period, it is my thought that the meeting might be convened and adjourned to some time later in the month when I would be here. That could be done with the understanding and agreement of other stockholders and directors, and it would not require directors living away from Little Rock to attend. The stockholders could be represented by proxies at the regularly appointed time, and you and Cochran could call the meeting to order and then adjourn.

Yours truly,



AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. R. E. Minton
Mr. D. C. Kenley
Mr. Clyde Thompson
Mr. E. A. Farley

July 23, 1947

Mr. H. G. Temple
Diboll, Texas

Dear Henry:

Referring to your letter of July 22nd addressed to R. E. Minton, Arthur Temple, Jr., D. C. Kenley, Clyde Thompson, E. A. Farley and myself in regard to requests from the Malibu Hunting Club through Mr. J. W. Austin.

I am not sufficiently familiar with the area embraced by the lease to the Malibu Club and the specific conditions discussed by Mr. Austin in his letter of July 14th to you to express an intelligent opinion as to whether their requests should be granted or not. However, the requests do impress me as reasonable and if granted would redound to the benefit of the lumber company, the Boggy Slough Club and others who may be interested in the hunting in the general area. Furthermore, I am sure that we are all disposed to accommodate the Malibu crowd.

Unless, therefore, there should be some valid objection on the part of other members of the committee, I would be in favor of granting the requests of the Malibu Club.

Yours very truly,

AT:ld

CC Mr. Arthur Temple, Jr.

Mr. H. G. Temple Arthur Temple July 23, 1947

Conforming with your arrangement with Mr. H. B. Bosworth, Forest Supervisor, to be with us at 10:00 A.M. next Monday, July 28th, I will plan to drive down to Lufkin or Diboll Sunday afternoon, the 27th, and spend as much time with you as may be necessary for the purpose of discussing a cooperative sustained yield unit for Government timber, and as long as this will be my last visit with you at Diboll before going away August 1st for a two weeks' vacation, any other matters that you may have in mind.

I appreciate your offer to engage an air-conditioned room at the Angelina Hotel for me for Sunday night. However, unless Katherine should accompany me, which I doubt because we will be taking off for Vermont so soon and, too, because my stay at Diboll will be rather indefinite, I would just as soon, in fact would probably prefer, to put up at the library at Diboll.

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CC Mr. Arthur Temple, Jr.

Mr. H. G. Temple Arthur Temple July 26, 1947

Arthur, Jr. called me this morning to urge me to go to Lufkin tomorrow as I planned originally in order that we might have a visit together when he won't be so busy, and so the present plan is for Katherine and me to leave early Sunday morning with the understanding that I will get through in Diboll and get back to Texarkana Monday night so that Katherine will not miss more than the one day at the Red Cross office. I had planned to drive down early Monday morning, spending Monday night either in Diboll or in Lufkin with Arthur and returning, perhaps, Tuesday morning in the cool of the day, but this other arrangement, to leave early Sunday morning and return Monday evening, will give me just as much time, and I presume we can cover the ground fully in the time allowed.

I hate to always be pressed for time on my trips to the mill and especially so on this last visit before I go east. However, it is worth a lot to me to have Katherine accompany me on the trip.

I will probably call you from Lufkin some time Sunday afternoon or perhaps before. I may be able to visit with you some time Sunday, too. Incidentally, in an emergency Katherine can always return by train from Jacksonville alone.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. H. G. Temple Arthur Temple July 29, 1947

You will be interested to know that the report of Temple Manufacturing Company for the fiscal year ending June 30th shows a profit of approximately $88,000.00 from operations plus about $57,000.00 between the amount collected from insurance and the depreciated book values of the Diboll buildings, machinery and equipment, making a total of approximately $145,000.00 for the year.

The company paid income taxes for fiscal years 1941 through 1944, that is, additional taxes, of $22,000.00 of which about 25% was interest. This item of interest was deductible in computing the income tax for the fiscal year just closed.

In this morning's mail we received a check from Temple Manufacturing Company for $15,000.00, which leaves only $32,000.00 unpaid on their note for $450,000.00, which was given us several years ago to close their open account on our books. While the entire capital stock of Temple Manufacturing Company was more than wiped out some fifteen or more years ago, as a result of progress made during this period of time the stock now has a value of about $102,000.00.

All of this indicates that considerable progress has been made. I am sure that it is gratifying to you, as it is to me, that Temple Manufacturing Company has been put back on its feet, so to speak, and I am confident that the business will continue to operate on a satisfactory basis.

AT:ld

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cc Mr. H. G. Temple
Mr. Arthur Temple, Jr. ✓

Mr. E. G. Prud'homme Arthur Temple August 27, 1947

I received this morning your letter of August 26th in regard to a treating plant at one of our mills. I am glad to have your ideas and particularly the impressions which you gained recently in talking with Mr. Eland and Bill Hinkle.

I don't believe I sent you a copy of my last letter to Rube Morriss which was in reply to one which I received from him only a few days ago. In his last letter he suggested that we take our time about purchasing a plant and equipment because it was his opinion that within the next year a good many creosoting plants would be on the market. I told him that this suited me all right because I think that we do want to go into anything of this sort very cautiously, being convinced first of the need of a treating plant and second that we would be buying one at a reasonable price if we decided to go ahead. Rube expects to be in Texarkana within the next few weeks, will drop by to see me and no doubt I will know considerably more about what he has in mind after his visit.

AT:ld

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CC Mr. Arthur Temple, Jr.

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

August 28, 1947

Mr. J. A. McCaul, Director
of Industrial Development
Texas and Pacific Railway Co.
1009 Texas and Pacific Building
Dallas 2, Texas

Dear Mr. McCaul:

I have just had an opportunity today to make a detailed examination of the booklet which you have recently issued "Future Unlimited", which I found very interesting and full of valuable information. Information is forcefully and attractively presented, and I am confident that this booklet will redound to the benefit of the T&P and the area which it serves.

I will appreciate it very much if you will send one of these booklets to my son, Arthur Temple, Jr., Manager, Temple Lumber Company, Lufkin, Texas. I am sure that he will be interested in it and, as a director of the Texas and Pacific Railway Company, I would like for him to see it.

With kindest regards and thanking you in advance,

Sincerely yours,

A. T.

Arthur: Apropos of our several conversations about railroads I would like for you to see what the T&P is doing to promote industrial development along its line and in the area which it serves. I believe I have sent you newspaper clippings outlining what the T&P is doing at its own expense relative to economic surveys in the sections it traverses.

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CC Mr. E. G. Prud'homme
Mr. Latane Temple
Mr. Arthur Temple, Jr.

Mr. H. G. Temple Arthur Temple September 5, 1947

At my request Harry Kiegel has given me in detail in a letter the pension-trust plan which was adopted by the Texarkana National Bank for its officers and employees on February 26, 1947. As nearly as I can determine the plan is exactly the same as the one outlined to us by Mr. Hand, but the employees contribute 2% of the first $2,000.00 of their annual salary, 3% of the next $3,000.00 and 5% of all over $5,000.00 toward the cost of the plan. Furthermore, to qualify employees have to be 25 years of age or older in the case of males and 30 years or older in the case of females, and the bank's plan requires five years of service to qualify; the maximum benefit is $250.00 per month.

The bank's trust operates through the Connecticut Mutual Insurance Company, which, you may recall, was one of the companies mentioned by Mr. Hand, and it was put in by a Mr. White of Dallas, who operates in the same capacity as Mr. Hand.

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CC Mr. Arthur Temple, Jr.

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

September 8, 1947

Mr. L. F. Green
Spur Bottling Company
P. O. Box 187
Longview, Texas

Dear Mr. Green:

I received this morning your letter of September 6th and in reply wish to advise that I am not interested in acquiring any bottling plant, but my son, Arthur Temple, Jr., at Lufkin may be. As a matter of fact, I have heard him recently express some interest in acquiring a bottling plant and I presume that it is to him that you should have addressed your letter.

I am forwarding your letter to my son, Arthur Temple, Jr., and I am quite sure that he will communicate with you promptly.

Yours very truly,

AT:ld

Ask the nearest dietitian what he thinks about a steady diet of cheese and onions, coarse bread, milk and mild ale. That was the diet of Thomas Parr who lived to be 152 years of age. Parr lived a very gay bachelor life until 80 years of age but was finally subdued and captured by a persistent red-haired husband hunter. Thomas was married to this strawberry blonde for 32 years and she bore him two children. However, Mr. Parr did not settle down completely. When he was 105 years old his wife caught him stepping out with a lively brunette named Catherine Milton. When his first wife died the old boy was in circulation for eight years but married again at the age of 120. When over 130 years old Parr was still doing a hard day's work in the fields. When the perennial Parr was 152 years of age his remarkable longevity aroused the interest of the king, who invited the old fellow to visit London. In London Parr was shown a very good time. But he went off his diet of cheese and onions, etc. The rich food he consumed was apparently too much for his digestive system, as he died shortly after. He is buried in Westminster Abbey. Don't forget to ask a dietitian what he thinks of Parr's diet. Or don't you want to live to be 152?

—By E. V. Durling

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CC Mr. Arthur Temple, Jr.

Arthur- Henry Maddox is the brother-in-law of Mary Dellow (Mary Maddox). He is a nice fellow.

September 19, 1947

Mr. H. W. Maddox,
Manager Sales - Treating Division
Frost Lumber Industries, Inc.
Shreveport 90, Louisiana

Dear Henry:

I am very glad to give you such information as I have about Arthur, Jr.'s building operations but don't know that I can tell you anything that will be helpful, and I suggest that you contact him directly, addressing him in care of Temple Lumber Company, Lufkin.

I know that Arthur is building a bunch of houses at Goose Creek and I presume that that is the project you had in mind when you referred to it as at Pelly. If I am not mistaken, Goose Creek and Pelly are two towns in what is known as the "Tri-Cities Area". I think Arthur has 50 houses under construction there now and contemplates building a lot more. In addition to this project he has been building a good many houses in Lufkin and has an addition under way here just north of Beverly known as Brookhaven.

I don't think Arthur has ever used any treated material in his houses. No doubt treated material would contribute much to the value of the houses but it would no doubt also add to the cost, and, of course, he is trying to hold the cost down as much as possible. I don't mean to imply by this that he is building cheaply or using shoddy materials because he certainly is not. The houses he is building are well designed, have good material in them, but they are, of course, built down to a price where they will sell readily.

As a matter of fact, I don't know a great deal about the details of Arthur's operations. I was interested with him at one time when he built the Sussex Downs addition here, but I have not been interested financially in any of his subsequent ventures. Consequently, I suggest again that you contact him.

With kindest regards,

Sincerely yours,

A[T]:ld

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SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. H. G. Temple **From** Arthur Temple **Date** September 22, 1947

Rube Morriss was in my office this morning and, of course, we talked at some length about a treating plant for Diboll.

Rube's idea is for us not to do anything right now and certainly not to figure on new equipment. He says that about 50 treating plants were installed during the war and that there are now quite a number in distress, among the number the one at Conroe, which, incidentally, owes his company $4,300.00 for treating materials. He is on his way down there and said that he would report to me just what he finds, the type of plant, the condition, etc.. It seems that the First National Bank at Conroe has a mortgage on the plant and from what they have told him they will probably take it over, in which event it will no doubt be sold and at a favorable price.

I told Rube that we were in no hurry to put in a plant at Diboll and that I was in full agreement with his idea of waiting until something good turned up. Of course, he would like to have the job of installing the plant and he would want to sell us the treating materials if and when we do put in a plant at Diboll. Whether he has any other interest or not I don't know. He may be figuring on buying the plant himself and selling it to us at a profit or being cut in on the deal some way because Rube is a pretty good trader.

Incidentally, Rube anticipates that a plant with two cylinders, one for treatment with creosote and one with other chemicals which would take paint, would cost in the neighborhood of $150,000.00. This is considerably more than I have anticipated. I don't know where I got the idea of a treating plant for $35,000.00. He said that he didn't give me any such figure, but I am inclined to think that he did during the early part of our correspondence after our last annual meeting in Diboll. However, it may have been R. P. Jackson, who is Vice President of Koppers Company and in charge of the plant here at Texarkana. There may be some question as to whether we want to make such an investment. Rube, of course, argues that more and more treated material is being used and later on when lumber is not as easy to sell as it is now we may need a treating plant. I wonder if there might be any opportunity to buy the plant at Lufkin. If treating plants are so numerous and if so many are in distress as Rube says, then the Lufkin plant might be available to us later on if not now, and if we could get it, we could leave it where it is and save the expense of moving a plant to Diboll.

AT:hd

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CC Mr. Arthur Temple, Jr.

Mr. H. G. Temple Arthur Temple September 22, 1947

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AT:bd

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CC Mr. Arthur Temple, Jr.
Mr. E. G. Prud'homme

Mr. H. G. Temple Arthur Temple September 25, 1947

You subscribe to the United States News, do you not? If you do, read the article on page 32 of the September 26th issue headed "Worker Coolness to Pension Plan", which tells of the voting in the various Ford branches in favor of a higher increase in hourly wages rather than a lower increase in hourly wages plus a pension plan. Since this article was written, the Detroit workers, numbering 65,000, voted as the workers in the branches in favor of an increase of 11½ cents an hour plus six paid holidays rather than an increase of 7 cents an hour plus the pension plan.

This bears out what some expressed at our meeting in Diboll on September 2nd, namely, that what most employees are interested in is cash now rather than security in old age or after retirement. However, this article in United States News goes on to say that the old men in the Ford organization were more in favor of the pension plan.

In spite of this reaction, however, I still feel that the pension plan is probably better in the long run for employees. It is a question, though, just how far a company should go in what might be termed a paternalistic attitude in providing something which is in the best interest of the employees in spite of their own preference. All of this, of course, is apropos of our consideration of a pension-trust plan as discussed with Mr. Hand.

AT:ld

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CC Mr. H. G. Temple
Mr. Arthur Temple, Jr.

October 8, 1947

Mr. A. E. Cudlipp
C/o Lufkin Foundry & Machine Co.
Lufkin, Texas

Dear Al:

I wrote you that I expected to be in Lufkin on Saturday next for the Texas Lumber Manufacturers Association meeting and, incidentally, to take in the Forest Festival, and I am still hoping that I can do so, but I have received a letter from a first cousin in Virginia stating that he and his wife are on their way to Texarkana and expect to be here Wednesday or Thursday of this week. I have not heard anything further and don't know just when they will be here or how long they will stay, but, as this is a cousin whom I have not seen in many years, I don't feel that I can run off without seeing him and his wife unless it is absolutely necessary that I do so.

I am hoping that these folks will get in in time for me to have a visit with them and then leave in time to have a visit in Lufkin and Diboll and attend the meeting Saturday. If, however, I should not be there Saturday, you will understand why.

Sincerely,

AT:ld

This is James Lewis who wrote that he and his wife, Bessie, were on their way here and would be here Wednesday or Thursday. He said that they would pass through Texarkana, but I think that is probably a diplomatic way of saying that they are coming for a visit. I am sure that they will want to see all of the relatives here, which will mean that they will probably remain over at least 24 hours. If I don't get down this week-end, I will see you in Pineland Wednesday.

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CC Mr. S. F. Styles
Mr. E. G. Prud'homme
Mr. Arthur Temple, Jr.

Mr. H. G. Temple Arthur Temple October 9, 1947

I have been giving a good deal of thought in recent months to a bonus plan and/or pension plan for the employees of Southern Pine Lumber Company and Temple Lumber Company. As I have perhaps expressed myself to you, I think that a pension plan is perhaps something that would be more beneficial to the employees than a cash bonus, but it is undoubtedly true that the employees themselves are more interested in a cash bonus. That was demonstrated in the recent vote by all of the employees of Ford Motor Company, who elected to take a greater increase in the hourly rates of pay rather than a lesser increase with a pension plan. It is true I presume, too, that from the standpoint of the company more goodwill would be generated among the employees by a cash bonus.

As far as a pension plan is concerned it is pretty late in the Temple Lumber Company fiscal year to consider it. Even if we had more time, I am inclined to think that the majority opinion would be in favor of a cash bonus. I want to suggest, therefore, that we give consideration to setting aside a substantial percentage of our earnings in the two companies for a cash bonus to be paid this year, and I would like to see the two companies adopt a permanent policy of setting aside a certain percentage, either before or after taxes, for this purpose. I think much good can come from such a plan. It would give all of the employees a keen interest in cutting out waste and extravagance, promoting efficiency in order to increase the earnings. It would no doubt create much goodwill and, consequently, combat any union activity.

Specifically, what I have in mind for this year is either 10% of our gross earnings, that is, earnings before taxes, to be distributed among all employees on a pro-rata basis or in proportion to their individual earnings; or we might adopt the policy of giving everyone one-twelfth of his year's earnings, which would be the equivalent of a month's salary or wages. I don't know about Pineland and the yards, but as far as Diboll is concerned I think that one month's wages and salaries would aggregate approximately $100,000 and I think that we might agree to distribute $100,000 in bonuses at Diboll, $100,000 at the yards and $100,000 at Pineland. Incidentally, I would include Texarkana on the same basis as Diboll and Pineland but, as the Texarkana office is run, whatever might be paid out there would, of course, be allocated to the two mills. For a permanent policy I think we would have to decide upon a percentage of earnings in order to provide the incentive aspect.

I am planning to be in Diboll the next few days and would like to discuss this program with you further. I am sending Kek and Styles copies of this letter and would be glad for them to be giving consideration to my suggestions prior to the meeting to be held at Pineland next Wednesday, October 15th. I hope that we can have our ideas pretty well crystallized by the time that meeting takes place.

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CC Mr. Arthur Temple, Jr.

October 21, 1947

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I appreciate very much your good letter of October 20th giving me detailed information about the current business of Temple Cotton Oil Company. I have scanned the statement of September 30, 1947, but the best information is that brought out in your letter.

It is indeed distressing that the cotton seed oil business seems to operate always on the basis of anticipating higher prices for products later in the season or, put another way, that the industry invariably pays more for seed than can be realized out of the seed currently. Under such conditions as apparently do exist I can't see how the markets for products can fail to advance, and while I don't like a speculative business, I don't see anything to do under the circumstances except to move slowly in the sale of oil and possibly other products in anticipation of higher prices. If we are not paying more for seed than our competitors, and I am sure that we are not because it has always been our tendency to follow rather than to lead, then prices of products will certainly have to advance or the entire industry will go broke. Even if we can't expect higher prices on products, however, we are hardly in a position to gamble, so we are, in fact, between the devil and the deep blue sea.

I wonder if you have heard anything more from Mr. Groce, the man in New York who indicated that he might have a buyer for our mills. As I recall his last letter, he stated that his client was ill with pneumonia. Under the discouraging practices which prevail in the cotton seed oil industry where the big operators who are refiners apparently control the prices of products and purposely keep them low, I am inclined to think that our best interest might lie in selling. If the business could be operated in a free, competitive market without domination by special interest, I would feel differently, but it is disappointing to be engaged in a business where you cannot depend upon ordinary good business judgment.

The most pleasing thing in your letter was the statement that John K. Gibson's account has been brought down to $41,810.88 as of the date of your letter when he owed on September 30th, according to the company's statement, approximately

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$110,000.00. That is indeed a remarkable reduction. I hope that the other questionable customers mentioned in your letter can be held in line. I know that it is a difficult thing to do in view of the fact that some of our competitors are inclined to be more liberal in their credits.

I will be gone for the next several days. I am leaving early in the morning to join Mr. Vollmer, President of the T&P, and other directors in Dallas, where we will board a special train and proceed to El Paso for a meeting of the Board Thursday morning. I am going to leave immediately after the meeting on a regular train for Dallas, arriving there Friday morning, and will attend a meeting of directors of Texas Employers' Insurance Association Friday afternoon rather than wait over in El Paso for entertainment by the El Paso Chamber of Commerce and a daylight trip out of El Paso on the special train to give the directors an opportunity to see the western end of the line. I am really glad that I have the meeting in Dallas Friday afternoon as an excuse to cut short the visit in El Paso and, in fact, shorten the whole trip by a day. No doubt the trip out to El Paso on a special train made up largely, if not entirely, of private cars in the company of some pretty big men will be interesting and pleasant.

Yours very truly,

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CC Mr. Arthur Temple, Jr. ✓

Mr. S. F. Styles Arthur Temple October 29, 1947

I was very much relieved when I talked with you on long distance telephone this morning and got your approval to my passing up the trip to Houston at this time due to the fact that I have contracted a sore throat and cold and, consequently, would rather not risk two nights on a Pullman subject to draft and cold. My purpose in calling you was to suggest that you meet Arthur and me in Lufkin or Diboll to go over the project which you wanted me to pass upon.

As I told you, I think that Arthur's advice and judgment on a housing project would be very much better than my own because he has had considerable experience both in the financing and building of houses on a mass production basis. He has probably had more to do with such things than anyone else in our organization, and he has such a good head on him anyway that I feel he is eminently qualified to advise us. For my part I would be quite willing to accept the combined judgment of you, him and Malcolm.

I am disappointed not to have a visit with you at this time. I am very much interested in your plans to build a new yard for the Lumber Market and would like to see just what you have in mind. In that connection, however, I don't think that my advice would be worth very much to you because with your long experience in the retail lumber business I am sure that you know what is needed in the way of facilities to serve adequately the trade, and as to whether it would be advisable to move the general office to the new yard I would be disposed to follow your recommendation there, too. The main question in my mind is whether the new location for the Lumber Market would be as accessible to employees and others as the Polk Avenue yard and, too, the question of a possible saving in the cost of the new plant.

It has been quite a long time since I have visited in Houston, and I would like to spend a day or two there. Temple has agreed to make the trip with me some time within the next month or so, and, of course, I would much prefer to go with him than alone. I would have gone down with him last week but for the T&P directors' meeting in El Paso, which, incidentally, was a very interesting trip.

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CC Mr. E. G. Temple
Mr. Arthur Temple, Jr. ✓

Mr. S. F. Styles Arthur Temple October 30, 1947

It is a good thing that I did not make the trip to Houston yesterday afternoon as I had planned because Gertrude and Newman Gregory on their way over here from Dallas late yesterday afternoon had a collision with another car going in the opposite direction about 30 miles west of Texarkana about 5:00 P. M.. They were brought to a hospital here in an ambulance, and Dr. Collom worked on them from 5:30 until 8:30, giving both Gertrude and Newman blood plasma and Gertrude two blood transfusions, one supplied by Temple and one by Katherine.

Gertrude suffered fractures of possibly as many as seven or eight ribs, a broken collar bone and possibly a broken arm. There may be some internal injuries; Dr. Collom seems to think there is because Gertrude continues to spit up blood.(Katherine has just 'phoned after stopping by the hospital that the head nurse told her that Gertrude's collar bone was not broken nor was her arm broken and that there were no internal injuries: I hope this report is correct).

Newman got off very lightly. He had a terrific gash about five inches long and one that looked like at least one-half inch deep in the top of his head but it was only a scalp injury.

The accident apparently resulted from an attempt by Newman to pass a truck on a hill and colliding head-on with a car going in the opposite direction. Both cars were demolished. I went out to Maud this morning to get all the stuff that Gertrude and Newman were bringing over, which was scattered all over the road last night but which fortunately was gathered together and kept overnight by a deputy sheriff. They had everything but the kitchen stove with them; everything from a hammer and saw to Gertrude's nice clothes, hats and shoes. They had enough stuff with them to enable them to spend the winter in Texarkana, including Newman's duck hunting clothes, boots, gun, fishing tackle, five or six large suitcases, odds and ends of every description, enough to fill completely the rear part of my car and the trunk. I have been able to be of some service in a good many little ways and to get back to the beginning of this letter I am glad that something kept me from going to Houston yesterday. Incidentally, I think that I knocked out my incipient cold yesterday by taking prompt measures to combat it. I feel just about normal today except for the nervous strain which I have been under since about 5:30 yesterday evening.

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CC Mr. S. F. Styles
Mr. Arthur Temple, Jr.

Mr. H. G. Temple Arthur Temple October 31, 1947

Since writing Styles yesterday, copy of which letter I sent to you and Arthur because it pertained largely to the automobile accident in which Gertrude and Newman were involved and Gertrude's critical condition, I have a more favorable report which I know you will be glad to get.

This morning Gertrude's condition seemed to be worse, and Dr. Collom was so concerned that he brought up a Dr. Gilmer of Shreveport, a chest specialist, who examined Gertrude, and I have just come from the hospital where I heard his report. We are all very much encouraged by what Dr. Gilmer, He found no evidence of her lung's being punctured and thought that Allen's care of her was correct in every respect and said that he saw no reason why Gertrude should not come through all right unless some complications should develop. There is, of course, danger always present of some complication with nine ribs fractured, but we are all hoping and praying for the best.

As far as is known, therefore, Gertrude's injuries are confined to nine fractured ribs and a broken clavicle, which, goodness knows, are enough. She seems to be suffering a good deal but is doped up continually.

I went down yesterday afternoon and looked at the car in which Gertrude and Newman were riding when the accident occurred. I don't think that I have ever seen one more completely demolished. It was a wonder that either of them came out alive.

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CC Mr. Arthur Temple, Jr. ✓

Mr. H. G. Temple, Diboll Arthur Temple November 11, 1947

I have just received the Southland Paper Mills' financial report for October and for the ten months of the current year ending October 31st. This report indicates continued progress, and I am sure that you will be interested in the following figures.

The net income for October before taxes was $356,389.00, reserve for Federal Income Taxes, $139,000.00, leaving net income after taxes $217,289.00.

These figures for the ten months of the current year are as follows: net income before taxes, $3,437,443.00; reserve for Federal Income Taxes, $1,350,000.00; leaving net income, $2,089,443.00.

Now turning to the balance sheet we find the total capital stock is $3,897,471.00, and the surplus through October 31st, $4,529,668.00. From this it is apparent that the book value of the stock is in excess of two for one. Incidentally, the mortgage note payable to First National Bank in Dallas is $3,329,000.00. Total assets of the company stand at $13,680,072.00.

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CC Mr. Arthur Temple, Jr.

Mr. H. G. Temple Arthur Temple November 12, 1947

I was very much surprised in reading Al Cudlipp's bulletin of November 11th, which he gets out as secretary of Texas Lumber Manufacturers Association, that ground was broken on Armistice Day, yesterday, for an industrial hospital in Lufkin to be known as Memorial Hospital and which will be for the exclusive use of the several industries in and around Lufkin which, I assume, will contribute to its cost.

Although we have had considerable discussion and some correspondence pertaining to this project, and we have been urged by Ernest Kurth to participate, I had no idea that the project was so nearly a reality. I have advocated a new hospital in Lufkin which would serve the needs of all of the people, one to supplant the county hospital, which is obsolete and, I would say from my more or less casual observation, totally inadequate for such a thriving city as Lufkin.

Inasmuch as this industrial hospital is to be, I wonder if we should not now make some effort to be a part of it. I am still of the opinion that a hospital to serve the public generally would be far better than one restricted to the use of employees of those concerns contributing to the cost because a hospital for the general public is undoubtedly needed, and I think that such a hospital could be operated more economically. On the other hand, if a hospital for the industries in and around Lufkin is to be built, I am inclined to think that we will want to use its facilities if they can be available to us. At the same time I don't think that we would want to make a contribution which would be out of line with the benefits to be derived, and in this connection if Al Cudlipp's estimate of a cost of $750,000 is accurate, it would seem to me that a hospital much larger than will be required for the purpose is contemplated. I don't believe the new Catholic hospital located across the street from our office here at Texarkana is going to cost more than $1,500,00, and, as you know, it is a tremendous thing.

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CC Mr. Arthur Temple, Jr.

Mr. H. G. Temple Arthur Temple November 14, 1947

Mr. Russell R. Rowles of Rowles & Company, investment securities, Bankers Mortgage Building, Houston, knowing that we owned a substantial block of stock in Southland Paper Mills, dropped by to see me this morning to find out if we would be interested in selling our stock or, perhaps, one-half of it. He said that he was quite confident that we could get $38.00 per unit, perhaps $40.00 per unit, which, of course, is double the price at which the stock was sold originally and at the time we bought ours.

I told Mr. Rowles that I could see no incentive for us to sell our Southland stock; that the company is making a very splendid return on the investment at the present time, and, I was confident, would continue to do so; that for us to sell now would mean a capital gains tax and, what would be more worthy of consideration, we would have to pay out any capital gain just as we will have to pay out any ordinary gain to avoid any penalty under Section 102 of the Internal Revenue Code.

I just thought you might be interested to know what this man, who is thoroughly familiar with the Southland set-up, thinks of the stock.

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CC Mr. Arthur Temple, Jr.

November 14, 1947

Mr. K. W. Cooke, Secretary
Southland Paper Mills, Inc.
Lufkin, Texas

Dear Mr. Cooke:

I am enclosing Southland Paper Mills, Inc. stock certificates #P-181 for five shares, P-199 for five shares and P-336 for four shares, C-181 for five shares, C-199 for five shares and C-336 for four shares, making a total of fourteen units, each unit consisting of one share of common and one share of preferred, issued in the name of Mrs. William H. Sage and Amelia Whitney Sage, who are one and the same person. In this connection I note that all of the certificates have been endorsed with the signature Amelia Whitney Sage. Mrs. Sage is my mother-in-law, and I can assure you that Mrs. William H. Sage and Amelia Whitney Sage are the same person.

I would like to have there certificates re-issued and they may be issued in one certificate covering the common stock and one certificate covering the preferred stock if you care to do so in the name of Arthur Temple, Jr., and when the new certificates are issued, I will appreciate it if you will deliver them to Arthur Temple, Jr. at the office of Temple Lumber Company, Lufkin.

Yours very truly,

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cc Mr. Arthur Temple, Jr. ✓

Sign this in 6 places.

November 18, 1947

Mr. K. W. Cooke, Secretary
Southland Paper Mills, Inc.
Lufkin, Texas

Dear Mr. Cooke:

I forgot to mention the stock transfer tax when I wrote you a few days ago about transferring 14 units of Southland stock to my son, Arthur Temple, Jr. However, the simplest thing I suppose would be to collect the amount of the tax from Arthur when you deliver the stock to him.

Yours very truly,

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cc Mr. Arthur Temple, Jr.

November 19, 1947

Mr. Latane Temple
C/o Temple Cotton Oil Company
Little Rock, Arkansas

Dear Latane:

I am certainly glad to have your letter of November 18th together with the company's statement as of October 31st.

In the second paragraph of your letter you refer to an additional loss of $9,000 in the 4500 ton cotton seed inventory as of November 1st. I am quite sure that you mean this to be a profit of $9,000, and my conclusion is borne out in the statement toward the end of your letter where you show as an offset to the $62,000 loss to date $9,000 picked up in the market rise.

Anyway, your conclusions are gratifying in that you are looking forward to some profit, possibly $29,000 or $30,000 for the year. While this is not much of a profit, it is certainly better than a loss, which certainly would have been sustained if we had not had the improvement in prices of oil, meal, etc. in the recent past. The markets do seem to be fullish, and I am consequently hoping that your estimate of the final result may be conservative.

Yours truly,

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CC Mr. Arthur Temple, Jr., Lufkin

Mr. H. G. Temple Arthur Temple November 20, 1947

Temple Manufacturing Company showed a profit of $7,900 for the month of October, bringing the profit for the first four months of their current fiscal year to $22,071.

They are doing a pretty nice wholesale business. Since the fire at Diboll, Tripp has been trying to develop this wholesale business, and for the current year such sales have amounted to approximately $48,000 out of a total of $185,000.

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CC Mr. Arthur Temple, Jr.
Mr. H. G. Temple

Mr. S. F. Styles Arthur Temple November 25, 1947

Saturday afternoon while I was at home a Mr. Jarvis of R. M. Frye Lumber Company, Hugo, Oklahoma, called me and said that he had heard that our Paris yard was for sale. I told him that we had not talked about selling the Paris yard but suggested that he call you.

This concern is rated in the Red Book at $50,000 to $75,000 capital and indicates that they are also manufacturers, having a mill at Antlers, Oklahoma.

I don't know what you would think about selling the Paris yard. I don't suppose we should consider it unless we had in mind to purchase the Hinkle yard, which has a very much better location and which, I understand, has always done well. I know that we have considered purchasing the Hinkle yard, but I don't know whether it is for sale now or not.

I would be interested to know whether this party contacted you after talking with me and what your reaction was.

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Mr. S. F. Styles Arthur Temple November 25, 1947

Since writing you another letter this morning commenting upon the statement which you sent showing the sales and profit at each of the 32 yards and at the general office, I have received the regular monthly reports for October, 1947, and the 12 months of the past fiscal year.

For some reason or other the regular monthly report showing the profit at each of the yards and the general office for the year just passed does not agree at all with the statement which you sent to me on November 21st and which I received a day or two ago. For instance, the earlier statement showed Lufkin with a profit of $87,213.41 while the regular monthly statement shows Lufkin with a profit of $98,128.02. Clarksville on the earlier statement is given a profit of $2,546.99 while on the regular monthly statement just received Clarksville shows a profit $9,177.72. Similar variations appear all the way through. There is approximately $10,000.00 difference in the overall profit, the earlier statement showing about that much more than the regular monthly statement.

As a consequence, I don't know what's what. Why should the Houston yard show a decline of $27,000.00 between these two statements, The Lumber Market $16,000.00 and similar variations all the way through.

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Mr. S. F. Styles Arthur Temple November 25, 1947

I have received the statement showing sales profit and percentage of net profit to sales for the year ending October 31, 1947, for the retail division and have found it very interesting. The profit is most gratifying, and again I extend my heartiest congratulations to you as the head of that branch of our business.

I am, of course, proud of the showing of the Lufkin yard because of Arthur's connection with it. I note that Lufkin led all of the yards in sales, $731,220.93, and was only about $800.00 below The Lumber Market in net profit, The Lumber Market being the leader in this respect. In considering the results obtained at Lufkin, which are always of particular interest to me, I frequently think of the doubt that some of us had as to the advisability of our going into Lufkin and of the advice which was given to us by Ernest and Joe Kurth, who insisted that there was not enough business in Lufkin to support another yard. Certainly, your judgment with respect to Lufkin and other points at which we have put yards under your management has been fully borne out to be good.

What happened to Clarksville? For the first eleven months of the fiscal year, through September, they showed a profit in excess of $12,000.00, but the final report which you sent me gives Clarksville a profit of $2,546.99, a percentage of net profit to sales of only 1.85%. I wonder if this could be accounted for by improvements which have been made to the Clarksville yard which might have been charged to expense rather than to capital investment.

Monthly report shows Lufkin profit 98 000 + with Kurth Kurtain next at 81 000 L

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cc Mr. H. C. Temple
Mr. Arthur Temple, Jr.

Mr. S. F. Styles Arthur Temple November 28, 1947

I am glad to have your letter of November 26th explaining the difference between the statement which you sent me showing the profit for each yard and the Houston general office and the results as indicated on the October monthly report. From your explanation I understand that the statement which you sent me is the more accurate of the two and is based on actual inventory at the end of the fiscal year while the monthly report is based on estimates. I assumed that the reverse was true.

Where the estimated profit is considerably under the actual profit based on an accurate check of the inventory, except where some known reason exists, as in the case of Lufkin, is there any cause for suspicion that some of the merchandise may have been sold and not accounted for? I should think that any great unexplained difference should warrant some investigation. However, such a condition may be expected from the fact that some of the yards have operated without sufficient help or perhaps with incompetent help. The fact that the Houston yard and several others went considerably over their estimated profit seemed to discount any suspicion against those who ran considerably under. Maybe I shouldn't bring up this point; if you are satisfied, then I am.

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December 6, 1947

National Gypsum Company
Attention: Mr. B. E. Neal
Buffalo, New York

Gentlemen:

We have just wired you in reply to your telegram dated December 5th that Arthur Temple, Jr. and Associates of Lufkin, Rusk and other points are a partnership with a net worth of approximately $100,000.00. They have paid their obligations to us promptly and have been altogether a very satisfactory account.

Yours very truly,

SOUTHERN PINE LUMBER COMPANY

BY:

AT:ld

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CC Mr. E. G. Prud'homme
Mr. E. A. Perley
Mr. Arthur Temple, Jr. ✓

Mr. H. G. Temple Arthur Temple December 11, 1947

Although I have never been able to make any definite suggestions for modernizing our plants, I have for the past several years realized the advisability, if not the necessity, of our doing anything practical to lower our labor costs and prepare us to meet the competition which I am sure we are going to have to meet somewhere down the road if we are to operate profitably, break even or even survive. I have advocated our investigating thoroughly the mechanical handling of lumber in our plants and any other labor-saving devices which may have been adopted by others, and we have in recent years gone a long way toward mechanization in the woods by providing our logging departments with caterpillar tractors, Athey wagons and other such equipment which enable us to log in wet weather, and we have bought and used at Diboll the carrier, but I don't know how successful our operation of this piece of equipment has been since our sheds are not laid out properly for the use of such equipment.

If we do have the life which we anticipate at Diboll and Pineland, I think that we should give serious consideration to revamping our lumber storage areas to provide concrete or at least hard surfaced runways on the ground, doing away with our trams, the more extensive use of carriers and lift trucks in order to handle our lumber more efficiently from the mill and to eliminate the constantly recurring cost of maintenance of tramways, which has amounted to a tremendous sum over the years.

We have had delegations go to other mills to study these modern methods with a view to adopting them at our plants. I have never learned their conclusions, whether or not they have recommended the adoption of these methods by us. I still think that we ought to do whatever is practical, whatever will enable us to operate at a lower cost, and while I know that you have given considerable thought to such things I want to suggest again that now is a good time for us to undertake any improvement program involving a lot of money because we have the surplus cash and equivalent to finance any such program, and if we are going to undertake anything of this sort, we ought to do it in order to be prepared for the severe competition that will confront us when the present strong demand for lumber comes to an end.

I am not close enough to our operations to make any definite suggestions as to what we ought to do or whether we ought to do anything along this line. I do, however, feel very strongly the need for our keeping abreast of the times and taking advantage of any practical improvements which may be available to us, and so again I suggest that you and your staff be on the alert to do whatever you feel is justified.

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cc Mr. Arthur Temple, Jr.
Mr. H. G. Temple

December 12, 1947

Mr. E. L. Kurth, President
Southland Paper Mills, Inc.
Lufkin, Texas

Dear Ernest:

On the November statement of Southland Paper Mills, Inc. I note that $46,500 is shown as a contribution to the industrial hospital being built in Lufkin. Is this an outright donation or an investment represented by stock and/or bonds? From the way it is handled on the statement I assume that it is a donation. However, from what little I have heard about the financing of the hospital I have understood that the industries participating subscribed for stock or bonds on the basis of $100 per employee.

Speaking for Southern Pine Lumber Company and the affiliated companies at Diboll, we appreciate being offered the opportunity to participate in the new hospital but we know so little about how it is to be financed and other details that it has been difficult for us to discuss it intelligently. Furthermore, there is some question as to what advantages would accrue to our companies located away from Diboll where it would be necessary for us to maintain doctors, nurses and hospital facilities of a sort.

I am sorry that a hospital to serve the general public was not voted rather than a hospital to serve the industries primarily and others only when there is a surplus of facilities. I think Lufkin needs a new hospital to serve the public generally, and I think that the Catholic Sisters might have been induced to build such a hospital as they are building here at Texarkana with very little help from Lufkin. In that case they would have assumed the responsibility for operating the hospital, and when it comes to operating I think it is generally agreed that the Catholic Sisters do a job second to none. However, that is water over the dam.

Sincerely,

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CC Mr. Arthur Temple, Jr.

Mr. H. G. Temple Arthur Temple December 12, 1947

In looking over the Southland Paper Mills statement for November I note that a deduction of $46,500, as a contribution to the Memorial Hospital in Lufkin, appears. Apparently, Southland has treated their contribution to the industrial hospital as a donation rather than as an investment for which they would receive stock and/or bonds.

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CC Mr. Arthur Temple, Jr. ✓

December 15, 1947

Mr. B. R. Hamm
C/o B. R. Hamm Motor Co.
Hope, Arkansas

Dear Barney:

Josh Morriss reported to me today when he came back from Grassy Lake that you thought that his 14-foot boat was not large enough to accommodate the motor and wind propeller. Consequently, the only thing I see to do now is to have my son, who lives at Lufkin, Texas, bring up a boat which I let him have about a year ago, one which I am sure is the standard 15-foot length, or what used to be standard before the war. This boat was in good condition when I let him have it, and when I talked with him on long distance telephone this afternoon, he indicated it is still in good sound condition.

I have asked him to bring this boat up the next time he comes to Texarkana, which will be in the next week or two, and I will appreciate it, therefore, if you will just hold the motor equipment until I can get it.

Sincerely yours,

Arthur, I forgot to suggest that you check the length of the boat which you have. I suppose it is 15 feet. The motor is too heavy for anything less than 15 feet. Let us know about this, please, when you can.

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CC Mr. Arthur Temple, Jr.

Mr. H. G. Temple Arthur Temple December 18, 1947

As far as the time for the trip to the south Texas yards is concerned, I think that Styles would be perfectly willing to leave this up to us. He did, however, suggest in his 'phone conversation with me a couple of weeks ago that we make it around January 5th. I am sure that any time that suits you will suit Styles and me, and if Arthur can and will go with us, I presume that one time would be about as good for him as another. However, I am sending Arthur a copy of this letter, and if he is at all interested, will be glad for him to suggest a time after consulting you.

AT:ld

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CC Mr. H. G. Temple
Mr. Arthur Temple, Jr.

Mr. E. A. Farley Arthur Temple December 18, 1947

I am indeed glad to have your letter of December 17th which was prompted by my recent letter to Henry Temple in regard to modernizing our plants at Diboll and Pineland. I am glad to know that you, and I assume the same is true of Eck and Henry, are giving serious consideration to what we might do within reason to make our plants more efficient in order that we may be better prepared to meet keen competition later on.

Frankly, I don't know what would be practical for us to do and what would not be practical. My purpose, however, will have been accomplished when I have you, Eck and Henry thinking in terms of modernization, labor saving or the more efficient handling of lumber, whichever term you care to use. I know that we do not want to go overboard and spend a lot of money which will not be justified. Furthermore, I think that it will probably be well enough for us to undertake one thing at a time and feel our way as we go along. One thing I do know is that we will probably never be in any better shape financially to undertake a modernizing program, and such a program will have my full support whenever we are convinced what ought to be done and when the time is ripe.

I am glad that you sent a copy of your letter of December 17th to Arthur, Jr. because he has been very much interested in this matter, and I am glad for him to know the line on which you are thinking.

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. H. G. Temple

December 19, 1947

Mr. E. L. Kurth
C/o Southland Paper Mills, Inc.
Lufkin, Texas

Dear Ernest:

I am very well satisfied with what was accomplished on my visit to Lufkin yesterday especially since the trip was made so comfortably and in so short a time, thanks to your courtesy of sending the paper mill plane for me and sending me back in it this morning. Previous to my trip I did not have a clear understanding at all of the plan for financing the construction of a new industrial hospital at Lufkin, but I feel that I now know all of the details.

While I was in favor of issuing stock for the contributions of the several participating corporations, I can see a number of advantages to the method which has been adopted: such contributions are deductible for income tax purposes and any profit made through the operation of the hospital will not be subject to Federal income tax; on the other hand, if some method could be worked out where the contributing corporations could have something to show for the money which they put up, I think it might be well to go the other route. I doubt, however, if it could be done.

I certainly hope that you will give very careful consideration to my suggestion that the contributing corporations simply underwrite the $20.00 per man per year for a period of ten years to provide interest and amortization of the bonds to be issued rather than actually to pay in $20.00 per man per year for a period of ten years because under the by-laws which I read any money paid into the hospital association is gone forever. It seems to me that the same purpose could be served and at the same time the participating companies would not be out the money if the hospital is able to pay the interest and provide a sinking fund to retire the bonds. The contingent liability would be there, to be sure; that would be better than paying out the money with no hope of getting it back.

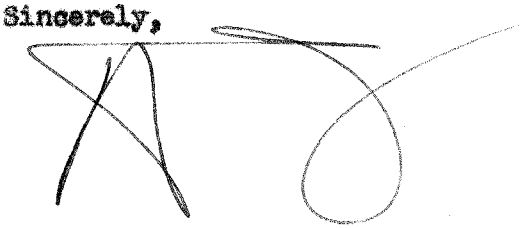
I told Dave Thompson this morning that we would like to see Henry Temple and George Smith named on the board of trustees and Arthur, Jr. named to serve on the board of directors. We would also like to have it understood that we will include in the Southern Pine Lumber Company group the employees of the Texas

Southeastern Railroad, of course, paying for them the same as the lumber company employees though the railroad company will not be named as a participating member. I don't suppose there will be any objection to following that course.

As for the participation of Temple-White Company, we will have to take that up with the Whites. I don't know just what their attitude will be but I am inclined to think that they will probably want to cooperate.

With kindest regards and again thanking you for the use of the paper mill plane for the trip to Lufkin yesterday and back this morning and wishing you and Mrs. Kurth a Joyous Christmas and a New Year of health and much happiness,

Sincerely,



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ARTHUR TEMPLE, PRESIDENT
HENRY G. TEMPLE, VICE-PRES. & GEN. MGR.

ROBERT L. WAITE, SEC'Y-TREAS.
W. TEMPLE WEBBER, SALES MANAGER

Southern Pine Lumber Company
MANUFACTURERS
YELLOW PINE — ANNUAL CAPACITY OF OUR OWN MILLS 200,000,000 FEET — HARDWOODS
Texarkana, Texas

December 22, 1947

Miss Ida Lee White
C/o Temple Lumber Company
Lufkin, Texas

Dear Miss White:

I have received the copies of statements pertaining to the proposed memorial hospital in Lufkin enclosed with your letter of December 19th and thank you very much for sending them to me.

I hope that you have a very merry Christmas.

Sincerely,

Arthur Temple

AT:ld

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CC-N. G. Temple, Diboll
Arthur Temple, Jr., Lufkin

Mr. E. G. Prud'homme Arthur Temple December 22, 1947

Pineland, Texas

Am glad to have your letter of December 19 in regard to improvements which have been made at Pineland and what may be contemplated for the future; also, to have your views on any extensive improvement program looking to the reduction of costs and the development of a more efficient operation.

I think I have accomplished the purpose I had in mind when I wrote you and Henry recently and also when I have written both of you during the past year or two when I have advocated our being on the alert to adopt at Diboll and Pineland any new methods which may appear sound and practical. Certainly, I would very much prefer that we feel our way and make any improvements that are justified step by step rather than to undertake some big over-all plan at a cost of $250,000. All I do ask is that the men on the operating end of our business be on the alert for any improvements which may be warranted.

I am fully conscious of the fact that we have done a good many things at both Diboll and Pineland in recent years. The installation of the trimming and grade-marking machines was a big step forward and while this operation is expensive, I believe that there is nothing that we could have done that would have made our product more saleable; then, too, we have gone a long way, possibly as far as anyone else in our section, through the use of power equipment in the woods and we have made other improvements, such as those enumerated in your letter. I am mindful of what has been done and I want to assure you that I am not impatient and I don't know that there is any one particular thing that I advocate our doing. I only feel that competition is going to be keen somewhere down the road, possibly in the not very distant future, and I think that we ought to adopt whatever measures may be sound and practical and calculated to reduce our costs and put us in a better competitive position. The details for accomplishing such a purpose I must leave in the hands of our operating officials.

AT:mok

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CHECK SERVICE DESIRED OTHERWISE MESSAGE WILL BE SENT AT FULL RATE			
DOMESTIC		FOREIGN	
FULL RATE		FULL RATE	
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NIG... LETTER		URGENT	
SERIAL		DEFERRED	
RESERVATION		NIGHT LETTER	
TOUR-RATE		SHIP RADIO	

Postal Telegraph

Mackay Radio · All America Cables
Commercial Cables · Canadian Pacific Telegraphs

TELEGRAMS · CABLEGRAMS · RADIOGRAMS

CHARGE ACCOUNT NUMBER	
CASH NO.	TOLLS
CHECK	
TIME FILED	(STANDARD TIME)

Form 2

Send the following message, subject to the Company's rules, regulations and rates set forth in its tariffs and on file with regulatory authorities

12/22

Has having to Mrs Brooks this yes I cannot be that they [illegible] can please keep [illegible] Bank game [illegible] address, but is what I cannot a 3rd class letter. Thank you for your

Love

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CC Mr. Arthur Temple, Jr.
Mr. H. G. Temple

February 7, 1948

Mr. R. E. Minton
Lufkin National Bank Building
Lufkin, Texas

Dear Mr. Minton:

I would like very much indeed to attend the meeting which you have called for February 19th to consider the diminishing supply of wild game. However, I doubt if I could contribute enough to such a meeting to justify a special trip and, consequently, I am sending Henry Temple a copy of this letter with the request that he arrange to have someone there to represent not only the Boggy Slough Club but also Southern Pine Lumber Company as an interested party.

I have not had any opportunity to observe the wild life on the Company's hunting preserve in recent years, and I have had only fragmentary reports on the supply of game. If the game is declining, then I think that it is quite appropriate that a meeting of all interested parties be called to consider the causes and to determine what steps, if any, may be taken to reverse the trend. I am glad that you have taken the initiative in this and trust that some real good will come out of the meeting to be held on February 19th.

If by any chance I should have something else of a business nature to take me to Diboll or Lufkin at that time, I shall be very glad to attend the meeting at the Boggy Slough clubhouse. Otherwise, I am sure that we will be represented not only by someone who is vitally interested in the problem but who will also be able to speak for the Company.

Sincerely yours,

AT:ld

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CC Mr. Arthur Temple, Jr. ✓

February 12, 1948

Hanson Bennett Magazine Agency
529 South Franklin Street
Chicago 7, Illinois

Gentlemen:

I am enclosing my check for $3.00 for a one year subscription to United States News to be sent to:

Mr. Arthur Temple, Jr.
C/o Arthur Temple, Jr.
and Associates
Lufkin, Texas

I will appreciate it very much if you will do whatever you can to have this subscription start as soon as possible.

Yours very truly,

AT:ld

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cc Mr. Arthur Temple, Jr.
Mr. H. G. Temple

Mr. S. F. Styles

Arthur Temple

February 12, 1948
Dictated February 13th

I have been giving considerable thought of late, as indicated to you in our 'phone conversation of several days ago and from time to time previously, to what steps we might take to put us in as good a position as possible to withstand the shock of a depression, which I have felt for a long time is in the offing and which I think it is generally conceded we are sure to have. The only question seems to be when the break will come: the severe decline in the commodity markets and the stock market the past four or five days may be the forerunner of a serious depression, but whether it is or not I think that we should do whatever we can to get our house in order. In discussing this with you on the 'phone several days ago I was glad to see that you were in agreement with me on this general principle.

One thing that I think we certainly should do is to eliminate just as far as possible all speculative business. We have not had to give very much thought to credits in recent years because in boom conditions almost anyone can make money and pay his bills. However, we all recall, I am sure, the severe losses sustained by many, if not most, retail lumber concerns in the break of 1920, which was due not only to inventory loss but also to credit loss, and if I am not mistaken, the latter far exceeded the former: I know that was true with Oil Field Lumber Company, whose capital as well as substantial paper profit was entirely wiped out. We might not do as large a volume of business, but I think that we should confine our sales only to financially strong customers or those who have firm loan commitment.

Another thing that might be well for us to do at this time is to have a really capable man auditing the yards constantly, someone who knew not only the retail lumber business but the construction business and was qualified to investigate thoroughly all of the receivables. It might be too late to accomplish what I have in mind along this line before the break comes, but I think it would be good policy in good times and bad. I suggested an auditor to make all of the yards sometime ago, and I believe you told me that you had Joe Martin in mind for this work, but I wonder if his knowledge of the lumber business or the construction business is sufficient or whether he has the all around experience to fill such a job adequately. Joe is a fine fellow and awfully pleasant, but he might be too easy going for this kind of work. I do think that we would be fully justified in employing such a man, using one who is already in the organization if he is able and qualified, otherwise, going on the outside for one.

Arthur was here for a brief time today, and I am frank to admit that we discussed the things I have mentioned in this letter, and he is in full accord with what I have suggested. Because of his experience in actually operating a yard for Temple Lumber Company I value his judgment, and not only on that account but also because I think that his judgment is generally sound. Incidentally, he is very much interested in Temple Lumber Company and indicated that he would like to receive the monthly reports which you send to me and Henry, and I would like very

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much for him to have them. It may not be convenient for you to make an extra copy for him; if not, maybe you could send him the one which you are now sending to Henry because I doubt if Henry pays very much attention to them inasmuch as he has a good many figures and reports to study in connection with the mills. Of course, I would not want to discontinue sending the yard reports to Henry without consulting him first and finding out that it would be perfectly all right with him.

It is quite difficult to know just what is going to happen. I cannot get out of my mind the experience we had in 1920 and again in 1929, and I do think that we ought to operate conservatively and be just as well prepared as possible for any shock whenever it may come. I do think the suggestions I have made above are consistent with this thinking.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. H. G. Temple Arthur Temple February 19, 1948

I am returning letter from Martin Dies to you and also balance sheet and so forth of Lufkin Creosoting Company, Inc..

No intimation has been given, I suppose, as to what these people would want for their stock. Furthermore, I know nothing about the condition of the plant and, consequently, have no idea as to its real value. It does seem to me, however, that this company has a very low capital with $28,000 paid in, with a surplus of approximately $17,000 and little invested in plant and equipment, $39,914, subject to a reservation of depreciation of $5,931.

If this is a good plant with equipment in good condition, I should think that it is being carried at a very low figure, especially in view of what Rube Morriss told me some time ago about what a creosoting plant would cost us. Under the circumstances, therefore, I think it might be well for us to investigate this plant a little further to determine its condition, and if the values are sound and the plant is modern and adequate for our purposes, I think we may well consider the advisability of taking it over, either by ourselves or in conjunction with other Lufkin interests, and then it would be in order, of course, for us to get a price on the stock from the present stockholders.

AT:ld

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SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

March 2, 1948

Mr. J. W. Durham, Diboll
Mr. Clyde Thompson, Diboll
Mr. E. G. Prud'homme, Pineland
Mr. Arthur Temple, Jr., Lufkin

Gentlemen:

I am sending each of you under separate cover the 34th annual report of the Texas Employers' Insurance Association, which I picked up yesterday when I attended the annual meeting of policyholders, followed by a meeting of the directors.

In view of the correspondence which we have had relative to our workmen's compensation insurance, I feel that this report will be of interest to you. Incidentally, I would call your attention particularly to the fact that although Texas Employers' Insurance Association suffered a loss of $725,000 resulting from the Texas City explosion and had a re-insurance contract for only $275,000 in excess of a net retention of $25,000, the Association was still able to return dividends to their policyholders in about the same ratio as in previous years due to a substantial reserve which had been set up for just such a purpose. You might consider what our experience would have been if we had been with Angelina Casualty Company and some disaster similar to the Texas City explosion had occurred in one of the plants of one of the companies which are carrying their compensation insurance with this casualty company.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

March 8, 1948

Willie P. Jones
Diboll, Texas

Dear Willie Jones:

I appreciate very much indeed your letter which I received yesterday morning. I know how much Henry Temple meant to you and I know how much he thought of you and other loyal and faithful colored employees. He often mentioned you by name to me and told me how he could depend upon you.

I was awfully glad that transportation was arranged for you and a number of other colored people to attend the funeral service in Texarkana. I only regret that it was not possible to provide for more. However, the opportunity was given for all to have a last look at one who had meant so much to them and to pay their last respects before the short service at the residence in Diboll. That, I am sure, meant a great deal to many people.

My son, Arthur, Jr., is taking over as manager at Diboll immediately. I am sure that he has not only the ability to carry on the duties of the office satisfactorily but that he also has a sympathetic attitude toward the working men that will carry on the Diboll tradition which has been built up under the leadership of Henry Temple. I trust that he will receive the same loyal and faithful cooperation that has been given heretofore.

Sincerely yours,

AT:ld

Wish you would please return Willie Jones's letter. - returned 3-10-48

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CC Mr. Arthur Temple, Jr.
Mr. G. S. Smith

March 9, 1948

Mr. C. B. Richardson, Cashier
The Lufkin National Bank
Lufkin, Texas

Dear Mr. Richardson:

We would like to authorize the signature of Arthur Temple, Jr. on checks drawn on the account of Southern Pine Lumber Company, Diboll, at the Lufkin National Bank, and I will appreciate it if you will mail to Mr. G. S. Smith, Diboll, a signature authorization card for that purpose.

Since Mr. H. G. Temple passed away on February 27th and Mr. Arthur Temple, Jr. is now acting as manager at Diboll, you may wish us to give you an entirely new authorization of signatures. If that is your wish, we shall be very glad to comply with it if you will so indicate.

Yours very truly,

SOUTHERN PINE LUMBER COMPANY

EM:

AT:ld

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Mr. D. C. Kenley Arthur Temple March 9, 1948

I am perfectly willing to follow your judgment with respect to handling the land adjoining the producing well in Cherokee County, as outlined in your letter of March 8th. Being so much more familiar with the play in the area, I think that you are in a better position to judge of the possibilities than I am, and if you are disposed to gamble for higher stakes, I am perfectly willing to ride along with you.

As a general proposition, I think that we ought to lease our land at the highest prices obtainable unless, as in this case, we have some inside information which may lead us to believe we will be able to get more money by waiting and then hold our royalty for a gamble. This has been the policy which we have followed for the most part over the past fifteen years, and I think it has borne fruit because we have taken in many hundreds of thousands of dollars on oil leases and no oil to speak of has been found on our land. The only time we refused to lease at a good price and gambled everything on production was, I believe, on Temple Lumber Company's land in Panola County, where we could have gotten $25.00 per acre on something over 600 acres, as I recall, but at that time Temple Lumber Company was subject to the excess profits tax where we would have been permitted to keep only 15% of the lease money, and under such circumstances I think that the gamble we took was well worthwhile.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple March 12, 1948

In reading your letter of March 10th in regard to announcement which I suggested we use at Diboll and Pineland, I get the impression that you are looking to me to have this announcement printed or mimeographed for distribution. That was not what I had in mind. My thought was that you would have such notices typed and posted at Pineland, and Arthur would do the same at Diboll.

Arthur asked if I intended this notice to be distributed to the trade. I told him that I did not think that would be necessary because the lumber journals would carry the announcement of Henry's death and his appointment as manager at Diboll and that we had never gotten out formal notices in the past when any of our prominent personnel had passed away. At the same time I said that I would not be opposed to getting out formal printed notices, particularly to our suppliers if he saw fit to do so.

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cc Mr. E. O. Prud'homme
Mr. Arthur Temple, Jr.

Mr. E. A. Farley Arthur Temple March 12, 1948

I have just received your nice long letter of March 11th and I want to thank you again for your assurance of your continued cooperation under the new regime. I have, of course, always known that I can count upon you 100%. I appreciate more than I can tell you the general reaction to Arthur's appointment.

I am sorry indeed that we did not get a wage adjustment worked out before Henry passed away so that this problem would not be left on Arthur's shoulders. Anything that may be done now, I suppose, will be attributed to him even though he may not be directly responsible for it.

I have always been opposed to any secret pay raises, a practice which I am sorry to say has been followed more or less in the past. I think that what we do ought to be open and above board and certainly we should be in a position to justify any rate of pay for any classification or any individual. It is not hard to understand why there should be dissatisfaction when it is learned, as in the case of the edgerman mentioned in your letter, that the man next to him doing the same type of work, even possibly an easier task, is getting more money. Resentment in such a case is fully justified, in my opinion. It is hard to know what to do to overcome the inequities which have developed over the years, but I wonder if the best thing would not be for us to adopt Angelina County Lumber Company's scale for all except salaried and supervisory jobs, or perhaps 5¢ per hour under their scale since there has always been this differential at least in the minimum which might be justified because of lower house rent and lower cost of living generally. It has always been argued, I believe, that Angelina County should be somewhat above us because of these factors, and, as a matter of fact, they have persistently maintained their minimum rate at 5¢ per hour above ours, claiming that it was necessary for them to do so.

I feel that it is particularly important that we keep everybody satisfied at this time when there has been a change in management. It would be most unfortunate to have any dissatisfaction develop and spread among the rank and file of our employees, and I am ready and willing to go down to Diboll, study the problem with you, Arthur and others and work out an adjustment which is the result of our combined judgment. Since this is something that we cannot afford to permit to develop, I will be glad to have your reaction to my suggestion and stand ready to do whatever I am called upon to do whenever you or Arthur thinks action is necessary. In this connection I suppose you know that Herb wrote Henry and me several weeks ago, stating that a number of his employees were complaining about the difficulty or impossibility of making both ends meet: he seemed rather inclined to make some increase in wages, but I demurred because of the break in the commodity markets which I thought might be the forerunner of an appreciable drop in food costs. However, I told him that whatever he and Henry decided ought to be done would be quite satisfactory to me.

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I was certainly sorry to learn from your letter that you have had a soreness in your left groin. I certainly hope this is no more than the result of a strain or something of that sort, and I hope that you will go to Houston for another examination soon and that you will keep me advised.

I can go down to Diboll any time I am needed. I want you and Arthur to realize this and not fail to let me know whenever I can be of any assistance to either of you in working out the problems incident to our business. I have assured Eck, to whom a copy of this letter is going, that I am subject to call by him at any time.

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. E. A. Farley

Mr. E. G. Prud'homme Arthur Temple March 13, 1948

I have your letter of March 12th advising that you have a letter from Allis-Chalmers Manufacturing Company saying they can furnish an engineer to help us figure on our problem, but, as I interpret your letter, you suggest that we first take up with Moore Dry Kiln Company.

Frankly, I don't know just what all this is about. I recall at one time when you were up here recently we discussed having an engineer from Allis-Chalmers look over our plants and let us have his recommendation as to what we might do to improve the efficiency without too great an outlay of money. However, I don't quite see the connection between this and Moore Dry Kiln Company and don't know just what you have in mind.

I believe Henry was in communication with Moore Dry Kiln Company about improving the kilns at Diboll and I understand that he was trying to get hold of Battenfield. As I understand it, we have only one Moore cross-circulation kiln at Diboll and, as it seems to be generally conceded that this is the best kiln obtainable, I think we should give serious consideration to modernizing more of our kilns at Diboll, where we have been having trouble recently with a leaky roof which has interfered seriously with our kiln drying and has brought about at least one complaint which I know about.

If a representative of Moore Dry Kiln Company does call upon you, I wish that you would have him get in touch with Diboll. Nothing, in my opinion, is more important than good drying, and I am convinced that move number one at Diboll at least should be modernizing more of our kilns there. I presume, furthermore, that we are entering upon the season of the year when such work can be done to the best advantage.

When you know when a representative of Allis-Chalmers will be at Pineland, I think it might be well for you to notify me and let Temple and me, and also Eddie and Arthur, Jr., meet at Pineland to hear what he has to say.

I have not yet been out to see Whit Rosborough's mill here at Texarkana. Arthur, Jr. will probably be here Monday to attend a meeting of directors of Temple Cotton Oil Company, and if there is time, I may suggest that he and I run out there. From what I have heard about this mill and from what I know about Whit Rosborough, I am inclined to think that this is one of the best and most modern mills though I understand it is of moderate size.

AT:ld

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cc Mr. Arthur Temple, Jr.
Mr. E. G. Prud'homme

Mr. E. A. Farley Arthur Temple March 13, 1948

I doubt if the suggestion I made in my letter yesterday about adopting the Angelina County Lumber Company schedule of wages, or perhaps 5¢ below that schedule, is practical because inasmuch as we are above them on some of the skilled and semi-skilled classifications, considerable dissatisfaction would probably be caused if we attempted to adjust such wages downward. That was, however, my first impulse.

It is indeed hard to know just what to do. If we raised our minimum to accord with Angelina County's, men immediately above the minimum, and perhaps all the way up the scale, would complain because they had not received proportionate advances. Frankly, I don't know of any way to make adjustments at this time without causing some dissatisfaction, and certainly now would be a bad time to bring on any dissatisfaction when we have just had a change in management at Diboll.

If we could just get by until we have a recession or a depression, which would call for a reduction in wages, we might be able to make some adjustments then more easily than we can now. On the other hand, an adjustment at any time, when all are not affected alike, is going to be very difficult, and this is something that is going to call for our best thought. I hope, therefore, that you, Arthur and Eck will be giving it consideration.

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. E. A. Farley Arthur Temple March 17, 1948

I am enclosing a letter from C. W. Rice, Editor-Publisher of The Negro Labor News, which may be of some interest to you.

I hope that this fellow Rice has not adopted me now that Henry is no longer available to him. Certainly, I am not in any position to judge his value to us in combating subversive or union activities, and I will certainly have to depend upon the management at Diboll to pass on any requests that he might make for funds. As I wrote Arthur a few days ago, I believe Henry had reached the conclusion that this man was something of a gold-digger, but I am not sure of that.

I hope, Eddie, that you will let me hear from you after you have had a report from the doctor at Houston. I do hope that the report will be favorable. I also hope that your grandson's injuries will be found to be nothing serious because I know otherwise that you would have something additional to worry about. I can stand any misfortune to myself personally much better than I can misfortune to one of my grandchildren.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple March 17, 1948

I went down to Diboll Monday afternoon with Arthur after the meeting of directors of Temple Cotton Oil Company and met with him, Eddie Farley and Clyde Thompson yesterday morning to discuss, among other things, the advisability of making some adjustments in our wage scale.

We agreed not to make any general advance in wages at this time but to make some adjustments to eliminate some bad practices which have prevailed in the past and which I think were started during the war years when we were prevented from increasing wages by Government regulation. We are going to do away with all "under the table" payments to employees and likewise all guarantees. Furthermore, Eddie and Clyde are going to examine wages being paid at the plant and in the woods to determine if there are any inequities and make any adjustments which may seem to be in order.

It was decided that we would pay at the April 15th payday a bonus representing 10% of each man's earnings for the first three months of the current fiscal year. It was thought that this would take the place of any wage increase and would be carrying out the general policy adopted by our two companies at their annual meetings last year, varied to the extent of paying the bonus on a quarterly basis rather than at one time at the end of the year.

I am sure that such action would be approved by the boards of directors of both companies and, therefore, suggest that you arrange to pay the Temple Lumber Company employees on the same basis, that is, 10% of their earnings for the first three months of your fiscal year, November, December and January, and you may make this payment at any time you see fit.

There seemed to be a fine spirit at Diboll. There was an atmosphere of enthusiasm and cooperation which was very gratifying to me.

AT:ld

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CC Mr. Clyde Thompson, Diboll
Mr. Arthur Temple, Jr., Diboll
Mr. R. A. Jackson, Diboll

March 18, 1948

Mr. P. J. Neff
Chief Executive Officer
Missouri Pacific Lines
Missouri Pacific Building
St. Louis, Missouri

Dear Mr. Neff:

When I was at our Diboll, Texas mill a few days ago and discussing with some of our people there the shipment of logs from a tract of land recently purchased near Strain, Texas, on the Gulf Coast Lines, the thought occurred to me that I might impose upon you to the extent of asking you to intercede with the traffic officials of the Gulf Coast Lines in our behalf in our effort to get a rate on logs in carloads in connection with the T&NO and the TSE Railroads from Houston to Diboll, which would permit us to ship logs by rail rather than by truck.

I am enclosing a letter which I have just received from our Traffic Manager at Diboll, Mr. R. A. Jackson, which shows the rate of $69.95 per car of 90,000 pounds minimum, also the course being followed in an effort to get a lower rate. We consider this rate excessive or more than we can stand, and we hope that we can get an adjustment without too great a sacrifice on the part of the participating carriers.

According to the estimate, we have about 20,000,000 feet of timber in this Hardin County timber which we want to mill at Diboll, which is in Angelina County twelve miles south of Lufkin. I am sure that we can make it worthwhile for the Missouri Pacific Lines to favor us in any reasonable manner through increased tonnage not only from our mill at Diboll but from the handle factory of Temple-White Company, Inc. at Diboll, the mill of Temple Lumber Company at Pineland, Texas, shipments to and from Temple Manufacturing Company at Dallas and through shipments to the thirty-two retail lumber yards of Temple Lumber Company, which

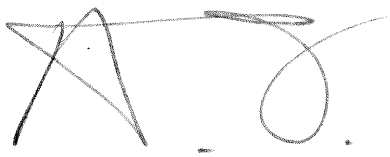
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extend from the Red River on the north to the Rio Grande on the south. The Missouri Pacific Lines are already receiving a nice volume of business from our several interests, including Temple Cotton Oil Company at Little Rock, Hope and Arkadelphia, Arkansas.

I hope that you will excuse the length of this letter, also the intrusion upon your valuable time. However, I am anxious to hold as much business to the railroads as is possible, and I believe that this is something that may well work to the advantage of the Missouri Pacific Lines, and if so, that it is something in which you will be interested. Of course, I don't have in mind that you would do anything other than to ask your traffic officials, Mr. Schill and Mr. Faulk, to show us only such consideration as may be warranted.

With kindest regards,

Sincerely,



AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. M. H. Tripp

Mr. E. G. Prud'homme Arthur Temple March 20, 1948

I think I have expressed my own opinion clearly and definitely and I think that it is generally agreed that we should not renew our contract with John Curren when our present contract expires next June. However, to avoid any misunderstanding I wish that you would please tell him when you see him that this decision applies to all of our companies, Southern Pine Lumber Company, Temple Lumber Company, Temple Manufacturing Company and Texas Southeastern Railroad Company, and I presume that your statement will be sufficiently authoritative for the companies named other than Temple Lumber Company. However, if he should wish to be informed by each company separately, please let me know, and I will have it done.

I received a letter this morning from Tripp which I am enclosing and which you will note concurs in our decision.

If by any chance you do not see John Curren as you anticipated when you were in my office recently, I wish that you would please write him and don't fail to make it clear that you are speaking for all of our companies involved in the contract.

AT:ld

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Mr. G. S. Smith Arthur Temple March 23, 1948

I wish that you would please set up Arthur, Jr.'s salary at $1,000 per month or $12,000 per year instead of the $10,000 per year basis about which I wrote you several days ago.

AT:ld

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CC Mr. Arthur Temple, Jr.

Texarkana, Arkansas

March 26, 1948

Mr. Latane Temple
C/o Temple Cotton Oil Company
Little Rock, Arkansas

Dear Latane:

In view of the fact that Jimmy Webb has not been sufficiently interested to attend either of our two directors' meetings since he resigned his position of vice president and general manager of the Company, and since he has shown such an indifferent attitude in other ways, I would have no objection to replacing him on the Board. On the other hand, I don't know of anyone to suggest in his place unless it would be G. R. Payne, who would represent a substantial stock interest and who, I feel, would be eminently qualified through a long and successful business experience and whose judgment is, in my opinion, thoroughly sound. The only question is:would he want to serve?

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple March 27, 1948

I have your letter of March 25th reporting on your conversation with Don Canterbury.

While I don't know that Don's proposition is out of line, I am inclined to think that Mr. Spearry's will be better, and from what Mr. Cook, the young man who worked as forester at Diboll for a time back in 1940 or 1941 and who is now with Southern Pulpwood Association and who, I think we all agreed, is a very high-class man, said about Spearry, I feel that he is thoroughly competent, and he would have the advantage of being closer to us and more accessible living as he does in Nacogdoches.

I hope, therefore, that you will contact Mr. Spearry and then will give us his proposition and your impression of him. When we have your report on the two men, then I suggest that we get together with Arthur, Jr. and perhaps Dave Kenley and maybe Kenneth Nelson to consider whether or not we want to employ a consultant, and if we decide that in the affirmative, then which of the two men, Canterbury or Spearry, we want to tie up with.

AT:ld

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CC Mr. G. S. Smith
Mr. Arthur Temple, Jr.

March 31, 1948

Mr. H. J. Shands, President
First State Bank & Trust Company
Lufkin, Texas

Dear Mr. Shands:

I am enclosing two signature authorization cards for the account of Southern Pine Lumber Company, Diboll, these cards bearing the signatures of myself as President, Arthur Temple, Jr. as Manager, G. S. Smith, Assistant Secretary-Treasurer and Calvin Lawrence, Accountant. You will please honor checks drawn on this account when they bear the signatures of any two of those named.

I was very sorry to miss you when Arthur, Jr. and I dropped by the bank Monday afternoon. I would like to have had a visit with you.

Arthur told you that we had decided to make our account with First State Bank and Trust Company our active account in Lufkin. We are very happy to do this and know that our business with you will be handled in a highly satisfactory manner.

I was very proud when I learned that Arthur, Jr. had been elected a director of your bank. I am sure that he will be able to render you valuable service in this capacity, and I know that he will benefit from his association with you and others on your Board.

With kindest regards,

Sincerely yours,

AT:ld

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CC Mr. Arthur Temple, Jr.

April 1, 1948

Angelina Hotel
Lufkin, Texas

Gentlemen:

I telephoned me son, Arthur Temple, Jr., this morning and asked him to ascertain from you whether a gabardine topcoat had been found in room 429 after I checked out last Tuesday afternoon.

Since talking with him the thought has occurred to me that I might have left this coat on the table near the public telephone booth in the lobby. If such a coat was found, either in the lobby or elsewhere, I will appreciate it very much if you will send it to me, transportation charges collect or I will be glad to remit to you if you will pay the charges.

Yours very truly,

A. D.

A. D. Jr. -

AT:ld

An afterthought!

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Mr. E. G. Prud'homme | Arthur Temple | April 1, 1948

I am sorry that you will not be able to attend the Southern Pine Association annual meeting to be held in New Orleans next week but I can well understand your desire to be on hand when the Sears' purchasing agent visits Pineland.

We will have a pretty good delegation at New Orleans anyway. Arthur is planning to go, and I think that Lee Estes and someone else from Diboll are going and, of course, Temple and I will be on hand. We will try to represent Temple Lumber Company as well as Southern Pine Lumber Company.

I presume your hotel reservation is at the Roosevelt. Arthur said he had a reservation at the Monteleon, which would not be so desirable since it is some distance away from the Roosevelt where the convention will be held. I note that he received a copy of your letter, and he may wish to use your reservation at the Roosevelt. Temple and I already have our reservation at the Roosevelt.

AT:ld

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Mr. E. G. Prud'homme Arthur Temple April 2, 1948

Last Monday night when I was in Diboll Arthur had a meeting with all of the men concerned with the woods and logging, and Dave and Kenneth Nelson agreed that we could afford to take only about 15,000,000 feet per year from our fee lands for the next fifteen years if we carry out a sustained yield program for the future. This would mean that we would have to supplement timber from our fee lands to the extent of 14,000,000 or 15,000,000 feet, if we maintain our present production at Diboll, and we are working with the U. S. Forest Service on a deal under which they will supply this difference under a contract to run for 25 years and where they will sell the timber to us at an agreed price and without competitive bidding. We won't know for another 30 to 60 days whether or not we will be able to work out a satisfactory deal on this.

In the meantime I wonder if there is any possibility of our getting such a supply of timber from Southwestern Settlement and Development Company. As between a deal with the Government and Southwestern I would much prefer the latter, but I am not sufficiently familiar with their holdings to know whether any of their timber could be logged to Diboll economically.

I know that you have been considering, at least, working on Bill Merrem for timber for Diboll, but you have said that they are not taking on any more customers. I wonder, though, if you could not find out definitely whether there is any prospect of their working with us at Diboll as they are working with us at Pineland now.

If we do not get an additional supply of anywhere from 10,000,000 to 15,000,000 feet on the outside for the next 15 years, we are going to have to adjust our production at Diboll to what Dave and Kenneth say we can afford to take from our fee lands; in other words, 15,000,000 feet per year, which would be just about what Mill #1 would produce on a 40-hour per week schedule. To reduce our running time to 40 hours would present many problems. We would probably have to increase wages to compensate our men for the loss in take-home pay, they would suffer by the reduction of running time from 55 hours to 40 hours, and we would have to cut our personnel and our overhead generally to a considerable extent in order to have a profitable operation. The only other alternative would be to abandon sawmilling entirely and go to timber farming, which we would not want to do largely on account of our employees, many of whom have been with us many, many years and whom we would certainly hate to throw out. All of this discussion, of course, is based on the assumption that we do want to operate our timber so as to cut no more than we are growing, or, in other words, to put it on a sustained yield basis. That certainly is my desire.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. D. C. Kenley Arthur Temple April 2, 1948

I called R. P. Jackson, Vice-President of Koppers Company, this morning upon receipt of your letter of April 1st. He told me that there had been no developments in their negotiations with Lynch Davidson and that they are just letting the matter ride hoping that there will be some change in the attitude of Lynch Davidson's son-in-law with whom they have been dealing.

I told Jackson that we would not show any interest in this land in Polk County or do anything to interfere with their negotiations, and, certainly, I don't think that we can afford to handicap the Koppers Company in any way under the circumstances, but that if they got to the point where there was no hope of trading with Lynch Davidson that we would like to have the opportunity to see what we might do. He said that he would be very glad to let me know if they got to such a point.

From what Jackson has told me I am sure that this Polk County timber would be a good acquisition for us for the long pull. As I recall, it has been cut down to a 10" diameter, which would mean that there would not be any of it available for us for some years, but, on the other hand, much of the timber is no doubt of a size that is putting on rapid growth.

Please don't do anything that would embarrass me with Jackson. He has been rather frank in his conversations with me about this timber, and I certainly would not want to be in the attitude of taking advantage of anything he has told me. Only in the event that the Koppers Company gets to an impasse and pulls off the deal would I want to become involved in any negotiations for our own account.

AT:ld

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CCs: Messrs: Arthur Temple, Jr.
E. G. Prud'homme

Mr. E. A. Farley Arthur Temple April 2, 1948

Referring to your letter of April 1st and Bulletin No. 3, dated March 30th, from Texas Dry Kiln Club, which I am returning herewith:

It is impossible for me to pass upon the value of membership in this club which will entitle us to the services of a dry kiln expert; rather do I think that you and perhaps others who may have attended meetings of the club with you are in a better position to determine whether or not the benefits of membership in the club would be commensurate with the cost.

Incidentally, in the event we have to go on a reduced production basis in order to have our cut accord with what Dave and Kenneth estimate we can afford to take off of our fee lands, and in that event do not use our full kiln capacity, I presume that we would be charged only on the basis of the kilns which we would be using. Perhaps we would use our entire kiln capacity in any event, but if we should not, then I certainly think that our assessment ought to be based on what we are using.

I hate to duck the responsibility of deciding whether we should support the club or not since you have put it up to me, but, frankly, I feel that you and perhaps others are in a better position to decide and, for my part, I will be entirely satisfied with your judgment.

AT:ld

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Mr. E. A. Farley Arthur Temple April 5, 1948

With all of the other things we have had to consider since Henry passed away I have overlooked entirely the ~~land to~~ plan to overhaul Mill #1, which was first scheduled for December, I believe, but then postponed until May. I wonder if such work is still contemplated. Temple says that if this work is planned for next month he should have more notice.

It seems to me that we would gain a good deal if we could do any necessary overhauling or repair work during the two weeks' vacation period which comes a little later on in the year. I should think, too, that the work could be done more efficiently and at a lower cost during the summer than at this time when we are so apt to have rain to interfere.

Another thing about this job, it seems to me that it ought to be done in connection with our long range planning. If we are going to get the Government timber under the law passed to promote a sustained yield operation, we should set our production sights accordingly, and Mill #1, as it is equipped at the present, may be what we want. On the other hand, if we have to adjust our production to what we can take from our own fee lands, or 15,000,000 feet, for the next 15 years, we may want to do away with our present facilities and build a new moderate sized mill, designed for efficiency with modern and labor-saving devices for handling the lumber to and from the kilns, and I suppose we would want to revamp our kilns. The point is I think it would be inadvisable to go ahead with any extensive overhauling or repairing until we know definitely just what our future course will be, and I wonder if we can't put off any work of this sort until July or August. We should know by the end of this month, according to Mr. Bosworth, U. S. Forest Supervisor at Lufkin, what we can depend upon, and then we can go ahead with our planning.

AT:ld

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cc Mr. Arthur Temple, Jr.

April 5, 1948

Mrs. Tee Hunter
C/o Hotel Angelina
Lufkin, Texas

Dear Mrs. Hunter:

I have received your letter of April 3rd advising that the gabardine coat, which I carelessly left at the Angelina Hotel when I checked out on March 31st, has been shipped to me by express.

If you will let me know the amount of the express charges, if they were prepaid, I will be glad to remit to you for them.

Yours very truly,

AT

Enclosed 1.00 for expenses.

AT:ld

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CC Mr. Arthur Temple, Jr.

April 9, 1948

Mr. J. J. Pollard
C/o Hotel Fallas
Marlan, Texas

Dear Joe:

I certainly appreciate very much your letter of April 6th and particularly do I appreciate the confidence which you have expressed in Arthur, Jr.. Certainly, I have confidence in his ability to handle the job at Diboll and I can assure you that it is very gratifying indeed to me to have him take on a greater responsibility in the operation of our affairs.

I hope that you will get a great deal of good out of your stay at Marlin. I am sure that you will get some temporary relief at least.

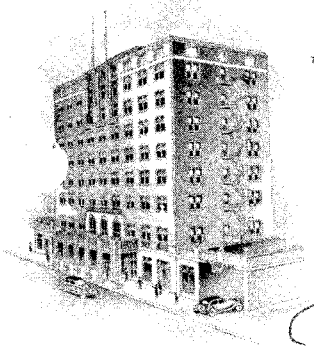
I know that you miss Henry a great deal: we all do. However, we cannot afford to dwell too much on the misfortunes which come into our lives, and in the case of death especially we must realize that the one who has passed away has gone on to a richer and fuller life where he is relieved of the worries and burdens of this world.

Drop me a line again when you can. I am very much interested in your condition.

Sincerely,

AT:ld

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HOTEL FALLS

Operated By Falls Hotel Company

MARLIN, TEXAS 4-6-48

Mr Arthur Temple

Texarkana Tex

Dear Mr Arthur
Just a line to day hello
and to let you know
I am in Marlin taking
baths to see if it will
help my back will be
bout 10 or 15 days left
My Job in good shape
Wanted to write a friend as
you know my old Buddy
is gone and I can't get
over it but will have to
Little arthur will make a Dear
Saw mill Man and you will
see it as he is a chip off the
old block Your Friend Joe

Affiliated
NATIONAL
HOTELS

Alabama
Birmingham
HOTEL
THOMAS JEFFERSON
Mobile
HOTEL ADMIRAL SEMMES

★

District of Columbia
Washington
HOTEL WASHINGTON

★

Indiana
Indianapolis
HOTEL CLAYPOOL

★

Louisiana
New Orleans
HOTEL JUNG
HOTEL DE SOTO

★

Mississippi
Meridian
HOTEL LAMAR

★

Nebraska
Omaha
HOTEL PAXTON

★

New Mexico
Clovis
HOTEL CLOVIS

★

HO RIDGE

★

South Carolina
Columbia
HOTEL
WADE HAMPTON

★

Texas
Austin
HOTEL
STEPHEN F. AUSTIN
Beaumont
HOTEL EDSON
Brownwood
HOTEL BROWNWOOD
El Paso
HOTEL CORTEZ
Fort Worth
HOTEL TEXAS
Galveston
HOTEL BUCCANEER
HOTEL GALVEZ
HOTEL JEAN LAFITTE
CORONADO COURTS
JACK TAR COURT HOTEL
MIRAMAR COURT
HOTEL CAVALIER
Laredo
HOTEL PLAZA
Lubbock
HOTEL LUBBOCK
Marlin
HOTEL FALLS
San Angelo
HOTEL CACTUS
San Antonio
HOTEL MENGER
ANGELES COURTS

★

Virginia
Mountain Lake
HOTEL
MOUNTAIN LAKE

★

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CC Mr. Arthur Temple, Jr.

April 9, 1948

Mrs. G. A. Ralls
C/o G. A. Ralls Agency
1509 Westheimer
Houston 6, Texas

Dear Mrs. Ralls:

In view of the fact that it is very doubtful if we will adopt any pension plan for our employees, I think that it would probably be better for you to submit a proposal for only one of our allied interests, Diboll for instance, rather than to go to the trouble of getting up all of the data for Southern Pine Lumber Company, Temple Lumber Company at both Pineland and Houston, Temple Manufacturing Company, Temple-White Company and the Texas Southeastern Railroad. I should think that a plan covering a unit such as Southern Pine Lumber Company, Diboll, would probably be representative of a larger, more inclusive group, and would give us sufficient information for us to consider. Furthermore, I think conditions at Diboll would apply generally, and if there would be any lower unit cost for a larger number of employees, you could probably tell us what that would be.

As I believe I told you when you 'phoned me about submitting a pension plan, we have given some thought to a proposal made by Mr. Hand of Houston, with whom you are probably acquainted, and some years ago to a plan submitted by Bankers Trust. We have not been able to bring ourselves to adopt such a plan because of the high cost and the possibility that we might not be able to pay the cost year in and year out, good times and bad, and, too, some of our people were convinced that our employees would rather have a bonus than a pension plan, and this opinion was confirmed just about the time we were considering a pension plan submitted by Mr. Hand by a vote of the Ford Motor Company employees. However, I would like very much to see a pension plan in our several companies if we could, in fact, afford the cost.

With kindest regards,

Sincerely yours,

AT:ld

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G. A. RALLS AGENCY
1509 WESTHEIMER PHONE: HADLEY 6316 HOUSTON 6, TEXAS

The MINNESOTA MUTUAL LIFE INSURANCE COMPANY

April 8, 1948.

Mr. Arthur Temple, President,
Southern Pine-Temple Lumber Co. Industries,
Texarkana, Texas.

Re: Pension Plan
Group Life Increase

Dear Mr. Temple:

In order to give you a proposal to review, on a Pension Plan for your Employees, I secured a list from Diboll. I was under the impression it covered all employees but on checking found it covered Diboll only. I've learned that each department of your far flung organization is working on data for a quarterly Bonus Plan, in all probability this gives names of employees and the amount of present salary. If I could secure sex, race, occupation, date employed, and date of birth placed on a copy of such data, I could, with my Company's assistance, give you a Proposal that would be worth your time and attention.

It requires about 3 weeks to work up a Proposal to turn out a good job, and I, for one, don't want to take up your time having you look at a "vest" when I can present the "whole suit". Nor do I want to present to you anything but an extraordinary tailoring job-- you understand what I am trying to say.

Some of your Key Men have been asking for an increase in the Group coverage, I can give that data to you and Mr. Arthur, Jr., at once; however, it would be much better to submit to you and Mr. Arthur, Jr., the complete plan; for the Group coverage and increase of same ties in with the Pension Plan that I think best suited for your organization. I was in the Home Office last week and discussed with the Pension Dept. the coverage best suited to your Company's needs.

Please advise if you prefer the whole picture or only a part. At Present we are working on only the Diboll Division.

With sincere personal regards,

Sincerely,

Mrs. G. A. Ralls,
General Agent.

trs

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cc Mr. Arthur Temple, Jr.
Mr. E. G. Prud'homme

April 9, 1948

Mr. W. H. O'Brien
Trade Promotion Manager
Southern Pine Association
New Orleans, Louisiana

Dear Howard:

I did not have the opportunity to ask you yesterday if you had any information about a new kiln drying process, which I understand is in operation on the West Coast. I don't know just how to describe it, but it is, as I understand, a process which employs the principle of a vacuum to draw the moisture out of lumber.

The thought occurred to me that you, or one of the engineers engaged in research work in the Trade Promotion Department of the Southern Pine Association, might have some information on this new process. If you do have, I will appreciate it very much if you will pass it on to me and, incidentally, I would like to know where the process is being used on the West Coast because I might like to have one or two of our people go out to see it in operation.

I was much impressed by the program put on by the Advertising and Trade Promotion Committee at the meeting in New Orleans yesterday, Thursday, morning. I thought you put on a splendid program, and it was apparent that the Advertising and Trade Promotion Committee is putting on an aggressive and intelligent campaign to promote the use of southern pine.

Sincerely yours,

AT:ld

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Mr. E. G. Prud'homme Arthur Temple April 9, 1948

I enjoyed reading Sloan's report on his conversation with Battenfield, but it is indeed disappointing to know that the estimated cost of modernizing the plant at Pineland runs so high.

I don't suppose that it is advisable for us to consider any such outlay. Certainly I would not want to do so without giving very careful consideration to what would be gained and to determine whether or not we would get the money back over a reasonable period of time, and I would not want to assume the responsibility for going ahead with any such extensive program; rather would I want the decision to be made and the responsibility to be borne by our full board of directors.

If you have anything further to report or any recommendation to make after you see Battenfield next week, I shall be glad to hear from you.

I enjoyed being with you in New Orleans. While there were many other obligations, we did have some good conversations relating to our business. I am looking forward to visiting with you ere long in Pineland.

$ 650,000

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. D. C. Kenley Arthur Temple April 9, 1948

I think that 75¢ per foot for the pipe in the well at Clarksville is probably a good price and, as you suggest, I would be willing to sell at this figure. However, I don't know just what well Mr. Stephens of Shreveport has referred to, and it may be one that is going to be re-worked and for which purpose we recently gave Mr. Albert Wooley, the man who has done so much promotion work in Red River County, an extension of a lease.

Mr. Wooley came to see me a month or two ago and said that he had gotten someone interested in going back into one of the wells which was drilled some time ago, and he was quite hopeful of making a producer out of it. If Mr. Stephens wants the pipe out of this well, then, of course, we could not very well sell it, at least I don't suppose we could. In order to find out just where we do stand you might get Mr. Stephens to identify the well he is interested in, and then I suggest that you call Albert Wooley at Clarksville, and if you are unable to get him you might talk with Paul Creager at Temple Lumber Company as he can probably give you the information since he has kept up pretty closely with the development work in Red River County. If we are free to sell the pipe, then I see no objection to doing so.

AT:ld

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ARTHUR TEMPLE, PRESIDENT
HENRY G. TEMPLE, VICE-PRES. & GEN. MGR.
ROBERT L. WAITE, SEC'Y-TREAS.
W. TEMPLE WEBBER, SALES MANAGER

Southern Pine Lumber Company

MANUFACTURERS

YELLOW PINE — ANNUAL CAPACITY OF OUR OWN MILLS 200,000,000 FEET — HARDWOODS

Texarkana, Texas

AT- Please return —

April 10, 1948

Mr. J. W. Durham
Diboll, Texas

Dear Jake:

I received this morning the two copies of the United Gas Company magazine for April and wish to thank you for sending them to me.

I have read the article titled "Natural Gas and the Lumber Mills", which is a story of the use of gas at Pineland and Diboll featuring principally the Pineland plant. The article is very interesting indeed, and I think that it is very well done. It is good publicity.

Sincerely,

AT:ld

SOUTHERN PINE ASSOCIATION

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CC Mr. E. G. Prud'homme
Mr. Arthur Temple, Jr.

April 13, 1948

Mr. E. L. Kurth
C/o Southland Paper Mills, Inc.
Lufkin, Texas

Dear Ernest:

I am sorry that I did not have more of a visit with you in New Orleans last week. One thing that I would have liked to discuss with you is the possibility of getting an improved road from Bronson, or somewhere in the neighborhood of Pineland, over to Lufkin. The thought occurred to me that you might have considerable influence with John Redditt, Chairman of the State Highway Commission.

Such a road would be of great benefit to us, and I think that it would probably mean a great deal to Southland because it would open up such a large territory for the production of pulpwood. If I am not mistaken, such a highway has been under consideration for a number of years, and for all I know it may have been approved.

I just mention this proposed road to you, and if you feel so disposed, I will be glad for you to handle the matter with John Redditt.

With kindest regards,

Sincerely yours,

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple April 13, 1948

After returning from New Orleans last week I wrote Howard O'Brien, Manager of the Advertising and Trade Promotion Department, of the new process for kiln drying which we discussed.

I have just received a letter from him, reading in part as follows:

> "Mr. Heitert, who has been following up on developments in the various new processes for drying lumber, is preparing information on the subject for you. You will hear from him in a few days."

As soon as I have this information from Mr. Heitert, who I presume is one of the engineers in the Trade Promotion Department of SPA, I will pass the information on to you and Arthur, Jr..

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple April 13, 1948

I think that it would be all right to figure on a vacation of one week at Pineland some time this summer, August, if you prefer, and I don't think that it is at all necessary that the vacations at Diboll and Pineland occur at the same time. On the other hand, there may be some advantage to the sales department to having them occur at different times.

I have always liked Tripp's idea of giving a vacation at Christmastime. It is always so difficult to get a crew around that I think that it is more economical from the standpoint of the company, and when we close down in August or in the summertime, we are losing the best producing time. However, it is true that vacations are usually given in the summer months, and they may mean more to the employees at that time than at Christmas or during the winter.

I suggest that you go ahead and work the vacation out as you think best. I am sending Arthur a copy of this letter in order that he may be figuring on a vacation for the Diboll employees. He may want to discuss the matter with you, but I see no reason why vacations at the two places should not be set independently. I assume that we do want to continue the pattern which we have followed for the past couple of years.

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple April 15, 1948

In writing you yesterday with copy to Arthur about the May Brothers timber and mill at Haslam which Wes Bowen has under option, I failed to caution you and Arthur to say nothing about this. Wes asked me to have you treat the information he gave as strictly confidential.

I, personally, am not at all interested in this Haslam proposition but did not feel like turning it down flatly without letting you and Arthur have an opportunity to express an opinion.

AT:ld

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CC Mr. Arthur Temple, Jr.

April 15, 1948

Mr. R. M. Morriss, President
Wood Treating Chemicals Company
5137 Southwest Avenue
St. Louis 10, Missouri

Dear Rube:

Arthur, Jr., who is now manager at Diboll, has just 'phoned me that we have an opportunity to buy the treating plant at Lufkin, and he has suggested that we get someone who is qualified to give us an appraisal of it. I wonder if you could suggest someone for this or whether or not you would be willing to look at it and tell us what you thought of it and what you think it is worth.

We have been giving some thought to putting in one of the little plants described in the bulletin which you sent, using possibly two cylinders, one for pentachlorophenol and creosote and the other for so-called clean treatment, Wolman salts or chromate of zinc chloride. However, such a plant probably would not be just what we want in that it would be of limited capacity, and a full-sized treating plant, such as is available at Lufkin, might be better for our purpose.

The last time I heard from you, you indicated that you expected to be down this way shortly. However, I have heard nothing more from you. Will appreciate it very much if you will advise when you expect to be down this way, and I do wish that you would let me know whether or not you can suggest someone to appraise the treating plant at Lufkin in the event you would not want to do this yourself. Incidentally, both Arthur and I are going to attend the annual convention of Lumbermen's Association of Texas in Galveston next week from Monday to Thursday inclusive. If you are planning to come down right away, I suggest that you wait until after April 21st.

With kindest regards,

Sincerely yours,

AT:ld

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CC Mr. Arthur Temple, Jr.

April 15, 1948

Mr. E. L. Kurth
C/o Southland Paper Mills, Inc.
Lufkin, Texas

Dear Ernest:

Since writing you several days ago about a road between Bronson, or some point near Pineland, to Lufkin, I have received a letter from Arthur, Jr. stating that such a road is already provided for and that it will be built within the next twelve months.

In view of this, there would be no point in your seeing John Redditt as I suggested.

With kindest regards,

Sincerely,

AT:ld

cc Mr. Arthur Temple, Jr.
Mr. Clyde Thompson
Mr. R. A. Jackson

April 19, 1948

Mr. P. J. Neff
Chief Executive Officer & President
Missouri Pacific Lines
St. Louis 3, Missouri

Dear Mr. Neff:

I appreciate very much indeed the interest which you have taken in our appeal for more favorable rates on logs from Strain, on the Gulf Coast Lines, to Diboll, as evidenced by your letter of April 13th, your file 28254.

While I regret that it is not consistent with your policy to make an adjustment in rates on logs to mills off of your line, I am satisfied that we have done everything possible to make the logging of the timber we recently purchased in Hardin County to our Diboll mill by rail more economical, and under the circumstances we will have to work out our problem as best we can.

With kindest regards,

Yours very truly,

AT:ld

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April 13, 1948

28254

Dear Mr. Temple:

Following up my acknowledgment of your letter of March 18th, with respect to rates on logs.

Upon going into this matter with our Traffic staff, I find Mr. Falk has given your Mr. Jackson considerable advice as to our position and the background of it, and while it would be a pleasure to meet your wishes, it just doesn't seem possible to do so in this instance.

These log ratesare on a depressed level and we have concluded, right or wrong, that we should not establish rates on rough materials which would take such materials to mills off our line. If we reverse our position in this case it would not be consistent with the advice we have been giving other interests if and when they make corresponding requests upon us.

I trust, upon further reflection, you will find that our position is not unreasonable and assure you it is and always will be our aim to do allthings consistent in response to any requests you and your good company may make on us.

With kindest regards, I am

Yours very truly,

P. J. NEFF

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CC Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme

Arthur Temple

April 19, 1948
Dictated 4/17/48

I wrote Ernest Kurth after returning from the SPA convention at New Orleans and suggested he contact John Redditt about a road from somewhere in the neighborhood of Pineland over to Lufkin. I sent Arthur, Jr. a copy of my letter to Ernest, and Arthur wrote immediately that such a road was not only contemplated but had already been approved and that the road either would be built or the construction would start within the next twelve months.

I have just received a letter from Ernest, as per the attached copy, from which you will note that he thinks the road will be north of San Augustine. This does not accord with what Arthur wrote: he said that the road would originate near Bronson, which, of course, would be very much better for us.

AT:ld

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April 15, 1948

Mr. Arthur Temple, President
Southern Pine Lumber Company
Texarkana, Texas

Dear Arthur:

I am glad to have your letter of the 13th.

I have continuously worked on our Highway Chairman to get #103 built east, and it would go into the main highway towards Pineland. Perhaps a little north of San Augustine. We are making progress. Mr. Redditt tells me that is one of his "Must" jobs. They are making surveys now.

Whenever you are down Lufkin way let's have a visit.

With kindest regards, I am

Sincerely,

E. L. KURTH

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CC Mr. Arthur Temple, Jr.

April 21, 1948

Angelina Chevrolet Company
Lufkin, Texas

Attention: Mr. C. L. DuPuy

Gentlemen:

I am enclosing license receipt and also certificate of title to my 1946 Cadillac 62 sedan, which I have signed in blank and which can be filled in with the name of whoever purchases this car from you. I don't think there are any other papers which will be required to transfer title.

Upon receipt of invoice covering the new 1948 Cadillac 62 sedan, which I got from you this morning, I will remit promptly. It is my understanding that you are to sell my 1946 car at a price which I have discussed with Mr. Hunter, and you will remit the full proceeds from the sale to me. I might add that if there is any question as to price, you might consult with Arthur, Jr., who is authorized to act for me.

I appreciate very much your getting the new car for me and also your selling my old car.

Yours very truly,

AT:ld

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C. to R. O. Jr.

Mr. D. C. Kenley, Diboll Arthur Temple April 22, 1948

I am returning right of way easements in favor of Texas Power and Light Company, which I have signed as requested in your letter of April 19th.

I wonder what we are getting out of these easements. I have just dictated a letter to Reggie Goodrich in regard to similar easements in Newton County, where we get $12.00 per thousand feet for the pine and hardwood timber and $2.00 per cord for the pine and hardwood pulpwood. I told him that this didn't seem like enough to me, where we are selling not only the timber but where we are virtually selling the land as well because the grantee is certainly not going to permit any new growth. I am sure that we would be happy to pay far more for good timber growing land than we are getting out of the easements in Newton County, and I daresay the same is true of the two easements herewith.

AT:ld

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CC Mr. Arthur Temple, Jr.

April 23, 1948

Mr. H. W. Walker
Dallas, Texas

Dear Harry:

Last Tuesday when we were having lunch in Cleveland and when we engaged in one of our frequent political arguments, you insisted that Senator Connally had voted for the Taft-Hartley Bill and had voted to override Truman's veto. I argued the reverse and also stated that Patman and Combs had voted to sustain the President's veto.

I am enclosing a C.I.O. black list of Senators and Representatives who voted for the Taft-Hartley Act and voted to override the President's veto, and you will note that Senator Connally's name is not on this list nor is Patman's or Combs', which means, of course, that they were with the President.

How anyone could be for Truman when he vetoed the Taft-Hartley Bill, aside from anything else he may have done, I cannot understand.

Please return the enclosed list because I would like to retain it for future reference.

Yours very truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

April 24, 1948

Mr. H. W. Walker
Dallas, Texas

Dear Harry:

If I am not mistaken, you said on our recent trip to Galveston that the National Association of Manufacturers was a regular contributor to the Fulton Lewis broadcasts. I don't believe this is true and have written Mr. Lewis to find out, but in the meantime I would like to bet you $5.00 that the N.A.M. does not contribute regularly, or in other words, subsidize the Fulton Lewis broadcasts.

From my point of view there would be nothing wrong about the N.A.M. supporting the Fulton Lewis broadcasts, but I realize he might lose some prestige and his opinions might be considered prejudiced if such is the case, and for that reason I don't think he could afford to have them as a regular contributor.

Yours truly,

AT:ld

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April 24, 1948

Mr. E. L. Kurth
C/o Southland Paper Mills, Inc.
Lufkin, Texas

Dear Ernest:

I have not had the benefit of any discussion of plans for financing the new hospital, but I have felt, and feel now, that the thing has been poorly conceived, and I say this with a full realization that the plan has been set up and approved by some of the outstanding businessmen of Lufkin.

The way I would like to see the new hospital financed would be to issue stock for one-half of the cost and interest bearing bonds for the balance, which could be sold to the participating companies, the stockholders, or sold on the open market. Such a plan, of course, might not have some tax advantages that the plan which was adopted will have, but the stockholders would have something tangible for the money they put up, and I think that the hospital can be made to operate at a profit. The only real advantage I see to the plan for outright donations is that some companies who were subject to the excess profits tax during the war could get by at a cost of something like 15¢ on the dollar.

Our own company has agreed to the original assessment of $100.00 per employee, which amounted to approximately $60,000.00, and now Arthur, Jr. writes that we are being asked for an additional $25.00 per employee, which will run the total for Southern Pine Lumber Company to approximately $75,000.00, and in addition to this we will be expected to purchase our pro rata part of the bonds to be issued. Disregarding the bonds entirely, $75,000.00 is quite a large amount of money for us to be donating to a hospital located twelve miles away from our operations when we will be required to maintain emergency hospital facilities at Diboll anyway. I doubt if the benefits to be derived by Southern Pine Lumber Company, at least, will be commensurate with the cost, and from our point of view I think that a hospital organized and built under conventional lines, one to serve the employees and the public generally without any difference in rates and operated for profit would be preferable.

I suppose the project has gone too far to make any change in the plan for

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financing but I did want to express my views and to suggest, if it is possible at this late date, that a company be formed, that stock for one-half of the estimated cost be sold and bonds bearing interest for the balance of the cost sold. If this idea makes any appeal to you and if you feel that there is any possibility of financing the cost of the hospital on this basis, I would like to see you take such steps as may be necessary to affect the change in the plan.

With kindest regards,

Sincerely,

AT:ld

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CC Messrs. Arthur Temple, Jr.
R. G. Goodrich

Mr. D. C. Kenley, Diboll | Arthur Temple | April 26, 1948

I realize that it is of paramount importance that we retain the goodwill of farmers and other land owners in the area where we own land and timber, and as a result that it may be necessary that we make some concessions in granting rights-of-way for electric lines. However, it does seem that the R.E.A. or Texas Light and Power Company should be willing to pay a reasonable price for land which is reserved exclusively for their use and which denies to us the use of land for growing timber which is so vital to us.

I am afraid that it would be hard to charge a reasonable price for the use of our land for rights-of-way since such easements have been granted in the past free of cost to the utilities; a bad precedent may have been set which it will be hard to overcome. However, I do think that we should aim to be compensated adequately if it is at all possible.

AT:ld

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April 26, 1948

Mr. R. E. Minton
Lufkin, Texas

Dear Mr. Minton:

I don't think it will be possible for me to be in Lufkin Thursday for a meeting of the members of the Boggy Slough Club, but I will be willing to stand by whatever is decided by our group, and I am sure that we will have a good representation.

I am very much interested in the conservation and propagation of game on our lands, and I am glad to see that a move is on foot to enlist the cooperation of all of the clubs which have been granted hunting privileges.

Yours very truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

April 27, 1948

Mr. J. R. Bemis
C/o Ozan Lumber Company
Prescott, Arkansas

Dear Rosborough:

Temple and I were talking yesterday afternoon about running up to Prescott sometime to have a little visit with you and to look over your mill, being interested primarily in the improvements which you have put in during the past year, and I suggested that I would like to make this trip sometime when my son, Arthur, Jr., who is now manager of our Diboll mill, is here and can make the trip with us. I happened to be talking with him on long distance telephone yesterday afternoon and told him what we had in mind, and he said that he would like very much to go with us.

I would prefer to make this trip before the hot weather sets in but, on the other hand, would want to suit Arthur's convenience. I will try to let you know a few days in advance because we would not want to miss you; for one thing, I am very anxious for Arthur to meet you.

Sincerely,

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. D. C. Kenley

Mr. E. G. Prud'homme Arthur Temple April 28, 1948

I have your letter in regard to rights-of-way easements for the R.E.A. and other utilities.

I realize that it is of paramount importance that we retain the goodwill of farmers and other land owners whom these utilities serve, and we cannot afford to take a stand that will antagonize them. On the other hand, I think the least that could be expected from us would be the sale of our saw timber and pulpwood at current market prices even if we are willing to concede the growing possibilities of land which is reserved exclusively for the electric lines. I don't see how anyone could possibly resent our asking current market prices for the timber which is removed from the land, and I certainly think that we ought to ask for the timber, both saw timber and pulpwood, prices equal to what is being paid in the market. I think we ought to insist upon such prices up to the point of antagonizing the farmers and other land owners who are being benefited by the extension of the utility lines.

AT:ld

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cc Mr. Arthur Temple, Jr.
Mr. E. G. Prud'homme

Mr. D. C. Kenley Arthur Temple April 29, 1948

I think that I have made a mountain out of a mole hill when I suggested that we ought to be compensated for rights-of-way for utilities more in line with the current market value for saw timber and pulpwood and the value of land used, which otherwise would be growing timber. Anyway, I said in one of my recent letters to you, possibly the last one on this subject, that I thought that it was of paramount importance that we retain the goodwill of farmers and other landowners, and that statement certainly should have modified any thoughts expressed as to the value of what we are giving up.

I think the only thing we can do is to avoid as far as possible giving rights-of-way, that is give them only reluctantly and where we feel that it is necessary or advisable to favor farmers and other landowners, and then when we do give them, try to get as near to the value of the timber removed as we can and try to get some compensation for the land which is being taken out of production. I am sure that you and Reggie have done this in the past, are doing it now and I don't know have any other course of action to suggest for the future. I guess these utility lines are a necessary evil as far as we are concerned.

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme | Arthur Temple | April 29, 1948

One thing that I would like to comment on in connection with the Peat, Marwick, Mitchell and Company report, which I am sending you today, is the juggling of inventories of lumber and logs and the practice of arbitrarily adjusting the overrun and the payment of flatheads on an inflated scale.

I have never been in favor of these practices and have so expressed myself on a number of occasions. Taking these items up in the reverse order, payment of flatheads first, I don't see any reason in the world for paying them on an inflated scale instead of adjusting their rate per thousand feet. I would much prefer to go at this sort of thing in a direct way and avoid the possibility of all kinds of subsequent complications. Furthermore, I think there should be some relationship between the scale in the woods and the scale at the mill.

Inventories are just like money in the bank and, consequently, should be handled accurately. A statement, to mean anything at all, should reflect actual values and the figures should not be adjusted up and down at the whim of an individual or a group of individuals.

I suggest that these practices which have been indulged in in the past be done away with, and I am sending Arthur, Jr. a copy of this letter although I believe steps may have been taken to do away with them at Diboll already.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple April 30, 1948

I was very much interested to read copy of your letter of April 29th to Wes Bowen about the May Brothers' proposition at Haslam.

This thing turned out pretty much as I expected. It looked entirely too good to be true from what Wes Bowen told me on the telephone, after which I passed the information on to you and Arthur. I just couldn't see how there could be as much good timber available as Wes seemed to think and at the price which Wes indicated would buy 28 to 30,000,000 feet of timber with the sawmill thrown in. Incidentally, Wes called me several days ago and said that it was reported to him that in addition to the 28 to 30,000,000 feet there was about 7,000,000 feet additional of low grade hardwood which one could afford to cut on the present market.

While it would have been fine to add a substantial amount of hardwood timber to our holdings to be cut at Diboll, where our supply for the future is short, I cannot help but feel some relief at the conclusion which you reached after going over the ground. In the first place, I am not expansion-minded and certainly don't want us to make the mistake that we made back in the 1920's which left us over-expanded, in debt and caused us to sweat blood to pay our debts during the depression years. When the next depression comes, I want to be in a very comfortable position, and I am convinced that if we are well heeled with cash or the equivalent when the next depression comes, we will be able to buy to very much better advantage than we can buy today. If a man will sell, or at least not buy, under conditions which we have today but wait until hard times come and then buy, buy and buy, he cannot help but make money. Furthermore, I know that we have had so much difficulty with hardwood in the past, that we have bought lots of hardwood that looked good in the tree but which showed defects when the timber was cut so that we could not afford to bring much of it to the mill, and if we did, we could not come out whole on it. In other words, I am afraid of hardwood.

I am glad that you and Arthur looked at this proposition. My first inclination was to tell Wes Bowen that we were not interested, but, realizing that I am perhaps too conservative, I thought that I had better check it up to you and Arthur for an investigation.

I wonder if you talked with Wes about the #2 Sap Gum S2S and resawn for which he has a market in Shreveport. He told me that he is supplying Owens Illinois Glass Company with approximately one-half of their requirements of approximately three cars per day, and he indicated that he could use a large quantity of this item from us at a price which would probably net us $46.00 mill. After talking with Temple I called Wes back and suggested that he discuss this business with you because Temple thought that it would probably be more attractive to Pineland than to Diboll even though the freight from Pineland to Shreveport would probably be more and the net realization less than from Diboll. Since #2 Gum is something of a problem with you, this looks as though it might be a pretty good outlet.

AT:ld

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CC Mr. Arthur Temple, Jr.

April 30, 1948

Mr. J. R. Bemis
C/o Ozan Lumber Company
Prescott, Arkansas

Dear Rosborough:

I have your very cordial letter of April 28th in regard to our visiting with you at Prescott, and in view of the fact that you will probably not have the installations you made last year and this year in operation before June 1st, I think it probably would be better for us to defer our visit until after that date. Everything else being equal, I thought that it would probably be better for us to make the trip before the weather gets hot, but that is not vital.

Temple and I went out to Mr. Whit Rosborough's mill west of Texarkana a few weeks ago. I thought that he was considerably farther along than he was. He is going to have quite an operation, and I cannot help but admire the courage which he is displaying for a man of his age.

Sincerely yours,

AT:ld

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April 28, 1948

Mr. Arthur Temple, President
Southern Pine Lumber Company
Texarkana, Texas

Dear Arthur:

This will acknowledge receipt of yours of April 27th.

I will be glad to have you, Arthur, Jr. and Temple come up at your convenience. However, we do not have our re-working plant going, as we are at this time pulling wires in the conduit. We hope to start testing out our speeds about Friday. We also have some wiring to do in our sawmill, and I doubt that we will actually have the installations we made last year and this year in operation before June 1st.

I would certainly be glad to show you what we have completed, and if you are interested, go over our future plans. I had the pleasure of meeting Arthur, Jr. briefly at Grassy, and would like to get better acquainted with him. I do not plan to be away from Prescott more than a day at a time until the 24th of May. I will probably be away both the 24th and 25th of May.

Looking forward to seeing you, and with best wishes, I am,

Sincerely,

J. R. Bemis

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CC Mr. Arthur Temple, Jr.

A good sale!

May 4, 1948

Mr. R. A. Hunter
C/o Angelina Chevrolet Company
Lufkin, Texas

Dear Sally:

I have just received your letter of May 3rd with check for $3,220.20 enclosed, this check representing the proceeds from the sale of my 1946 Cadillac sedan.

I am delighted that you were able to dispose of my car to such good advantage and I appreciate your interest in my behalf.

I am pleased with my 1948 Cadillac. It is performing very satisfactorily. Having 490 miles on it and anticipating a trip to Lufkin and Diboll tomorrow, I took it down this morning to the local Cadillac dealer, Cargile Motor Company, for the 500-mile inspection, change of oil and greasing. Otherwise, I would be glad to take advantage of your offer to leave the car with you for this service.

As for the scratches to which I referred in one of my earlier letters, you might be able to do something with those on the hood, but I am afraid that the scratches on the windshield cannot be removed. I don't suppose they are of sufficient importance to complain about or to justify replacing one of the sections of the windshield, but I may drop by your place when I am in Lufkin during the next few days to let you see the scratches and get your recommendation.

With thanks for your many courtesies and with kindest regards,

Sincerely yours,

AT

P.S. I doubt if it was necessary to renew the hydromatic fluid since this was done March 2nd.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. S. F. Styles Arthur Temple May 7, 1948

I have just wired you that Bob Waite is mailing you a check today for $300,000.00, which will increase your indebtedness to this office to $1,100,000.00, all of which has been borrowed, if I am not mistaken, since January or February. In order to send you this additional amount today it is necessary that we cash some of our Government bonds because with your heavy demands upon us our cash has already been reduced as low as we can let it go, and our combined cash and bonds, which I have been so proud of and which has given me a very comfortable feeling, has been pretty well shot.

If these housing projects are safe, then we have nothing to worry about. However, I cannot help but be concerned when we deal in such large figures for fear that something may go wrong with some commitment or something of that sort; certainly, when we handle such large projects, there is a greater risk of our getting caught with a loss than where an equal volume is spread over a larger area.

I certainly hope that you will be able to carry out the program stated on the 'phone this afternoon, that is, to repay $700,000.00 to us in June and to retire the entire amount of $1,100,000.00 by August. In this connection I take it that the remittance which you expected to make in May has now been deferred to June.

One thing that I do not understand about these housing projects is why it is necessary for Temple Lumber Company to carry the contractors' accounts for so long a time. As I recall, when Arthur, Jr. built the Sussex Downs addition here at Texarkana, he borrowed $425,000.00 from Fort Worth National Bank, with which he financed his purchases of material, labor and everything that went into the building of the project. On the Perkins and Slaughter projects, which are apparently the ones requiring such heavy demands upon this office, Temple Lumber Company seems to be carrying the load and taking whatever risk may be involved other than the small amount of capital put up by the sponsors. If we could sell the material for these projects on regular terms, then we would not have so much money tied up in them, and whatever risk there might be would not be as great.

AT:ld

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CC Mr. Arthur Temple, Jr.

May 7, 1948

Mr. Justice E. Detwiler
C/o Gonzales Warm Springs Committee
of Texas
401 M & M Building
Houston 2, Texas

Dear Mr. Detwiler:

Your letter of May 4th addressed to me at Diboll, Texas, has been referred to me here at Texarkana, where I reside.

Inasmuch as I live in Texarkana and not in Diboll, it would, of course, be impossible for me to put on a campaign for the solicitation of funds for the Gonzales Warm Springs Foundation, as requested in your letter. I am, however, referring your letter to my son, Arthur Temple, Jr., who is Manager of our plant at Diboll, for his consideration. I do not feel, however, that it would be possible to raise $1,000 in Diboll, as worthy as the cause is, without a substantial contribution from Southern Pine Lumber Company, and a contribution has already been mailed either for Southern Pine Lumber Company or for Temple Foundation; as a matter of fact, there are probably very few at Diboll who would feel that they could afford a contribution since they have already contributed to the national fund for infantile paralysis, the Red Cross and numerous other agencies.

Yours very truly,

AT:ld

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THE Gonzales Warm Springs Committee OF TEXAS

AN ORGANIZATION OF TEXANS TO HELP TEXAS ANSWER THE CHALLENGE OF *POLIO* AT ITS *OWN* *Gonzales Warm Springs Foundation*

ADDRESS REPLY TO:
GONZALES WARM SPRINGS COMMITTEE OF TEXAS
STATE HEADQUARTERS
401 M & M BUILDING
HOUSTON 2, TEXAS

PHONE C-9507

Houston, Texas
May 4, 1948

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SAN ANTONIO
ROBERT C. TUCKER
HOUSTON
JUSTICE B. DETWILER
GONZALES

Mr. Arthur Temple, Sr.
Southern Pine Lumber Company
Diboll, Texas

Dear Mr. Temple:-- Hon. Coke Stevenson has delegated us to ask if you will be so kind as to conduct a little Fund Campaign in Diboll for Gonzales Warm Springs Foundation, to be completed before May 25th. We do not wish you to conduct a large Campaign at all, Mr. Temple. Just a little Drive calculated to obtain a modest total of $1,000. from your townsfolk toward the Foundation's minimum requirement of $300,000. for 1948.

Our State Committee has obligated itself to accumulate the needed $300,000. in donation money and we want to complete the job before folks start away on vacation. Fortunately for us, some 178 business executives from widely separated parts of Texas have already promised to conduct these little $1,000. Drives in their respective communities, and their valued aid is a God-send to us indeed. Won't you help us too? We find that a majority of the donation checks coming in thus far are in denominations of $100. or $250. so the task will not be so burdensome as you might expect.

You may conduct the Drive in your own way, deduct your expenses, and remit balance to our Gonzales Warm Springs Committee of Texas, 401 M & M Building, Houston, Texas, which is our state headquarters. You might also send along a memo stating the donors' names and the amount each one contributes. Then we can thank everyone from here.

Most Texans know that Gonzales Warm Springs Foundation is one of the most humanitarian philanthropies on earth. Its doors swing open to and are a salvation to poor children of Texas who become stricken with infantile paralysis. So please do drop us a line, Mr. Temple, in the enclosed envelope and tell us that you will conduct a Drive for $1,000 in Diboll, will you? Then we shall send you some circulars which will aid you in getting started. Kindly favor us with a reply.

Most gratefully yours,

Justice B. Detwiler

Justice B. Detwiler
Committeeman

JBD:d

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"Texas' Answer to the Challenge of Polio"

THE GONZALES WARM SPRINGS FOUNDATION FOR CRIPPLED CHILDREN, INC.

A NON-PROFIT, NON-SECTARIAN, CHARITABLE CORPORATION
FOUNDED IN 1937 AND DEDICATED TO THE PEOPLE OF TEXAS

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Important Information

The Gonzales Warm Springs Foundation is chartered by the State of Texas as a wholly non-profit, non-sectarian charitable corporation. Therefore, gifts to it are deductible items upon your income tax return to extent stipulated by law.

Is the Gonzales Warm Springs Foundation supported by the National Foundation for Infantile Paralysis or by the annual March of Dimes fund? No it is not.

Does the Gonzales Foundation receive aid from the State or Federal Government? No. The very existence of Gonzales Warm Springs Foundation depends largely upon the generous cash donations of open handed Texans from every part of our Longhorn State.

Where is it located? Ten miles north of Gonzales adjoining Palmetto State Park on State Highway 29. This means that it is seventy miles south of Austin on the Austin-Corpus Christi Highway. Likewise it is seventy miles east of San Antonio en route to Houston.

How are patients admitted? Admittance is very easy, up to capacity. Write, wire or telephone the Foundation at Gonzales, Texas, for copies of admission form which you fill in and return. Have nearest orthopedic surgeon examine your child. If the doctor believes the Foundation's treatments can benefit the patient, he will be happy to recommend admission. The Foundation will then notify you when to bring the patient to the Treatment Center, preferably at once if bed is available.

How long has Gonzales Warm Springs Foundation been in operation? It was founded ten years ago and has already successfully treated afflicted children from more than one-half the counties of Texas.

What will be the increased capacity of the Foundation after the two new Hospital Units which you have just completed are open? One hundred and eleven patients at one time. This means around three hundred patients each year. Some children remain a long time.

Who directs the affairs of the Foundation? Its Officers and Board of Directors. Seventy responsible business, professional and medical men and women from widely separated parts of Texas. All Officers and Board Members serve without pay. Each one defrays his or her own expenses when coming to Board meetings in Gonzales.

Texas is rich and strong. But each year scores —in some years hundreds—of little ones are struck down by Poliomyelitis (Infantile Paralysis), most feared of all childhood afflictions. What of these children? How can their sufferings be alleviated? How can the lasting crippling effects of this disease be reduced? What is their future? We must help them because they cannot help themselves. At Gonzales Warm Springs Foundation all children receive exactly the same high standard of scientific treatment whether they have any money to pay or not. There is no class discrimination of that character here. This is YOUR foundation. Won't you please help it?

Donation Checks should be made payable to Gonzales Warm Springs Foundation and mailed to The Gonzales Warm Springs Committee of Texas, 401 M & M Building, Houston 2, Texas

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CC Mr. E. G. Prud'homme
Mr. Arthur Temple, Jr.

May 11, 1948

Mr. E. L. Kurth
C/o Angelina County Lumber Co.
Keltys, Texas

Dear Ernest:

I have just received your letter of May 10th quoting a letter from Senator Reddit dated May 8th, advising that State Highway 103 from Marlin to Milam has been placed on the Primary Federal Aid System of Texas, and as engineers of the Public Roads Administration have already inspected and approved the road, Senator Reddit thinks that construction on this road will be started soon.

This is indeed gratifying to me and my associates because it will reduce almost by one-half, I assume, the highway distance from Diboll and Lufkin to Pineland, and I should think that it would be of considerable benefit to Southland in that it will open up a large area for the production of pulpwood. Interested as we are, I shall watch further developments closely.

With kindest regards,

Sincerely,

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. Latane Temple

Mr. E. G. Prud'homme

Arthur Temple

May 15, 1948

I have just read with interest copy of your letter of May 14th to John Curren and the proposed soft-ball and recreation program for Pineland for the summer of 1948.

This program is something, I am sure, that will be fine for the morale, but I presume lights will be necessary for night playing or the games starting after seven o'clock P.M..

My understanding has always been that lights for soft-ball games are quite expensive. I don't suppose you have already installed lights at the playground at Pineland, but I presume that you have investigated the cost of lighting, and if so, would like to know what it is before you decide definitely to go ahead with the program.

Any such program as you contemplate depends largely, I believe, upon leadership for its success. Without someone to regulate the play and keep in behind the program it is apt to deteriorate, people are apt to lose interest, and if you undertake anything of the sort, I do hope that you have someone who will be interested enough to keep in behind it.

AT:ld

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CC Mr. Arthur Temple, Jr.

May 15, 1948

Mr. C. A. Jordan
C/o Texas Southeastern Railroad Co.
Diboll, Texas

Dear Jordan:

It has been quite a long time since I have seen a statement of the Texas Southeastern Railroad Company, and I wish that you would please send me a copy of the balance sheet as of December 31, 1947.

My nephew, Latane Temple, has asked me my opinion of the value of TSE stock. I am sure that it has a book value of par or better, but I am sure that the stock could not be sold for anything like par because the railroad is primarily a plant facility, and, as such, its future earnings are problematical. Latane wants this information in connection with his father's Estate Tax Return, and I would like to know what you think is a fair market value for the stock or for what it could be sold by a willing seller to a willing buyer in an arms length transaction.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. A. Farley Arthur Temple May 15, 1948

Rube Morriss, Josh Morris' brother, was in my office yesterday afternoon discussing lumber treating, and I asked him what anti-stain chemical he sold. He said that he handled Noxtane, which is a product of Monsanto Chemical Company, or at least I believe they make the toxic chemical which goes into this product, which is probably put up by Wyandotte Chemicals Corporation of Wyandotte, Michigan. He said that it is fundamentally the same as Permatox, which I believe we are using, and if so, I would like to give Rube our business, not only because he is Josh's brother but also because he has been very nice about advising us with respect to wood preservatives and treating plants, and, of course, I have known him for a good many years.

Rube said that this product was being used by W. T. Smith Lumber Company over in Alabama and quite a large number of lumber manufacturers east of the river, also by quite a number in Arkansas. I am going to write one of the McGowans to see what they have to say about Noxtane.

I presume we are not wedded to Permatox or any other chemical which prevents stain, and, as a consequence, there would be no objection to our changing to something recommended as just as good and at no higher price.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. A. Farley Arthur Temple May 15, 1948

The umbrella, which was at the Chevrolet agency in Lufkin, was the one which I left in my old car. I picked it up on my way through Lufkin the last time I was down that way.

The umbrella which I have lost is one purchased just before my last trip to Diboll, and I can't imagine where I left it. I don't think that I left it in my room at the library or in Arthur's office and, as a matter of fact, I am reasonably sure that I had it when I left Diboll to come home. I may have misplaced it somewhere here, but I can't think for the life of me where it could be.

I don't want you to go to a lot of trouble but wish that you would take a look at my room at the library and also see if it is hanging on the hatrack in Arthur's office. If it is not in either of these two places, I don't think that it could be in Diboll.

AT:ld

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Mr. E. G. Prud'homme Arthur Temple May 17, 1948

Maybe I was too hasty in my judgment of the cost of lights for playgrounds when I wrote you several days ago. I know that there are a good many playgrounds here at Texarkana so equipped, and, consequently, lights may not be as costly as I thought. I may have had in mind the cost of lights for hard ball diamonds rather than soft ball.

If you have not already provided the playground at Pineland with lights to permit soft ball games at night, I would like to know the cost before you go ahead with it. I am inclined to think, however, that lights have already been provided or else you would not have announced the program which includes games starting after seven o'clock.

AT:ld

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cc Mr. Arthur Temple, Jr.
Mr. E. G. Prud'homme

May 17, 1948

Mr. Frank C. Taylor
C/o Peat, Marwick, Mitchell & Company
Dallas 1, Texas

Dear Frank:

I wish that you would please supplement your statement rendered Temple Lumber Company, Pineland, for services rendered with a statement to show more clearly just how your charges for transportation, subsistence, etc. are arrived at. I suggest this for the reason there has been some discussion at both Pineland and Diboll as to what is included. For instance, at Pineland the auditors went back and forth a good deal to Jasper and Bronson, nearby towns, and for some time I believe the auditors, when they were at Diboll, made a practice of taking off once in the morning and once in the afternoon to walk to the hotel, some distance from the office, for coffee. At the rate of $5.25 per man per hour such a practice might be quite expensive if it is on company time.

I am sure that your charges are based on customary practice. However, it would be interesting to us to see just how they are figured.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. E. G. Prud'homme

May 19, 1948

Mr. Frank C. Taylor
C/o Peat, Marwick, Mitchell & Company
Dallas 1, Texas

Dear Frank:

I am glad to have your letter of May 18th with explanation of charges applied on the Pineland audit, which explanation is entirely satisfactory to me.

Frankly, I am glad to know that the time consumed in re-creation or drinking coffee and "cokes" was not charged to us. While it may be a comparatively small thing, I realized that valuable time, time at the rate of $5.25 per man per hour, was being consumed, and I am glad that this was not on us. I did not think that it was but I was not sure.

As I concluded my recent letter asking for a detail of your charges, I expressed confidence that your charges were in accordance with customary practice. Certainly, you do have my full confidence: otherwise, we would not have used your services over the years as we have.

Sincerely yours,

AT:ld

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C
O
P
Y

May 18, 1948

Mr. Arthur Temple
Texarkana, Texas

Dear Mr. Arthur:

I appreciate your letter of May 17th and trust that the undernoted breakdown of our time and expenses on the Pineland audit will afford you the desired information.

I give the men strict instructions that coffee drinking and "coke" drinking is to be on their own time and is not to be charged to an engagement. The men have assured me that they adhered to this rule on the Pineland and Diboll work and that they carefully made up all time that they took off for such relaxation.

When we started the Pineland work, Mr. Alexander and I went down there first. I inquired as to what arrangements would be convenient to the company as to meals and lodging for our men. It was then arranged for them to occupy quarters and to eat at the boarding house at Pineland. I believe that the housekeeper was either ill at the time or soon became ill and it became necessary for the men to eat at another location. Then after about a month Mr. Prud'homme requested that the men move from the boarding house as he required the space, as I remember, for visiting customers and/or company officials. Partly because Mr. Prud'homme advised us that the meals at the "hotel" were not too good and partly because it did not seem to be too good an idea for our men to be staying at the "hotel" where, as I understand it, some of the Pineland residents stay, the desirability of staying at Bronson was discussed with Mr. Prud'homme and he was agreeable. Thereafter the men stayed at Bronson and "commuted" the seven miles. The men tell me that they did not stay at Jasper. No travel time was charged to the engagement.

The basis for charging expenses was actual out of pocket expenses for meals, hotel and such sundry expenses as are incidental to being away from home. Travel was charged at actual bus fares between Dallas and Pineland with one exception. The one exception was when I took Mr. Alexander to Pineland October 20, 1947, I charged mileage at 5¢ per mile in lieu of bus fares.

The following is a summary of time, standard fee computation and expenses charged by individuals:

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Name and Classification	Hours	Standard Rate Per Hour	Fee at Standard Rates	Expenses Charged
Partner- F. C. Taylor	25	$15	375.00	28.50
Manager- R. M. Alexander	222	10	2,220.00	38.05
Seniors:				
F. H. Watts	511½	5	2,557.50	319.39
J. W. Vickers	17	5	85.00	-
Assistants:				
D. J. Berglund	387	3.50	1,354.50	257.39
Miss S. C. Griffis (Comptometer Operator)	72	3.50	252.00	31.28
Other Assistants	17	3.50	59.50	-
Typing	86	2.50	215.00	-
Miscellaneous Expenses:				
Comptometer machine rental				20.00
Telephone and express				35.83
	1,337½		$ 7,118.50	730.44

Please let me know if the foregoing explanations and breakdown of time and expenses do not fully clear up the matters raised in the discussions at Pineland and Diboll which you mentioned in your letter. I sincerely desire that there be no misunderstandings either about the work done or the charges made in connection with the work. It has always pleased me to believe that I enjoy your confidence and I want to continue on that basis.

Yours very truly,

FRANK C. TAYLOR

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CC Mr. Arthur Temple, Jr.

May 22, 1948

Mr. A. J. Chester, Vice President - Operation
The Texas and Pacific Railway Company
Texas and Pacific Building
Dallas 2, Texas

Dear Mr. Chester:

As you may know, this Company operates a railroad from Diboll, Angelina County, Texas, to Lufkin, which is a chartered road. It has recently been suggested that a 65-ton Diesel-electric locomotive be purchased and a price of approximately $48,000 has been quoted on such equipment.

The salesman offering this locomotive has estimated that it will pay for itself in seven or eight years, disregarding the item of depreciation, basing his estimate upon our use of a steam locomotive, which operated last year between 1,500 and 1,600 hours, which I presume would be in the neighborhood of an average of 5 or 6 hours per day.

I just wonder if you think a Diesel-electric locomotive would be a profitable investment for such an operation. I realize that it may be difficult for you to advise, not knowing any more of the circumstances than I have given in this letter, but the main thing I would like to ascertain from you is whether or not any locomotives of this type are available second-hand. The thought has occurred to me that such equipment might be purchased from War Assets Administration because I know that a great many Diesel-electric locomotives were used at Government plants during the war.

I will appreciate any advice you may give me, either directly or through someone on your staff.

Sincerely yours,

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. D. C. Kenley, Diboll Arthur Temple May 24, 1948

I am returning correspondence with Mr. Finley Scruggs of Humble Oil and Refining Company in regard to the drilling of a well on the Chiveral Survey in Sabine County.

I would be inclined to cooperate with Humble in what they are trying to do and I do not feel that it would be fair for you to insist upon our retaining an option to cancel the lease at the end of 60 days, after they have done their geophysical work. In other words, if Humble is willing to pay us as much as $2.50 an acre for prospecting, that is, for geophysical work or whatever other method they wish to employ, I think that they should have the option to lease the land at an agreed price. I don't believe that they will agree to your proposal that we have the option to cancel and, frankly, I don't think that I would if I were in their place. On the other hand, I would be glad to see a well drilled in Sabine County, either by Humble or backed by Humble, and especially when we would be paid $12.50 per acre for the privilege. I hope, therefore, that you will go ahead and make the deal.

My opinion, as expressed in the paragraph above, is, I confess, given without any accurate knowledge of what is going on in the Sabine County area. As far as I know, there is no special interest over there, no drilling well or wells, and nothing to indicate any production and, consequently, I think that we ought to lease where we can get a favorable bonus payment and especially when the prospect of drilling is tied in.

AT:ld

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cc Mr. Arthur Temple, Jr.

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

May 24, 1948

Mr. J. R. Bemis
C/o Ozan Lumber Company
Prescott, Arkansas

Dear Rosborough:

I appreciate very much indeed the hospitality which you extended to us last Thursday when we visited you and spent a very interesting afternoon looking over your plant and discussing your plans. Certainly, you were most generous with your time, and I hope that we may reciprocate your courtesy in some way and at some time.

I really would have liked to accompany you and Arthur, Jr. down to Lufkin and Nacogdoches for the meetings which were held Friday night and Saturday afternoon. Frankly, I didn't feel any too well when you and Arthur left Friday and concluded that the trip would be hardly worthwhile in view of the fact that the meetings were to be so largely social affairs, which I cannot appreciate and enjoy to the extent that I would have some years ago.

Josh Morriss, three guests and I went up to Grassy Lake yesterday morning to fish. We had a very delightful time but didn't have any luck to speak of because some said the fish are feeding in the moonlight. We did have an awfully good time nevertheless, and I am hoping that we can go back again soon.

Sincerely,

AT:ld

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May 24, 1948

The time is appropriate to reflect on our present and future. We have almost completed our first fiscal year under new management. No one could be more pleased than I at what we have accomplished. We are assured a profit and expect to be able to reduce our old indebtedness from $300,000.00 to $200,000.00. We expect to pay a bonus to all employes who have actively served more than six months during the year. We hope to build new offices at Hope and Little Rock. While making these gains, we have enlarged our operations at Hope, have increased our truck fleet and have installed a pellet machine and goods handling machinery at Little Rock. We have contracted to partially modernize our lint room at Hope.

The spirit of cooperation and the intelligent aggressiveness of the people of the Company have made this possible. No day passes when I am not overcome by the generosity of your devotion to our objectives.

Observing your virtues, I am intensely aware of my own shortcomings. You can undoubtedly add to the list, but I can name a few places where I have through faults of mine made your jobs more difficult. The most glaring one of these is my failure to define the chain of authority on which is built our organization and, having defined it, respected it in my dealings with you. When I speak of authority please understand that I mean by that term the power of deciding in a particular situation what course the Company will take and of following through to see that the course is followed. There is no presumption in the term to direct private lives or infringe on personal dignity.

Our Company is small and our chain is simple. The officers are under the direction of the board of directors. The vice-president is directly responsible to the president. I, in turn, am in direct authority over the general manager and the secretary-treasurer. The general manager is in direct authority over the managers. The managers direct the activities of their cashiers, superintendents and field men. In the case of Mr. Knight, he is manager of the Little Rock plant as well as general manager, so that two chains succeed from him.

The activities of individuals within the chain of authority proceed from the general to the particular. At one extremity, for instance, a driver has the particular job of driving and maintaining his truck. My job, next to that of the president's is the most general. I shall try to define it for you and for myself.

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For convenience I have defined my job as supervising the policy, financing and organization of the Company. It goes without saying that I am interested in all other aspects as well, such as buying and selling and manufacture, but those important tasks are more particular and are your specialties. The channels for carrying out decisions in my specialty begin with Mr. Knight and Mr. Cochran. When I participate directly in your activities, it should be understood that Mr. Knight has been or will be consulted for his counsel and interpretation of means to our objective. Except where it is impractical to do so I shall act through him and when I do not act through him, please understand that he is still in direct supervision of you and any modification of my ideas will be effected with my approval after discussion.

Mr. Cochran, as secretary-treasurer, has technical supervision of the mechanics of the Company's accounting system. Mr. Jones, as general superintendent, has technical supervision of mechanical problems in our manufacturing.

What is the policy of the Company? In general, of course, it is to derive profit from each of its activities, to reduce risk, to improve its financial condition, to prepare for a less prosperous future, and to create good will.

To derive profit from our activities we must continue to improve those which have been successful and try new approaches to those which have not. It is useless to continue in an unprofitable undertaking without change, even though the change is untried. At the same time we must examine our costs to see where they can be reduced without imposing undue hardship on the Company's employes. In some instances it has been found advisable to sell unprofitable properties and in some to reshuffle personnel.

In order to reduce risk we are undertaking to further diversify our activities. We intend to try to purchase raw materials at figures which when manufactured will produce a profit. We intend to try to sell against purchases to hedge our profit. We intend to further reduce our receivables so that a general economic decline will not find us with uncollectable accounts.

To improve our financial condition we intend to allocate funds out of profits, receivables and sale of properties to the reduction of the long-term debt we inherited. We intend to maintain or improve our properties so that they will not be unduly expensive to operate in hard times.

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To prepare for a less prosperous future we intend to expedite in every way possible the course outlined above.

To create good will we intend to allocate part of our funds to advertising our Company and our brands. We intend to impress on every employe the necessity to coordinate with our advertising and to exemplify its claims. We intend to make a good appearance with our properties and our vehicles.

In the Company's financing, we intend to reduce, if possible, the amount of money we have to borrow in order to operate. We intend to build reserves to fall back on in times of need. We intend to balance our activities so that funds will flow out of one seasonal enterprise into another without a sudden large demand all at one time.

Organization is a term which encompasses all the activities of the Company and proper organization is very difficult to accomplish. It depends on every man in the Company and only one man can disrupt it. It depends on every man knowing clearly what his job is and understanding the means he has at his disposal to do it.

It depends upon the ability of each individual knowing what it is he is to accomplish, making a plan for accomplishment, giving clear instructions to those to whom he may delegate part of the job and inspecting to see that the job is done. It requires diplomacy and tact and the willingness to allow individuals latitude in carrying out instructions. There is no organization where an individual in authority tries to do the job himself when he has agents to do it for him. There is no organization where there is no follow-up to check the job of agents.

As a matter of policy, we intend to see that every individual in the Company works under the proper conditions, is treated with the respect due our human heritage and is properly rewarded for his efforts in our behalf. Corelative to this intent is the necessity to recognize accomplishment and to place personnel according to their merit and their promise.

Latane Temple

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cc Mr. Arthur Temple, Jr.

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

May 26, 1948

Mr. R. M. Morriss, President
Wood Treating Chemicals Company
5137 Southwest Avenue
St. Louis 10, Missouri

Dear Rube:

After your last visit here I communicated with our two mills at Diboll and Pineland and suggested that consideration be given to the use of Noxtane, and I learned from Diboll that they are using, and have been using for some time, Permatox 10 and have recently received a full carload which will take care of them, of course, for some time. Pineland, I find, is using Noxtane and with very satisfactory results: the principal advantage apparently to the Noxtane, according to the report from Pineland, is that it does not have any bad effect upon the men handling it while that cannot be said of other anti-stain chemicals used in the past.

I am indeed glad to report to you that at least one of our mills is using the product which you sell. In view of Pineland's experience I think that there is a good prospect that Diboll will also be able to use Noxtane after their present supply is exhausted, but I believe that Eddie Farley, superintendent at Diboll, wrote that the carload recently received will last for twelve to fifteen months.

Arthur, Jr. was here last week, and we talked about a treating plant for Diboll. He seems to be in agreement with me that what we need is a small plant, such as you offered, but he seemed to want to give some further thought to this. I have suggested a directors' meeting for the early part or about the middle of June, and that may be the time for us to come to a definite conclusion with respect to a treating plant as well as several other matters we have under discussion now. Assuming that we will miss the first plant which you will have available, the one which you said you could let us have in June, I wonder if you can tell us something about later delivery.

With kindest regards,

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

Texarkana, Arkansas

May 27, 1948

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I have just read with considerable interest the statement of policy which you made to managers and others at a meeting held in Arkadelphia last Monday. It is very well done, I think, and I am sure that it was well received. It is important to have all key men, at least, advised as to objectives, delineation of authority, etc., and I am sure that everyone in the Temple Cotton Oil Company organization appreciates the vast improvement which has been made along this line under your leadership. Of all the defects in the previous management I think that was, perhaps, the greatest.

I should think that John K. Gibson would have little trouble in refinancing his indebtedness at the end of the current crop year, except, possibly, for the fact that he does not have a good reputation. If, however, his assets could be tied up in a valid mortgage, I should think that he would be able to borrow elsewhere the money he will owe us at the end of the year. But for the difficulty of supervising his operations and the character of the man himself, I think that we might get my three sisters to join me in taking over the loan, which would enable Temple Cotton Oil Company to get their money, which is so badly needed, and at the same time retain John K. Gibson's goodwill for the seed which he produces and controls. Under the circumstances, however, I don't think that we would want to bother with him. With the ample security which he has I am of the opinion that he will be able to find someone to take over the loan, and I hope that he may do so without obligating his seed elsewhere.

I hoped that we would be able to visit Arkadelphia last Thursday when we bade you good-bye at Hope, but I was very doubtful of our being able to go beyond Prescott. As a matter of fact, we were tied up at Prescott all afternoon and did not get away from there until six o'clock. Rosborough Bemis is a very hospitable man, has a head chock full of ideas, and he was still going strong at six o'clock when I insisted that we leave. I wish that you would please explain to Wayne Barrett the next time you see him just why we did not proceed on to Arkadelphia as we would have liked.

Yours very truly,

TJld

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CC Mr. Arthur Temple, Jr.

May 27, 1948

Mr. W. M. Casey
New Crosby Hotel
Beaumont, Texas

Dear Mr. Casey:

Your letter of May 22nd addressed to me in Diboll, Texas, has been referred to me here.

We feel that $150.00 is enough for our Company to contribute for the support of National Association of Manufacturers in view of the fact that we are contributing to so many other associations, including Texas Manufacturers Association, which we believe is affiliated with NAM, and also the Chamber of Commerce of the United States, to say nothing of regional Chambers of Commerce and trade associations, that we cannot bring ourselves to contribute to NAM in accordance with the dues suggested on the basis of our net worth. We will be glad, however, to continue our subscription on the basis of $150.00 per year and enclose the subscription blank enclosed with your letter of May 22nd, which I have signed.

Yours very truly,

AT:ld

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TEMPLE LUMBER COMPANY

PINELAND, TEXAS

OFFICE OF
E. G. PRUD'HOMME

Mr. Arthur Temple, Sr. E.G.Prud'homme May 20, 1948

I failed to write you after my visit to A&M last week with Mr. Herren and Mr. Seaman. We met with Gibb Gilchrist, and Vice President, Williams, who has taken over the details of re-organizing and recommending the new head of Texas Forest Service. We had a very cordial visit with Gilchrist, Williams, Frost and Blackburn. The future policy of the Forest Service, in regard to fire protection and other Forest Service functions, were gone into in detail. We came away with the promise that we would be called in to help prepare the budget request and also to confer on appointment of successor to Jack Frost, temporary Forest Service Director, who has definitely taken the American Forestry Association job in Washington. Mr. Herren felt we would be justified in going ahead on the extra fire protection assessment for District 5, which in our case amounts to about $8,000.00, with about three times that much for Southwestern, and a little less than our figure for Kirby. Mr. Herren is especially keen for the proposition because he thinks it will be good business to get the extra protection in the future simply by participating in the purchase of the equipment needed. Mr. Seaman, of course, is not so keen for it and I doubt seriously whether he will go into the deal or not. We will have a meeting of the landowners in the area in the near future and advise you further after that time. In the meantime I want you to know I think we would almost have to go along with Herren whether we want to or not, but having high regard for his judgment in such matters, I am beginning to believe that it is a good proposition on it's face, as we stand to save in fire losses much more than the cost of protection, and I do not think there is any question but what the State can furnish such fire protection service much cheaper than the landowners can themselves.

Naturally, going to and from A&M, we discussed many matters of interest and I gained the impression that Kirby was going to expect more of Southwestern's timber in the future than they have in the past. I think Mr. Seamn feels that if we can get along on Southwestern stumpage, he should be able to also. However, I am not too much disturbed about their competition, but want you to know that it is keener than it has been todate.

We are all right much concerned about the type man who is appointed as Texas Forest Service head. There is a possibility that we could get one with the wrong attitude.

EGP-blr
Ccs-Mr. Arthur Temple, Jr.
Mr. D.C. Kenley
Mr. R. C. Goodrich

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CC Mr. Arthur Temple, Jr.
Mr. E. G. Prud'homme

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

May 29, 1948

Southern Pine Association
Canal Building
New Orleans 4, Louisiana

Gentlemen:

Your statement of costs for 1947, published under date of May 24, 1948, is very interesting indeed, and I am sure that this publication will be of considerable value.

I note that no selling cost is shown for Temple Lumber Company's mill at Pineland, the last on page 6 of group 1, while a selling cost of 4.765 is shown for Southern Pine Lumber Company's mill at Diboll, Texas, the last set of figures in the second bracket on page 7 of group 1 mills. I wonder why a selling cost was shown for one and not for the other.

On this subject of selling cost I would like to know just what factors are included. I would like to know, for instance, whether the wholesale discount and the discount for cash are included in your computation. I know that there is a wide variation in the selling costs of the several mills due largely to the fact that some mills do include these items in their selling costs, and possibly other items, too, while other mills do not. It would be interesting to me to know just what items or factors you do consider as legitimate.

Yours very truly,

AT:ld

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A. T. Jr. Temple

Mr. R. L. Waite Arthur Temple May 31, 1948

I think it would be well for us to have what might be called a semi-annual directors meeting of the directors of Southern Pine Lumber Company, and to that end wish that you would please get out a notice to all of the directors, calling the meeting for 10:00 A.M. Wednesday, June 16th, at Diboll.

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. George Smith

A.T. & G.S.: Further consideration develops the possibility that we might go ahead with our meetings on June 15th and 16th as planned. George, you might 'phone Mr. Minton and get his opinion directly to save time or have him notify you as soon as he has determined whether or not we can amend the by-laws at a directors meeting. If so, you can go ahead and get out the notice for a meeting at Pineland on June 15th, as suggested in my letter of yesterday.

June 1, 1948

Mr. R. E. Minton
Lufkin National Bank Building
Lufkin, Texas

Dear Mr. Minton:

I have contemplated for some time that we would create another vice-presidency for Southern Pine Lumber Company and also for Temple Lumber Company, but the by-laws of both corporations provide for a vice-president, and I presume it would be necessary to amend the by-laws. My thought was, after consideration, that it would be necessary to have the by-laws amended by the stockholders, but Mr. Waite has a book on corporation procedure which sets out that directors can amend by-laws provided they are not prohibited from doing so by the corporation charter or by statute; and this book goes on to say that where directors amend by-laws and the action is acquiesced in by the stockholders, at a subsequent meeting I presume, such amendment is valid.

I would like for you to advise whether or not you think that we could have meetings of directors of our two companies, Southern Pine Lumber Company, and Temple Lumber Company, special meetings called in accordance with the by-laws, and amend the by-laws so that the office of another vice-president, making two, could be created, and forthwith two vice-presidents of each company could be elected. I would like to have your opinion on this right away if possible for you to give it because I contemplated that we would have meetings of directors at Diboll on June 16th and at Pineland on June 15th, and to allow the ten days' notice such meetings should be called this week.

With kindest regards,

Sincerely yours,

AT:ld

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cc: Messrs. W. J. Prichard
S. F. Styles
Arthur Temple, Jr.

Mr. G. S. Smith — Arthur Temple — June 3, 1948
Dictated June 2nd

Mr. Minton has just called and given me his opinion as to whether the by-laws of Southern Pine Lumber Company and Temple Lumber Company can be amended without action by the stockholders, amended so as to provide for two vice-presidents.

As you know, I wrote Mr. Minton yesterday, Tuesday, and quoted from Corporation Procedure, a book which Bob Waite has, and I thought that we might be able to amend the by-laws by action of the boards of directors, but Mr. Minton, quoting article 1326, said positively that any such amendment would have to be by the stockholders.

Under the circumstances I think that it is hardly worthwhile to call special meetings of stockholders and that we might as well wait until the regular annual meeting at Pineland in October and at Diboll in December to accomplish what I have in mind.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. S. F. Styles Arthur Temple June 3, 1948

Referring to your letter of June 1st in regard to the request for an additional contribution by the Lufkin yard to the industrial hospital at Lufkin, I quite agree with you that the Lufkin yard has already contributed more than should be required of them when they have now 17 employees, and Temple Lumber Company has contributed $2300. As a matter of fact, on the basis of 17 employees you have already overpaid $175. Under the circumstances I think that it is very much in order to stand on what has already been given.

I am not at all in accord with the method of financing the cost of the industrial hospital at Lufkin, and I can't see for the life of me how such men as Ernest Kurth, W. C. Trout and Colonel Chambers and others who have been active in promoting this thing could conceive of such a plan unless it was to take advantage of the excess profits tax, which prevailed during the war, and under which corporations subject to the excess profits tax could contribute to such an enterprise at a cost of only 15¢ on the dollar. I would have advocated the creation of a corporation with stock to be subscribed by the participating companies to the extent of possibly 50% of the cost of the hospital and bonds for the balance. In fact, I have advocated such a method, but the only reply which I received from my suggestion to Ernest Kurth was that it was too late to make any change in the method of financing.

We were not brought into this project until construction was actually under way, or at least no one talked to me about our participating until one day in January, I believe, Arthur, Jr. called and said they would have to know that day whether we would go in or not because it would be necessary for them to decide immediately whether to build a 50-bed hospital or a 100-bed hospital. A decision was so urgent that they sent the paper mill plane up for me, and Arthur, Henry, George Smith and I met with Dave Thompson and agreed to go in. Really the impelling motive, as far as I was concerned, was that I did not think we could afford to stay out with all of the other leading industries in Angelina County participating. Southern Pine Lumber Company has been assessed approximately $75,000, $125.00 per employee, and we will be expected to subscribe to our prorata part of the bonds approximating $500,000. It is going to be very costly indeed to us, and, as we will have to maintain emergency facilities at Diboll, we will not get as much benefit as will the two foundries, Angelina County Lumber Company and others who operate in Lufkin. I do think the whole thing was poorly conceived, but there is nothing that we can do about it.

AT:ld

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June 9, 1948

Mr. A.J. Chester
Vice President - Operation
The Texas and Pacific Railway Company
Texas and Pacific Building
Dallas 2, Texas

Dear Mr. Chester:

I am returning correspondence which you handed me in Shreveport yesterday relative to the purchase of a Diesel-electric locomotive for our road, which operates from Diboll to Lufkin, Texas.

What I had in mind principally when I wrote you under date of May 22nd was to get your opinion as to whether we would be justified in converting from steam to Diesel-electric power, which would be operated from 1,500 to 1,600 hours over a year's time and whether or not there were any good Diesel-electric locomotives available second-hand.

From what you told me yesterday I am inclined to doubt the feasibility of Diesel-electric power for our operation. From what you said and from what members of your staff wrote in the correspondence which I am returning, I am inclined to think that if we do convert from steam to Diesel-electric that we ought to purchase new equipment.

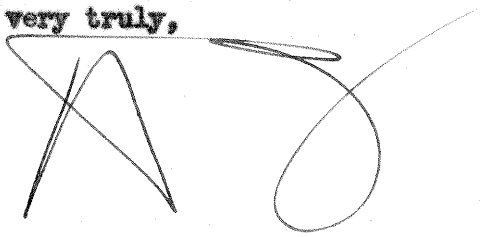
I certainly appreciate very much your offer to have one of your men to pass on any second-hand equipment we might contemplate purchasing, also to make a survey of our operation. However, I do not think either will be necessary. We had a representative of the manufacturer of Diesel-electric locomotives make a survey, and it was on the basis of his survey that we considered the Diesel-electric equipment. He concluded that a new 65-ton Diesel-electric locomotive, costing about $47,000 or $48,000, would pay for itself in seven or eight years, but, as I mentioned in my letter of May 22nd, he did not take into consideration depreciation.

I am going to have our people at Diboll communicate with Mr. Kurth, President of Angelina County Lumber Company and also President of Southland Paper Mills, Inc., to find out just what his experience with a Diesel-electric locomotive has been

on the A.& N.R. Railroad. That, I think, will have considerable bearing on what we may decide to do.

Again, let me express my appreciation to you for your cooperation and your very kind offer of further help.

Yours very truly,



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CC Mr. Arthur Temple, Jr.

Mr. D. C. Kenley Arthur Temple June 9, 1948

I have no suggestion to make with respect to your handling of the request of Mr. McHenry for a lease on 2,000 acres in the ranch.

When Mr. McHenry called me about this a week or two ago, I told him that I was not familiar with the circumstances and that you were handling our leasing, and I could only suggest, if he wanted to do so, that he might discuss his proposition with you and Arthur, Jr., or tell Arthur, Jr. just what he wanted and Arthur could then talk to you. Certainly, I would not take McHenry's side , knowing no more about the circumstances than I do, and for that matter I would not feel like overruling you anyway. On the other hand, I am sure that we would want to cooperate with McHenry and any others that are trying to get any development in our territory and particularly would be want to cooperate with homefolks, people like the Angelina County Lumber Company crowd. As far as McHenry himself is concerned, however, he has never impressed me very favorably. I don't think that he has ever gotten any production in all of his efforts in our area, and I am under the impression that we have accommodated him in a number of instances. My impression of him is that he is pretty much of a promoter, getting together leases which he assigns to someone else with a stake in acreage which he retains for a gamble. As far as I know, he is not a man of any financial responsibility.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple June 17, 1948

I spoke to Arthur, Jr. about selling pulpwood from Temple Lumber Company's land to Southland Paper Mills, and he feels that Southland probably would be glad to get this wood. He thinks that Southland is really entitled to the pulpwood in our area, but we cannot wait for them, of course, and the only thing I can suggest is that you write to Dick Wortham, tell him just what the situation is and see if Southland wants this wood. Otherwise, I think it would be all right to offer it on the open market or to others. I believe the price which Southland is paying is $2.50 per cord, which is the price you indicated you could get from others.

AT:ld

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CC Mr. Arthur Temple, Jr.

Texarkana, Arkansas

June 19, 1948

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I received this morning your letter of June 18th in regard to the sale of the Little Rock mill. I will contact Arthur and other directors of the Company to get their reaction, and we should be able to reach a definite decision in ample time for you to contact the prospective purchaser prior to July 15th.

In the event that we decide to ask $275,000, as suggested in your letter, I think it would be well not to allocate $50,000 of this amount to brands and goodwill. I think anyone interested in purchasing would be more inclined to pay the price we might ask for actual physical assets rather than such intangibles.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. D. C. Kenley Arthur Temple June 21, 1948

Yesterday I received a notice of a special meeting of the Board of Directors of Southland Paper Mills, Inc. to be held in Lufkin on July 6th. I am quite sure that the purpose of this meeting is to consider further expansion by the installation of a third newsprint machine. This was suggested at the regular annual meeting on March 31st, and I was about the only one who opposed further expansion, having in mind the drain on wood in our area which I thought would endanger the future supply of saw timber.

I wish that you would please give me your idea of the effect of the paper mill on the saw timber in our area. I am sure that the future supply of saw logs has been endangered as yet, but I would like to have your opinion of the effect of a third newsprint machine, which would be a fourth paper machine.

Joe Kurth was not at the last regular annual meeting, but I am writing him urging him to be present at the meeting on July 6th. He has been opposed to further expansion just as I have, and I am reasonably sure that I can count upon his continued opposition.

AT:ld

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CC Mr. Arthur Temple, Jr.

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

June 22, 1948

Mr. E. F. White
107 North Field Street
Dallas, Texas

Dear Mr. White:

We are again considering the advisability of putting in a pension plan for our employees, approximately 600 in number as far as Southern Pine Lumber Company is concerned, but if we should adopt a plan for employees of this Company, we would also want to adopt the same plan for the employees of Temple Lumber Company, whose employees would number probably 800.

Some time ago when we were considering a proposal made to us by Mr. Hand of Houston, you indicated that you would like to submit a proposal for Southwestern Life Insurance Company. Inasmuch as our interest in a pension plan for our employees has been revived, we would like for you to submit a proposal or discuss the matter with us at your convenience.

We are not altogether sure that a pension plan might be too rich for our blood, or, in other words, more costly than we could afford to carry year in and year out, in good times and bad, but we do feel the need of some program to take care of old men who ought to be retired to improve the efficiency of the organization as well as from a humanitarian standpoint.

With kindest regards,

Yours very truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

June 22, 1948

Bankers Life Company
Houston, Texas

Gentlemen:

In May 1944 you submitted to us a pension plan for the employees of this Company which we did not adopt, and, as a matter of fact, we have not adopted any pension plan since, but we have recently revived the idea of such a program and would like to know if you have anything to add to or take away from your proposal of May 15, 1944. There have been undoubtedly some changes in the ages of our employees, which would alter your estimate of cost somewhat, but, otherwise, we presume that your proposal of May 15, 1944, which we still have, would be applicable as of this time.

We would like to know if Mr. Pete Adams is still representing you. If he is, will you please be good enough to tell him of the revival of our interest in a pension plan for our employees and extend to him the writer's cordial regards.

Yours very truly,

SOUTHERN PINE LUMBER COMPANY

By:

AT:ld

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cc Mr. Newman B. Gregory
Mrs. G. R. Payne
Mrs. Harry Munz
Mr. Arthur Temple, Jr. ✓

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

June 23, 1948

Mr. Latane Temple
C/o Temple Cotton Oil Company
Little Rock, Arkansas

Dear Latane:

I have a letter from Arthur approving the proposal to offer the physical properties of the Little Rock oil mill to Procter and Gamble or Buckeye, excluding the automobiles owned by the company, at a price of $275,000, as suggested by you. I have not heard anything from Newman, but I discussed the proposal with Gertrude the latter part of last week, last Friday I believe, and she was in favor of the sale and I am sure that Marguerite and Georgie would be also. It is, of course, not necessary that we get Marguerite and Georgie's approval or that of any other stockholders but only of the directors because I think that this is something that comes within the jurisdiction of the directors rather than the stockholders. However, because of Marguerite and Georgie's substantial interest in the company I deem it advisable to let them know what we have in mind, and I am doing that by sending them a copy of this letter.

I am assuming that Newman would be agreeable, and I am sure that Josh would be, but I am unable to contact him because he is in Chicago this week. Unless we should have some expression to the contrary from Newman, therefore, I suggest that you proceed with the preparation of a proposal to be submitted to Buckeye prior to their directors' meeting on July 15th on the basis of $275,000, but if on further consideration you feel that the price quoted should be reduced to $250,000, I am sure that other directors would be willing to abide by your judgment. As a matter of fact, you may want to have some leeway in your negotiations. I am also sending Newman a copy of this letter, and there will be ample time for him to communicate with us in the event he does not concur.

Yours very truly,

A. T. Jr.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. Clyde Thompson Arthur Temple June 23, 1948

I have just received a letter from my friend Cloud in which he states that he understands that other arrangements have been made so that we will not need his small tract of land about which I wrote him at your request. In the event this is not correct I suggest that you communicate with him immediately.

I also wish that you would please advise him about the 311 acres of timber which he has offered to us. Apparently he wants to know whether we want this timber or not because, if not, he is ready to cut it.

I note that O. N. sent a copy of his letter to you. Otherwise, I would have the letter copied and enclose copy with this letter or send the original to you.

I am on very friendly terms with O. N., and if there is anything further that I can do in our interest, please advise.

AT:ld

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June 28, 1948

Mr. R. M. Morriss, President
Wood-Treating Chemicals Company
5137 Southwest Avenue
St. Louis 10, Missouri

Dear Rube:

We have not made any further progress in coming to a decision with respect to the small treating plant which you recommended for Diboll. Arthur, Jr. said that he thought very well of your little plant but he wants to give some further consideration to the matter, and that is where the thing stands at the present time.

While I have the utmost confidence in your judgment, I wish that there were one of these little plants in operation somewhere that we could see. If you do install one before we decide definitely what we are going to do, I wish that you would please let me know so that we might look it over and talk with the people who are using it. I presume you will have one of these plants in operation somewhere within the next few months, will you not?

Sincerely yours,

AT:ld

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cc Mr. Arthur Temple, Jr.

June 28, 1948

Mr. J. W. Durham
Diboll, Texas

Dear Jake:

I appreciate very much your invitation to be present at the 4th of July celebration to be held at Diboll on July 3rd.

When I told Katherine about your letter, she said that I certainly ought to attend this celebration and added that she would go down with me early Saturday morning. In view of the fact, however, that I am going to have to be in Lufkin for a special meeting of directors of Southland Paper Mills on July 6th, I am afraid that I will have to pass up the Saturday celebration. I could go down Friday and stay over for the Southland directors' meeting, to be sure, but that would be quite a long time, and I am afraid that the week-end might drag with Ann and Arthur and their families having their regular routine. I know that I would not want to make two trips in such a short time.

I spoke to Temple about your letter, thinking that he and I might go down Friday evening and stay over until Tuesday afternoon, but he said that he could not get away. Young Temple has just come home from school in the East and has a couple of boys visiting him.

I am sure that it will be quite a celebration that you will have at Diboll, and I would like very much to be a part of it. I would particularly like to hear Martin Dies' speech.

Sincerely,

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. E. G. Prud'homme

June 28, 1948

Mr. W. T. Greenwood
120 Laurel Street
Malvern, Arkansas

Dear Mr. Greenwood:

I am referring your letter of June 28th to the manager of our mill at Diboll, Texas, and in the event he has any need for a lath mill foreman, he will communicate with you.

Yours very truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

June 29, 1948

Mr. Thomas E. Hand
C/o Thomas E. Hand & Associates
Federal Land Bank Building
Houston 2, Texas

Dear Mr. Hand:

We are again giving some thought to a pension plan for the employees of our several companies, and I have recently reviewed letters which I have received from you and also the data which you furnished with respect to a pension trust; have also gone over a proposal for a pension plan made by Bankers Life Company in May 1944 and one made recently by the Minnesota Mutual Life Insurance Company.

I wish that you would refresh my memory on the advantages you maintain for the pension trust as against straight pension plans as offered by such insurance companies as those mentioned. It seems to me that the latter are much simpler and would require less work on the part of our employees, but because of the earning power of the trust funds under your plan, it may be the cheaper, and the cost of a pension plan is of the utmost importance to us. In fact, I still have very grave doubt as to whether we can afford the cost of a pension plan for our employees. We might well afford the pension plan under present conditions, but I still wonder whether we would be able to carry it on when another depression comes.

I don't believe the figures which you submitted to us contemplated any minimum age to qualify. One of the other plans we have considered has set the minimum age to qualify at 30. That would undoubtedly reduce the cost, and I wonder if you could give me some idea as to how much it would effect the figures which you have given us, in other words, the overall annual cost.

Another criticism of the plans which we have considered is that some of the monthly pensions are too low. It has been suggested that we ought to adopt a minimum of $25.00 per month, which, together with social security, might hardly provide a bare minimum standard of living. Would it be practical to establish such a minimum of $25.00 per month under your plan and, if so, how would that effect the annual cost?

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I realize that in asking these questions you may be put to considerable additional work to give us answers. I don't like to do that, and if you could give us rough percentage estimates, that would probably suffice.

While I am still afraid of the cost of a pension plan for our employees, I realize the urgent need for it. We have a great many old men on our payroll who should be retired for their own good and to improve the overall efficiency at our plants. Then, too, I feel that our employees are entitled to the security a pension plan would offer. I hope, therefore, that we can figure out a way to adopt a plan that we can afford and that would be adequate to our purposes.

With kindest regards,

Yours very truly,

AT:ld

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cc Mr. Arthur Temple, Jr.
Mr. R. G. Goodrich

Mr. E. G. Prud'homme

Arthur Temple

July 6, 1948
Dictated July 5th

Reggie Goodrich's letter of July 2nd in regard to the Coline Oil Company timber in Newton County prompts me to say again what I have said a number of times in the past few years to express my opinion as to what our timber and land buying policy should be.

I think that we should take advantage of any opportunities to buy timber and good timber growing land where we can see our way clear to come out whole either on the present market for lumber or for the long pull. This means that we cannot pay exorbitant prices for timber which is to be held to grow, because I am convinced in my own mind that we are going to have another depression somewhere down the road, and the longer it is deferred the more severe it is going to be. When the next depression comes, and I think it is coming just as surely as God made little apples, we will be able to buy timber and timber growing land at considerably less than we would have to pay today. All of us who went through the depression of the '30's recall distinctly, I am sure, prices which prevailed in that period. We ourselves sold the Government quite a large amount of land because we were forced to sell it in order to get money to keep going. When the next depression strikes, I want to be well heeled with cash so that we may take advantages of the opportunity to buy at bargain prices rather than be forced to sell to keep alive.

I said at the outset of this letter that Reggie Goodrich's letter prompted me to repeat a policy which I have maintained we should have during this period of high prices. The point is that if others bid up the price on the Coline timber, then let's let someone else buy it unless we feel that we can afford to pay the price required and can cut the timber and at least break even under present conditions. If it is a question of buying the timber and land to hold for growth with the timber to be cut in the future, then I would say that we should figure very carefully to determine whether we can afford to cut the timber when another depression strikes or in what might be considered normal times.

I realize that this policy which I advocate is one that is difficult to carry out because it is difficult always to foresee the future. Possibly timber values will not decline as much as they did in the '30's; personally, I am inclined to think that they won't. However, we do know that in a serious depression all values fall, and there is no question but that we are now in a boom which cannot last. Incidentally, we are seeing already some signs of a weakening in the lumber market.

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The situation with Pineland is not as serious as it is with Diboll. Fortunately, Pineland has the Southwestern Settlement and Development Company's timber to draw upon, and timber values generally are not as high in the Pineland area as they are in the Diboll area. Diboll is faced with the problem of getting additional timber to carry it over the next 10 or 15 years or to reduce its production in order to balance its growth with its cut, in other words, to go on a sustained yield basis, which is something that I very much want to do. Diboll, therefore, may be tempted to pay higher prices for timber which may be cut within the next 10 to 15 years than Pineland, and, as a consequence, I think that Pineland is in a position to carry out a more conservative policy.

AT:ld

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CC Mr. Arthur Temple, Jr.

July 8, 1948

Mr. H. C. Berckes
C/o Southern Pine Association
New Orleans 4, Louisiana

Dear Herb:

I have read with interest your mimeographed letter of July 2nd addressed to the Conservation Committee and on the subject of Forestry Experience - Training Program.

As you may know, we have put on at Diboll a graduate of the Duke School of Forestry, a Mr. Martinelli, who has a Masters Degree and who came to us very highly recommended. This was done through the initiative of my son, Arthur Temple, Jr., who is Manager of our plant at Diboll.

We are very optimistic about the success of the program and we are hoping that Mr. Martinelli will be favorably impressed with our operations and will qualify for permanent employment by us. I have long advocated the employment of a graduate, technically trained forester, and I hope that Mr. Martinelli will fill the bill.

In considering the plan which has been agreed upon between Mr. Korstian of Duke University and the Southern Pine Association, it occurs to me that some difficulty may be experienced in getting lumber companies to cooperate. It strikes me that few would be willing to give a man training in various departments, the woods, the sawmill, the planing mill and sales department, when his work in each department would be only of a temporary nature, but if this objection can be overcome, I think that the plan probably has wonderful possibilities.

You may be interested to know that Southern Pine Lumber Company has agreed to sponsor a scholarship in the Forestry School of Stephen F. Austin College at Nacogdoches, and Temple Lumber Company at Pineland will probably do likewise. Preference will be given first to graduates of our local high school, second to other residents of the county in which our mill is located. This

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scholarship was outlined in detail in a recent issue of "The Buzz Saw", the publication gotten out by and for employees at Diboll, and if I can find a copy, I will send it to you with this article marked.

Sincerely yours,

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. A. Farley Arthur Temple July 8, 1948

It has been some time since you talked to me about the "blue baby" at Diboll, and I wonder if any steps have been taken to have this case handled by the surgeon at Houston.

As I recall, you estimated that it would cost something like $2,100 for the operation, and I told you that we would be glad to take care of all or any part of this through the Temple Foundation. It is true that this is considerably more than we have been called upon for any one case, but I don't see how any average working man could possibly afford any such expense, and I don't know of anyway that we could spend the money in this fund to better advantage. I hope, therefore, that the father of the boy will proceed to have the operation and before it is too late.

I was sorry not to have more of a visit with you when I was in Diboll earlier this week. I had planned to stay over until after lunch Wednesday, but when Arthur said that he would like to accompany us to Texarkana, I decided to leave early Wednesday morning since I would have time to visit with him on the way back and in order to make the drive in the cool of the day.

AT:ld

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CC Mr. Arthur Temple, Jr.

July 8, 1948

Mr. Carrol Allen
P.O.Box 1180
Lufkin, Texas

Dear Carrol:

I have given some further consideration to your appeal for funds for a new parish house at Lufkin and have concluded that I might contribute $500 for Katherine and me, and you may report this as a bona fide pledge at your meeting on July 9th. This, to be sure, is a far cry from what Arthur, Jr. suggested, but I really feel that I should not go very strong on the Lufkin project in view of the fact that I have an obligation to carry through on the fund which I started for a new parish house here. Frankly, I am impelled to make some contribution to your undertaking on account of you and Ann, Arthur and Mary and your children, in whose spiritual development I am, of course, very much interested.

Just one word further, my pledge is available at any time and is contingent upon the raising of an amount adequate to do the job and, if, as, and when the project is definitely assured. This may sound like a lot of conditions; I don't mean it that way. I simply do not want to put up the money now and have it remain indefinitely in a fund to be used at some indefinite date in the future. I trustyou understand my position.

Sincerely,

AT:ld

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SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

July 12, 1948

Mr. R. M. Morriss
C/o Wood-Treating Chemicals Company
5137 Southwest Avenue
St. Louis 10, Missouri

Dear Rube:

I am glad to learn from your letter of July 8th that you expect to have two of the little treating units in operation in St. Louis within the next ninety days and that you will let us know as soon as the first unit is in operation so that we may see it. I am inclined to think that we will want to see the first of these units in operation before we decide definitely about one for Diboll.

I shall be glad to see you when you are in Texarkana. I hope that you will drop by for a visit.

Sincerely yours,

AT:ld

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cc Mr. Arthur Temple, Jr.

July 13, 1948

Mr. A. J. Chester, Vice President - Operation
The Texas and Pacific Railway Company
Texas and Pacific Building
Dallas 2, Texas

Dear Mr. Chester:

I have your letter of July 12th advising that you have requested your mechanical superintendent, Mr. Dix, to arrange to send a representative to Diboll to make a survey to determine whether or not we would be justified in purchasing a Diesel-electric locomotive for our railroad operations. I certainly appreciate this courtesy very much indeed.

I may have failed to suggest in my recent letter to you that your representative contact my son, Arthur Temple, Jr., who is Manager of our Diboll plant, when he arrives in Diboll. Arthur is familiar with my correspondence with you and will be on the lookout for your representative when he arrives in Diboll.

It was with considerable regret that I learned recently that you are retiring from active service with the T&P August 1st. I know full well what you have meant to the T&P, how much Mr. Lancaster, and more recently Mr. Vollmer, depended upon you, and I feel that the fine reputation which the T&P enjoys is largely the result of your work. I know that you will be greatly missed.

With kindest regards,

Sincerely,

AT:ld

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July 14, 1948

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I am certainly sorry to learn from your letter of July 12th that there are additional carry-over losses from previous administrations at Arkadelphia. I had hoped that all of the losses incurred while Gannaway was in charge had been taken.

I am inclined to agree with you that unless we can make a favorable showing at Arkadelphia by August, in other words, after we have done everything we know to do to put the feed mill on a paying basis and failed, that we might as well call it a day and sell the feed mill if we can, and if we cannot sell out, which is probable, then take steps to abandon the operation. I am assuming that by the end of August, as seems to be contemplated in your letter of July 12th, we will have had ample time to demonstrate whether we can or cannot make a success of the feed mill venture.

Yours very truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

July 14, 1948

Mr. A. F. Allen
C/o Texas Employers' Insurance Association
Interurban Building
Dallas, Texas

Dear Mr. Allen:

I have just received your letter of July 12th in regard to the handling by Texas Employers' of our compensation insurance under the Southern Pine - Temple Lumber group.

Without going into all of the details I understand from your letter that there will be no change in the charge by Texas Employers' so long as our premium remains the same as we have been paying in the past, or, in other words, so long as we are in the $75,000 to $100,000 classification: that the determination of dividends which we are to receive will depend upon the premium group we come under. As a matter of fact, your letter states specifically in the next to the last paragraph on page two, "nor will this action change in any way our method of doing business with your company."

Under the circumstances and in view of the fact that Texas Employers' is simply conforming a decision of the Texas Supreme Court rendered on January 16, 1946, I am entirely satisfied and I do not think there is any need for further explanation on your part.

I am glad to note that you mailed a copy of your letter of my son, Arthur Temple, Jr., who is now Manager at Diboll. I will appreciate it if you will send him copies of such letters in the future in order that he and Mr. J. W. Durham, who is now looking after the compensation insurance for Southern Pine Lumber Company, Diboll and Temple Lumber Company, Pineland, may be kept fully advised.

With kindest regards,

Sincerely yours,

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple July 15, 1948

Mr. Thomas, your contractor, and his son have just left my office after discussing with Temple and me the proposed contract for a new store at Pineland.

I told Mr. Thomas that Temple and I would be in Pineland the latter part of next week, probably Thursday, since I will have to be in Lufkin Wednesday afternoon for a meeting of the Executive Board of Texas Lumber Manufacturers Association, and we would try to let him know something definite at that time. My thought is that I would like to submit the proposed plan to Arthur, Jr. and also your estimate of cost to get his ideas, and if he agrees that the plan is practical and the estimated cost is in line, I would be in favor of going ahead with the building of the store, starting the work at once in order to get the benefit of the good weather before next winter.

While I do not feel qualified to pass on the overall arrangement and can't say whether the space provided meets our needs fully, for that is something which you and Sherwood Burch will have to determine, it doesn't seem to me that an overall length of 140 feet and a depth of 80 feet are excessive, nor do I think the overall estimated cost is out of line. In this connection, however, I certainly would suggest that air conditioning be omitted, although I think it might be well to put in ducts possibly to take care of heating and to provide for future cooling if we decide to install it, which I understand from your estimate will save approximately $5,000.

Mr. Thomas impressed me very favorably. He impresses me as a good, dependable man. However, I do think that it might be well to get some competitive bidding, but that may be difficult to do without detailed plans and specifications. In fact, I hardly know how you could get someone to bid on this job although Mr. Thomas has apparently done so. While, generally speaking, I do not like cost plus contracts and would much prefer to let a contract under competitive bidding, I wonder if it would not be advisable to get Mr. Thomas to handle this job on a clost plus basis since it is going to be difficult, if not impossible, to get competitive bids. Since we are going to furnish the material, as I understand it, and all Mr. Thomas would take care of is the labor, I don't see how we could be hurt very much on a cost plus contract or on a fixed fee basis. After all is said and done, maybe the latter would be the better.

I asked Mr. Thomas if there was anything in the plan of a fancy nature, anything that might add to the cost without adding to the practical adequacy or general efficiency of the layout, and he said that he didn't think that there was anything of this nature. My idea is that a store we build at Pineland should be adequate for our needs, attractive in design and furnishings but nothing fancy, nothing out of keeping with the character of the town. At a cost of $45,000 without the

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air conditioning it would not appear that you contemplate anything which might be considered extravagant. In this connection I suggested to Temple that we use #2 Oak Flooring and nothing higher than #1 grade of lumber on the interior, both of which I think will be entirely adequate.

It is possible that Arthur will be up here Friday or Saturday, and if he is, we can discuss the proposed new store at Pineland and I can possibly advise you our conclusion sooner than Thursday of next week. In any event, however, we will give you something definite by next Thursday, when Temple and I expect to be in Pineland on our way back from Diboll.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple July 15, 1948

While considering the advisability of building a new store at Pineland, I decided to refresh my memory on the profits made by the store, drug-store and market last year and for the first six months of the current fiscal year. It appears that the three stores made approximately $20,593. for the last fiscal year and for the first six months of this year, approximately $13,600, which is some improvement over the previous year, provided the present rate is maintained for the balance of the current year. I am assuming that the profits shown for the stores on the June statement are for a six months' period and not for the eight months which have elapsed inasmuch as it is my understanding that the store profit is taken into account twice a year.

Without analyzing the store profit I don't know whether we are getting a fair return or not. It does strike me, however, that the drug-store is not doing as well as it should. I should think that the drug-store should have shown a profit of more than $2,806. for last year and more than $1,835. for the first six months of this year. For a comparison, the drug-store at Diboll last year showed a profit of $4,393. I should think that the drug-store at Pineland ought to do at least as well as the drug-store at Diboll, if not better, because Diboll has the competition of Lufkin stores, which the Pineland store does not have, and I don't suppose there is much, if any, difference one way or the other in the populations of the two towns.

In writing this letter it is my purpose, of course, to suggest that you check into the operation of the drug-store at Pineland to see if there are any leaks. It does seem to me that the showing ought to be better, although, of course, I might be wrong.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple July 16, 1948

I had not thought of the possible saving that might be effected in the building through the reduction, or possible elimination, of window openings if the new store at Pineland is air conditioned. This saving, together with the fact that we make our own electricity and electricity would not be an item of expense, may justify the installation of year-round air conditioning. You have two cooling units, too, and I understood you to say on the 'phone this morning that you would have to buy only one additional unit, but, of course, this air conditioning equipment does wear out, and it will have to be replaced in time. Just what is the life of air conditioning equipment I don't know, but I do know that we had to replace the original equipment we put in here at the office after four or five years, as I recall.

The more I think of it, the more advisable I think it will be to arrange with Mr. Thomas or some other contractor to build the store on a fixed fee basis with us to pay all material and labor bills. Unless someone should suggest some objection to that plan, I hope that you will try to work it out with Mr. Thomas, who seems to be a good man and whose work has apparently been satisfactory to you.

AT:ld

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cc: Mr. J. H. Kurth, Jr.
Mr. Arthur Temple, Jr.

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

July 19, 1948

Mr. E. L. Kurth
C/o Southland Paper Mills, Inc.
Lufkin, Texas

Dear Ernest:

I hate to disagree with you and not to do what you ask me to do, but I cannot follow you in your support of Lyndon Johnson in his race for the United States Senate. In the first place, I have always been violently opposed to the New Deal and I don't think that there is any doubt but that Lyndon Johnson was a particular favorite of the Roosevelt administration; in fact, Roosevelt did everything within his power six years ago, when Lyndon Johnson ran for the Senate, to have him elected.

I have been somewhat undecided as to whether to vote for Coke Stevenson or George Peddy. I was rather inclined to vote for the latter because of the strong stand he has taken on a number of issues which is in accord with my own thinking. Then, too, I was disappointed when the A. F. of L. came out in favor of Stevenson's candidacy. However, I have been assured by a friend who has known Coke Stevenson intimately for a number of years that Coke Stevenson did not seek the endorsement of the A. F. of L., that he would not be influenced by it and because heretofore I have always considered Coke Stevenson sound and, incidentally, anti New Deal, I am going to vote for him and influence as many others as I can to do likewise. As a matter of fact, I would not be disappointed in the election of either Stevenson or Peddy, but I certainly do not want Lyndon Johnson.

Feeling as I do toward Johnson on the one hand and Coke Stevenson on the other, I shall cast my vote in the Primary next Saturday for the latter provided my vote is not challenged on the ground that I am a Republican.

With kindest regards,

Sincerely yours,

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. D. C. Kenley Arthur Temple July 20, 1948

I am not much of a gambler and I am, perhaps, too conservative and pessimistic to bet that oil will be found when a well is drilled on our land. I am inclined to say, therefore, that I would accept $20,000 for a shooting option for six months with a guarantee of the selection of 5,000 acres at $5.00 an acre and a guarantee of the drilling of a well to a depth of 8,500 feet. Not to do so, as I understand your letter, would be to bet that a producing well will be drilled and brought in.

In spite of this, my first reaction to your letter, I am perfectly willing to abide by your judgment and at least wait to see what develops. If an 8,500 foot well is going to be drilled anyway, then our acreage in the vicinity of the well will, as you intimate in your letter, probably be worth considerably more than $5.00 an acre. The only question is can we find out whether the well is going to be drilled. If we cannot get any definite assurance that it will be drilled, then I would be inclined to take the $20,000 for the option, the $25,000 or more for a bonus for a lease and the guarantee of an 8,500 foot well.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. D. C. Kenley Arthur Temple July 20, 1948

I was talking with Finley Scruggs, Humble's man who lives at Tyler, and asked him if he thought his people would be interested in a blanket lease on all of Temple Lumber Company's and Southern Pine Lumber Company's land not now under lease at $1.00 per acre bonus with $1.00 per acre per year rental and a guarantee to pay the rental for not less than five years and with the further understanding that any land now under lease would also be included as and when current leases expire. He said that he thought his people might be interested in such a proposition and would take the matter up with them and let me hear from him further.

This is the proposition that was suggested to me by a friend, Mr. J. K. Wadley, of Texarkana, who has been eminently successful in the oil business, and it struck me as being a good deal for us inasmuch as it would give us $2,400,000 on the basis of 400,000 acres in the two companies. Certainly, that is far better than what we have been getting out of our leasing in the past, and the only possible objection I see to it is that if oil is found on our land we would lose the opportunity to lease at high prices. However, as I have stated in another letter which I am writing you today about the deal in Sabine County, I am conservative by nature and more inclined to gamble against finding the oil than I am on finding it. Another advantage to such a proposition is that we can forget about oil development in our area and the leasing of our land and simply sit back and wait for developments.

I will be in Diboll tomorrow afternoon and Thursday morning and would be interested to learn from you what you think of this sort of a deal.

AT:ld

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To Mr. Arthur Temple, Jr., Diboll

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

July 27, 1948

TO THE DIRECTORS OF SOUTHERN PINE LUMBER COMPANY
AND TEMPLE LUMBER COMPANY

For some months past I have been giving rather intensive study to a pension program for the employees of Southern Pine Lumber Company and Temple Lumber Company and have just about concluded to recommend a combination trust plan providing life insurance, which would be converted into an annuity at age 65, a plan that is generally known as the Houston plan, which has been submitted to us by Thomas E. Hand and Associates of Houston.

In order to get some program underway before the end of the fiscal years of the two companies and inasmuch as I expect to be away from August 14 to August 29, I would like to have an informal meeting of the directors of our two companies at Diboll at one o'clock p.m. Tuesday, August 3. I have arranged with Mr. V. J. Adams, with whom I was in conference several hours this morning, to meet with us at that time and give us a further explanation of the plan and to answer any questions which any of the directors may wish to ask. Mr. Adams is associated with Mr. Hand and I feel that he is fully qualified to handle the subject.

I am requesting that a luncheon be arranged for the directors, either at Mrs. Hogue's or at the Inn at twelve o'clock noon, to which all of the directors are invited. In order that we may know just how many to provide for, please advise Arthur Temple, Jr., at Diboll whether or not you will be present for the luncheon. We will, of course, expect you for the meeting to convene at one o'clock unless we should hear from you to the contrary.

The need for a pension plan for our employees is all too apparent. There are many men in our employ who should be retired for their own good and for the good of the company for which they are working and there are quite a number of men who have been laid off because of age for whom some definite plan should be provided. I feel that all of our employees are entitled to the security that a definite pension program tied in with life insurance would provide. I sincerely hope, therefore, that at our meeting on August 3 in Diboll we can adopt a program from which we can derive a great deal of satisfaction.

Yours very truly,



AT:mk

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Mr. E. A. Farley | Arthur Temple | July 28, 1948

I was interested in reading the clipping about the Hall boy, which you sent me and which I presume was from the Lufkin Daily News.

In talking with my wife about the operation which this boy is going to have at John Hopkins, she expressed the opinion that the price quoted is out of line and from her comments I am prompted to inquire what the price, which I recall as $2,100.00, covers. This does seem like a good deal for an operation alone, and I am inclined to think that it probably includes a prolonged stay at the hospital. I don't suppose the figure that you mentioned to me some time ago includes any traveling expenses to and from Baltimore.

I don't want to embarrass Hall or to imply that we are not perfectly willing to go the full route and do whatever is necessary, but I wonder if you could get some detailed information perhaps from Hall as to the total overall expense which we are expected to take care of and just what it covers. I, too, think that $2,100.00 is probably too much for the operation alone. If you can do so without embarrassment and without making it appear that we are at all niggardly, I wish that you would find out from Hall just what is covered and refresh my memory on what we would be expected to take care of out of the Temple Foundation.

I had a little visit with Hall on my last trip to Diboll. He came to the office and asked to see me. He seemed very appreciative of what we proposed to do, and I told him that we were very happy to be able to help in such a cause.

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. D. C. Kenley Arthur Temple July 30, 1948

I received this morning your letter of July 29th advising me of the well southwest of Alto on Southern Pine Lumber Company land.

This news is indeed gratifying, and I hope that the thickness of the sand, which you indicate is only about six feet, means that this well is on the edge of a real pool. In spite of the fact that all of our land immediately adjacent to the well is leased, we will no doubt have opportunities to lease other land in the general area of the well, and if there is a real pool, we will derive plenty out of royalty if not out of lease bonuses.

I will appreciate it if you will keep me advised of any further developments.

AT:ld

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Mr. D. C. Kenley Arthur Temple August 5, 1948

I would have no objection to your talking to Finley Scruggs about the proposition which I made him several weeks ago, namely, an offer to lease all of the presently unleased lands of Southern Pine Lumber Company and Temple Lumber Company for $1.00 per acre bonus and $1.00 per acre per year rental with the definite guarantee they would pay the rentals for a minimum of 5 years. When I talked with him on the phone, he said that he thought his people, Humble Oil and Refining Company, might be interested and he would take the matter up with them and let me know their reaction. I have heard nothing further from him.

Since the discovery of oil southwest of Rusk in Cherokee County I have wondered if it would be to our advantage to make such a deal with Humble or any of the major oil companies. On the assumption that any pool in the area southwest of Rusk would be of limited size, I suppose such a deal as I proposed to Mr. Scruggs would still be a good one from our standpoint because we would be assured of a nice piece of money and assured probably also of considerable development. I rather think that we would do well to make such a deal if we could.

The other day in Diboll Mr. Tripp told me that his son, Maurice, was a graduate of Colorado School of Mines and has been engaged for a number of years in geophysical work, has developed a method of locating oil through the principle of radio activity. He must be quite an expert along this line because he was chosen by the United States Government to go to Bikini to set up instruments to record the atom bomb tests several years ago, and from what Tripp has told me in the past I know his son to be a very studious, hard working and intelligent young man. Tripp said that this method had been found successful in 26 out of 27 trials, and on the one failure there were some extenuating circumstances.

Young Tripp has associated himself with some strongly financed company and he told his father that they would probably like to make a deal with someone like us, someone owning considerable acreage, to go in and drill wells on such land at their own expense and with the understanding thatthey would divide the proceeds from any oil developed on a fifty-fifty basis. I told Tripp that this looked very attractive to me, and while we might be skeptical of any device or method of determining the location of oil other than actual drilling, it would appear that we have everything to gain and nothing to lose by going in on such a proposition. Mr. Tripp indicated that his son and his people would hardly be in a position to talk to us for several months, but I have told him that we are very much interested and we would be glad to meet with his son or representatives of the company with which he is associated whenever they are ready.

With this prospect I wonder if it would not be advisable for us to go slowly in making any more oil leases, where all we would have to gain outside of the bonus would be 1/8 royalty as against 4/8 or 1/2 under the Tripp plan. Ordinarily, I would not have very much faith in something like young Tripp has developed, but because of what I know of him I am inclined to think that he may have something that is really worthwhile and something that will work.

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. D. C. Kenley

August 5, 1948

Mr. William A. Peavy
C/o Peavy Lumber Company
Shreveport, Louisiana

Dear Bill:

I returned from Diboll yesterday afternoon but, unfortunately, did not have an opportunity to discuss the cutting of the timber on the 1,300 acres in Angelina County belonging to Mrs. Jasper Peavy with Dave Kenley. Dave was away from Diboll and, consequently, I did not see him.

I am writing Arthur, Jr. and Dave and asking that someone in our land and timber department look at the timber on the 1,300 acres with a view to determining whether or not we would be interested in cutting this timber on a selective basis and, if so, to suggest a price that we can afford to pay. Just as soon as I hear from one or the other, either Arthur or Dave, will communicate with you further or you may hear from one of them direct.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

August 5, 1948

Pan-American Engineering Company
P.O.Box 2576
Dallas, Texas

Attention: Mr. A. G. Galt

Gentlemen:

In reply to your letter of August 4th beg to advise that since communicating with you relative to a Diesel electric locomotive which you had for sale we have made some further investigation of our needs and have come to the conclusion that it will not be necessary or advisable for us to make any change in our locomotive equipment at the present time.

Yours very truly,

AT:ld

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Pan-American Engineering Co.

P. O. BOX 2576
DALLAS, TEXAS

4 August 1948

TELEPHONES:
LOCAL—DIXON 4-1754
LONG DISTANCE 339

FILE NO.:
REFERENCE:

Mr. Arthur Temple, President,
Southern Pine Lumber Company,
Texarkana, Texas.

Dear Sir:

We refer to previous correspondence relative to your possible interest in 65 ton diesel electric locomotive.

In your letter of June 22, you mentioned that you had quotation from Whitcomb of $48,000.00 on a new 65 ton diesel electric locomotive; although the new engine was not exactly the same model as we were offering.

We have had occasion to investigate current prices of locomotives comparable to the unit we offered you in our letter of June 21, and have now been advised that the 500 h.p. 50 ton locomotive is quoted at approximately $64,000.00 for fifty-two weeks' delivery, with a 65-70 ton locomotive of the same specifications asthe unit which we offered your company now costing in excess of $70,000.00 to build, if equipped with the heavy duty electrical equipment called for in the specifications. In view of this we feel that our price of $35,000.00 on a locomotive built new in November of 1944 is reasonable and we hope that after further consideration you will decide to have a representative of your organization see the locomotive in operation at St. Louis. We will be very pleased to hear from you further and to have you set an inspection date.

Yours very truly,

PAN-AMERICAN ENGINEERING CO.

A. G. Galt

AGG/m

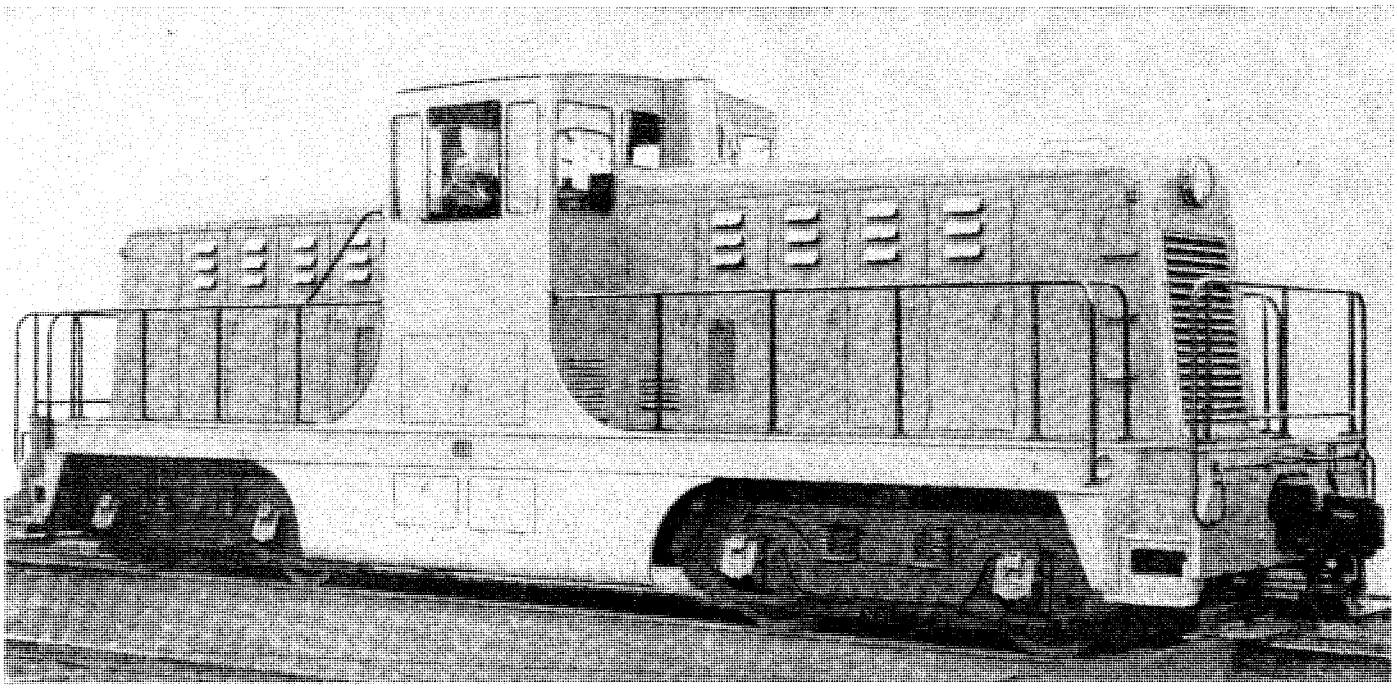
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PAN-AMERICAN ENGINEERING CO.

P. O. Box 2576 — Telephone L.D. 339
DALLAS, TEXAS, U.S.A.

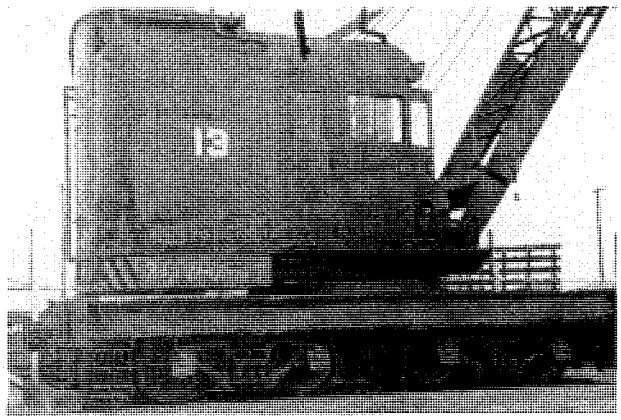
Try Us For Modern Locomotives, Cars and Locomotive Cranes! Excellent Condition and Reasonably Priced!

80 TON, 500 HP, DIESEL ELECTRIC LOCOMOTIVE



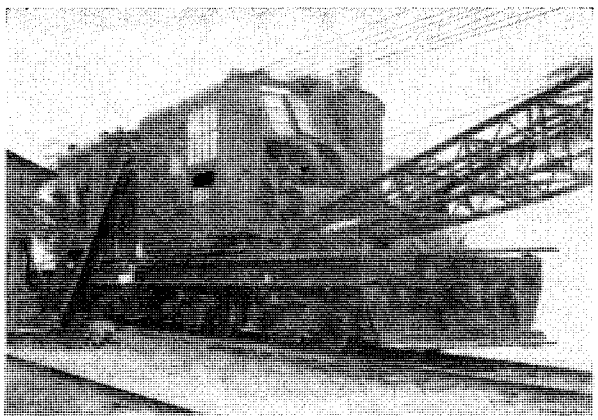
Builder — Whitcomb Locomotive Works; Weight — 80 tons; Diesel units — two Cummins Model L1-600 rated 250 HP each; Traction Motors — Four GE Railway type; Speed — 40 MPH; Tractive Effort — 48,000#; Minimum radius Curve — 75 feet.

LOCOMOTIVE CRANE, NEW IN 1943 BROWNING MODEL 3-G OIL FIRED



One (1) Browning Model 3-G 30 ton capacity oil fired steam aperated locomotive crane, double drums, cast steel truck side frames, 60" diameter ASME code boiler.

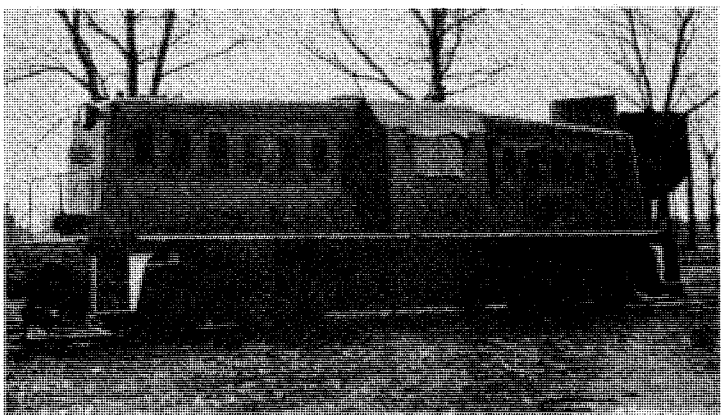
TWO OHIO LOCOMOTIVE CRANES, NEW 1943 GAS POWERED WITH BUDA UNITS



Two (2) Ohio 35 ton capacity gasoline powered locomotive cranes, new in 1943, equipped with sixty foot booms, double drums, cast steel truck side frames.

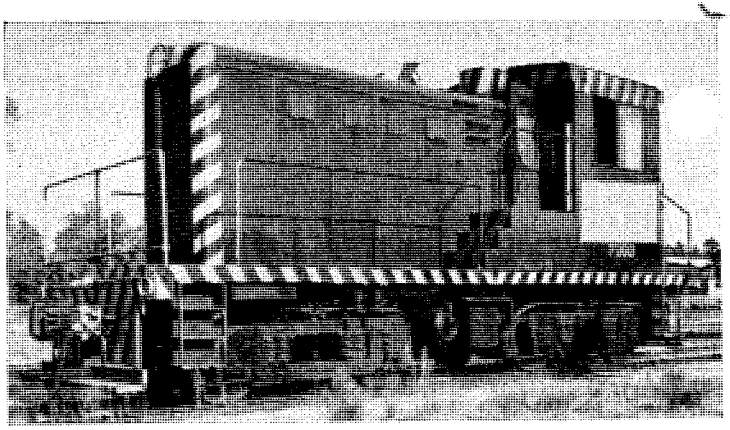
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ROAD & SWITCHING TYPE DIESEL ELECTRIC UNIT, SPEED 47 MPH, EXCELLENT CONDITION



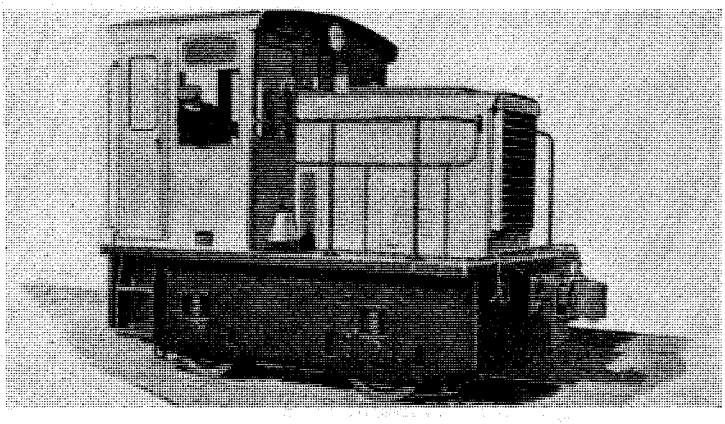
Two (2) type 0-4-4-0 566 HP, 65 ton, diesel electric built by Whitcomb for combination road and switching service. Four traction motors, 42" wheels.

TWO HEAVY DUTY RAILWAY TYPE 44 TON DIESEL-ELECTRIC LOCOMOTIVES 310 HP



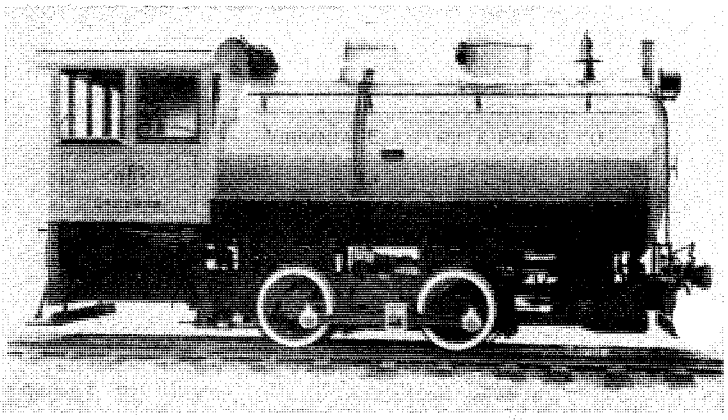
Four traction motor type diesel electric switching and road locomotive, powered with single Cooper-Bessemer diesel unit, Westinghouse electrical equipment. Cab on end.

25 TON TYPE 0-4-0 GENERAL ELECTRIC DIESEL ELECTRIC SWITCHER, NEW 1942



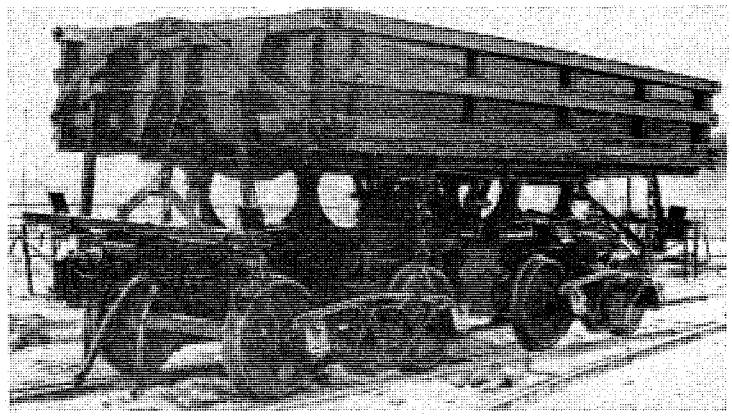
This is the standard 0-4-0 plant switcher of General Electric manufacture, powered by Cummins model HBI-600 diesel unit direct connected to generator and traction motor. Two units available.

70 TON FIRELESS TYPE 0-4-0 BUILT BY PORTER READY FOR IMMEDIATE SERVICE



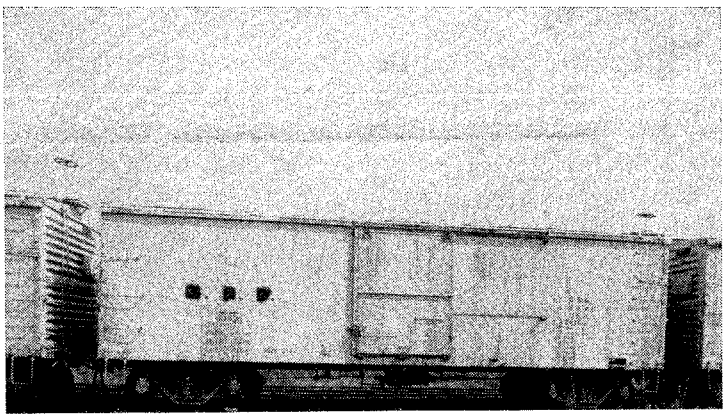
Cylinders 18½"x16", 44" driving wheels, wheelbase 8'0", height 15'3", factor of adhesion 6.35, tractive force at 60# cylinder pressure 23,000#. New 1937.

AIR DUMP CARS FOR CONSTRUCTION WORK OR TRACK MAINTENANCE SERVICE. LIFT DOOR TYPE



We have eight (8) 22 cu. yd. capacity Austin-Western air dump cars, equipped with cast steel truck side frames, lift door type, new 1929. In good condition for immediate service. Will pass ICC interchange.

BOX CARS FOR YOUR OWN SERVICE IN EXCELLENT ICC INTERCHANGE CONDITION. NEW 2" FLOORING



We have seventy (70) 40 ton capacity steel underframe box cars, steel ends, steel roofs equipped with cast steel truck side frames, now passing ICC interchange rules.

80 TON SWITCHERS, NEW 1942-44

Two (1) type 0-6-0 80 ton steam switching locomotives, new in 1942-44, one built by Lima, one by ALCO, tractive effort 40,000#, 21"x28" cylinders, 11' rigid wheelbase, piston valves, 8½" Cross Compound airpumps.

8 TON GASOLINE LOCOMOTIVES

We have available four (4) 8 ton standard gauge Plymouth gasoline mechanical locomotives new in 1942-43 in excellent condition. Powered with Buda 5½"x6½" gasoline engine, four speeds forward and reverse, starter and generator.

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cc Mr. E. G. Prud'homme
Mr. Arthur Temple, Jr.

Mr. R. A. Damrel | Arthur Temple | August 6, 1948

I received this morning copy of Eck's letter of August 4th to you in regard to the building of the new store at Pineland. I note that Arthur, Jr. also was sent a copy of this letter, and he will no doubt get in touch with you and work out any misunderstanding and also preliminary details in regard to the building of the new store. However, I assume that Arthur's organization will handle the payroll and submit statements to the company at regular intervals. I understand that they will also take care of liability and workmen's compensation insurance, which will be charged to the company, but I would be agreeable to handling this detail any way that suits Arthur.

I note that Eck states we are to assume the responsibility of furnishing all materials but that Arthur's organization is to assist us on any items that we have difficulty in securing. This was my first thought, but in discussing the matter with Arthur in Diboll last Wednesday morning he seemed to think that it would be better for his organization to purchase all of the materials except where it was found that Temple Lumber Company could buy to better advantage.

Arthur's idea is that his organization will relieve Temple Lumber Company of all details in connection with the building of the new store. To accomplish this they should do the buying, take care of the payroll and handle all such incidentals.

Outside of these several points I think that Eck's letter covers the situation. I do feel, however, that it might be advisable in order to avoid any future misunderstanding to have a short contract or memorandum in writing which would show what Arthur's organization is to do for the fee of $5,000.00, and I presume this can be worked out the first time his organization has a representative in Pineland to go over the ground.

Oh yes, there is one point in Eck's letter that I might comment on. He says that the fee of $5,000.00 will cover, in addition to other things, furnishing the local foreman and supervisor of the job. They will , of course, furnish a foreman or supervisor, and Arthur agreed Tuesday afternoon when I talked to him on the telephone that they would bear the expense of such a man. However, in talking with him the following morning he said that it was customary on jobs of this character to charge the time of such a man against the owner (in this case Temple Lumber Company) and that he would really prefer to handle in that manner. After my return to Texarkana I wrote Eck and told him this and suggested that we be governed accordingly.

I am sending a copy of this letter to Eck, addressing it to Pineland, but I have received a letter from Eck stating that he will be gone from Pineland the balance of this week. I don't suppose I will have occasion to communicate with Eck before he gets back to Pineland but please call this letter to his attention when he returns.

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. D. C. Kenley Arthur Temple August 6, 1948

Mr. Finley Scruggs called me from Tyler this afternoon and said that he wanted to go to Diboll to check the records to find out just what acreage Southern Pine Lumber Company and Temple Lumber Company own and, I believe, what is now under lease. I told him to get in touch with you before going to Diboll to be sure that you would be there.

From this call I take it that Humble is interested in my proposition. I have had some doubt since the well came in 10 miles southwest of Rusk as to whether this would be such a good proposition for us but for the reasons stated in my recent letter to you I believe that it would be. I suggest, therefore, that you cooperate with Mr. Scruggs in getting the information he desires and do whatever you can while he is with you to ~~increase~~ the deal.

Arthur Temple

AT:ld

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August 7, 1948

Dr. J. Carroll Clement
110 South Raguet Street
Lufkin, Texas

Dear Dr. Clement:

I am returning correspondence pertaining to the Jerry Hall case, which you sent to me at Arthur's request.

With kindest regards,

Sincerely yours,

AT:ld

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cc Mr. Arthur Temple, Jr.

August 9, 1948

Mr. J. R. Bemis
C/o Ozan Lumber Company
Prescott, Arkansas

Dear Rosborough:

Thanks very much for your letter of August 7th giving your opinion of A.F.P.I. Certainly, there was no hurry in your replying to my letter on the subject of A.F.P.I., but I had just about reached the conclusion that you were enjoying the cool breezes of Charlevoix, or wherever it is that you and your family go in Michigan.

Frankly, I don't know what to think about A.F.P.I. You and others have spoken well of it, but I come in contact with little of their educational work, and if the average person doesn't see anymore of it than I do, I don't see how they can be doing very much good. I think it might be helpful in enabling us to arrive at an evaluation of their work if I would write to A.F.P.I. and get a report on their activities. As a matter of fact, I should think that they should get out a report at least once a year so that the contributors would know how the money is being spent.

Our contributions are a pretty heavy item, and it is awfully hard to determine whether or not we are getting value received. I am not so much concerned about such an outlay under present conditions because we can well afford it, but I am rather looking ahead to the time when we are going to have to trim our sails, but even now I don't like to be contributing to something the value of which is in doubt.

Thanks very much for your letter. Drop in to see me sometime when you are down this way.

Sincerely,

AT:ld

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C
O
P
Y

August 7, 1948

Mr. Arthur Temple
Texarkana, Texas

Dear Arthur:

I apologize for delaying so long in replying to yours of July 26th.

Our company has been contributing to the American Forest Products Industries for a number of years, and I still feel that they should be supported. The results of A.F.P.I. work may seem rather intangible, as does most advertising. However, they have, and are continuing to put out a substantial volume of literature aimed at educating the public on the availability of timber, the work that is being done to increase the supply, trying to make the public conscious of its responsibility in helping to prevent destruction of timber by fire, and many other things.

I have a copy of a letter of July 15th that Herb Berckes wrote you, which probably answers your question better than I could. I agree with Herb Berckes that N.L.M.A. made a mistake when they completely divorced themselves from A.F.P.I., and it was for that reason that I made the recommendation, which was largely accepted, that Southern Pine contributors to A.F.P.I. make their contributions through the Southern Pine Association. Another reason was that I didn't feel that the individual manufacturer would have much of a voice, but on the other hand if the contributions came through the Southern Pine Association, the Association could speak for all subscribers with much more authority, because of the weight of numbers. Apparently this move has improved the situation, and our company is continuing its support.

If there is any more specific information which you would like to have, I will be glad to obtain it for you if I do not have the answer.

With every good wish, I am,

Sincerely,

J. R. BEMIS

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S O U T H E R N P I N E C O M P A N Y

Texarkana, Texas

August 10, 1948

Mr. Thomas E. Hand
Thomas E. Hand and Associates
Federal Land Bank Building
430 Lamar Avenue
Houston, Texas

Dear Mr. Hand:

This will authorize you as our pension consultant and broker of record to obtain from the life insurance companies which we have named and from such other life insurance companies as you may deem proper, firm commitments to underwrite the life insurance and annuity benefits contemplated by the proposed retirement plan for the Southern Pine Lumber Company of Diboll, Texas, Temple Lumber Company of Pineland, Texas, and such of our other companies as we may decide to include in the proposed plan.

Yours very truly,

SOUTHERN PINE LUMBER COMPANY

President

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CC Mr. Arthur Temple, Jr.

August 13, 1948

Business Executive Publications
Washington, D. C.

Gentlemen:

Several days ago we received from you an offer for a second subscription to The Report for the Business Executive at the reduced rate of $15.00 per year. We have misplaced the subscription blank but would be pleased to have you enter a subscription on this basis for Mr. Arthur Temple, Jr., C/o Southern Pine Lumber Company, Diboll, Texas, billing him directly, or if you prefer, you may send invoice to this office.

Yours very truly,

SOUTHERN PINE LUMBER COMPANY

AT:ld

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Southern Pine Association

H. M. SEAMAN, PRESIDENT, HOUSTON, TEX.
E. OSWALD LIGHTSEY, 1ST VICE-PRES., MILEY, S.C.
J. R. BEMIS, 2ND VICE-PRES., PRESCOTT, ARK.
W. T. NEAL, TREASURER, BREWTON, ALA.
H. C. BERCKES, SEC. & MGR., NEW ORLEANS

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

August 20, 1948

Mr. Arthur Temple
Southern Pine Lumber Company
Texarkana, Texas

Dear Mr. Temple:

I certainly owe you an apology for not writing you sooner as Mr. Berckes indicated in his letter to you on July 15, about some of the activities of AFPI and our participation in their overall program of public relations. I have been out of town almost continuously since July 13 and that is the reason why your letter has been delayed so long.

While you are already probably familiar with the public relations activities of AFPI and are one of the original subscribers to the fund, it might be well to outline briefly the evolution of this program since it started in 1941. When the campaign was organized, AFPI approached the various regional associations for support and assistance in selling the idea to the membership. The Southern Pine Association cooperated by arranging a series of district meetings from Texas to Virginia which were held over a two-week period, each of which was attended by SPA staff members as well as a representative of the AFPI. Because the Southern Pine Association did not have funds available to make an outright contribution, subscriptions were solicited at these district meetings on an individual mill basis with interested manufacturers signing a contract to support the work at the rate of three cents per thousand feet payable on shipments.

Under this arrangement, Southern Pine manufacturers made their remittances direct to the AFPI each month, but within the set-up of the AFPI such arrangement did not lend itself to coordinated representation by the Southern Pine Association because originally contracts were solicited from subscribers to SPA as well as non-subscribers. However, in setting up their working organization, AFPI appointed a technical advisory committee composed of staff members of the regional associations and since the organization of that committee, I have been a member.

The function of the technical committee has been to counsel with the staff of the AFPI on the preparation of educational literature and various forms of visual education, including motion pictures, so that each species of lumber would be given adequate representation.

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During the first years of the public relations program, the AFPI had to concern itself largely with correcting misimpressions about the forest industries without engaging in controversial issues with such agencies as the Forest Service, Department of Interior, etc, whose propaganda had extended into the public's mind through schools and universities, civic clubs and other points of contact with the public. AFPI's approach was constructive but it had a real job of reeducation to do before expanding its activities into a planned and continuous program of publicity and education.

During all the preliminary stages of its work, we have met with AFPI in their Washington offices and inconferences with other regional representatives and, while we at times felt that we were "outweighed" by the Western influence and later by the pulp and paper interests, which are now a dominant factor in AFPI, we were always able to secure a fair share of the emphasis on the southern forest region and our segment of the industry.

As a specific example, some of their first educational publications carried what we considered to be an uneven share of illustrations featuring western forest scenes. Through the advisory committee, we were successful in having a policy adopted whereby such material for distribution in the South should be issued in a special southern edition. This was true in the case of the question and answer book designed for use in schools. The original issue contained a western scene on the front cover under the title "Paul Bunyan's Quiz". Our contention was that this mythical character was not too well known in the South - that for distribution among southern schools, a special edition carrying a southern forest scene would be far more appropriate and that it should have its own title rather than the one originally selected.

Other examples will be found in the sound movies the AFPI has issued. Our opinions and suggestions were invited and through this procedure, we were able to have Southern Pine properly represented in the film.

I am simply pointing these examples out to you for the purpose of showing how the Technical Advisory Committee works. We are always provided an opportunity to review material intended for publication, but our position in such matters was strengthened when our Board of Directors carried out the recommendation made by Mr. Bemis to have all Southern Pine contributions to this public relations fund channeled through the Southern Pine Association. That Advisory Committee has been enlarged to include representatives of the paper and pulp interests since that branch of the forest industries has joined in supporting AFPI's public relations work. So that you may have an idea of the sources of support and a detailed distribution of expenses, I am sending to you for your confidential information the financial report for July, 1948. It also shows the membership of the present Board of Trustees and the Finance Committee.

An industry-wide public relations program of such broad calibre may be difficult to appraise in terms of tangible returns, but we are given regular reports of educational materials which is placed in such magazines as the Saturday Evening Post, Business Week, fish and wild life publications, newspapers, and other periodicals.

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A bulletin was received this week showing that the motion picture, "Trees For Tomorrow", is now being shown on television over the networks where such sets are in operation. Perhaps these reports should be made regularly to each contributor, but they are rather voluminous and might be considered unnecessary by some. To give you an idea of how they show their examples of getting material published, I am sending you under separate cover a typical mailing. Included in the mailing is one of their circulars which is issued to their Board of Trustees, Advisory Committee and Finance Committee on the results of an AFPI project with Business Week magazine. Of more recent vintage is a letter just received from Managing Director Chapin Collins telling of the interest exhibited by the publication, "Country Gentleman", in an article dealing with a forest region. This is sent to show you how AFPI headquarters has attained the stature of an accepted source for material on American forests among magazine writers and other news agencies concerned with public interest problems dealing with American resources. Prior to AFPI's entry into the field, the only other sought after source would likely be the Forest Service.

During recent months, AFPI has attempted to expand its supporters in the Southern Pine region and one of their representatives, shortly after our annual meeting, called on manufacturers in Louisiana, Arkansas and Texas, and was successful in "signing up" about 22 new subscribers. He is now engaged in similar work in Mississippi, Alabama and Georgia. This representative, Mr. Don Rochester, was in the office this week because on all such trips through Southern Pine territory, he checks with us to let us know where he is going and who he is calling on. He indicated that, as of today, the number of Southern Pine supporters to the public relations program is almost double what it was in the beginning.

I note that Mr. Berckes mentioned that I would give you a general report "without burdening you with too much detail", but from the length of this letter, I wonder if I have not done just that. I have tried to give you enough of a picture so that you would know the set-up, but if there anything more specific you would like to have, I should be very happy to supply it.

With best regards, I am

Very truly yours,

SOUTHERN PINE ASSOCIATION.

Dictated by
S. P. Deas
Assistant Secretary-Manager
jfh

cc Mr. J. R. Bemis
Mr. H. M. Semman

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CC-Arthur Temple, Jr., Diboll

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To Mr. C. A. Jordan From Arthur Temple Date August 28, 1948

Diboll, Texas

Mr. Webber and I have discussed the contents of your letter of August 26 in regard to transit privilege extended on account of rough squares purchased on the outside by Temple-White and we are in agreement that this practice ought to be discontinued if that is your recommendation.

I am not in favor of our violating willingly or knowingly any law or any regulation of the Interstate Commerce Commission. I would be opposed to doing so whether there is any danger of being caught and penalized or not.

AT:mok

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August 30, 1948

Mr. V. J. Adams
C/o Thomas E. Hand & Associates
Federal Land Bank Building
430 Lamar Avenue
Houston 2, Texas

Dear Mr. Adams:

I returned from my vacation last Friday morning and since that time have been busy trying to clear my desk.

I have received your letter of August 27th advising that there has been some delay in getting payroll data from Temple-White and the retail division of Temple Lumber Company but that you expect to have the necessary data by Tuesday and that you expect to be able to present the complete picture to us in the near future.

I wonder if it would not be advisable for me to meet you at Diboll when you have your calculations complete for a further discussion and to see just where we stand. Such a meeting might be before you invite bids from several insurance companies, or if you think it would be better, after you have received such bids. Anyway, we are ready to continue with our consideration of a pension trust plan and await your further suggestions.

I am enclosing another letter which I have received from Mr. White of Dallas. In view of what Mr. White has said I presume that it would be advisable for us to get a bid from United Fidelity Life Insurance Company, but I know nothing about the financial strength of this company and would have to depend upon you as to whether or not they would qualify.

With kindest regards,

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

August 31, 1948

Mr. S. P. Deas
C/o Southern Pine Association
Canal Building
New Orleans 4, Louisiana

Dear Stanley:

I thank you very much for your letter of August 20th giving me information about American Forest Products Industries.

I am returning the copies of letters and statements enclosed with your letter of August 20th, and just as soon as I have had an opportunity to read the articles in the several magazines which you also sent, will return the magazines to you.

I am still rather unconvinced about the value of A.F.P.I. It appears from one of the statements enclosed with your letter that they have spent approximately $220,000 from December '47 to July '48 inclusive, the principal items being salaries, professional services, travel, publications, $74,551.00 being in this last item, about the same amount as in the first item, salaries. Just how this money in publications is spent I still don't know but maybe I will know more about that when I have an opportunity to look over the magazines which you sent.

I think, perhaps, one reason I am in so much doubt as for the value of A.F.P.I. is that I don't have any direct contact with the work. I never see anything put out by them, and as I read about as much as the average man at least, I wonder just how much of this stuff is getting over to the public generally.

I wonder if a considerable portion of the work of A.F.P.I. is not conducted east of the river, a majority of it I might say. I recall at the meeting of the Conservation Committee at the last annual meeting of Southern Pine Association a moving picture of some work in Alabama was shown, and, as I recall, this movie was quite effective. However, I have seen nothing of the sort, in fact, none of the work of A.F.P.I. in Texas, and that may be one reason why I am not more impressed.

I appreciate your letter very much. Your apology for the delay in writing is entirely unnecessary because there is nothing urgent about this matter and, as a matter of fact, I have just returned home after a two weeks' vacation.

With kindest regards,

Sincerely,

AT:ld

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cc Mr. Arthur Temple, Jr.

September 1, 1948

Hon. Martin Dies
C/o Collins, Dies, Williams & Garrison
Lufkin, Texas

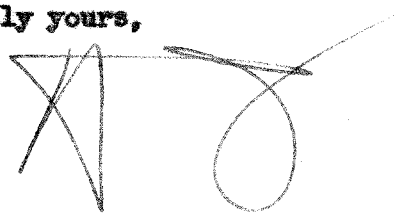
Dear Martin:

I have just read with great interest the brief filed by you with National Labor Relations Board in the Doc Smith case, and I hope that it will be as convincing to the Board as it was to me. Frankly, I don't see how any fair minded judge could hold against Southern Pine Lumber Company in this case in the face of the evidence repeated in your brief and your argument.

I would like to know the decision of the Board when it is rendered. Will you be good enough to send it to me?

With kindest regards,

Sincerely yours,



AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. D. C. Kenley

September 3, 1948

Mr. Finley Scruggs
C/o Humble Oil and Refining Company
P.O.Box 2025
Tyler, Texas

Dear Mr. Scruggs:

The time and date for our meeting at Diboll, as suggested in your letter of September 2nd, are quite agreeable to me. I will drive down Wednesday morning, spend the night in Diboll and any time you and Mr. Hankinson arrive Thursday morning I will be ready for you.

I assume that Thursday morning at ten o'clock will be satisfactory to Dave Kenley. I am writing him today telling him of our plans and asking that he communicate with me immediately if for any reason he cannot be in Diboll to meet with us at that time. Not hearing from either Dave or me, you will know that ten o'clock Thursday morning is okey.

Sincerely yours,

AT:ld

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cc Mr. Arthur Temple, Jr.
Mr. H. C. White, Diboll

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

September 4, 1948

Mr. C. A. Jordan
C/o Texas Southeastern Railroad Co.
Diboll, Texas

Dear Jordan:

Since an argument has developed between you and Herb White relative to the proposed discontinuance of transit privileges enjoyed by Temple-White heretofore on squares, I suggest that you withhold any action contemplated as a result of my recent letter to you until Temple Webber and I are in Diboll next Wednesday and Thursday.

Certainly, we do not want to be guilty of any violation of law or rules and regulations promulgated by the Interstate Commerce Commission, and for my part I would not want the Texas Southeastern Railroad Company or any of our companies to engage in any practice which is even morally wrong or unethical. On the other hand, I realize just how much the transit privileges mean to Temple-White, and if any way can be found for us to continue to use them without violating any law, regulations or moral principals, then certainly all of us would want to give Temple-White the benefit of continuing the practice which has been followed in the past. In the hope, therefore, that something may be worked out, I suggest that you hold in abeyance any change in policy until we can get together next week and have a thorough discussion, which I hope can be conducted calmly and with reason and without any hard feeling on the part of any of the participants.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. S. F. Styles

Mr. E. G. Prud'homme Arthur Temple September 7, 1948

I appreciate the nice long newsy letter you wrote under date of September 4th about the result of operations at Pineland for the month of August. Contrary to your expectations I am not seriously disappointed at the overall result because I think a net profit of $27,000 is not bad considering the week's vacation with pay and the tremendous amount of repairing and improving which you did, all of which is clearly outlined in your letter.

The disappointing thing to me is the loss sustained by the dimension plant and the toilet seat department, aggregating almost $12,000. In this connection I wonder if a part of the installation cost of the conveyor and so forth in the dimension plant was charged as repairs or capital investment: if the former, then the loss sustained by the dimension plant would not look so bad.

Overall I don't think that there is anything to be concerned about in the result for August because August could not be considered a typical month because of the week's vacation and the large amount of repairing and improving. After all I think that we would be satisfied to show any profit at all.

I am not much inclined to put out a varied line of toilet seats; rather would I try to find some other use for the building and equipment which is now devoted to the finishing of toilet seats. Toilet seats seem to be a specialised line in which we are competing with old and established concerns, and we have run into considerable difficulty in the marketing of our product. I wonder if we would not have the same difficulty, even though to a less degree, if we made a number of sizes and styles.

Temple and I are leaving early Wednesday morning for Diboll, where he will talk with Anderson before the latter goes off for about a month for an operation and where I have a meeting Wednesday afternoon with Mr. Adams and Mr. Hand in regard to our pension plan and a meeting Thursday morning with two representatives of Humble Oil and Refining Company in regard to a lease deal. We will also have a meeting while at Diboll with Herb White and Jordan on a matter of vital concern to the handle factory, and so our time will be pretty well taken up in order to get through in time to get Temple back to Texarkana Thursday night so that he can leave the next morning with Asa Love and Temple, Jr. for Dallas. Otherwise, I would suggest that you run over to Diboll and spend Wednesday night with us. In spite of all of the other things to do maybe you would like to do this in order that we may discuss some of your problems with you and assist, if we can, in their solution. If you do decide to join us, it might be well for you to get to Diboll in time for our discussion with Mr. Hand and Mr. Adams about the pension plan immediately after lunch Wednesday.

I have not given much thought to Temple Lumber Company's cash position or what it will be at the end of the fiscal year, October 31st. I do know that the yards are using an awful lot of money due to the large volume of business they have been doing as well as the building of the new yard on Kirby Drive. On the other hand, Styles has assured me that money will continue to come in at a rapid rate on the Westview

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Housing Project. Incidentally, according to the August 31st trial balance gotten up by our accounting department here I note that Pineland owes this office $88,719.92, and their July statement showed only about $95,000.00 cash in vaults and banks: from these figures it would appear that irrespective of what the yards may have the cash position of the company is not going to be any toogood. Within the next few weeks I will try to determine more definitely what cash will be available at the end of the year for distribution to stockholders in the form of dividends.

AT:ld

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Mr. E. G. Prud'homme Arthur Temple September 7, 1948

In another letter which I have just dictated I did not go into the matter of a new store building and post office.

In view of Temple Lumber Company's cash position I would be glad to see the building of a new store and post office deferred, provided the present store can be maintained without an unreasonable expense. As a matter of fact, I think if we can wait that we could probably build for considerably less by the second half of next year, and inasmuch as you have spent so much this year for repairs and improvements, I think that it might not be a bad idea to wait anyway.

AT:ld

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cc: Mr. Arthur Temple, Jr.

September 10, 1948

Mr. H. C. White
C/o Temple-White Company, Inc.
Diboll, Texas

Dear Herb:

I probably should have suggested that you sit in with us Tuesday afternoon when we met with Mr. Hand and Mr. Adams to discuss further our insurance and annuity plan. However, it did not occur to me to suggest that you be with us because the purpose of the meeting was to consider a revised estimate of the funding liability for Temple Lumber Company and Southern Pine Lumber Company in the light of revised payroll data, which, incidentally, was higher than previous estimates based on payroll data assembled several years ago.

There was little, if any, difference I believe in the estimated cost for Temple-White, and I hope that you and Harlan will be in favor of having Temple-White join with Temple Lumber Company and Southern Pine Lumber Company in adopting the plan. Arthur, Jr. has a folder showing the calculations for Temple-White, and I am asking him, with a copy of this letter, to turn this over to you. You might drop by his office at your convenience and pick it up. I would like for you to have it to consider while Harlan is in Diboll.

Am sorry that I will not get to see Harlan when he visits Diboll next week. I would like to have postponed my trip to Diboll, from which I returned last night, in oder to coincide with Harlan's, but it was hardly possible because I had these meetings with Mr. Hand and his associates and two of the Humble men, which could not very well be put off. Incidentally, I was sorry not to see more of you but I was awfully busy on this last trip and had to get back to Texarkana last night because Temple Webber was planning to leave early this morning for Dallas.

I believe we are going to get the transit privilege for Temple-White worked out satisfactorily. To me, as a layman, it appears that we are entirely in the clear under the tariff as now written, but, as suggested by Jordan, I will confer with a rate expert of the T&P when I am in Dallas on the 16th to attend a meeting of T&P directors. If he does not think that we are in the clear, then I would be in favor of going to the Cotton Belt, with whom we are very friendly, in an effort to get satisfactory transit privileges written into the tariff.

AT:ld

Yours truly,

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CC Mr. Arthur Temple, Jr.
Mr. F. G. Prud'homme

September 10, 1948

Mr. R. E. Minton
Lufkin, Texas

Dear Mr. Minton:

Several times in recent months Arthur, Jr. has suggested that it would be to the Company's interest to sell houses at Diboll to as many employees as would buy them at fair and reasonable prices. I have not taken to the suggestion very readily because I recall over the years there has always been substantial opposition to selling houses to employees and, for that matter, selling any of our land at Diboll to anyone for any purpose, but I am frank to admit that I do not have any strong reluctance to sell such property, and I don't know of any good reason for such an attitude as we have always had except, possibly, the fear that if there were a substantial number of property owners in Diboll they might impose certain obligations upon the Company.

Because of your long association with Southern Pine Lumber Company and Temple Lumber Company and because I assume you have heard this question discussed from time to time in the past, I will appreciate it if you will let me know if you see any objection to selling houses to employees at either Diboll or Pineland.

One of the main reasons for the suggestionthat we sell houses to employees is that we do not get adequate rent for our houses and probably could not do so without causing a good deal of ill feeling. Every year we spend considerably more on maintaining our employees' houses than we get out of them in rent. Another argument in favor of having the employees own their houses is that homeowners are better citizens as a rule, would take more interest in keeping up their own places, planting shrubbery and doing other things to improve the appearance. The main thing the two companies are interested in, however, is the saving of maintenance costs.

With kindest regards,

Sincerely yours,

AT:ld

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CC Mr. H. C. White
Mr. Arthur Temple, Jr.

September 11, 1948

Mr. C. A. Jordan
C/o Texas Southeastern Railroad Co.
Diboll, Texas

Dear Jordan:

In reading over the file of correspondence between Memefee and Mr. Gordan of the Southern Pacific, which I had the opportunity to do only yesterday afternoon, I was impressed with the fact that this correspondence seems to relate entirely to the question whether mop and broom handles would be applied against inbound shipments of rough squares. Inasmuch as we have not been applying finished handles against the inbound tonnage but, on the other hand, lumber shipped by Southern Pine Lumber Company, it seems to me that we have complied with the tariff. Mr. Gordan's denial of Memefee's application, which was referred to in our meeting in Diboll Wednesday morning, was a refusal to accept finished handles, not lumber processed through the lumber company's planing mill.

It still appears to me that the only weakness in ourposition is that we are applying outbound shipments by Southern Pine Lumber Company against inbound shipments which are for Temple-White even though such inbound shipments may be consigned to Southern Pine Lumber Company. In other words, there are two companies involved and one is being used for the benefit of the other. This weakness, however, did not seem to have much bearing to you and others in our conversation last Wednesday morning.

I intend to discuss this matter with a transit rate expert with the T&P when I am in Dallas on September 16th to attend a T&P directors' meeting. However, it does look to me as if we are entirely in the clear except for the question raised in the paragraph above, namely, that outbound shipments of Southern Pine Lumber Company are being used against inbound shipments for Temple-White although the latter are, in fact, consigned to Southern Pine.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

Let's see if you find them!

A. D.

September 15, 1948

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I took up to Little Rock with me yesterday a small package containing grease fittings. These came in day before yesterday, and rather than reship them I thought that I would just take them along when Arthur and I went to attend the meeting.

I neglected to turn these over to you as I had intended, but last night when Arthur and I got in I looked for them and could not find them. Now this morning the post office has called and said that these fittings were not for Temple Cotton Oil Company at all, and they want them to be returned. The question is: Where are they?

The thought has occurred to me that when you were riding with us from lunch back to the oil mill that you observed the package and took it out when you got out at the oil mill. If not, I don't know where it could be. Anyway, wish that you would please let me know right away whether or not you have these fittings, and if you have, I presume that they should be returned to me here and I will deliver them to the post office so that they may be turned over to the proper party.

I enjoyed very much my visit with you in Little Rock yesterday. Everything seemed to be going along nicely at Hope, Arkadelphia and Little Rock. I was particularly pleased to have a visit with Jo and the children and to see your new house.

Yours truly,

A. D.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple September 15, 1948

I was very much interested in your comments on the proposal to sell houses to our employees and the pension plan, as outlined in your two letters dated September 13th.

As for selling houses to employees, I have had grave doubt as to whether many of our employees would be able and willing to buy their own homes. Assuming that they are able to pay a fair and reasonable price, I question whether many would want to make such an investment in a one industry town where there would be no opportunity for employment should their services to Southern Pine Lumber Company, Temple-White or the TSE be severed, and the situation at Pineland would be even worse where there is only one company providing employment. I have not heard from Mr. Minton in reply to my recent letter, due probably to the fact that he is away from Lufkin, but it will be interesting to get his reaction from a legal point of view.

As for the pension program, I feel awfully good that we have decided to go ahead with this program because it is something that is so urgently needed. As Mr. Hand has stated on several occasions, the cost may not be much, if any, more than we are now bearing even though it may not be so apparent because we are employing so many men who are beyond the age where they can work efficiently and we know that during periods of depression we are required to carry many people who might otherwise be on their own.

I was reluctant to recommend that insurance be limited to $10,000, which automatically cuts the maximum pension to $150 per month, but I figured that all of our high-salaried men, you included, owned substantial amounts of stock in Southern Pine and Temple Lumber Company, as well possibly as other businesses, and, consequently, would not be entirely dependent upon a pension. Another thing, I do not contemplate that our key men, or I might say our top men, would be retired at age 65. I don't think it is so important to retire men in a managerial or executive capacity, and under the program we have adopted we can or cannot retire them, as we please. My argument is that a retirement program is needed to take care of the rank and file, those employees who are not in a position to lay aside something for a rainy day. Certainly, there is not the need among our top-salaried officials that there is among the rank and file. The latter group is the one we should be most concerned about, and, as the cost of the program is going to be quite heavy, I think that it is very much in order that we should save by limiting the maximum insurance to $10,000 and the maximum monthly pension to $150. Frankly, I don't think that anyone is going to suffer by reason of this limitation.

AT:ld

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CC: Mr. H. C. White
Mr. Arthur Temple, Jr. ✓

September 17, 1948

Mr. C. A. Jordan
C/o Texas Southeastern Railroad Co.
Diboll, Texas

Dear Jordan:

I turned over to Mr. C. G. Hayes, Vice President - Traffic, Texas and Pacific Railway Company, one of the claims which you gave me, the one on the shipment from Fordyce-Crossett, and also the tariff reference, and he is going to have one of the men on his staff consider it carefully and report to me his opinion as to whether we are complying with the tariff in our handling of rough squares into Diboll and applying against them lumber shipped by Southern Pine Lumber Company. Because he wanted a very careful investigation made, Mr. Hayes suggested that I leave the file with him rather than to discuss the matter with his rate man and get from him what he termed a curbstone opinion.

Mr. Hayes agreed with me that the weakest point in our position is that the squares are shipped to Southern Pine Lumber Company, and lumber manufactured by Southern Pine Lumber Company is applied against the inbound shipments of squares while, as a matter of fact, the squares are turned into broom handles by Temple-White, and the claim under the transit privilege is filed for the benefit of Temple-White. I told Mr. Hayes, however, that this was a point which had not been stressed by you in our conversation at Diboll.

Just as soon as I hear from Mr. Hayes or his rate man I will pass the information on to you and Herb White, and we will decide then what our future course will be. I will say again, however, that I do not want any of our companies to be in violation of any law or any rule or regulation promulgated by the I.C.C. Realizing the importance of this transit privilege to Temple-White, I sincerely hope that the practice which we have followed in the past will be approved by the T&P rate man.

Yours truly,

AT:ld

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CC Mr. H. B. White
Mr. Arthur Temple, Jr.

September 17, 1948

Mr. H. C. White
C/o Temple-White Company, Inc.
Diboll, Texas

Dear Herb:

Mrs. Ralls called me Wednesday afternoon and told me that she had talked with you and Harlan about a pension plan for Temple-White, having in mind that Minnesota Mutual might write what they call, I believe, the group permanent type rather than have them go along with Southern Pine Lumber Company and Temple Lumber Company in the Houston combination plan which was proposed to us by Mr. Hand. She wanted to know if this would be all right with me.

I told Mrs. Ralls that it would be perfectly all right as far as I was concerned for Temple-White not to go into the Houston combination plan with Temple Lumber Company and Southern Pine Lumber Company and, certainly, I wanted the best plan at the lowest possible cost for Temple-White, which, as a matter of fact, I have felt we were choosing for the two lumber companies. There may be some advantage to Minnesota Mutual because they have been carrying our group life insurance for so many years; that is, we may have built up a credit of some sort with them that would react in any pension plan which might be adopted and written by Minnesota Mutual. On the other hand, generally speaking, I think there are many advantages to the Houston combination plan, advantages which were outlined to us by Mr. Hand in our August 3rd meeting when he gave each one of us a typewritten memorandum showing, I think, that the Houston combination plan is more flexible and one that can be carried in lean years to better advantage than the plan written by an insurance company. In other words, the Houston combination plan has whatever advantage there may be in a self-administered trust plus life insurance and a guaranteed conversion cost at age 65. I think, too, that there is a saving in the Houston combination plan in cases of mortality before the employee reaches age 65: there is a credit built up in the auxiliary investment account, as I understand it, which can be used to reduce the overall cost.

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I am ready to admit that the group permanent type wholly written by an insurance company has the advantage over the Houston combination in that it is not necessary to use Mr. Hand's organization or a bank as a trustee. It is probably simpler for that reason. We would pay every year a fixed amount of premium but because of the flexibility and the probably lower cost I am inclined toward the Houston combination plan, as I think most of our people who heard Mr. Hand on August 3rd and on other occasions are.

Mrs. Ralls is pretty much of a nuisance. She has been very persistent in trying to write a pension program for our companies. She has made several trips to Texarkana with representatives of Minnesota Mutual's home office to talk to me, and she 'phoned me when I was on Long Island and several other times. Possibly I should not blame her for being so persistent, but I know that she has misrepresented facts a number of times and, as a consequence, I do not think that she is entirely trustworthy. Furthermore, I think there is a whole lot about the pension program that she is not familiar with, and before taking anything that she might tell you as positive fact I would want to have it confirmed by the home office of Minnesota Mutual at St. Paul.

I don't think that it would make any material difference whether Temple-White is in the Houston combination plan with Southern Pine and Temple Lumber Company or not; that is, as far as the two lumber companies are concerned. I do think there might be some advantage to having the same plan applied to all so that when we get together and talk about our pension program we would all be talking the same language and not have two different types with all of their ramifications to keep in mind. Another thing, the cost to Temple-White might be more than you and Harlan would want the company to stand. Certainly, in the last analysis I would want you and Harlan to decide the course for Temple-White. It will be perfectly all right if you don't want any pension program. If, however, you do decide that a pension program is needed and can be afforded, then I hope that you will decide that the Houston combination plan is the better.

Yours truly,

AT:ld

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CC Mr. H. C. White
Mr. Arthur Temple, Jr.

September 20, 1948

Mr. H. C. White
C/o Temple-White Company, Inc.
Diboll, Texas

Dear Herb:

I don't see how any employee with a grain of sense could fail to see the advantage from the employee's standpoint of such a pension plan as Mr. Hand has proposed and which we have adopted as far as Southern Pine Lumber Company and Temple Lumber Company are concerned.

While I realize that a young man is not as much interested in a pension effective at age 65 as an older man, he certainly should see the advantage of the life insurance feature. This protection and the assurance of a monthly income of a minimum of $25.00 per month under the plan we have taken are gained at a fraction of the total cost. If Mr. Hand's organization cannot sell the plan to the employees, and that is their job, I don't believe they could go out on the street and sell dollar bills for ten cents because that is the kind of proposition which is being offered to the employees. However, if Mr. Hand's organization cannot sell the program to the employees, the program falls anyway.

Since you are uncertain about the program, I think it might be well to wait until the plan is put in at Diboll, Pineland and at the Temple Lumber Company yards, see how it works out, and then if you want to come in later for Temple-White, you can do so.

Yours truly,

AT:ld

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cc: Mr. Arthur Temple, Jr.
Mr. Latane Temple

September 20, 1948

Mr. W. R. Stephens
C/o W. R. Stephens Investment Co.
111 West Second Street
Little Rock, Arkansas

Dear Mr. Stephens:

I am very glad to learn from your letter of September 18th, and also from one which I received from Latane yesterday, that you have agreed to serve as a director of Temple Cotton Oil Company following your election by unanimous vote of the stockholders present at the annual meeting held in Little Rock on September 14th.

I feel that with your wide acquaintance over the state, with your judgment and ability, you can be of considerable value to the Company, and I was very happy to concur with Latane's suggestion and recommendation that you be elected to the Board of Directors of Temple Cotton Oil Company to fill the place of a man who has shown very little interest and has been inactive. Aside from these considerations I think that it is a good thing to bring in new blood. All in all I feel that you are eminently qualified and I look forward to a very pleasant association with you in the conduct of the affairs of the Company.

Sincerely yours,

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. D. C. Kenley Arthur Temple September 22, 1948

From time to time I have been reading something under the column headed "Swabbings" in the Dallas Morning News about the well on our land southwest of Alto. The enclosed is a clipping from today's paper.

I am certainly glad to know that this well is producing oil although still some salt water. Apparently, the operators have hope of shutting off the salt water and they seem to be optimistic enough to drill an off-set well, which I hope will turn out better.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple September 23, 1948

Temple and I are going to drive down to Diboll early next Tuesday morning or perhaps Monday afternoon, in which event we would spend the night in Diboll, to confer with Mr. Hand and his associates from Houston about bids which have been received from a number of insurance companies and also to approve a trust agreement which their attorney, Mr. Childress, has drawn up. I have arranged for us to meet with Mr. Hand at ten o'clock Tuesday morning, and I would be glad for you to meet with us and participate in the discussion and the decisions to be made if you would care to do so.

AT:ld

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Cc Mr. Arthur Temple, Jr.

Texarkana, Arkansas
September 25, 1948

Mr. Latane Temple
Little Rock, Arkansas

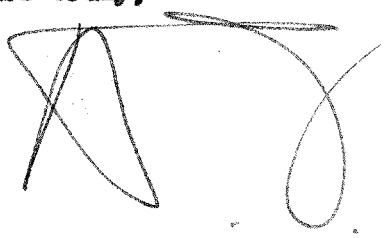
Dear Latane:

I have just received copy ofyour letter of September 24th to Arthur making an appointment to meet him in my office at 9:30 A. M. Thursday, September 30th.

I am leaving early Tuesday morning for Diboll and Lufkin, where I will have two meetings, one with Mr. Thomas Hand and his associates from Houston to discuss bids he has received from several insurance companies on our life insurance and annuity program, and at eleven o'clock in the morning a meeting of Directors of Southland Paper Mills, Inc. I had planned to go on down to Houston for a visit but abandoned that idea yesterday and, as a consequence, will return home sometime Wednesday.

As far as I know, therefore, there will be nothing to conflict with meeting you and Mr. Stephens in my office at 9:30 Thursday morning.

Yours truly,



AT:ld

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cc Mr. Arthur Temple, Jr.

October 1, 1948

Mr. E. R. Schindler
C/o Southern Pine Association
Canal Building
New Orleans, Louisiana

Dear Mr. Schindler:

I am glad that you sent Arthur, Jr. at Diboll a copy of your letter of September 29th because it is quite impossible for me at this distance to say whether we are experiencing any difficulty in securing sawmill machinery, logging equipment and sawmill supplies generally. Arthur will be able to give you this information, and I am sure that you will hear from him without delay.

I presume that you wrote E. G. Prud'homme, Manager for Temple Lumber Company at Pineland, and you will probably hear from him, too, in due time.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

Texarkana, Arkansas
October 1, 1948

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I am sorry that our meeting yesterday morning in my office did not end with a more optimistic note and that some decision was not reached to lighten the burden of responsibility which you are bearing. However, I am glad that you, Arthur and I seemed to be in agreement that we could not do any more to interest Mr. Stephens than to offer him stock in Temple Cotton Oil Company at a fair and reasonable price.

Frankly, I do feel very positively that we could ill afford to offer any special compensation other than stock at a fair price to Mr. Stephens for his active interest and cooperation as a director of the company. If he is at all inclined to meet the challenge, so to speak, the challenge which was referred to several times in our meeting, and if he has any hope of being able to develop Temple Cotton Oil Company into a sound money-making enterprise, I should think that the stock interest would be sufficient incentive. On the other hand, I don't think that it would be at all consistent to pay him anything for his services directly, and certainly such action would not be in keeping with general practice. As a matter of fact, I don't know that Mr. Stephens could offer anything to Temple Cotton Oil Company other than his influence and general interest and cooperation, which he should be willing to give as a director. We have not put him on the Board to honor him, as might have been implied yesterday morning, and if he has any real interest in you and the company, then I think that he should be willing to serve like any other director. However, if he prefers not to serve, and he intimated as much, without some special compensation, then I would say let him resign or fail to qualify, and we can go along without him on the Board.

I have the utmost confidence in you and your ability to continue the progress which has been made up to date, and I am prepared to back you in anything that you wish to undertake, but I think that it would be well to make haste slowly and not make any changes in policy or personnel that you are not sure are warranted. An example of what I have in mind is the reduction of our crush to five or six thousand tons, as Mr. Stephens suggested. I don't think we could hope to operate two mills on that basis. On the other hand, I think we are going to have to get a volume in order to break even, but I would not advocate taking too much risk in order to attain a satisfactory volume, and

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I have never been in favor of making unsound loans, paying more than the going market for seed or engaging in any practice which is palpably unsound. Being conservative, possibly ultra-conservative, by nature, I would hesitate to make any radical and sudden departure from practices which prevail generally, or I might say among the more successful operators in the industry: rather would I be inclined to take one step at a time and attain our ultimate objective by stages. In any event, however, I am ready and willing to back you up and support you in anything you may do.

I don't think that anything will be lost by trying to charge off some of the John K. Gibson indebtedness, as suggested by Mr. Stephens, but I am absolutely positive in my own mind that we will not get away with it unless there are some extenuating circumstances, some conditions, perhaps, with which I am not familiar. We might have more success in attempting it this year, and I think we would, but in my opinion there was no identifying event to establish a loss on the Gibson account last year. I still think that the Government will maintain that if any loss has been sustained it was when we took over the land which we had held as collateral some years ago. I repeat, however, that I see no objection to trying to establish a loss, and if we can do it, I will be too happy to pay the $100 which I wagered. In our conversation yesterday I got the impression that Mr. Stephens has not had very much experience in dealing with conferees representing the Internal Revenue Department.

As for changing our auditors, as Mr. Stephens suggested, I don't see any point to that, assuming that the firm of Reynolds, Bone and Griesbeck has been rendering satisfactory service. It is my understanding that this firm works for a good many oil mills, is thoroughly familiar with the business, and as far as I know they are fully competent. Their charges, too, have always appeared reasonable to me.

I wish that I could offer you more encouragement. It is hard for me to do so, however, because, as you know, I have so little regard for the cotton seed oil crushing business and the idiotic practices which have apparently prevailed in that industry. I wish so much that we could dispose of our interest in Temple Cotton Oil Company so that you would be relieved of the burden you are carrying and so that you could devote your time and talents to something that would be more congenial to you. I want to be as helpful as I can under the circumstances. I wish that you would call me by long distance telephone whenever you have any desire to consult with me and I will be glad to have you bring your problems down here to discuss them with me more often. I don't have many constructive ideas, but it may help you to discuss your troubles and you are always generous enough to say when you take leave of me that you have been helped.

Affectionately,

AT:ld

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Mr. E. G. Prud'homme

Arthur Temple

October 1, 1948
Dictated 9/30/48

Ever since our meeting in Diboll with Mr. Hand and his associates last Tuesday afternoon I have wondered if we could afford the cost of the pension program and, in fact, have not slept very well the last two nights because this thing has been on my mind. It dawned on me only last night, however, that under the program as outlined by Mr. Hand none of our employees regardless of age would qualify for a pension in less than ten years from the date the plan is put into effect. For instance, we would have to pay the funding cost for ten years for a man of 60 years of age now before he would qualify for a pension, and the same would be true of all ages between 55 and 65.

Aside from the heavy cost of this plan, which it is extremely doubtful that we would be able to carry in lean years, it would not answer our immediate needs, and other provision would have to be made for the oldtimers who are now unable to work: as a result, we would have that added cost. Frankly, the attractiveness of the plan is lessened considerably by our having to wait ten years before anyone could qualify for a pension. I don't know whether this has occurred to you and others or not.

Arthur, Jr. happened to be here this morning for a meeting to discuss some of Temple Cotton Oil Company problems, and I told him of my doubts. We agreed that I would call Mr. Hand and ask him to hold up on the pension program until we could give it more thought. I have just talked with Mr. Hand, and he was very agreeable to my suggestion, said that he wanted us to be entirely satisfied and, in fact, enthusiastic about it. He did say that we could put the plan into effect at Pineland and at the yards at any time during October or before the end of the fiscal year, but if we did, the plan would have to be retroactive to October 1st, this according to Federal regulations.

Frankly, I felt very guilty in calling Mr. Hand and asking him to hold up on the thing because he and his organization have done so much work and have received full approval and encouragement from us. He had every reason to think that we were thoroughly sold on the plan and were going ahead with it; in fact, we even agreed to have Great Southern Life Insurance Company carry the risk at our meeting in Diboll Tuesday. I hate to be so vacillating but I do want to be thoroughly sold on anything like this that we might undertake and I would like to feel that it is something the cost of which we can afford. If we finally decide not to adopt the program which we have been considering, I feel that we should compensate Mr. Hand for all of the work he has done, but I suggested in my phone conversation this afternoon that he might be of assistance in helping us to work out some other basis, some plan in connection with the Temple Foundation, perhaps, where we could take care of needy cases without obligating ourselves to furnish a pension to everyone. I think we could contribute from Temple Lumber Company and Southern Pine Lumber Company to the Temple Foundation, and such contributions would be deductible for

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income tax purposes, but the contributions would in that case be limited to 5% of earnings before taxes, which would be small amounts compared to what we would contribute under the Hand proposal and which, in the last analysis, might not provide sufficient funds to answer our purpose, that is, to provide an adequate pension for those who need it.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. D. C. Kenley Arthur Temple October 2, 1948

R. P. Jackson, Vice President of the Koppers Company, has talked to me several times in recent weeks during his negotiations with Mr. N. G. Cummings, son-in-law of Lynch Davidson, for the purchase of the Lynch Davidson lands in Polk County. Yesterday afternoon he told me that he had just about gotten to the point where he was ready to throw up his hands and in accordance with his promise to me said that we were perfectly free to negotiate for the purchase of these lands if we wanted to do so.

Jackson stated that Mr. Cummings' idea of the value of the Lynch Davidson lands was $25.00 per acre or that this would be what they would sell for. The Koppers Company is unwilling to pay that price. It seems to me that this is awfully high for bare land, and that's what it amounts to because the Koppers Company has until 1952 to remove all of the timber, and if we should buy the lands from Lynch Davidson, it would be necessary for us to negotiate with the Koppers Company for the remaining timber, which Jackson said would run in the neighborhood of 17,000,000 feet and I believe this would be ten inches and up breast high. He intimated that the timber ought to be worth $20.00 per thousand. Frankly, I don't see how we could hope to buy the land at $25.00 per acre and the timber from the Koppers Company at $20.00 per thousand.

I told Jackson that the Lynch Davidson lands ought to be worth more to his company than to anyone else because they have the cutting rights up until 1952, that it would be a shame to denude the land, and it looked to me as though he and Mr. Cummings could get together on some mutually satisfactory basis. Apparently, it is their intention to sell the timber either in one lot or in several parcels to be removed according to their contract by the middle of 1952 since they have given up hope of dealing with Mr. Cummings representing Lynch Davidson. We might be interested in buying the timber although I question whether it would pay us to do so on account of the size, my impression being that most of the larger timber has been removed. However, you may want to look at it or have someone look at it, and you are now free to do that as well as to consider the purchase of the land itself. Jackson said their representative, Mr. Grover Reynolds, in Lufkin was familiar with the lands and could give full information if we are interested.

The way I feel about this proposition is that we would probably not be interested except to buy the timber and the land with the purpose of letting the timber grow for future use. I don't think that we can afford to pay $25.00 for the land plus $20.00 per thousand for the timber, and I doubt if we would be justified in buying the merchantable timber at Koppers' price. However, I did tell you that I would let you know when we were free to figure on the timber and the land, and that time has now arrived. I say again, however, that I don't feel at all optimistic about our being able to make a favorable deal. Jackson said that Mr. Cummings was about the hardest nut to crack that he had ever come up against.

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. Latane Temple

Texarkana, Arkansas

October 2, 1948

Mr. W. R. Stephens
C/o W. R. Stephens Investment Company
111 West Second Street
Little Rock, Arkansas

Dear Mr. Stephens:

I am glad that you have decided to qualify and serve as a Director of Temple Cotton Oil Company for one year, as indicated in your letter of October 1st, provided you feel that you can serve in this capacity in justice to yourself and to your other interests, but I don't want you to feel that you are making any great personal sacrifice.

When we elected you to the Board of Directors at the regular annual meeting held in Little Rock on August 14th, it was my thought that you would serve as any other Director and along with other Directors give general supervision to the business. It was not my thought that you would in any sense be involved in the management of the business or that you would be tied down to any specific duties and obligations, although I realized that Latane did want someone in whom he had confidence close at hand to advise with and you seemed to fill that need.

Sincerely yours,

AT:ld

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Texarkana, Arkansas
October 4, 1948

Mr. W.R. Stephens
C/o W.R. Stephens Investment Company
111 West Second Street
Little Rock, Arkansas

Dear Mr. Stephens:

I am glad to learn from your letter of October 1st that you are willing to serve as a Director of Temple Cotton Oil Company for one year, and I hope that at the end of that time you will have found the association so pleasant and the work so interesting that you will want to serve for a longer period. However, with no financial interest in the business I can certainly appreciate your reluctance to give very much of your time and thought to Temple Cotton Oil Company at a possible sacrifice to your own affairs.

I enjoyed the visit with you last Thursday when you were in Texarkana. I have heard so much about you from Latane that I welcome any opportunity to know you better. I do appreciate, too, the friendship which you have shown toward Latane and the interest which you have manifested in working out some of the difficult problems of Temple Cotton Oil Company.

Sincerely yours,

I did not mail the letter which I wrote Mr. Stephens Saturday, copy of which I mailed to you. It sounded a little harder than I intended. However, I don't want this fellow to feel that we can't get along without him and, frankly, I question the wisdom of some of his suggestions: For example, cutting down our crush to 5,000 or 6,000 tons per year. With our heavy fixed overhead I think we would lose our shirts on that basis.

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. E. G. Prud'homme

Mr. S. F. Styles Arthur Temple October 4, 1948

When I met Eck Prud'homme in Diboll last week, he asked me to let him know how many would be in Pineland for lunch preceding the annual meeting to be held on October 20th at 2:00 P.M. I told him that I would let him know.

I wish that you would please advise Eck directly how many from down your way expect to attend the meeting and how many will be in Pineland for lunch. I believe it has been your practice heretofore to stop for lunch at Jasper, and if there are very many contemplating attendingthe meeting, that might be better than planning on luncheon at Pineland because Mrs. Chambliss is not equipped to take care of a very large crowd, and I suppose there will be four of us from Texarkana and several from Diboll.

The main thing, however, is to let Eck know just what to count upon.

A. T. Jr.

Wish that you would please also let Eck know how many to prepare for from Diboll.

AT:ld

Dr
yes
Clyde
Dave
Bobby

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cc Mr. Arthur Temple, Jr.

October 5, 1948

Mr. E. L. Kurth
C/o Angelina County Lumber Company
Keltys, Texas

Dear Ernest:

Your letter of September 30th addressed to a number of companies, companies which I presume have subscribed for the building of Memorial Hospital, suggesting individual memorials has been referred to me.

Inasmuch as we have already subscribed a rather large amount for the construction of the hospital and since it is my understanding that my father's name will be included among those to be memorialized, I do not feel that we would want to go any further. I do, however, wish to thank you for the suggestion and the opportunity which you have offered us.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple Jr.

Texarkana, Arkansas

October 6, 1948

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I am, and always have been, opposed to our paying more for seed than we can get out of them, and, likewise, I am, and always have been, opposed to making unsound loans to farmers and ginners for the privilege of buying seed. Both practices are, in my opinion, contrary to good business principle, and I would like to see us have as our objective the buying of seed only at prices which will permit us to break even and to refer any of our customers who need to borrow money to banks or other lending institutions which are in business for that purpose. To go out and buy seed at more than the products will sell for with the expectation of an improvement in the market for the products is utterly ridiculous, and we might as well shut down our plants and buy or sell futures on the board. Certainly, we have ample experience to demonstrate that making unsound loans for the privilege of buying seed is a very costly one, and even though such a practice might be justified if we had a surplus of operating capital, it is quite apparent that we do not have the money to make such loans or possibly even to make any loans to ginners and growers although they may be good.

I don't know just how far we can go in swimming against the current or bucking practices which seem to prevail in the cotton seed oil business. To make a drastic change in our policy at this time might result in a severe loss unless we can make a substantial reduction in our overhead expense. For this reason it is very difficult for me to advise what the best thing for us to do is under the circumstances. I suggested last night that we might take one particular area and try out our theory of not making loans and also buying seed only at prices on which we can come out. That might prove whether we could expect to get a sufficient tonnage at a price to warrant our putting the policy into effect overall. Anyway, I do feel most strongly that we ought to eliminate gambling just as much as we can, that we ought to operate conservatively, and I am for any such program that may be adopted, and I feel, too, that at least a majority of our directors feel as I do. I don't see how we could fare much worse than we did last year as far as cotton seed are concerned: according to the audit report we lost more than $5.00 per ton on all cotton seed crushed, and I don't think that we could go far wrong in adopting a policy of buying seed only where we can come out whole without anticipating any advance in the market on products.

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I am somewhat doubtful that Parker is big enough to act as general manager. I question whether he has the education or the mental capacity to fill the job. Furthermore, I was disappointed in the showing of the Hope mill last year, when they showed an operating profit of about $2,000 after disregarding the $10,000 spent on the new linter machines, but there may have been other items charged to expense which are not recurring, and I may be wrong in my judgment of Parker based on Hope's last year's performance. At the same time I do realize Knight's limitations. He is too much of a gambler, too much of a plunger, and unless he can be held in check then I am inclined to agree with you that a change will be in order.

I enjoyed very much your little visit yesterday afternoon and last night, and I hope that you will come down more frequently than you have in the recent past. While it is difficult for me to be of much help to you since I am not more closely connected with the actual operation of the business, I do want to help you in any way that I can, and I know that it does help you to have someone to discuss your problems with.

Yours truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

October 7, 1948

Mr. V. J. Adams
C/o Thomas E. Hand & Associates
Federal Land Bank Building
430 Lamar Avenue
Houston 2, Texas

Dear Mr. Adams:

I appreciate very much the interest manifested by your letter of October 4th.

I am sure that you were surprised, and perhaps disappointed, to learn from Mr. Hand when you returned to Houston from the Texas Panhandle that we had gotten cold on the pension program for employees of Southern Pine Lumber Company and Temple Lumber Company because, as I stated to Mr. Hand in my telephone conversation with him, we are leary of the cost and also because none of our employees could qualify for a pension in less than ten years from the inception of the program, during which time we and our employees would pay in very close to $2,000,000. This latter objection is really a serious one because we have an immediate pension problem, particularly at Diboll and Pineland, and to take care of the men who must be retired we would have to add to the funding liability contemplated under the program which you and your associates worked up for us. In other words, the cost over the next ten years would be even more than the approximate $192,000 which was estimated as the funding liability, and while I realize that this amount might be reduced after the first year for reasons which have been amply explained to us, it occurs to me that there would be an offset in new men who would qualify from year to year.

The whole thing is we are not entirely satisfied with the program which has been discussed. We are afraid of the cost, afraid that we might not be able to carry it year after year in good times and bad, and while we do realize that we can draw upon the A.I.A. fund to pay the insurance premiums, we would be borrowing from the fund and have to pay back.

As stated in the above paragraph and as stated to Mr. Hand in my 'phone conversation with him, we feel that we need something that will take care of our immediate liability in taking care of old men who should be retired now. The thought has occurred to me that we might do this as a direct

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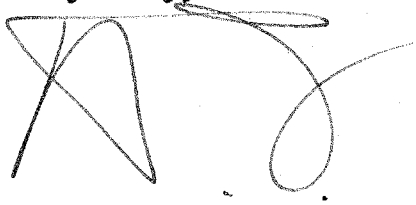
expense on each company. The only objection to that program, as I see it, would be that it might not be allowed as a deductible expense by the Internal Revenue Department in that we would do more for some than for others and in some cases would not contribute anything. In other words we might not get away from the discrimination feature which has been discussed in our several meetings. However, one thing that has always rubbed me the wrong way is that we would be allowing pensions at considerable cost and insurance, too, to a great many individuals who don't need either. What I have had in mind all of the time and what I would like to do is to take care of only the needy cases.

I have been quite embarrassed by calling off the deal after we went so far, when, in fact, we even agreed upon Great Southern as the carrier of the insurance and the terms of the trust agreement.

We will have the annual stockholders meeting and directors meeting for Temple Lumber Company at Pineland on Wednesday, October 20th. Our pension needs will be discussed further at that time.

With kindest regards,

Yours very truly,



AT:ld

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Mr. D. C. Kenley Arthur Temple October 8, 1948

Referring to your letter of October 7th in regard to whether we should accept $1.00 per acre option on all of our land, 250,000 acres, with selection privileges and as against this Humble's offer of $3.00 per acre on 100,000 acres:

I presume that you referred to the deal which we have discussed since we met with the Humble representatives in Diboll some time ago, the deal which contemplated an overall payment to us of $750,000, $1.00 per acre and 50¢ per acre for four additional years, which has looked good to me as I have told you and which I have advised consumating unless you are able to work out something even better.

I do not recall clearly just what Humble's proposition was on 100,000 acres. According to your letter of October 7th it was $3.00 per acre on this amount, but what else did it include? If we are to consider these two propositions and decide which we think is the better, I would like to have the full details of both clearly in my mind and will appreciate it if you will refresh my memory as to the details of both.

While I don't recall just what Humble's proposition was, I believe that I do have the other deal clearly in mind, and I recall that while both of these deals were fresh in my mind the $1.00 per acre on all of our unleased land and 50¢ per acre guaranteed for four additional years impressed me as the better.

AT:ld

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cc Mr. James E. Farr
Mr. S. F. Styles
Mr. Arthur Temple, Jr.

October 8, 1948

Mr. D. W. Thompson
C/o Angelina County Lumber Company
Keltys, Texas

Dear Dave:

Mr. Styles, General Manager of yard for Temple Lumber Company, sent me a copy of his letter of October 7th to you, this letter pertaining to your request of the Temple Lumber Company yard at Lufkin to purchase first lien notes of the Memorial Hospital.

I feel that our allied interests have participated rather liberally in the building of the Memorial Hospital and especially so in view of the distance of our Diboll operations from Lufkin, which makes it necessary for us to maintain a well equipped and well staffed clinic to take care of emergency needs at Diboll. In other words, I don't think the Memorial Hospital at Lufkin is going to mean anything like as much to us as it will to the industries located in Lufkin and its immediate environs. While I realize that the Temple Lumber Company yard at Lufkin is a part of Lufkin and what I have said may not apply to that particular business, I am impelled to suggest that our overall contribution is, perhaps, in line with what others are doing.

Inconclusion, therefore, I hope that the Lufkin yard of Temple Lumber Company will not be obligated to purchase any of the first lien notes. At the same time we do not want to shirk any responsibility or evade any commitments which may have been made heretofore.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

October 11, 1948

Mr. Edwin C. Durham, Jr.
C/o Mr. Morris Bivins
Longview, Texas

Dear Ed:

Temple told me that you had telephoned him about the interest of your cousin, a Mr. Shaw, representing, I believe, Atlantic Refining Company, in a lease on our lands and said that you had suggested an appointment with me.

I hardly feel qualified to discuss any sort of a lease deal intelligently because I don't know just what particular tracts of land belonging to Temple Lumber Company and Southern Pine Lumber Company are already under lease, and I am not altogether familiar with what is going on in our territory. Dave Kenley has been looking after our leasing for some years, and while I know that Dave has a reputation of being hard to deal with, I can only suggest that Mr. Shaw get in touch with him.

We do have several rather large deals under consideration at the present time. Dave is thoroughly familiar with them, of course, and I am sure that he would be glad to have any proposition from Atlantic Refining Company or any other reputable operator. Any proposition, of course, which might be submitted to Dave would have to be referred to me for final approval. Under the circumstances I hope that you will have Mr. Shaw get in touch with Dave and as soon as possible because we do have these several other deals which we are now considering.

With kindest regards,

Sincerely yours,

AT:ld

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THE TEXAS AND PACIFIC RY.

THE DIRECT WAY



T. & P.

Jim Jail
Edwin Klein
Karl Klumpen
has offered
rep. Dorsey
if he got
his inform-
ation from
Jarle.

Serving The Growing Southwest

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cc Mr. Arthur Temple, Jr.

Mr. P. M. Anderson Arthur Temple October 11, 1948

Since receiving your letter of October 8th suggesting that you return to Texarkana and only handle sales of hardwood, Temple and I have been trying to figure out whether this would be a good thing to do or just how it might be arranged. With our small production of hardwood and with Pineland using so much of its production in the dimension plant there isn't going to be a great deal to sell, and I question whether it would be a full time job for you.

If you feel that it is going to be necessary that you cut down on your work because of your health, then I can appreciate your desire for a curtailment of your activities. Otherwise, I should think there would be just as much need for supervision of our hardwood operations as there ever was. I also realize that you may have a desire to be closer to more members of your family, as you would here at Texarkana, and that you would have certain comforts and opportunities of which you are deprived at Diboll.

I will be in Diboll probably in the near future and, certainly, on October 21st following the annual meeting in Pineland on October 20th. My suggestion would be that we give further thought to your situation and your suggestion that you return to Texarkana and only handle sales of hardwood and that we discuss these things the first time we are together.

Arthur; Am enclosing copy of P. M. Anderson's letter of October 8th addressed to Temple and me. Unless he has talked with you about the subject discussed in his letter, it might be well not to mention to him that I have sent a copy of his letter to you. This is a case that is going to be right hard to handle. He is rather sensitive, has a family, and I don't suppose he can afford to take much of a reduction in his income. The only thing I see to do is to discuss his situation with him frankly.

AT:ld

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SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

C
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To Messrs: Arthur Temple **From** P. M. Anderson **Date** October 8, 1948
W.Temple Webber

I came home from Houston yesterday afternoon. I am still very weak and while my progress seems to me too slow, my doctors tell me it is satisfactory so I guess it must be. Anyway, I shall not attempt to go to the office for several days, possibly another week.

During my illness I had a lot of time for reflection and my work was constantly before me. I have felt for some time that my usefulness here, other than selling the lumber, was growing less and less and after turning it over in my mind daily for a month I am convinced that it is about over. I could conduct the sales from Texarkana about as well as from here and what I would like to do is move back and confine my efforts to doing just that.

I would like for you both to be thinking about this and let me know when you have reached a decision just what it is. Anyway, I shall abide by whatever decision you reach.

PMA:nat

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Mr. D. C. Kenley Arthur Temple October 11, 1948

I am sorry to learn from your letter of October 9th that the deal involving $1.00 per acre on 250,000 acres, plus 50¢ per acre for four additional years, the deal which made such a strong appeal to me, is out.

I wonder how you figure that the deal with Humble would be better. Maybe their proposition has been amended since we met with Mr. Scruggs and the other party in Diboll some weeks ago. Even that deal, however, was subject to confirmation, as I recall, but I suppose that we could count upon anything which these two men might recommend to Houston.

I am very much interested in what you wrote in your letter of October 9th about Hunt. I would not like to hold off until next year and, perhaps, run the risk of losing out entirely, but $5.00 per acre for a paid up lease (I assume for five years) on 250,000 acres would, in my opinion, be mighty fine. Hunt has been a very successful operator, has oodles of money, and I don't know but what we could make a better deal with him than anyone else. You may recall that I talked with Mr. Hunt himself in Dallas some years ago about a blanket lease on all of our acreage to be developed by him on a partnership basis; that is, as I recall, we were to receive 25% of any oil recovered, but right after that we made the deal with Magnolia for a shooting option where we got approximately $150,000 and I had to call off the negotiations with Hunt. Incidentally, I would far rather get $5.00 per acre for a paid up lease than to engage in such a partnership arrangement, because while we might get considerably more out of the latter, we know that we would get $1,250,000 on the former, assuming that the full 250,000 acres we have open would be included. I hope that you will explore this Hunt possibility further. I think it holds the promise of something very worthwhile.

I don't think very much of the Texas Company proposition. Apparently they want to select only 15,000 acres with the best prospect and only at $1.00 per acre per year, which doesn't strike me as enough.

Going back to the Hunt possibility again, I wonder if we could get some definite commitment out of them to make such a deal as outlined in your letter after January 1, 1949. If they would commit themselves definitely to this, then I certainly would be in favor of waiting. I would really rather make any deal involving a large sum of money such as this after the end of this year because we already have a very good profit assured for this year, and we don't know just whatnext year will hold for us. There would be no difference in our tax liability. We will probably be in the maximum bracket both years. The only difference would be that the consideration from Hunt would be an awfully good back log with which to start next year.

AT:ld

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CC Mr. S. B. Styles
Mr. J. E. Parr
Mr. Arthur Temple, Jr.

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

October 13, 1948

Mr. E. L. Kurth
C/o Angelina County Lumber Company
Keltys, Angelina County, Texas

Dear Ernest:

I have your letter of October 12th in regard to the subscription of Memorial Hospital bonds by the Temple Lumber Company yard at Lufkin.

Inasmuch as we have gone so far in our support of the new industrial hospital at Lufkin we certainly don't want to be in the attitude of holding out on such a small item as $2,300.00 of the bonds, which is Temple Lumber Company's share. I am, therefore, asking Mr. Styles to authorize Jimmie Parr at Lufkin to take the bonds which have been allocated to them.

I wish so much that the Memorial Hospital had been financed on a basis other than that which was employed. I think that it would have been so much better to have sold stock and bonds rather than to ask the various industries in and around Lufkin to make outright donations. Furthermore, I don't think that Southern Pine Lumber Company should be charged so much per employee for physical examination, which I understand is contemplated, because, as I mentioned in my recent letter to Dave, we have a modern, well equipped clinic at Diboll, staffed by two doctors and a trained nurse: we have ample facilities to examine all employees and applicants for employment, and I cannot see that this particular service of the new hospital is going to be of any advantage to our people at Diboll. As a matter of fact, our participating companies at Diboll are not going to get anything like as much out of the new hospital as the industries in Lufkin, and I hope this fact will be taken into consideration when further charges are made. I think support of the hospital, in other words, should be on the basis benefits derived after it is in operation.

Yours very truly,

AT:ld

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Messrs: E. G. Prud'homme
S. F. Styles
Arthur Temple, Jr. ✓

Arthur Temple

October 13, 1948

We have always had a very liberal policy with respect to company owned cars, that is, we have not insisted upon a conscientious use of such cars. I don't like to be picayunish about such things, but my father was a stickler for principle, and I may have inherited some of his scruples. I hope so.

There is quite a tendency to look upon company owned cars as provided not only for use on company business but also for the convenience and pleasure of individual employees and their families. That is not right. It costs money to operate automobiles, not only for the gas and oil consumed but also for depreciation, wear and tear, and I daresay that the average car cannot be operated for less than 6¢ per mile, and if close figuring were done, I daresay that the cost would be more than this.

I do feel that it behooves the heads of our several organizations not only to set a good example to others who have company cars but also to insist that they be used only on company business except in emergencies or in rare instances where circumstances may justify the use of company cars in one's private interest. I am sure that each of you knows where the privilege of operating a company car is being abused and that you can take appropriate steps to put a stop to such abuse. It might not be amiss to get out a letter to all individuals who operate company cars telling them that they are expected to use company cars only in the discharge of their duties as employees. A conscientious observance of what is right may also have a favorable reaction along other lines.

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Mr D. C. Kenley Arthur Temple October 15, 1948

Referring to your letter of October 13th, I am inclined to think that we ought to do something with Temple Lumber Company's acreage, and I think we probably should accept Humble's proposition of $300,000 on 100,000 acres for a five-year paid up lease if we are not able to do any better. However, I certainly think that it would be worthwhile to wait and get a proposition from Atlantic because it has been intimated that they would make a better proposition than Humble, although they may be considering Diboll's acreage as well as Pineland's, and I don't think we have anything to lose by delaying a little bit longer.

As I told you on the 'phone the last time we talked, a week or so ago, I am considerably more interested in making a deal on Pineland's acreage than Diboll's because Temple Lumber Company does not have any appreciable amount of cash on hand, will have a very heavy income tax liability on this year's earnings, and $300,000 or more cash would improve their position considerably. Furthermore, I think we could be reasonably sure that Humble would do some drilling some time during the term of the lease if they should take a lease on 100,000 acres, tying up $300,000 or more. This deal with Humble, by the way, is just what my friend Mr. Wadley, who has been emminently successful in the oil business for the past 15 or 20 years, suggested to me when I talked with him several months ago just before I got in touch with Finley Scruggs. When I talked with Scruggs, however, I raised the ante and asked for $1.00 per acre bonus and $1.00 per acre per year rental with the guarantee that they would pay the rental for four additional years, and, of course, I did include Diboll's acreage along with Pineland's. At the time I thought that we might have to come down in the rental payment at least.

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CC M

Mr. D. C. Kenley Arthur Temple October 15, 1948

If you can get $25.00 per acre or even $20.00 per acre on the 350 acres belonging to Temple Lumber Company in Jasper County, as outlined in your letter of October 13th, I am inclined to think that perhaps we ought to lease rather than take a gamble. If this acreage is as much as four or five miles from the well which is now being drilled and which shows good prospects, that is pretty far away, and unless there is a trend in our direction or some indication favorable to our land I would be inclined to lease at $25.00 per acre or even at $20.00 per acre if you are unable to get more.

I realize that I am not thoroughly familiar with conditions in Jasper County, don't know what the prospects are and I would have been willing to gamble on, say, $15.00 per acre, as I told you in our last 'phone conversation. However, when the price gets up to $20.00 or $25.00, I am tempted to take the money and gamble on the royalty.

I expect to be in Diboll next Thursday morning, following the regular annual meeting of Temple Lumber Company at Pineland on Wednesday, October 20th. Will be glad to discuss the various deals you have pending with you at that time if it will be convenient to you.

AT:ld

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October 21, 1948

Mr. D. W. Thompson
C/o Angelina County Lumber Company
Keltys, Angelina County, Texas

Dear Dave:

I have your letter of October 20th inregard to memorials or memorial placques to be placed in the new hospital at Lufkin.

The main one whom I want to memorialize is my father, T. L. L. Temple, who passed away October 2, 1935, and I understand that can be done without any further contribution on our part. I think it might be appropriate also to have a placque in memory of Henry Temple, who passed away earlier this year, but if we should do that, then there are possibly others who should be remembered, too; for instance, Watson Walker, who was at Diboll from almost the very beginning until 1929 and played such an important part in the development of Diboll. The question would be: Where to stop.

Itis difficult for me to decide just how far we should go in the matter of memorials, and I am disposed to leave this to Arthur, Jr. I do think, however, that my father should have a memorial along with Mr. J. H. Kurth, Sr., Mr. S. W. Henderson and others of the oldtimers who were so largely responsible for the industrial development of Angelina County.

Yours very truly,

AT:ld

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October 22, 1948

Mr. D. W. Thompson
C/o Angelina County Lumber Company
Keltys, Texas

Dear Dave:

I was in a rather confused state of mind yesterday when I received your letter of October 20th in regard to memorials in the new hospital at Lufkin, and on reading over your letter this morning together with my reply of yesterday I see that I missed the point of your letter entirely.

I think, Dave, that we will want to place a memorial placque in the new hospital for my father but beyond this I hardly think we will want to go other than the general dedication to employees, as set out in your letter. However, I do have an open mind on this thing, and if Arthur, Jr. or any others in our official family think that we should place memorials in the new hospital to Watson Walker and Henry Temple, I certainly would be quite agreeable to doing so.

I am sorry that I did not reply to your letter of October 20th more intelligently when I wrote you yesterday. I have not been getting as much sleep the last few nights as is my custom and have been rather upset emotionally as a result of the sudden death last Tuesday evening of Mrs. Josh Morriss. Being in and out of the office so much I have not given as much thought to some of my correspondence as it warranted.

Sincerely yours,

AT:ld

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cc Mr. Arthur Temple, Jr. ✓
Mr. E. G. Prud'homme

Mr. G. S. Smith — Arthur Temple — October 25, 1948

I am certainly glad to learn from your letter of October 24th that the Commissioner of Internal Revenue has approved Temple Lumber Company's request to be allowed to re-allocate cost of land as at November 1, 1947 on the basis of $2.00 per acre, which will allow us to increase our timber account by approximately $250,000. This will be very beneficial, and again let me say that you have done a good job.

AT:ld

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cc Mr. Arthur Temple, Jr.
Mr. E. G. Prud'homme
Mr. S. F. Styles

October 27, 1948

Mr. V. J. Adams
C/o Thomas E. Hand & Associates
Federal Land Bank Building
430 Lamar Avenue
Houston, Texas

Dear Mr. Adams:

The annual meeting of stockholders of Temple Lumber Company was held at Pineland yesterday afternoon, and following the stockholders meeting there was a meeting of the Board of Directors at which the need of a pension program was further discussed.

The consensus of the meeting was that we should not adopt the plan suggested by you at the present time because of the need to take care of quite a number of old employees now and within the next ten years when under the plan proposed none of our employees could qualify for a pension. It was also suggested again that, the lumber manufacturing business being one of feast or famine and with signs already appearing that we may be going from a sellers' market to a buyers' market, we might not be able to maintain the payments which would be required year after year, which, to say the least, would mean that we would have to borrow from the A.I.A. account in lean years but which might well mean that the plan would have to be abandoned entirely, which is an end we certainly would not want, and any such prospect is indeed a handicap to our adopting the plan. These are the main points on which action was further deferred, and in the meantime it was decided to continue to take care of needy cases from the trust set up by my father in his will and through appropriations from our surplus account. As to the latter, we are going on the assumption that payments can be made to worthy individuals as added compensation for services rendered, and, as a consequence, such contributions will be deductible for income tax purposes.

Others in our organizations and I propose to give considerable thought to a program which will be adequate and which we feel we can afford, and in this connection I am looking forward to reading a survey which has recently been conducted by the Southern Pine Association at New Orleans of plans for taking care of employees who become unable to work either through age or physical disability and also to read a number of booklets which they have supplied but which I have not yet had

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the opportunity to read because they came in today's mail. Incidentally, accompanying the summary and the booklets was a letter stating that they, the Southern Pine Association, do not know of any formal pension program in existence at this time in the entire lumber industry, not only in the south but in other sections as well. Frankly, if I did know of such programs in effect with other lumber manufacturers, I would have less fear of pioneering in such an effort.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr. ✓
Mr. Latane Temple

Mr. S. F. Styles Arthur Temple October 27, 1948

Yesterday afternoon when you mentioned a bonus for the employees of the retail yards the conversation was switched from the question of giving a bonus for the past year to how a bonus should be paid among the employees of the retail division and who should participate. I presume, however, you understood that a bonus of 10% of salaries and wages for the employees at the retail yards is in order since we have been paying a 10% bonus at the end of each quarter at Pineland and also at Diboll.

I don't know just how much merit there is to Arthur's argument that a sliding scale of bonuses should be paid to the employees of the yards. I am inclined to think that the better plan is to adjust salaries from time to time to compensate various individuals according to their ability and their worth to the company and that a bonus should be at a flat rate applicable to all; that when we have an unusually successful year where we feel disposed to share with our employees a part of our earnings that all should participate on the same percentage basis. To do as Arthur suggested would place considerable responsibility upon you, and it would be apt, in my opinion, to breed about dissatisfaction and charges of discrimination. Personally, I would not want the responsibility of saying that this man should get so much and this one so much. While I think it is advisable for you to give some further thought as to the best method of paying bonuses, I hope that you will conclude that a flat percentage to all employees, the method to be used this year, is the better one.

I am indeed glad that you have arranged to borrow $500,000 for the Westview Project so that your indebtedness to Southern Pine Lumber Company, Texarkana, can be cleared. This will have the effect of reducing the yards' receivables, and The Lumber Market's specifically, and accomplish one of the purposes which were so largely favored at our directors' meeting in Pineland yesterday, the other being a reduction in inventories. I am heartily in favor of reducing the yards' receivables and inventories to the lowest practicable basis, but I do not feel qualified to tell you just how high our receivables should be or how much stock our yards should carry. That, I think, is a problem of management and in the final analysis is for you to determine. I do feel most strongly, as I have written you time and time again, that we should be prepared for any market decline to guard against a calamity such as occurred to so many back in 1920, when I recall the wholesale average price of lumber declined from approximately $60.00 at the mill to about $20.00. I recall so distinctly that Oil Field Lumber Company as well as many other retail dealers suffered terrific losses in the book value of their inventories as well as in receivables, and although I believe you indicated in our discussion yesterday that we probably would not suffer more than $20.00 per thousand decline in lumber values, the decline in 1920 was far greater. Many authorities think that we will not again have such a drastic decline as we had in 1929 because of unemployment insurance and other Government controls which have grown up in recent years, and, too, we do have now the Re-armament Program and other bolstering influences to sustain our economy when otherwise I am convinced we would already be experiencing some deflation. On the other hand, the longer the deflation is put off the more serious I think it is apt to be. I do hope, therefore, that you will proceed with the program which you have already initiated, namely a reduction in inventories and receivables: it is so easy for a concern with unlimited credit to expand its volume of business beyond reasonable limits, to carry excessive stocks, which makes selling easier, and not to press collections as would be done if money owed had to be put into the bank in order to pay bills. To guard against excessive credit I have insisted upon the yards paying us

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regularly just as they are required to pay any other supplier, and I think this has been a good thing. If such a policy had been in effect back in the 1920's, the retail division never would have accumulated $2,000,000 worth of real estate: they could not have afforded to.

I was greatly pleased that the Board concurred with my recommendation that you and Eck be elected Vice Presidents of Temple Lumber Company. This action is a nice recognition and will add to your prestige. I am confident that both you and Eck will always be worthy of the honor.

I am sorry that we did not have more time for a visit either before or after the meeting. However, with more frequent meetings in the future there will be other opportunities. I am really very happy about the decision to have frequent Board meetings because I think an exchange of ideas is always good and I for one will welcome the sharing of responsibility for important decisions effecting our business.

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. S. F. Styles

Mr. E. G. Prud'homme Arthur Temple October 30, 1948

Since receiving your letter of October 29th I have tried to draft a notice to employees telling them that we have abandoned, at least for the time being, any pension program. The following is my suggestion:

"Notice: For some time we have been trying to develop a formal pension program for our employees, one that we considered adequate for our needs,and we thought a month or two ago that we had one we could adopt. However, under the plan we were considering no one could qualify for a period of ten years, during which time our employees and the Company would have contributed a large sum of money to fund the program.

We have decided, therefore, that such a plan would not answer our needs fully, would not justify the cost to the employees and the Company and, consequently, we have deferred indefinitely any further action in this connection."

Yours very truly,

I think that this is perhaps all that we would want to say. You may change the wording somewhat if you see fit. I don't think we want to make any commitment, implied or expressed, to adopt any sort of a pension plan in the future, and I don't think with such a notice we would be guilty of violating any contract with our employees because of notices previously posted stating that we were adopting a pension program. However, I have not submitted my draft to any lawyer because, as you know, we do not retain any lawyer here at Texarkana. If you or Arthur think it advisable, Arthur might submit this or any revision to Martin Dies or J. J. Collins at Lufkin.

AT:ld

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CC Mr. S. F. Styles
Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme

Arthur Temple

November 1, 1948

Referring to your letter of October 30th in regard to listing you and Styles as Vice Presidents on your new letterheads:

I think by all means that both you and Styles should be shown as Vice Presidents along with other officers. I don't think it makes any difference whether your name or Styles comes ahead of the other, but they might be arranged in alphabetical order, which would mean that yours would come ahead of Styles. I think, too, that after the word vice president following your name there should be a dash and the word production, and after vice president following Styles' name there should be a dash and the two words retail division. I think that these words, production and retail division, would distinguish between the two vice presidents just as the vice presidents of the Texas and Pacific Railway Company, for instance, are distinguished by operation and traffic.

While the words production and retail division are strictly speaking not a part of your titles, they could and, I think, should be used to good advantage to distinguish betwemn the two.

I am sending a copy of this letter to Styles in order that he may be governed accordingly and also to Arthur, Jr. inasmuch as a copy of your letter of October 30th was sent to him.

AT:ld

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CC Mr. Arthur Temple, Jr.

November 2, 1948

Mrs. Carrol Allen
P.O.Box 1180
Lufkin, Texas

Dear Ann:

I am sending you under separate cover a recent issue of "Printer's Ink" and a part of the New York Herald Tribune containing the obituary of Dick Lawrence. Mother asked that I send these to you with the request that you turn them over to Arthur after you have read them and have him send them back to her.

Well, today is election day. I hope that you and Carrol are doing your duty as American citizens and, further, that you are voting for Dewey, Warren and Porter. I am particularly interested in having Mr. Porter elected to the Senate in place of Lyndon Johnson, andwhile I realize the difficulties to be overcome, I cannot help but feel optimistic because practically everyone with whom I talk intends to vote for him.

Affectionately,

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. E. G. Prud'homme

Mr. G. S. Smith | Arthur Temple | November 3, 1948

I have your letter of November 2nd advising that you have been conferring with Mr. Carey, Examining Agent for the Internal Revenue Department, at Pineland, and he has raised some question about the fair market value of timber as used in Temple Lumber Company's 1946 return and also has questioned the depreciation of some of the items.

I don't have any suggestion to make to you, George. Frankly, I don't see how we can contend for any higher values on pine and hardwood stumpage than we were actually paying during the first 60 days of the taxable year involved, and as far as the depreciation is concerned I feel that you are fully qualified to work that matter out on a fair and equitable basis and in the Company's best interest. In other words, I feel that we can do no better than to have you negotiate for the best settlement possible on both of these issues.

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. E. G. Prud'homme

November 3, 1948

Mr. V. J. Adams
C/o Thomas E. Hand & Associates
Federal Land Bank Building
430 Lamar Avenue
Houston, Texas

Dear Mr. Adams:

In view of the apparent outcome of the national election yesterday I think it is probably avery good thing that we have decided to defer any action on a pension program for our employees.

With the Democrats in control of both Houses in Congress and with the chance very strong that Mr. Truman will be re-elected, I think it is a foregone conclusion that we are going to have a Government very much to the left of center, and the unexpected result in the House of Representatives and the Senate, to say nothing of the heavy vote received by Mr. Truman, will probably be interpreted as a mandate from the people for a substantial ~~interest~~ in the minimum wage, repeal of the Taft-Hartley Act and other radical, or I might better say pro-labor, legislation. With such a program as I anticipate it is questionable whether we can do as much voluntarily for our employees as we would be justified in doing otherwise, and with labor in the driver's seat in Washington it is questionable whether labor will need much help or consideration from industry.

At any rate, the way I feel this morning I am indeed glad that we did not obligate ourselves to contribute what would have been required under the program suggested by you for our several companies. Maybe the hand of God or some other influence restrained us just in time.

With kindest regards,

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. D. C. Kenley Arthur Temple November 3, 1948

I see no objection to our cooperating with Messrs. E. C. Durham, Carl DuPuy and others by contributing a lease on approximately 300 acres of our land near Zavalla for the drilling of a well.

As you suggest in your letter of November 1st, ordinarily I think that we ought to get something out of any land that we lease, but if it is impossible in this instance, I think that we should go along with others who are interested, particularly when they are such friends as Durham and DuPuy.

AT:ld

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CC: Mr. Arthur Temple, Jr.
Mr. D. C. Kenley

November 4, 1948

Mr. E. C. Durham
RFD #2
Huntington, Texas

Dear E.C.:

I have just received copy of your letter of November 3rd to Dave Kenley urging the cooperation of Southern Pine Lumber Company in the drilling of a well in the Shawnee Prairie area by the Messrs. Hillegeist of Corpus Christi.

A day or two ago, possibly yesterday, I received a letter from Dave Kenley stating that you and Carl DuPuy were contributing acreage to a well in this area and had suggested that we put in 300 acres which we owned. I told Dave that although it is customary for us to receive some bonus for oil leases that I felt we should cooperate with you and Carl DuPuy in this test, and I presume Dave will proceed accordingly.

Your letter to Dave implies that you may have held out some of your acreage. I wonder if we could not do the same thing. Inasmuch as we are contributing the acreage without any bonus consideration and, as I understand it, have nothing else in the immediate vicinity, I would like to hold out, say, one-fourth of our acreage for a gamble, but I would not insist upon this at the cost of the well.

When I started reading the note appended to your letter, I thought someone well known to both of us had passed away. You said that you were surprised, shocked, etc. Reading on I understood, of course, that you referred to the outcome of Tuesday's election. I certainly share your feeling. Like everyone else I had assumed that Dewey was a sure thing for President and that the only question would be whether the Republicans would retain controlof the Senate. However, when I heard early Tuesday morning that the Democrats had a majority in both Houses of Congress, I was not so terribly disappointed that Dewey had not been elected, because if we have a depression, as I think we well may have within the next four years, Dewey would get the blame for it, and it is of course true that with one party controlling the legislative branch and another the executive, there is little or no cooperation, little is accomplished and each side has an alibi and blames the other. I am, however, hoping that the southern members of the House and the Senate will prevent a repeal of the Taft-Hartley Act. I think it is more apt to be amended than repealed and hope that they do not emasculate it. Certainly, we can look for a government

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very much to the left of center for the people have given a mandate for all of the socialistic policies which have been advocated by Truman. Frankly, I am very much depressed. I have lost what little faith I had left in the American electorate.

I was awfully sorry, E. C., to learn of the recent passing of your sister in Longview. I should have written you when I first learned of it, which was, however, some time after it occurred. Late as it is, I do extend to you my sincere sympathy because I know how devoted you were to Mrs. Bivins.

Sincerely yours,

AT:ld

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CC Mr. Arthur Temple, Jr.

November 4, 1948

Mr. C. M. Malone
Second National Bank
Houston, Texas

Dear Mr. Malone:

Your letter of November 1st to my son, Arthur Temple, Jr., at Diboll has been passed on to me, as indicated in his letter of November 3rd.

While we are sympathetic with any movement to promote the resources of the soil, we are now contributing so much in so many different directions to work of this character that I am reluctant to approve any additional subscription. For instance, we are supporting National Lumber Manufacturers Association, Southern Pine Association, American Forest Products Industries, Inc. and Southern Hardwood Producers, Inc., all of which are conducting campaigns for the conservation of our natural resources, including timber, of course, and we are supporting by regular contribution on an acreage basis the Texas Forest Service; we are also supporting the Texas Forestry Association, whose work is largely educational.

We have no doubt that your organization, Friends of the Land, represents a worthy cause. On the other hand, we are inclined to think that we are probably doing our full share in the support of other organizations mentioned in the above paragraph, all of which are working, some more effectively than others no doubt, to the same end.

Yours very truly,

AT:ld

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cc Mr. Arthur Temple, Jr.
Mr. G. R. Payne

November 6, 1948

Colonel R. B. Creager
Brownsville, Texas

Dear Colonel Creager:

I am enclosing a part of the editorial page of the Wall Street Journal published in Dallas, the November 5th edition. I call your attention to several of the editorials which I have marked but particularly the article by Vermont Royster headed "Whither the GOP?".

I recall a letter which you got out several years ago in which you advocated that the Republican Party should adopt a set of principles which they know to be right and on which they could stand, win, lose or draw. I regret that this has not been done. While there are no doubt many reasons why the Democratic Party was so successful in last Tuesday's election, I think, perhaps, the main reason is that there was little to choose between the two candidates for President based on what they stood for, and, as in 1944, Dewey seemed to be trying to out new deal the New Deal, differing largely only as to methods to be employed. This, together with the type of campaign waged by Governor Dewey, I think, accounted for the apathy on the part of a large number of people who would ordinarily vote Republican. Certainly, many who did vote for Governor Dewey voted without enthusiasm.

I would like to have seen the Republican candidate for President wage a campaign on just as high a plane, if you please, but discussing the issues. The Democrats and the country as a whole now think that they have a mandate to repeal the Taft-Hartley Act. I don't think a majority of the voters want the Taft-Hartley Act repealed. The Taft-Hartley Act, however, was not defended in a vigorous manner. The Republican platform was, I think, generally good, but instead of discussing the planks of the Republican platform up and down the land Governor Dewey stressed unity, unity, unity. I would much rather go down fighting for the things in which we believe than even to win with an attitude of being all things to all people, a campaign of fence straddling.

Going back to the statement made in the early part of this letter, therefore, I hope that you will renew your fight to have the Republican Party adopt a

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program based on sound principles, stand on that program and not try to cater to various minority elements in our country. I believe that will be the salvation of the Republican Party. Otherwise, I think that it is doomed to oblivion.

Sincerely yours,

AT:ld

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Mr. Arthur Temple, Jr. ✓ Arthur Temple November 6, 1948
Mr. D. C. Kenley

I just finished talking with Mr. A. P. King, Jr. in Houston who represents, as I have told you heretofore, Mr. H. R. Cullen.

I told Mr. King that we did not look with favor on the partnership propositions which he submitted to me last Tuesday and that we did not feel justified in making a definite offer of the counter-proposition which I submitted to him tentatively yesterday where we would receive a 1/8 overriding interest and be permitted to retain 1/4 of each section; that we thought we could not afford to gamble whatever we might get as a cash payment for bonus and/or rental on the prospect of finding oil, which all of these other propositions would mean.

Mr. King said that he was sorry to hear this because he thought that he had just about gotten Mr. Cullen's approval of the counter-proposition which was suggested to me by Mr. Wadley, that is the 1/8 override and retention of 1/4 section of land. He rather implied, however, that he could not blame us for wanting to get some cash out of any deal we might make, and he said that he would talk further with Mr. Cullen and would call me the early part of next week, probably by Tuesday. I told him that I was planning to go down to Diboll the early past of next week and suggested that if he could not reach me by telephone here that he call me at Diboll. I am, however, inclined to wait until I hear something from him, though I would not hesitate to go on down to Diboll if I knew that he would reach me there.

I told Mr. King that we were not at all particular as to how we received the cash, that it could be worked out any way that would be to Mr. Cullen's advantage from a tax standpoint. He did not think much of the suggestion that the bonus payment be made on a comparatively small acreage so that it could be charged off in a short time if nothing was found. I believe he said that all cost including geophysical and other exploration work would have to be capitalized if production is found eventually on any of the land. The point he made last Tuesday about the tax disadvantage of a bonus payment was that any such payment would have to be capitalized and any charge-off would be a capital loss and not an ordinary loss. Capital loss, as you know, is limited to 25%, while Mr. Cullen is in a very high tax bracket and an ordinary loss would probably mean 85¢ or 90¢ on the dollar to him. I can't believe, however, that this tax disadvantage mentioned to me by Mr. King last Tuesday is a very serious one. If Mr. Cullen is in the oil business, I am sure that he is having to pay out considerable amounts in the ordinary conduct of his business. What he would pay us, say $250,000 as a bonus, would,I should think, be a rather small item to him.

I believe we may be able to work something out along the line we have discussed and on which I believe we are in agreement. If, however, we fail to do this, then what should be our next move? If we have any reasonable prospect of working out a deal on all of our acreage for a substantial amount of cash with anyone else, I would be in favor of holding off for that. However, if there is not much prospect of such

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a deal, then I wonder if we should not give serious consideration to the suggestion of Mr. Wadley for a 1/8 override and the retention of 1/4 of the acreage in each section of land. I don't see that Dave's objection, as expressed on the 'phone this morning, to that proposition is so serious, assuming that Mr. Cullen would proceed aggressively with his geophysical work.

AT:ld

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NATIONAL ASSOCIATION OF MANUFACTURERS
312 Thomas Building • Dallas 1 • Texas

53RD ANNUAL CONGRESS OF AMERICAN INDUSTRY • NEW YORK DECEMBER 1, 2, 3, 1948

Regional Vice President
D. I. Johnston, General Counsel
T. H. Rogers Lumber Co.

Manager, Southern Division
WM. R. DARRAGH

Regional Manager
EDWARD WELSH

November 10, 1948

Mr. Arthur Temple, President
Southern Pine Lumber Company
Texarkana, Texas

Dear Mr. Temple:

It was certainly good to talk with you on the phone the other day and particularly to learn of your willingness to continue to support the National Association of Manufacturers.

In the past you have supported the Association with two memberships. Your Temple Lumber Company held a $150. membership and in addition contributed $100. to the NAM Public Relations Program. Southern Pine Lumber Company held a membership in the amount of $150. Your total support therefore amounted to $400.

If you can see your way clear to reinstate these companies at the level of your past support, it will be indeed appreciated. Mr. Hines Baker, NAM Chairman of the Houston Development Area, was very pleased to learn that you are once more on the team.

I am sure you will agree that it is going to take team-work to do the job that confronts American industry during the trying times that face us.

Let me again thank you for your interest in this vital campaign for American industry.

Sincerely,

Edward Welsh

Edward T. Welsh

ETW:tw

P.S. Enclosed are two membership blanks for your convenience.

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cc Mr. Arthur Temple, Jr.

November 12, 1948

Mr. Carrol Allen
P.O.Box 1180
Lufkin, Texas

Dear Carrol:

I am enclosing check for $500.00 as my contribution to the St. Cyprian Parish House Building Fund, which I believe is in line with my previous commitment.

When we drove out of Lufkin yesterday, we went by the Church and saw the construction under way on the new Parish House. I congratulate you on getting this project started so soon after you began your solicitation for funds. Certainly, you are far ahead of us here at Texarkana. We have in hand $6,000 or $7,000 in the fund which I started last year and we have put on a campaign in recent weeks, the result of which I do not know. However, I have gotten pledges for possibly $3,000 to $3,500, and there are several others working. The actual start on our building, however, is not in the foreseeable future. Our plan is to build the first unit, which it is estimated will cost approximately $40,000. The whole thing will run in the neighborhood of$125,000, according to our architect's estimate.

We got home last night at about 6:30. It started to rain immediately after we arrived and has been raining off and on ever since. I hope the rain extends as far as Lufkin not only to put a stop to the woods' fires, which have been so prevalent in recent weeks, but also to put some water in the ponds so that we will have some duck shooting this fall.

I enjoyed ever so much my visit with you all in Lufkin. I enjoyed particularly, I think, the dinner we had out at Joe's Steak House because we had the entire family together for the first time in quite a while.

Sincerely,

AT:ld

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cc Mr. Arthur Temple, Jr.

November 12, 1948

Mr. Ben Anthony
Diboll, Texas

Dear Ben:

I have the guest list for my party at Boggy Slough, beginning with supper on Thursday, November 18th, and breaking up after lunch on Saturday, November 20th, just about complete. The only doubtful ones are Josh Morriss and his son, Josh, Jr., and Judge Dexter Bush. I should hear from Josh this afternoon and may be able to put a postscript on this letter indicating whether he and Josh, Jr. will be with us, but I am not goingto call Judge Bush because he is not particularly congenial, and I am quite sure that he would not be able to attend anyway because he usually has court during the latter part of November.

Those who have indicated that they will go are as follows: Dr. Roy Baskett, N. J. Kroencke, Robert Maxwell, G. T. Caven, G. R. Payne, Bruce Cullom, E. M. Mathis, Oliver Dreyer, J. A. Whyte, Dr. S. A. Collom, General R. L. Montague, S. W. Creekmore, Jack Tinnin, J. W. Dawson and Arthur Temple.

I believe this makes fifteen. If Josh and Josh, Jr. go, the number will be seventeen. I have also invited Gene Shotwell by letter today and have asked him to let Arthur, Jr. know whether or not he will be with us.

In addition to the above number there will probably be several out from Lufkin for some of the meals. I would be glad to have Eddie Farley, George Smith, Clyde Thompson, Jake Durham, Herb White and any others that may occur to you and Arthur from Diboll and also Martin Dies, J. J. Collins and any others whom you or Arthur would like to invite from Lufkin, but I think the party would be better and more congenial if not too many visitors come out. Oh yes, I have asked Carrol to be with us just as much of the time as possible. Of course, I would want you and Arthur to be with us as much as you can.

I am arranging to take down from here ten cases of canned Budwiser beer because a number of my crowd are very fastidiousand have indicated that they do not care for the brands which are obtainable down there. It will not be necessary,

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therefore, for you to make any arrangement for beer.

I certainly appreciate very much your making arrangements for my party. I hope that it will be as successful as parties which I have sponsored heretofore. All with whom I have talked are very enthusiastic about it.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. E. G. Prud'homme

November 12, 1948

Mr. Edward T. Welsh
N. A. M. Regional Office
312 Thomas Building
Dallas 1, Texas

Dear Mr. Welsh:

In accordance with my telephone conversation with you Wednesday morning and in response to your letter of November 10th, I am enclosing subscription blanks which I have filled out as President of Southern Pine Lumber Company and Temple Lumber Company, agreeing to contribute $200.00 for each annually.

Although I have shown the address of Southern Pine Lumber Company as Texarkana, Texas, I would like for our Diboll office to receive any publications or literature as well. Would it be possible for you to have N. A. M. put Southern Pine Lumber Company, Diboll, Texas, on their mailing list?

You may bill us for these subscriptions at any time.

Yours very truly,

This fellow called me several days ago from Houston, and although I had canceled our subscriptions, I thought that in view of the recent election and the need for telling the public of the side of business and defending the free enterprise system we would resume our memberships for Temple Lumber Company and Southern Pine Lumber Company. Incidentally, Mr. Welsh told me that Hines Baker of Humble is the regional chairman for N.A.M. and had pledged $10,000 per year for Humble to N.A.M. Of course, the $200.00 which I have subscribed for each Diboll and Pineland is nothing like as much as is expected from corporations of their size. A.T.

AT:ld

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cc Mr. Arthur Temple, Jr. ✓

November 12, 1948

Mr. Harry Siegel
Pinedell Manor Apartments (?)
Lufkin, Texas

Dear Harry:

I have just learned of your very thoughtful and generous gift of several bottles of old and rare Scotch whiskey and rum, which you turned over to Arthur, Jr. for me. I do appreciate ever so much your remembering me in this fashion.

It has been many a day since I have seen you in spite of the fact that I believe you are still living in Lufkin. I get down to Lufkin and Diboll occasionally, though I have not been staying very long recently because the older I get the less I am inclined to be away from home. I hope, however, that I may have the pleasure of seeing you some time soon.

Sincerely yours,

AT:ld

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November 12, 1948

Mr. Gene Shotwell
C/o Lufkin Telephone Company
Lufkin, Texas

Dear Gene:

I am having a party made up principally of Texarkana friends at Boggy Slough, beginning with supper on Thursday, November 18th, and ending after lunch on Saturday, November 20th. The crowd will be pretty much the same as I have entertained at Boggy Slough in the past, and, consequently, you are acquainted with most of them.

I would be very happy to have you join our party. I hope that you will be with us for supper on Thursday evening and for just as much longer as you care to stay. If you can be with us, don't bother to write to me, just let Arthur, Jr. know.

Sincerely yours,

Arthur, Jr., if Gene can't be with us, or whether he is or not, I wish that you would take charge of assigning men who want to hunt to deer stands. Maybe Carrol is familiar enough with the territory and would be willing to assist. A.T.

AT:ld

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CC Mr. Arthur Temple, Jr.

Texarkana, Arkansas

November 15, 1948

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I have no objection to liquidating the feed mill at Arkadelphia if a sale or a good prospect of a sale does not develop by November 15th. However, I would not be too quick to come to this decision if you have not heard from the people of Arkadelphia and think that there is some possibility of their forming a company there or finding someone to take over the plant.

I am not one to hang on indefinitely to a bad proposition. My father, I think, had this tendency and, as a result, I saw him lose many thousands of dollars in Riverside Farm and Temple Cotton Oil Company. He simply would not admit defeat. On the other hand, I feel that we have done everything we can hope to do to put the feed mill on a profitable basis, everything without going into the feed mill business in a big way, and certainly I would not be disposed to try anything of this sort.

It is perfectly all right with me, therefore, to close the plant down and liquidate the assets whenever you feel that you have exhausted all possibilities of making it a success.

Yours truly,

AT:ld

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CC Mr. H. W. Walker

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

November 16, 1948

Mr. John E. Hintz
C/o Oil Field Lumber Company
Mexia, Texas

Dear John:

I was surprised to learn from Harry Walker recently that nothing had been done toward renovating the yard at Mexia, and I presume the same is true of Odessa. I thought that you were going to take advantage of these good times and the good weather which prevailed during the summer months to modernize the yards at Mexia and Odessa to make them more attractive to the trade and more commodious to the management and personnel at the yards.

While it may not be such a good time to make improvements at this time of year, I do commend such a program to your consideration. There has been quite a movement in recent years to transform the old style lumber yards into modern and attractive building material stores where merchandise can be displayed to advantage and to attract customers. Then, too, I think that you and others who devote their time to Oil Field Lumber Company's affairs are entitled to pleasant surroundings where you can work more efficiently.

The next time you are in Houston I wish that you would get Styles to take you out to the new Temple Lumber Company yard on Kirby Drive. The yard will not be completed until possibly the middle of December; that is, they will not move in until about then, but if you are in Houston any time between now and then you can get a very good idea of what the completed yard will be. It is going to be something quite outstanding. It is all under cover, and the lumber will be handled mechanically by lift trucks; in fact, it has been designed for the most economical operation. The general offices of Temple Lumber Company will be moved from the Polk Avenue yard to the new yard.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

November 16, 1948

C. W. Rice, Editor-Publisher
The Negro Labor News
419½ Milam Street
Houston, Texas

Dear Rice:

I have received your letter of November 13th together with copy of your letter of the same date to my son at Diboll and an editorial from your paper on the recent national election.

I am sure that my son is very desirous of continuing the very satisfactory relationship which has existed at our Diboll plant, and I know that he will give careful and serious consideration to supporting your work among our colored people. Certainly, I feel that we are most fortunate in the class of colored people we have at both Diboll and Pineland. We are trying to show them the consideration to which we feel they are entitled, and I hope they will never be misled by false prophets.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. D. C. Kenley

November 17, 1948

Mr. A. P. King, Jr.
C/o King and Heyne
Bankers Mortgage Building
Houston 2, Texas

Dear Mr. King:

I have received your letter of November 12th outlining in general terms the agreement for us to lease to Mr. H. R. Cullen our presently unleased acreage, that of Southern Pine Lumber Company and Temple Lumber Company, with us to retain a 1/8 overriding interest and 1/4 of the acreage, for which Mr. Cullen is to have an option to buy at a price to be mutually agreed upon or, in case of failure to agree upon a price, at a price to be appraised by three disinterested parties.

While your letter does outline in general terms the agreement, there will be certain details to work out. For instance, we would want, and should have I assume, some guarantee or assurance from Mr. Cullen that he will develop the acreage in an aggressive and thorough manner. Another thing, which is not of any great importance perhaps, is the amount of acreage. You refer to it in your letter as 260,000 acres, but my impression is that it is more nearly 250,000 acres. However, it is understood that we are to include in the lease all of our present unleased acreage belonging to our two companies.

After you have gotten through with yourdeer hunting I presume that it would be in order for us to have another meeting to work out some of the details. I shall be glad to meet you in Lufkin at any time that suits your convenience. I do think, however, at any meeting for such a purpose you should be clothed with full authority to act to eliminate the necessity of going back to Mr. Cullen or his representatives for confirmation, and for that reason it might be better for us to meet in Houston. From my standpoint Diboll would be preferable.

I have written Mr. Kenley at Diboll to be on the lookout for Mr. Henry and to cooperate with him fully in the getting of descriptions of the acreage and so forth.

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I am very happy that we have been able to agree in principle on a lease to be given Mr. Cullen. I have the utmost confidence in him, and although I am not acquainted with him, know his reputation and hold him in very high regard. I am sure that we are going to work together harmoniously and to our mutual advantage, and I look forward to a very pleasant relationship and wish to assure him, through you, of our complete and hearty cooperation. It has been a pleasure to negotiate and work out this deal with you, too.

Sincerely yours,

A. D.

X. all except 1/4 interest of Carmac

AT:ld

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CC Mr. R. E. Minton
Mr. Arthur Temple, Jr.

November 17, 1948

Mr. D. C. Kenley
Diboll, Texas

Dear Dave:

I received yesterday a letter from Mr. A. P. King, Jr. of the firm of King and Heyne, Houston, outlining generally the agreement which we reached with him for a lease of our presently unleased acreage to Mr. H. R. Cullen of Houston. I note that a copy of this letter was mailed to Arthur, Jr. and also to Mr. Minton, as I requested Mr. King to do. I wish that you would please go over this letter, either Arthur's copy or Mr. Minton's, consider it carefully and let me know if you have any suggestions with respect to it. I believe it is generally in accordance with the understanding we reached with Mr. King in our recent meeting at Diboll, although the term of the lease was not covered, I believe, and you will note that he has indicated a five year term, which I suppose is all right but we might ask that some provision be made for releasing any acreage not desired to be retained for further development after geophysical and/or other tests are made.

Of course, one of the things we will have to work out will be some definite obligation on the part of Mr. Cullen to develop the acreage under lease in an aggressive and thorough manner. I don't know just how that should be donebut I hope to get some advice on this from my friend, Mr. Wadley, who is an experienced and eminently successful oil man here at Texarkana, and in the meantime you might be giving some thought to such a provision.

Mr. Henry will no doubt report to you in due time. It will undoubtedly be quite a job getting up the descriptions of all of the acreage to be included in the lease, and I presume that Mr. Minton will be available for such legal assistance as may be required in this connection.

After Mr. King gets through with his deer hunting I presume we will have to have another get together at Diboll to thrash out further details. It may be necessary for us to go down to Houston to confer directly with Mr. Cullen or his representatives.

I am very happy about the deal we have agreed upon with Mr. Cullen. Mr. Wadley told me he thought it was a splendid deal from our standpoint, and it is considerably better than he suggested that we compromise on if Mr. Cullen was unwilling to give us a 1/8 override and let us retain 1/4 of the acreage.

Yours very truly,

AT:ld

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From the desk of
ARTHUR TEMPLE

Pessimistic

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ARTHUR TEMPLE, JR.
DIBOLL, TEXAS

AMERICA HAS TURNED THE CORNER

An Editorial by C. C. Crow

Again it has been proved that in politics you cannot beat Santa Claus.

The farmers of America were in former years stabilizers when the floating element in the thickly populated industrial and business areas was lured off balance by political schemers. But when the New Deal says to the farmer, "Go ahead and raise potatoes in greater volume than a maximum consumption can absorb and we will tax the other fellow so as to pay you $2.50 per bushel and then destroy the potatoes or sell them to your neighbor for 30¢ per bushel to feed to stock on which we have also guaranteed him a price", it is a certainty as to how the farmer is going to vote. When this political bait is put out on practically everything the farmers produce, it is easy to understand how dependence upon the sound voting judgment of the rural areas becomes poor judgment.

A campaign carried on by appealing to prejudices instead of intelligence has brought the desired results.

We now face the appalling prospect of an extremely radical-controlled Congress headed by a gangster-schooled President. At the end of another four years we will have advanced so far into the paternalism of a socialistic state that there will be no turning back to sanity.

It is good to find one's self moving into the evening of life with the knowledge that the inevitable disintegration and collapse of the type of government given us by our forefathers, the type of government that made us the greatest in the world, will not have to be witnessed. Future generations and the young men and women now coming into maturity will awaken some sad day to find that their cherished liberty no longer exists and that the process of federal spending beyond the ability of the people to pay, all for the specific purpose of perpetuating political control, has resulted in bankruptcy and ruination for the individual as well as the nation.

The forces that seek the destruction of the America we have loved will never again be dislodged.

America has turned the corner.

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CC Mr. D. C. Kenley
Mr. Arthur Temple, Jr.

November 22, 1948

Mr. Robert L. Henry
1818 Portsmouth
Houston 6, Texas

Dear Mr. Henry:

I have received your letter of November 20th with proposed lease from Temple Lumber Company to various individuals and trustees.

I doubt if it would be worthwhile for you to make the trip to Texarkana to go over this lease with me. I think that it is quite sufficient for you to go over it with Arthur, Jr., Dave Kenley and Mr. Minton in Lufkin, as you proposed to do today. After all of the details are worked out I will have an opportunity to go over the final draft and I will no doubt have an opportunity to discuss the provisions with Dave Kenley, Arthur, Jr. and Mr. Minton. The point I want to make is that there is no need to discuss this thing with our people in Angelina County and at about the same time with me; rather will it be better to work everything out down there and then they can take up with me any matters they wish to, and when we get all of the details worked out and we are ready to go, we can then close the thing up.

I have written a letter to Dave Kenley calling attention to one or two things in the proposed lease drawn by Mr. Smith of the firm of Vinson and Elkins which did not impress me as being just right: one is under Section 3 (B) where the production under the meaning given to the word in the lease of gas seems to prolong the lease indefinitely even though gas may not be actually produced or used; another is the option given to the lessee to purchase the acreage retained by the lessor for a period of ten years. My thought was that the option could be exercised or not when we wanted to sell; in other words, that we were simply giving Mr. Cullen the refusal of a lease on the retained acreage.

Another thing which I suppose you may contemplate covering by a separate agreement is the obligation of the lessee to prosecute geophysical and/or other exploratory work in an aggressive and thorough manner. There is no such obligation that I can see in the lease drawn up by Mr. Smith, and it goes without saying that we do not propose to give anyone a five year free ride on our lands.

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It has been suggested to me by a friend who is an eminent success as an independent operator that we might require the drilling of a minimum of five wildcat wells per year as a guarantee of performance on the part of the lessee. Whether it is that or something else we do want some such assurance because development of our acreage is the principal consideration for the lease, and I think we would have to have that if we want to sell the 1/8 overriding interest.

Yours very truly,

AT:ld

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cc Mr. R. E. Minton
Mr. Arthur Temple, Jr.

November 22, 1948

Mr. D. C. Kenley
Diboll, Texas

Dear Dave:

I received this morning a letter from Mr. Robert L. Henry of Houston with a proposed lease drawn by Mr. Frank Smith of the firm of Vinson and Elkins of Houston. Mr. Henry stated in his letter that he had requested you to arrange a meeting with Arthur, Jr. and Mr. Minton and yourself in Mr. Minton's office this morning to go over this lease, and I presume that such a meeting has been held since you indicated in your letter of Saturday that it would be.

I have gone over the proposed lease very carefully, and there are one or two things which do not seem right to me. One is under Section 11 it would appear that the lessee has an option for a period of ten years from the date of the lease to purchase the acreage which we would retain and exclude from the lease. If the lessee did not choose to exercise the option within that period of time, then we would not be free to sell it elsewhere. When we talked about giving Mr. Cullen an option to buy a lease on the 1/4 of the acreage retained, my thought was that he could either buy it or reject it when we wanted to sell it. Don't you think the option should be so written?

Under Section 3B provision is made for indefinite extension of the lease if gas is being produced, but under the meaning of the word produced, as set out in the lease, it may not be actually produced or used but stored in the ground. This provision for extension may be in the regular form 88 lease, but it doesn't seem like a reasonable provision to me.

Of course, this lease does not place any obligation whatsoever upon the lessee. It may be Mr. Henry's intention, as well as that of Mr. King and/or Mr. Cullen, to draw up a separate contract setting out the lessee's obligations to us. In this connection I am enclosing a copy of a letter which I have received from my friend, Mr. J. K. Wadley, who, as I have told you, is a very successful independent oil operator. You will note that Mr. Wadley has suggested that we might require the drilling of so many wildcat wells each year. Maybe that would be the best way to accomplish our purpose. Certainly we do not want and never have intended to give Mr. Cullen or whoever our lessee might be under our agreement with him a free ride on our acreage for five years or any period of time.

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We will certainly have to stipulate that geophysical and/or other exploratory work be carried out in an aggressive and thorough manner, and the only evidence of this might be the actual drilling of wildcat wells.

I presume that all of the details of the proposed lease and any side agreement with Mr. Cullen or his assignee can be worked out between Mr. Henry on the one hand, since he appears to be the one who has been so designated to represent the Cullen interest, and you, Arthur and Mr. Minton on the other. However, I am available for conference at any time that I may be needed. I don't think that there is any point in Mr. Henry's coming to Texarkana to go over the lease with me. I think it is quite sufficient for him to go over it with you all down there. I would, however, like to see the final lease and the final draft of any side agreement there may be before they are finally executed, and of course I will have to see any such instruments because I will be required to sign them.

I suppose the proposed lease which Mr. Henry has submitted to me made out in the name of Temple Lumber Company is a sample and one that would apply only to the Temple Lumber Company lands, that a similar lease would be drawn up for the lands of Southern Pine Lumber Company. You will, of course, call his attention to the fact that the legal domicile of Temple Lumber Company is not Houston but Pineland.

Yours truly,

AT:ld

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C
O
P
Y

November 18, 1948

Mr. Arthur Temple
Texarkana, Arkansas

Dear Arthur:

I have yours of November 17th enclosing copy of letter from King and Heyne pertaining to the lease on your company lands to Mr. Cullen.

I think that you are definitely correct in your wanting some definite assurance or guaranty that the lands will be thoroughly explored geophysically, and then follow with drilling, otherwise, you are granting to Mr. Cullen a fiveyear option on your lands without any valid consideration therefor, and he would simply have a ride on your lands as you say for a five year period without any agreed substantial consideration for same.

The usual custom in deals of this kind is that they pay from 50¢ to $1.00 per acre for a six months to twelve months geophysical option, with the right of selection of blocks of acreage at a stipulated price per acre, then a requirement for drilling within an agreed period of time; any lands not selected by them after the geophysical work is completed to be released to you. This type of deal is altogether different, and I would require that after a twelve months period so many wildcat wells be drilled each year or the property released back to you.

It would be difficult for you to specify how much geophysical work he should do, and to actually know whether he did this amount of geophysical work on your property, and even if he should send you a statement of the work done you could not definitely establish that this work was done on your property.

I think in any event I would require one or more wells started within a twelve month period, with a minimum of five wildcat wells per year on the block of acreage of this size.

These are merely general statements and are not specific, but will give you some kind of an idea on which to base your demands.

I definitely do not feel that you would be warranted in tying up the lands for five years without substantial requirements along these lines. Otherwise, as above stated, he would merely have an option without any agreed substantial consideration. Furthermore, without some such stipulations in the contract you would have little chance I think of interesting anyone in the sale of the overriding royalty, as they would be more or less in the same situation as you were in — they would be buying royalty under these lands without any assured development.

If I can be of any further help in the matter, please call on me.

With best wishes, I am

Yours sincerely,

J. K. WADLEY

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CC Mr. Arthur Temple, Jr.
Mr. E. G. Prud'homme

November 29, 1948

Byrne Industrial Services
35 East Wacker Drive
Chicago 1, Illinois

Gentlemen:

I have your letter of November 23rd acknowledging our order for 2,100 copies of your Merry Christmas folders.

I note that you expect to make shipment of these on or before December 10th. We would appreciate it very much if you would make shipment not later than December 10th, preferably before that date, in order that they may be included in the employees' pay envelopes on December 15th.

Yours very truly,

AT:ld

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Mr. G. S. Smith Arthur Temple November 30, 1948

If you can give me an estimate of Southern Pine Lumber Company's net profit for the current year before and after taxes and, after conferring with Arthur, Jr., an estimate of any extraordinary expenditures which may be anticipated, not only before the end of the current year but projected into the future, I wish that you would please do so.

I realize that I am perhaps a little late in asking for any such information since we will have our annual meeting on December 8th, only a week from Wednesday. However, if you can give me such rough estimates, I will appreciate your doing so because I would like to be doing some figuring and try to arrive at a dividend to recommend to our Board of Directors.

As you know, I am always in favor of a conservative dividend policy. However, because of the large surplus we have in cash and the equivalent, Government bonds, I have felt that we have been particularly vulnerable under Section 102 of the Internal Revenue Code the last few years. I still think we would be treading on dangerous ground not to pay out practically all of our current earnings except what we might hold back for plant improvement, land and/or timber purchases and similar expenditures. Certainly, I do not want to be the cause of our incurring any penalty under Section 102 and will be glad to have any advice or suggestions you may make along this line.

AT:ld

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Mr. D. C. Kenley Arthur Temple December 1, 1948

With reference to your letter of November 30th in regard to the proposed lease:

It seems to me that the objection raised in your letter is taken care of by section 11 on page 7, where it reads "It is expressly agreed by lessor and lessee that while this lease is in force lessor may from time to time by written notice to lessee require lessee to exercise the option given below upon any defined area or release said area from the terms of said option." I cannot interpret this as anything but a requirement that the lessee exercise hisoption with respect to any of the lands reserved by the lessor when the lessor desires that such lands be included in the lease at a price to be agreed upon or that such lands be released by the lessee. Am I wrong in my interpretation?

AT:ld

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CC Mr. Arthur Temple, Jr. ✓
Mr. H. C. White

SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

December 3, 1948

Mr. H. B. White
C/o White Wood Products Co., Inc.
Bogalusa, Louisiana

Dear Harlan:

I have your letter of December 1st advising that you will be in Diboll next Wednesday for the annual meeting of Temple-White. I shall look forward to seeing you there.

We have set our regular annual Southern Pine Lumber Company stockholders' meeting for 1:30 P.M. Wednesday, December 8th. I don't know just how much time will be required for that and the directors' meeting which will follow, but I presume we will be through with those meetings by 4:30 anyway, and I suggest that we plan on having the Temple-White meeting at about that time, or,in any event, immediately following the Southern Pine directors' meeting.

I am mailing a copy of this letter to Herb and also one to Arthur, Jr.

Sincerely,

AT:ld

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CC Mr. Arthur Temple, Jr.

December 3, 1948

Mr. Calvin Lawrence
C/o Southern Pine Lumber Company
Diboll, Texas

Dear Calvin:

I am returning the application of Hardy Williams to be put on the Temple Foundation.

In view of the fact that there appears to be little possibility of getting an allotment from Hardy Williams' son, who may or may not be in one of the armed services, I suggest that we put him on the Foundation until an allotment from the son is forthcoming, when he can be removed from the Foundation rolls or his allowance from the Foundation adjusted, as may be warranted by the circumstances.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple December 6, 1948

As you may know, we are having the annual meeting of Southern Pine Lumber Company, followed by a Directors' meeting in Diboll, beginning at 1:30 P.M. Wednesday, December 8th. We will be glad for you to join us and sit in at the stockholders' meeting and also the Directors' meeting if you would be interested in doing so.

Arthur, Jr. is going to arrange for lunch for all who will be expected to attend the meetings, and if you expect to be with us, you might call him on the telephone and have him put your name in the pot.

AT:ld

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CC Mr. H. B. White
Mr. Arthur Temple, Jr.

December 10, 1948

Mr. H. C. White, Secretary-Treasurer
Temple-White Company, Inc.
Diboll, Texas

Dear Herb:

I have received your several letters of December 9th in regard to action taken at the meeting of stockholders and the meeting of Directors of Temple-White, Inc. held in Diboll on Wednesday afternoon, December 8th.

It is agreeable to Southern Pine Lumber Company to renew the lease rental contract with Temple-White Company, Inc. and also the contract or contracts covering charges for electric power and steam as they now read but for a period of one year or until December 28, 1949.

Yours very truly,

President

AT:ld

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cc: Mr. Latane Temple
Mr. Arthur Temple, Jr.

Mr. S. F. Styles | Arthur Temple | December 10, 1948

I wish you would please let me know when you plan to have the opening of the new yard on Kirby Drive, and if you don't know now just when the date will be, make a note to let me know as soon as a definite date is set.

Not only would I like to attend the formal opening, as discussed with you on the telephone last Sunday morning, but I think that it would be a nice thing if we would have a meeting of the Directors of Temple Lumber Company in Houston at that time. I am sure that the new yard will be of considerable interest to all of the Directors, and you will no doubt recall that at the last meeting in Pineland in October it was suggested that we have more frequent meetings of the Board, and I believe that the general consensus was that it would be a good idea to have the next meeting in Houston.

If you think it would be better to have the Directors down to Houston after the formal opening of the new yard when you will not be so busy, we can call the meeting for a later date. I would want the time to be entirely convenient to you.

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. G. S. Smith Arthur Temple December 14, 1948

I wonder if you took advantage of the opportunity to discuss with Frank Taylor when he was in Diboll recently our position with respect to Section 102 as a result of our paying only approximately 40% of our earnings after taxes in dividends. I am still a little uneasy about our liability under Section 102 because of our heavy surplus of cash and Government bonds and in spite of the fact that we contemplate a heavy expenditure for plant improvement and when we have, as a matter of fact, during the current year reduced the aggregate amount of cash and bonds which we had on hand on December 31, 1947. The thing that makes me uncertain about our position is that there are no set rules to govern our action.

I have had copied from the Prentice-Hall publication titled "What's Happening in Taxation and Government Regulation" for December 6th an article on Section 102 and am enclosing a copy of this for you and am also sending one to Arthur, Jr. with a copy of this letter. From this you will see that we are vulnerable on all four points brought out, but we may be able to justify our action on the ground that we think it is good business to set up a reserve to take care of a future depression, to finance a modernization program and to replace equipment and to provide against depreciation of our current inventory. The only question is will we be able to justify our action to the satisfaction of the Internal Revenue Department. Goodness knows, I hope that we will.

If you did discuss our position with respect to Section 102 with Frank Taylor, I would certainly like to know what he had to say about it, if anything.

AT:ld

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ARTHUR TEMPLE, JR.
DIBOLL, TEXAS

Section 102 - Year-End Dividend Policy

Now is the time of year corporate directors consider whether their company is vulnerable to the Section 102 tax.

BACKGROUND: The Code taxes an individual's ordinary income at steepening rates that go up to about 82% - but it places a maximum tax of 25% on capital gains. Money paid out as dividends is taxed at the ordinary income rates, but stockholders in the higher income brackets may benefit if this money is left in the company: Normally, the stock would appreciate in value; when the shares are sold or the corporation is liquidated, the shareholders pay tax on the same money at the lower capital gain rates. Further, if the stockholder holds the stock until he dies, income tax is never paid on t he appreciation.

That's where Section 102 comes in: it levies a penalty surtax on corporations that keep more earnings than are reasonably needed in the business to enable their stockholders to escape surtaxes on dividends.

Whether a particular corporation is in the danger zone depends on the facts. Generally, these corporations should take heed:

1. Those that have not distributed 70% of their earnings. This fact will be apparent on the return.
2. Closely held corporations and holding and investment companies.
3. Those that have made loans to stockholders, directors, or officers, or that have investments unrelated to their normal business; and
4. Those that have accumulated earnings beyond their needs in past years.

The fact that a corporation accumulates earnings does not necessarily mean that Section 102 tax will be incurred. But, if the Commissioner charges that the purpose to avoid tax was present and that the accumulation was not reasonable, it's upto the corporation to prove him wrong. The following purposes (and others) may justify accumulations: to provide against contingencies or the hazards of the business, to set up necessary reserves, to finance an expansion program, to modernize orreplace equipment, to increase inventory, and probably to provide against depreciation of current inventory.

TAX COMPUTATION AND RATES: Section 102 tax is <u>not</u> imposed on only the unreasonable part of the accumulation. Rather, it is imposed on the whole "undistributed Section 102 net income." In most cases, that figure will be the net income for the year minus the sum of (a) Federal income taxes, (b) disallowed capital losses and charitable contributions, and (c) dividends paid. The rates are: 27.5% of the first $100,000; 38.5% of the balance.

In figuring its "undistributed Section 102 net income", the corporation should remember these rules (IRC, 27):

1. Only dividends <u>received</u> by the stockholders during the corporation's taxable year are counted. (If the corporation can show it mailed the checks so they would normally be received in that time, it is probably safe in counting them).
   (In one case where the corporation was on a fiscal year basis and its stockholders on a calendar year basis, the Tax Court in determining whether the corporations was used to avoid surtaxes took into account dividends paid shortly after the close of the fiscal year. The court gave several reasons for this, among them: (a) the corporation could not conveniently have paid dividends earlier because it did not have its auditors' report showing how much was available for dividends, (b) the dividend was taxed to the stockholders in the same year it would have been taxed to them had the corporation paid it out during the last month of its fiscal year)Gus Blass Co., 9 TC 15).

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2. Nontaxable stock dividends (e.g., a dividend of common on common) don't count.
3. A dividend that prefers one stockholders over another of the same class doesn't count.
4. Dividends paid in notes or other obligations ofthe corporation can't be counted at more than the value of the obligations.
5. Dividends paid in other property are counted only to the extent of the lower of (a) the value of the property when distributed, or (b) its tax basis to the corporation.

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CC Mr. Arthur Temple, Jr.

December 14, 1948

Mr. Jack Tinmin
C/o The Home Insurance Company of N.Y.
411 Great National Life Building
Dallas 1, Texas

Dear Jack:

The gloves which were sent to you from this office recently were simply forwarded to me from Diboll by Arthur, Jr. with the request that I send them on to you since he did not know your address. As a matter of fact, I thought they were gloves which you had left out at Boggy Slough, but from your letter of December 13th I understand that they are new gloves made from the hide of a deer. Consequently, I am sending your letter on down to Arthur, Jr. at Diboll.

I was in Diboll last Wednesday for our annual meeting, saw a pair of gloves which Arthur had just had made, and since they were a perfect fit for me, I persuaded him to let me have them. They are about the nicest, softest gloves I have ever seen, far better than anything I have seen on the market.

With kindest regards and all good wishes for the holiday season,

Sincerely,

AT:ld

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The Home Insurance Company

NEW YORK

HAROLD V. SMITH, PRESIDENT

THE HALLMARK OF INSURANCE

ORGANIZED 1853

TEXAS STATE AGENCY

CLARENCE H. KELLEY, RESIDENT SECRETARY

EARL M. HOLT, MANAGER

411 GREAT NATIONAL LIFE BUILDING

TELEPHONE: RIVERSIDE 4246

DALLAS 1, TEXAS

H. V. CHRISTIANI
MGR. LOSS DEPT.
RHEA T. O'CONNOR
STAFF ADJUSTER
JACK TINNIN
MARINE SPECIAL AGENT
W. E. TESCH
MARINE MANAGER
HOUSTON, TEXAS

C. O. STEWART
SUPERVISOR
OTIS PERCIFIELD
STATE AGENT, FARM DEPT.
W. E. GRUNDY
SUPERVISOR HAIL DEPT.
MYRICK BUILDING
LUBBOCK, TEXAS

12/13/48

Dear Mr. Temple,

The fine pair of gloves you sent me were very much appreciated - I didn't know that a deer hide could make such a nice glove.

Would like to send you a check to cover, so please let me know the amount.

My very best wishes to you for a Merry Christmas.

Sincerely

Jack.

For Safety
Specify Stock Company
Fire Insurance

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Texarkana, Arkansas

December 16, 1948

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I have received a letter from Styles stating that he would like to have the Temple Lumber Company Directors meet in Houston when the new yard on Kirby Drive is formally opened for the reason that he would like for the Directors to have the opportunity to meet most of the employees at the three Houston yards and their families and also a lot of friends of the Company who will attend the opening. Styles expects to have the opening not later than the middle of January and is to let me know definitely just as soon as a date is set.

Accordingly, just as soon as I know definitely when the new yard will be formally opened, I will call a meeting of Directors of Temple Lumber Company to meet in Houston at that time. I am sure that a meeting in Houston will be of considerable interest to men on our Board and I, personally, am anticipating such a meeting with much pleasure.

Yours truly,

AT:ld

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cc: Mr. Arthur Temple, Jr.
Mr. G. S. Smith

Mr. E. G. Prud'homme | Arthur Temple | December 16, 1948

I am enclosing a paragraph taken from a letter written to me by Frank C. Taylor of Peat, Marwick, Mitchell and Company, Dallas. This paragraph outlines the method of pricing the work which Peat, Marwick, Mitchell and Company is doing for us, and the three companies are, of course, Southern Pine Lumber Company, Temple Lumber Company and Temple Manufacturing Company. Styles had previously made an arrangement for the auditing of the retail division with the Houston branch of Peat, Marwick, Mitchell and Company.

From the enclosed you will observe that we are protected by a guaranteed maximum overall cost. Under the circumstances I don't suppose we have much, if any, cause to complain if the men on the job are taking more time than we think they should. As for work which we do not think is necessary, I have had this up with Mr. Taylor in the past and he has argued that they have a good reason for everything they do, a reason which may not be apparent to the average layman. Frankly, I am disposed to leave the scope of the work to be done and the details to his judgment.

I am going to talk with Mr. Taylor this morning about checking the timber account. I don't see any need for that because we know what we have done as a result of Reggie Goodrich's cruise and we certainly do not want our timber account to be increased any more than we have set it up. I will let you know what Frank Taylor has to say about that particular phase of the work.

AT:ld

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Paragraph taken from Mr. Frank C. Taylor's letter of July 7, 1948.

As discussed with you yesterday by telephone, our fee for the foregoing work will be based upon our standard per diem rates plus out of pocket expenses, or at the composite rate of $5.25 per hour plus out of pocket expenses, or $15,500.00 for the three companies inclusive of out of pocket expenses - whichever of the three computations is the lowest. Whereas we shall submit interim billings at the completion of each phase of the work, in no case (except in the event that irregularities are disclosed as hereinbefore mentioned), will the aggregate of these billings exceed $15,500.00 on an over-all basis. As mentioned to you, if the total fee, computed at standard rates plus out of pocket expenses, for the three companies should exceed $15,500.00, we are to prorate the maximum fee among the companies on the basis of actual hours required for each job.

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CC Mr. Arthur Temple, Jr.
Mr. D. C. Kenley

December 17, 1948

Mr. A. P. King, Jr.
C/o King and Heyne
Bankers Mortgage Building
Houston 2, Texas

Dear Mr. King:

I received yesterday a letter from Mr. Cullen in which he outlined what he proposed to do in connection with the lease on our companies' land.

I have not acknowledged this letter because I want to discuss it some with Arthur, Jr. and Dave Kenley at Diboll. It does seem to me, however, that Mr. Cullen does not state very definitely what he proposes to do; he does not bind himself to do more than to put one geophysical crew to work on our property and to drill any structures that might be found to have merit and continue the development of the property after finding oil in a manner that would meet with our wishes. It seems to me that we should have something more binding than this, that Mr. Cullen should assume more obligation as a consideration for the lease on our acreage. Just how to put this obligation in writing I don't know, but we want to figure on how to do it, and the thought has occurred to me that I might get some advice on this point from a very good friend of mine who is an independent oil operator. In the meantime, maybe you have some suggestions.

I wish that you would please tell Mr. Cullen that I have received his letter and explain to him the delay in my acknowledging it.

Sincerely yours,

AT:ld

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CC Mr. Arthur Temple, Jr.

December 20, 1948

Mr. E. C. Durham
RFD #2
Huntington, Texas

Dear E. C.:

Since we held our Directors' meeting in Diboll recently, I have been giving considerable thought and study to whether we paid enough of a dividend to avoid any penalty under Section 102 of the Internal Revenue Code, the section which provides a penalty for the accumulation of an unreasonable surplus. George Smith, Bob Waite and Aubrey Canon, all of whom give considerable attention to our Federal tax laws, are of the opinion that we are vulnerable under this section and are of the opinion that we would be in a much better position if we paid another 5%, making a total of 15% instead of 10% which was declared at the regular meeting.

I am inclined to go along with these men although I would much prefer a more conservative policy, one which would permit us to maintain something like the amount of cash and Government bonds which we now have.

I will appreciate it very much if you will let me know either directly or through Arthur, Jr. whether or not you would be agreeable to paying another dividend before December 31st to bring the total up to, say, 15%. I am, in the meantime, contacting other Directors to get their approval.

Sincerely,

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. D. C. Kenley

December 20, 1948

Mr. A. P. King, Jr.
C/o King and Heyne
Bankers Mortgage Building
Houston 2, Texas

Dear Mr. King:

Since writing you on December 17th I have given some further thought to Mr.Cullen's letter of December 15th in which he set out what he proposed to do as a consideration for a lease on the lands of our two companies, Southern Pine Lumber Company and Temple Lumber Company.

It occurs to me that three years would probably be ample for the primary term of a lease. It seems to me that that should be sufficient for the geophysical and possibly other exploration work on the acreage involved, and I should think that Mr. Cullen would not object to a stipulation that the lease should be surrendered if andwhen exploration should cease during that period. In suggesting these considerations it is, of course, with the thought that what we want is thorough and continual development of our lands, including actual drilling on any structures which may be found to have merit. We do not want our lands tied up for five years or even three years without any exploration or development being carried on. Inasmuch as the development of our lands is the only consideration being given by the lessee, it does not seem unreasonable that these stipulations should be included in a letter from Mr. Cullen.

As I wrote you on December 17th, the third paragraph of Mr. Cullen's letter is rather indefinite and, in my opinion, not at all binding; he simply says what he intends to do. While I realize that any deal such as we contemplate has to be based upon good faith and confidence, and that certainly is one of the considerations which has guided us in our negotiations with Mr. Cullen, we will be giving an iron-bound lease, just such a lease as we would give if we were receiving a substantial cash consideration, and we do feel that Mr. Cullen should be willing to bind himself just as effectively as to what he is to do.

I am planning to be in Houston somewhere around January 15th, possibly a little before that date, for the formal opening of a new yard of Temple Lumber Company on Kirby Drive and for a meeting of the Board of Directors of Temple Lumber Company. I wonder if we could not hold in abeyance a final discussion of such terms

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and conditions, the obligations of the lessee, until that time. In the meantime you might take up with Mr. Cullen the points which I have raised and let me know whether or not he is agreeable to them. Also, you might suggest anything else that you or he has in mind to meetour requirements.

With kindest regards and best wishes to you for a happy Yuletide,

Sincerely yours,

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. D. C. Kenley Arthur Temple December 21, 1948

I realize fully the possibility that we may not get any money out of oil or leasing our land for oil if we make the deal with Mr. Cullen as contemplated. The main consideration for the lease, however, will be the intensive exploration and development of our lands. As I see it, we are gambling a good deal on finding oil, but at the same time there is a possibility that we may be able to sell the 1/8 overriding royalty for a substantial amount of money, maybe as much as $750,000 on the basis of 250,000 acres, but, of course, we propose to hold back 1/4 of the acreage in our deal with Mr. Cullen.

AT:ld

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Mr. E. G. Prud'homme Arthur Temple December 27, 1948

cc Mr. Arthur Temple, Jr.

When I was in Dallas last Tuesday talking with Frank Taylor about Southern Pine Lumber Company's liability under Section 102 of the Internal Revenue Code, the section pertaining to the accumulation of an unreasonable surplus, he discussed with me several things that had come up in connection with the audit at Pineland: one was the situation at the drugstore which Mr. Alexander has discussed with you and related to that is the practice of allowing of a discount from full retail prices to store and office employees.

Because of the discount allowed some employees and because the cash register in the drugstore is not in working order, it has been impossible to find any convincing proof of knocking down in the drugstore, and Frank Taylor suggested that the best way to meet the problem is to dispense with the services of the drugstore manager at the first convenient opportunity. He said that you agreed that this would be the best course to follow. Certainly, if there is any suspicion that is well founded at all, I think that this should be done, and the sooner the better.

I think by all means that we ought to have the cash register put in order and supply it with tape to record sales. This, I think, should be move #1.

We also discussed at some length the desirability of eliminating all discrimination and charging the same prices to all employees or certainly eliminating the office employees from the favored list, limiting it, if at all, to store employees. Frank Taylor thought that it was a bad practice to allow a discount to anyone, and I agree with him. However, my investigation here some time ago when we had this subject under discussion disclosed that it was not uncommon for store employees to receive a discount. I would like to do away with ~~any~~ entirely, to treat all of our employees alike, and if a discount at the store has been considered a part of our employees' compensation either in the store or the office or both, I think it would be in order to make some adjustment in salaries.

I am sending a copy of this letter to Arthur, Jr. in order that he, too, may consider the elimination of a discount to employees. I wish that you and he would get together and try to decide whether or not we can do this, and if so, when the change should be put into effect.

AT:ld

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cc Mr. Arthur Temple, Jr. ✓

December 31, 1948

Mr. G. R. Payne
C/o W. S. Dickey Clay Manufacturing Co.
Texarkana, Texas

Dear G. R.:

I enjoyed so much copy of your communication to the Republican National Committee and with which I agree one hundred per cent. I have read a good many articles and quite a number of letters in the Wall Street Journal on what the Republican Party ought to do, after having failed in the recent election, and your suggestion is better than any I have seen.

Those who have counseled a more radical or liberal stand on the part of the Republican Party are, in my opinion, just as wrong as they can be. Rather should the Republicans take a strong stand on principles they know to be right whether they win or lose. I am convinced that their failure in the last election was due in large measure to an indifference on the part of a great many people who were unwilling to go to the trouble to vote because there was so little to choose between the two major parties.

I am glad to know that our National Committeeman from Texas, Colonel R. B. Creager, agrees with you and me. It will be interesting to see just what course the Republican Party does follow in the approaching session of the 81st Congress and in what comes out of the National Committee.

Sincerely,

AT:ld

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TO THE REPUBLICAN NATIONAL COMMITTEE

The Republican party is a pitiable spectacle. In the last election it showed itself to be a party not of Principle but of Expediency. It got just what it deserved. I am not sorry - and I have voted the Republican ticket for nearly 50 years.

If you think there are 5000 beans in the jar, record your guess at 5000 - not 2001 just because the preceding contestant guessed 2000. Stand up for your convictions - if you have any.

If the Taft-Hartley and Aiken acts were poor laws, the Republican Congress should not have passed them. If they were good laws, the Republican party should have defended them. One pre-convention candidate did so: the Taft-Hartley bill in a labor center and the Aiken bill in an agricultural center. He also said "smart" politics is not always good politics . Incorporate that idea into your thinking.

The majority of American voters are sound-thinking and patriotic. Reject that idea and you renounce all hope for the future. Does our party have a leader who can appeal to this sound-thinking and arouse this patriotism?

A fight for Principle, lost, may mean the ultimate salvation of our country and of our party. Expediency means the doom of both.

Lay hold of the philosophy of Solomon, Aesop and Benjamin Franklin. Try them on the people, and see if you do not strike a responsive chord.

The inclosed token contribution is all I am inclined to give until I can see more Principle and Patriotism in our party. I think I will be able to recognize it when I see it.

G. R. Payne

P. O. Box 58

Texarkana, Texas

In response to request for contribution - and counsel

Copy sent to R B Creager

GRP

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cc Mr. Arthur Temple, Jr.

Mr. G. S. Smith Arthur Temple December 31, 1948

I am in full accord with your suggestion that we contribute from the Temple Foundation one-half of the balances owed to the Company by Barney Goins and Earl Harvey, $794.02 and $1085.57 respectively. As a matter of fact, I would be willing to go beyond this and credit each with one-half of the total amount advanced during Barney Goins' absence on account of illness or $427.00 instead of $392.00 and one-half of the full amount advanced Earl Harvey for his wife's operation or $657.00 instead of $542.78. This, I think, would be consistent with what we have done in several instances at Pineland. However, 50% of what is now owed or 50% of the total advanced, whichever you and Arthur, Jr. think is better, will be all right with me.

AT:ld