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CC Mr. Arthur Temple, Jr.

Mr. G. S. Smith Arthur Temple February 3, 1949

My first reaction in reading your letter of February 2nd in regard to fair market value of timber cut at Diboll during the year 1948 was to suggest that we use the average paid in March, or March and April, but because of the large quantity purchased in March at a price of $15.41 per thousand feet, I realized immediately that the average of these two months would probably be less than the $18.09 which you have figured for the entire year.

Under the circumstances I do not see how we can suggest any higher figure than $18.09 per thousand feet, the average paid for all timber purchase d during the year 1948, and unless you can figure out some way to arrive at a higher price to use for fair market value, I suggest that you use this figure of $18.09.

While we would like to have a higher fair market value, $18.09 will help considerably under Section 117, and I suppose we should be thankful for being able to use that, assuming of course that that will be acceptable to the Department.

AT:ld

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

February 12, 1949

Mr. C. A. Jordan
Diboll, Texas

Dear Jordan:

I am glad to learn from your letter of February 10th that Pineland is still using Gulf oil. I knew that they did go to Gulf a number of years ago when we thought that it was to our interest to reciprocate for the nice business which Gulf was giving us, but I thought that there might have been some change in the intervening years without my knowing it.

I think we should use the business which we are giving Gulf at Pineland to maintain the nice tonnage which we are receiving on the TSE from Gulf Oil Corporation. I think that it would be well for Eck Prud'homme to mention this reciprocal business some time when the Gulf representative is at Pineland; in other words, in order not to let them forget that Temple Lumber Company and Southern Pine Lumber Company are closely affiliated, or, to put it another way, that Temple Lumber Company is interested in the TSE. Furthermore, if Gulf should ever eliminate routing by the TSE, it would be well to call their attention to the business which we are giving them at Pineland.

Yours truly,

AT:ld

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Mr. E. G. Prud'homme
Mr. Arthur Temple, Jr.
Mr. M. H. Tripp

Arthur Temple

February 14, 1949

I do not recall when our contract with John Curren expires but, anyway, I wonder if we ought not to counsel together to decide whether we will be justified in continuing to use his services for another year at the retainer we are now paying.

I realize that we have probably used John Curren since his contract was last renewed but only in a small way, and I daresay that his services have been quite costly for the benefit which we have derived, all in view of the fact, of course, that we have not had any strong agitation during the past year. If we could get John Curren when we might need him, if we could pay him for his services actually rendered, then I would be very much in favor of using him on that basis.

Of course, none of us knows just what activity we will face during the next year. We do know that labor is riding high, wide and handsome as a result of the election last November 2nd and the inclination of the administration in power is to pay its debt to the unions for the support they gave Mr. Truman and the Democratic Party. We know that the unions have announced that they will use renewed vigor in organizing the presently unorganized plants in the south, but, on the other hand, the C.I.O. has suffered such defeats in our area that they may be disposed to leave us alone for a while longer.

I wish Arthur and Eck would confer on this matter now when there is plenty of time in advance of the expiration date of our present contract. I would also like for Tripp to indicate whether he feels that Temple Manufacturing Company will be justified in continuing to pay the comparatively small amount which has been assessed against them for Curren's services. Let us decide before we get right up to the expiration date whether we want to renew John Curren's contract or not.

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. Clyde Thompson Arthur Temple February 15, 1949

I have had a a good deal of pressure put on me to switch our compensation insurance from Texas Employers' to Angelina Casualty and also by Josh Morriss and his associates to switch to some company which they represent, possibly to Texas Indemnity Company of Galveston, who would carry our compensation insurance at 10% of the gross premium and, as I understand it, protect us against any cost in excess of the regular premium, but with them we would do all of the work, settle our own claims and we would be paying them the 10% of the gross premium to carry our insurance largely in name only except for the protection against any loss in excess of the premium. I don't know that this is very clear but you may be familiar with the policy written by Texas Indemnity Company.

For my part, I have been pretty thoroughly sold on Texas Employers', possibly because I have been in contact with the officers and directors and, as a result, have a very high regard for them. I know, too, that their record over the years has been good and is now, as reflected by their reports, and while I don't know a great deal about compensation insurance, I have felt that we probably could not do better than to leave our compensation insurance with them. On the other hand, I don't want to be prejudiced in this matter, and if I could be convinced that it would be to our advantage to place our insurance with Angelina Casualty Company or some other carrier, I would not want my connection with Texas Employers' as a member of their board of directors to stand in the way. To that end I am giving serious consideration to asking that my name not be presented at the meeting of policyholders to be held in Dallas on March 3rd for re-election to the Board: that would leave us entirely free to act independently and as we might consider in our own best interest.

Because of your long experience in handling our compensation insurance I wish that you would please take the time to write me, and I would like to hear from you as soon as possible because if I am not going to stand for re-election to the Texas Employers' Board I would like to notify them in ample time to select a successor, just what you think about Texas Employers' and whether or not you feel that we should stay with them, go with Angelina Casualty Company or Texas Indemnity or with someone else. I would be inclined to follow your recommendation.

Just a word about Angelina Casualty Company - I have been somewhat reluctant to place our compensation insurance with them because they write so little of this type of insurance that it seems to me there would be a big chance of their savings or dividends to policyholders fluctuating widely. The thing that has appeared to me most about our contract with Texas Employers' has been that our savings have resulted largely, or I might say entirely, upon our own experience and irrespective of the experience of other policyholders. It may be that they are charging us too much for administration, but this would not appear to be so judging by the percentage of the premium allowed by the insurance commission at Austin for expense in the rate.

AT:ld

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CC Mr. Arthur Temple, Jr.

Sent to Lyndon Johnson & Wright Patman

February 17, 1949

Hon. Tom Connally
U. S. Senate Office Building
Washington, D. C.

Dear Senator Connally:

It is very gratifying to me to see so much opposition being manifested in the hearings of committees against the Administration bill which proposes to replace the Taft-Hartley Act. Having seen the beneficial results of the Taft-Hartley Act, the equalization of rights as between labor and management, the more harmonious conditions which have prevailed under this Act, I would like very much to see it continued in force without any change, certainly, without the radical changes which have been advocated by the Administration.

One feature of the proposed bill, which is very objectionable to me and which I believe is objectionable to most of the people of Texas, is the proposal to do away with the ban on the closed shop. It is indeed hard to think of anything more un-American than the closed shop, which requires a man who wants to work to pay tribute to some union. Texas has a so-called "right to work" law which forbids the discrimination against any individual because he does or does not belong to a union, and it would be very unfortunate, in my opinion, if Congress should pass any Federal law which would supersede and make ineffective this state law.

I hope sincerely that you will use your every effort to sustain at least the main features of the Taft-Hartley Act if not the Taft-Hartley Act as it now stands. As an employer, as the head of several companies employing an aggregate of approximately 2,000 persons, I honestly believe that it is a good law for the public, for the employers and for the rank and file of labor and, as a consequence, ought to be retained intact or certainly with no more than minor amendments.

With kindest regards,

Sincerely yours,

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. S. F. Styles Arthur Temple February 18, 1949

Upon receipt of the combined statement for the yards and Pineland I compared the yards' receivables and inventories as of January 31st with those of November 30th. I did not go back to October 31st because the combined statement on one sheet was not started, I believe, until November 30th and I would have had to take the year end combined statement and pick up receivables under several headings to arrive at the total on October 31st.

A comparison of these items for January 31, 1949 with November 30, 1948 shows a decrease in receivables of approximately $700,000 and an increase in inventories of approximately $300,000. Apparently your cash position should be $400,000 better at January 31st than at November 30th, considering receivables and inventories alone, but I realize, of course, that other items enter in; as for instance cash on hand and in the bank and money which was paid out on the new Kirby Drive yard.

I know that you are making a determined effort to reduce both inventories and receivables to improve your cash position, and it is as a consequence disappointing that you were required recently to borrow from South Texas National Bank $200,000. Nevertheless, it is gratifying that you have at least been able to make a substantial reduction in your receivables, where we are most vulnerable in case of a recession or depression. Of course, we are vulnerable, too, on our inventories if we have any drastic decline in prices, but in this connection I am not so much concerned about lumber as other items of merchandise because as far as stock produced at our own mills is concerned, and I suppose our inventories consist largely of what we have shipped from Diboll and Pineland, if we did not have the stock at the Temple Lumber Company yards, we would have it at the mills.

I think that we should continue an intensive campaign to reduce our inventories to the lowest practicable level because, if I am not mistaken, we are going to see lower prices not only on lumber but on all items; that we should also press collections to the utmost to guard as much as possible against such a debacle as we experienced back in 1920 when a depression hit almost overnight and lumber dropped, as I recall, from a $60.00 mill average to about $14.00, and I suppose other items in proportion. At the same time I do not look for any drastic drop in prices such as we had back in 1920 because costs are so much higher now than they were then, spendable income is the highest it has been in many years, if not in history, and the economy of this country is bolstered and will continue to be bolstered by the armament program and aid to Europe. However, I do think that it behooves us to get our house in order by reducing our receivables just as much as we can. I know that you will continue to work to this end.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. S. F. Styles Arthur Temple February 19, 1949

Your statement received this morning showing two months sales and accounts receivables and amounts past due at each of the Temple Lumber Company yards is very interesting. This statement, I should think, would be very valuable to you showing as it does the yards where the receivables are what might be considered excessive and giving you the opportunity to get in behind the managers of those yards and urge them to press collection more vigorously.

The past due items look pretty large at some of the yards, and the overall amount, $140,583.14, does not look very good to me. I must confess that I do not know what is what might be called normal for the volume of business our yards have been and are doing. It strikes me, however, that this is where we might get caught in the event of a general decline in business, and I think it would be in order for you to insist upon all past due receivables being attacked in a very vigorous manner.

AT:ld

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CC Mr. Arthur Temple, Jr. ✓

Maybe Ed should be interested if you are not.

February 21, 1949

Mr. O. C. Stockemer
Route 6, Box 876
Texarkana, Texas

Dear Mr. Stockemer:

I am referring your letter to Mr. Arthur Temple, Jr., Manager of our Diboll, Texas mill. In the event he has anything to offer you, he will communicate with you promptly.

Yours very truly,

SOUTHERN PINE LUMBER COMPANY

BY: A T

AT:ld

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CC Mr. Arthur Temple, Jr. ✓

Mr. E. G. Prud'homme Arthur Temple February 23, 1949

Referring to your letter of February 21st and particularly to that part having to do with what we pay Collins and Dies:

I felt when we made our deal with Collins and Dies some years ago that we were called upon to pay a rather high amount, more perhaps than their services justified and especially in view of the fact that we had to continue to retain Judge Minton for our land title work. As I recall our conversation with J. J. Collins, who made the deal for his firm, they required a certain overall amount to justify their passing up the handling of cases against us and other leading industries in Angelina County. That amount was fixed, as I recall, at $20,000 and our fair share of that overall cost was estimated to be $11,000. I may have my figures wrong but I am sure that I am correct in the general principle as to how our cost of the services of Collins and Dies was arrived at.

For a number of years I was, I suppose, the cause of our staying with Judge Minton when a number of our people advocated our going with Collins and Dies, particularly for cases involved in compensation insurance and, for that matter, everything that involved court trials before juries. I finally yielded, however, and agreed to go along with the opinion of others in our organization, and I suppose our action has been justified. It is, however, as you stated in your letter, a rather costly arrangement, and whether we are getting value received I don't know. That is something that you, Arthur and others at the mills are in a better position to judge than I am.

If I am correct in saying that our part was estimated to be a certain percentage of the total cost for services to the several industries, the paper mill, Angelina County Lumber Company and, perhaps, Lufkin Foundry and Machine Company, maybe one or two others, and I am quite sure that I am correct in this, I think that it might be well to have an appraisal of the work done for the several concerns to see if we are being charged a fair proportion of the total overall cost. Arthur is on very good terms with J. J. Collins and Martin Dies, I believe, and he might be willing to check into this. However, if it would embarrass him, maybe it would be a good idea for you to do it, but if you and Arthur think that I am the one to do it, I will be very glad to write J. J., recall to their minds the circumstances under which the arrangement was made originally and ask if he feels that any adjustment at this time would be in order.

I am sending Arthur, Jr. a copy of this letter and would like to have his ideas. Unfortunately, I am not sufficiently familiar with the work which Collins and Dies are doing for us to have any very definite opinion.

AT:ld

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Mr. E. G. Prud'homme Arthur Temple February 23, 1949

Referring to that part of your letter of February 21st in regard to our contribution to TLMA:

I certainly think that all contributions to TLMA ought to be on a uniform basis. I don't see why any lumber manufacturer at least should make a flat contribution regardless of its production and others contribute on a per thousand foot basis. As far as Southwestern Settlement and Development Company is concerned, or anyone in a similar position, I think that the only way they can support TLMA is by a flat contribution unless a per acre basis should be adopted for landowners who are not manufacturers.

You raised this question at one of the TLMA Executive Committee meetings held in the Angelina Hotel, the last meeting perhaps which I attended, and, as I recall, Al Cudlipp stated very positively that everyone was paying on the same basis except landowners and non-manufacturers. He denied, as I recall, your allegation that some manufacturers paid on a per thousand foot basis and some paid whatever they felt like contributing, and I wonder if you have any ground for saying now that such is not true. If you are correct, I certainly would not hesitate to bring the matter up at the next meeting of the Executive Committee.

AT:ld

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cc Southern Pine Industry Committee
Mr. Arthur Temple, Jr.

February 26, 1949

Hon. Wright Patman
House of Representatives Office Building
Washington, D. C.

Dear Mr. Patman:

I have been advised that the House Committee on Education and Labor in executive sessions beginning Tuesday, March 1st, will consider and decide its recommendations for changes in the Wage-Hour Law; and that it is probable that the Committee under Administration pressure will report out a .75 to $1.00 minimum wage and hold other changes for later action.

I, of course, am opposed to any minimum wage. I do not think that a minimum wage is at all necessary when times are good or that a minimum wage is workable when economic conditions are bad. I do not think that industry ought to be placed in any straitjacket but, on the other hand, that wages should be allowed to go up and down with the cost of living and when economic conditions justify a change in one direction or the other. I am in favor of a free economy.

Certainly, there is no reason at this time for any so-called "quickie" bill. Wages are, perhaps, higher than they have ever been in history, and if any change is made in the minimum wage, it should not be done without certain clarifying amendments which have been advocated generally by industry; in other words, without a general overhauling to get out the bugs which are in the present law.

I sincerely hope, therefore, that you will oppose any change in the minimum wage, and if a revision upward does appear inevitable, that you will insist upon clarifying amendments which will make the law more workable than it is at the present time.

With kindest regards,

Sincerely,

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. S. F. Styles Arthur Temple February 26, 1949

I was in Diboll the last couple of days, and while there, went over the receivables of the Temple Lumber Company yards with Arthur, Jr. and we gave particular thought to the past due receivables.

These past due receivables at some of the yards certainly do appear to be excessive. In case after case the percentage of accounts three months and older and past due seemed to us to be entirely out of line.

Since dictating the above I have read copy of your letter of February 23rd to Arthur, Jr., and I note that you say the past due column is not as bad as appears. I am willing to take your word for that, but anything that shows as past due is, I think, worthy of the closest attention, and I suggest that you and everyone in your entire organization who has anything to do with the collection of receivables bear down just as hard as you possibly can to collect any and all accounts that are not current and may be past due regardless of the terms under which they were acquired. Whether we are entering upon a recession or depression or not, business has unquestionably slowed down, there is a feeling of uncertainty, and since depressions are so often caused by psychological factors, I think that we should get our house in just as good order as possible. Frankly, I don't look for any depression this year but, rather, a volume somewhat lower than last year, a business more competitive and, as a consequence, a lower profit margin. However, any of our customers who cannot keep their accounts current under conditions which we have today and which we have had for the past several years certainly will not be able to pay their bills if we have much of a deflationary trend.

You are far better qualified than I to judge your receivables. I am glad that you think they are in good shape. I have the greatest respect for your judgment and your ability as a retail operator, but I may continue to needle you on your receivables because, frankly, I don't know of anything to which you could better devote your thought and attention and particularly at the present time.

AT:ld

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**SOUTHERN PINE INDUSTRY COMMITTEE**
**520 CANAL BUILDING • NEW ORLEANS 4, LA.**
**TELEPHONE RAymond 7381**

C. C. SHEPPARD, Chairman CLARKS, LA.
R. M. EAGLE, Vice-Chairman CARMONA, TEX.
H. C. BERCKES, Secretary NEW ORLEANS, LA.

February 28, 1949

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

Dear Mr. Temple:

Please note the attached copy of letter being written by Mr. Sheppard to all in our industry who have not yet expressed their willingness to support the appeal for extra funds considered necessary to continue our fight on wage-hour and other harmful legislation.

You have always recognized the value of consistency in a campaign once started. The fact that we have made headway in the fight on wages and hours causes us to feel that you simply overlooked the matter of sending in your contribution on January shipments.

Since this voluntary temporary assessment of 5¢ is now due on February shipments, we are enclosing a fee blank covering January-February for your convenience.

Yours very truly,

SOUTHERN PINE INDUSTRY COMMITTEE

H. C. Berckes

Dictated by
H. C. Berckes
Secretary
RR

Attachments

CC: Mr. Arthur Temple, Jr.

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SPECIAL EMERGENCY FUND

(2 months)

Southern Pine Industry Committee
New Orleans, Louisiana

We want to help build the SPECIAL EMERGENCY FUND considered necessary by the Southern Pine Industry Committee.

Enclosed is our check for $_____, based on January and February shipments at the rate of 5 cents per M. ft.

COMPANY _____

ADDRESS _____

Date _____ BY _____

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SPECIAL EMERGENCY FUND

(2 months)

Southern Pine Industry Committee
New Orleans, Louisiana

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COMPANY _____

ADDRESS _____

Date _____ BY _____

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SOUTHERN LUMBERMAN

FEBRUARY 15, 1949

## "A Time Bomb"

One of the most difficult things to understand is the indifference, bordering on complacency, with which so many employers view the determined effort now being made by the Truman Administration to extend the coverage of the so-called Fair Labor Standards Act and to raise the minimum wage rate it prescribes.

This indifference proceeds out of various causes. One of these is ignorance, as displayed by the employer who believes that he is not covered by the law and need not concern himself with its provisions. This individual seems blissfully unaware of the fact that the law has already been construed to cover window washers, restaurant waiters and other employees caught in the "necessary to production" net of the Wage-Hour Administrator, and also that it is now proposed to extend the law's covering to all lines of work "affecting interstate commerce"—which includes about everything.

Then there is the employer who consoles himself with the argument that he has nothing to fear, as he is already paying his employees more than the increased minimum suggested. Worse still, is the employer who by necessity is paying a high wage rate and who thinks it will benefit him to have his competitors' labor costs increased by Federal law. Such selfish short-sightedness is hard to understand, but it exists.

The Southern Pine Industry Committee has recently published a booklet on the subject of wage-hour legislation in which this law is appropriately described as "a time bomb in our economy", a measure which in its ramifications and in its future effects will go far beyond what appears on the surface and beyond what some of the bill's supporters may anticipate. The Southern pine operators, of course, (along with other Southern employers) have been denounced as exploiters of cheap labor, and this is the demagogue's natural answer to these employers' arguments. The facts and logic of the SPIC booklet, however, can not be brushed aside with any such superficial comment. As a matter of fact, most of the Southern sawmill operators are already paying more than the legal minimum wage rate, and some of them more than the higher rates now proposed. But the matter should not be considered from the narrow viewpoint of sectionalism.

The wage-hour legislation in its effects on all business men goes far beyond the mere guarantee of a minimum wage or a maximum work week. It affects every employer in the country—and it affects most of them adversely, whether they operate in Mississippi or Oregon, Maine or Texas.

As the Committee well says: "The Wage-Hour Law is one of the worst afflictions ever put upon American business men. Originally enacted as a social measure, it has spread way beyond the bounds of its good social intentions. A more moderate or modified act should be evolved to reduce the danger that threatens if the curve of business goes down too far. Because, when it reaches a certain point, the bomb will go off with a bang that will wreck our economy." And, it might be added, the bang may also awaken some of those who now appear to be dozing.

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# SOUTHERN PINE INDUSTRY COMMITTEE

520 CANAL BUILDING • NEW ORLEANS 4, LOUISIANA

TELEPHONE RAymond 7381

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Keltys

VIRGINIA
GARLAND GRAY
Waverly
V. W. STEWART
Petersburg


February 25, 1949

(This letter personally addressed to those who have not yet contributed)

-
-
-

Dear Mr. ----------:

I am greatly disappointed to learn that you are not among those who have voluntarily agreed to pay the extra 5¢ per thousand considered necessary by this Committee to carry on our intense legislative program.

I am shocked at the thought that with so much at stake on the wage-hour question, our industry's response to a call for needed funds has not measured up to the full import of the problem. Frankly, I don't think it's fair to commit our staff to a program of all-out activity against this vicious legislation, and then "let them down" by not providing the money to do the work.

We have a BIG job to do -- but we are working against time -- and against strong opposition, including the Administration. We've made considerable headway in our fight. That effort has required more than the funds we've had available. But, I'll ask you to judge whether the expense was justified.

Unless our industry provides the means to do the job properly, I say to you that it will have no one to blame but itself, if our efforts fall short.

Remember, it's your business and your industry that we're fighting for.

Yours very truly,

SOUTHERN PINE INDUSTRY COMMITTEE

Dictated by
C. C. Sheppard
Chairman
CL

Attachments

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

March 1, 1949

Mr. H. C. Berckes
C/o Southern Pine Industry Committee
520 Canal Building
New Orleans 4, Louisiana

Dear Herb:

I have just received your letter of February 28th in regard to the additional 5¢ per thousand feet assessment to carry on the fight on wage-hour and other harmful legislation.

As far as I know we have never been called upon officially for the additional 5¢ per thousand feet, which you term in your letter "a voluntary temporary assessment", but I wrote you under date of January 29th in care of the Southern Pine Association objecting to that special assessment which my son, who represented me at the meeting, I believe on January 25th, had reported to me had been voted. I suggested in my letter of January 29th that some of the surplus funds of the Southern Pine Association might be applied to the work of the Southern Pine Industry Committee. It certainly appears that there are sufficient funds in the Association to do this, and I don't know of any important work of the Association that would suffer.

Some of my people are complaining, and have been complaining for some time, about all of the money that our two companies are putting out for one thing or another where it is questionable whether we are getting our money's worth. I don't mean to imply that the work of the Southern Pine Industry Committee is not worthwhile. I certainly think it does behoove us to oppose any legislation which we consider to be unfriendly to our industry or bad for the country as a whole. It does seem to me, however, that funds might be appropriated from some of the Association's surplus to take care of the immediate, and, as you suggest, temporary need of S.P.I.C.

With kindest regards,

Yours very truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

March 2, 1949

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I note from your letter of March 1st that you have bought for the account of Temple Cotton Oil Company eight additional tanks of July oil, five at 15.80 and three at 15.81, to replace eight tanks of spot oil sold at 13¼¢. I hope your judgment proves sound. It is, however, such a gamble that it is difficult to know what the future price will be. I believe every time that we have bought futures because we felt that the spot market was too low we have lost heavily. I recall a good many years ago when Gilbert and Father were bullish they bought futures and that year lost something like $300,000. More recently, Jimmie Webb wanted to hedge his sale of spot oil and he bought futures not only for the Company but as a gamble for himself, and our experience was again disastrous though we didn't lose anything like as much as back when my father and Gilbert got us in for the $300,000. Frankly, it's a game that I don't know how to play, but I would like to see us hit it right just once. Maybe we will this year.

If there is any way to control John K. Gibson to prevent him from getting into us too deep, and he is willing to give us a mortgage for credit extended for the purchase of fertilizer, I see no objection to doing dusiness with him on this basis in order that we might be assured of his seed. Certainly, I would not favor leaving the door open for him to draw on us for seed which he might purchase from others for our account. If I am not mistaken, it was in this way that he first got into us for about $6,000 and that was the start of our involvement with him. It does seem to me, though, that we could protect ourselves just as a banker would with a valid mortgage and then hold credit to him down to a figure which would be consistent with the security we held. However, this is, I think, a matter of management, and I am perfectly willing to leave the decision as to how John K. should be handled entirely to you just as I have told him in my several letters when he has appealed directly to me for assistance.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

March 3, 1949

Mr. J. J. Pollard
Hemphill, Texas

Dear Joe:

I am returning the report of the inspector for the Interstate Commerce Commission which you enclosed with your letter of March 1st, thinking that you may want this in your file.

Certainly, it is gratifying to have such a good report on our locomotives at Pineland. This, however, is no surprise to me because I know that you have always kept your motive equipment up in good shape.

When I was in Diboll last week, Arthur, Jr. took me around and showed me the improvements which he is making in the shop facilities, and he said that he had also shown them to you on your recent visit to Diboll. It appeared to me that it was a good move to concentrate all of our shop work at one central location where locomotives and railroad cars, trucks and automobiles could all be serviced at one place. However, I think the greatest improvement has been in the enlarging and re-arranging of the supply house so that all supplies are now kept at one central location where a better check on all of the various items can be had. They seem to have a mighty good system for handling supplies at Diboll, and I wonder if this system could not be applied at Pineland to just as good advantage. Eck was with us when Arthur showed us what he was doing at Diboll, and I am sure that he is going to give some thought to a similar arrangement at Pineland.

I thought that you would be in Marlin by this time. I am sure that you have not been to Marlin and come back. What would be too good to be true would be that you had improved to such an extent that you do not feel the need of what Marlin has to offer.

Sincerely yours,

AT:ld

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CC Mr. Arthur Temple, Jr.

March 8, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I am glad to learn from copy of your letter of March 5th to Mr. Don Young of the Texas Nursery at Maydelle that you are planning to plant some pine seedlings next year, using the mechanical planter of Southwestern Settlement and Development Company.

The planting of seedlings seems to be a good investment, judging by the action of such people as Kirby, Angelina County and, I suppose, a number of others in our general area, and I think that it is a good idea for us to try it. I wonder if 300,000 seedlings will go very far; however, maybe that is enough for a start on some of our long leaf cutover land.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

March 8, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I was very much interested in copy of your letter of March 5th to Arthur advising that there was not a single bid on the Federal timber offered for sale over your way last Monday; that the minimum price for pine was $17.50 and $22.50 plus $2.00 for forest betterment.

I am unable to understand the two prices for pine, $17.50 and $22.50, but what I am more interested in is why there was not more interest in this offering. Was it because of the more unfavorable lumber market than has prevailed heretofore? If you hear any talk as to why there was not more interest in this timber as offered by the Government, I will appreciate your advising further.

Yours truly,

AT:ld

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

March 8, 1949

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

Dear Ernest:

I wired you this morning in reply to your letter of March 5th that you may count upon our companies, Southern Pine Lumber Company, Diboll, and Temple Lumber Company, Pineland, for a contribution of $1,000.00 to Texas Forestry Association. I feel that this amount for our two companies is in line with other contributions mentioned in your letter, and for bookkeeping purposes you may note that we will allocate $500.00 to each mill.

I talked with Eck Prud'homme on long distance telephone last night to get his ideas about the employment of a full-time secretary-manager and the enlarged activities of T.F.A., and as he seemed to be in full accord with the program and recommended our participation and in consideration of your appeal and the participation of others, I readily agreed.

I am confident that Texas Forestry Association can be of considerable benefit to the forest industries of Texas. While I am inclined to think that there may be some duplication or some overlapping as between Texas Lumber Manufacturers Association and Texas Forestry Association, I realize that the former would be handicapped in any appeal before the Texas Legislature by the charge of selfish interest. Frankly, I am just a little bit tired of putting up so much money in so many directions, and I question particularly whether we are getting our money's worth out of the Southern Pine Association and the Southern Pine Industry Committee. Unquestionably, we need a trade association in our business, but I am often impressed by what appears to be the extravagant practices of these two groups and wonder if they could not apply their funds to better advantage. In this connection I have been reluctant to agree to the additional and so-called temporary assessment of 5¢ per thousand feet for S.P.I.C. I would be interested to know how you feel about that.

With kindest regards,

Sincerely,

AT:ld

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cc Mr. Arthur Temple, Jr.

March 15, 1949

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

Styles called me yesterday afternoon to say that he is very anxious to buy the Tewell yard at Edinburg, which, you may recall, we discussed at the Directors' meeting held in Houston on January 15th and when it was the consensus that we do no expanding or purchase no additional yards unless and until we can dispose of some of the yards we now have, having in mind the sale of the yards we have in North Texas, which are not as profitable operations as yards in South Texas and which, I don't feel, have the prospect of profit that the South Texas yards have because the South Texas area is developing so rapidly, and while North Texas is largely agricultural, South Texas is agricultural and industrial: then, too, the North Texas yards being located so far from heardquarters at Houston are more difficult to supervise.

Styles said that the Tewell yard made $65,000 in 1947, and Mr. Tewell has indicated that they did better in 1948. Styles estimates that their volume of sales runs around $400,000 to $500,000 per year. He puts the yard at Edinburg in a class with Lufkin, Kerrville, El Campo, three of our yards where we do not have a very large investment but which do a large volume of business and show handsome profits. Another thing, Edinburg is right in the middle of the Valley, and our other yards in that section. Styles is very anxious to purchase this yard, and I will say that his judgment as to yards and locations has been very good.

The Tewell yard would cost us probably $50,000 for the real estate and the improvements, and the inventory will run, according to Styles, around $100,000, possibly a little less, which means that we would have an investment of right at $150,000 but only $50,000 of this would be in physical assets, the balance in merchandise which would be converted into cash. I told Styles that Temple Lumber Company does not have any surplus cash to invest, but he assured me that he could and would provide the money from the retail division without borrowing, which means, of course, that he would get the money through liquidation of receivables and/or inventory.

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I am not particularly keen about expansion, particularly at this time, and still feel that our objective should be to get Temple Lumber Company in a good, liquid position. However, I don't think that we should close our eyes to any good opportunities, and I do respect Styles' judgment. Then another thing, the purchase of this Tewell yard may protect our other yards in the Valley against some stiff competition if the Tewell yard should get into other hands. Frankly, I don't see too much weight to this motive although Styles seems to lay considerable stress on it.

I am sending a copy of this letter to Arthur, Jr. I talked with Temple on long distance telephone in Pineland this morning and asked him to discuss the matter with Arthur when he reaches Diboll later today. I told Styles that I would let him hear from me before Wednesday night, as he is leaving for the Valley Thursday morning, and in view of our discussion at the Directors' meeting in Houston on January 15th, will appreciate it if you will call or wire me Wednesday morning how you feel about our taking over this Tewell yard. Personally, I would be inclined to accede to Styles' recommendation.

Yours truly,

AT:ld

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March 15, 1949

Mr. S. F. Styles, Houston
Mr. Latane Temple, Little Rock
Mr. Arthur Temple, Jr., Diboll
Mr. E. G. Prud'homme, Pineland

Gentlemen:

Apropos of our discussion at the Temple Lumber Company Directors' meeting in Houston on January 15th relative to inventories and receivables at the retail yards, you maybe interested in the following, taken from an article in yesterday's Wall Street Journal, having reference to General Motors Corporation's sales and earnings in 1948.

"Higher prices and larger business volume have necessitated sharply increased working capital. Inventories at the end of 1948 were $787 million and accounts receivable $223 million. This compares with average inventories of $230 million and receivables of $90 million in the pre-war years 1936-41, according to the report."

Unquestionably, more working capital is required to do business today than before the war. We have cheaper dollars and it takes more money to support a higher volume of business. At the same time I am sure that all will agree that we should continue to watch our inventories and receivables very closely to guard against any greater losses than necessary whenever a depression or recession sets in. I am sure that Styles is working continuously to reduce these items to the lowest practicable levels. Considerable progress has been made on receivables but not on inventories. For one thing, it is always customary to work inventories down at the year end, and maybe it is not reasonable to expect so much of a reduction in inventories as in receivables. Furthermore, I think that we are very much more vulnerable on receivables than on inventories.

Yours truly,

AT:ld

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March 18, 1949

Mr. S. F. Styles
Houston, Texas

Dear Styles:

I wired you at McAllen this morning that there had been no change in our attitude toward buying an additional yard, having in mind of course the Tewell yard at Edinburg, that I was sorry to disappoint you and that I was addressing a letter to you at Houston.

While it is undoubtedly true that considerably more operating capital is required to run a business today than was required in what might be called normal times or before the war, not only because of inflated prices but also because of a greater volume of business, that may be an explanation of why we have so much of our funds tied up in inventories and receivables, but it does not alter the fact that Temple Lumber Company as a whole, including the mill and the retail yards, does not have any money but, on the other hand, is indebted to South Texas National Bank and Southern Pine Lumber Company to the extent of more than one-half million dollars as of February 28th. As I see it, we are pretty much in the same position we were in back in 1930 or 1931 when we had lots and lots of assets but no money and were, in fact, in debt to banks and other lending institutions and numerous individuals, and when the depression set in, we did not have any cushion to fall back upon and to absorb the shock. The result was we had to sweat blood and actually paid off cheap dollars borrowed with dollars of high value: dollars today have probably an even lower value than the dollars we owed back in the early 1930's. I don't want ever to face what we faced in the last great depression, and I am sure you don't either. The only difference between you and me probably is that I think that we may have a depression sooner than you anticipate one. You probably think that we have ample time to get in a good liquid position. I don't know but I do want to be on the safe side.

Another thing, generally speaking it is a bad time to buy when prices are inflated. Certainly, prices are inflated today. I think that we are at the very peak, and any change in values will undoubtedly be downward. We may not be able to buy the Tewell yard six months, a year or two years from

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ARTHUR TEMPLE, JR.
DIBOLL, TEXAS



now, whenever another depression comes, but I am sure that we will be able to buy additional yards if we want them at considerably less than we would have to pay today if we have the money. A good rule to follow, I think, is to buy capital assets when money is cheap or during periods of deflation and to sell during periods of inflation. If one follows such a course, if one, in other words, goes contrary to the crowd, he cannot help but come out ahead.

Another way to look at expansion is that it is an unequal gamble. If we should make money on any additional yard or yards purchased, the Government would get 38% of the profit in the corporation tax, and then some of our larger stockholders would have to pay an individual's income tax in the higher brackets so that they, at least, might be allowed to keep 25¢ on the $1.00 originally earned. If the business loses, on the other hand, all is lost, and the Government does not bear any part of such loss. You might say that it is a four to one gamble against the stockholder. Another thing, a trend in the whole world today, to a lesser extent perhaps in this country than in others, is toward a socialized economy. There is more and more threat to the profit system. To say the least, the atmosphere does not look too healthy. Certainly, there is not the incentive, especially for men of means, to invest in business for the purpose of making more money. This may indicate a defeatist attitude on my part. I don't like to be considered a defeatist or a pessimist but rather do I pride myself on being a conservative.

In the above I am not only expressing my own thoughts but, I believe, also the thoughts of other Directors of Temple Lumber Company, whom I have consulted, Latane, Arthur, Jr. and Temple. I know that their conclusion and mine is that we ought not to buy the Edinburg yard at the present time or expand our operations in the retail division in any direction unless at the expense of other yards considered less desirable, such as the north Texas yards, or until we accumulate a cash surplus, a part of which we will need to put to work.

I am sending you under separate cover the monthly letter on economic conditions published by the National City Bank of New York, which discusses general business conditions and which this month is not very optimistic.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr. ✓

March 24, 1949

Mr. Latane Temple
P.O.Box 52
Little Rock, Arkansas

Dear Latane:

I have just returned from Lufkin, where Temple and I went to attend a rate hearing. Styles came up from Houston to be with us and, of course, primarily for the purpose of discussing further with us the acquisition of the Tewell yard at Edinburg.

Arthur, Jr., Temple and I had quite a long discussion with Styles about the Edinburg yard. We were all agreed, I think, that we were not interested in expansion as such, but because of the location of the Tewell yard and its successful operation in the past and because it fits in so well with our other yards in the valley and, from my point of view at least, because Styles was so very anxious to acquire this yard, and his judgment has been so good in the past, we agreed to let him make Mr. Tewell a proposition to lease the yard for a period of five years, presumably with the option to renew at the end of that time and, ~~if possible~~, the option to buy. Having a majority of our Board of Directors, four in number, agreeing to such a program, we did not deem it necessary to communicate with you and others.

Fundamentally, I think we are all in agreement relative to a policy of expansion. Owing the money we do and having to pay a little over $500,000 yet this year on income tax on last year's profit and, what is a big consideration to me, being allowed to retain after the corporation tax and the individual tax only about fifteen cents on the dollar, I am not interested in any expansion to make more money. However, I have tried not to let my individual position cloud my thinking or prejudice my thinking, and because Styles has been so anxious and determined for this particular yard, and, as I said, because his judgment has been so good in the past, I was willing to defer to his judgment. However, the deal is not closed by any means, and, of course, we don't know that Mr. Tewell will be at all interested in leasing. Incidentally, I don't know whether you have heard that the inventory at the Edinburg yard will not run over $50,000, which

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means that we will not have more than this amount invested in physical assets other than lease rental, but, of course, operating capital will be required for receivables, etc.

I have just received your letter of March 22nd in regard to further expansion, which I have read with much interest. I agree with your conclusions in principal but I am not altogether in accord with your statement "With deflation it is possible we will return to our original status without benefit". I don't say that it is not possible that we might return to our original status, but assuming that the retail yards' receivables are good, we have approximately $1,300,000 there on which we can realize cash, and, frankly, I don't look for any radical drop in inventory values. We may have a decline of 10, 15 or 20%.

Statements from the retail division show that the receivables are going down steadily and in substantial amounts. Inventories are up, to be sure, but Styles has adopted a determined policy to reduce them. I am not seriously concerned about inventories of lumber, because, as I have brought out, if we don't have the lumber at the yards, we would probably have it at the mills, and we have never been concerned about inventories at the mills as we have been in recent months about inventories at the yards. At the mills they fluctuate within wide limits, and I don't know that there is anything that we would want to do to prevent such a condition.

Yours very truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

March 24, 1949

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

In one of your recent letters discussing the Temple Lumber Company yards' receivables you referred to the three months or older accounts constituting 14.5% of the whole. To show this percentage of three months or older accounts, however, one must include some contractors' accounts because with the accounts receivables as shown on the February 28th statement, $1,350,000 approximately, 14.5% would be $195,750 but on the comparative age record, shown in dollars and cents the three months or older accounts total only $54,403 or about 5% of all of the accounts receivables. Frankly, I don't know just how they arrive at 14.5% on the comparative age record in percentages but I will ask Styles to check into this and let me know.

I have discussed our yards' receivables time and again with Styles, the last time on my visit to Lufkin the other day where Styles met me. He is very confident that our receivables are in good shape and he insists that the three months or older amounts shift back and forth at the several yards from month to month and that there is nothing in this column to be alarmed about. Of course, the yards have something like $100,000 set up as a reserve for bad accounts, which is far in excess of the dollar total of the three months or older accounts. However, don't understand for a minute that I am in favor of being lax just because we do have such a reserve set up.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

March 24, 1949

Mr. S. F. Styles
Houston, Texas

Dear Styles:

There was nothing new, nothing that I had not already stated to you previously, to justify my calling you at home early this morning, but I did a good deal of thinking on my way home from Lufkin yesterday afternoon and a good deal through the night about our acquiring the Edinburg yard, and my object in calling you was to suggest that if you had not communicated with Mr. Tewell that you hold off until we gave some further thought to the matter and, perhaps, had an opportunity to get together again to discuss it.

I don't feel that there is any great advantage in a lease arrangement over the outright purchase, although the former did seem to make an appeal to Temple and Arthur. True, we will not have any money tied up in real estate and improvements so that we could get out at the expiration of our lease if we wanted to, but I don't think any of us has much fear of not being able to make some kind of a profit at Edinburg, and if we paid as much as $5,000 per year rental, that would be a pretty good return on what the real estate and the improvements would cost us. I certainly would not be in favor of any short-term lease, or a lease of anything like five or ten years, unless we did have the option to buy because, otherwise, Tewell or his estate could sell the yard out from under us after we became established, and, as I see it, we would be completely at his mercy.

As I see it, the only thing we would save by lease arrangement would be the original investment of $50,000 for real estate and improvements. We would still have an investment of three-quarters of what was originally contemplated, or $150,000 probably, tied up in inventory and receivables and operating capital. But for your strong desire to acquire this yard I would say positively that we are not interested because with Temple Lumber Company now owing over one-half million dollars and with over one-half million dollars still to be paid this year on last year's income tax liability, we ought to get easy; and with one in my position getting only fifteen cents on the dollar of my share of the profit, it is not enough to justify any such investment; and with a

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number of our stockholders wanting and needing substantial dividends; with the socialistic trend in Washington and, lastly, with the possibility of a recession or a depression setting in, and there are strong evidences that one or the other is, I don't think that expansion is justified by your desire to consolidate our position in the valley. Frankly, I feel that the arguments against acquiring the Edinburg yard strongly outweigh the advantages but, as usual, I am inclined to defer toyour judgment because I think that it has been generally good in the past, and, accordingly, I was agreeable to going along with you when Arthur, Jr. and Temple acquiesced. Deep down in my heart, however, I hope that Tewell will not be agreeable to the lease arrangement. On the other hand, if he does, you may depend upon my full backing and support, and in that event I only hope that we will be able to carry the additional investment and at the same time improve our liquid position to the extent of having $500,000 in the bank by October 31st. Even so, as for Temple Lumber Company as a whole, I cannot see much prospect of having any substantial amount of cash or the equivalent on hand at the end of the current fiscal year, at least without some drastic liquidation which we would not want.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

March 24, 1949

Mr. A. E. Cudlipp
C/o Lufkin Foundry and Machine Company
Lufkin, Texas

Dear Al:

I am sorry that I did not have more of a visit with you when I was in Lufkin yesterday for the rate hearing. Possibly I should have stayed for the full hearing but I got rather tired of it, didn't see any particular good that I could do since I was not scheduled to appear as a witness, and as Temple Webber, who accompanied me to Lufkin, wanted to return home, I left when he did at about three o'clock.

I want you to know, Al, that all of us do appreciate very much indeed the nice business which Lufkin Foundry has given our little railroad. But for you and other friends in Lufkin, the TSE would be having a very difficult time staying in the black. As Arthur said, we are sorry that you are not being shown more consideration by the Southern Pacific, but any additional tonnage that we may get, regardless of the cause, will be most welcome.

Sincerely yours,

AT:ld

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ARTHUR TEMPLE, JR.
DIBOLL, TEXAS

March 25, 1949

Mr. S. F. Styles
Houston, Texas

Dear Styles:

When we were talking after breakfast in Lufkin Wednesday morning and again last night on the 'phone, you made the statement, as I got it, that you would undertake to have $500,000.00 in the bank or to pay Texarkana for the account of Temple Lumber Company. To do that I am sure that you would not contemplate paying anything for the yards on the Federal Income Tax Liability which is in the neighborhood of $730,000.00 with only the first instalment or one-fourth paid to date, leaving in the neighborhood of $550,000.00 yet to pay. I presume, however, that you did contemplate taking care of the yards' indebtedness to South Texas National Bank in the amount of $200,000.00.

Looking at Temple Lumber Company as a whole, the yards and mill combined, I don't see how we can hope to have any surplus of cash to the extent of $500,000.00 after taking care of our debts, that is, our big obligations, at the end of the current fiscal year. To do so we would have to earn and/or realize from liquidation of assets in the neighborhood of $1,600,000.00, which I don't think is in the cards whether we invest $150,000.00 to $200,000.00 in the Edinburg yard or not.

I appreciated your calling me last night and particularly the attitude you expressed with respect to working out a deal with Mr. Tewell. I hate like everything to oppose you when, as I have said so many times, your judgment has always been good, but when we owe now in excess of $1,000,000.00 and may be on the threshold of a recession or depression, it certainly seems to me to be the part of wisdom to conserve our liquid assets, pay our debts and, if we can, accumulate some cash for a cushion and to enable us to pay a dividend at the end of the year without borrowing money, as we have had to do in the recent past. I have said so many times since we have gotten easy following the last depression that I was going to see to it that we entered the next depression not owing any money, or certainly no more than a modest amount, and preferably with a substantial surplus of cash or the equivalent. I have not wanted to go through again what we went through back in the 1930's when we were paying 50¢ dollars with 100¢ dollars, and that is just the situation we would face if we were over-expanded again as

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we were back in 1929 and 1930, when we had plenty of assets but no money and nothing that could be converted quickly into cash. Another way to look at this ~~time~~ is that if we do have a substantial amount of cash or the equivalent and go into another depression we can get far better value than we can on today's inflated prices. We might not be able to buy the Tewell yard at Edinburg but no doubt there will be other good yards available to us at lower prices than we would haveto pay today.

I will not discuss again my other arguments against expansion at this time. However, I do feel that the main argument against any such expansion is that it is an unequal gamble when, as in my case, I would be permitted to retain only 15¢ on the dollar of my share of earnings. The comfortable feeling of not owing any money and having cash in the bank, being able to sleep well at night would far outweigh the small benefit to be derived from such additional earnings.

As I suggested on the 'phone last night, I wish that you would discuss the proposition with Mr. Tewell, find out what can be worked out with him on a lease arrangement, then submit it to me again. I will confess that my suggestion is based largely on the hope that we may abandon entirely the acquisition of the Edinburg yard rather than the hope that some favorable deal may be worked out. I only hope that proceeding along this line will not embarrass you with Mr. Tewell.

Yours ~~truly~~,

A. T.

AT:ld

Yrd para. does not take into acct. any provision for income tax on 1949 earnings.

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CC Mr. Arthur Temple, Jr.

Texarkana, Arkansas

March 25, 1949

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

It is difficult to draw any conclusion from a graph covering one year, as that enclosed with your letter of March 22nd does. The only comparison we have is for the first three months of 1949 with the first three months of 1948, but if the market trend for the balance of the year follows as closely that for 1948 as do the first three months, then there is hope that we may be able to come out better on our oil contracts than is now indicated in the future market reports.

According to today's Dallas News, Texas spot cottonseed oil is quoted at 10.25¢ bid and July and May oil closed yesterday at 13.35¢ and 13.40¢ New York basis. Oil has certainly sunk to a terrific level and it would appear that there is considerable chance of higher prices unless the market is, in fact, shot to hell. Cottonseed oil has suffered a greater decline than any other commodity that I know anything about, and our experience this year is discouraging indeed.

Yours truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

March 25, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I am glad that you had a conversation with John Curren in Lufkin Tuesday afternoon about a renewal of his contract. I am glad, too, to note from your letter of March 24th that John seems to be disposed to make some reduction in his fee.

I understand that John Curren is going to write to me after he has discussed the matter with Cy Lowe, and just as soon as I hear from him I will communicate with you and Arthur, Jr., and we can get together to decide what we want to do.

I was awfully sorry not to see you after the meeting adjourned Tuesday afternoon. I overlooked completely the fact that you planned to return to Pineland and not remain over for the hearing Wednesday. As a result, I did not even say good-bye to you. Temple and I left the hearing at 3:00 P.M. Wednesday because neither of us was scheduled to testify, and we didn't see that we could contribute anything to the cause by staying through the entire hearing. I was sorry, however, not to hear Arthur's testimony and Bill Hinkle's. I don't know what the outcome of the hearing was but I have asked Arthur to let me know.

Yours truly,

AT:ld

CC Mr. Arthur Temple, Jr. ✓

March 26, 1949

Mr. R. E. Minton
Lufkin, Texas

Dear Mr. Minton:

I am returning herewith the original and copy of a letter written for Mr. H. R. Cullen by Corbin J. Robertson and dated March 18, 1949. Both of these I have accepted with my signature but please note the date of acceptance has been left blank for the reason that I did not know whether I should insert March 26th or March 18th or, perhaps, some still later date. The proper date should be inserted, of course, before either the original or the copy is sent to Mr. Cullen's office.

I am sure that executed copies of Mr. Cullen's letter of January 10th, referred to in the latter part of Mr. Robertson's letter, have been sent to Diboll and are being held there. I suggest that you communicate with Arthur, Jr. about this letter.

Arthur, Jr. stopped by my office for a few minutes yesterday on his way to Little Rock. He referred to the enclosed and asked that I mail it to him rather than directly to Mr. Cullen's office. I don't know just what he had in mind. However, I suggest that you call him to ascertain his purpose before forwarding either the original or the copy of the enclosed to Mr. Cullen's office.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

March 30, 1949

Mr. Finley Scruggs
C/o Humble Oil and Refining Company
Tyler, Texas

Dear Mr. Scruggs:

As requested by you in our telephone conversation yesterday morning when I was at Diboll, I am enclosing a copy of a letter written by Mr. R. E. Minton, our Attorney of Lufkin, Texas, to Arthur Temple, Jr., Vice President of this Company, under date of March 25th.

When we started negotiations with you for a lease on our mineral interest in land purchased in January from Mrs. Mary R. Saner, we thought that it was not included in our deal with Mr. Cullen. However, Mr. Minton advises otherwise, and under the circumstances I feel that we can do nothing other than follow his opinion and, consequently, we phoned you yesterday to tell you that we are not free to consummate a lease on such land with Humble.

I want to assure you again that we do not intend to peddle a lease on the so-called Saner land. We consider the land included in the Cullen lease, and if you feel disposed to do so, you are perfectly free to contact Mr. Cullen or one of his representatives with respect to co-operation with Humble in any development in that area. Furthermore, if, for any reason, this land should be excluded from the Cullen lease, we are perfectly agreeable to letting Humble have it.

Yours very truly,

AT:ld

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

March 30, 1949

Mr. John G. Curren
Carondelet Building
New Orleans 12, Louisiana

Dear John:

I have your letter of March 28th suggesting that we get together some time during the Southern Pine Association meeting in New Orleans April 5th, 6th and 7th to discuss a renewal of your contract with our several companies.

As Arthur, Jr., Eck Prud'homme, Temple Webber and I will all be in New Orleans for the Southern Pine Association meeting, I think your suggestion is a good one. I have a room reserved at the Roosevelt Hotel, and if you will get in touch with me, we will arrange a time for us to get together and discuss your contract.

Sincerely,

AT:ld

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

April 1, 1949

Mr. John G. Curren
Carondelet Building
New Orleans 12, Louisiana

Dear John:

Since writing you yesterday or the day before, I have received a program of the annual meeting of the Southern Pine Association in New Orleans next week, and I find that there is nothing of interest on the program after the Southern Pine Industry Committee meeting at 2:00 P.M. on the first day, Tuesday, April 5th. I presume we will have had enough of that session by 4:00 anyway, and if it is agreeable to you, I suggest that we arrange to get together at about that time.

I am sending a copy of this letter to Arthur, Jr. and one to Eck to let them know what I am thinking and to suggest that we arrange to get together at about 4:00 or as soon as the afternoon meeting comes to an end in the Grand Ballroom of the Roosevelt Hotel.

Yours truly,

AT:ld

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April 12, 1949

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

Gentlemen:

I wish that you would please let me know what part of the $3,600 retainer to be paid John G. Curren under his renewed contract should be borne by Temple Manufacturing Company.

If I am not mistaken, Temple Manufacturing Company has been paying $50.00 per month or $600.00 per year. This, however, was probably determined when Temple Manufacturing Company had the box factory at Diboll when they were probably much more vulnerable than they are now, and it would seem in order to me to give Temple Manufacturing Company more of a reduction than would be represented by their proportion of the $600.00 reduction in Curren's fee. My idea would be to let them pay, say, $300.00 per year or $25.00 per month with the balance to be divided between Diboll, Pineland and the TSE. You all work this out on what you consider an equitable basis if you will please; only advise me so that I may let Tripp know what will be expected of Temple Manufacturing Company.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

April 21, 1949

Mr. S. F. Styles
Houston, Texas

Dear Styles:

I have received a letter from Gene Ebersole dated April 19th, agreeing not to insist upon our staying in Lumbermen's Association of Texas as an associate member. I am glad that he did not insist upon our staying in because it probably would have been very difficult for us to get out if he had.

Yours truly,

AT:ld

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Texarkana, Ark.-Tex.
April 22, 1949

Mr. Arthur Temple
Southern Pine Lumber Company
Texarkana, Arkansas

Dear Mr. Temple:

Our Forestry Committee of the Chamber of Commerce is not only interested in saving the forests, but is trying to do something about it.

Here is one of the things we have done this year. To make our beginning, we concentrated our efforts on Miller County, which has about 60% of the timber surrounding Texarkana. The plan we used was most successful in Nevada County, Arkansas. Therefore, we adopted it for our program. The plan in a broad sense is a fire prevention program carried on through the schools, reaching into the homes through this medium. It is thus most effective in engaging the cooperation of all the citizens living within the forest area.

With the cooperation of the Arkansas Forestry Commission, schools of Miller County lying within the forest area, set up a student organization to promote a fire prevention program in their district. Each school group secured a maximum number of farm families to sign pledge cards helping to prevent fires. More than 1,000 pledge cards were signed by Miller County families. On days not suitable for burning brushfires, etc., these youngsters displayed a red flag at an appropriate place on the schoolgrounds. Throughout the entire schools youngsters were given buttons with slogans on them, "Keep Arkansas Green", and "Help Prevent Forest Fires". These children wore these buttons at all of their meetings and at school, thus reminding them of their pledge to prevent fires in their school district. To get the greatest possible cooperation of the entire patrons of the school district, three educational meetings were held in each community.

We need the cooperation of you who are related to the lumber industry in the community to help us promote this program. We have offered the participating schools cash prizes for doing an outstanding job. The total award to all schools amounts to $250, but this program probably saved the lumber industry thousands of dollars in the 4½ months it was carried on. Your financial response to our request will mean the continuation of a program in the future. Truly, you want the program to continue which has brought to a minimum the number of fires in Miller County on record for the corresponding period of other years. No doubt

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this educational program has been a contributing factor in our not having the fires that are now destroying so much of the timber in North Arkansas and other areas.

We are asking you and about fifteen other lumber concerns to send us an amount averaging about $25 by return mail in order that we may make this award at the school commencement program this spring, and to start our new program by next year.

Twenty-five dollars of your money contributed now to this program may have and will earn you many thousands of dollars in the future. Thanking you in advance for your cooperation in this program, I remain,

Sincerely yours,

Dayton Castleman

DAYTON CASTLEMAN, Chairman
Educational Program, Forestry Committee

DC:DP

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cc Mr. Arthur Temple, Jr.

April 25, 1949

Mr. Dayton Castleman, Chairman
Educational Program, Forestry Committee
Texarkana Chamber of Commerce
Texarkana, U. S. A.

Dear Mr. Castlemen:

I am in hearty accord with the work which you are doing, as outlined in your letter of April 22nd, but I hardly feel that it would be proper for me to contribute either for myself or for the company which I represent, to such a work in the vicinity of Texarkana inasmuch as we operate only a sales office at Texarkana and do no business in this vicinity whatsoever. Our timber holdings and our sawmill operations are approximately 200 miles south of Texarkana in East Texas. In the area where we do operate we contribute heavily to forestry programs through the East Texas Chamber of Commerce, the Texas Forestry Association, Texas Lumber Manufacturers Association, local Chambers of Commerce and in cooperation with the Texas Forest Service under the Clarke-McNary Act which provides for Federal, State and private industry cooperation. Under the circumstances, I feel that we are doing our full part in an area where we are more directly interested than we are here at Texarkana.

Although I do not feel that I can contribute to the work which you are doing and as requested in your letter, I do wish for you all success, and from what I know of the problem I believe you are on the right track.

Yours very truly,

Am sending you Mr. Castleman's letter because it shows that the Forestry Committee of the local Chamber is doing something which I think is very worthwhile, something which might be adopted by the Lufkin Chamber of Commerce if they don't already have something like this on foot.

AT:ld

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cc Mr. Arthur Temple, Jr.

April 26, 1949

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

Dear Al:

It was very thoughtful of you to send me the sheet torn from the Beaumont Journal of April 22nd, which showed pictures of the East Texas Chamber of Commerce convention including one of you making a talk on forestry with Arthur, Jr. presiding as Chairman of the Forestry Committee. I am sure that both of you did a good job representing the timber interests of our section.

I am a Director of the East Texas Chamber of Commerce and certainly should have attended the convention recently held in Beaumont. However, I have been so much on the go this month, what with the SPA convention in New Orleans, a fishing trip at Port Aransas, two or three trips to Lufkin and Diboll, and I intended to be in Dallas the early part of this week for the Lumbermen's Association of Texas convention, but had to give it up when my lip took on a disfiguring scab following a slight automobile accident last Thursday evening. As a matter of fact, my attendance at East Texas Chamber of Commerce meetings has been so poor that I suggested to Hubert Harrison recently that he see that I was replaced by someone who would be more active. From all accounts you had a good convention, and I am glad that Arthur, Jr. took an active part in it.

With kindest regards,

Sincerely,

AT:ld

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# LETTER-GRAM

**USED FOR URGENT MESSAGES ONLY**

**NOTHING ELSE COUNTS!**

**ACTION NEEDED!**

April 27, 1949

(1) TAFT-HARTLEY REPEAL - NOW UP FOR VOTE:

(a) Conditions are at a crucial stage. The next four or five days may decide the issue. The "Wood Bill" in the House of Representatives has the backing of Southern conservative & Republican coalition.

(b) It is reported that 13 Texas Congressmen are supporting the "Wood Bill"; 4 are against; and 4 are wavering under administration pressure.

(2) ACTION DESIRED:

You, as a constituent, are the only one who can counteract administration influence with your Congressman. So contact him (by phone, if possible) and urge support of "Wood Bill" if you want to preserve the salient features of the Taft-Hartley Act.

Some Congressmen may duck the issue - so let your Congressman know you expect him to be counted.

IF THE WOOD BILL IS LOST
THE WAGE-HOUR FIGHT WILL
PROBABLY BE LOST.

Ed C. Burris

Ed C. Burris

TEXAS MANUFACTURERS ASS'N
M & M BUILDING
HOUSTON 2, TEXAS
Phone: Preston-4194

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

April 28, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Ek:

Bob Waite and I were talking yesterday afternoon about Pineland's indebtedness to Texarkana which stood at $327,525.40 as of March 31st, and Bob says there will be an additional $300,000.00 or so added to this amount during April for the instalment of income tax and approximately $125,000.00 advanced.

I don't suppose any particular comment on this heavy indebtedness is called for, but it is quite disappointing to me that Temple Lumber Company is so heavily involved in debt at this time when we may be entering upon a period of recession or depression and when it is quite apparent that we are, in fact, entering upon a period of deflation.

I realize that Pineland is not wholly responsible for this indebtedness because it includes income tax payments which Texarkana has made for Temple Lumber Company, and the income tax is the obligation of the yards as well as Pineland; the same, of course, is true of the dividend. The main conclusion to be drawn, however, I would say, is that it behooves us to conserve our cash and restrict our expenditures to what is considered necessary and for the yards to reduce their inventories and receivables as much as may be consistent with the volume of business they are doing, and, I might add, this latter has been adopted as a definite policy though I am sorry to say little or no progress has been made in reducing inventories. Regardless, however, of the cause or causes, this heavy increase in the indebtedness of Temple Lumber Company to Southern Pine Lumber Company is a trend which I do not consider good under present conditions.

We had our last Temple Lumber Company Directors' meeting on January 15th, when we met at the new Kirby Drive yard in Houston. I think that it might be well for us to get together again about the middle of May to review our situation and take stock of the future.

Yours truly,

AT:ld

CC Mr. Arthur Temple, Jr.

April 28, 1949

Mr. J. W. Durham
Diboll, Texas

Dear Jake:

I opened, in Temple Webber's absence, the pictures of our exhibit at the Lumbermen's Association of Texas convention recently held in Dallas. They are good pictures and show the exhibit to very good advantage. I wish very much that I could have seen the exhibit itself, but, as you may have been told, I had a rather bad scab on my upper lip caused by a minor automobile accident while riding with Josh Morriss last Thursday night, and as a consequence did not feel very presentable.

I wish that I had suggested that Temple Lumber Company be omitted on the signs in the exhibit, because since this was a convention of retail lumber dealers, it was Southern Pine Lumber Company rather than Temple Lumber Company that we wanted to feature, and I think there is a strong prejudice in the trade against buying from a competitor. I would have suggested that even the name Temple across the back of the exhibit on the wall be omitted.

Temple told me when I talked to him on the phone Monday, I believe, that our exhibit was causing a great deal of interest. He said that the canes disappeared in a couple of hours Sunday afternoon even before the convention formally opened. I am sure that it was a good exhibit and worth all of the time and money that it cost.

Yours truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

April 28, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

It may be pretty late to be making a suggestion, but if you have not already wired your Representative in Washington, I think that it would be a good idea for you to wire him and urge him to support the Wood Bill, which is being offered as a substitute for the Taft-Hartley Act and as opposed to the Administration Bill known as the Lesinski Bill. The Wood Bill, I understand, retains most of the desirable features of the Taft-Hartley Act and is being supported by the coalition of Republicans and southern Democrats, and while the vote is expected to be close, spokesmen for the coalition, including Joe Martin of Massachusetts, anticipate that the Wood Bill will be adopted. I heard on the radio at noon today that there may be a vote on the Wood Bill today, but if not, one is expected tomorrow, and if you get this letter Friday morning, a telegram sent immediately may be in time.

If you can get any others to wire your Congressmen, particularly men who may be classed as working men or the rank and file, I am sure that it would be very helpful, doing more good probably than a telegram from you and others closely identified with management.

Yours truly,

AT:ld

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cc Mr. S. F. Styles
Mr. George Smith
Mr. Arthur Temple, Jr.

April 29, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

In my letter yesterday commenting on the increase of the Temple Lumber Company indebtedness to Southern Pine Lumber Company at Texarkana, I might have made the comment that the increase in inventories at Pineland and the yards and the two income tax instalments of $177,000 each, more than account for what Temple Lumber Company owes the Texarkana office.

I don't know that this additional comment is noteworthy or has any particular bearing on my letter but thought that it might be of interest to you and others to whom I sent copy of that letter.

Yours truly,

AT:ld

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CC ~~Mr. G. S. Smith~~

ARTHUR TEMPLE, JR.
DIBOLL, TEXAS

April 30, 1949

Mr. G. S. Smith
Diboll, Texas

Dear George:

I sent you yesterday copies of Peat, MarwickMitchell and Company's reports on the examination of accounts of Southern Pine Lumber Company for the year ended December 31, 1948. I understand from Frank Taylor that one of each report was sent directly to Arthur, Jr.

If you have any comments on the audit reports, will be glad to hear from you. If you prefer, we can discuss them the next time I am in Diboll, which now appears to be May 27th, when I believe the annual meeting of Texas Lumber Manufacturers Association takes place at Boggy Slough, unless I am able to get down on May 7th for the formal opening of the new hospital in Lufkin.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

May 3, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I think that your notice dated April 30th to employees about the bonus is well worded. What I wanted to get away from was any commitment or obligation in advance to pay the bonus at the end of the next three months' period, and I don't think that there is any such commitment or obligation in your notice.

My idea of a bonus is something that can be paid to employees over and above their regular rate of pay if at the end of a given period it is deemed advisable to pay such a bonus, based onearnings of the company, production of the workers or some such criterion. If we tell the workers in advance or at the beginning of a period that a bonus will be paid at the end of the period, the advantage of a bonus over an adjustment in wages and salaries is lost.

Yours truly,

A. T.

AT:ld

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May 3, 1949

Mr. E. G. Prud'homme, Pineland
Mr. S. F. Styles, Houston
Mr. Arthur Temple, Jr., Diboll
Mr. Latane Temple, Little Rock
Mr. G. S. Smith, Diboll

Gentlemen:

You will recall that at the meeting of the Board of Directors of Temple Lumber Company held in Houston on January 15th it was suggested, and I believe agreed by those present, that we ought to have more frequent meetings, and I believe that a meeting in May, somewhere around the 15th, was considered in order.

I have recently conferred with Arthur, Jr., Temple Webber and Eck and they all agree with me that it is probably advisable for us to get together to survey the present situation and try to determine what the immediate future holds for us, to discuss business conditions generally, in fact.

I would like to call a meeting of Directors of Temple Lumber Company for the third week in May, say Tuesday, the 17th, or the following week; possibly to work in a trip for this purpose with the annual meeting of Texas Lumber Manufacturers Association, which is to be held at Boggy Slough on Friday, May 27th. If we should have the meeting the third week in May, say the 17th, I presume Houston would be the most convenient place for all except Eck, Arthur, Jr. and George Smith, and Houston would probably be just as convenient for Arthur and George as Pineland. A trip to Houston would be very much easier for Latane, Temple and me.

I will appreciate it very much if those addressed will write me, indicating their preference both as to the time and place for a meeting of Directors. I personally don't have much preference as to either, but if it should be decided to hold a meeting in Pineland, I would like to work it in with the annual meeting of T.L.M.A. on the 27th to save one trip by car.

Yours truly,

A. T.

AT:ld

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May 4, 1949

Mr. E. G. Prud'homme, Pineland
Mr. S. F. Styles, Houston
Mr. Arthur Temple, Jr., Diboll
Mr. Latane Temple, Little Rock
Mr. G. S. Smith, Diboll

Gentlemen:

My attention has been called to the fact that the annual meeting of Texas Lumber Manufacturers Association will be held at Boggy Slough beginning at 10:30 A.M. on Saturday, May 21st, not on May 27th as I thought when I wrote you my letter of May 3rd.

Accordingly, it has been suggested that we hold a meeting of Directors of Temple Lumber Company at Lufkin or Diboll so that those who wish can attend the T.L.M.A. meeting also. If it is convenient, I suggest that we plan to meet at Diboll Friday afternoon, May 20th, at 1:00 P.M. immediately following lunch.

Will you please advise whether or not that will be agreeable to you?

Yours truly,

AT:ld

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

May 6, 1949

Mr. G. S. Smith, Secretary-Treasurer
Temple Lumber Company
Diboll, Texas

Dear George:

Inasmuch as Friday afternoon seems to be the most convenient time for the greatest number to attend a meeting of Board of Directors of Temple Lumber Company, I suggest that we set down our meeting for 1:00 P.M. at Diboll Friday, May 20th.

Eck and Styles may desire to take in both the Directors' meeting and the annual meeting of T.L.M.A. at Boggy Slough in one day, and if that should be their desire, leaving Pineland and Houston early Saturday morning in time to arrive in Diboll at about eight o'clock, that should give us sufficient time to get through with our discussion and get out to Boggy Slough by the opening of the T.L.M.A. meeting at 10:30. If they should desire such a schedule rather than spend Friday night away from home, that would be perfectly agreeable to Temple Webber and me, and if either or both should desire that we have both meetings Saturday, they can let me know. Otherwise, Temple Webber and I will plan to drive down Friday morning, anticipating the Temple Lumber Company Board meeting Friday afternoon.

It has been suggested that we might get together for lunch Friday if we have the Board meeting Friday afternoon. It might be more satisfactory, however, for each one to make his own arrangements for lunch. Temple and I, for instance, might stop in Lufkin for that purpose.

It will not be necessary for you to get out a formal notice of this meeting. I am sending a copy of this letter to Styles, Eck and Arthur and also Latane in the hope that he may be able to make arrangements to attend the meeting, although he has advised that he cannot attend on May 20th because he has a meeting of the State Hospital Board on that day. If Styles or Eck, or both, suggest that we have the Board meeting early Saturday morning, I will let you know.

Yours truly,

AT:ld

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

May 7, 1949

Mr. G. S. Smith
Diboll, Texas

Dear George:

Since writing you yesterday and giving the matter some further consideration, I feel rather positively that we ought not to try to have the Temple Lumber Company Directors' meeting on the morning of Saturday, May 21st, preceding the annual meeting of T.L.M.A. at Boggy Slough. On the other hand, I think that we should have our meeting Friday afternoon when we can discuss matters informally and in a leisurely fashion. In my opinion, there would be entirely too much rush to try to have our meeting Saturday morning, especially since the T.L.M.A. meeting is to be held at Boggy Slough, and Arthur, Jr., at least, might have something which he would have to do prior to the T.L.M.A. meeting in the way of making arrangements and so forth.

I am sending a copy of this letter to Eck, Styles and Arthur, Jr. to suggest that we do not try to have our Temple Lumber Company Directors' meeting early Saturday morning, but, on the other hand, that we plan to have it at 1:00 P.M. Friday, May 20th, immediately following lunch which each one will take care of on his own.

Yours truly,

AT:ld

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

May 9, 1949

Mr. G. S. Smith
Diboll, Texas

Dear George:

I have had letters from both Eck and Styles indicating that they prefer that we have our Directors' meeting in Diboll Friday afternoon, May 20th, rather than try to crowd it in Saturday morning before the annual meeting of T.L.M.A.

It has been definitely determined, therefore, that Friday afternoon is the better time for us to get together, and, accordingly and in line with previous advice, we will set 1:00 P.M. Friday, May 20th, as the date for our Board of Directors' meeting, or as soon after that hour as everyone assembles.

As also stated in one of my previous letters, I think it is better for each one to arrange for his own lunch and not try to have lunch for everyone at Diboll prior to the meeting. I have in mind particularly that Eck and Styles may want to grab a bite on the way, and Temple and I will probably stop in Lufkin for lunch.

Yours truly,

A. L.
A.D

AT:ld

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

May 10, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

Noting your letter of May 7th in regard to our Directors' meeting, I think that we had better leave it as arranged, that is, for 1:00 PM or as soon thereafter as the crowd assembles at Diboll on Friday, May 20th.

Arthur arranged the meeting with Mr. Robertson for 3:30 Friday afternoon on the assumption that we would be through with the Temple Lumber Company Directors' meeting by that time. I think that we certainly should be because two and one-half hours ought to give us sufficient time to discuss our problems and matters of interest.

I think that we would have been too rushed to have our Directors' meeting Saturday morning before the annual meeting of T.L.M.A. Since we are hosts for the T.L.M.A. meeting at Boggy Slough, Arthur, at least, might have some things to attend to and he and others of us, for that matter, should be out there to welcome the guests.

Yours truly,

AT:ld

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

May 10, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

Noting your letter of May 7th in regard to our Directors' meeting, I think that we had better leave it as arranged, that is, for 1:00 PM or as soon thereafter as the crowd assembles at Diboll on Friday, May 20th.

Arthur arranged the meeting with Mr. Robertson for 3:30 Friday afternoon on the assumption that we would be through with the Temple Lumber Company Directors' meeting by that time. I think that we certainly should be because two and one-half hours ought to give us sufficient time to discuss our problems and matters of interest.

I think that we would have been too rushed to have our Directors' meeting Saturday morning before the annual meeting of T.L.M.A. Since we are hosts for the T.L.M.A. meeting at Boggy Slough, Arthur, at least, might have some things to attend to and he and others of us, for that matter, should be out there to welcome the guests.

Yours truly,

AT:ld

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May 10, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I don't see why it would not be ample time for us to discuss vacations when we have our meeting in Diboll on Friday afternoon, May 20th. The regular time for vacations is August, I believe, or certainly several months hence, and I should think any decision reached on May 20th would be in ample time. If, however, you feel that this is something that should be decided earlier, you and Arthur might talk about it on the 'phone and decide what you want to do. I would be agreeable to whatever you two should decide upon.

Personally, I would much prefer to pay our employees an extra 40 hours than to shut the mill down and lose the production. If you think that would accomplish the purpose of a vacation, well and good.

Yours truly,

AT:ld

CC Mr. Arthur Temple, Jr.

May 11, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I had already seen the C.I.O. circular distributed at Diboll. Arthur sent me one of these a day or two ago.

It has not been my thought that we would discontinue the 10% bonus at this time. However, I did think that it was unwise and not in keeping with the bonus idea to tell our employees in advance that they would receive a bonus at the end of the period. It is, in my opinion, the very nature of a bonus that it is granted or not granted at the end of a period, depending on conditions. That is the advantage, and the only advantage as I see it, over a raise in salaries and hourly rates of pay.

I do not think that we ought to be influenced too much by what the C.I.O. says or does. I would be inclined to ignore their statement in the circular distributed at Diboll that Pineland has cut out the bonus, and I would not be influenced by any credit that they may take upon themselves for a vacation this year. We have been giving vacations for the last several years, and I think anything they might say along this line should be and would be discounted.

I do not see how we could afford to cut out the bonus, which would be the equivalent of reducing wages, until our competitors, particularly those close by as Angelina is to Diboll, make some cut. We have never taken the lead in lowering wages, and I don't think we should do it now, and I would not want to cut wages until we are forced to do so or until lower wages are fully justified by a lower cost of living.

Let's don't be stampeded. I think that we can let this thing rock along until we get together at Diboll on the afternoon of Friday, May 20th, but if for any reason you or Arthur think that immediate action is necessary or that we ought to get out some statement, I can run down most any time to meet with you, or you and Arthur can get together on what should be done, and if you wish, report to me by telephone.

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I know that we want to do everything we can to counteract the efforts of the C.I.O. to organize our employees. On the other hand, I don't think that we should permit ourselves to be intimidated or required to do anything beyond what we consider to be reasonable. I am very much afraid that our employees are going to be organized sooner or later and the less we give in the meantime, the less we are going to be forced to give when we come to bargain across the table. Furthermore, while I certainly would not court unionization, I don't think that it would be altogether bad for us because then we would grant only concessions that were forced on us, and we would be relieved of many things that we are now doing gratuitously. My idea is that we should always be fair and square with our men, run our business as we think it should be run, always do what we think is right and let come what may.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

May 11, 1949

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I am enclosing a clipping from this morning's Texarkana Gazette which quotes a Washington labor columnist as saying that Governor McMath of Arkansas was responsible for scuttling the Wood labor bill in the House last week; that he placed midnight telephone calls to four Arkansas Congressmen and got them to switch their stands on the labor legislation.

If this is true, then I suppose someone close to the Administration called on Governor McMath to do this job. If he did it, I am sorry because I think it was a mistake to send the Wood Bill back to committee because the general consensus seems to be that that means the end of it, and I say this in spite of what your Congressman, Brooks Hays, wrote you. I really can't see why Representatives of a state largely agricultural like Arkansas should object to a strong labor management relations law.

Yours truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

May 16, 1949

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I assume from your letter of May 14th that you have not been able to change the date of your hospital board meeting and, as a consequence, you will not be able to attend a meeting of Directors of Temple Lumber Company to be held in Diboll next Friday afternoon. I am sorry that you will not be with us.

I am glad to have the comments in your letter of May 14th. You may be sure that I will keep in mind your ideas about improving the cash position of Temple Lumber Company, which are in accord with my own and, I believe, all of the Directors.

I think considerable progress has been made by the retail division. Their receivables are down approximately $710,000 since the beginning of the current fiscal year, but their inventories are up about $206,000. Other assets are up about $441,000 and current liabilities are down approximately $604,000. All of this is to the good except the increase in inventories, but as far as lumber is concerned I am not perturbed about that item because, as I have brought out before, we have always used the Temple Lumber Company yards to relieve the mills when the demand is slow, and this has taken off pressure which might otherwise force us to make concessions in prices. One of the biggest advantages to having the retail yards is to provide an outlet for the mills.

It is, I suppose, inevitable that inventories of lumber at the mills should increase. However, inventories at Pineland have gone up from $734,000 to $895,000, only about $160,000 since November 30th.

The big handicap to overcome, of course, is the payment of the Federal Income Tax in hard cash. It is no easy thing to take approximately $700,000 out of your operating capital, especially when you are doing a heavy volume of business and when your receivables and inventories have to be maintained at high levels and at high prices. However, I am sure that you will agree that the financial statement of April 30th shows a very strong and healthy condition.

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The ratio of current assets to current liabilities is a good criterion, and this ratio for Temple Lumber Company is about 4.5 to 1. The cash available for distribution in dividends is something else. Obviously, the cash allowed the retail division is too low, $2,000,000 against total assets of $4,502,000.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

May 18, 1949

Mr. Frank Tull
Burke, Texas

Dear Mr. Tull:

I thank you for your letter of May 16th. However, I know nothing of the circumstances and consequently wish that you would discuss them with my son, Arthur Temple, Jr., who is manager at Diboll. I understand from your letter, however, that you have already written to him.

Sincerely yours,

Arthur, I can't make head or tail out of this letter which I am enclosing except he seems to be objecting to the burning of some timber where someone has a club.

A.T.

AT:ld

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WINNERS IN ~~THIRD~~ FIFTH WEEKLY

KRLD-CULLUM & BOREN FISHING CONTEST

MAY 7 to MAY 13, 1949

FOR LARGEST BASS

1. Arthur Temple, 3003 Pine St., Texarkana, Texas,
   8 pounds, 4 ounces; 22 inches
   Entered by Fielden-Munn Sporting Goods, Texarkana.

2. Ernest Platt, Livingston, Texas
   7 pounds, 4 ounces; 23 inches
   Entered by Livingston Auto Supply, Livingston

3. Lyle Wham, Box 348, Marlow, Oklahoma
   6 pounds, 8 ounces; 23 inches
   Entered by Perkins Sporting Goods, Ardmore

4. J. O. Ballard, Jacksonville, Texas
   6 pounds, 5 ounches; 23½ inches
   Entered by Martindale's, Jacksonville

5. Judson Bagwell, Jr., 19 Covington Dr., Longview, Texas
   5 pounds, 15 ounches; 22 inches
   Entered by The Hobby Shop, Longview

6. Herbert H. Hicks, 5307 Miller Ave., Dallas, Texas
   5 pounds, 10½ ounces; 19 inches
   Entered by Firestone Store, 2101 Greenville, Dallas

The Sixth Weekly Contest, for LARGEST INDIVIDUAL BREAM, will open Saturday morning, May 14, and will close with entries received in the office of Cullum & Boren Co., Dallas, not later than 12:00 noon Friday, May 20, 1949.

Entries may be made through ANY FISHING TACKLE DEALER.

CC Mr. Arthur Temple, Jr.

May 26, 1949

The Hon. Beauford H. Jester
Governor of Texas
Austin, Texas

Dear Beauford:

I have just wired you urging that you follow the recommendation of Senator Ottis Lock in your appointment of at least two members of the Sabine River Authority Board. I am sure that Senator Lock is sympathetic with the timberland interests in the area involved and that anyone whom he might recommend to you for appointment to this Board will be friendly to such interests. Furthermore, I feel that it is only right that such consideration be shown the timberland owners in the Sabine River basin because they will undoubtedly be the ones most effected by the building of one or a series of dams on this river.

It looks very much to me as if the whole country has gone dam crazy. We have been confronted for some years with the prospect of the building of a dam on the Neches River at Rockland, which would inundate and throw out of production something like 300,000 acres of the finest growing timberland in East Texas, and, as a consequence, Southern Pine Lumber Company would be vitally effected; similarly Temple Lumber Company will be effected by one or more dams on the Sabine River, and all of the thought and all of the money invested with a view to perpetuating the operation of its mill at Pineland in Sabine County would go for naught.

I realize that with the creation of the Sabine River Authority and the appointment of a board to handle its affairs a battle has been just begun. There will no doubt be considerable opposition to the building of one or more dams on the Sabine River, and it is no doubt questionable at least whether Congress will appropriate the necessary money. In any event, however, I think that the landowners effected certainly should be represented on the Board, and it was with that in mind that I wired you asking your favorable consideration of Senator Lock's

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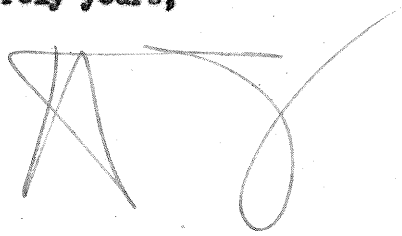
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recommendations.

With kindest regards,

Sincerely yours,



AT:ld

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*Charge to the account of* Southern Pine Lumber Co. $

| CLASS OF SERVICE DESIRED | | | |
|---|---|---|---|
| DOMESTIC | | CABLE | |
| TELEGRAM | | ORDINARY | |
| DAY LETTER | XX | URGENT RATE | |
| S[illegible] | | DEFERRED | |
| N[illegible] LETTER | | NIGHT LETTER | |
| SPECIAL SERVICE | | SHIP RADIOGRAM | |

Patrons should check class of service desired, otherwise the message will be transmitted as a telegram or ordinary cablegram.

# WESTERN UNION

1206-BT

R. B. WHITE, PRESIDENT
NEWCOMB CARLTON, CHAIRMAN OF THE BOARD
J. C. WILLEVER, FIRST VICE-PRESIDENT

| CHECK |
|---|
| ACCOUNTING INFORMATION |
| TIME FILED |

*Send the following message, subject to the terms on back hereof, which are hereby agreed to*

May 26, 1949

The Hon. Beauford H. Jester
Governor of Texas
Austin, Texas

Strongly urge that you follow the recommendation of Senator Ottis Lock in the appointment of at least two of the Sabine River Authority Board. Am very anxious that timber interests be protected and am confident that Lock's ~~XXXXX~~ suggested appointment will be friendly and considerate.

Best regards.

Arthur Temple

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## ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays, the sender of a message should order it repeated, that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeated message rate is charged in addition. Unless otherwise indicated on its face, this is an unrepeated message and paid for as such, in consideration whereof it is agreed between the sender of the message and this company as follows:

1. The company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the unrepeated-message rate beyond the sum of five hundred dollars; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the repeated-message rate beyond the sum of five thousand dollars, *unless specially valued;* nor in any case for delays arising from unavoidable interruption in the working of its lines; nor for errors in cipher or obscure messages.
2. In any event the company shall not be liable for damages for mistakes or delays in the transmission or delivery, or for the non-delivery, of any message, whether cau the negligence of its servants or otherwise, beyond the sum of five thousand dollars, at which amount each message is deemed to be valued, unless a greater value is stated in w by the sender thereof at the time the message is tendered for transmission, and unless the repeated-message rate is paid or agreed to be paid, and an additional charge equal to one-tenth of one percent of the amount by which such valuation shall exceed five thousand dollars.
3. The company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other company when necessary to reach its destination.
4. Domestic messages and incoming cable messages will be delivered free within one-half mile of the company's office in towns of 5,000 population or less, and within one mile of such office in other cities or towns. Beyond these limits the company does not undertake to make delivery, but will, without liability, at the sender's request, as his agent and at his expense, endeavor to contract for him for such delivery at a reasonable price.
5. No responsibility attaches to this company concerning messages until the same are accepted at one of its transmitting offices; and if a message is sent to such office by one of the company's messengers, he acts for that purpose as the agent of the sender.
6. The company will not be liable for damages or statutory penalties in the case of any message except an intrastate message in Texas where the claim is not presented in writing to the company within sixty days after the message is filed with the company for transmission, and in the case of an intrastate message in Texas the company will not be liable for damages or statutory penalties where the claim is not presented in writing to the company within ninety-five days after the cause of action, if any, shall have accrued; provided, however, that neither of these conditions shall apply to claims for damages or overcharges within the purview of Section 415 of the Communications Act of 1934.
7. It is agreed that in any action by the company to recover the tolls for any message or messages the prompt and correct transmission and delivery thereof shall be presumed, subject to rebuttal by competent evidence.
8. Special terms governing the transmission of messages according to their classes, as enumerated below, shall apply to messages in each of such respective classes in addition to all the foregoing terms.
9. No employee of the company is authorized to vary the foregoing.

**THE WESTERN UNION TELEGRAPH COMPANY**
INCORPORATED
R. B. WHITE, PRESIDENT

1-38

## CLASSES OF SERVICE

### DOMESTIC SERVICES

**TELEGRAMS**
A full-rate expedited service.

**DAY LETTERS**
A deferred service at lower than the standard telegram rates.

**SERIALS**
Messages sent in sections during the same day.

**NIGHT LETTERS**
Accepted up to 2 A.M. for delivery not earlier than the following morning at rates substantially lower than the standard telegram or day letter rates.

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A service to ships at sea, in all parts of the world. Plain language or code language may be used.

### CABLE SERVICES

**ORDINARIES**
The standard service, at full rates. Code messages, consisting of 5-letter groups only, at a lower rate.

**DEFERREDS**
Plain-language messages, subject to being deferred in favor of full-rate messages.

**NIGHT LETTERS**
Overnight plain-language messages.

**URGENTS**
Messages taking precedence over all other messages except government messages.

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**Telegrams of the categories listed at the right, to any Western Union destination in the United States**

| | |
|---|---|
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| **TELEGRAMS OF SENDER'S OWN COMPOSITION** (first 15 words) | **35¢** |
| **HOTEL or TRANSPORTATION RESERVATIONS / TOURATE TELEGRAMS, for TRAVELERS** (first 15 words) | **35¢** |

**GREETINGS AT**
Christmas — New Year — Easter
Valentine's Day — Mother's Day — Father's Day
Jewish New Year — Thanksgiving

**CONGRATULATIONS ON**
Anniversaries — Weddings
Birthdays — Commencement
Birth of a Child

**MISCELLANEOUS**
Bon Voyage telegrams — "Pep" telegrams
Kiddiegrams (No 35¢ rate) — "Thank You" teleg

**ASK ANY WESTERN UNION OFFICE OR AGENCY FOR FULL INFORMATION**

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

May 26, 1949

Mr. S. F. Styles
Houston, Texas

Dear Styles:

I have just received your letter of May 25th together with copies of your letters of the same date to Robert Waite and George Smith in regard to a difference between you and George on the retail division's fair proportion of taxes and dividends paid. I note that you agree that George was correct in his statement to me that the yards had failed by approximately $400,000 of taking care of their share of these items.

I think that what you have done to equalize the burden, namely, sending Pineland your check for $24,302.39 and Texarkana your note for $350,000, is a nice gesture on your part, and I think it is nothing more than fair that the yards bear their proportion of the interest charged Temple Lumber Company by the Texarkana office for money paid out for them and advanced to them. Overall, of course, the result is the same whether the interest is paid by the yards or Pineland, but each unit or division should stand on its own feet, and it would not be fair to impair Pineland's showing by having them carry more than their part of the load.

Yours very truly,

AT:ld

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

May 26, 1949

Mr. C. A. Jordan
C/o Texas South-Eastern Railroad Co.
Diboll, Texas

Dear Jordan:

I am returning St.L.S.W.Railway Lines recharge debit statement of overcharge freight claims in the amount of $41.39, which represents that line's proportion of a transit claim covering one car of lumber originating in Fordyce, Arkansas, which statement you mailed to me with your letter of May 25th.

Although you fear the consequences, I see nothing to do but to forward all papers in your claim No. 9462-L for checking and to request re-debit authority. If we are wrong in what we have been doing and are doing with respect to transit privileges claimed on shipments for the handle factory at Diboll, we might as well know it and adjust our procedure accordingly. I hope, however, that permission to re-debit will be given and we will not lose the privileges which we have been enjoying.

Needless to say, I will be very much interested to learn the outcome of this. Will you please keep me advised?

Yours truly,

AT:ld

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CC Mr. H. C. Bercken
Mr. Arthur Temple, Jr.

May 26, 1949

Hon. Tom Connally
U. S. Senate Office Building
Washington, D. C.

Dear Senator:

I have just read a digest of Senate Bill 1820, introduced by Senator Clinton P. Anderson of New Mexico, which I understand has been referred to the Senate Committee on Agriculture and Forestry.

This bill is most drastic. It is apparently the culmination of years of effort by the bureaucracy in the U. S. Forest Service to gain complete control of timberland down to the smallest units. It appears to be another indication of the trend to place everything under the control of the Federal Government - another step toward state socialism.

This bill is generally condemned by the lumber industry, even by those like ourselves who are following good forest practices, people who are growing timber and practicing selective cutting with a view to perpetuating their operations. It is entirely unnecessary, that is, legislation of this sort is unnecessary, because private timber owners are doing a very good job for the most part in protecting their timber and growing timber for the benefit of future generations.

I wonder if you have read this bill. At any rate, I am confident that you will oppose it with all of the vigor you possess. Certainly, I hope that you will.

With kindest regards,

Sincerely yours,

The same letter sent to Senators John McClellan, Lyndon Johnson, J. W. Fulbright and Representative Wright Patman.

AT:ld

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May 27, 1949

Mr. C. A. Jordan
C/o Texas South-Eastern Railroad Co.
Diboll, Texas

Dear Jordan:

At the meeting of Directors of the Texas and Pacific Railway Company in Dallas Wednesday authority was given Mr. Vollmer, President, to scrap or sell a number of locomotives which are now surplus due to the fact that the T&P has so largely gone over to Diesel power.

I suggested that the TSE might buy one of these locomotives when it was stated that they would be sold for what they could be scrapped, but I did not contemplate that they would require and costly repairs. However, Mr. Cloyd, Executive Vice President, called me from Dallas yesterday, stated that they had been offered $2,600.00 for one of these locomotives, just which type I don't recall, but he told me of the estimated cost of repairs which would be required in order to comply with ICC rules and regulations. That threw a different light on the subject and I told him that if our present motive power was in good shape, as I thought it was, I was sure that we would not be interested in any of the locomotives which the T&P has for sale.

This morning I received the enclosed letter and blueprints from Mr.Vollmer, which describes the several locomotives available together with an estimate of the cost of repairs to each. I am quite sure that we are not interested under the circumstances but am passing this information on to you for what it may be worth, and if you think that we might be or if an inspection and further negotiation would be justified, I suggest that you write directly to Mr. Vollmer referring to the enclosed letter from him.

Yours very truly,

AT:ld

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I really don't know whether any of these engines would be suitable for our railroad. However, I believe the 300 type and the 400 type are used on the TS&N from Shreveport to Texarkana and the Trans-Continental Division from Texarkana to Ft. Worth. I am sure that our railroad could handle any locomotive which operates over the TS&N. The T&P has a number of larger locomotives for sale which are not covered by Mr. Vollmer's letter and which he did not mention because he knew from what I told him they would not do.

Yours truly,

A. J.

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CC Mr. Arthur Temple, Jr.
Mr. C. A. Jordan

May 27, 1949

Mr. W. G. Vollmer, President
The Texas and Pacific Railway Company
Texas and Pacific Building
Dallas 2, Texas

Dear Mr. Vollmer:

I have received your letter of May 26th giving information relative to several types of locomotives which you have to be sold or scrapped and the estimated cost of repairs required.

I am sending this information on down to Mr. C. A. Jordan, Secretary-Treasurer of Texas South-Eastern Railroad Company, Diboll, Texas, with the request that he go over the data and advise whether or not the TSE would be interested.

As I told Mr. Cloyd when he called me on this matter yesterday, I did not contemplate that any of the locomotives which the T&P has for sale would require extensive repairs which run into a good deal of money. As a matter of fact, I think that our motive equipment is in good shape, and really what I had in mind when I said at the Directors' meeting Wednesday that we might be interested for our railroad was that we might be justified in picking up a good small locomotive which would be suitable for our service and at a bargain price. Inasmuch as all of the locomotives which you have for sale would require a considerable outlay of money for repairs, I doubt if we would be justified in buying one of them.

I do appreciate all of the trouble which you have gone to in order to supply the information contained in your letter, and if those in charge of the operation of our little railroad should be interested, which I doubt, you will hear further from me or directly from them.

Kindest regards,

Sincerely yours,

AT:ld

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CC Mr. Arthur Temple, Jr. ✓

Also made Palmer, Lanham & Lyndon Johnson at Alamo Legion.

May 27, 1949

Hon. J. M. Combs
House of Representatives Office Building
Washington, D. C.

Dear Mr. Combs:

As you may or may not know, the market on hardwood lumber is terribly depressed at the present time, and I do not think there is any doubt but that this condition is due to a considerable extent to the lack of export business. Before the last war an average of approximately 300,000,000 feet of hardwood was exported annually, but now the export of hardwood is practically nil.

It has been alleged that this lack of hardwood export business is due to the purchase, particularly by the United Kingdom, of hardwoods in France and even in countries behind the Iron Curtain and with money provided by or made possible by the United States through ECA. It does not seem fair for the hardwood industry of the south to be taxed to support a policy which has resulted in the destruction of its own business.

I am enclosing a resolution which was adopted by the National Lumber Exporters Association at a recent meeting held in Washington, D. C., also, "The Hardwood Story" which explain the situation far better than I can. I am, however, writing to you in the hope that you may do something to alleviate this condition. The hardwood market is indeed demoralized at the present time, and a resumption of the export trade would go far, I am confident, toward restoring a healthy condition.

While I do not reside in your district, this company operates a mill at Diboll, and Temple Lumber Company, an affiliated company, operates one at Pineland, both of which are in your district. Furthermore, I know that there are numerous hardwood mills in your district. Therefore, I feel justified in calling this serious situation to your

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attention and asking for your help in alleviating it.

With kindest regards,

Sincerely yours,

AT:ld

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CC Mr. Arthur Temple, Jr.

June 2, 1949

Mr. A. E. Cudlipp
C/o Lufkin Foundry and Machine Company
Lufkin, Texas

Dear Al:

This will acknowledge receipt of your letter of June 1st to Arthur, Jr. together with a copy of the resolution adopted at the annual meeting of TIMA at Boggy Slough Saturday, June 21st.

This resolution is certainly most generous in its appreciation, and, looking over the members of the Resolutions Committee who signed it, I feel positive that our friend Don Canterbury had a good deal to do with the wording of it. It sounds a good deal more like him than Kirby Herndon and Dave Thompson.

My part in acting as host was, of course, mostly nominal. The credit, if any credit is due, should go to Arthur, Jr. and his staff, who made all of the arrangements. I did think it was an awfully good meeting.

Sincerely yours,

AT:ld

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June 1, 1949

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

Gentlemen:

The local Lincoln-Mercury dealer has offered me a Mercury station wagon new, equipped with overdrive, heater, radio and custom steering wheel for his cost or $2,575.00. It is my understanding that this car, equipped as it is, carries a list price of $3,200.

I doubt if we have any need for a car of this kind at either Diboll or Pineland, but I told Dave Chandler, the salesman, that I would write both of you about it. My own thought is that if we needed a station wagon, we probably would do better to buy a Ford, which could probably be had at less than list also, and we probably would not want to pay for a radio.

If either of you happens to be interested in this car, please advise.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

June 7, 1949

Mr. G. S. Smith
Diboll, Texas

Dear George:

On the analysis of profit for May, 1949, just received, I note several items which I would like to know more about.

I note that under the item of donations $4,000 was charged for May, making the total to date $5,525.00. Under employee relations $494.00 was charged for May, making the total for the year to date $2,558.00; and under public relations $992.00 was charged for May, making the total for the year to date $2,378.00.

I don't want you to go to the trouble of itemizing these charges for the year to date but don't suppose that it would be too much trouble for you to let me know what makes up the three items for the month of May.

Yours truly,

AT:ld

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

June 10, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

Mrs. Ralls, representing Minnesota Mutual Life Insurance Company, spent about an hour and one-half in my office this morning by appointment and discussed with Bob Waite and me group health and accident insurance.

According to Mrs. Ralls, you have been getting, or at least asking for, quotations on group health and accident insurance and, I presume, with more adequate coverage than you have had in the past under your Provident policy. Mrs. Ralls, of course, advocates strongly either combining our health and accident insurance with our life, which Minnesota Mutual is now carrying, and there may be some advantage to this because I believe both provide for payment in case of death, or at least placing the health and accident with the same company that carries the life insurance. Of course, what she is after is more of our insurance, and she would like to get for Minnesota Mutual, her company, what Provident Life and Accident Insurance Company now has.

According to Mrs. Ralls, and I presume she is correct, all companies can and do write the same coverage and all use the same or conference rates. If this is true, then I should think that it would be to our advantage to carry any of our insurance, group health and accident or group life, with a mutual company where we would get dividends representing the profit or savings made by the company. In a stock company, of course, all profit goes to the stockholders in dividends. The only objection I have to Minnesota Mutual, and I presume the only objection any of us has to this company, is its representative in our territory, Mrs. Ralls, who has made something of a nuisance of herself. However, I don't think that should influence us in placing our insurance where it is the cheapest, all other things being equal.

In conclusion I told Mrs. Ralls that I presumed after you had assembled all of the data necessary for a full consideration that you would suggest a meeting to determine just what route we would go, and I thought we would

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want to have the same coverage by the same carrier or carriers at both Diboll and Pineland; that while we are all very friendly to Josh Morriss, who has acted as agent or perhaps broker for Provident, and that while our experience with Provident has been quite satisfactory as far as I know, I was sure that we would not let those considerations carry too much weight.

Mrs. Ralls gave me some figures which I think might be of interest to you. She said that our companies had paid total premiums of $166,000 and Minnesota Mutual had paid claims amounting to $87,500 and dividends of $39,000, a total of $126,000, leaving in reserve $39,000 plus, all these figures of course being in round numbers, but I believe she took off of the amount in reserve approximately $8,000, which would reduce this figure to about $31,000. Being a mutual company, this reserve, as I understand it, belongs to us along with other policyholders which would not be the case in a stock company of course.

This letter is more in the nature of a report on Mrs. Ralls' visit this morning than anything else. However, I want you to know that I stand ready and willing to go into a discussion of our employees' insurance at any time and will be glad to meet with you at Pineland, Diboll or any other convenient place at any time that suits your convenience.

I am sending a copy of this letter to Arthur, Jr.

Yours truly,

AT:ld

CC Mr. Arthur Temple, Jr. ✓

June 13, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

Confirming my phone conversation with you this date, I want to say that I don't think we could have a better committee working on our group life and group health and accident insurance problems than you and Damrel from Pineland and George Smith and Calvin from Diboll. Apparently considerable time and thought have already been given to combining the two policies into one, and I will be perfectly satisfied with going whatever route the committee determines is the best.

In writing you several days ago I was apparently in error in stating that all of the insurance companies wrote on the same or conference rates and the only advantage in one over the other would probably be in a dividend which we might expect from a mutual company. In talking with Josh Morriss this morning he said that rates are fixed to a certain extent, but there is considerable competition and finagling on certain features, various benefits covered by the health and accident insurance, as I understand it, and that apparently has been your experience in getting bids from the several companies.

Inasmuch as our experience with Provident Life and Accident Insurance Company has been so eminently satisfactory and although our experience with Minnesota Mutual may have been satisfactory, too, but not so with their agent in our territory, there may be a strong temptation to place the combined policies with Provident. Certainly, we are all very friendly with Josh Morriss, and I am sure that we would rather deal with him and Reilly and the people who represent Provident than the lady from Houston who has been very persistent and has made something of a nuisance of herself.

I don't think that it is necessary for me to sit in with you in deciding what we want to do. If you, Damrel, George Smith and Calvin are in agreement and Arthur, Jr. concurs, then let's go. I would suggest this, however, that in the event you decide that you want to place the business with Minnesota Mutual that you let Josh know of your intention before taking action because inasmuch as Minnesota Mutual has made a cut in their bid when, as I

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understand it, Provident was low, I feel that it would not be out of line to show Josh and Provident this consideration. From what Josh told me on the 'phone this morning he and Provident are very anxious to retain the business they have and, of course, to take on the group life in addition, and I think they will be willing to do anything in reason to meet or beat competition.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

June 13, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I am returning the Southern Pine Industry Committee voluntary assessment forms which you sent with your letter of June 11th.

I suggest that you remit for Pineland only on pine production or shipments, whichever is the proper basis. In view of the fact that we are supporting the Southern Hardwood Producers who are also waging a fight, though it may not be as aggressive or as effective, and in view of the fact that most of the southern pine producers do not belong to SHPI, I think it would be only fair that we exclude our hardwood from our Southern Pine Industry Committee contributions.

Arthur, Jr. is a member of the Southern Pine Industry Committee, and of course I would not want to do anything that might prove embarrassing to him. I am sending him a copy of this letter so that he may get in touch with you immediately if he does not concur in my view.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

June 14, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

One small item that might be considered in figuring Provident Life and Accident Company's bid on our group health and accident insurance and group life insurance is the commission we get on this business through Offenhauser.

Some years ago when we took out group health and accident insurance my father was disposed to place the business through a relative, Samuel B. Woods, of Charlottesville, Virginia, who had talked to him about group insurance and who, incidentally, was indebted to Father to the extent of something like $4,000.00 as I recall. In order to handle this business Offenhauser agreed to split their commission with Mr. Woods, and, as a result, we have been getting approximately $150.00 per year on the health and accident insurance carried with Provident.

This is not a big item, to be sure. Furthermore, I don't know whether the same policy would be extended to group insurance. However, I am inclined to think that we could get Offenhauser to split their commission on the life insurance as well as the health and accident if we wanted to.

I wish that you would not say anything about this commission we have been receiving. It might be embarrassing to Offenhauser if it were known, and I don't know but what there may be some state law involved. Copy of this letter is going to Arthur, Jr., and I will ask that he keep the information confidential, too.

Yours truly,

AT:ld

This [illegible] running about $200 per year.

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CC Mr. Arthur Temple, Jr.

June 15, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I am enclosing a letter received this morning from Mrs. Ralls.

You will note that she makes the statement that Minnesota Mutual's bid was not the same as that of Provident Life and Accident Insurance Company, but, on the other hand, it was 34¢ per $1,000.00 less and this in addition, as I understand it, to the dividend which we might anticipate from a mutual company.

Whether Mrs. Ralls' figures in her letter of June 13th, which I enclose, are correct or not I don't know. I have known her to be not too accurate in the past. At any rate, I am sure from what you and Arthur have written and what you told me on the phone several days ago that you do not understand Minnesota Mutual's bid to be 34¢ lower than Provident's, and in light of Mrs. Ralls' letter of June 13th you will probably want to check further.

Yours truly,

AT:ld

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June 15, 1949

Mrs. G. A. Ralls
1509 Westheimer
Houston 6, Texas

Dear Mrs. Ralls:

I have just received your letter of June 13th in regard to group health and accident and group life insurance for our companies.

We have a committee with representatives from both Diboll and Pineland working on these coverages, and from what they have done so far it is apparent that considerable saving will result in carrying health and accident and life in one company rather than in two, as we are doing at present. This committee is assembling data and, I believe, getting quotations from several companies, including Minnesota Mutual, and after all of the information is assembled and all bids are in they will decide what route we will go.

It is obvious that I cannot determine which company offers the most advantageous plan because I do not have all of the facts and figures. I have, accordingly, told Mr. Prud'homme that whatever he and his committee decide is best, with Arthur, Jr. as Manager at Diboll concurring, will be all right with me. Just when a decision will be reached I don't know, but if you have any further arguments in behalf of Minnesota Mutual, it would be well for you to take them up with Mr. Prud'homme rather than with me because under the circumstances all I can do is to pass them on to him and his committee.

With kindest regards,

Sincerely yours,

AT:ld

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cc Mr. R. E. Minton
Mr. Arthur Temple, Jr.

June 23, 1949

Mr. James R. Cornelius, Jr.
P.O.Box 451
Jefferson, Texas

Dear Sir:

This will acknowledge receipt of your letter of June 21st advising that Mr. C. Skelton of Commerce, Texas, is the owner of an undivided interest in a tract of land in Nacogdoches County, Texas, being a part of the Joshua Jacobs Survey of said County, containing 50 acres of land, which said tract of land is described in Volume 28 page 66 of the Deed Records of Nacogdoches County, Texas; further, that this tract is a part of land conveyed to Southern Pine Lumber Company by Mrs. Mary R. Saner.

We are referring your letter to our attorney, Mr.R.E.Minton, Lufkin, Texas.

Yours very truly,

SOUTHERN PINE LUMBER COMPANY

AT:ld

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CC Mrs. G. A. Ralls
Mr. E. G. Prud'homme
Mr. Arthur Temple, Jr.
Mr. M. H. Tripp
Mr. S. F. Styles

June 24, 1949

The Minnesota Mutual Life Insurance Company
St. Paul, Minnesota

Gentlemen:

With reference to group policy #24888-G issued by your company and delivered to Southern Pine Lumber Company, Temple Lumber Company and Temple Manufacturing Company and in accordance with the cancellation provision therein, please be advised that we wish to cancel this policy at the expiration of the current policy year, which we understand to be midnight July 31, 1949. There is, however, some question whether we want to request cancellation as far as the retail division of Temple Lumber Company is concerned, but we should be able to advise you definitely as to that not later than Monday, June 27th. Mrs. Ralls, your general agent at Houston, has informed Mr. Styles, general manager of the retail division at Houston, that Minnesota Mutual Life Insurance Company would be glad to continue to carry the group life insurance on the employees of the retail division if that division should so elect.

In explanation of this action, will say that we have had a committee of four to make a very careful study of the insurance needs of the employees of our several companies. They have, we think, made a very exhaustive study, have decided to combine the health and accident insurance and the group life insurance which have been carried previously with Provident Life and Accident Insurance Company and Minnesota Mutual Life Insurance Company respectively, and this committee has, as a result of its study, recommended that the group life insurance be cancelled with Minnesota Mutual and that this insurance, together with health and accident, be placed with Provident Life and Accident Insurance Company. It is, therefore, our intention to carry out this recommendation.

Yours very truly,

President: Southern Pine Lumber Company
Temple Lumber Company
Temple Manufacturing Company

AT:ld

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

June 27, 1949

The Minnesota Mutual Life Insurance Company
St. Paul, Minnesota

Gentlemen:

In writing you on June 24th in regard to group life policy #248888-G issued by your company and delivered to Southern Pine Lumber Company, Temple Lumber Company and Temple Manufacturing Company we stated that it was undecided whether the retail division of Temple Lumber Company with headquarters at Houston would want to cancel out with Minnesota Mutual or continue on, Mrs. Ralls, your General Agent in Houston, having told Mr. S. F. Styles, Vice President and General Manager of Temple Lumber Company at Houston, that Minnesota Mutual would be glad to continue to carry the group life for the retail yards even though the mills of Temple Lumber Company and Southern Pine Lumber Company at Pineland and Diboll respectively cancelled out.

I have been in communication with Mr. Styles today, and he has informed me that he would like to continue the group life policy with Minnesota Mutual. We will appreciate it very much, therefore, if you will please be governed accordingly. If there should be any mistake, however, in Mrs. Ralls' statement that Minnesota Mutual would be glad to continue to carry insurance for the employees of the retail division of Temple Lumber Company, please be good enough to wire us immediately because we would not want any interruption in this insurance.

Yours very truly,

President: Southern Pine Lumber Co.
Temple Lumber Company
Temple Manufacturing Co.

AT:ld

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CC Mr. Arthur Temple, Jr.

June 28, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

Mr. Stinnes and Mr. Cummings of Minnesota Mutual Life Insurance Company, St. Paul, called me by long distance telephone this morning. They were very much upset about losing the group life insurance on our employees and couldn't understand how they lost this business on a competitive basis. They wanted to know if we had any complaint, if there was anything that they might have done and did not do, but, of course, I did not tell them of our antipathy for Mrs. Ralls.

I told these gentlemen that our committee had decided that it was best to combine the accident and health and life insurance in one policy with one company, that Provident had handled the H and A insurance very satisfactorily over a number of years, and it was felt that they were probably in a better position to service the policy than Minnesota Mutual. I told them further that we would go ahead with Provident, try them out for a year at least and see how we come out. They wanted to have someone come down to talk with us, but I told them that it was too late, that we had already authorized Provident to proceed with the solicitation of employees.

Both of these men insisted that there had been nothing wrong with the rate charged by Minnesota Mutual, that the cost based on the ages of the employees insured was $1.39 plus an additional premium for loading for the colored men which they had agreed to deduct in view of the fact that our experience justified such a reduction.

It will be interesting to see how this new policy with Provident works out. I cannot help but feel that the net cost will be greater with Provident than with Minnesota Mutual because of the dividends which we might anticipate from the latter, but, as I told Mr. Stinnes and Mr. Cummings, I have full confidence in the men who served on our committee

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and am sure that we could not have had anyone better qualified to decide what was best for us and our employees.

I don't want to continue this correspondence about our group insurance unnecessarily. However, I did want to report to you this phone conversation with the Minnesota Mutual men.

Yours truly,

AT:ld

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July 1, 1949

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I have your letter of June 30th advising that you have closed out 20 of your 25 tanks of oil at an average of 11.93¢. This, if I am not mistaken, is just about the lowest point July contracts have reached and, of course, represents a severe loss. At any rate, our record is consistent because I do not believe we have ever bought oil on the board without a loss, and I am about ready to swear off of buying futures because apparently our best judgment is of no avail. As a matter of fact, I have always been extremely leery of buying futures or selling on the board because it appears to be an outright gamble where we are competing with people who make a close study of the market and, as a consequence, have the advantage of us. To say the least, I think that our experience not only in the recent past but every time we have bought future contracts should be enough to make us extremely wary of ever getting into the market again.

I realize that my attitude is a negative one. I have nothing constructive to suggest as an alternative to guarantee that our products will be sold at a profit. The only thing I can suggest is what I have advocated over the years, namely, that we sell against our seed purchases, and when we cannot sell at a profit, the alternative would be not to buy the seed at the going market. I realize full well that such a policy might and probably would mean that we would not get any seed at times and that, as a result, we might soon be out of business. Even so, that might still be the policy to follow. Frankly, I don't see any other way to eliminate the gamble and I am not much of a gambler.

I cannot take seriously what the broker told you about a New York oil buyer setting out to punish us for having 25 contracts. I can't believe that the "big boys" would be so concerned about such a comparatively small transaction by one company. However, they might have included us with a group of independent operators.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

July 6, 1949

Mr. Kenneth Nelson
C/o Southern Pine Lumber Company
Diboll, Texas

Dear Kenneth:

In accordance with your letter of July 5th I have executed the amendment to the Cullen lease which Mr. Waite has attested, and I return it herewith.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

July 8, 1949

Mr. W. A. Godwin
Box 584
Nacogdoches, Texas

Dear Mr. Godwin:

This will acknowledge receipt of your letter of July 7th.

I don't know of any need for your services at our plant. True, I am more or less out of touch with what is going on, living as I do at such a distance, but reports which I get from Diboll at frequent intervals indicate a generally satisfactory condition. I have never heard of any Communistic activities among our employees, and if I am not mistaken, your principal line of work is combating Communism.

Our Diboll mill is in charge of my son, Arthur Temple, Jr., who I think has the situation well in hand. If, however, you know of any subversive activities at Diboll, he would be the one for you to contact.

Yours very truly,

AT:ld

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Nacogdoches, Texas
July 7, 1949

Mr. Arthur Temple,
% Temple Lumber Company,
Texarkana, Texas.

Dear sir:

I do not desire to appear determined, but where pressure demands service I am always anxious to give vent to the cries of those least fortunate, the toilers. Again and again I have been called upon to give time among some of the employees of your two plants. But in the past efforts have been fruitless, ambitions curbed, hopes smothered and irritation gains momentum, so I am mailing this to you and if you feel any form of interest in the ambition and desires of those employed and wish to know more of my succeeses, phone Clyde Stone of J.E. Stone Lumber Company, Nacogdoches, Texas, who, I believe, will be glad to give you such information as is desired.

Yours very truly,

W. A. Godwin

W.A. Godwin,
Box 584
Nacogdoches, Texas

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July 8, 1949

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

Gentlemen:

Yesterday when Mr. Roy Riley of Provident Life and Accident Insurance Company was in my office, and here primarily to sign up employees at the Texarkana office, he made the suggestion that the amounts of life insurance on our employees be cut in half when employees retire or are retired on account of age. He said this was done frequently and mentioned one company which followed the practice of reducing the amount of insurance 10% per year, which would, of course, wipe out the face value of the policy in ten years.

Mr. Riley suggested this primarily to reduce the cost and, as it has been our policy in the past at least to pay the premium on pensioners' policies, and inasmuch as we may be so inclined in the future, our companies might save a good deal by following Mr. Riley's suggestion.

I told Mr. Riley that I would like for him to discuss this matter with you two inasmuch as I did not know just what the reaction might be on the part of employees who had carried policies for a long period of time. I commend the suggestion to your consideration, and if you approve of the idea, get together on it and communicate with Mr. Riley before the effective date of the Provident policy, which is August 1, 1949.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. R. E. Minton

July 11, 1949

Mr. J. E. Price
C/o Quintana Petroleum Corporation
17th Floor - City National Bank Building
Houston, Texas

Dear Mr. Price:

Inasmuch as I am leaving within the next hour or two for Diboll and Lufkin, I prefer not to give you a definite answer to your letter of July 7th in regard to pooling and/or unitizing our lands covered by our lease to Mr. Cullen until I have had the opportunity to discuss your suggestion with Mr. Minton and Mr. Arthur Temple, Jr. I will make it a point to discuss the suggestion in your letter with these gentlemen tomorrow and will write you upon my return to Texarkana or ask my son to do so.

Yours very truly,

AT:ld

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cc: Mr. R. E. Minton
Mr. Arthur Temple, Jr.

July 13, 1949

Mr. J. E. Price, Attorney
Quintana Petroleum Corporation
17th Floor City National Bank Building
Houston, Texas

Dear Mr. Price:

Since writing you several days ago after receiving your letter dated July 11th, I have conferred with my son, Arthur Temple, Jr., and our attorney, Mr. R. E. Minton, and inasmuch as we see no disadvantage but, on the other hand, some possible advantage we accede to your request that we reserve the exclusive right to pool and/or unitize lands covered by our lease to Quintana Petroleum Corporation in the event of a sale of any part of our royalty interest.

In talking with my son on long distance telephone this afternoon I understood from him that Mr. Minton is preparing a letter of agreement covering this. I also got the impression that some representative of Quintana Petroleum Corporation will be in Diboll tomorrow, and this letter will be given to him. However, in view of the fact that you had written to me on the subject I felt that it was advisable for me to answer you directly and more definitely than was possible when I wrote you under date of July 11th.

Yours very truly,

President: Southern Pine Lumber Co.
Temple Lumber Company

AT:ld

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CC Mr. Arthur Temple, Jr.

July 22, 1949

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

Isn't it strange the way the cottonseed oil market works? No sooner do we sell our July contracts at what I believe was just about the lowest point of the season than the market starts rebounding.

I note in today's issue of the Dallas Morning News that futures on the New York market closed one to thirteen points higher, September closing at 12.53-58, and the Texas market for cottonseed oil in tank cars at Texas common points is quoted at 11½¢ a pound.

While I discounted the statement that some of the big boys were gunning for us and, as you wrote, proposed to teach us a lesson, I'll be darned if the behavior of the market does not lend credence to such a statement. At any rate, it is hard indeed to understand how we have always played the market wrong and have invariably suffered heavy losses every time we have bought on the board.

Yours truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

July 26, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I am enclosing a copy of a letter which I received this morning from Bill Peavy in regard to the Frost lands. You will recall that when you were here you told me that you had gotten information from Speary that the Frost lands might be offered for sale, and I told you that I would write Bill Peavy to see what information he could get.

I don't think that we would be interested in the Waskom lands because they have never been operated selectively and they are probably at too great a distance from our mills to be economically accessible. Furthermore, I don't think that we would be interested in buying all of the 125,000 acres because that would run to entirely too much money or above $3,000,000 at $25.00 per acre. We might work out some sort of a division with Southland and/or Angelina County Lumber Company, but for my part I would be interested only in timber which could be cut now since that is apparently what we need in order to permit our young timber to grow.

The only thing I can suggest is that you tell Speary that we might be interested in a part of the Frost lands and suggest that he might drop a word to this effect to someone in the Frost organization so that we would have a chance to go over the lands and then determine what we wanted to do. The only other course that occurs to me is that we might approach Ernest Kurth and suggest a two or three way split. If you have anything else to suggest, let me know.

I am sending a copy of Bill Peavy's letter to Arthur, Jr., also a copy of this letter to you in order that he may have the information.

I hope that you have fully recovered from your palsy. If you have not fully recovered, I am sure that you will in a short time because I saw such marked improvement while you were here. Also hope that you find all well at home when you get there.

Yours truly,

AT:ld

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C
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P
Y

July 25, 1949

PERSONAL

Mr. Arthur Temple
Texarkana, Texas

Dear Arthur:

I have learned from Jack Willis through a third party that timber lands at Waskom and Nacogdoches are now being re-cruised; that Nacogdoches until Worth Whited's death practiced selective cutting which was discontinued after that time but the practice has recently been resumed. Waskom never did, so I understand, and the plan there has always been to clean the land and quit. Jack thinks the Waskom mill has about five years yet to run but he says that land is within forty miles of Nacogdoches' lands and the whole works could be logged through one mill. He thinks the present rate of growth on both tracts is approximately twelve million feet per year. They thought at one time that both plants would be closed down on account of labor trouble and they then considered dismantling both of them and building a new mill somewhere to cut both tracts at the rate of about one million feet a month. My informant also gathered the impression that they either had considered selling the lands or would consider the same. Your information therefore may be correct as to that possibility.

I think that you might find the Nacogdoches lands amounting to some 85,000 acres on which some selective cutting has been practiced, might be what you want rather than the Waskom lands which are located some distance from both Diboll and Pineland, and on which I understand no selective cutting has been done.

If you want to figure on this thing with them it would be my recommendation from experience that you come here and start your negotiations with Frank Whited and Jack Willis both at the same time. For your confidential information Frank came to me with a very interesting matter which was most interesting to us and which I would have closed at the time. That deal was broken up by Jack who felt that he had in a measure been ignored. I am not going to say anything to either one of them on this matter for that reason. I know them both quite well and have practically all my life. Frank for many years has been one of my closest friends here. I will be glad to go there with you or arrange such a meeting for you if you wish.

If there is anything further I could do you are to feel free to call on me.

Best regards,

Yours very truly,

W. A. PEAVY

Dict. by W. A. Peavy:B

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CC Mr. Arthur Temple, Jr.

July 27, 1949

Mr. G. B. Campbell
410 West Point Court
University City, Missouri

Dear Mr. Campbell:

My son, Arthur Temple, Jr., who is Manager of our mill at Diboll, has talked to me about his conversations with you and your son relative to moving your treating plant from Nacogdoches to Diboll.

Before suggesting that we get together for a further discussion of this matter I think that it might be well for me to ascertain from my son just what has developed so far.

We have been considering the installation of a treating plant at Diboll. However, I have leaned toward a small plant, one that would take care of our needs for treated material at the mill and to provide treated material to be shipped in cars with untreated lumber, even though such a plant would not be able to treat poles and piling. Arthur, Jr., however, rather leans to an all around plant. I have questioned, too, whether it would be advisable for us to invest a substantial amount of money in used equipment. This assumes that we would buy a fifty per cent interest in your company, one way or another.

I don't feel that our own ideas are sufficiently crystallized at the present time to justify a meeting between you and me. We have not had an opportunity to get our own crowd together to discuss the matter and to determine just what we want to do. Under the circumstances I can only suggest that any further action be deferred, which I hope will not inconvenience you.

Yours very truly,

AT:ld

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cc - A.T. Jr.

July 28, 1949

Grand Hotel
Point Clear, Alabama

Attention: Mr. Harry A. Peters, Jr., Manager

**Gentlemen:**

**I wonder if you would be good enough to reserve a double room with twin beds for Mrs. Temple and me for several days beginning with September 1st.**

**We have heard so much about the Grand Hotel and Point Clear from my son, Arthur Temple, Jr., of Lufkin, Texas, who was with you last summer and who I believe has a reservation beginning August 1st, and also from Mr. and Mrs. G. T. Caven and other friends of Texarkana who have just spent a delightful vacation at Point Clear, that Mrs. Temple and I are looking forward with much pleasure to spending the first few days of September with you.**

**Provided you can make the reservation for us, our plan is to return directly to Mobile from New York, arriving by L&N early on the morning of September 1st. We would like to stay until Saturday afternoon, September 3rd.**

**Yous very truly,**

**AT:ld**

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CC Mr. Arthur Temple, Jr.

July 29, 1949

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

Dear Ernest:

I have just heard that the Chronister Lumber Company has sold their timber 8" and up and apparently to someone other than you or Southland. Do you know anything about this?

Yours very truly,

AT:ld

CC Mr. Arthur Temple, Jr.

July 29, 1949

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

If you have good reason to believe that the oil market is rigged against small or independent operators and can produce any evidence to support such a belief, I don't know of anyone who would be more interested or effective in doing something about it than Wright Patman, Representative of the First Congressional District of Texas, in which of course Texarkana is located. Wright Patman is Chairman of the Small Business Committee of the House of Representatives and has what might almost be classed as a phobia against big business, and he has waged a continuing fight against chain stores and any business which has smacked of monopoly.

As I wrote you several days ago, it is strange indeed that the cotton oil market went down and down immediately after we bought our contracts on the board until we sold at, I believe, the lowest point the market reached, since which time it has rebounded until the Dallas News today quotes September oil as closing at 14.16 yesterday and the spot cottonseed oil market in Texas is given as 13¢ a pound. I have not thought that Temple Cotton Oil Company was such a factor as to bring any drastic action on the part of any of the big boys. I don't think so now. If, however, there is any evidence to support such an allegation, I would not be averse to doing something about it, and as stated above, I don't know of anyone who would take a more lively interest or be more effective than Wright Patman.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

July 29, 1949

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

When is the regular annual meeting of stockholders of Temple Cotton Oil Company scheduled to take place? The reason I ask is that Katherine and I are planning to leave here on August 20th for Quogue, where we will remain for about a week, and we will probably leave New York on August 30th for Mobile, Alabama to spend several days at Point Clear, where Arthur, Mary and Buddy went for their vacation last summer. We would be back in Texarkana on Sunday, September 4th.

Arthur, Jr., I think, is planning to take his vacation at Point Clear beginning the first of next week. Just how long he will be there or away from Diboll I don't know. Assuming that he will be gone two weeks, then the week of August 14th would be the only one that would not conflict with his vacation and mine. Under the circumstances the best thing might be to postpone the meeting or call the meeting to order at the appointed day and then adjourn it over until some time the early part of September when we would be more settled unless, of course, you feel some necessity to have the meeting earlier.

Yours truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

August 1, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I can certainly appreciate your position with respect to the Sabine River water shed improvement program. As I told you on the phone last night, I do not blame you a bit for not wanting to serve on the Board under what might be considered false pretenses and, to say the least, you would be in a most embarrassing position.

I think that the best thing to do is to discuss this matter with Senator Lock and thus give him the opportunity to discuss the appointment of a successor with Governor Shivers. As you were no doubt appointed to this Board on the recommendation of Senator Lock, I feel that this would be the courteous thing to do.

The news contained in the clipping from the Dallas News which I sent you recently to the effect that nothing could be hoped for on this Sabine River project for four or five years, Congressman Combs being the authority for the statement, is quite gratifying. By that time we may have a Republican Congress and Administration in Washington which will not be so dam minded and will be more interested in economy and paying off the Federal debt than the Queer Deal crowd which is now in power.

Yours truly,

AT:ld

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August 1, 1949

Mr. G. B. Campbell
410 West Point Court
University City, Missouri

Dear Mr. Campbell:

Since writing you several days ago I have been in communication with my son, Arthur Temple, Jr., at Diboll and several of our other Directors, and we have come to the conclusion that it would not be advisable for us to consider further the installation of a treating plant at Diboll.

We appreciate the consideration shown us by you and your son. If and when we do consider seriously the installation of a treating plant at our mill, we will be glad to consider working out something along the line which my son and your son had in mind in their recent discussions.

Yours very truly,

AT:ld

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August 3, 1949

Mr. E. G. Prud'homme
Pineland, Texas

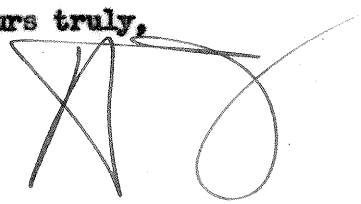
Dear Eck:

I am enclosing another clipping, this one from today's Dallas News, which states that legislation calling on army engineers to expedite studies of the Sabine River watershed was introduced by Wright Patman and Lindley Beckworth, also that similar measures had been introduced by these men asking for completion as expeditiously as possible of an examination and survey of the area.

While I was talking with Arthur, Jr. on long distance telephone yesterday about another matter, he said that he hoped I would not encourage you to get off the Sabine River Watershed Improvement Board or whatever is the official designation of that agency. I told him, just as I had told you, that I thought it would be embarrassing for you to serve and that it did not seem quite proper to me for you to be on a Board organized for the purpose of promoting the development when you are, in fact, not in favor of it. He said that he hoped at least that you would not take any action to get off the Board until you had talked with him. In reply to this, I suggested that he call you but don't know whether he intended to or not.

I still feel as I did when I talked with you on the phone and when I wrote you recently. I feel that it would be most embarrassing to you to serve on this Board and think the better policy would be to ask Senator Lock to submit your resignation and suggest someone else to serve in your stead.

Yours truly,



AT:ld

CC Mr. Arthur Temple, Jr.

August 3, 1949

Mr. E. F. Montgomery
C/o Quintana Petroleum Corporation
17th Floor City National Bank Building
Houston, Texas

Dear Mr. Montgomery:

I have just received your letter of August 2nd agreeing to the extension of our lease in favor of Albert Wooley in Red River County, Texas, for a period of one year, which is in line with the request I made of you by long distance telephone yesterday afternoon. I thank you for this and for your promptness in giving me your answer.

As I told you on the phone yesterday, we have played along with Mr. Wooley in Red River County for the past ten or fifteen years during which time he has never lost faith in that area, and I believe he has done more than any other one man to keep interest alive and stimulate prospecting for oil. In recent years we have been giving him leases on acreage without any bonus consideration, and, as I told you, we are not getting anything for this extension or renewal.

Mr. Wooley told me when he was in my office yesterday morning that the well to be drilled on the so-called Mitchell land, not on ours but close to it, will be directly west of two wells which are producing a small quantity of oil. Mr. Wooley said that when they put these wells on the pump they get water at first, then a steady stream of oil out of a 1¼" pipe, which they pump for awhile, and then they get water again when the wells are shut down. I am not sure, but I believe these wells are in the neighborhood of 550' deep. Anyway, I am positive they are shallow wells because all of the oil showing in Red River County has been at shallow depth. I am passing all of this on to you with the thought that it may be of more than passing interest to you.

Yours very truly,

AT:ld

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

August 4, 1949

Mr. D. W. Thompson
C/o Angelina County Lumber Company
Keltys, Angelina County, Texas

Dear Dave:

Atthe request of Dick Wortham I am enclosing our Company's check for $1,000.00 payable to Texas Forestry Association which is the amount I agreed to contribute for our two Companies, Southern Pine Lumber Company and Temple Lumber Company, to carry out the plan of establishing a permanent organization and an executive secretary when solicited by Ernest some months ago.

Sincerely yours,

Eck and Arthur: According to Dick the following companies have agreed to contribute $1,000 each to this special fund: Santa Fe Railway, Carter, Kirby, Angelina County, Southland, Champion, S.S.& D. Corporation, the Temple Interests. Of the $1,000 we are charging one-half to each Pineland and Diboll by debit memorandum.

AT:ld

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

August 5, 1949

Mr. H. C. White
C/o Temple-White Company, Inc.
Diboll, Texas

Dear Herb:

I have just read with interest copy of your letter of August 4th to Temple. I can appreciate your position and can assure you that all of us at Southern Pine want to assist in any way we can in solving your problems and will give careful consideration to your need for the production of squares at the lath mill in mill #2.

Temple and I were discussing this matter yesterday afternoon. He said that a check of production of squares against the production of plaster lath at mill #2 showed finally after some leniency on your part or at least something which increased the production from 4,000 to 4,800 squares against 10,000 plaster lath, which translated into money realization would be $96.00 per day against $140.00 per day, or $44.00 less for squares. That, however, is not the only consideration: Temple says that for some unaccountable reason there is a demand for plaster lath in mixed cars and he cited one or two orders booked recently which we were able to get at prices for the lumber in excess of what some of our A-1 competitors are asking, because we were able to ship a small quantity of plaster lath. This was quite a surprise to me because I thought that the use of plaster lath for plaster base was a thing of the past, but Temple thinks that they may be using plaster lath for stripping green fir and perhaps for other purposes, too. The point is, however, that plaster lath seems to be the lever for getting mixed cars of lumber at attractive prices and now when orders are not too plentiful.

It is true that we are financially interested in Temple-White and, as a result, are disposed to cooperate with you in making that business as successful an operation as possible. On the other hand, I do not think that the lumber company ought to be penalized. My suggestion for a solution would be that you pay the lumber company what they could get for lath, and assuming that this demand for plaster lath is temporary, as I think it is, let us continue to make plaster lath at mill #2 until we accumulate a little stock ahead to take care of the mixed car trade, then revert to the manufacture

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of squares. This might work a temporary hardship on you, but as I understand the situation it is going to be necessary for us to make some plaster lath to take care of a straight car which has been booked, and certainly, it would seem proper to accumulate a stock to take care of mixed cars in view of the need to move other items of lumber as long as the demand lasts. While it might be argued that an adjustment in price on the production of squares at mill #1 should be made if you pay us what we would realize on lath at mill #2, frankly I don't think that we could move the production of lath at both mills. Consequently, I suggest that you take care of the difference only at mill #2 in the neighborhood of $40.00 per day.

Unless mills like New Willard, Trinity and Camden are making plaster lath at a higher net realization, and I don't think they are, I don't see why they would not be willing to make squares for you. If you could get them to make squares, that would certainly solve the problem nicely; in fact, I should think that there would be danger of your getting more than you could use if all three of these mills produced squares. Apparently, you have not been able to make the production of squares attractive to them.

Yours very truly,

AT:ld

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

August 8, 1949

Hon. Wright Patman
House of Representatives
Washington, D. C.

Dear Mr. Patman:

I understand that the Ways and Means Committee of the House of Representatives has agreed to recommend repeal of the Gearhart Bill passed last year and interpreting the term "employee" according to common-law rules and the adoption of an amendment to the Social Security Act defining "employee" to include, among other classifications, contract loggers. I hope that you will oppose this move and leave the Gearhart Bill in force.

Some years ago we were assessed additional taxes aggregating many thousands of dollars for Social Security taxes on our independent contract loggers. A good many lumber manufacturing concerns paid these taxes and, as I recall, we did for one of our companies but under protest, and eventually, either under a ruling by some governmental agency or as a result of a test case in court, we were absolved from any liability. The Gearhart Bill, passed last year, clarified the issue and established the fact that we and others in our position were not liable for the Social Security taxes on employees of our contract loggers.

To repeal the Gearhart Bill and make us liable for such Social Security taxes would be most undesirable. It would bring back uncertainty and confusion and impose upon us the duty of collecting taxes for the Government, not only Social Security taxes but, as I understand it, withholding taxes on income as well when we might not even know the actual wages being received by the individual employees. It looks to me as if this is an attempt to shift the responsibility unfairly.

I am confident that a great deal of opposition to this proposed move will develop. It will no doubt be debated extensively in the House, and I sincerely hope in the light of all of the information that will be available to you that you will see fit to oppose the repeal of the Gearhart Bill and the amendment to the Social Security Act defining "employee".

With kindest regards,

Sincerely yours,

AT:ld

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# Committee Agrees on Amendment to Security Act Defining "Employee"

## Rep. Reed, Ranking Ways and Means Republican, Calls Proposed Change "Most Vicious Tax Statute Ever Drawn"

The Treasury Department would be given almost unlimited authority over the application of income tax withholding, as well as social security payroll tax collection, under the new definition of "employee" finally agreed to by the House Ways and Means Committee.

Representative Daniel A. Reed of New York, ranking Republican member of the committee, characterized the amendment as the "most vicious tax statute ever drawn." He says it "would lead to the complete upsetting of established business practices throughout the whole country."

Under the Gearhart bill, passed last year, the term "employee" is interpreted according to common-law rules.

The Ways and Means Committee has agreed to recommend repeal of the Gearhart bill and adoption of an amendment to the Social Security Act defining "employee." The new definition would include:

1—Any officer of the corporation; or

2—Any individual covered by common-law rules or performing service under a written employment contract regardless of modifications not in writing, etc.; or

3—Any individual who is not an employee under Paragraphs (1), (2), or (4) of this subsection but who, in the performance of service for any other person for remuneration, has, with respect to such service, the status of an employee, as determined by the combined effect of (a) control over the individual, (b) permanency of the relationship, (c) regularity and frequency of performance of the service, (d) integration of the individual's work in the business to which he renders service, (e) lack of skill required of the individual, (f) lack of investment by the individual in facilities for work, and (g) lack of opportunities of the individual for profit or loss.

4—Also specifically listed as employees are outside salesmen in manufacturing or wholesale trade, full-time life insurance salesmen, taxicab driver lessees, home workers, contract loggers, certain lessees of space within a mine and certain house-to-house salesmen, unless such individuals have substantial investments in the business or the services are in the nature of a single transaction and not part of a continuing relationship.

The definition has the appearance of combining two different approaches toward the problem of defining employment—an approach by categories and another by specific listing.

Adoption of this definition of employment has been characterized as an extension of coverage of social security. Such a characterization is quite erroneous.



— Wide World

DANIEL A. REED OF NEW YORK
*. . . only lawyers and lobbyists will benefit*

Before the definition of "employment" was changed it was quite clear that the new bill would cover all of the individuals embraced by the definition of employment.

The controversy over the definition concerns solely the question of how the tax shall be collected—i.e., whether certain individuals normally considered as self-employed shall be arbitrarily classed as "employees" of another.

The Treasury has made a strong fight for the extension of the employment definition, apparently because it is felt that it will be easier to collect the tax through a so-called "employer" than to collect it from independent contractors directly as self-employed people.

The question how the "employer" will determine the "wages" of those now defined as employees will apparently not be answered by the bill. It appears clear that the new rules will be applied by the Treasury also to withholding taxes, so that under this provision, if finally passed by Congress, the Treasury can practically write its own requirements on withholding taxes and can require many business firms to withhold income taxes from many people who have always been considered independent businessmen. Again the question arises as to how the employer is to determine the income of these people.

Representative Reed declared: "As a result of the action taken by the Democratic majority, the Treasury Department in Washington is given unlimited discretion in determining whether or not a person is an 'employee' for social security tax purposes, as well as for federal income tax withholding purposes. Employer-employee relationships which long have been settled by the courts will now have to be re-litigated at tremendous expense at the whim of the Treasury Department. Country newspaper correspondents, gas station operators, industrial homeworkers, taxicab drivers, real estate salesmen on a commission basis, house-to-house salesmen—these are but a few of the hundreds of thousands of persons who will now become 'employees' for social security and federal income tax withholding purposes. As a result, social security taxes and withholding taxes will have to be paid on these people by some alleged employer, even though the alleged employer has no way of knowing how much tax to withhold.

"The only persons who are going to benefit from this proposed new definition are high-priced Washington lawyers and lobbyists who have an inside track on what the reported definition

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is supposed to mean. It will be absolutely unintelligible to anyone else and the only recourse to small businessmen will be to come on bended knee to the Treasury Department or the social security agency here in Washington.

"Adoption of this new definition of 'employee' means that Congress has delegated its tax-writing authority to the Treasury Department. This is not only the worst form of government by bureaucracy and of centralization of power in Washington to which the American people are unalterably opposed, but it is in violation of one of the most basic principles of the Constitution which vests the power to tax in the Congress."

## Armed Services Unity Compromise Approved

A legislative compromise has been approved in Congress to promote greater unity among the armed services and effect savings of $1 billion annually in the military establishment, as proposed by the Hoover Commission.

The legislation would give increased powers to the Defense Secretary, but it contains sufficient safeguards to assuage the fears of some members that he could abolish such units as the Marine Corps or place the secretaries of the Army, Navy and Air Force in a strait-jacket by denying them the right to appeal from his decisions to the President or to committees of Congress.

One of the important changes will be the installation of modern accounting and bookkeeping practices in the defense establishment, a revision which the Hoover Commission estimated would save a minimum of $1 billion a year.

The unity measure is regarded as one of the major successes of the Hoover program. There is considerable dispute, however, over two of seven reorganization plans which the President sent to Congress and which follow some of the recommendations made by the Hoover Commission.

These are Plan No. 1, which would reconstitute the Federal Security Agency into a new Department of Welfare with cabinet status, and Plan No. 2, which would transfer the U. S. Employment Service from FSA to the Labor Department. Budget Bureau officials testified before the Senate Expenditures Committee that neither plan would result in cutting government expenditures, and there was testimony from business groups that the plans could increase spending.

A resolution sponsored by Senators Fulbright (D., Ark.), Hunt (D., Wyo.) and Taft (R., O.), calling for disapproval of Plan No. 1, probably will bring a spirited floor fight. Senator Taft is opposing the proposal because he says it is contrary to the Hoover Commission recommendations, and because he feels that it would subordinate health and education to welfare activities.

The Hoover Commission recommended that all federal health activities be grouped under a new agency to be called the United Medical Administration, and that it be headed by a medical man. The American Medical Association, the American Dental Society and other groups are opposing the plan on the same grounds as those given by Senator Taft.

There is considerable opposition, too, to Plan No. 2 on the ground that the Labor Department is constitutionally established to show preference to labor, and that business could not expect fair treatment in the administration of USES and other employment policies if the transfer is made.

All activity in connection with the reorganization plans centers in the Senate. This follows the plans of the leadership of the House to do nothing and let the plans automatically become law on Aug. 20, as far as it is concerned.

The legislation authorizing the reorganization program specifies that the plans submitted by the President must remain before Congress for a minimum of 60 days. At any time prior to the expiration of that deadline, however, resolutions of approval or disapproval can be introduced in either or both chambers.

These resolutions must be acted upon by the proper committees within ten days after their introduction. The seven plans already submitted and those to come thereafter are subject to a one-chamber veto. If they are not disapproved by one chamber or the other, they will become effective on Aug. 20.

## Lobby Probe Asked

Representative Buchanan (D., Pa.) is sponsoring a resolution for a House investigation of lobbying by a seven-man committee which would be given $50,000. He insists it will receive approval of the House leadership.

Another resolution, which calls for a joint investigating committee, has been delayed in the Senate.

## Nationwide Drive Due On Stream Pollution

First steps are being taken in what may grow to be a nationwide program for ending stream pollution.

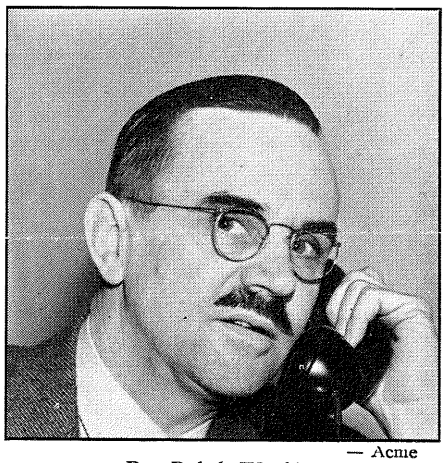
The Water Pollution Control Advisory Board, created under a federal law passed last year, has issued its first report, which calls for a coordinated attack on stream pollution by federal, state and local agencies.

The board, consisting of five government and six public members, says that comprehensive pollution abatement programs by the Public Health Service can provide a powerful influence in support of local programs.

While Congress has not made available funds for loans to municipalities for construction of sewage disposal works, as authorized in last year's law, the board has expressed belief that a substantial portion of cities and industries alike are capable of correcting their pollution problems without aid.

## Ralph Watkins Resigns

Ralph J. Watkins, director of plans and programs for the National Security Resources Board, has resigned to return to his regular duties as director of research for Dun and Bradstreet.



— Acme

*Dr. Ralph Watkins*

In addition to helping the agency on long-range mobilization planning, Mr. Watkins has conducted a special study of the probable impact on the domestic economy of the proposed military aid for Atlantic Pact members.

He will continue his association with the board as a consultant.

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August 9, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

Am glad to have your letter of August 5th analyzing the profit at Pineland for the month of July.

As you say, the profit of $46,000 plus looks mighty good, and, as a matter of fact, this is not disappointing after deducting the $20,655.37 refund on compensation insurance, which entered into the overall figure. A profit of around $25,000 or $26,000 a month would not be at all bad if we could be assured of that month in and month out, but I would like to see the hardwood flooring unit, and the finishing plant and the dimension mill on a little healthier basis.

Everything I read indicates that construction is continuing at a high level. In fact, construction activity is one of the bright spots in the business picture, and I think building is going to continue at a high level. This should result in a very satisfactory showing at our operations, both at the mills and at the Temple Lumber Company yards, and indirectly the dimension plant and the finishing plant at Pineland should feel it, although the reaction may be a little slow in showing up. The point is that I am fairly optimistic for our business for the balance of this year and at least well into next year. I hope I will not be disappointed.

Yours very truly,

AT:ld

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

August 10, 1949

Mr. H. C. White
C/o Temple-White Company, Inc.
Diboll, Texas

Dear Herb:

It looks from your letter of August 9th as if you have worked out the problem of getting squares from the lath mill in mill #2. If the realization on squares and stacking sticks is better than the realization from lath, it goes without saying that it is to the interest of the lumber company to make squares rather than lath except for a quantity for stock to help move lumber in mixed cars and, of course, we want to do whatever we can to accommodate our affiliated company, Temple-White. Certainly, everything else being equal, we would want to do what was to the advantage of Temple-White, and when there is more money in squares, there should be no question what to do.

I am glad to know the facts about New Willard and Trinity and also Camden. It does look as though you would be getting some squares from New Willard and Trinity ere long, and this should ease your supply situation considerably.

I note that Harlan has been with you in Diboll. I know that you like to have him come around and that his advice and counsel are helpful. I may be in Diboll Friday afternoon and Friday night, and if Harlan is still there then, will look forward to having a little visit with him. This is going to be another one of my hurried trips. I am going down with Temple Webber Friday morning, and we are leaving early Saturday for Pineland.

Yours very truly,

AT:ld

CC Mr. Arthur Temple, Jr.
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September 7, 1949

Mr. H. C. Berckes
Southern Pine Association
New Orleans, Louisiana

Dear Herb:

I am forwarding on to Arthur, Jr. at Diboll your letter of August 24th together with the printed letter addressed to SPA subscribers over the signature of J. R. Bemis, Chairman of the Committee on Mechanical Efficiency. The cooperation requested can, I am sure, come better from Diboll than from this office.

Suffice it to say, we are very much interested in mechanical efficiency and will be glad to cooperate to the fullest extent with Mr. Bemis and his committee. Incidentally, we are spending at Diboll something in excess of $500,000 replacing our old kilns with new and modern kilns and improved equipment for handling lumber from the mill.

Yours very truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

September 8, 1949

Mr. Calvin Lawrence
C/o Southern Pine Lumber Company
Diboll, Texas

Dear Calvin:

It was rather difficult to carry on necessary correspondencefrom my home, where I was confined following my appendectomy, and, as a consequence, I am not surprised that my comments on Abe Womack's application to be put on the Temple Foundation were confusing.

What I intended to say was that I approved the recommendation that this applicant be paid $25.00per month from the Temple Foundation and that he be given free house rent. The first letter written by my secretary at my request mentioned only the $25.00 per month; realizing this, I asked her to write a second letter approving the free house rent as well, but I suggested that some help might be obtained from some of Mr. Womack's children or other relatives, but, of course, I had no way of telling whether any of them were in a position to help or not. My thought was that if any help could come from such source, well and good, and in that event we might relieve the Foundation of a part or all of its contribution.

I am sorry to learn that your wife has had a major operation, but I am glad to know that she is apparently getting along all right. I certainly hope that she will recover rapidly and,after it is all over, that she will have benefited from the operation.

As for myself, I am gradually getting back my strength. A drainage condition set up following my operation and only day before yesterday was the tube in my wound removed. Now that it has been removed, I am sure that the wound will heal right away and I know that I am now over the hill. By the way, I appreciated so much the lovely roses sent to me when I was in the hospital by the office force at Diboll. I wrote George Smith to express my gratitude to all who participated.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

September 9, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

Within the past year, I believe, Arthur, Jr. questioned the advisability of our carrying insurance on our dwellings at Diboll just as you do in your letter of September 7th. Shortly after, however, Josh accompanied me to Diboll, and we discussed this matter, and it was decided thatwe were fully justified in continuing to carry the insurance on dwellings because of the extremely low rate and the possibility of a conflagration or destruction by windstorm, such as frequently occurs in this part of the country.

I don't know whether the rate at Pineland is as favorable as that at Diboll. If it is, then the same argument I suppose would apply.

Since dictating the above I have talked with Josh, and he is going to check your figures. He thinks the rate at Pineland is little, if any, higher than at Diboll and says that the rate will be reduced because of good experience since the penalty was put on some time ago, which penalty was due to an unfavorable fire record. He mentioned that Bradley Lumber Company had a terrific loss on dwellings a year or so ago as a result of the tornado that went through Warren, and he agrees that this is probably the greatest hazard.

I think it is well enough for us to give some thought to this matter. If Josh makes any further comment after checking, I will pass it on to you. In the meantime, however, I am inclined to think that this is coverage that we ought to carry.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

September 12, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

Josh Morriss came up Saturday morning and went over the insurance on the dwellings at Pineland.

According to his check, we are carrying $451,658.00 of insurance on the dwellings at a cost of $10,801.83 for five years, which makes an annual cost of $3,600.61 or $300.05 per month, which includes a 15% debit because of an unfavorable past experience, but Josh thinks that this penalty will be removed at the end of the current year.

The above figures do not include the insurance on your house, which, according to Josh, is insured for $25,000, which would raise the overall figures to $11,366.18 for five years or $3,788.73 annually or $315.73 monthly. Incidentally, I wonder if we are carrying enough on your residence. I should not think that $25,000 would be sufficient.

There is a considerable difference between what Josh figures we are carrying on dwellings and what you wrote recently, the difference, in fact, between $300.05 per month, not including your house, and $430.95 according to your letter. Whether your figure included your residence or not I don't know.

Josh argues that we have a very low rate on this coverage and, as I wrote you the other day, he thinks that we certainly ought to carry it because of the danger of a conflagration and particularly the danger of losing a large number of our houses as a result of windstorm. I am inclined to agree but am perfectly willing to discuss this matter at some appropriate time.

Yours truly,

AT:ld

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September 14, 1949

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I would be very glad to have Bob Keeler elected a director of Temple Cotton Oil Company at the meeting to be held on September 20th, as suggested in your letter of September 13th.

As you say, Bob would represent a considerable block of stock and is a lawyer, andas such would probably be of value to us in an advisory capacity. The only question in my mind is would Bob feel justified in making the trip to Little Rock at least once a year for the annual meeting. While I presume it is your idea that the company would pay his expenses on such a trip, he might not be disposed to take the time, or if he was, the principals in his firm might not look upon it with favor.

The time is rather short, and since you havebrought the matter up, I think that it would probably be advisable for you either to write Bob an airmail letter or call him by telephone to find out if he could and would serve if elected. As a matter of fact, though, I have no one else to suggest to take Knight's place, and I don't suppose we would go far wrong to elect him on the assumption that he could and would take an active interest sooner or later.

Yours truly,

cc Mr. Arthur Temple, Jr.
AT:ld

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CC Mr. H. C. Berekes
Mr. Robert T. Keeler
Mr. E. G. Prud'homme

September 15, 1949

Hon. Robert A. Taft
U. S. Senate Office Building
Washington, D. C.

Dear Senator Taft:

I am very much interestedin the amendments to the Wage-Hour Act and, as you are a member of the Conference Committee appointed to work out the differences between the bill passed by the House and the bill passed by the Senate, I am taking the liberty of writing to you, and to you alone because you are the only one on that Committee, with the possible exception of Senator Aiken, on whom I feel that I might make any impression.

I was very much opposed to any increase in the statutory minimum wage, but since both the House and the Senate have agreed on a 75¢ per hour minimum, it goes without saying that that will be the minimum wage. However, there is one provision in the House bill which I urge you to oppose, and that is the exemption of sawmills employing fewer than twelve men.

There are a great many sawmills, particularly in the south, which employ few men, probably fewer than twelve, and for them to be exempt would impose great hardship upon the larger mills and make it impossible for the latter to compete in a highly competitive market. It may not be generally known, but the smaller mills can make lumber for very much less than the larger mills because they do not have the heavy overhead and they usually locate their mills close to or in the timber which they are cutting, and, as a consequence, are not subject to such high logging costs as mills which are frequently located fifty to seventy-five miles away from their timber.

Aside from the above, I see no reason to exempt mills employing fewer than twelve men unless it is the difficulty of enforcing and administering the law. As a matter of principle, however, there should be no discrimination as between the smaller mills and the larger mills.

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I know that you are a very busy man, particularly at this time. I do hope, however, that you will be able to devote your great talent to the working out of the most equitable adjustment of the issues which will confront the Conference Committee.

In closing, let me commend you for the splendid work which you have done as a Senator and express the hope that you will be returned to that office in next year's election. It would be nothing short of a calamity, in my opinion, if you should be defeated through the efforts of the unions, whose opposition is so unjustifiable. I am, however, hopeful that most people will think right and see right and vote accordingly although my faith in the electorate did receive quite a shock last November.

Sincerely yours,

ARTHUR TEMPLE, JR.
DIBOLL, TEXAS

AT:ld

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cc Mr. Arthur Temple, Jr.

September 19, 1949

Mr. Kenneth Nelson
Diboll, Texas

Dear Kenneth:

I am enclosing deed in favor of the American Legion post 113, which I have executed in line with your letter of September 15th to Arthur, Jr.

Although your letter states that you are reserving what saw timber there is on the land, the deed does not stipulate any such reservation, and I wonder if it should not. This, however, I presume could be covered in a side agreement and it probably has been. I call the matter to your attention only in the event that it may have been overlooked.

Yours very truly,

AT:ld

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Mr. Texarkana

# SOUTHERN PINE LUMBER COMPANY

DIBOLL, TEXAS

**To** Mr. Arthur Temple, Jr. **From** Kenneth Nelson **Date** September 15, 1949

I am attaching deed to the American Legion post of Lufkin to the three acres that you agreed to give them on the tract close to Lufkin. I have drawn this with the clause that it is to be used for American Legion purposes only per your request. Have also made a map of it which I am attaching showing where we have cut the three acres off. I had to change it somewhat from where Mr. Walker had shown me to start since it lapped over on an out section and it would also have left a small triangular shape piece which would have been too small to sell to anyone else, so I changed the shape and advised Mr. Walker how it lay. I also told Mr. Walker that we would cut what saw timber there was on it, which will amount to around 9000' and he was agreeable but asked that we leave the small pines which I told him we would.

If this looks O.K. you can pass it back and I will forward it on to your Dad for execution. I also have prepared a lease covering the balance of the land between the two highways for them to sign when we deliver the deed to them.

OK as to

KN:NAT

A. T. Jr.

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cc Mr. Arthur Temple, Jr.

September 19, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I have your letter of September 14th further in regard to insurance on dwellings at Pineland.

I think that we might well discuss whether it is advisable to continue to carry this insurance or not, and to that end wish youwould let me know when our present policy expires. In other words, I would like to know if we can let this matter hang fire until our annual meeting in October provided we are not together and do not have an opportunity to discuss it earlier. If this matter can wait until our annual meeting, I suggest that you make a note to put it on the agenda for that meeting.

Yours truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

Texarkana, Arkansas
September 21, 1949

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I neglected to discuss either before or during the meeting yesterday an increase in salary for you, but I did talk with Newman, Josh and Arthur separately this morning, and they are all agreeable to increasing your salary $100.00 a month effective immediately or September 1st. While there may be some reluctance on your part to accept this in view of last year's heavy loss and the doubtful prospects for the ensuing year, you have assumed a much greater responsibility and considerably more work with Knight gone, and, in short, I think you deserve it. Undoubtedly, your job is big enough to justify such an increased salary if the businesscan afford to pay it.

I presume you will also want to make some adjustment in the compensation of Cochran and MacArthur. Whatever you elect to do about these and any others in the organization will be perfectly all right. Their salaries do not have to be fixed or approved by the Board and clearly come under the jurisdiction of management in my opinion. I am sure, however, that you will bear in mind the condition of company, and you may prefer to take care of them through some bonus arrangement.

I enjoyed the visit with you yesterday and particularly appreciated Jo's entertaining us at lunch. I was very favorably impressed by your three fine children and your lovely home, and I am so glad that you have such a happy environment in contrast with the problems and cares of Temple Cotton Oil Company.

I do hope the current season will turn out to be a good one. Personally, I think the prospect is much better than it was at this time last year because I think there is a good chance for prices of products and seed to advance while at this time last year prices were high and we faced, whether we knew it or not, a declining market. I think, too, the industry as a whole will be inclined to operate conservatively since it had such a bad experience last year and that should be in our favor. Anyway, I know that you are going to do your very best to make the current season a success and you have my full confidence and support.

Yours truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

Texarkana, Arkansas

September 21, 1949

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I would think twice before changing auditors because the firm of Reynolds, Bone and Griesbeck is familiar with our operations, is experienced in the auditing of cotton seed oil mills, and I believe their work for us and for Farmers Cotton Oil Company in the past has been generally satisfactory. Of course, if it would be of any advantage to you to have some Little Rock firm do this work, that is another matter.

I don't think that the auditors should be criticized for not yielding more readily to such suggestions as to charge off a part of the John Gibson indebtedness or their contention that the loss on cotton seed oil futures should be treated as a capital loss. Auditors as a rule follow certain principles, but the position they take does not preclude us from going against their advice when we file our income tax returns. If we disagree with them, we do not have to follow their advice. Furthermore, my experience has been that auditors are usually inclined to advise a course of action which will keep their clients out of trouble. In other words, they are, perhaps, inclined to be ultra-conservative.

You will be the one to deal with our auditors whoever they may be, and, of course, I want you to be satisfied. Whatever action you take, therefore, is entirely up to you.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

September 22, 1949

Mr. J. R. Morriss
C/o F. W. Offenhauser & Company
Texarkana, Texas

Dear Josh:

On the way to Little Rock the other day I told you and Arthur about the newspaper article which I had read on how things have changed. I received the same thing in mimeographed form from Sloan at Pineland this morningand am enclosing it for your perusal.

When you have read this, I wish that you would send it on down to Arthur and with a copy of this letter I am asking him to return it to me.

Sincerely,

AT:ld

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CC Mr. Arthur Temple, Jr.

September 22, 1949

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

In discussing the prospects for Temple Cotton Oil Company and the cotton seed oil industry generally at our meeting yesterday I doubt if any of us gave any consideration to the effect that currency devaluation might have on our business.

It is, of course, true that devaluation will probably have the effect of cutting down exports of fats and oils as well as other commodities and conversely it will, I suppose, encourage the import of copra and coconut oil and possibly other oils which compete with cotton seed oil.

Certainly, I do not want to add any other bad situation to those which already exist to make our prospect any more pessimistic. However, I cannot see anything good for Temple Cotton Oil Company in the currency devaluation, and if you do, I wish that you would give me the benefit of your thoughts.

Yours truly,

AT:ld

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September 23, 1949

Mr. D. C. Kenley
Diboll, Texas

Dear Dave:

I have had it on my mind for some time to discuss with you when I am in Diboll or to write to suggest your retirement since there seems to be so little for you to do, especially since we have made the deal with Mr. Cullen which has tied up all of our lands for a period of five years.

I have put off doing this because it is a hard thing to do. However, I would not be at all surprised if the idea has not also occurred to you, and, of course, I would have preferred that the suggestion come from you as it might be quite possible that you would prefer to devote all of your time to your cattle and other interests.

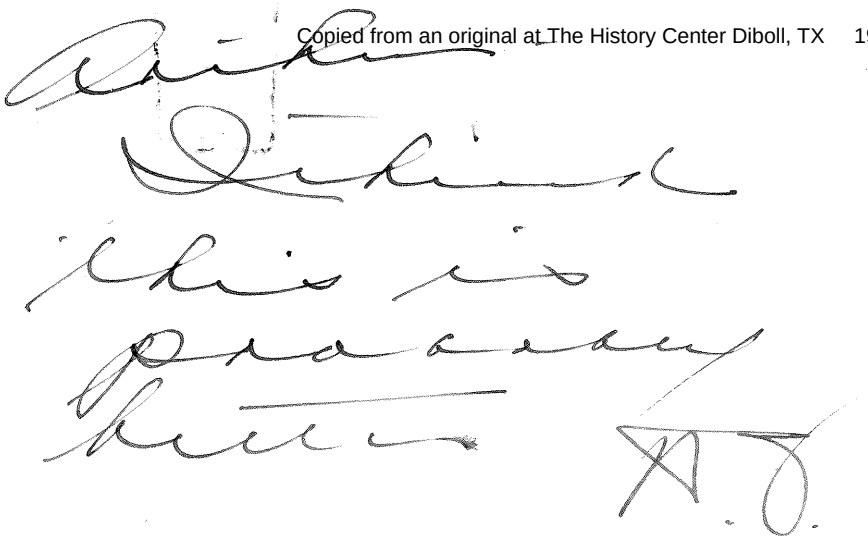
This is indeed a hard thing to suggest. However, I hope that you do appreciate my position. I do have a responsibility which I cannot evade. I only hope that you will accept the suggestion in the spirit in which it is given and that you will be willing to comply with it gracefully and with goodwill and with the full recognition that what I am asking is nothing but right.

I expect to be in Diboll next Thursday afternoon and night and shall be glad to discuss this with you further at that time if you so desire. In the meantime, please know that I am trying to do only what is right and in the best interest of Southern Pine Lumber Company and without any undue hardship or reflection upon you. Certainly, you have served the company well over a long period of years, are deserving of the utmost consideration, and I am sure that you know that you have my own goodwill and high regard.

Sincerely yours,

AT:ld

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September 24, 1949

Mr. D. C. Kenley
Diboll, Texas

Dear Dave:

For some time I have been thinking of suggesting to you that you voluntarily resign your position with Southern Pine Lumber Company inasmuch as there is so little for you to do and especially since we made the deal with Mr. Cullen.

Fortunately, you are in a much better position than most men. You have built up a very substantial business, I believe, in cattle, and possibly you have other interests so that you are not dependent upon your salary, and I doubt if it would be much of a hardship on you to devote your entire time to your private affairs. As a matter of fact, I have thought that you might suggest thison your own initiative.

The flush times which we have experienced in recent years seem to be over, and I think we are facing highly competitive conditions in the lumber business. It behooves us, therefore, to operate efficiently and economize where we can.

I am sure that you know there is nothing unfriendly in my suggestion but, on that other hand, that you have my goodwill and high regard. From a purely personal standpoint I would like to have the relationship which has existed continue on, but from a business standpoint I don't see how it can be justified.

I expect to be in Diboll next Thursday afternoon and night and will be glad to talk with you.

Sincerely,

AT:ld

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

September 24, 1949

Mrs. G. A. Ralls, General Agent
Minnesota Mutual LifeInsurance Company
1509 Westheimer
Houston 6, Texas

Dear Mrs. Ralls:

Referring to your letter of September 22nd in regard to Temple Lumber Company policy #248888-G:

I am glad to know that we are entitled to a dividend on the group life insurance carried with the Minnesota Mutual Life Insurance Company and suggest that checks for the several divisions be mailed as follows: the one for Southern Pine Lumber Company, Diboll, to Diboll; Southern Pine Lumber Company, Texarkana, to Texarkana; Temple Lumber Company, Pineland, to Pineland; and Temple Lumber Company, Houston, to P.O.Box 1811, Houston.

I understand from your letter that check for Temple Manufacturing Company has already been mailed to them at Dallas, which is proper.

With kindest regards,

Yours very truly,

AT:ld

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*EAST TEXAS MAY GET PLANT*

# Swiss Process Converts Wood Waste Into Boards

A new process to make useful products out of wood waste such as sawdust and branches was revealed Saturday by Wonderwood Corporation of Corona del Mar, Calif.

To make this new Wonderboard—whose qualities are claimed to be better than wood—Wonderwood Corporation may locate plants in Texas, Richard F. Taylor, president, said.

The company's officials are touring the nation for possible plant locations and found interest in Dallas and elsewhere in Texas, Taylor added.

If Wonderwood decides to have a plant in the timberlands of East Texas, Texas would receive double benefit—a new industry and a conservation method, he declared. How the plants would be operated has not been decided.

The idea for Wonderwood was brought to the United States from Switzerland by Eugene X. Hall, a former construction engineer.

He noticed a piece of lumber that looked like wood but was made of waste. He investigated and found out that not only Switzerland but five other European countries also were manufacturing the product. Demand was so high, he said, that factories had backlogs of orders and were planning to expand facilities.

He stuffed some chunks of the reprocessed wood into his luggage and returned to the United States. Here, he sold lumber interests on the idea and helped form the corporation of which he is now vice-president.

Taylor said Wonderwood is getting support in its efforts to utilize waste wood from Bechtel Corporation, Libbey-Owens-Ford and Food Machinery Corporation. Bechtel is a construction engineering firm, for which Hall worked in Saudi Arabia, which has been asked to develop a plant construction program for Wonderwood.

Under the Wonderwood process, waste matter—toppings, branches, slabs, edgings, chips, sawdust and shavings—are compressed with a blending agent.

The finished product—called Wonderboard—consists of hardboard sheets, 4x8 feet and one-fourth to one and five-eighths inches thick. They can be made into walls, partitions, ceilings, facings, linings, slab doors, tabletops, cupboards, wardrobes, cabinets, furniture and many other products, Taylor said.



Eugene X. Hall . . . by-products of waste—new industry and conservation.

Among the claims he listed for Wonderboard are that it will not warp, distort, expand or contract; it is flexible and can be bent into curved shapes; it is fire-resistant, and resistant in high degrees to fungus, decay and termites.

BUILDERS, CONTRACTOR
FRON
ALL-STEEL
and BIN E

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# THEATERS

**LOUISE JONES**

University faculty members, such as Dr. Harold Weiss, J. Barney McGrath, Brice Howard, David Russell. Vin Lindhe, who is about to go on concert tour as accompanist for Josh Wheeler, the baritone, has indicated interest in directing a show after her return. And there are others.

There is a far greater need, at present as in the past, for a good, full-time business manager. He is needed to organize volunteer efforts, sell tickets, sell program advertising, rent a theater, arrange for properties and set materials, and attend to the thousand-and-three details which are no part of the director's job, but usually become part of his burden. At least one board member believes that the absence of such a full-time coordinator may have cost the organization its Maple Avenue playhouse.

Now that Miss Frances Cabell has made available two lots at Rusk and Annex in East Dallas for the Little Theater to house itself as best it can, the need for a business manager to follow through is greater than ever.

Continual change of directional approach is interesting theatrically and probably good box office. Continual change of financial and organizational effort is likely to be inefficient at best, and could be fatal.

### WEEK'S OPENINGS

The Community Players will return to public performance at 8:15 p.m. Thursday through Saturday with "Arsenic and Old Lace" at Highland Park Town Hall, directed by Ethel Chappell.

The cast includes Elizabeth Crow and Eleanor Chappell as Abby and Martha Brewster, Robert Glenn as Mortimer, Porter Crow as Jonathan, Jack Gwynn as Teddy, William Bell as Dr. Einstein, Ben January as Officer Klein, Patrick Duston as Officer O'Hara, Pierce Alman as Officer Brophy, Robert Motley as Mr. Gibbs, Walter Lattimer, doubling as Lieutenant Rooney and Dr. Harper.

### TENT SHOW

"The Drunkard," directed by Wayne Babb, will open the Center Players' 1949-50 season at 8:15 p.m. Monday through Thursday at the Skyline Motor Mart, Industrial and Commerce.

Members of the cast include Dorothy Mitler as Mrs. Wilson, Anna Lee Freid as Mary, Robert Seldon as [illegible] Cribbs, James Ray as Ed-



ROBERT GLENN

# RADIO CONCE

## Toch to Be Soloist In Own Concerto

Ernest Toch, the American composer, will be featured as composer, soloist and intermission speaker with the CBS Symphony Orchestra Sunday afternoon. Anthony Collins, the British composer-conductor, will lead the orchestra in Toch's First Concerto for Piano and Orchestra with the composer as soloist. A native Austrian now living in Santa Monica, Calif., Toch will also discuss his musical career in Europe and America, his symphonic works and his Hollywood film scores during intermission. Mr



ERNEST TOCH

# DANCE NOTES

## Graham Plans Season

Martha Graham has returned to New York from a summer in California to begin rehearsals for another long tour with her company. Eighty dates have been booked beginning Oct. 31. There is to be a break around the Christmas holidays and the chances of a New York

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CC Mr. Arthur Temple, Jr.

September 28, 1949

Mr. D. C. Kenley
Diboll, Texas

Dear Dave:

I saw the article in the Dallas News recently about the Swiss process for converting wood waste into boards, cut it out and sent it to Arthur.

I received an invitation to see a demonstration of "Wonderwood" at Baton Rouge and also another demonstration at Jackson, Mississippi and suggested that Arthur might want someone to go to one place or the other. What action he took I don't know.

There are a great many new boards on the market, and I know that Arthur has been very much interested in something of this sort for Diboll. Recently when we were on our way to the Temple Cotton Oil Company annual meeting in Little Rock, we stopped off at Hope to see the plant where "Cobbwood" is being made, but the plant was not running at the time, and I understand that these people have not been able to operate successfully. Incidentally, several people here have stock in the company making this board.

Yours truly,

AT:ld

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ROBERT GLENN

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ERNEST TOCH

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9/25/

Dear Mr. Arthur!

Enclosed clipping entitled to me.

If we could get our low grade kinds in on some thing like this, it would mean an awful lot to the S.P.

Sulphur Springs would be the logical place for a plant.

If ever materializes Lafe Arthur can be Counted to the draw in getting me an ad.

Dave Conley

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CC Mr. Arthur Temple, Jr.

October 1, 1949

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

Dear Ernest:

When I was in Diboll Thursday afternoon, Arthur gave me the advertisement of a ranch in New Mexico clipped from a recent issue of the Wall Street Journal. He said that you were familiar with the place and thought it would be attractive to me.

Frankly, this looks too big for me. No doubt it represents considerably more of an investment than I would want to make in New Mexico. What I have had in mind is a modest place with perhapsfour or five acres of ground, but I have never been to New Mexico, know it only by reputation, and, of course, before I bought anything out there would want to make a trip to look it over and actually stay awhile to see just how Katherine and I would like it for a regular summer sojourn.

I was sorry not to see you on my trip down Angelina County way. I was with Josh Morriss, had only a short time and a good deal of time down there was spent out at the Forest Festival Thursday night. We had to go over to Pineland early Friday morning. Arthur told me of the New Mexico business proposition, and I suggested that he tell you that we would not be interested in it. I do not think we would want to expand to such an extent and so far away.

With kindest regards,

Sincerely,

AT:ld

Copied from an original at The History Center Diboll, TX 1993.016 www.TheHistoryCenterOnline.com

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

October 5, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I am enclosing circular from Byrne Industrial Services of Chicago with several sample Christmas messages for employees. We have gotten out messages prepared by this organization the past year or two, and knowing what effect they had, I suggest that you consider the advisability of getting out another such messagethis year and then send the samples over to Arthur with your recommendation and ask him to pass them on to Styles.

If it is the consensus that we would do well to get out such a message again this year, I recommend the one which I have checked on the front with a red pencil, not that the design of this card makes the strongest appeal but the message appeals to me asthe most appropriate for us.

Yours truly,

AT:ld

Copied from an original at The History Center Diboll, TX 1993.016 www.TheHistoryCenterOnline.com

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

October 5, 1949

Mr. H. C. Berckes
Southern Pine Industry Committee
Canal Building
New Orleans, Louisiana

Dear Herb:

Immediately upon receipt of your mimeographed letter dated October 3rd I wired Congressman Patman of Texas and Congressman Tackett of Arkansas urging them to oppose the Gag Rule on HR 6000, the social security bill, and also to oppose any amendment which would eliminate the Gearhart Resolution relating to independent contractors.

Some years ago when there was doubt as to whether we were liable for the social security taxes of our independent logging contractors we had considerable trouble. We were assessed the social security taxes on such contractors, fought the assessments and eventually won out but not without considerable expense. The Gearhart Resolution clarified the situation, and we certainly want it to remain.

Yours very truly,

AT:ld

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ARTHUR TEMPLE, JR.
DIBOLL, TEXAS

*Charge to the account of* _____ $ _____

| CLASS OF SERVICE DESIRED | | | |
|---|---|---|---|
| DOMESTIC | | CABLE | |
| TELEGRAM | | ORDINARY | |
| DAY LETTER | X | URGENT RATE | |
| SERIAL | | DEFERRED | |
| NIGHT LETTER | | NIGHT LETTER | |
| SPECIAL SERVICE | | SHIP RADIOGRAM | |

Patrons should check class of service desired, otherwise the message will be transmitted as a telegram or ordinary cablegram.

# WESTERN UNION

1206-BT

R. B. WHITE, PRESIDENT
NEWCOMB CARLTON, CHAIRMAN OF THE BOARD
J. C. WILLEVER, FIRST VICE-PRESIDENT

| CHECK |
|---|
| ACCOUNTING INFORMATION |
| TIME FILED |

October 5, 1949

*Send the following message, subject to the terms on back hereof, which are hereby agreed to*

Hon. Wright Patman
House of Representatives
Washington, D.C.

Am greatly concerned about possibility of elimination of Gearhart Resolution passed in 1947 relieving employers from responsibility for social security taxes for independent logging contractors particularly if Gag Rule applies to HR 6000. Urge you to oppose Gag Rule in this instance and also your opposition to the elimination of the Gearhart Resolution.

Kind regards.

Arthur Temple

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

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## ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays, the sender of a message should order it repeated, that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeated message rate is charged in addition. Unless otherwise indicated on its face, this is an unrepeated message and paid for as such, in consideration whereof it is agreed between the sender of the message and this company as follows:

1. The company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the unrepeated-message rate beyond the sum of five hundred dollars; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the repeated-message rate beyond the sum of five thousand dollars, *unless specially valued;* nor in any case for delays arising from unavoidable interruption in the working of its lines; nor for errors in cipher or obscure messages.
2. In any event the company shall not be liable for damages for mistakes or delays in the transmission or delivery, or for the non-delivery, of any message, whether caused by the negligence of its servants or otherwise, beyond the sum of five thousand dollars, at which amount each message is deemed to be valued, unless a greater value is stated in writing by the sender thereof at the time the message is tendered for transmission, and unless the repeated-message rate is paid or agreed to be paid, and an additional charge equal to one-tenth of one percent of the amount by which such valuation shall exceed five thousand dollars.
3. The company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other company when necessary to reach its destination.
4. Domestic messages and incoming cable messages will be delivered free within one-half mile of the company's office in towns of 5,000 population or less, and within one mile of such office in other cities or towns. Beyond these limits the company does not undertake to make delivery, but will, without liability, at the sender's request, as his agent and at his expense, endeavor to contract for him for such delivery at a reasonable price.
5. No responsibility attaches to this company concerning messages until the same are accepted at one of its transmitting offices; and if a message is sent to such office by one of the company's messengers, he acts for that purpose as the agent of the sender.
6. The company will not be liable for damages or statutory penalties in the case of any message except an intrastate message in Texas where the claim is not presented in writing to the company within sixty days after the message is filed with the company for transmission, and in the case of an intrastate message in Texas the company will not be liable for damages or statutory penalties where the claim is not presented in writing to the company within ninety-five days after the cause of action, if any, shall have accrued; provided, however, that neither of these conditions shall apply to claims for damages or overcharges within the purview of Section 415 of the Communications Act of 1934.
7. It is agreed that in any action by the company to recover the tolls for any message or messages the prompt and correct transmission and delivery thereof shall be presumed, subject to rebuttal by competent evidence.
8. Special terms governing the transmission of messages according to their classes, as enumerated below, shall apply to messages in each of such respective classes in addition to all the foregoing terms.
9. No employee of the company is authorized to vary the foregoing.

**THE WESTERN UNION TELEGRAPH COMPANY**
INCORPORATED
R. B. WHITE, PRESIDENT

1-38

## CLASSES OF SERVICE

### DOMESTIC SERVICES

**TELEGRAMS**
A full-rate expedited service.

**DAY LETTERS**
A deferred service at lower than the standard telegram rates.

**SERIALS**
Messages sent in sections during the same day.

**NIGHT LETTERS**
Accepted up to 2 A.M. for delivery not earlier than the following morning at rates substantially lower than the standard telegram or day letter rates.

**SHIP RADIOGRAMS**
A service to ships at sea, in all parts of the world. Plain language or code language may be used.

### CABLE SERVICES

**ORDINARIES**
The standard service, at full rates. Code messages, consisting of 5-letter groups only, at a lower rate.

**DEFERREDS**
Plain-language messages, subject to being deferred in favor of full-rate messages.

**NIGHT LETTERS**
Overnight plain-language messages.

**URGENTS**
Messages taking precedence over all other messages except government messages.

## THERE IS A SPECIAL LOW-RATE WESTERN UNION SERVICE FOR EVERY SOCIAL NEED

**Telegrams of the categories listed at the right, to any Western Union destination in the United States**

| | |
|---|---|
| TELEGRAMS OF PRESCRIBED FIXED TEXT | 25¢ |
| TELEGRAMS OF SENDER'S OWN COMPOSITION (first 15 words) | 35¢ |
| HOTEL or TRANSPORTATION RESERVATIONS / TOURATE TELEGRAMS, for TRAVELERS (first 15 words) | 35¢ |

**GREETINGS AT**
Christmas · New Year · Easter
Valentine's Day · Mother's Day · Father's Day
Jewish New Year · Thanksgiving

**CONGRATULATIONS ON**
Anniversaries · Weddings
Birthdays · Commencement
Birth of a Child

**MISCELLANEOUS**
Bon Voyage telegrams · "Pep" telegrams
Kiddiegrams (No 35¢ rate) · "Thank You" telegrams

**ASK ANY WESTERN UNION OFFICE OR AGENCY FOR FULL INFORMATION**

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*Charge to the account of* _____ $ _____

| CLASS OF SERVICE DESIRED | | | |
|---|---|---|---|
| DOMESTIC | | CABLE | |
| TELEGRAM | | ORDINARY | |
| DAY LETTER | X | URGENT RATE | |
| SERIAL | | DEFERRED | |
| NIGHT LETTER | | NIGHT LETTER | |
| SPECIAL SERVICE | | SHIP RADIOGRAM | |

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# WESTERN UNION

1206-BT

| CHECK |
|---|
| ACCOUNTING INFORMATION |
| TIME FILED |

R. B. WHITE, PRESIDENT — NEWCOMB CARLTON, CHAIRMAN OF THE BOARD — J. C. WILLEVER, FIRST VICE-PRESIDENT

*Send the following message, subject to the terms on back hereof, which are hereby agreed to*

October 5, 1949

Hon. Boyd Tackett
House of Representatives
Washington, D. C.

Am greatly concerned about possibility of elimination of Gearhart Resolution passed in 1947 relieving employers from responsibility for social security taxes for independent logging contractors particularly if Gag Rule applies to HR 6000. Urge you to oppose Gag Rule in this instance and also your opposition to the elimination of the Gearhart Resolution.

Kind regards.

Arthur Temple

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

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**GREETINGS AT**
Christmas, New Year, Easter
Valentine's Day, Mother's Day, Father's Day
Jewish New Year, Thanksgiving

**CONGRATULATIONS ON**
Anniversaries, Weddings
Birthdays, Commencement
Birth of a Child

**MISCELLANEOUS**
Bon Voyage telegrams, "Pep" telegrams
Kiddiegrams (No 35¢ rate), "Thank You" telegrams

**ASK ANY WESTERN UNION OFFICE OR AGENCY FOR FULL INFORMATION**

Copied from an original at The History Center Diboll, TX 1993:016 www.TheHistoryCenterOnline.com
CC Mr. Arthur Temple, Jr.

October 5, 1949

Mr. D. C. Kenley
Diboll, Texas

Dear Dave:

When I was in Pineland Friday, I checked with Damrel and learned that you are being paid $206.00 per month by Temple Lumber Company without the bonus. This, added to the $551.00 per month at Diboll, makes a total of $757.00 per month or $832.00 with the bonus, or at the rate of approximately $10,000 per year.

I am confident that you will agree with me that this is out of line, and I hope that we can arrive at some mutually satisfactory adjustment with the understanding that you would continue to look after the taxes for both companies and that you would also be on the lookout for desirable timber acquisitions to submit to us for consideration. All of this, of course, is in line with our discussion in Diboll last Thursday.

I would like to try this new arrangement on the basis of a payment of $250.00 per month to you. This would represent quite a cut from your present compensation to be sure, but you would be able to devote most of your time to your own affairs, and on the basis of the time which you would spend looking after taxes for Southern Pine and Temple Lumber Company I think it is quite fair, and I hope you will feel the same way about it.

In view of the fact that we are now paying you at a pretty high rate and since there is a definite need to cut expenses where we can, I would like to come to some agreement with you for an adjustment at the earliest practicable date.

Yours very truly,

AT:ld

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CC: Mr. J. W. Durham
Mr. Arthur Temple, Jr.

October 8, 1949

Mr. Stanley F. Horn, Editor
Southern Lumberman
917 Berryhill Street
Nashville 3, Tennessee

Dear Mr. Horn:

I think we have a man in our organization at Diboll who can write a good article on our experience in cutting pulpwood for the Christmas issue of the Southern Lumberman, as suggested in your letter of October 6th. He is J. W. Durham, and I am submitting your letter to him with the request that he consider this assignment.

Mr. Durham wrote such an article some months ago for The Buzz Saw, a little paper that is published once a month for our employees. I have an idea that that is about what you want, but it might have to be changed a little bit to be more appropriate for general circulation.

To save time and confusion I am asking Mr. Durham to communicate directly with you, and I trust that you will have a favorable reply from him shortly.

With kindest regards,

Sincerely yours,

AT:ld

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Jack Ray

MISSOURI PACIFIC LINES — "A Service Institution"

Arthur -

The Dept. Pr.
Coop Council
for Missouri,
just held,
Dennis
Yeend
Flaming
Congratulation
to you and
the Concord!
Going Some!

X

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cc Mr. Arthur Temple, Jr.

October 8, 1949

Mr. J. W. Durham
Diboll, Texas

Dear Jake:

I am enclosing a letter which I received this morning from Stanley Horn, publisher of Southern Lumberman, also copy of my reply.

I do not know to what article he refers but it may be the one which appeared some months ago in the Buzz Saw. At any rate, I am quite sure that is about what he wants and I presume you can get up an article about our cutting of pulpwood for him without too much trouble. As I recall the article in the Buzz Saw, it covers the situation fully though it might have to be reduced somewhat to come within the 3,000 word limitation, and I think it would be well to eliminate anything that might smack of boasting or any attitude of "Look, see what a fine job we are doing." I don't know that there was anything of the sort in the Buzz Saw, but being written for our employees it might have had something of this in it which we would not want in an article such as the Christmas edition of the Southern Lumberman which has very wide distribution.

I presume you will have no objection to using your talent on this. I think that some good advertising for Southern Pine Lumber Company would be obtained and I am quite sure that your article would be of considerable interest to the readers of the Southern Lumberman. In any event, please advise Mr. Horn whether or not he may count upon you to comply with his request.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

October 10, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

Noting copy of your letter of October 6th to Byrne Industrial Services, Chicago, I cannot help but wonder what happened to the sample Christmas messages which were supposed to be attached to my letter to you. If they were not attached to that letter, then they were probably attached to a copy which went to Arthur, Jr., and if so, he can consider them and pass them on to you instead of your considering them first and sending them over to him. However, I suppose you will get a duplicate set from the publishers shortly.

Yours truly,

AT:ld

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

October 10, 1949

Hon. Lyndon B. Johnson
U. S. Senate Office Building
Washington, D. C.

Dear Senator Johnson:

I have been very much concerned about the possibility of the elimination of the Gearhart Resolution which was passed in 1947 and which relieved employers from the responsibility for social security taxes for independent logging contractors. It is my understanding that H. R. 6000 recently passed by the House does, in fact, make the so-called employer responsible for the social security taxes of independent contractors.

Some years ago there was doubt as to whether we were responsible for the social security taxes of independent logging contractors. We were assessed such taxes but refused to pay them and were prepared to go into court to sustain our position, but, as I recall now, some case was decided in Federal Court in our favor. Since then, of course, the Gearhart Resolution has been passed which clarified the matter.

It is grossly unfair, I think, to require us to pay the social security taxes for our independent logging contractors. I can see no reason for such a requirement unless it is to make such taxes easier to collect, but such an obligation should not be put upon us. As a matter of fact, it is impossible for us to know exactly who is employed by such contractors on our work, what they are paid, etc., etc. If this obligation is imposed upon us, it will be a burden indeed, one which we ought not to be called upon to bear.

I hope very much that you will oppose any amendment in the Social Security Act and the elimination of the Gearhart Resolution which will place upon us the responsibility for paying social security taxes on the employees of independent contractors.

With kindest regards,

Sincerely yours,

AT:ld

Same letter to Senator Tom Connally.

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

October 13, 1949

Mr. S. F. Styles
Houston, Texas

Dear Styles:

I dictated a letter to you this morning seeking information as to how much of the substantial cash balance you showed on the August 31st combined statement, $572,719.00, you would require to meet your operating needs, having in mind trying to determine what kind of a dividend I would recommend for Temple Lumber Company at the meeting to be held next Wednesday in Pineland. Since then I have received your letter of October 11th touching on the same subject, that is the amount of dividend to be declared and, consequently, will not send the letter which I dictated this morning.

I would like to know what you consider a reasonable cash balance for you to maintain, assuming that your stocks and your receivables are about where you want to keep them. I am sure that you have far more money than you will require, and if you can let Pineland have $300,000, as suggested in your letter, this will take care of whatever dividend might be declared, the tax instalment on last year's income which is now due and still leave $140,000 or so to pass to surplus.

In your letter of October 11th you referred to Pineland's credit at this office as $36,451.65 at September 30th. This amount, according to the statement which Bob Waite gets up, is $136, 451.65, or $100,000 more than you stated.

I am of the opinion that we ought to declare a dividend of 5% or certainly not more than 6%. Really, I would like to make it 5% to be conservative and to help Temple Lumber Company accumulate a nice cash surplus just as Southern Pine has. It is a mighty nice feeling to have a substantial amount in cash or Government bonds which can be converted into cash at any time.

I am certainly happy at the great improvement made by Temple Lumber Company during the past year. Pineland and the yards have made a handsome profit and, not only that, their cash position has shown a tremendous improvement. Frankly, I don't see any reason for them to have to borrow money during the ensuing year or certainly no more than for a short period of time, possibly to pay income tax instalments or something of that sort. There will be some at the meeting no doubt who will talk in favor of a larger dividend than 5%, but I am sure that Temple

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will be with us, and I hope that Arthur, George and Eck will be willing to go along. Incidentally, I am sending a copy of this letter to Arthur and Eck, and I hope they will be giving some serious consideration to the dividend to be paid, and if they are in accord with your idea and mine that we can make the decision promptly and not be led off into deep water.

I am looking forward to seeing you at Pineland next week. Am glad to learn from copy of your letter to Eck that there will probably be four of you to come up from Houston. We should have a good meeting because we have had a good year, everything is running well and prospects for the ensuing year look bright.

Yours truly,

AT:ld

Copied from an original at The History Center Diboll, TX 1993.016 www.TheHistoryCenterOnline.com

CC Mr. Arthur Temple Jr.

October 13, 1949

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I tried to reach you by long distance telephone this morning but you were reported as out of town. Rather than wait to talk with you tomorrow I decided I might as well write.

In your letter of October 5th you stated that markets as of that date yielded $42.94 on a ton of seed, allowing $20.00 for freight and costs which you indicated might not be enough. Obviously, we have a loss of several dollars per ton, and as the market on oil seems to be quite stable at the present time, at 10¼¢ per pound in Texas, I wonder if the sensible thing would be not to continue to buy seed when we know that we have a definite and positive loss.

I know that we have a certain amount of overhead which might exceed the loss we are now sustaining, or were sustaining when you wrote your letter on October 5th. If, however, there is no prospect of reducing our cost of operating and unless you can see a definite prospect of improvement in the products market, it seems rather foolish to me to continue to operate in the face of a known loss.

It would be more satisfactory, of course, to discuss this matter in a phone conversation, and after you have had time to digest this letter you might call me and give me your reaction. It is, of course, possible that the picture has changed since you wrote on October 5th, that you can now see some hope for the future. I hope so, but ~~if~~ seed higher now, if anything, the future does not look very bright to me, and I would like to consider the advisability of discontinuing our seed purchases until we can at least break even.

Yours truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

October 14, 1949

Mr. D. C. Kenley
Diboll, Texas

Dear Dave:

I have just received your letter of October 13th suggesting another conference the next time I am in Diboll.

I expect to be in Diboll next Tuesday afternoon, and if it is agreeable with you, will be glad to meet with you then.

Yours truly,

AT:ld

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10/13/49

Dear McArthur;—

Reference your recent letter will be happy to see you and discuss the matter the next time you are down here.

What ever is agreed on can be adjusted as of oct. first.

Yours very truly

Dave Fridy

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CC Mr. Arthur Temple, Jr.

October 14, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I am glad that you talked to Ernest Kurth about his attitude toward giving right-of-way timber and pulpwood for Highway 103.

I think we probably should insist upon payment at fair market value or the privilege of removing saw timber and pulpwood from any land of ours which is included in the highway program, and as a compromise I would not be averse to giving the land because we are, of course, very much interested in getting a highway through from Lufkin to Sabine County, and apparently this much is expected of us. Certainly, there is no reason, however, for us to give any saw timber or pulpwood which would have to be removed for the highway. I suggest that you stand on this policy.

Yours truly,

AT:ld

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

October 14, 1949

Mr. S. F. Styles
Houston, Texas

Dear Styles:

In writing you yesterday I called attention to the difference of $100,000 between what you showed as Pineland's credit balance at this office and what Bob Waite showed. In going over the combined financial statement for the mill and yards which I received from you this morning I noted that Pineland's credit balance was shown as $36,451.65 and so called Bob Waite to see which was right, that figure or $136,451.65 which he showed on his September 30th statement.

Bob explains the difference this way. He said that Damrel wrote him on September 29th asking for a deposit of $100,000 to Pineland's account in the Texarkana National Bank. He didn't get the letter until the following Monday, which was in October, and as a consequence his month end statement showed $100,000 more to the credit of Pineland here than Pineland's because it is Damrel's practice to credit this office and debit the bank when he writes the letter. The only point of this letter is to explain the difference in what you showed as Pineland's credit and what I wrote you Bob showed.

Yours truly,

AT:ld

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

October 14, 1949

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

While the things mentioned in your letter of October 12th are no doubt a handicap, what concerns me most is the lack of a profitable margin in the cotton seed which you have bought, and, as I suggested in my letter to you yesterday, it might be advisable for us to buy seed only at a price at which we can break even, which would probably mean to discontinue buying seed because we will not be able to get them at less than the going market. As I also suggested in my letter yesterday, our overhead might eat us up under such a course; in other words, we might lose more not to buy the seed than to buy them when we know we have a loss in them.

I presume you will come down Monday, spend the night and make the trip to the mills with us next week. That will give us a good opportunity to discuss the various Temple Cotton Oil Company problems.

I am enclosing the weekly letter issued by South Texas National Bank of Houston which discusses briefly the failure of the cotton seed price support program of the Government. There is probably nothing new in this to you, but I thought that it might be of some interest. Also, you might be interested in some of the other items.

In my letter yesterday I suggested that you call me upon receipt of that letter. Inasmuch as you will be coming down so soon to make the trip to Diboll and Pineland, it might be better to wait until then.

Yours truly,

AT:ld

Copied from an original at The History Center in Diboll, Texas. www.TheHistoryCenterOnline.com


October 17, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

Our plan is to leave here early Tuesday morning, arriving in Diboll after lunch at Lufkin, spend the night at Diboll and leave early Wednesday morning for Pineland. We should be in Pineland at ten o'clock or before, which I should think would give us ample time to go over the plant and discuss several matters you have in mind, as suggested in your letter of October 15th.

Temple has talked to me about an additional rough shed at Pineland, and I can certainly appreciate the need for more storage. As a matter of fact, I have always thought the rough shed at Pineland was an abortion. I am quite agreeable, therefore, to building an additional shed and would suggest that this be undertaken right away in order to get the benefit of the open weather which we are apt to have between now and the first of the year and also to be prepared to take care of our kiln dried stock better when the rainy season sets in.

I am sorry to learn that you had more rain the latter part of last week. I don't believe we had any rain all of last week. Certainly you have had more than your share, and I hope that you will have good weather from now until the end of the year to enable you to get enough logs ahead to carry you through January, February and March, which are usually bad months.

Yours truly,

AT:ld

Copied from an original at The History Center Diboll, TX 1993:016 www.TheHistoryCenterOnline.com

cc Mr. Arthur Temple, Jr.

October 20, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I am enclosing a little pamphlet on training and supervision which a representative of A&M College of Texas handed to me Tuesday afternoon when I was in Diboll and when he was discussing with Arthur such a program for Diboll. Arthur signed up with him for this course, which I understand is very inexpensive, and in sending you the enclosed pamphlet my thought is that you may wish to observe the experience of Diboll, and if it is favorable, then engage the services of the A&M staff for the same program for Pineland.

Arthur can tell you a good deal more about this program than I can or that you can probably learn from the enclosed folder.

Yours truly,

AT:ld

Copied from an original at The History Center Diboll, TX 1993.016 www.TheHistoryCenterOnline.com

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

October 21, 1949

Byrne Industrial Services
35 East Wacker Drive
Chicago 1, Illinois

Gentlemen:

Please enter our order for 2,500 of your employee Christmas greeting card "A" to be imprinted with company names as follows:

1,100 imprinted with the name "Southern Pine Lumber Company"
1,400 imprinted with the name "Temple Lumber Company"

Please send the 1,100 cards imprinted with the name Southern Pine Lumber Company to Southern Pine Lumber Company, Diboll, Texas; also, please send 1,100 of the cards imprinted with the name Temple Lumber Company to Temple Lumber Company, Pineland, Texas, and the balance, or 300, imprinted with the name Temple Lumber Company to Temple Lumber Company, P. O. Box 1811, Houston, Texas.

As we figure your charges, we figure the total cost of the above at $222.50 f.o.b. Chicago, arriving at this amount as follows: 2,500 cards @ 7½¢ - $187.50; typesetting and press change (two) $10.00; imprinting names at $1.00 per 100 - $25.00; total $222.50. Please send your bill for the above to Southern Pine Lumber Company at Texarkana, Texas, and remittance will be mailed to you promptly.

Yours very truly,

SOUTHERN PINE LUMBER COMPANY

AT:ld

Copied from an original at The History Center, Diboll, TX, 1993.016, www.TheHistoryCenterOnline.com


October 24, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

When we were in Pineland for the annual meeting on October 19th, you suggested that we discuss credit insurance, and I thought it would be advisable not to bring this matter up for discussion in the meeting where so many would not be familiar with it but rather that we should discuss it in a small group and reach some decision before our present policy expires, which I believe is in February 1950.

When we decided to take out this credit insurance at our meeting in Houston last January, I thought that it might be a good thing because it looked to me as if we might be on the threshold of a severe decline in business, a recession or a depression. However, a severe decline was forestalled by various things, the European aid program, farm support, the expenditure of vast sums of money by the Government for military preparedness and other purposes, but I still feel that one of these days we are going to see a collapse, and I, for one, want to have our house in order when it comes. I don't mean by this that I am convinced that we ought to continue to carry credit insurance.

Our credit insurance is costing us, according to Bob Waite, about $2,500 per year, and, as you know, it covers sales not only of this office but also sales for the dimension plant and finishing plant at Pineland. It was for the Pineland sales that I was most interested because they ran into such big money. However, Bob tells me that he has been watching the Pineland accounts, and they are in quite moderate amounts and have been recently: just what is the reason for this I don't know. So long as we have our receivables distributed over a wide area and not concentrated in heavy amounts in a few accounts, I don't think the danger is so great.

Just what we should do about this credit insurance I don't know. I am somewhat inclined to recommend that we discontinue it at the expiration of our present policy next February primarily because we would have to

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lose a normal loss of $7,000 to collect anything, and we are gambling the cost of the insurance against a general collapse such as we had in 1920 and again in 1929, and it is indeed doubtful when it will do us any real good.

I am sending a copy of this letter to Arthur, Jr. I would like for both of you to be giving credit insurance some thought, and Temple, Bob and I will discuss it from time to time here; then when we get together again, possibly at the Southern Pine Lumber Company meeting in Diboll in December, we might have our ideas pretty well crystallized and be in a position to make a decision as to our future course as far as credit insurance is concerned. Personally, right now I am inclined to drop it.

Yours truly,

AT:ld

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

October 25, 1949

Mr. H. C. Berckes, Secretary
Southern Pine Industry Committee
New Orleans 4, Louisiana

Dear Herb:

In reply to your letter of October 24th it is very easy for me to tell you some of the difficulties which would arrise in our operations if we should be held responsible for social security taxes, compensation insurance, compliance with the Wage-Hour and Taft-Hartley Acts on employees of independent contractors as I understand we would be under the amendment to the Social Security Act which was passed by the House of Representatives at the last session of Congress and if the Senate concurs in the House version when Congress reassembles next January. It is not difficult to see what the result would be because we had a taste of this sort of thing some years ago when we were actually assessed social security taxes on the employees of our independent contractors, but we were relieved of paying the additional tax, as I recall now, by a court decision.

I don't recall the amounts which our two companies were assessed for social security taxes on employees of independent contractors, but they were pretty large. Add to such liability the liability for compensation insurance, damage suits and compliance with other labor laws, and it is not difficult to see that thetotal liability would be a terrific burden.

This sort of thing would not be so bad if we could know definitely just what employees of independent contractors are engaged and engaged solely on work for us, if we could know exactly what such employees are paid, but we have no way of verifying the wage rates, hours of employment or determining what part of the employees' time is spent on work for us, and because we cannot determine these things accurately, by that very fact we incur a liability for which we cannot very well hold the contractors responsible.

In conclusion, it would be a very serious thing indeed if we are held liable for social security taxes, compensation insurance, compliance with the Wage-Hour and other labor acts, and we have protested vigorously the repeal of the Gearhart Resolution and any amendment which would alter our present status.

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Incidentally, Senator Johnson of Texas sent me a copy of H.R.6000, but it contains 201 pages, and I have not had the time to study it. I presume that you have a copy of this bill and will digest it thoroughly and that you will advise members of the Industry with respect to any provisions which you consider bad.

Yours very truly,

AT:ld

Copied from an original at The History Center Diboll, TX 1993.016 www.TheHistoryCenterOnline.com

CC Mr. Arthur Temple, Jr.

October 25, 1949

Mr. D. C. Kenley
Diboll, Texas

Dear Dave:

I have done a lot of thinking since our two conversations about your work and what you should be paid for it, and, frankly, it is hard for me to see such a salary as you suggested the last time I was in Diboll, namely $5,000 per year.

It is no doubt true that just anybody could not do as good a job on our taxes as you are doing, and in saying this I recognize the fact that you have undoubtedly saved us a lot of money in taxes over the past years. Likewise, as you said, you might make for us in one timber deal your year's salary, but I think this sort of reasoning would probably apply to many jobs in our organizations. On the other hand, you yourself said that possibly not more than 15%, if I understood you correctly, would be devoted to company business, and I think you will agree that payment at the rate of $5,000 per year for 15% of your time would put an extremely high value on your services. This would, in fact, be at the rate of almost $35,000 per year for full time.

I want to do what is fair and right by you and at the same time I want to work out something that will be fair and equitable from the standpoint of Southern Pine Lumber Company and Temple Lumber Company. Until we can, therefore, consider the matter further and come to a definite understanding I would like to instruct George Smith to credit you for salary from the two companies at the rate of $5,000 per year, the figure suggested by you in our last conversation, from October 1st but figured and payable, of course, on a monthly basis. In the meantime I wish that you would be giving some further thought to a deeper cut, one more in line with my suggestion. As I see it, your services would be more on a retainer basis than full employment, and as such I don't think the $250.00 per month I suggested is much, if any, out of line. To more nearly meet your views, however, I would be willing now to go to $300.00 per month.

Yours very truly,

AT:ld

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October 26, 1949

Mr. G. S. Smith
Diboll, Texas

Dear George:

I have had one or two conversations with Dave Kenley about making some adjustment in the salary being paid him by Southern Pine Lumber Company and Temple Lumber Company. We have not come to any definite understanding yet, but Dave has indicated a willingness to work at the rate of $5,000 per year, and I have agreed to that basis temporarily, effective October 1st.

I wish you would, therefore, please credit him with $416.67 per month with Pineland bearing $138.89 of this amount and Diboll $277.78. It is my thought, too, that this adjusted compensation should not be subject to the 10% quarterly bonus because it is a new basis of salary, arrived at through negotiation and is really more than I am trying to work out for a permanent arrangement. Incidentally, I wrote Dave yesterday and told him that I was asking you to adjust his salary to $5,000 per year but payable monthly and effective October 1st, so you will not need to make any explanation to him unless he should discuss the matter with you.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

October 26, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

On the assumption that Arthur did not send you a copy of Clyde Thompson's letter of October 24th to him I am enclosing the copy which I received this morning.

Arthur's investigation of the freight on logs from Bronson, Pineland and Evadale was evidently inspired by the discussion at our meeting in Pineland on October 19th. Inasmuch as Pineland has a surplus of hardwood timber to take care of which a hardwood mill to cut hardwood exclusively was suggested, and since Diboll is just about out of hardwood timber, it would be a good thing no doubt if we could transfer some of Pineland's hardwood logs over to Diboll. On the other hand, there is the question, I suppose, whether Diboll could afford to transport logs from such a distance and at such a cost when we are all agreed hardwood is such a tough game at best.

I do think this matter is worth pursuing further because there would certainly be quite a saving in not having to build a hardwood mill at Pineland, and when the opportunity offers, I trust that you and Arthur will explore the possibilities and come to a definite conclusion.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

October 27, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I am in full accord with Arthur's suggestion to lease our stores, and if we contemplate this at Pineland, we certainly should defer the building of a store, or at least I think we should, until we can make some kind of a deal. I say this because anyone leasing the store would want to have something to say about how it is to be arranged, etc.

I don't know whether Arthur has taken any steps to this end or not. My thought would be to contact A&P or some national chain with a good reputation, but any big chain might hesitate to expand right now when A&P is facing a suit filed by the Federal Government. On the other hand, someone like Brookshire Brothers might be a better prospect for us because, on further consideration, I don't know of any small towns in which A&P and such big chains operate.

Why wouldn't move #1 be to have Arthur contact Brookshire Brothers in Lufkin to see if they would be interested. If they are not, then they might give us a lead as to who would be. Incidentally, we might be able to make a better deal by offering stores at both mills than at only one or the other.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

October 28, 1949

Mr. G. S. Smith
Diboll, Texas

Dear George:

Instead of crediting Dave Kenley with salary at the rate of $5,000 per year, as written you yesterday, please set this up on the basis of $4,000 per year but, of course, payable monthly.

I received a letter from Dave this morning suggesting the $4,000 per year rate in reply to my recent letter to him in which I stated that I was writing you to put him on a $5,000 per year basis temporarily or until we could arrive at some definite figure.

I don't know whether we should figure Dave out of any bonus to be paid in the future now that he has agreed to the $4,000 rate. No bonus will be due for several months yet, and I am sure before it is due and payable we will work something out. I suggest, therefore, that you hold that particular phase in abeyance.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

October 28, 1949

Mr. Dave Kenley
Diboll, Texas

Dear Dave:

I have your letter saying that you had suggested to George Smith that your salary be adjusted as of October lst to $4,000 per year instead of $5,000, which I suggested as a temporary arrangement in my recent letter to you. I am glad that you are agreeable to this rate and I am advising George Smith accordingly today.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

October 31, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

What I really had in the back of my head when I wrote you several days ago suggesting that we pursue further the possibility of shipping some of Pineland's hardwood to Diboll was that we would not discontinue cutting hardwood on one side of the mill at Pineland but would supplement such production with continued production of hardwood at Diboll.

As I understand the problem at Pineland, it is principally that we are not keeping up with the cutting of hardwood in the woods. If we should put the big mill at Pineland altogether on pine and should build a separate mill to cut hardwood exclusively, we might not make as much progress on the hardwood as we should. However, as you bring out in your letter of October 27th, I can see considerable advantage to cutting pine altogether on the big mill at Pineland.

The big drawback to shipping hardwood logs to Diboll is unquestionably the transportation cost. I realize it is hard enough to make anything on hardwood consistently without an additional cost of $6.00 to $8.00 for transportation, and I am inclined to think that additional charge is an insurmountable obstacle under ordinary conditions.

I wish that you could get up a reasonable estimate of what such a mill as you have in mind for cutting hardwood would cost in order that we may give more intelligent consideration to the advisability of such an investment. Such information would, I am sure, have considerable bearing on our decision.

Yours truly,

AT

AT:ld

Copied from an original at The History Center Diboll, TX 1993:016 www.TheHistoryCenterOnline.com
CC Mr. Arthur Temple, Jr.

November 4, 1949

Mr. H. C. Berckes
C/o Southern Pine Association
Canal Building
New Orleans 4, Louisiana

Dear Herb:

I have just received your telegram advising me of the death of C. C. Sheppard. This is quite a shock to me although I have felt for some time that Shep was not in very good health. Certainly, his loss will be sorely felt by the Southern Pine Industry, and I know that no one will miss his counsel and cooperation more than you.

I don't know Shep's family. I wish, therefore, that you would extend to the surviving members my deepest sympathy in their bereavement if you have the opportunity to do so.

Sincerely,

AT:ld

Copied from an original at The History Center Diboll, TX 1993:016 www.TheHistoryCenterOnline.com
CC Mr. Arthur Temple, Jr.

November 4, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I was certainly surprised and sorry to learn from you on the telephone this morning that Pratt Hines had told you that Pineland is oversold through next February. This is a deplorable situation, and I hope that Pratt has exaggerated his oversold condition. However, I know that it is bad and I presume that the situation at Diboll is no better, what with having to put on the yard so much that ordinarily is piled in the shed from the kilns.

You may be sure that we are going to scrutinize all orders very closely during Temple's absence and turn down any that we feel we can afford to reject when they call for items not shown in surplus. I would like to get out a letter to all salesmen and wholesale connections telling them we are not in a position to take on any orders for prompt shipment except where every single item is in surplus but will not do anything along that line unless it should appear necessary. Orders do not seem to be coming in very freely, and Temple was of the opinion just before he went away that we were entering upon a slack period of buying. At any rate, you may be sure that we will watch the situation and do all we can to give the mills a breathing spell, an opportunity to catch up with orders now on file.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

November 4, 1949

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

Dear Gene:

I am entertaining my crowd at Boggy Slough from November 15th to November 18th inclusive and, of course, I would like so much to have you join us and be with us from the beginning to the end or as much of the time as you can. We plan to go in for supper on Tuesday evening, November 15th, and break up after breakfast on Friday, November 18th, but as the duck season opens in Arkansas at noon on Friday, the 18th, I am afraid a good many are going to want to leave the afternoon before in order to get back home and recuperate and rest up before the opening of the duck season at noon on Friday.

You are always a big asset to my parties. A number of the men have spoken of you and expressed the hope that you would be with us again this year. I certainly hope you can make it.

Sincerely,

AT:ld

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CC Mr. Arthur Temple, Jr.

November 4, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I don't suppose that Pineland is solicited for membership in Texas Manufacturers Association. If you should be, I suggest that you say that we have contributed here at Texarkana for both Southern Pine Lumber Company and Temple Lumber Company.

For your information we are sending this Association our check today for $500.00 which will be pro-rated between Pineland and Diboll just as all expense of this office is pro-rated.

Yours truly,

AT:ld

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November 8, 1949

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

Dear Gene:

I am awfully sorry to learn from your letter of November 7th that you will not be able to be with us at Boggy Slough when I entertain November 15th to 18th. You are always a big asset to my parties and you will be missed. If there should be any change in your plans and later you find that you can come out for a part or all of the time, I hope you will do so. You will always be welcome.

Sincerely,

AT:ld

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November 8, 1949

Mr. Ben Anthony
C/o Southern Pine Lumber Company
Diboll, Texas

Dear Ben:

Since writing you earlier in the day I have received a letter from Arthur in which he stated positively that he will not be able to be with us at Boggy Slough when I entertain my party next week, but he suggested that I might get Arch Hollingsworth to help with putting deer-hunters on stands if anyone other than Ab Grumbles is needed for this service.

Frankly, I don't know that anyone else will be needed, anyone other than Ab, but I would of course be glad to have Arch Hollingsworth with us and no doubt he could render valuable service if needed. I wonder, therefore, if you would mind calling him and inviting him to be with us for the entire time or as much of the time as he can spare.

Yours truly,

AT:ld

Copied from an original at The History Center Diboll, TX 1993.016 www.TheHistoryCenterOnline.com
cc Mr. Arthur Temple, Jr.

November 8, 1949

Mr. Ben Anthony
C/o Southern Pine Lumber Company
Diboll, Texas

Dear Ben:

I have just received a letter from Gene Shotwell saying that he will not be able to be on my party at Boggy Slough because of a prior engagement. As a matter of fact, I recall now that he told me out at the Forest Festival that he might not be able to be with us because he might have to do something with one of his bosses in the telephone business.

Without Gene and without Arthur, because I understand he is going to have to be in Austin next week, I don't know what we will do for men to put hunters on stands. I invited Carrol out but he told me yesterday on the phone that he hoped to be with us for part of the time, which didn't sound as though he would be much help. Under the circumstances the only thing I have to suggest is that we get Ab Grumbles to take out those who want to hunt deer. As for those who want to hunt ducks, I think all they would need would be directions as to how to get down to the duck ponds. If the road around by the farm is passable, I think I would know how to go. Will you please speak to Ab and have him help us?

I am very disappointed, of course, that Gene and Arthur will not be able to be with us not only because they have always been very helpful in making my parties a success from a hunting standpoint but also because they will be missed in the clubhouse activities. I suppose we can get along all right and will be able to take care of those who want to hunt if you will be good enough to engage the services of Ab.

Sincerely,

AT:ld

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CC Mr. Arthur Temple, Jr.

November 8, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

Aubrey Manley, whom I am sure you know, stopped me on the street this morning to tell me that a man in the beer business here has a Mack truck which cost $6,700 new which he is willing to sell for $2,250. I told him that I would write you with copy to Arthur to see if you might be interested.

According to Aubrey, this truck had a new motor put in a few months ago which has been driven only about 40,000 miles. The truck itself, Aubrey estimates, has been driven perhaps 150,000 miles. He thinks it is an extremely good buy. Incidentally, he said that the man who owns the truck is getting rid of it only because he wants to buy a truck with a Diesel engine which will operate more economically hauling beer from New Orleans and Milwaukee.

You understand that this is only the tractor unit and does not include any load-carrying trailer but does include the fifth wheel.

Personally, I should not think that we would be interested in a second-hand truck of this sort but I told Aubrey I would take the matter up with you, and if you are interested, let me know.

Yours truly,

AT:ld

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November 9, 1949

Mr. R. W. Wortham, Jr.
C/o Southland Paper Mills, Inc.
Lufkin, Texas

Dear Dick:

I am entertaining some of my friends, mostly from Texarkana but a few from out of town including Dan Chandler, who, as you know, is now back in Dallas, at Boggy Slough from supper on Tuesday evening, November 15th, through breakfast on Friday, November 18th.

I would like very much to have you come out for the full time or as much of the time as you would care to, to hunt and to engage in all of the clubhouse activities, or if you prefer, for a meal. I have inmind that you might particularly like to have a visit with Dan Chandler.

I would also like to have Ernest to come out for a meal or for as much time as he would care to spend with us. I am not writing him but wish that you would please extend a very cordial invitation to him for me.

Sincerely,

AT:ld

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November 21, 1949

Mr. E. G. Prud'homme, Pineland
Mr. Arthur Temple, Jr., Diboll

Gentlemen:

I have an extra copy of the Southern Pine Industry Committee's publication "Text to the Wage-Hour Law (As Revised)", issued under date of November 1, 1949. If either of you would like to have this for one of your key men, let me know and I will be glad to send it to you. Of course, additional copies of this publication can no doubt be secured from S.P.I.C. at New Orleans.

Yours truly,

AT:ld

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November 21, 1949

Mr. Arthur Temple, Jr., Diboll
Mr. E. G. Prud'homme, Pineland

Gentlemen:

I presume you have received copy of Eriez Manufacturing Company's letter of November 15th to me in which they asked for additional information in order that they may have their Engineering Department consider our problem with respect to metal in logs and to advise whether or not their device is adaptable to a sawmill operation. They may not have sent you a copy of the questionnaire which was enclosed with the letter to me, and as a consequence, I am attaching this questionnaire to Eck's letter with the request that he fill it out and send it in if he is sufficiently interested.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

November 23, 1949

Mr. S. F. Styles
Houston, Texas

Dear Styles:

I see no reason why the yards should report their accidents to Diboll rather than directly to the Industrial Accident Board at Austin and Texas Employers Insurance Association's office nearest to where the accident occurs. In other words, I see no objection to carrying out the plan suggested in your letter of November 22nd rather than follow the round-about procedure which apparently has been followed in the past.

I note that a copy of your letter of November 22nd was sent to Arthur, Jr. I presume he will discuss this matter with Jake Durham and possibly also get Clyde Thompson's opinion, and if there is no valid objection to your reporting accidents directly, then I certainly think it ought to be done.

I am sending Arthur, Jr. a copy of this letter with the request that he handle the matter to a conclusion and advise you promptly.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

November 28, 1949

Mr. Howard A. Carney
Atlanta, Texas

Dear Mr. Carney:

I was awfully sorry that I could not be at our company's hunting preserve known as Boggy Slough the early part of last week when Arthur, Jr. entertained a number of the members of the Texas Senate. I would have been there but for the fact that I had just entertained a group of my friends at Boggy Slough the last of the previous week and had several important business engagements which I felt I could not put off.

I was awfully glad to learn from Arthur, Jr. that you were successful in getting a nice buck although you were on crutches. From the way Arthur, Jr. described your situation that was quite a feat.

I am sorry that Arthur, Jr. did not arrange to take you and other members of the party around to where we are logging not far from the clubhouse. We are cutting some beautiful timber in that area which was cut over I believe in 1915, and it is a good demonstration of what can be done by scientific selective cutting under favorable tax laws where timber owners are not required to cut everything that might be termed merchantable. In addition, I am sure that it would have been quite interesting to see the timber felled, cut into logs, logs bunched and loaded on trucks.

Sincerely yours,

AT:ld

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

November 29, 1949

Mr. G. S. Smith
Diboll, Texas

Dear George:

I am enclosing eighteen powers of attorney naming D. G. McNair agent and attorney-in-fact to be filed in the counties in which we operate lumber yards and/or own real estate. It is necessary to file new instruments in view of the death of S. F. Styles and the appointment of D. G. McNair as General Manager of the Retail Division of Temple Lumber Company in order that the latter may sign deeds and execute other legal instruments necessary in the conduct of the business.

I also enclose eighteen copies of a resolution of the Board of Directors of Temple Lumber Company which I have signed as President and which you will please attest as Secretary, and I presume it would be in order for you to date these November 29, 1949 inasmuch as I have inserted this date in the powers of attorney. It will, of course, be necessary for you to attest as Secretary the powers of attorney also.

After these documents are completed please forward them to Mr. D. G. McNair, C/o Temple Lumber Company at Houston.

It will, of course, be necessary for you to write up minutes of a special meeting of the Board of Directors of Temple Lumber Company adopting the resolution. I am sure there will be no objection on the part of any Director because we are only continuing a necessary policy which has prevailed in the past. However, I am sending each Director a copy of this letter in order that may be advised as to our action.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

November 30, 1949

Mr. D. G. McNair
C/o Temple Lumber Company
Houston, Texas

Dear Mac:

When I was in Houston last Friday, Bill Hinkle called my attention to the fact that the retail yards' profit for the fiscal year ending October 31st was approximately $200,000 less than had been anticipated, and in my discussion of this with you later it was decided, I thought, that this was due to a more realistic pricing of inventories at the year-end.

I have just received the yards' reports for October showing the results for the twelve months of the fiscal year, and I cannot see where this reduction in anticipated profit has been taken into account. The yards showed a loss of $57,482.55 for October, which reduced the profit for the year to $413,734.37. What happened to the drop of approximately $200,000 in inventory?

I shall be glad to hear from you on this at your convenience together with any further comments which you may have on the drop in inventory value.

Yours truly,

AT:ld

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HOWARD A. CARNEY
DISTRICT NO. 1
ATLANTA

# The Senate of The State of Texas
## Austin

November 30, 1949

Mr. Arthur Temple
Southern Pine Lumber Company
Texarkana, Texas

Dear Mr. Temple:

I received your letter of November 28th, and I wish you could have been with us on our party at Boggy Slough. I have never enjoyed a party so much in my life and it surely did help me. Since that time I have thrown away my crutches and am able to walk now with one cane, and I really believe the hunting trip had something to do with it. I certainly had a nice time and killed a nice Buck.

Being interested in sawmilling myself, having the connections I do with Grogan Manufacturing Company, I went out in the woods and watched them log the Pine trees near the clubhouse. It certainly is wonderful the way you can preserve and raise these trees when they have the proper protection and cultivation. This is one mistake which Grogan Manufacturing Company made in not using the selected cutting and, therefore, are going to quit business next year. I didn't get to see them cut the logs and sometime when I am going through there I am going to stop at the mill and go in and watch them saw the logs into lumber, as Arthur, Jr. told me you had just installed the newest and latest machinery and I would like to see this work.

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2--Arthur Temple 11/30/49

I hate to see the special session of the Legislature meet in January for tax purposes. Frankly, I am opposed to any new taxes and I am going to continue to oppose any taxes, as I still say we have enough money to take care of obligations without any additional taxes. The people are so tax burdened now they are hardly able to get "their head above the water," and I hope that with assistance from men like you we can prevent a new tax bill, as I sincerely believe that we do not need any other taxes.

With kindest regards, I am,

Sincerely yours,

Howard Carney

HOWARD A. CARNEY

HAC:bjc

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CC Mr. Arthur Temple, Jr.

December 2, 1949

Mr. Howard A. Carney
Atlanta, Texas

Dear Mr. Carney:

I am glad to have your letter of November 30th and appreciate your writing me.

I am particularly glad to have your views relative to proposed additional taxes. I agree with you fully that we have all of the taxes we can stand at the present time, and I hope when the Legislature meets in January some way will be found to take care of the necessary capital expenditures without imposing new or heavier taxes. In this connection I was interested to read, I believe in the Dallas News, a few days ago a suggestion that bonds be issued for such a purpose. That struck me as a sound suggestion. The only alternative which would not work undue hardship, in my opinion, would be to revise some of the appropriations which were passed at the last session.

I am so glad to know that you have been able to lay aside your crutches and are now using only a cane. I hope the party at Boggy Slough may have contributed something to your improvement.

With kindest regards,

Sincerely,

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.

December 2, 1949

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

Dear Mr. Temple:

Judging by the many questions being asked by Southern Pine manufacturers in letters and in recent personal contacts, there seems to be a desire on the part of our subscribers to re-arrange their methods, or to satisfy themselves that their present systems are adequate, to meet the requirements of the new Wage-Hour Law, which becomes effective January 25, 1950. It appears to me that the Association could be most useful to the mills in the next month by providing answers to questions raised by the new Wage-Hour Law and by enabling subscribers to learn what the plans of other manufacturers are.

For this reason, I have told Mr. Gaffney, the manager of our Labor Information Service, to make a trip through the entire territory in which our subscribers are located. Of course, it will be impossible in the short time remaining before the new Law goes into effect to visit each of the subscribers individually, but he can make himself available to those subscribers who are interested in discussing the new Law with a minimum of inconvenience to them. Mr. Gaffney's itinerary is attached. If you would like to participate, at the time indicated, in the round-table discussion with him and the others to whom this invitation has been extended, will you please let me know promptly?

Yours very truly,

SOUTHERN PINE ASSOCIATION

H. C. Berckes

Dictated by
H. C. Berckes
Secretary-Manager
LA

Attachment

cc - Mr. Arthur Temple, Jr.

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# ITINERARY OF P. C. GAFFNEY

| PLACE | HOTEL | DATE & TIME |
|---|---|---|
| Alexandria, Louisiana | Bentley | Monday, December 12, 2 p.m. |
| El Dorado, Arkansas | Garrett | Tuesday, December 13, 10 a.m. |
| Shreveport, Louisiana | Washington Youree | Thursday, December 15, 10 a.m. |

* * * * * *

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

December 2, 1949

Mr. D. G. McNair
Houston, Texas

Dear Mac:

I would like to suggest that whenever the company buys automobiles for the use of its employees that such purchases be confined to Chevrolets and Fords. It is my opinion that no greater expenditures would be justified, and I think this should be a very definite policy throughout the organizations of Temple Lumber Company and Southern Pine Lumber Company.

I know that more expensive cars have been furnished employees in the past. Possibly this was due to some extent to the scarcity of automobiles during the war when one was inclined to take whatever he could get. Then, too, such extravagance, if it might be called that, might have been condoned during the flush years, but under ordinary conditions or conditions such as we have now and we probably face in the future I think it behooves all of us to be conservative in our purchases and hold all expense down to a reasonable minimum.

Yours very truly,

AT:ld

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December 5, 1949

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

Dear Rube:

When Arthur, Jr., Temple Webber and I were together in Houston a week ago last Friday to attend the funeral of S. F. Styles, General Manager of the Retail Division of Temple Lumber Company, who had died suddenly of a heart attack, we discussed the installation of a treating plant at Diboll and came to the conclusion that to be sure of our ground we would probably be justified in engaging the services of a consulting engineer to advise us as to specifications, the location and lay-out of the plant, etc. None of us is familiar with just what we ought to have, and to guard against such mistakes as we have made in the past I think we may be justified in spending the little money that will be required to have someone study plants now in operation and advise us as to what would fit our need best.

Of course, I hope when the investigation is completed and the engineer's recommendation is made that we will be able to purchase our equipment through you. In any event, I certainly hope that we will be able to buy pentachlorophenol or whatever may be used for clean treatment from you. Needless to say, we would much rather give you our business than anyone else because of your interest in our treating plant extending over a long period of years and our friendship for you, not to mention your long experience which should be very helpful to us as time goes on.

Sincerely,

AT:ld

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

December 5, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

Referring to your letter of December 1st we have discontinued the bonus at the yards, and consequently we will not have in the future the problem discussed in your letter.

From an academic standpoint, or I might say from the standpoint of proper accounting, I don't know just what would be the best method of taking a bonus into account. Styles' idea was that the amount or per cent of bonus paid would be determined by the final result of the year's operations and its distribution too among the participating employees. Consequently, it could not very well be estimated or figured in each month or even on a quarterly basis but could be taken into account only in the last month of the fiscal year. However, as stated above, we are not figuring on any bonus for the employees of the Retail Division hereafter. I discussed this with McNair when I was in Houston for Styles' funeral.

Yours truly,

AT:ld

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CC Mr. H. C. White
Mr. Arthur Temple, Jr.

December 5, 1949

Mr. H. B. White
C/o White Wood Products Company
Bogalusa, Louisiana

Dear Harlan:

Our Southern Pine meeting is scheduled for 1:00 P.M. Wednesday, December 14th, and if agreeable with you and Herb, I suggest that we have the Temple-White meeting the same afternoon immediately following the Southern Pine meeting, which probably means around three or four o'clock.

In the meantime, I shall look forward to seeing you on the 14th.

Sincerely yours,

AT:ld

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December 5, 1949

Mr. H. C. Berckes
C/o Southern Pine Association
Canal Building
New Orleans, Louisiana

Dear Herb:

I am quite sure that one or both of our mills, that of Southern Pine Lumber Company in Diboll and that of Temple Lumber Company at Pineland, may be interested in a discussion of the new Wage-Hour Law with Peter Gaffney in Shreveport at the Washington Youree Hotel on December 15th at 10:00 A.M. I am calling this meeting to the attention of Arthur, Jr. and Eck Prud'homme, Managers at Diboll and Pineland respectively, although I presume they will receive notices direct.

As far as I know, we do not have any problems in connection with the amended Wage-Hour Law which we are unable to work out or on which we need expert advice. However, there may be such problems, and in any event such a meeting as you have scheduled may be of interest because of some aspects which have not become apparent as yet.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

December 7, 1949

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

The showing at Pineland for the month of November, as indicated on the statement attached to your letter of December 6th, is very good although, of course, it is always disappointing to see any losses such as indicated on hardwood flooring and the dimension plant. However, your explanation of these losses is understandable. Overall, however, we certainly cannot kick about the profit for the month.

I wonder if it would not be advisable to negotiate with Kirby for their hardwood or such of it as can be used to advantage in our flooring operation and the dimension plant. If our production of hardwood is not going to be sufficient to take care of our needs, then it would certainly seem to be logical to look for some steady dependable source on the outside, and I don't know of any that would be better than Kirby. At any rate, I suggest that you give careful consideration to renewing the contract with Kirby, and I am sure that all will be satisfied with whatever you may do along this line.

I appreciate your invitation to join your party at Boggy Slough for the period beginning December 7th, which is today. However, I don't feelthat I can get down there right now. I have been quite busy of late on some outside work here, will have to go down next week for our annual meetings at Diboll and, incidentally, to attend the dinner to be given in honor of Ernest Kurth on Wednesday evening, the 14th. I would like very much to be with you for a part of the time at least because I would enjoy the fellowship, and I do feel greatly indebted to the Southwestern crowd. I am confident that you and others whom you will have from Pineland and Diboll will do a good job as hosts and will see that your guests are well entertained.

Yours truly,

AT: ld

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CC Mr. Arthur Temple, Jr. ✓
Mr. D. G. McNair

December 8, 1949

Mr. Malcolm McCulloch
C/o Temple Lumber Company
Houston, Texas

Dear Malcolm:

I was afraid that I was going to get such a letter as yours of December 6th, but I hoped against hope that I would not. I got the impression when I talked with you when I was in Houston for Styles' funeral that you were not satisfied with the appointment of McNair as Styles' successor, but I am glad to learn from copy of your letter to McNair offering him your resignation that you feel kindly toward him and that your resignation is due solely to a disagreement with him as to policy. As for his appointment as General Manager of the Retail Division, I have received letters from quite a number of our yard managers expressing their complete approval and assuring me of their full loyalty and support. These letters have been very gratifying to me because I feel that the success of any business depends largely upon a smooth working, harmonious organization.

If you are determined to sever your connection with Temple Lumber Company, I am sorry. You have been a valued employee for quite a number of years, have been eminently successful in the conduct of affairs intrusted to you, and it is always hard to lose such a man. Furthermore, I have the very highest personal regard for you. I do hope that you will be successful in any new work you undertake and I hope, too, that the goodwill which I and others in the organization hold for you will be fully reciprocated on your part. If you can work out your differences and feel that you can go along and be happy, certainly I would be glad to see you continue as Manager of the Kirby Drive yard.

Very sincerely yours,

AT:ld

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CC Mr. Arthur Temple, Jr.

December 12, 1949

Mrs. C. S. Record
Paris, Texas

Dear Mrs. Record:

I was so sorry to learn of the passing of Mr. Record. I was out of town when word came to me from Mr. McNair, who, as you probably know, has recently succeeded Mr. Styles as General Manager of the Retail Division of Temple Lumber Company, and, in fact, did not learn of his passing until it was too late for me to make arrangements to attend the funeral.

While it is always very difficult for those remaining to give up one who has gone on, I cannot help but feel that in this instance that it may be a blessing. I only hope that your faith is strong enough to sustain you in this hour of bereavement and that you realize that Mr. Record has gone on to a richer and fuller life, relieved of the suffering which he endured on this earth.

I hardly ever think of Mr. Record that I do not recall with gratitude his interest in Arthur, Jr. when he took his first job with Temple Lumber Company at Paris. I cannot help but feel that much of Arthur's success has been due to the start which he got under Mr. Record. He was a fine man, highly respected and beloved by his associates, and I am sure that his passing will be a great loss to all who knew him.

Sincerely,

AT:ld

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December 15, 1949

Mr. D. G. McNair
Houston, Texas

Dear Mac:

I did not know anything about the extra assessment of $10.00 per employee for the Lufkin Memorial Hospital until Arthur told me that such an assessment was being made when I saw him in Lufkin day before yesterday when I was down there to attend our annual meetings. Arthur was discussing this assessment with respect to Southern Pine Lumber Company's employees, some 600 I believe, but of course the assessment, whatever it is, applies to all of the participating companies. Under the circumstances I don't suppose there is anything to do but to pay it.

I have never been at all happy about the way the Lufkin hospital was financed. I think that it should have been financed through the sale of stock and bonds, but we didn't have anything to say about the plan because we didn't come into the program until the plan was adopted and they were ready to go. I am thinking about writing Ernest Kurth, who is the head of the hospital, and suggesting that the hospital be offered to the Catholic Sisters or some organization who will take it over and run it without any further liability upon us and other participating companies. Our first contribution was an outright donation and then we subscribed for bonds. Maybe we could get someone to take it over and operate it primarily for the benefit of the businesses of Angelina County with us retaining only the bonds, but even so, under the set-up I don't know that the bonds would be any lien against the property.

Arthur is a member of the Board of Directors of Memorial Hospital, and he is much more familiar than I am with what is going on. I am sending him your letter of December 13th with the request that he write you fully. I am sure, however, that he will recommend the payment by the Lufkin yard of $10.00 per employee. My only hope is that this special assessment will not run very long. While it will amount to only $140.00 per month at the Lufkin yard, it will cost Diboll something like $6,000.00 per month, which is a lot of money. Incidentally, I am quite sure that the Lufkin yard should have bonds and I presume Arthur will check up to find out if they have ever been issued to the yard.

Yours truly,

AT:ld

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FORM 174 3-48 5000

# TEMPLE LUMBER COMPANY

GENERAL OFFICES

HOUSTON 1, TEXAS

DATE December 13, 1949

TO Mr. Arthur Temple - Texarkana

SUBJECT

On December 7, 1949, Mr. James E. Parr at Lufkin received a letter from Mr. D. W. Thompson, Secretary, Memorial Hospital, stating that the Board of Directors held a meeting on November 9th; and as a result of that meeting, Temple Lumber Company, as of September 1, 1949, would be subject to an extra assessment of $10.00 per each employee to cover additional costs in the operation of the hospital. On that date we had 14 employees at Lufkin, therefore the total assessment would be $140.00. I have a file on this subject and note that Mr. Styles referred the whole deal to you when it originated. I have been unable to get a clear picture of just what transpired. I do know that in January, 1948, the yard in Lufkin donated $2,300.00, which amount was supposed to have been assessed against Temple Lumber Company on a prorata basis; and in some of the correspondence, it appears that bonds were to have been purchased for this money, but no one seems to know anything about the bonds. We do not have them, and the $2,300.00 was charged to Donations Expense. These bonds were to have drawn 4% interest. Jimmie Parr states that all he knows about it is that he paid out the $2,300.00; and if there were any bonds to be issued to Temple Lumber Company, he did not know anything about it. If you can throw any light on this subject I certainly would appreciate it, and I would like to know about paying this additional assessment of $140.00. As you probably know, we now pay $1.67 per month for each of 14 employees. I have not gone into very much detail on this subject because I feel that you are probably already familiar with it.

McNair/wwt

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CC Mr. Arthur Temple, Jr.

December 15, 1949

Caddo Crate Company
P.O.Box 1442
Shreveport, Louisiana

Gentlemen:

We are referring of December 13th in regard to the equipment at the box factory at Ponta, Texas recently purchased by our company to Mr. Arthur Temple, Jr. at Diboll. He is familiar with what was purchased and may be for sale, and you will no doubt hear from him shortly.

Yours very truly,

SOUTHERN PINE LUMBER COMPANY

AT:ld

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FACTORY: SHREVEPORT, LA.
TELEPHONE 3-4104

MAIN OFFICE: PHARR, TEXAS
TELEPHONE 108

# CADDO CRATE COMPANY

MANUFACTURERS OF
FRUIT AND VEGETABLE PACKAGES
P. O. BOX 1442
SHREVEPORT, LA.

December 13, 1949.

Southern Pine Lumber Co.,
Texarkana, Texas.

Gentlemen:

We understand that you have purchased the equipment of the M. E. Lyles plant at Ponta, Texas.

Should you want to sell any of box making equipment we would be glad to have a list of it. Understand there was a veneer sizer in this plant and we might be interested in it.

Yours very truly,

Caddo Crate Company,

Stanton E. Dossett

Stanton E. Dossett.

sed.l

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cc Mr. Arthur Temple, Jr.

December 19, 1949

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

Dear Ernest:

I wonder if you have given any thought to the advisability of turning the Memorial Hospital in Lufkin over to Catholic Sisters or some other church organization. This has appealed to me because of the liability which the participating industries have and the apparent necessity of having a special assessment from time to time to make up the deficits.

My idea would be to turn the hospital over to some such organization with the industries retaining the bonds which they have purchased and which are now outstanding, and since it is my impression that these bonds do not constitute any lien against the property, I think possibly some change in the set-up might be made so that they would. If we could get the Catholic Sisters to take over the hospital, we would be assured of a hospital that would be well run and all of the purposes originally contemplated would be accomplished, an d I think we could be relieved of the "per man" assessment as well as any special assessments which might be levied, such as the $10.00 per employee assessment recently made. There might be some difficulties in working out such a change-over, but I doubt if they would be insurmountable.

It was a great pleasure to me to participate in the festivities honoring you last Wednesday as the Man of the South for 1949. It was indeed a great occasion for you and your family, and I rejoiced in the great honor, the many fine testimonials, which were tendered you.

Sincerely,

AT:ld

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December 20, 1949

Mr. D. G. McNair
Houston, Texas

Dear Mac:

I received the retail yards' statements for the year ending October 31, 1949 on Sunday, and while I have not had an opportunity to go over them in detail or study them as much as I will, I have examined them to some extent and made some comparisons. Certainly these statements are quite complete and in detail and, I think, give all of the information that one in my position could desire.

I am still at a loss to understand the heavy drop in the year end inventory which accounted for such a drastic reduction in the anticipated profit for the year. I would be interested to know if Peat, Marwick, Mitchell's man or men developed anything.

The most disappointing showing of course was that of the Kirby Drive yard where they realized a profit of only $25,485.91 on sales of $921,586.14 as compared with a profit of $109,858.38 on sales of $1,080,576.49 for the year 1948. Their percentage of expense to sales rose from 7.5% in 1948 to 12.2% in 1949, and their percentage of gross profit to sales went down from 17.7% in 1948 to 15% in 1949. These differences in percentages of expense and gross profit to sales evidently account for the big drop in profit but the expense in dollars rose only about $31,000 in 1949 over 1948, and it would not seem offhand that the net profit would have been reduced as much as it was.

After you have had time to analyze the year end statements I will appreciate your writing me fully any conclusions you may reach about the two particular points raised in this letter of mine and also any general observations which may occur to you and which you think might be of interest to me. For one thing, I think that we certainly should estimate our inventories month by month more realistically and not kid ourselves as the year goes on, only to be rudely shocked at the final result at the year end.

Yours truly,

AT:ld

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December 20, 1949

Mr. G. S. Smith
Diboll, Texas

Dear George:

If my understanding of the regulations of the Internal Revenue Department is correct, namely, that to determine the fair market value of timber you use purchases made during the first two months of the fiscal year, then I would use the average price of $26.79 for Temple Lumber Company for the year ended October 31, 1949.

The only objection I see to doing this is that I believe at Diboll we are using the average for the year, and it might not be considered consistent to use one method for one company and another for the other. However, it does seem to me that we would be more in the clear to use the average price paid for the first two months at Pineland than we are in using the average for the year at Diboll. Maybe you have some way of justifying the difference in methods. In any case I certainly would use the $26.79 average rather than the $15.97 average for Pineland.

Yours truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

December 24, 1949

Mr. G. S. Smith
Diboll, Texas

Dear George:

When writing you several days ago about a figure for fair market value to be used for Pineland for the fiscal year ending October 31, 1949, I did not intend to suggest that you change the method of figuring the fair market value for timber at Diboll. However, I do think that it would be easier to sustain a value based on timber purchased during the first sixty days of the fiscal year at Diboll, then the average for the year, but if on the other hand you think that we can get by with the higher figure for the average for the year, $25.82 against $24.68, I for one would like to see you try it.

In any event, you know best, and I will be satisfied whether you use $24.68, the average for the first sixty days, or $25.82, the average for the year.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

December 27, 1949

Mr. H. C. Berckes
C/o Southern Pine Association
New Orleans, Louisiana

Dear Herb:

I have copy of your letter of December 23rd to Mr. Seaman in regard to the proposed study of the activities and functions of the Southern Pine Association and note that this will be discussed fully at the meeting of Directors to be held in New Orleans on January 25th and 26th.

I hope to attend the Directors' meeting on January 25th and 26th. However, it may be necessary for me to be in Lufkin on January 24th, but if so, I hope that I may get away in time to make the night trip from Houston to New Orleans that night, or possibly if Ernest Kurth will attend the meeting, I may be able to arrange to fly over with him.

I was sorry not to see you in Lufkin on the occasion of the testimonial dinner for Ernest Kurth on December 14th. I think I saw practically everyone else on the SPA staff.

Sincerely,

AT:ld

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SOUTHERN PINE ASSOCIATION
New Orleans, La.

December 23, 1949

Mr. H. M. Seaman, President
Southern Pine Association
c/o Kirby Lumber Corporation
Post Office Box 1719
Houston 1, Texas

Dear Mr. Seaman:

This will recall our conversation in Lufkin regarding the future of the Association, and a close study of all of its activities and functions by a special committee of Subscribers who have a long-time interest in the welfare of our industry.

Upon my return to New Orleans I examined the records of the 25 largest producing Subscribers (representing an aggregate annual production of 800 million feet) and their probable length of life. It was interesting and encouraging to note that of the first 25, 19 are planning on continuous operations, and the other 6 have ten or more years' life at the present time, or they are working on contract timber and are likely to remain in production indefinitely. I am making a further study of the other Subscribers upon whom we have data, as to the amount of their timber and length of operations in the future.

With this promise of permanence, compared with our outlook ten or fifteen years ago, it seems all the more necessary that we set up a committee of our most permanent Subscribers to study every detail of our work and organization, so that we may better plan for the future, streamlining and modernizing — eliminating such deadwood as may have been accumulated, and strengthening those features of association work that will more nearly fit future needs.

I will talk to you more about this when I see you on January 1 and 2. In the meantime, I'll docket the matter for complete discussion at our Board of Directors Meeting on January 25 and 26.

With best regards, I am

Sincerely yours,

SOUTHERN PINE ASSOCIATION

Dictated by
H. C. Berckes
Secretary-Manager
CL

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I would not want to buy this stock from Mrs. Styles at $75 per share and considering everything, would not want to offer her any more. Styles paid $100 per share for some of his stock and am quite sure that he bought some from individuals at $75 per share. If you would like to figure with Mrs. Styles on it, you are perfectly free to do so.

CC-Arthur Temple, Jr., Diboll

January 6, 1950

Mrs. S. F. Styles
3403 Ellalee Lane
Houston 19, Texas

Dear Mrs. Styles:

I have just received your letter without date inquiring about the market value of Temple Lumber Company stock and stating that you think it would be advisable for you to sell the 250 shares of the stock in this company which Mr. Styles owned.

There has never been enough buying and selling of Temple Lumber Company stock to establish what might be called a market value. The only sales which have occurred in recent years have been sales which have been made by the company to employees and by and to employees and the only such sales with which I am familiar were made at $75.00 per share. Whether this figure could justly be called the fair market value, I can't say, but for your further information, the book value, as I figure it, is in the neighborhood of $194.00 per share as of October 31, 1949, the end of the last fiscal year.

The only way to find out what could be had for Temple Lumber Company stock, I suppose, is to offer it for sale. Certainly I appreciate your offering the stock to me, but it would not fit in with my program to buy it. Arthur, Jr., might be interested in it, either for himself or one or more of his friends, possibly other employees of the company, and I am taking the liberty of sending him a copy of this letter so that he may communicate with you if he is interested. As for myself, I am trying to accumulate bonds and other liquid securities which may be converted into cash at my death, to be applied against the estate tax and it is for this reason and the fact that there is no ready market for Temple Lumber Company stock that I would not be interested.

If there is any further information I can give you, please let me know.

With kindest regards,

Sincerely,

AT:mok

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January 13, 1950

Mr. J. W. Dawson
C/o G. N. & A. Railroad Company
Nashville, Arkansas

Dear Jim:

I was glad to have the little talk with you on long distance telephone this morning and to tell you that Arthur is very enthusiastic over the possibility of having you associated with him at Diboll.

The work which Arthur, Jr. has in mind for you to do is in connection with running some lines and fencing, and, as I told you on the phone, I don't know how long this engagement would last. Arthur implied in his letter that other work would be coming up from time to time and suggested that he could let you have a nice house at Diboll, where I assure you the rents are most reasonable, and he indicated a salary of $350.00 per month.

As I told you on the phone this morning, Arthur's letter was the result of a letter which I wrote to him the early part of the week after our visit together last Sunday. I told him that it was your plan to move back to Texarkana where you would engage in your old line of work, civil engineering, and suggested that he keep you in mind and communicate with you in the event he had anything for you to do in this line. I did not think that there was any possibility of more or less regular work with Southern Pine Lumber Company because Arthur has a civil engineer employed at full time, a Mr. Winder, and from all accounts he is very satisfactory. I didn't have any idea that there would be need for two engineers at Diboll but of course was very much pleased at Arthur's reaction and the possibility that something might develop to the mutual advantage of you and the company.

If you are at all interested in Arthur's proposition, I think it would be a good idea for you and Mary to go down to Diboll just as soon after you are free as possible. Arthur could give you a clearer idea of what he has in mind, and you could look over the town of Diboll which has been improved

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much in recent years, and you could reach a decision in the light of all of the conditions and circumstances far better of course than you could at this time. Of course, if you should decide that you would not be interested under any circumstances, it would not be necessary for you to make the trip.

With kindest regards,

Sincerely,

AT:ld

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CC Mr. Arthur Temple, Jr.

January 17, 1950

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

Apropos of the statement from East Texas Chamber of Commerce which I returned to you yesterday with the recommendation that it be approved for payment, I note that Sabine County has a quota of only $130.00 and that $207.50 was paid in by Sabine County in 1948 and again in 1949: likewise, Angelina County has a quota of $770.00 and $1257.50 was paid in 1948 and $1287.00 in 1949. This information, I believe, was published in a recent issue of the East Texas magazine and came to me this morning on a separate sheet attached to a letter from the East Texas Chamber of Commerce and addressed to me as a Director.

In view of the fact that both Angelina County and Sabine County have been exceeding their quotas by a wide margin,and Bowie County with a quota of $1220.00 has failed to meet its quota by $45.00 in 1948 and by $35.00 in 1949, I wonder if it would be out of line to suggest that Pineland and Diboll each apply $25.00 of their contributions to Bowie County for the membership in my name. I am quite sure that Pineland has been applying a small part of its annual contribution to the Bowie County quota, but I don't think Diboll has. I am sending Arthur a copy of this letter and unless there is some objection on the part of one or the other or both of you I wish that you would please apply $25.00 at each place to help the Bowie County quota.

Further, in view of the fact that Sabine and Angelina Counties have both exceeded their quotas by such a large margin, I wonder if it would not be in order to contribute less than $200.00 at each place. If I am not mistaken, we used to contribute $100.00 but raised the ante to $200.00 when the East Texas Chamber of Commerce undertook a vigorous forestry program, and, I believe, when you were Chairman of the Forestry Committee. It would be perfectly all right with me for Diboll and Pineland to cut their contributions back to $150.00 or even to $100.00 if you and Arthur think that would be in order.

Yours truly,

AT:ld

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# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

January 17, 1950

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

Gentlemen:

Mr. Bailey, Memphis representative of London Guarantee and Accident Company, Limited, was down this morning to talk with us by appointment about the renewal of our credit insurance policy. I am sorry that Temple was not here to participate in the discussion because, of course, this is a matter that concerns the sales department.

I found that I had been misinformed as to our normal loss, the amount we would have to lose before we could collect anything on our insurance. Instead of $7,000 our normal loss is $4,600.00 which is the minimum that can be written under the policy, and this figure is based on a percentage of our sales of $2,500,000 after reserving or excepting Temple Lumber Company, William Cameron and Company, the railroads and other customers who do not occur to me at the moment.

In addition to the lower normal loss which makes the policy more attractive Mr. Bailey convinced Bob Waite and me that we probably should continue to carry credit insurance. The gross premium is less than one tenth of one per cent of our sales, and with the Government paying 38% of the cost the net cost to us is reduced possibly to six tenths of one per cent. The main argument in favor of our continuing to carry credit insurance, however, is that Pineland has and will continue to have a number of large accounts running to $15,000, $20,000 or more, and it is the loss of such accounts as these that would really hurt us, losses which we would have in all probability in the event of a recession or a depression. With the special coverage which we have on some accounts which are apt to run into big figures the insurance is costing us a little in excess of $2,300 per year or about $1,450 net after tax.

In conclusion, we authorized Mr. Bailey to continue the insurance. I think we may all feel a little bit better by having this insurance to protect us against heavy losses, particularly in view of some of the large accounts at Pineland. At any rate, it is not a big item and as in the case of fire insurance we do have protection which we might be very glad to have in case of need.

Yours very truly,

AT:ld

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# TEMPLE LUMBER COMPANY
PINELAND, TEXAS

OFFICE OF:
E. G. PRUD'HOMME
Vice-Pres.—Production

January 18, 1950

COPY

Mr. Ed Holden
Manager, Angelina County Chamber of Commerce
Lufkin, Texas

Dear Mr. Holden:

I am returning tickets to Angelina County Chamber of Commerce annual dinner, since it will be impossible for me to attend.

Appreciate your sending the tickets and am especially sorry I will not be able to attend, and I know you will have a good program.

Very truly yours,

EGP
blr

Attachments-4 tickets

Cc-Mr. Arthur Temple, Jr.,
Diboll, Texas

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January 19, 1950

Mr. G. S. Smith
Diboll, Texas

Dear George:

On the statements which you sent up to Bob Waite and which were received today I note that William Hinkle is listed under Notes Receivable, Unsecured, for $500.00 and D. C. Kenley under Accounts Receivable for $8,877.34.

I recall that I questioned Bill Hinkle's indebtedness some time ago, possibly a year ago, and Arthur explained how this item happened to be on the statement. My memory is not at all good, but if I am not mistaken, Arthur said that Bill Hinkle had simply borrowed the money from Diboll. It does seem as though he should have taken care of this obligation in the intervening time and now that he is Assistant General Manager of the Retail Division of Temple Lumber Company at an increased salary I hope that this indebtedness can be cleared soon.

I would like to know something about the D. C. Kenley item. I would like to know how he became indebted to the extent of $8,877.34 and what arrangement he has made, if any, to take care of this indebtedness to the company.

I may be over zealous in trying to hold down and eliminate as far as possible loans and advances to the officers and employees. However, I recall so distinctly the way our statements were cluttered up with such items in years gone by and when in one fell swoop we took in a lot of company stock in order to clean house and clear the slate. As a result of past experience I want to hold down such items to a minimum. To say the least, they don't look good on our statement and in the second place, while these items now are comparatively small, we might be subject to criticism by the Internal Revenue Department under Section 102 if we allow the practice of making loans and advances to officers and employees to expand.

Yours very truly,

AT:ld

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January 20, 1950

Mr. A. E. Cudlipp
C/o Lufkin Foundry and Machine Company
Lufkin, Texas

Dear Al:

Mr. Cloyd Young, who is now living in Texarkana but who represents Cass County in the Texas State Legislature, very kindly came by to see me this afternoon to tell me of the strong possibility of a severance tax being imposed on timber. He said that such a proposal would probably be made at the special session of the Legislature which convenes on January 31st. If not then, he felt sure that a tax on timber would undoubtedly be advocated with strong support at the regular session next year.

I told Mr. Young that I appreciated very much his bringing me this information and that I would communicate with you to find out what steps are being taken to combat any such proposal, assuming that the Texas Lumber Manufacturers Association is cognizant of any such movement. Frankly, I haven't heard or read much about a tax on timber to help meet the deficit in state finances and to provide money for the eleemosynary institutions. However, I know there is always the danger, and we are particularly vulnerable, I suppose, because the timber producing area is such a small part of the State of Texas.

Will you please be good enough t o write me what steps are being taken to combat this proposed tax? I would like to discuss the matter further with Mr. Young, who is against the tax on timber and who seems to want any help he can get from some authoritative source. Incidentally, Mr. Young is on the Revenue and Tax Committee of the House of which he said Mr. Fleming at Henderson is Chairman.

Sincerely yours,

AT:ld

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ARTHUR TEMPLE, JR.
DIBOLL, TEXAS

February 10, 1950

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I have just read the reprint of the two article from Newsweek enclosed with your letter of February 9th. They are splendid, and I am awfully glad that you got enough of these to distribute them to all of our employees at Pineland as well as county commissioners, school teachers and highschool seniors.

Like you, I think that this sort of thing can do more good toward bringigg about something like economy in our Government, accompanied by lower taxes, than most anything else. The average man on the street assumes that the rich are carrying the burden of the support of the Federal Government and little does he realize what he pays in hidden taxes. If wide distribution of the Newsweek articles could be had and if the people would read them, there is no question in my mind but that much good would be done.

I note that you sent a copy of your letter of February 9th to Arthur, Jr., an d I assume that you also sent him the Newsweek reprint. I wish that he would get enough to distribute at Diboll.

Yours truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

February 13, 1950

Mr. A. E. Cudlipp
C/o Lufkin Foundry and Machine Company
Lufkin, Texas

Dear Al:

Saturday afternoon after talking with you on long distance telephone I wired Jim Lindsey, our Representative at Austin, and also Newt McCann, our flotorial Representative, and also Cloyd Young, Representatives from Linden, Cass County, Texas, urging each to support the proposed 1¢ additional tax on cigarettes and such increase in the omnibus tax bill as may be required to raise the necessary funds for the eleemosynary institutions.

Of course, I have not had time to hear from any of these men, and while I don't know how Jim Lindsey and Newt McCann stand on the proposition, I do believe that we can count upon Cloyd Young and I am inclined to think, too, that Lindsey and McCann will go along. I will let you know if and when I get anything definite out of them.

Sincerely,

AT:ld

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cc Mr. Arthur Temple, Jr.

February 20, 1950

Mr. J. E. Hintz
C/o Oil Field Lumber Company
Mexia, Texas

Dear John:

Inasmuch as I gave Arthur, Jr. some of my Oil Field Lumber Company stock recently, I would like for him to be advised as to what we are doing and to that end will appreciate your sending him a copy of the financial statement as of December 31, 1949 and the operating statement for last year.

I have not received statements on last year's business as yet. I presume, however, they will be coming along pretty soon.

With kindest regards,

Sincerely,

AT:ld

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

February 28, 1950

Mr. H. C. Berckes
C/o Southern Pine Industry Committee
520 Canal Building
New Orleans 4, Louisiana

Dear Herb:

I would like very much to answer your letter of February 27th in regard to the effect of the increased minimum wage upon the southern pine industry, but, frankly, I do not feel qualified to answer all of the specific points which you have raised. With the thought that Arthur, Jr., who is in charge of our mill at Diboll, and Eck Prud'homme, who is in charge of Temple Lumber Company's mill at Pineland, can give you more specific information I am sending your letter to Eck Prud'homme with the request that he write you, and since your letter indicates that Arthur, Jr. received a copy, I am asking that he, too, write you in detail.

There is no question in my mind but that the higher minimum wage, which means an increased cost of production, will result in the introduction of labor-saving machinery. As an example, we are spending a considerable sum of money at Diboll to change completely our method of handling lumber from the mill to the kilns and from the kilns to the rough shed, which will effect a considerable saving in labor.

It is impossible for me to judge how much of our consuming markets we will lose to the west coast. However, it is only logical to assume that the higher our cost of production the tougher our competition with west coast woods will be.

I do not know of any mills that have closed or will close because of inability to pay the 75¢ minimum wage. I am not familiar enough with the smaller producers to arrive at any reasonably accurate estimate on this point. The same applies to the violations and the enforcement of the Wage-Hour Law.

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I should think that there would be no question of smaller operators taking advantage of the exemption in the new Wage-Hour Law for woods employees numbering twelve or less. To my mind, this exemption should apply to all woods workers and anyone would be foolish not to take advantage of this exemption if he could. I think there is no doubt but that many mills will reduce their running time to forty hours a week to get away from the excessive cost of time and one-half for overtime. We are doing this.

Generally speaking, I think that it was necessary to raise semi-skilled and skilled employees, such as block-setters, edgermen, etc. more than the cents per hour than it was necessary to raise the minimum wage. We have always found it necessary to increase higher paid men by about the same percentage as those working on the minimum, and I suppose our experience has been typical.

I suppose some foremen and high paid office help in responsible positions have had their salaries raised to the new limits required in order to qualify for exemption from the law. However, I don't know of anyone in our organizations whose status has been changed through this method.

Unquestionably, the higher minimum now in effect will cause many employees, who because of physical handicaps, mental capacity or otherwise, cannot justify a wage of 75¢ per hour, to be laid off. Obviously, some men simply cannot earn 75¢ per hour, and such men will be denied employment when they could be kept on the payroll if they could be paid a minimum wage in keeping with their productivity.

I have, perhaps, answered your questions more fully than I intended at the outset. However, I am quite sure that Arthur, Jr. and Eck Prud'homme can supplement my statements and give you more specific and detailed information to fortify you in your continued fight against any minimum wage and particularly against any further increase to $1.00 per hour, as has been advocated by the Administration. I hope that you will get a good letter from each of them.

With kindest regards,

Sincerely yours,

AT:ld

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cc Mr. Arthur Temple, Jr.

March 6, 1950

Mr. J. W. Durham
Diboll, Texas

Dear Jake:

There is an article on page 34 of the March 1st issue of the Gulf Coast Lumberman, which was prepared by the Safety Engineering Department of the Texas Employers Insurance Association which may be of interest to you.

Yours truly,

AT:ld

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cc Mr. Arthur Temple, Jr.

March 8, 1950

Mr. P. M. Anderson
Diboll, Texas

Dear P. M.:

For some time I have been wondering if we are justified in maintaining a separate sales office for hardwood with Diboll's production of hardwood declining to such a low figure and with so much of Pineland's production of hardwood going into dimension and toilet seats. As you know, we have Ed Price at this office now and he is familiar with hardwood grades and might well be able to sell what little hardwood we are going to have to sell. In many respects, too, I think that it would be better to have our hardwood sales made from the Texarkana office along with the pine sales.

I wonder if you have given any thought to some change in our hardwood sales program or have any ideas of what should be done in view of our declining production. I don't know too much about the state of your health, whether you would like to let up in your work or even retire. I don't know anything about your financial condition or whether you could retire without too much hardship and without some financial assistance.

This is a very delicate subject, one which is most difficult for me to discuss; it is quite a problem to know what to do under the circumstances. I am sure that you know full well that I have your interest at heart and want to do what is right by you as well as by Southern Pine Lumber Company and Temple Lumber Company.

Sincerely,

AT:ld

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cc Mr. Arthur Temple, Jr.

March 13, 1950

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

Just a word in reply to your letter of February 28th in regard to the acreage of Frost Lumber Industries.

As I wrote Arthur, Jr. some time ago, I am afraid that most of the Frost land has been cut pretty closely, and it is my understanding that what we need is older timber to enable our young timber to grow. As Henry put it so well and so many times, we have too many pigs and not enough hogs. I am quite sure that this is the situation at Diboll. If this is true, then I don't see much point to our investing money on today's inflated market in small timber, regardless of how fast it may be growing, if we can't cut it or much of it within the next few years.

I am quite sure that whoever buys the Frost land, if it is sold, is going to pay a mighty big price for it. Generally speaking, now is a bad time to buy because prices are inflated, and if we can maintain a strong cash position we can take advantage of bargains when the next depression comes, and I think it is just as sure to come as day follows night. There is a tendency, of course, when things are booming to buy, and when things are depressed, to conserve one's cash and not buy, but if this tendency is reversed, one cannot help but profit.

I think it is a good idea to keep this Frost land in mind. They at least know that we are interested since Arthur, Jr. talked with Frank Whited in Shreveport some weeks ago, and I am sure that they will let us know when they decide what they want to do. There is, of course, the possibility that Ernest Kurth will get next to them and try to buy this land without giving others an opportunity to figure on it, but these people are pretty smart.

Yours truly,

AT:ld

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March 16, 1950

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

When I was in Diboll yesterday, Johnnye Foster, who is in charge of the treating plant to be built at Diboll, asked me about some tanks which Arthur told him Temple Cotton Oil Company had at Little Rock, I suppose, and which might be for sale. I suggested that he write you but, as the matter is on my mind, thought that I might do it and have you pass the information on to him.

Johnnye said that they could not use riveted tanks but only welded tanks. If you have anything of this sort, will you please be good enough to write Diboll, addressing your letter either to Arthur or to Johnnye Foster in care of the Company, giving him size of the tanks, general condition and, of course, price or prices which you would want.

Yours truly,

AT:ld

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cc Mr. Lexane Temple
Mr. Arthur Temple, Jr.

March 16, 1950

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I saw copy of your letter of March 14th when I was in Diboll yesterday.

I am glad that you think well of the possibilities presented by National Utility Service. Arthur seemed quite favorably impressed, and while I was in his office, he dictated a letter to Mr. Hiett asking him to come down to Diboll at his earliest convenience.

Now, about the auditing of freight bills: Boots Jackson with the TSE, of course, audits all of the freight bills of Diboll, Pineland and the Temple Lumber Company yards. I presume he does as thorough a job as Menefee did and that the results are just as good as they would be if we employed some outside service. Certainly, the auditing of freight bills is very important. Under the circumstances would you suggest anything more?

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

March 16, 1950

Mr. Jim Ben Edens
C/o Edens-Birch Lumber Company
Corrigan, Texas

Dear Jim Ben:

I am making my plans to attend the luncheon meeting at twelve o'clock noon Monday, March 20th, at the Baker Hotel in Dallas. I much prefer to attend the Dallas meeting than the Fort Worth meeting, because if I go over by train I can leave here Monday morning and arrive in Dallas in time, while such would not be the case in Fort Worth. Then, too, if I should drive over Monday morning, it would be ever so much easier than going all the way to Fort Worth.

Unfortunately, I don't know very much about the Trade Promotion Program of T.L.M.A. True, I have heard a little about it from Arthur, Jr. but don't feel that I know enough about it to talk it. I hope under the circumstances that my presence at the Dallas meeting will be worth something.

I presume that you will be at the Dallas meeting and will look forward to seeing you there.

Sincerely,

AT:ld

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CC Mr. Arthur Temple, Jr.

March 16, 1950

Mr. P. M. Anderson
Diboll, Texas

Dear P. M.:

I am awfully glad that my suggestion that you come to Texarkana at a reduced salary to handle the hardwood sales from here and to exercise such supervision of the manufacture of hardwood as our curtailed hardwood operations require met with your approval when I talked with you in Diboll yesterday morning. I assume that you will have Joe, and possibly Ruth, begin to look around for a suitable house and that you will make your plans to close your office at Diboll and move up here as soon as it is conveniently possible.

In connection with a suitable house, would it not be advisable to have Joe contact one or more of the local real estate agencies to see what they have, and if none is available, then to be on the lookout for something? I suggest this because we are anxious to make the change as soon as possible since a decision has been reached.

While I did not mention it in our conversation yesterday, I assume that it would be in order for us to pay the transportation charges for moving your furniture and other household goods from Diboll to Texarkana. I don't know what this would be, but we are willing to assume the cost. No doubt there is someone in Lufkin who could look after this for you.

Sincerely yours,

AT:ld

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March 16, 1950

Mr. H. N. Grogan
Grogan-Cochran Lumber Company
Magnolia, Texas

Dear Mr. Grogan:

We have used Mr. C. D. Shy of Memphis, Tennessee, and as far as I know his work for us has been very satisfactory. He was the man who made an estimate of all of Southern Pine Lumber Company's timber holdings several years ago when he was associated with Mr. H. M. Spain, and more recently Mr. Shy did some work for us, a small job south of Diboll.

I don't know anything about Mr. Shy's charges. I am asking my son, Arthur, Jr., who is in charge at Diboll to write you about this and to add anything which he thinks might be worthwhile to what I have said.

Yours truly,

Arthur, if you can add anything to what I have said, please do so, particularly about what Mr. Shy has charged us.

AT:ld

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J. G. GROGAN PRESIDENT | H. N. GROGAN VICE PRESIDENT | W. R. GROGAN MANAGER | FRED COCHRAN SECRETARY | J. E. MOUNCE TREASURER

# Grogan-Cochran Lumber Company

MANUFACTURERS OF
YELLOW PINE LUMBER

MAGNOLIA, TEXAS

March 13, 1950

Mr. Arthur Temple, Sr.
Texarkana, Texas

Dear Mr. Temple:

We are in receipt of a letter from Mr. C. D. Shy of Memphis, Tenn. furnishing us your name as reference for the class of work they have done and are still doing.

We would like to know if you are in position to recommend this company for the work they are doing and would like to know if you have had any experience with them and if it is satisfactory. We would like to know what rate they have done the work for. If you will give us this information we would appreciate it and keep everything confidential. We will likely have some work to be done along this line and since he has given your name as reference, we are taking the liberty of asking you about his company and Mr. C. D. Shy himself. Any information furnished in reference to how you handle the work will be greatly appreciated.

Thank you.

Yours very truly,

GROGAN COCHRAN LUMBER CO.

H. N. Grogan

HNG:cg

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MURRAY HILL 2-2427

**NATIONAL UTILITY SERVICE**
INCORPORATED

Utility Rate Engineers

155 EAST 44TH STREET
NEW YORK 17, N.Y.

March 14th, 1950

Mr. Arthur Temple, President
Southern Pine Lumber Co.
304 East 5th
Texarkana, Tex-Ark.

Dear Mr. Temple:

We wish to thank you for courtesies recently extended to our Mr. O. L. Hiett and for your interest in our service. Mr. Hiett advised that you would talk with the persons in charge of your plants and would let us hear further from you.

NATIONAL UTILITY SERVICE, alone, produces greater annual savings than all other services in our field combined. We offer your company rate engineers formerly with some of the largest utilities in the country, as well as with the Federal Power Commission. We also offer you intimate knowledge of rates and utility practices, that secured rate reductions of over $1,220,000.00 for clients last year. This figure does not include refunds, which are non-recurring.

In handling hundreds of accounts we learn of ways in which special rates and riders on standard rates can be obtained. Such information is not accessible to anyone working within your company. Our background is also such that we are often able to get utilities to establish entirely new and lower rates. Just recently we had official confirmation of a special gas rate, which we had negotiated for, that will reduce client's bill 36%. We also recently received wire from one of our engineers that new electric rate we proposed had been agreed to by power company, and officially approved by the State Public Service Commission. Client's bill will be reduced approximately 28%.

If given an opportunity by your company we feel sure you will be pleased with results produced. We, in turn, take full responsibility to produce to your satisfaction. We ask no advance or retainer fees and submit all reports and recommendations to you for approval. We act in advisory capacity under your jurisdiction.

If you want the finest service obtainable - if you want substantial savings and diplomatic handling of utilities - then you will use NATIONAL UTILITY SERVICE.

Signed authorization to serve you, together with the last 12 consecutive months electric, gas, water and steam bills, will enable us to start your savings program at once. We do not save at every location given for our attention. Therefore be sure and send us bills from each and every operation conducted by your company.

After considering this matter we should be pleased to hear from you as we are very much interested in your business.

Yours for savings,

NATIONAL UTILITY SERVICE, Inc.

By T. E. Maynard

T.E.Maynark/k
cc: Mr. O. L. Hiett

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cc Mr. Arthur Temple, Jr.

March 17, 1950

Mr. T. E. Maynark
C/o National Utility Service, Inc.
155 East 44th Street
New York 17, N. Y.

Dear Mr. Maynark:

Following Mr. Hiett's visit in my office last week, I contacted managers of our Diboll mill and the Temple Lumber Company mill at Pineland, Texas, and also the manager of Temple Cotton Oil Company mills at Little Rock and Hope, Arkansas. They are all very much interested in your proposition, and my son, Arthur Temple, Jr., in charge of our Diboll mill wrote Mr. Hiett and asked him to come down to Diboll for a conference at his earliest convenience.

Certainly, your contract impresses me as eminently fair and liberal. We are definitely interested in your proposition, but, as I told Mr. Hiett, I would want the final decision as to whether we engage your services or not to be made by our several managers, the men who are in charge of our operations.

Yours very truly,

AT:ld

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March 29, 1950

Mr. D. C. Kenley
Diboll, Texas

Dear Dave:

I am returning right-of-way easement in favor of Texas Power and Light Company for a line to go to J. J. Collins' camp in our pasture, which I have signed as requested in your letter of March 27th.

I am always reluctant to see us grant easements of this sort because if I am not mistaken it means the destruction of some young growing timber and the taking out of production of a certain amount of land. I realize the pressure which is put upon us to co-operate with extensions of power lines, and I don't suppose there is anything we can do but yield. I am sure, moreover, that you are holding down such concessions to a minimum.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

April 8, 1950

C. W. Rice, Editor - Publisher
The Negro Labor News
419½ Milam Street
Houston, Texas

Dear Rice:

I have received your letter of April 6th, together with the reprint from the Congressional Record of March 13th, which I have read with interest.

I am sure that you are doing a good work. As for conferring with me, as suggested in the last paragraph of your letter, I would suggest that you discuss your finding with my son, Arthur Temple, Jr., who is Manager of our mill at Diboll, or with Mr. E. G. Prud'homme, Manager for Temple Lumber Company mill at Pineland. Both of these men are on the ground, know the conditions which prevail at our operations far better than I, and in the last analysis they are the ones who would have to deal with any subversive or organizing activities.

Yours very truly,

AT:ld

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April 10, 1950

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

Gentlemen:

Herschel Payne, with whom Arthur is probably acquainted since he worked under Ben Anthony at Sussex Downs and I believe also at Brookhaven, was in to see me this morning about getting a job with one of our companies when he is graduated from the University of Arkansas next June. Herschel has been planning to study for the Episcopal ministry but has given up the idea. He is an awfully good boy, I think, has a splendid reputation, is of fine personality and makes a very good appearance.

I would like very much to do something for Herschel if possible. I wish that both of you would consider whether you can offer him anything, and if you will please, let me know what you think of the possibilities. Herschel said that he could run down to talk with either of you most any week-end when he could get away from Fayetteville, but I suggested that on the strength of my recommendation a conference after he is graduated in June would be time enough.

I think Herschel's talk with me about a job was probably inspired by his contact with Billy Temple yesterday. According to Herschel, Billy is delighted with Pineland, the people there and his work, and this was borne out in his visit with me yesterday afternoon. Herschel and Billy are good friends, and I think they would make a good team of up and coming young men.

I would like to know what each of you thinks of the prospects because I have told Herschel that I would let him hear from me shortly.

Yours truly,

AT:ld

CC Mr. Arthur Temple, Jr.
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April 27, 1950

Southern Pine Association
Canal Building
New Orleans 4, Louisiana

Attention: Mr. H. C. Berckes

Gentlemen:

We are enclosing agreement to contribute 13¢ per thousand board feet on our monthly shipments for the support of the Trade Promotion Campaign of the Southern Pine Association, which is in accordance with the resolution adopted by the Board of Directors of SPA at its recent meeting. It is understood that payments will begin in July on shipments made during the month of June, 1950.

Yours very truly,

SOUTHERN PINE LUMBER COMPANY

AT:ld

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Southern Pine Association
520 Canal Building
New Orleans, Louisiana

The undersigned endorses the action of the SPA Board of Directors authorizing the renewal of the present three-year expanded Trade Promotion Program, which expires July 1, 1950.

We further agree to contribute the sum of thirteen cents (13¢) per thousand board feet of monthly shipments considered necessary by the Trade Promotion Committee, commencing in July, payable on shipments made during the month of June, 1950.

We understand that this subscription may be terminated at any time upon ninety days' notice to the Association.

COMPANY Louisiana Pine Log Co.

ADDRESS Alexandria, La.

BY [signature] Pres.

DATE 4/22/50

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April 27, 1950

Mr. N. F. McGowin
C/o W. T. Smith Lumber Company
Chapman, Alabama

Dear Floyd:

Arthur, Jr. has forwarded to me your letter of April 13th in regard to Temple Lumber Company's contributing to AFPI on its production of hardwood.

At the outset let me tell you that there has been considerable disagreement in our official families with respect to the effectiveness of the AFPI program or whether it was to our interest to support this program at all. We have been going along on our pine production, and I think we will continue to do so, but, frankly, I see nothing to be gained by contributing on our hardwood production. I don't see that AFPI can do much for hardwood, granting that they can do something for pine. I am sorry that we did not have a round table discussion with you on the whole AFPI program last week when Arthur, Jr., Temple Webber and I were in New Orleans.

The way we feel now is that we are not disposed to contribute on our hardwood production. I may not have the proper conception of the work of AFPI but I don't see for the life of me what benefit it is to the producers of hardwood lumber.

With kindest regards,

Sincerely yours,

AT:ld

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cc Mr. Arthur Temple, Jr.

April 28, 1950

Mr. Stanley F. Horn, Editor
Southern Lumberman
917 Berryhill Street
Nashville 3, Tennessee

Dear Mr. Horn:

I don't think that I could give you any more information in reply to your letter of April 26th than is contained in the write-up of the improvements being made at our Diboll mill than appeared in the write-up of the April 15th issue of The Gulf Coast Lumberman. Accordingly, I am mailing you under separate cover a copy of this issue of The Gulf Coast Lumberman.

Frankly, I don't like all of the personal publicity that appears in The Gulf Coast Lumberman write-up, particularly, that referring to my son, Arthur, Jr. True, Arthur has done a fine job since he took over as manager of the Diboll plant. I am very proud of him and all that he is doing. On the other hand, I think that articles of this sort ought to be more impersonal. Then, too, Diboll was not such a bad sawmill town, and our plant was comparatively modern before the improvement program was begun, and in your write-up I would suggest that the reference to the tumble-down shacks of employees and antiquated equipment, etc. mentioned in The Gulf Coast Lumberman be eliminated. I am sure that what you want is a story about the new and better houses being built for employees, the new kilns which have been put in to replace the old ones, the improved methods of handling lumber from mill to kilns and from kilns to dry shed and the new treating plant which is now in course of construction. I think you can tell of all of the new and better things without making odious comparisons and reflecting upon the prior management.

We will certainly appreciate any publicity you may see fit to give us in The Southern Lumberman.

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It is always nice to see you at the SPA meetings in New Orleans. I, too, was sorry not to have more of a visit with you when we were in New Orleans last week.

With kindest regards,

Sincerely,

AT:ld

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CC Mr. Arthur Temple, Jr.

May 2, 1950

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I have just received your letter of April 29th and note that my suggestion that we get together for a meeting at Pineland to discuss the new store meets with your approval.

Just as soon as I hear from Arthur as to what date for a meeting will suit him, Temple and I will begin to make our plans accordingly. I really hope that Arthur will suggest waiting until the early part of next week because I have been rather puny of late, having a congestion in my chest and a nagging cough which seems to hang on and on; I would like to have a little more time to get over this trouble, but am agreeable to making the trip at any time that is most convenient for the crowd.

Inasmuch as there may be some question about space if all of the departments are put under one roof, as I suggested, it might be a good idea for us to take Josh Morriss down to Pineland with us when we go. Just as soon as I hear definitely from Arthur I will communicate with Josh and hope that he can make the trip with us. However, in this connection I understood from Wop Heath when we were looking at the proposed layout together that there was room west of the grocery and market on the proposed layout for additional space for furniture, appliances, etc; in fact, I thought that there was 75 feet available for an extension.

A copy of this letter is going to Arthur at Diboll.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

May 5, 1950

Mr. E. G. Prud'homme
Pineland, Texas

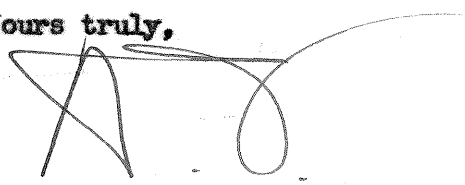
Dear Eck:

Since talking with you on the 'phone about going to Pineland next week I have had notice of a meeting of the committee to nominate a suffragan bishop of the Diocese of Dallas in Dallas Tuesday, May 9th, at ten o'clock, and, as a consequence, Temple and I will leave here early Tuesday morning, I will attend the meeting in Dallas, and we will drive on down to Pineland Tuesday afternoon. I have no way of knowing how long the meeting in Dallas will last but hardly see how it could extend beyond one or two o'clock in the afternoon, and we should get to Pineland, I suppose, in time for supper Tuesday night.

I am sending Arthur a copy of this letter in order that he may know of our plan. It is quite possible that he will want to come over late Tuesday afternoon to spend Tuesday night in Pineland instead of Wednesday night, because Temple and I may drive to Diboll Wednesday afternoon late instead of Thursday morning as we had contemplated.

Unless something should come up to change our plan, therefore, look for Temple and me in Pineland late Tuesday afternoon.

Yours truly,



Arthur, please note that we will arrive in Pineland Tuesday afternoon from Dallas. Hope you will come over to spend Tuesday night with us because we may be through and want to leave for Diboll Wednesday afternoon.

AT:ld

A.T.

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W. P. HOBBY, Publisher
OVETA CULP HOBBY, Executive Vice-Pres.
LLOYD GREGORY, Vice-Pres. and Gen. Mgr.
W. HOWARD BALDWIN, Vice-Pres. and Bus. Mgr.
A. E. CLARKSON, Secretary-Treasurer

# THE HOUSTON POST

*Every Morning Since 1885*

FEATURES DEPARTMENT

HOUSTON, TEXAS

May 8, 1950

Mr. Arthur Temple, Sr.
Southern Pine Lumber Co.
Texarkana, Texas

Dear Mr. Temple:

The Texas lumber industry is gradually being strangled by the ever increasing amounts of imported lumber from the Pacific coast and other areas. Unless something is done, this situation is going to get progressively worse.

The only solution lies in a program of public education based upon the superior quality of Texas timber and a strong appeal to the patriotic impulse of the Texas people to show a preference for Texas products. This can be accomplished with the aid of an influential newspaper, loyal to the best interests of the industry of the state and courageous in its defense of their rights.

The Houston Post is glad to cooperate with the Texas Lumber Manufacturers Association in an effort to protect one of the state's basic industries. In a series of graphic displays, we propose to demonstrate the superior qualities of timber native to this soil, its toughness and ability to withstand climatic conditions over a period of years, its unmatched performance in building and construction, its availability, its lower cost and finer quality; these are the points of emphasis which will be told to the thousands of readers of this paper.

During the emergency of war and at a time when all materials were in short quantity and in many cases in poor quality, the opportunity for an invasion of foreign lumbers was immediately seized upon by other states with the consequent drastic reduction in the production and use of our own domestic timbers. This condition must be met with a program of constructive arguments and without delay if the Texas lumber industry is to survive.

The copy and illustrations for this series of articles will be prepared for the Post by the public relations department of the Texas Lumber Manufacturers Association. Your wholehearted cooperation is vital to the success of this program. May we count on your influence and financial help.

Cordially yours,

Herman Mueller
Special Representative
Resources and Industry

lr

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May 12, 1950

Mr. Herman Mueller, Special Representative
Resource and Industry
The Houston Post
Houston, Texas

Dear Mr. Mueller:

In reply to your letter of May 8th beg to advise that we are cooperating with Texas Lumber Manufacturers Association in promoting Texas lumber for Texans, and we prefer to channel our contributions to that program through this organization. In other words, we would not be interested in advertising on our own.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

May 15, 1950

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I am not sure that I explained fully my position with respect to credit insurance when you brought this matter up Wednesday night in Pineland.

I am not altogether sold on our need for credit insurance. As a matter of fact, I had about made up my mind to discontinue carrying credit insurance at the end of our last policy year, but when the carrier's representative was down from Memphis, Temple was away and we did not have the benefit of his experience in our discussion. In short, this representative convinced Bob Waite and me that the insurance was costing us very little and sold us on continuing it another year.

As I mentioned in Pineland, and I believe on several other occasions, I first suggested this credit insurance because I was anticipating a bust similar to what we had in 1920 when the market broke overnight after a period of wild inflation. I thought when we met in Houston, I believe in January 1949, that the stage was set for something of the sort. However, continued deficit financing, aid to Europe and other things bolstered our economy and I firmly believe kept us from having a depression. However, I still feel that somewhere down the road deflation is facing us. It is just a question of when it will strike. Frankly, from all I read I don't think we can look for anything of the sort this year.

Credit insurance is like fire insurance or any other kind of insurance for that matter: it is a dead expense unless we collect, and of course we don't want to collect. But for the heavy accounts arising from sale of dimension I don't think we would need credit insurance because our risk would be distributed over a large number of accounts of reasonably small amounts. If, however, one of your heavy dimension accounts would go sour, we would be hit a rather severe blow.

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I am still rather undecided as to whether we are justified in continuing to carry credit insurance. I think it would be well for each one of us to give further thought to it and further discussion, too, before our present policy expires the early part of next year.

Yours truly,

AT:ld

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May 17, 1950

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

When Josh and Wop Heath were in my office this morning, they, Temple Webber and I discussed the plan for the new store buildings at Pineland, and they gave us some ideas which might be worth considering.

In the first place, they said that there would be only a slight penalty for not having as much as 60 feet clear space between the new store building and the Chambliss dwelling. It may be worthwhile to disregard this slight penalty to get the layout desired.

Another point was that the mercantile rate on a building of frame construction with a sprinkler system is very low indeed, and Josh did not think that there would be sufficient saving to justify brick buildings. Since we are in the lumber business and since we know frame construction to be good and probably considerably less expensive than brick, I rather lean to the idea of building our new stores out of lumber. As for the brick walls every 50 feet, as suggested by Arthur, I don't think that there would be any material saving in insurance rates, and if we wanted to connect our stores with doors to save the special tax, as was discussed in our last meeting at Pineland, we would have to install two metal firedoors in each opening, and Josh says that these cost in the neighborhood of $250.00 or more apiece. Unless there is some saving in insurance rates, therefore, I don't see much advantage to putting in these brick walls, do you?

After you get your plans for the new stores drawn up, I think it might be well to have Josh and perhaps Wop run down to Pineland to go over them with you. They might have some ideas which would work out a saving in rates or some saving in construction costs, because we might be figuring on something that we think will be justified on account of lower rates when, as a matter of fact, it will not.

By the way, one important thing that I almost overlooked is what Josh and Wop had to say about a hay warehouse. There would be no penalty for storing

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sacked grain in a mercantile establishment, but there would be a severe penalty for storing hay. Under the circumstances, therefore, I suggest that you plan to have a hay warehouse entirely separate and apart from other store buildings even if you do not contemplate such for all feed.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

May 17, 1950

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

Noting your letter of May 16th to Arthur in regard to the new store to be built at Pineland, I wonder if the present store could not be left intact while part of the new store, that to handle groceries and meat, dry goods, etc., is built west of the office. I thought that it was understood and agreed that the row of service establishments, barber shop, cleaning shop, etc., would be moved to the area between the present store and the feed warehouse to permit the building of the new store west of the office, leaving the present store intact doing construction of the first or west unit. Maybe something has come up to make this impractical. On the other hand, I don't see any other solution to the problem.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

May 17, 1950

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

Josh Morriss and Wop Heath were in my office this morning discussing the possibility of our installing a timber sizer and they readily agreed that there would be no objection to our putting a sizer just outside the mill, and we could extend the timber dock on out to the north if we cared or needed to do so, and all without any penalty whatsoever. The timber dock, being uncovered, is treated the same as trams. To avoid a penalty, however, we would have to extend the sprinkler system to the shed which would house the timber sizer.

I am quite sure that you will be glad to hear this and I suggest that you take steps at once to find out if our present timber sizer can be repaired or rebuilt so that it will be adequate to our needs and the cost. If our present timber sizer will do and the cost of putting it into shape is not excessive, I presume you will want to proceed immediately to install it.

I do want to emphasize that the timber sizer would have to be put in the space which adjoins the north end of the mill, but this is where I presume you would want it and not out at the end of the present dock or on any extension of the present dock. This would be necessary in order to have at least 200 feet between the old planing mill building and the timber sizer, disregarding entirely the area covered by the timber dock.

Yours truly,

AT:ld

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cc Mr. Arthur Temple, Jr.
Mr. J. R. Morriss

May 20, 1950

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

Have just received your letter of May 19th in regard to installing a timber sizer on the timber dock at Pineland, and noting that a copy of this letter was sent to Josh and Arthur, Jr. I am sending them copy of this reply.

Apparently, you did not understand from my last letter on this subject that according to Josh there is no objection to your extending the timber dock as much as may be needed. The only question is whether the expense of extending the timber dock added to the cost of putting the timber sizer in good condition would be justified.

The only stipulation which Josh made was that to avoid any penalty in insurance rates there would have to be at least 200 feet between timber sizer or the shed enclosing it and the old planing mill shed to the north. Such clear space does not have to exist between the timber dock and the old planing shed to avoid a penalty. I must not have made this point clear in my last letter.

Yours truly,

AT:ld

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May 22, 1950

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I received a letter from Joe Pollard a day or two ago commenting upon my last letter to him in which I told him that I was sorry to learn that he had disposed of the 500 acres of land which we gave him some years ago with the idea that he would retire on it. He said that this was not good pine growing land, that it was costing him half of his salary to keep the place going, and he added that when Dam B is built three or four feet of water will be over this place. He also said that he told Henry and Reggie that the place was costing him too much to maintain and offered to turn it back to the company if they would repay him the money he had spent improving it, and Reggie said that he did not think it was worth it.

It may be necessary to take what Joe says about this land with a grain of salt. Anyway, I thought I would pass his comments on to you. By the way, he asked me to destroy his letter after reading it, and therefore, I wish that you and Arthur, to whom I am sending a copy of this letter, would treat all of this as confidential.

Yours truly,

AT:ld

CC Mr. Arthur Temple, Jr.
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May 29, 1950

Mr. H. E. Bovay, Jr.
Esperson Building
Houston 2, Texas

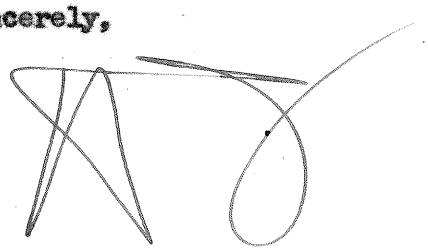
Dear Mr. Bovay:

I have received your letter of May 25th advising that you have been retained by Mr. Camp to make a study of his mill together with suggestions for a modernization program. I am certainly very happy to know that you have received this assignment and I am sure that you will do a good job.

I was only too glad to recommend you to Mr. Camp when I saw him at the Southern Pine Association meeting in New Orleans in April. He just happened to say that he was looking for an engineer, and on the basis of our experience with you I did not hesitate to recommend you to him.

With kindest regards,

Sincerely,



AT:ld

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CC Mr. Arthur Temple, Jr.

May 31, 1950

Mr. Latane Temple
P.O.Box 52
Little Rock, Arkansas

Dear Latane:

Confirming our second telephone conversation last Monday night, it is understood that we will meet here in my office Thursday, June 8th at ten o'clock.

I have notified Newman of the change in dates and I asked Temple Webber, who went down to Diboll early yesterday morning, to tell Arthur that we had agreed to meet here Thursday, June 8th, and when Temple returns later today, I will ascertain if this is agreeable with Arthur. In the event it is not possible for Arthur to be here on the date tentatively set, I will let you know.

I certainly hope that Alice will not suffer any unusual discomfort when she has her tonsils removed this coming Friday. I also hope that your troubles with ringworm and mumps will soon be cleared up completely.

Sincerely,

AT:ld

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

June 2, 1950

Mr. H. C. Berckes
C/o Southern Pine Association
New Orleans 4, Louisiana

Dear Herb:

I am glad that you sent Arthur, Jr. at Diboll a copy of your letter of June 1st requesting photographs of forest lands, logging operations, etc. I am quite sure that he has something which will be of interest to you, or if not, he can get it because he has a very good photographer who uses a company owned camera, and he has taken quite a number of pictures for our employee publication "The Buzz Saw".

I am sending your letter to Eck Prud'homme, Manager at Pineland (Temple Lumber Company), thinking that he, too, might have something which will be of interest to you. I would like very much for him to have some pictures of some planting which he is doing, particularly one area where he is using a bulldozer to clear the land of scrub hardwood. I think this is long leaf cutover. At any rate, there is practically no pine on it at the present time. I saw this clearing when I was at Pineland several weeks ago, was very much impressed by it, and I suggested to Eck that he try to have moving pictures taken of the work as it progresses from the removal of the hardwood through to the planting of seedlings. I suggest that such a picture would counteract some of the statements which are so frequently made to the effect that the lumber companies denude the land and do nothing to replace the timber, particularly in long leaf areas.

I hope that we can give you some interesting pictures both from Diboll and Pineland.

Yours very truly,

AT:ld

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June 5, 1950

Mr. E. G. Prud'homme, Pineland
Mr. Arthur Temple, Jr., Diboll

Dear Eck and Arthur:

In submitting his bills for auditing work done for last year Frank Taylor of Peat, Marwick, Mitchell and Company has suggested a proposition for the current year. The agreed overall maximum last year was $12,500 while the total amount of their bills for Diboll, Pineland and Texarkana was $10,762.90 ($5,562.20 for Diboll, $4,664.95 for Pineland and $535.75 for Texarkana). For this year he suggests the same maximum of $12,500 but to include Temple Manufacturing Company, which was not in last year because we decided to leave Temple Manufacturing Company out on account of their not too prosperous condition.

It is always hard to evaluate an audit. It is something like insurance. I would certainly want to continue to have the Retail Division of Temple Lumber Company audited because their business is so widespread and because of this fact I do not feel as close to it as I am to that of Diboll and Pineland; then, too, there are so many more transactions, running into such a large volume of business, that an audit of the Retail Division does seem more appropriate. At the same time it is a very comfortable feeling to have the audits all the way down the line, and I am inclined to think that they are justified.

Wish that you would please give this matter of an audit for the mills as well as for the Retail Division for the current year some thought and let me have your advice or recommendation at your convenience.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

June 9, 1950

Mr. Ben Anthony
C/o Southern Pine Lumber Company
Diboll, Texas

Dear Ben:

I don't believe that I have ever been charged for my party at Boggy Slough last November. At least I don't recall seeing any debit memo come through from Diboll for it.

I certainly don't want the Company to pay for my party, and I wish that you would please check up to see if I have been charged, and if not, have a debit memo sent to this office to be charged to my account here.

When we were at coffee at the Grim yesterday morning, Trevor Caven brought up the question of my having a date for a party at Boggy Slough next fall. I am not too keen about entertaining at Boggy Slough, but many of my friends here get a big kick out of these parties, and I don't see how I can very well get out of entertaining them. On the list which Arthur sent me I had not been assigned a date for next fall, but under the circumstances would like to have a date assigned to me.

Was sorry not to see more of you when you were here yesterday. I was, of course, tied up with the Temple Cotton Oil Company meeting practically all of the time that you were here, and just as soon as a break could be made Arthur was anxious to get on the way back to Diboll. I reminded him that he frequently tells me that I am in too big a hurry to get away from Diboll but that when he comes up here he stays a few hours, only long enough to accomplish the principal purpose of his trip, and then pulls out. I wish that he would come up some time and take more time to relax.

Sincerely,

AT:ld

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- July 19, 1998

3-A-3

1993:016

Arthur Temple SR. Letters, copies to AT JR.

- WRITE Accession # IN MIDDLE of FOLDER
1993:016

- FOLDER BY MONTH

example: June 1950
July 1950
etc.

Thanks!

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CC Mr. Arthur Temple, Jr.

June 14, 1950

Mr. George P. Johnson
Diboll, Texas

Dear Mr. Johnson:

I have received your letter of June 12th advising that employees of Southern Pine Lumber Company at Diboll want to give me an air conditioning unit for my car. This is certainly awfully nice and I appreciate it more than I can tell you, not only because of the comfort which will be derived on my trips to the mills and elsewhere but more especially because of what such a gift from our employees implies.

I accept the gift with a heart full of gratitude to you and all who have any part in it. I don't know just how to express my appreciation to each and every one, and I suppose I will have to depend upon you to take care of that for me by whatever means you deem appropriate.

Arthur, Jr. told me that this gift was in the wind, and since I had to be in Dallas yesterday, I arranged to have the air conditioning unit installed in my car at Lone Star Olds-Cadillac Company, the Cadillac dealer in Dallas. I was able to make an especially good deal, I think, through the dealer here at Texarkana, who offered to have the unit put on my car at his cost, which was $500.00, possibly a little less. While you stated in your letter of June 12th that you have made arrangements with D. B. McMasters Cadillac Company in Houston to install the unit, I don't suppose that it makes any difference to you whether it is installed at Houston or at Dallas, and since I arranged for the unit at a lower price than Arthur, Jr. paid for his, I trust that what I have done meets with your entire approval.

In closing, permit me to express my thanks and very deep appreciation to you and, through you, to all others who had any part in this fine expression of friendship and goodwill.

Sincerely,

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Mr. E. G. Prud'homme Arthur Temple June 16, 1950

I have been very much interested in laminated 2 x 4's and, as a consequence, was glad to read copy of your letter of June 15th to Jack Flanders which indicates that you, Arthur, Kirby Herndon and others got together recently and were of one opinion; namely, that this item is practical and that we should take steps to get into production.

The only question I have had is whether the cost of laminated 2 x 4's will be within reason. If I am not mistaken, it is proposed to use 8' for the most part, if not altogether, and this ordinarily is a rather cheap item, though during the building boom I am sure that it has been in great demand for studding in small low-priced houses. I wonder, though, if we can expect to sell any volume of laminated 2 x 4's at a price which will justify the glue and the investment in a gluing machine and the extra labor involved. I presume you and the others who have been interested in this project have considered that and have come to the conclusion that this item will be competitive.

Arthur mentioned to me on the 'phone yesterday that he was very enthusiastic about laminated 2 x 4's and wanted to get set up at Diboll to produce them in quantity. I suggested that Pineland might be the better place because of the experimental work which you have done, but your letter of June 15th to Jack Flanders indicates that you, too, think that Diboll would be the better place to start. That is probably a wise decision if you and Arthur have agreed on it.

AT:ld
CC Mr. Arthur Temple, Jr.

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CC-Arthur Temple, Jr., Diboll

June 19, 1950

Mr. Latane Temple
Temple Cotton Oil Company
Little Rock, Arkansas

Dear Latane:

I don't see how Mr. Stephens could be entitled to $100 from me as a payment of the wager which was made when we had a little meeting in my office several years ago. I don't recall exactly the conditions of the bet, but my position was that Temple Cotton Oil Company would not be allowed a deduction for a loss on John K. Gibson, while Stephens bet that we would. Inasmuch as the Gibson account was collected in full with interest subsequently, it seems obvious to me that the government would certainly not allow any deduction for a loss. There might be something on Stephens' side technically: the government might allow the loss in the year we were discussing. Since the full amount of the indebtedness was paid subsequently and if allowed one year, would have to be included as taxable income in a subsequent year. The fact of the matter is, however, no loss was incurred; consequently, it is patent that no loss would be allowed by the Internal Revenue Department.

I note that you sent a copy of your letter of June 17 to Newman at Quogue. He is in Dallas now and his plans are to leave here for Quogue on or about June 21.

Yours very truly,

AT:mok

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June 22, 1950

Mr. H. B. White
C/o White Wood Products Co., Inc.
Bogalusa, Louisiana

Dear Harlan:

Thanks very much for the booklet which you sent to me "Lower Prices Coming" by William J. Baxter. This title looks very interesting as do the chapter titles, and the cartoons which I have glanced at, and I am looking forward to getting into it right soon.

Harlan, I have been wondering if I should not suggest some cut in the commission which Temple-White is paying White Wood Products Company for selling, which I believe is 8%, but whether this includes the 2% cash discount or not I do not know. If the 8% does not include the cash discount and Temple-White has to stand that in addition, then I certainly would say that the commission is a little high, and we should give some consideration to reducing it inasmuch as the handle business seems to be tightening up. Likewise, if any of our charges against Temple-White are more than they should be in view of current conditions, then I think the whole field ought to be opened up for a thorough discussion.

I wish that you would give this some thought and let me have your opinion at your convenience.

Incidentally, it has always been my thought that the most economical thing for Temple-White would be for them to handle their own sales. What do you think of that?

Sincerely,

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. D. G. McNair Arthur Temple June 22, 1950

I certainly don't want you to make a place for Bob Burns or put him either in the retail end of the business or as Bill's assistance in the general office unless you, or you and Bill, are entirely satisfied with him for either place. Certainly, I do not want to interfere in the selecting of personnel under your jurisdiction, and as I have tried to make clear, you and you alone have the responsibility and are the one to be satisfied.

My interest in Bob is primarily, of course, because of his father and what Fleishel Lumber Company means to us. Bob has always impressed me as a very likable chap with intelligence above the average, and, I think, a good personality. It is true that there was some criticism at Diboll about his not turning out for work when the whistle blew, but it might be said that starting hours at Diboll have been pretty early, seven o'clock I believe, and that failing might not show up at Houston where work begins at a later hour. Otherwise, I don't know that Bob has been lazy.

Work this thing out any way you want to. I don't want to influence you. My interest has only been to take care of Bob in some line of work that is, perhaps, more suitable to him than what he has been doing at Diboll, and if he is qualified, then I would like to place him in some congenial work on account of his father. There is, however, no obligation whatsoever on your part. I hope that you understand that.

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. E. L. Kurth

June 22, 1950
Dictated 6/21/50

Mr. J. J. Collins
C/o Collins, Dies, Garrison and Renfrow
Lufkin, Texas

Dear J. J.:

Upon my return to my office today after being out of town for the past several days, I found your letter of June 19th together with a copy of your letter of the same date addressed to Ernest Kurth pertaining to an increase in the retainers our companies are paying your firm.

I would be very glad to discuss this matter with you, but I have discussed it with Arthur, Jr and Ernest, and since I do not contemplate a trip to Diboll and Lufkin any time soon, I think I can outline my ideas to you in a letter, and then you and Arthur, or possibly you, Ernest and Arthur, can meet and attempt to work out something which will be satisfactory to all concerned.

When we made our arrangement with you some five years ago, I don't know just how the overall fee of $20,000, as I recall it, was distributed among the several companies. However, it has seemed to me and some of my associates that for our several companies to pay $9,000 of this amount was more than their fair share. Of course, Southland Paper Mills was much smaller then, but they are now employing, I believe, in the neighborhood of 800 men, and I am informed that their part of your retainer is only $150 while Southern Pine Lumber Company at Diboll pays $375 per month, and while I don't know what Lufkin Foundry pays, I would guess that they, too, are paying less than Southern Pine at Diboll. Temple Lumber Company at Pineland pays $250 per month, and being about 100 miles from your office in Lufkin I doubt seriously if your services are worth as much to them as one in the Lufkin area.

Frankly, I don't see any reason to deal with all of the companies who are retaining you as a group. I should think that it would be more in order for you to negotiate with each company separately or with each group within the group, as for instance our several companies. You have had the experience of the past five years, know pretty well how much work has been done

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for each, and I presume you can determine what would be fair compensation for your services based on this past experience and what may be anticipated for the future. If, however, an overall fee for the entire group is allocated among the several participating companies, then I think that the allocation should be based on number of employees because, if I am not mistaken, your work for us consists largely of the handling of compensation cases. Even on this basis, however, I would suggest that Temple Lumber Company at Pineland be charged on the basis of one employee for every two on the rolls because I don't think that you can be of as much value to Pineland as, for instance, to Diboll.

If it is agreeable with you, therefore, I wish that you would get in touch with Arthur, Jr. and have him meet with you, or you and Ernest, to discuss this matter, and I hope that the ideas which I have expressed in the foregoing will have your consideration.

Let me assure you that we are very desirous of continuing to retain your firm. Our relations with you have been most pleasant and satisfactory, and I hope that some arrangement can be worked out which will be altogether agreeable to you and to us. Needless to say, if my presence at Lufkin should be required for a final consummation of any agreement between your firm and our companies, I should be glad to make the trip to Lufkin for that purpose.

Copies of this letter are being mailed to Ernest and Arthur, Jr.

With kindest regards,

Sincerely yours,

AT:ld

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June 23, 1950

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

Dear Ernest:

I have just received your letter of June 22nd and note that Angelina Casualty Company has been paying approximately $5,000 a year to Collins and Dies, which is in addition to the retainer fees we agreed upon five years ago. The only point I would make with reference to that is that I don't suppose this additional compensation would have been required if Angelina Casualty Company handled only the insurance of your group, which was already taken care of in the retainer fees we agreed upon when we entered into our arrangement with Collins and Dies. In other words, it seems to me that this $5,000 paid by Angelina Casualty Company is spread over a larger group. In this connection, I don't know whether Texas Employers Insurance Association, which handles the compensation insurance for our group, pays anything to Collins and Dies or not.

As I suggested in my letter to J. J. Collins yesterday, copy of which I sent to you, I really don't see that there is any point now in his dealing with all of us as a group. When we entered into the arrangement five years ago, J. J. Collins wanted to be assured of a sufficient retainer overall to justify his lining up on the side of the employers. This relation is now firmly established, and it seems to me that each company or each group like the Temple interests should negotiate with him on the basis of what his firm's services are worth to it. I really don't see much point to our continuing to put all of the employer clients in one pot.

If there is any reason to continue to deal with all employer clients as one group, then I certainly think that the total fee ought to be divided among the participating companies on the basis of the number of employees. I can't see that it is right for Southland, for instance, to be paying $150 per month with its 800 employees while Southern Pine at Diboll pays $375 per month with approximately 600 employees. Likewise, I think Angelina County Lumber Company is paying out of proportion when they pay

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$300 per month with 400 employees. There ought to be a more scientific way of allocating the part to be paid by each company than by picking an amount out of the air, as was apparently done when the arrangement with Collins was first made.

At Diboll we are paying retainers to three lawyers or three law firms aggregating $1,075 per month, and we are charged additional amounts for travel expense, per diem fees, for court trials, etc., etc. I feel that we may already be topheavy on our legal expense, and while I have had very little to say about Temple Lumber Company at Pineland, I feel, and Eck feels very positively, that they are now paying Collins and Dies out of all proportion to the benefits received.

There are so many angles involved that I really feel the best results for all concerned can be obtained by each company or each group within the present group dealing directly with J. J. Collins, and I hope that will be the outcome.

I enjoyed my little with you in your office Tuesday afternoon. I wish that we could have more such visits together.

Sincerely,

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C
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June 22, 1950

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

Dear Arthur:

Further in reference to our conversation yesterday, I wish to advise that the Angelina Casualty Company had paid approximately $5,000 a year to Collins & Dies, which is in addition to the retainer fees we agreed on five years ago with you and Collins & Dies - so it would seem to me that your companies have been getting by at rather a modest amount. My group has paid around $16,000 against $11,000 for your companies.

Yours very truly,

E. L. Kurth

ELK:ls

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June 26, 1950

Mr. R. W. Wortham, Jr.
C/o Southland Paper Mills, Inc.
Lufkin, Texas

Dear Dick:

I have assumed that our companies, Southern Pine Lumber Company and Temple Lumber Company, would continue their support of Texas Forestry Association as last year, but I have not discussed our support with Eck or Arthur, Jr., and before making any definite commitment, as suggested in your letter of June 23rd, I think that I should consult them. I am doing this, and you should hear from each of them directly or from me shortly.

Eck has sent me copies of letters he has written to the Santa Fe and letters which he has received from them, and, as he has taken such an active part in getting others to subscribe, I am quite sure that he would be altogether in favor of our going along for our part. I presume that Eck, and perhaps Arthur, too, knows what others of our class are contributing or what is expected of our two companies.

I am sorry that I did not have a little visit with you when I dropped by to see Ernest last Tuesday. I was already late for my appointment with him, and when our visit came to a close, it was five o'clock and I had to pick up two men out at George Henderson's.

With kindest regards,

Sincerely,

AT:ld

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C
O
P
Y

June 23, 1950

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

Dear Arthur:

I am sorrythat I missedthe opportunity of seeing you again while you were here this week. I wanted to talkwith you about your continued support of the Texas Forestry Association.

As you perhaps know, your assistance last year, along with similar contributions from six or eight other "heavy haulers", enabled the Association to set up a permanent working organization headed by our old friend, Bishop. Bish has started the wheels turning in good shape, but as you know, it takes some time to rehabilitate such an organization as this one. We have embarked on a rather ambitious but worthwhile program this year from which we expect substantial results from throughout East Texas. When these results have been shown, we do not anticipate any difficulty in building up the membership of the Association numerically.

Until thattime comes, however, I am afraid the condutc of the Association must still depend largely on a few of the so-called "heavy haulers". In view of this, I am asking you to again support us in this move to the extent of your contribution last year. So far, all of the members of the group who undertook this job last year have agreed to come along to the same extent this year. This group consists of: Santa Fe Railroad Company, Angelina County Lumber Company, Southland Paper Mills, Southwestern Settlement & Development Company, Champion Paper & Fibre Company, Kirby Lumber Company, and weexpect to receive favorable responses from two or three others of that group.

I should appreciate your reply at your earliestconvenience.

Kindest regards.

Sincerely yours,

R. W. WORTHAM, JR.

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cc Mr. Arthur Temple, Jr.

June 26, 1950

Mrs. Franklin Farrington
Diboll, Texas

Dear Mrs. Farrington:

As you probably know, we have been contributing from the Temple Foundation to Mrs. Jack Fields $25.00 per month for a number of years. Henry Temple used to keep up with her pretty well by correspondence, but since Henry passed away, I have heard little or nothing about her.

We have so much demand on the Temple Foundation, which was set up by my father to take care of old and disabled employees of the several companies in which he was interested, that we would like to be relieved of any unnecessary load. You are probably familiar with Mrs. Fields' need, and I would appreciate it very much if you would drop me a line to let me know if, in your opinion, we should continue our monthly contributions to her.

With kindest regards,

Sincerely,

AT:ld

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CC Mr. H. C. White
Mr. Arthur Temple, Jr.

June 26, 1950

Mr. H. B. White
C/o White Wood Products Company, Inc.
Bogalusa, Louisiana

Dear Harlan:

I have just received your letter of June 24th and I think that your suggestion that we have a meeting at Diboll to discuss the selling commission and also charges which are being made by Southern Pine against Temple-White is a good one. As far as I know, the week of August 14th would be entirely satisfactory to me.

I think that it is quite in order that we review all of the charges made against Temple-White because, if I am not mistaken, we were influenced when they were revised the last time by the tax on excess profits during the war. We cannot afford to be over-liberal now, and on the theory that every tub should stand on its own bottom, I think we should figure what is right for Temple-White to pay for selling, power, steam, rental, etc. and then base our charges accordingly.

Let's figure on getting together at Diboll at some time that suits the convenience of you, Herb, Arthur, Jr. and me. I don't think that it makes much difference whether we meet before the end of the six months' period or after. Let me know the next time you plan to be in Diboll, and I will try to meet you there.

Yours truly,

AT:ld

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June 29, 1950

Mr. A. L. Burford
State National Bank Building
Texarkana, Arkansas

Dear Mr. Burford:

In accordance with our conversation yesterday afternoon following the directors' meeting, I am enclosing my personal check for $100.00 as a contribution to Newt McCann's campaign for re-election as flotorial representative.

I am very happy to make this contribution to Newt McCann's campaign fund because I believe his record in the State Legislature has been good, I think he stands for what is right, and from what you said yesterday I am sure that he deserves support in his campaign against the radical who is running against him. I know that I have found Newt McCann very cooperative in the past when I have communicated with him on legislation in which I was interested.

Sincerely yours,

AT:ld

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

June 30, 1950

Mr. H. B. White
C/o White Wood Products Co., Inc.
Bogalusa, Louisiana

Dear Harlan:

Since my last letter regarding a meeting in Diboll, Mrs. Temple and I have set definitely Sunday, August 20th, to leave for a visit with her mother and sister in the east. In other words, this is our vacation, and while I probably could take the trip to Diboll for our meeting the previous week or the week of August 14th, it would suit me a little better if we could have the meeting just as well the week of August 6th. It really doesn't make much difference to me.

I am sending Herb and Arthur, Jr. copies of this letter. Maybe a week earlier than you suggested, in other words the week of August 6th, may suit one or both of them better. In any event, we have ample time to decide.

While the news from Korea doesn't look too good, I cannot help but feel that we are not going to have another world war now. I don't think Russia is ready for it. I am more inclined to think that Russia will back off now that we have called her bluff just as she has in other instances. It is certainly too bad though that one nation, yes, just a few men, hold the fate of the world in their hands.

Sincerely,

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple June 30, 1950

I note that you are having some difficulty in putting Herschel Payne to work since you are cutting down on the crew at the dimension mill due to a shortage of dry hardwood. I am sorry about this because I know that Herschel does not want to feel that a place is being made for him, and, too, I am sure that he would feel better about his job and that he would learn more if he was doing something worthwhile and earning his pay.

I realize the difficulty of putting a new man on when you are laying older employees off. However, I wonder if you could not get around any possible criticism by letting it be known that Herschel is being trained to do office work in connection with dimension sales, that you are working him in the plant solely to give him experience and to familiarize himself with the products. Frankly, that is the only thing I see you can do, that is to face the issue squarely. So much, I think, depends upon getting Herschel started off right, for him not to feel that he is being taken care of when he is not needed. Otherwise, I would not object, as I believe I stated in my last letter, to our carrying him on the payroll at a salary that would permit him to get by and letting him do odd jobs around the plant or in the office, wherever a need for an extra man might develop.

I am certainly glad that you are getting this group of up and coming young men. I believe they will be a big asset to your organization in years to come.

AT:ld

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

June 30, 1950

Mr. Frank C. Taylor
C/o Peat, Marwick, Mitchell and Company
Mercantile Securities Building
Dallas 1, Texas

Dear Frank:

I have given a good deal of thought to your letter of June 19th in regard to an audit for the current year for Southern Pine Lumber Company, Diboll and Texarkana, and Temple Lumber Company, Pineland and Houston, and I have had several discussions about the work contemplated with Arthur, Jr., George Smith and Eck Prud'homme.

We are in full accord that we should have an audit for this year, and I am agreeable to authorizing the work as outlined in your letter of June 19th at a guaranteed maximum fee, including expenses, at $16,500.00, this figure, of course, including the Retail Division of Temple Lumber Company. However, we are very much interested in holding the overall cost as low as possible, and to that end I want to pass on to you some criticisms of past work which have been made by Eck Prud'homme in the hope that the work this year may go along smoothly and as expeditiously as possible.

The criticisms voiced by Eck Prud'homme may be due to some extent to lack of cooperation on the part of some employees at Pineland. At any rate, in a general discussion at Diboll recently George Smith said that they had no such complaints over there. One thing that Eck objected to was what I would call a lack of supervision or the laying out of the work to be done by your younger men, whom I suppose you call junior accountants. Another thing was the tendency to work extra hours during the week so the men could get off on Friday to go into Dallas for the week-end: in this connection Eck thought that the work would be more efficiently done if the men worked shorter hours per day. Another thing that was mentioned specifically was the reconciling of the logs received at the mill with logs cut in the woods, and since the discrepancy which has always existed is attributable to the bringing in of double length logs and since this particular matter has been gone into quite thoroughly heretofore, it was thought that there was a waste of time in going into it again.

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I do not propose to tell you how the audit ought to be made. That, I think, is up to you and to Mr. Alexander or whoever lays out the work. As far as any lack of cooperation is concerned, and I think there may have been some at Pineland, we are going to try to overcome that, and we have agreed that we can better afford to pay our men to do whatever they can to facilitate and expedite the work of your higher priced men, and it is certainly to our interest to do that. We would certainly like for any unnecessary work to be eliminated, for all lost motion to be done away with in order that the cost may be held down as much as possible.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple July 5, 1950

Have just received your letter of July 3rd in regard to our group health and accident insurance.

If, as you say in your letter, Provident has quoted us less than so-called conference rates, this insurance may not be costing us any more than if we paid the conference rates with Minnesota Mutual or some other mutual company and got back dividends. Likewise, if our experience under the Provident policy has been so unfavorable or if our claims have come close to the premiums paid, we could not hope for any dividends if we were with a mutual company.

As I understand it, and I got this impression from a letter received from Mrs. Ralls a few days ago, a letter which I sent to Arthur to turn over to Calvin Lawrence, with Minnesota Mutual we would get back in dividends the difference between claims allowed plus 10% for administration and the premiums paid. I am not sure that this 10% figure is correct, but that was the impression I got from Mrs. Ralls' letter. This insurance is very much like our policy with Texas Employers Insurance Association where our dividends depend upon our losses. Then, too, Mrs. Ralls has referred to a reserve of $18,000, I believe, which has been built up over the years Minnesota Mutual has carried our health and accident insurance, and she said that was still intact because the yards and Temple-White continued to carry their insurance with Minnesota Mutual. Just what value that $18,000 reserve has for us or would have if we went back with Minnesota Mutual, I don't know.

I, too, would be most reluctant to cancel out with Provident after only one year with them. No doubt they did go to considerable trouble and expense to sign up our employees, and it would be quite confusing, I suppose, to have another company come in and have to go all over the signing up again in such a short time. If, on the other hand, we made a mistake to cancel out with a mutual company and to go with a stock company where there is no hope of dividends regardless of our experience, then I think we probably should recognize and acknowledge that fact and take steps to correct the mistake. We maynot have time to do it before the expiration of our present policies, which I believe occurs July 31st, but we should decide what is to our own best interest, and by that I mean our employees' best interest because any dividends should be for their benefit, and act accordingly, either staying with Provident and forgetting mutual companies or, on the other hand, make the switch at the appropriate time.

Arthur is having Calvin Lawrence make some studies, and I am glad that you, too, are figuring up the claims at Pineland to compare with the premiums paid. It will be interesting to see just how we have fared during the past year under the Provident policy.

AT:ld
CC Mr. Arthur Temple, Jr.

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

July 5, 1950

Mr. Frank C. Taylor
C/o Peat, Marwick, Mitchell and Company
Mercantile Securities Building
Dallas, Texas

Dear Frank:

Eck Prud'homme has made a suggestion which I think is a good one, and I want to pass it on to you.

He suggested that just before you are ready to start on the Temple Lumber Company, Pineland, audit that Mr. Alexander meet with George Smith and Eck and go over the work to be done with them to the end that we may thoroughly understand what will be expected of our men that the maximum cooperation may be derived, which will result in a saving in the overall cost of the audit. This is in line with my recent letter to you where I expressed the desire that our men be used to do all of the work possible to save as much work as possible on the part of your higher priced accountants.

Sincerely,

AT:ld

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CC Mr. H. W. Walker
Mr. Arthur Temple, Jr.

July 10, 1950

Mr. John E. Hintz
C/o Oil Field Lumber Company
Mexia, Texas

Dear John:

Since writing you recently about monthly reports which would give us some idea of how Oil Field Lumber Company's business is going, I have given some further thought to what might be done without incurring additional expense.

It seems to me that if you would let Harry and me, as directors, have a report each month on sales at each of the yards, collections and receivables, we would have the information that is most important, and I think these three items would give us a pretty fair picture. I should think you could get out that information without much trouble or expense and wish that you would please see if you cannot do it.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

July 12, 1950

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

Dear Ernest:

I called Arthur, Jr. by long distance telephone this afternoon to ask him to see if you would ask Lyndon Johnson for an appointment to Annapolis for my great nephew, W. Temple Webber, Jr. Temple has always been anxious to go to the Naval Academy, but his parents have been inclined to oppose it. However, now with the trouble in Korea and the prospect of this spreading to another world war, Temple is more anxious than ever to get into the navy, and his parents have come around to giving their consent.

I realize that appointments to Annapolis and West Point are not easy to get, that Senators and Congressmen usually have their appointments promised for several years in advance. However, with Lyndon Johnson's position in the Senate and with the possible need for more officers I hope that he can give Temple, Jr. an appointment, and I know that he will do it if he can if you will but ask him.

Temple is a fine boy. He is eighteen and will be nineteen in October, was graduated from The Choate School at Wallingford, Connecticut in June 1949 and has been at Washington and Lee University at Lexington, Virginia the past year. He has a splendid personality, is of fine character with no bad habits, and he is a mighty good-looking boy. I feel that he would be a credit to the Naval Academy and to the navy, and I would not hesitate to recommend him for appointment if he were not related to me. His address, incidentally, in case it is needed, is #2 Oak Hill Place, Texarkana, Texas.

I will appreciate it very much, Ernest, if you will do this. I can assure you that you will have no regret because Temple has every qualification to make a good naval officer.

With kindest regards,

Sincerely,

AT:ld

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cc Mr. Arthur Temple, jr.

July 14, 1950

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

Dear Ernest:

I have your letter of July 13th, and I note that you do not feel that you can ask Senator Johnson for an appointment to the Naval Academy for Temple Webber.

If you have conscientious scruples against asking for an appointment to Annapolis, well and good. However, the only way I know for a young man to get into Annapolis is to receive an appointment, and the only way I know to get an appointment is to apply to Senators and Representatives. I knew that it would do absolutely no good for me to write to Wright Patman, with whom I disagree almost all of the time and who knows that I have absolutely no regard for him, but I have written to Lyndon Johnson, and in the event he replies unfavorably I intend to write to Tom Connally. My relations with Lyndon Johnson have been a little bit closer than with Tom Connally: he has been very friendly in his correspondence, and I thought there was probably a better chance of getting an appointment for Temple from him than from Tom Connally, who is old, has been in the Senate much longer and probably has many more requests for appointments, and Tom Connally probably will not run for re-election when his present term expires. Having decided to approach Lyndon Johnson and knowing your relationship to him, I thought that a request from you would bear considerable weight and for that reason asked you to communicate with Lyndon Johnson in Temple's behalf.

I was not in favor of Lyndon Johnson over Coke Stevenson in the 1948 race. Frankly, I did not think, and do not think now, that he was elected fairly. However, since he was seated, I have considered him my Senator just as much as I would have considered Coke Stevenson my Senator if he had been recognized as the winner. As I said, Lyndon Johnson has demonstrated a very friendly attitude toward me whether he knows that I voted for Coke Stevenson or not, and if he does know that I voted for Coke Stevenson, the fact that he shows this friendly attitude

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proves that he is a big man and is willing to accord to everyone the right to his opinion.

Regardless of Lyndon Johnson's qualifications for the office he now holds, I don't think your statement that I should have voted for him because of what he did for Southland is sound. It is my opinion that too many people vote according to their own selfish interests rather than for the good of the nation. That is one thing that is wrong with this country today. How much better it would be if everyone voted for the good of all of the people instead of having labor vote for those who favor labor, farmers for those who favor farmers, businessmen for those who favor business, etc., etc.

I have told you on several occasions, and the last time when I visited you in your office a few weeks ago, that I thought Lyndon Johnson was doing a good job. I do think so, and I am perfectly willing to concede that I may have been wrong when I went to the polls to cast my vote in November 1948. On the basis of his record in the Senate to date I will probably vote for Lyndon Johnson for re-election in 1954. I hope he knows how I now feel toward him, and I am sure that he, at least, will not forever hold against me my vote in his last campaign.

Sincerely,

AT:ld

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cc Mr. H. W. Walker
Mr. Arthur Temple, Jr.

# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

July 15, 1950

Mr. John E. Hintz
C/o Oil Field Lumber Company
Mexia, Texas

Dear John:

Harry Walker was over yesterday, and among other things he and I discussed Oil Field Lumber Company's affairs. I wish that you, too, could have been in on the conversation. Failing in that, I am going to try to set down in this letter some of the conclusions Harry and I agreed upon.

For some time I have not been at all satisfied with the results of our operations at Richland and Mexia, and some months ago I believe I wrote you and suggested that we might consider selling out at these two points, or if unable to sell, then liquidating, but with Odessa so far away I doubt if it would be advisable for us to continue the yard there if we closed up at Mexia and Richland.

According to the December 31, 1949 statement, Oil Field Lumber Company has $231,000 in capital and surplus. It earned last year $9,676.96 before taxes and $7,553.57 after taxes, or 4.19% and 3.55% respectively on the capital employed. This return, I am sure you will agree, is quite meager, and if it had been distributed to stockholders, it would have compared with a 2½% return on municipal bonds, which in my case is the equivalent of 7.35% in taxable income: in other words, I would have to get 7.35% return on my investment in Oil Field Lumber Company or any other stock, the income from which would be subject to income tax, to equal a 2½% municipal bond, which would carry little or no risk and would require no looking after on my part.

Obviously, my investment in Oil Field Lumber Company is not paying off satisfactorily, based on last year's earnings, and I am inclined to think that the result this year will probably be less favorable than it was last year. Under the circumstances I wonder if it would not be advisable for us to make a real effort to dispose of the Oil Field Lumber Company yards through sale or, failing in that, then through liquidation. I doubt if we would get very far in selling Mexia and Richland but I am quite sure that we could find a ready sale at a satisfactory price for the Odessa yard. This may come as

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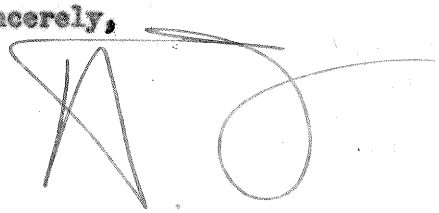


something of a shock to you, but I am looking at it as a business proposition, and that is the conclusion I have reached, and Harry agrees with me. Certainly, if we are going to sell, now would appear to be a good time because values are inflated. The lumber business is as good, or better than it ever has been.

I wish that you would give some thought to this suggestion and let me know your reaction. If you concur with the conclusion reached by Harry and me, then I would like to know how you would suggest we go about carrying it out. My thought is that we might run a blind ad in The Gulf Coast Lumberman. In view of the fact that our improvements are almost fully depreciated, I should think that we ought to be able to realize book value or close to it, assuming that our receivables are 100% good.

Harry is under the impression that your health is not too good. If that is true, then that is all the more reason why we ought to sell out or liquidate.

Sincerely,



AT:ld

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CC Mr. J. H. Kurth, Jr.
Mr. Arthur Temple, Jr.

July 17, 1950

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

Dear Ernest:

I note from your letter of July 13th addressed to all directors of Southland Paper Mills, Inc. that you propose to have a meeting of directors sometime between August 10th and September 10th. I am planning to leave for a two weeks' vacation on August 20th, and, as I would like very much to attend the Southland directors' meeting, I hope that you will not call it between August 20th and September 1st. As far as I know now, any other time would be all right as far as I am concerned. As a matter of fact, I have planned to go down to Diboll the week of August 6th but could make it the following week, the week of August 13th, but I would have to be here on August 19th for a wedding which I want very much to attend.

I suspect that I am in the minority but I am opposed to further expansion by Southland. My main reason is that I fear we would endanger the future supply of saw timber in our area, and I would like to see Southland held down in size so that the paper mill and the sawmill industry in East Texas would be coordinated, that the two might work along together without conflict. While you could probably get 50,000 cords of wood annually from the Government, I would prefer to see this augment the supply from private timber owners to take care of our present needs rather than an enlarged production: I am told that the present drain is, in fact, endangering our future supply of saw timber.

I may be too conservative. However, I am inclined to be content with what we have. We have total assets of about $21,000,000 and in excess of $15,000,000 invested in plant and property and timberlands - a pretty sizable investment. We are doing awfully well from a profit standpoint. Why not let well enough alone? Then, too, while our company is not particularly in need of dividends, it is a fact that we are considerably in arrears on dividends of preferred stock, and of course nothing has ever been paid on common stock. I think it is high time that we stopped expansion or plowing back earnings into the business and began to pay regular annual dividends, and I say this not from any selfish point of view.

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I have not felt for the past several years that the time was propitious for expansion because of inflation. With war in Korea and with the possibility that this will spread to another world war I cannot see anything but continued inflation immediately ahead, and from my point of view this certainly is not the time to expand. With the difficulty of getting materials and equipment in the event of war I certainly would not think of adding to our present facilities.

I have it on first-hand authority that Fred Dierks and his associates are going ahead with their newsprint mill in Arkansas, provided war does not interfere. What Southland does, whether they expand their production or not, will have no effect upon the building of this mill, and, with the shortage of newsprint and the experience of Southland, I think we can look for additional newsprint mills in the south provided they can be financed. I don't think we should be influenced by the fear that others will build newsprint mills if Southland does not expand.

I hope that you will let me know just as soon as possible when the directors' meeting will be. If it is to be held the second or third week in August, I would like to adjust the meeting which I have arranged at Diboll for the early part of the week of August 6th.

Sincerely,

AT:ld

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

Mr. G. S. Smith Arthur Temple July 18, 1950

I have just received from Houston the financial statement of Temple Lumber Company for the mill and yards combined, and while the increase or decrease from the corresponding month in 1949 is of interest, I don't know that the new form is better than the old. As a matter of fact, I am inclined to prefer the old form where the mill items and retail yard items were shown in separate columns and the totals on the right-hand side. There are so many figures crowded close together on the new form that it is hard to read.

I don't want my preference to govern necessarily. I am sending a copy of this letter to McNair, Arthur, Jr. and Eck and would like to know how each of them feels about the new form, the form on which the June statement was made. I would like, too, to know how the new form impresses you. I judge that a good deal of labor is involved in getting up the increases and decreases, as shown on the new form, and if this information is not of sufficient interest or importance to justify it and if the old form is preferred by a majority, I suggest that we go back to it.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. G. S. Smith Arthur Temple July 21, 1950

I am returning statement from Southern Pine Association covering additional trade promotion fees from June 1949 to June 1950 inclusive. This was sent to me by Arthur, Jr. with a copy of a letter he wrote Mr. Deas, Assistant Secretary-Manager of Southern Pine Association. Arthur was under the impression that this should be taken care of from the Texarkana office. I believe it has been the practice for Pineland and Diboll to take care of such on their own.

Although Arthur seems to be opposed to this assessment, I don't know of anything for us to do but to pay it. I feel that we are obligated to carry our part of the trade promotion work of the Association. I wish, therefore, that you would send the Association at New Orleans a check for the amount due according to their statement and for future amounts as they fall due unless we should decide to discontinue our participation when you will be advised. In this connection, however, I note that Mr. Deas' letter to Arthur said that this voluntary 10% assessment is now "winding up".

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple July 21, 1950

I assume that you are going to make the trip to the west coast with us since you have not said anything to the contrary, and I am awfully glad that you are because I believe that this trip will not only be very interesting to you but you will get a lot out of it which will be valuable to you in your work. I am looking forward to the trip and don't know of any circumstances under which it would be more attractive to me than to make it with you, Arthur and Wilbur.

I believe we told you that we would leave Dallas at four o'clock Sunday afternoon. When I got to Diboll yesterday on my way back from Houston, I learned that our reservations are on the plane leaving Dallas at 6:00 P.M. Sunday, so you may be governed accordingly. This time really suits me better because I can go from here to Dallas on the American Airlines plane which leaves at 3:31 and arrives in Dallas at 4:31, which will leave only about an hour and one-half to kill. I would not have time to go downtown, and there would be no point to it, and so will meet you and the others at the airport.

I am assuming, of course, that Arthur was able to get you a reservation on the plane out of Dallas. He was handling this through the manager of the hotel at Lufkin and had not heard definitely whether a reservation was available by the time I left yesterday afternoon.

AT:ld

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cc Mr. Arthur Temple, jr.
Mr. H. C. White

July 22, 1950

Mr. H. B. White
C/o White Wood Products Company
Bogalusa, Louisiana

Dear Harlan:

Please don't make any definite plans to meet me in Diboll the week of August 6th until you hear further from me. The reason that I ask this is that Arthur, Jr., Wilbur Fogg, Eck Prud'homme and I are leaving Sunday to fly to the west coast to look over some of the sawmills in that area, and while we are planning to be gone only about a week, I would like to have time to get back home and see what may have developed in my absence. Another thing, I received a letter from Ernest Kurth a few days ago, a letter addressed to all directors of Southland Paper Mills, Inc. suggesting a meeting of the Board the latter part of August, and since I am leaving on a trip east on August 20th, I asked him to make the meeting coincide if possible with my meeting with you at Diboll. I have not heard anything further from him but I should have something on this when I get back from the west coast.

Arthur has been making some investigation of the charges Southern Pine is making against Temple-White, and when I saw him last Thursday, he said that he would write me fully about these. I doubt if I will hear from him before leaving tomorrow, but I should have his analysis of our charges by the time I get back.

Wish that you were going to be on this trip to the west coast with us. I am looking forward to it because I have not been out west since 1913 and I know that there have been many changes in the intervening 37 years.

Sincerely,

AT:ld

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CC Mr. Arthur Temple, Jr. ✓
Mr. H. C. White

July 31, 1950

Mr. H. B. White
C/o White Wood Products Company, Inc.
Bogalusa, Louisiana

Dear Harlan:

I have just returned from my trip to the West Coast and find on my desk your letter of July 24th.

In view of the fact that both Arthur and I have been away for a week and have several important matters coming up within the next few weeks before I leave on a little vacation trip to Vermont and Long Island, it would suit us a lot better to meet with you later on.

I suggest, therefore, that you go ahead with your original plan to go to Diboll the week of August 13th and let us hold in abeyance a discussion of the commission which Temple-White pays White Wood Products Company and what they pay Southern Pine for steam, electricity, etc. In the meantime, you might be giving some consideration to what would be fair charges for all services and facilities, just as we will, and I am sure that when we do get together we can come to some mutually satisfactory conclusions.

I have just received a notice from Ernest Kurth, President of Southland Paper Mills, Inc., of a meeting of directors of that Company for Monday, September 11th, at eleven A. M. I expect to attend that meeting, and if you can be in Diboll around that date, it would suit me fine for us to get together then.

We had a fine trip to the West Coast. We flew out and back, as I probably told you we intended to do, visited seven or eight mills in Oregon, and it was not only an interesting experience

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but I believe that we learned a lot about how they do things on the West Coast. I hope to go out there some time and have a more leisurely visit.

Sincerely,

AT:ld

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

July 31, 1950

Mr. H. E. Reardon, Purchasing Agent
The Shevlin-Hixon Company
Bend, Oregon

Dear Mr. Reardon:

I have received your letter of July 27th in regard to the new crayon you are using to mark your lumber, and I am passing the information you have given to the managers of our mills, my son, Arthur, Jr., and Eck Prud'homme, who were with me on my recent visit to your plant. I am sure the information you have given will be very worthwhile to them and I appreciate it.

We certainly enjoyed our trip through your plant. It was most impressive. I wish that you would thank Mr. Myers again for all of the time he gave us. I really felt that we were imposing upon him.

Sincerely yours,

Mr. Temple and Mr. Prud'homme:
Am enclosing Mr. Reardon's letter which you might pass on to Eck after it has served your purpose.

A.T.

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple August 7, 1950

This morning after talking with you and Arthur by long distance telephone I called Josh Morriss and told him of our conversation. He said that he would have Wop Heath do some figuring to see just what we would save in insurance by putting in a sprinkler system at the store to be built at Pineland.

Josh has just called back and said that on the basis of $72,500 for the building (exclusive of foundation, etc.), $30,000 for fixtures and $73,000 for stock of merchandise, which I believe is the average of stock reported by Pineland in the recent past, there would be a saving of $1,500 per year on a three-year policy if the building is equipped with a sprinkler system. This takes into consideration insurance against leakage, on which Josh says the rate is nominal.

This saving would represent 15% on an investment of $10,000, which, if I am not mistaken, is a little more than the sprinkler system was estimated to cost when we met in Pineland several weeks ago. In addition to this return on the investment we would of course have the protection which a sprinkler system affords, a protection which was very clearly and positively demonstrated to us when the dressed shed at Pineland burned several years ago, and the fire stopped at the sprinkler system at the north end of the planing mill.

Josh said with respect to the ceiling that it would not be necessary in his opinion to put sprinkler heads in the space between the ceiling and the roof if sheetrock was used for the ceiling if you did not want to use plaster. I don't know why there would be any objection to sheetrock.

I am perfectly willing to leave the decision as to whether the new store shall be equipped with a sprinkler system or not to you and Arthur. From where I sit, however, it does look to me as if it would be a good investment and would give us protection from fire which we would not have otherwise. I only suggest that you and Arthur, to whom a copy of this letter is going, give consideration to the saving as estimated by Josh's office, and if you still feel that the sprinkler equipment would not be justified, it will be all right with me for you to proceed accordingly.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. Kenneth Nelson Arthur Temple August 10, 1950

Mr. W. E. Stewart, P.O.Box 89, Tyler, Texas, was in my office this morning trying to get us to agree to let him have a lease on land under which we own the minerals. This land lies generally north of New Boston, and, according to his estimate and Bob Waite's, consists of 1,915 acres. Mr. Stewart, together with a Mr. Bradham, who he says is a well-to-do oil man in Arkansas, proposes to drill a well 5,000 feet deep. He is unwilling to pay us anything for a lease and will not let us hold out any of the acreage for a gamble.

I would like to know definitely just what minerals we do own in Bowie County. I would be disposed to give Mr. Stewart a lease in consideration of the drilling of a 5,000-foot well. This is strictly a wildcat proposition, and many wells have been drilled in the area, particularly to the west, in Red River County, and while there have been some favorable indications, no real producer has ever been brought in.

The map left with me by Mr. Stewart, and which I enclose for your ready reference, shows something in the neighborhood of 2,700 acres in the T&P Railroad Survey, O. J. Daniels Survey, James N. Smith Survey and the N. D. Ellis Survey, but Bob Waite told me that we own one-half the minerals on 1,915 acres, and this agrees with Mr. Stewart's statement. If you can figure out from the enclosed map and from your records,which I am sure are complete and accurate in view of our lease to Quintana, I will appreciate your giving me the information, and please return the enclosed map for my further reference. I assume that none of this land is under lease at the present time.

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. J. R. Morriss

Mr. E. G. Prud'homme Arthur Temple August 11, 1950

I don't know where you got the impression that Wop Heath was planning to go down to Pineland soon to consider a sprinkler system for the new stores. Anyway, I talked with Josh this morning, and he has had Wop go over to Dallas to talk to several sprinkler people, and one or more of these will contact you shortly. From them you will be able to find out whether or not you can put a sprinkler system in without putting heads between the ceiling and the roof. Josh, however, told me the other day that sprinkler heads between the ceiling and the roof would not be required if sheetrock is used for the ceiling.

When one or more of these representatives of sprinkler companies are at Pineland, I presume you can get bids on a sprinkler system for the stores. If it runs no more than $10,000, the figure I used in my recent letter to you, and if the values which Josh used are correct to figure the saving, then I assume that the saving he estimated could be depended upon.

Several times recently letters or copies of letters to me which you have intended for Josh have come here in our mail. A copy of your letter of August 10th marked for Josh was in our mail this morning, and I am forwarding it on to him though I have read the letter to him on the 'phone.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple August 11, 1950

I have read with interest your letter of August 9th together with Carl's letter of August 8th to you regarding the performance of the toilet seat department.

Granting that all that you and Carl say is true, the fact remains that the finishing plant lost $3,790 last year, according to the Peat, Marwick, Mitchell audit, and we show a loss of $3,184 for the year 1950 through July. While I don't know offhand the result of the operation of the toilet seat department since it was put in some years ago, I daresay any profit shown would be nominal and probably not enough to justify all of the worry with it, and I feel reasonably sure that the return on the investment, capital employed, etc. has not been justified.

However, I am quite agreeable to continuing to operate this department longer until we are convinced one way or the other, that is, whether we should continue to operate the toilet seat business or give it up. My only idea in suggesting that we might do well to abandon it in the recent letter was to get us all to thinking about it. Maybe we can reach some definite conclusion by the end of the current fiscal year, October 31st.

AT:ld

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CC Mr. Arthur Temple, Jr.

August 14, 1950

Mr. Harry T. Kendall
C/o Weyerhaeuser Sales Company
Saint Paul 1, Minnesota

Dear Harry:

Thanks for your letter of August 10th. I am sure that it would be very interesting to us to see the debarker which you have in operation at Longview, and if and when Arthur, Jr. and I do make another trip to the West Coast,we will certainly make it a point to visit your Longview mill and see this and other things which I know would be of interest.

In connection with this debarker,one thing I observed on the West Coast was that water was no problem. I suppose, though, it would be a matter more of pressure than water itself because we could probably draw water from the log pond and use it over and over again.

I don't want to bother you with continued correspondence, but if you could give me the initials of Mr. Myers, General Manager of the Shevlin-Hixon plant at Bend, I would appreciate it. Mr. Myers was very nice to us when we were out there, but I failed to learn his initials and, as a consequence, have been urable to write and thank him for his many courtesies. I would like to do this if I can learn his initials. By the way, I was surprised to learn that he had been with Sumter Lumber Company at Electric Mills, Mississippi before going out West.

With kindest regards,

Sincerely,

AT:ld

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Mr

Mr. William C. Hinkle | Arthur Temple | August 14, 1950

I am glad to have your letter of August 11th in which you comment on the correspondence which has passed between McNair and me on the question of a bonus for employees of the Retail Division.

I am not opposed to doing something for some of our key men, as I believe I have made very clear in my letters to McNair, but I would like to get away from the bonus plan because there is always the question of who deserves what, and unless there is some scientific basis, I should think there would always be the feeling on the part of some that they had not been treated as well as some others. Then, too, there is the feeling at the mill that it is not altogether fair to pay a bonus in the Retail Division and not to the key men at the mill when they, too, have contributed to the overall profit.

You may recall that this matter was discussed at some length at our directors' meeting held in Pineland last October, and if I am not mistaken, a motion was made and carried that a bonus at the retail yards would be discontinued. For that reason I do not feel that I can authorize a bonus for this year but have suggested that the matter be discussed at a directors' meeting to be held between now and the end of the fiscal year. I am going away on August 20th to be gone until September 3rd, but my plan now is to have a directors' meeting, either in Pineland or Houston, shortly thereafter. All arguments pro and con can be heard at that time, and I am perfectly willing to abide by the result.

One more thing, I certainly think that a man should be rewarded for the intelligence, energy and loyalty he shows in his job. It is only a question whether a man's value to the Company should be recognized by a bonus or by a salary commensurate with what a man contributes to the success of the business. Furthermore, if a bonus is adopted as company policy, then I think it should be on a scientific basis where a man would know what his share of the pot was going to be.

AT:ld

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

August 17, 1950

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

Dear Latane:

I have just received the notice of the annual meeting of Temple Cotton Oil Company, which is set for Tuesday, September 12th. I have signed and enclose herewith my proxy.

Inasmuch as there is to be a meeting of directors of Southland Paper Mills, Inc. in Lufkin on Monday, September 11th, and a meeting of directors of the Texas and Pacific Railway Company in Dallas on Tuesday, September 12th, I wonder if it would be an imposition to ask that you and Cochran convene the Temple Cotton Oil Company meeting as scheduled and adjourn it to some later date, possibly Tuesday, September 19th. I am quite sure that this will make it more possible for Newman to attend the meeting because I understand that he and Gertrude are planning to leave Quogue about the 10th of September.

As I am leaving, as I have already written you, on next Sunday to be gone about two weeks, I will have barely enough time to hear from you if you advise by return mail. Otherwise, I will depend upon having a letter from you on my return on September 3rd.

Yours truly,

AT:ld

CC Mr. Arthur Temple, Jr.
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September 2, 1950

Mr. J. J. Collins
C/o Collins, Dies, Garrison and Renfrow
Lufkin, Texas

Dear J. J.:

Again the question of a carrier for our compensation insurance has come up, and there is a feeling on the part of some of our people that Angelina Casualty Company could and would do a better job for us and, perhaps, save us some money. As a director of Texas Employers Insurance Association, I have had the opportunity over a number of years of knowing rather well the men who are running this Association and the opportunity to see what a good job they are doing generally on compensation insurance in the State of Texas. I may be prejudiced but I have been reluctant to take our compensation insurance away from Texas Employers and place it with any other carrier, particularly a small company like Angelina Casualty Company.

The main argument that I can see for Angelina Casualty Company is that they are a Deleware corporation, and, as a consequence, they can take their cases into federal court. If I am not mistaken, I asked your opinion of this claimed advantage several years ago, and you said that you did not think there was any material difference between trying compensation cases in federal court and state courts.

Since the question of a carrier for our compensation insurance has again come up, I will appreciate it very much if you will again let me know whether you consider it any advantage to try our cases in federal court as against state courts. If you have any opinion as to which would be the better carrier for us, Texas Employers or Angelina Casualty, other than the question of federal court versus state courts, I will, of course, be glad to have you express it with the understanding that any comment you might make will be treated as strictly confidential.

With kindest regards,

Sincerely yours,

AT:ld

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Mr. E. G. Prud'homme Arthur Temple September 13, 1950

Last Sunday afternoon when Arthur, Carrol and I were driving back to Lufkin after taking Katherine to Jacksonville to board the train for Texarkana Carrol told of his experience with Joe Pollard in connection with U. S. Tires. He said that when he learned of Joe's dissatisfaction with U. S. Tires he arranged with a representative of U. S. Rubber Company to accompany him to Pineland to make an inspection of defective tires, and when they got there, Joe showed them a pile of several hundred tires which had been discarded but, as I recall, only one or two were U. S. Tires, one I believe, and a spike had gone through it. In spite of this, however, they made an adjustment on it. Carrol was under the definite impression that Joe had been buying Goodyear or some other make of tires. At any rate, this experience seemed to indicate that Joe was prejudiced against U. S. Tires, and I wondered if because of this and possibly a similar attitude in other departments Pineland had been taking full advantage of the contract with U. S. Rubber Company, which I have understood is an exceedingly favorable contract.

I recall that when you, Arthur and I were on our way to Houston a month or two ago you raised the question as to whether it might be advisable for us to give some other tire company some of our business in order to be assured of a source of supply if and when tires got extremely scarce. I mentioned this in our discussion Sunday, and Carrol said he knew it to be a fact that U. S. Rubber Company or their distributors in Houston took care of our needs recently,when there was a rush of buying created by the uprising in Korea, even at the expense of their regular dealers and when our requirements were not immediate but rather for stockpiling. He went on to say that it was his understanding that ours was the largest industrial contract U. S. had in Texas and, as a consequence, it was highly appreciated, and he thought that there was no question but that they would take care of us if we played ball with them.

All of this again raised the question as to whether it would not be advisable for us to have at Pineland a purchasing agent or department through whom or through which all orders should be placed. When orders are placed directly by foremen or a number of individuals, there is danger of buying more than is needed, and I think there is also the danger of such individuals being bribed by favors or even paid off with money. I don't say that this has occurred, but there is such a danger in any large organization such as we have at our mills.

Please understand that this discussion was no criticism of the management at Pineland, no reflection on you certainly. It was only one of a number of subjects that Carrol, Arthur and I discussed while we were together. Incidentally, something mentioned by Arthur might be worth mentioning here. He suggested that any poles or piling which Pineland has to get out might well be held where it would be convenient to do so until the treating plant is in operation at Diboll. I told Arthur I would mention this to you and I was sure that you would be only too glad to cooperate.

AT:ld

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cc Mr. Arthur Temple, Jr.

September 14, 1950

Mr. C. G. Weakley
C/o Texas Employers Insurance Association
Dallas, Texas

Dear Clare:

When I was in Diboll over last week-end and discussing our compensation insurance with Arthur, Jr., he said that he had suggested to someone representing Texas Employers that they establish an office at Lufkin, primarily, I believe, for the purpose of investigating claims. Our attorney in Lufkin, J. J. Collins, of the firm of Collins, Dies, Garrison and Renfrow, has told me that he considers it of the greatest importance that claims be investigated promptly and before attorneys get to men who have been injured and get signed statements from them and also from witnesses.

Jake Durham, who has been looking after our compensation insurance, is leaving on October 1st probably to go back into the Army. We will have no one with experience in this line of work to take his place, and, as a consequence, it will be worth even more to us in the future than it has in the past for you to set up an office in Lufkin, where claims can be investigated promptly and before lawyers representing claimants and seeking to represent claimants can gain an advantage. I hope very much, therefore, that Texas Employers will act favorably upon Arthur's suggestion. I am confident that you will give it serious and earnest consideration.

With kindest regards,

Sincerely,

AT:ld

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cc Mr. Arthur Temple, Jr.

September 14, 1950

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

Dear Mr. Minton:

Aubrey Canon of this office has discussed with me the advisability of our assessing mineral rights that we own where we do not own the land on the ground that someone learning that we had sold the land and retained the minerals, as in Red River County where we sold the land to Joe Kurth, might have the minerals put on the tax rolls and after sufficient time had elapsed buy the minerals for the delinquent taxes.

This has never occurred to me, and while the danger seems rather remote, I would like to have your advice. If you think that it would be advisable for us to assess the minerals for taxes, I would appreciate your suggestion as to what value we might put on them.

Outside of the lands in Red River County sold to Joe Kurth, the only lands which I recall that either of our companies has sold and retained the minerals were the lands sold to the Government by Temple Lumber Company some years ago, I believe in 1934. As far as I know, Temple Lumber Company has never rendered the minerals rights on lands sold to the Government for taxes.

With kindest regards,

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

September 15, 1950

Mr. Carrol Allen
P.O.Box 1180
Lufkin, Texas

Dear Carrol:

Arthur told me on long distance telephone this morning that you and he were ready to go ahead with the developing of the 80 acres on the basis of my proposition, and it was estimated that $20,000 would be required for this purpose, that is, for the development of two-thirds of the total acreage. He is to let me know when the money is required.

I understand that I am to pay you $16,000 for our one-half interest. I suggested to Arthur that you might want to apply this against the $17,000 that you now owe me, and he said that he had not discussed that with you. I don't know, of course, what your intentions are in that connection. Naturally, I would rather not put out anymore money on this project than is necessary, and if the payment for the one-half interest can be so applied, well and good, though I do not want to restrict you in your other business operations unduly.

It would be in order, I should think, for you to give me a deed to one-half undivided interest in the 80 acres, or whatever the amount is. Unless there is some objection, you may do that at your convenience and at the same time you can let me know about the application of the $16,000 against what you now owe me.

Arthur seemed very enthusiastic about this deal, and I certainly hope that it will turn out well for all concerned.

Sincerely,

AT:ld

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

September 21, 1950

Dear Mr. Savoy:

What I had in mind was to give St. Cyprian's something which was apparently needed when I suggested a lectern Bible, and I thought, too, that some object like this would be an appropriate memorial to my father, who was closely identified with Angelina County. I selected a Bible in the Moorhouse-Gorham Company catalogue, one bound with red Persian Morocco leather which sells for $60.00.

I do not want to give something to which you feel there is no special need, and in view of your letter of September 12th, am agreeable to making a donation of $100.00 which may be used any way you and your vestry see fit. I could make this donation now or later when you have your Every Member Canvass.

It is always a pleasure for Mrs. Temple and me to attend services at St. Cyprian's. You have a lovely church. I am sure from what I have observed and from what I have heard from others that you are doing a fine work. It is very gratifying to me that Ann and Arthur, Jr. are taking such an active interest.

With kindest regards,

Sincerely,

Rev. J. E. Savoy
P. O. Box 937
Lufkin, Texas

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# TEXAS FORESTRY ASSOCIATION

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DUDLEY O. STONE, HOUSTON
J. H. THOMASON ORANGE
D. W. THOMPSON, KELTYS

Lufkin, Texas
September 26, 1950

Mr. Arthur Temple
Southern Pine Lumber Co.
Texarkana, Texas

Dear Arthur:

Since our last correspondence concerning your participation in the Texas Forestry Association, Mr. Bishop has advised that he has received a check from Eck, but as yet, nothing has come from Arthur, Jr. I am wondering if that portion of your participation is being handled from your office, or should I contact Arthur, Jr. Please advise how I should handle this matter.

Very kindest regards.

Sincerely yours,

Dick -

R. W. Wortham, Jr.
President

RWW:db

CREATED IN 1914, THE TEXAS FORESTRY ASSOCIATION IS A NON-PROFIT, STATEWIDE EDUCATIONAL ORGANIZATION SEEKING THE EXTENSION, CONSERVATION, AND PROPER USE OF THE FOREST RESOURCES OF TEXAS.

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September 26, 1950

Mr. Johnnye Foster
C/o Southern Pine Lumber Company
Diboll, Texas

Dear Johnnye:

When Arthur, Jr. was up here Monday a week ago and told me that the Underwood electric typewriter which we sent to you had never been received, I checked with Ragland Office Supply Company, whom we got to send this typewriter, and they said that it had been shipped back in June by Southwestern Transportation Company. I asked them to put a tracer behind the shipment, and upon receipt of your telegram today we called Ragland again, and they said they had heard nothing from Southwestern but that they would get in touch with them again and report back to us.

Apparently this typewriter has gone astray, and when we hear from Ragland again, I will suggest filing claim for loss. Since practically three months have elapsed since the typewriter was shipped, I do not think there is much chance of its being found. The only trouble is we sold this typewriter to you at what I considered less than its real worth, $200.00, when a new one costs I believe in the neighborhood of $355.00. I don't suppose we will be able to recover any more than the price at which we sold it to you.

Since dictating the above I have talked with the head man down at Ragland's again and asked him to talk with Southwestern Transportation Company and demand some immediate action either to produce the typewriter or pay off. I will advise you further.

Yours truly,

AT:ld

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cc: Marshall Temple, Jr.

September 27, 1950

Mr. Ben Anthony
C/o Southern Pine Lumber Company
Diboll, Texas

Dear Ben:

Since dictating a letter to you earlier in the day, I have received your letter of September 26th giving the dates for various parties at Boggy Slough.

I note that November 15th has been assigned to me. That will suit me fine, provided we can go in on the night of November 14th for supper and break up after lunch on November 16th. That would give me sufficient time to get back home and over to Dallas for the wedding of my cousin or to do whatever is necessary for me to do in preparation for the wedding if it takes place in Texarkana on Saturday, November 18th.

Yours truly,

AT:ld

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ARTHUR TEMPLE, JR.
DIBOLL, TEXAS

September 27, 1950

Mr. Clyde Thompson
C/o Southern Pine Lumber Company
Diboll, Texas

Dear Clyde:

I was sorry not to see you before I got away from Diboll early Tuesday morning after witnessing the very fine parade Monday afternoon and taking in the coronation of the queen and the contests at the Forest Festival Monday night. I want to congratulate you as general chairman of the Forest Festival on what impressed me as a job very well done and also to commend you for the very fine representation of Southern Pine Lumber Company in the parade and the contests. I can imagine how much thought and work were put into this undertaking by you and a good many others.

It was all very impressive to me. The coronation was a lovely thing, and the contests were very interesting. I stayed until eleven o'clock, until after the Southern Pine log loading crew had apparently won first prize handily with a time, as I recall, of five minutes ten and one-half seconds. I was proud of our men and the nice equipment we had, which stood out in comparison with some equipment provided by others.

Unfortunately, the Southern Pine exhibit was not in operation when Bob and I went by there after leaving the contests. I thought it very attractive, however, and I know that it is even more so with the pieces of mechanical equipment operating.

Sincerely,

AT:ld

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September 27, 1950

Mr. R. W. Wortham, Jr.
C/o Southland Paper Mills, Inc.
Lufkin, Texas

Dear Dick:

In reply to your letter of September 26th, I suggest that you get in touch with Arthur, Jr. about Southern Pine's contribution to Texas Forestry Association. I have had some correspondence with Arthur, as well as with Eck, about our participation, and I presume that Arthur has overlooked having a check mailed to Mr. Bishop.

I am sorry that I did not see you when I was in Lufkin Monday for the Forest Festival. I enjoyed the parade, the coronation of the queen and the contests, but really didn't have time to take in the Festival as thoroughly as I would have liked, because it was necessary for me to leave early Tuesday morning in order to get back to Texarkana for an engagement at noon.

With kindest regards,

Sincerely,

AT:ld

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Mr. E. G. Prud'homme Arthur Temple September 27, 1950

It is hard indeed to determine a definite policy or lay down any hard and fast rule to guide us in buying land to grow timber, and, as you suggested in your letter of September 23rd, each and every available tract has to be judged on its merits. About the only thing I can say is that I think we ought to be conservative in the prices which we pay, realizing that we are in an inflationary trend, and while we may not have reached the top, and probably haven't, I do think that the day is coming when values will be considerably less than they are today. We all know what we went through in the 20's, which were comparable with conditions which we have now, and I am sure that you recall clearly the difficulty we had in paying off 50¢ dollars with dollars which were worth 100¢, and how everything, including timberland, could be bought during the depression of the 30's at a fraction of the prices which prevailed before the crash. My idea is and always has been to be very conservative in our purchases during flush times, accumulate a substantial balance of cash and the equivalent to be used to buy at better advantage when deflation sets in. A pretty good rule is to sell when everyone else wants to buy and to buy when everyone else wants to sell: to follow that policy one cannot help but succeed.

I have no objection to our making occasional purchases of moderate size under present conditions. I think that we should be alert to pick up any good young timber at prices which seems reasonable, but I do think that it would be foolhardy to go out and make any large purchases, purchases involving hundreds of thousands of dollars on today's market when we know that present conditions cannot last indefinitely. You may be sure that I, for one, want our companies to be in a strong cash position when another depression comes: I would not go through what I went through from the time Gilbert died in 1931 to the end of 1936 when we finally paid off our creditors for all the money in the world.

I think that you are naturally conservative, and I have no fear of any land and timber purchases which you may make. I would, however, be glad to discuss our policy when we have our annual meeting on October 18th, but I realize that it is difficult, if not impossible, to lay down any hard and fast rule. About all we can hope to do is to agree on general principles.

I drove down to Lufkin Sunday afternoon to take in the Forest Festival Monday. I was disappointed not to see you over there. It was a great show, and I was very proud of Southern Pine's representation in the parade and in the contests Monday night and also the active part which was taken by Arthur and Clyde as president of the Angelina County Chamber of Commerce and general chairman of the Forest Festival respectively. Unfortunately, Southern Pine's exhibit was not in operation when I saw it after the contests late Monday night, but I thought it was very attractive and could imagine how much more so it would be with the miniature pieces of mechanical equipment in operation. I suppose you will take in the Forest Festival some time during the week.

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple September 30, 1950

I don't think that we would have had what might be called a satisfactory visit from the business standpoint even if you had been able to get over for Lumbermen's Day at the Forest Festival in Lufkin last Monday. Arthur, Jr. was as busy as the proverbial cranberry merchant with the Forest Festival in his official capacity as president of the Angelina County Chamber of Commerce, and I saw very little of him between the time I arrived in Lufkin Sunday evening and the time I left Tuesday morning early. I would like for you to have seen Southern Pine Lumber Company's participation in the parade Monday afternoon and the contests following the coronation of the queen Monday night, as well as the exhibit, which you had the opportunity to see if you took in the Festival during the week.

The Temple Lumber Company annual meeting is scheduled for October 18th. That is just a little more than two weeks away, and by that time you may have some definite ideas about the improvements you want to make at Pineland, and, I hope, some reasonably accurate estimate of cost. I would like to have these improvements discussed by our directors and if it is the judgment of the Board that the improvements should be made, that the management will be authorized to proceed. To that end, please have all of the facts and figures you can together and be prepared to lead the discussion.

AT:ld

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

Arthur Temple

September 30, 1950

You will be interested to know that I talked with Rosborough Bemis at Prescott this morning about wages which are being paid by mills in Arkansas. I tried to reach Rosborough the early part of the week, but he was out of town, and I was in Dallas yesterday, so could not contact him until this morning.

Rosborough said that the following minimum wages are being paid:

| | |
|---|---|
| Dierks | $ .81 |
| Bradley Lumber Company | .80 |
| The Southern Lumber Company | .80 |
| Fordyce Lumber Company | .80 |
| Frost at Huttig | .80 |
| Bruce | .80 |
| Ozan | .80 |
| Gurdon Lumber Company | .80 |

From this it would appear that practically all of the representative mills in Arkansas are paying 80¢ or 81¢ per hour minimum. From this and what I have heard of the minimum being paid by our neighbors in Texas I would say that we can do nothing but increase our wages at Pineland and Diboll accordingly, and it is Arthur's idea I know to raise our minimum from 75¢ to 80¢ per hour and make a 5¢ per hour increase across the board.

AT:ld

ARTHUR TEMPLE, JR.
DIBOLL, TEXAS
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Byrne Industrial Services

''ACADEMY OF FOREMANSHIP TRAINING''

SUPERVISORY TRAINING • PERSONNEL TRAINING • SALES TRAINING • SERVING OVER 7000 FIRMS IN ALL LINES OF BUSINESS

35 E. Wacker Drive, Chicago 1, Ill. Phone FR. 2-1051

October 9, 1950

Southern Pine Lumber Co.
Texarkana, Texas

Att: Mr. A. Temple, Pres.

Dear Mr. Temple:

Once more we have the pleasure of sending you samples of our Employee Christmas Greeting folders. You are a customer from former years and we will be especially gratified if we may serve you again this year.

Even in normal times there are the best of business reasons for tying your employees a little closer to you with a friendly Christmas message. Now, in view of government defense plans and almost inevitable labor shortages, the importance of strengthening ties with your work-force is more urgent than for many years.

We think you will like this year's Greetings. They are friendly but dignified - written to command respect as well as liking.

They can be supplied with or without your company name imprint. Prices, either way, and in various quantities, are shown on the enclosed Information Sheet - also an Order Blank for convenience in ordering or making requisition upon your Purchasing Department. Plain white, good-quality envelopes, to fit, can be supplied if desired.

Christmas is the season of goodwill. There is no better time nor opportunity for strengthening the loyalty and goodwill of your employees. People are then in the most receptive, most responsive mood. Such an extra-ordinary opportunity for improving employee relations should not be over-looked.

To give us time to serve you well we hope you will place your order now. Please be SURE to indicate on the Order Blank which Greeting you desire, using the letter identification shown at the bottom of each Greeting Folder, on the inside pages. Also please specify whether you wish envelopes or not. We will welcome your order - it will be a pleasure to be of service.

Cordially yours,

BYRNE INDUSTRIAL SERVICES

C. W. Byrne

CWB:IC

President

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# PRICES

## for Employee Christmas Greeting Folders

(Without any company name imprint)

| | | | |
|---|---|---|---|
| Less than 50 copies . . . | 16¢ per copy | 500 copies . . . . . | 10¢ per copy |
| 50 copies. . . . . | 15¢ per copy | 1000 copies . . . . . | 8½¢ per copy |
| 100 copies. . . . . | 13¢ per copy | 2500 copies . . . . . | 7½¢ per copy |
| 250 copies. . . . . | 11¢ per copy | 5000 copies . . . . . | 6½¢ per copy |

### ADDITIONAL CHARGES FOR IMPRINTING WITH YOUR COMPANY NAME

For supplying Christmas Greeting Folders imprinted with your company name in type the following ADDITIONAL charges will apply: $5.00 for typesetting and press change plus $1.00 per hundred for imprinting. Thus, the TOTAL charge for 500 copies imprinted with company name would be as follows:

| | | |
|---|---|---|
| EXAMPLE: | 500 copies @ 500-rate of 10¢ . . . . . | $50.00 |
| | Typesetting & Press Change for company name . . | 5.00 |
| | Imprinting company name on 500 copies @ $1.00 per hundred . . . . . | 5.00 |
| | | $60.00 |

NOTE: 50 is the minimum practical quantity for imprinting company name. On imprinting orders, to give the best type arrangement, company signatures will be set in one, two or three lines of type, and in size of type shown in the sample signature on enclosed Greeting Folders, or smaller, depending upon the length of the company name. If you have any special way you want your signature handled, please include instructions with your order.

### ENVELOPES

Plain white envelopes to fit (without any imprint) can be supplied for 50¢ per hundred.

ALL PRICES F.O.B. CHICAGO

---

### ORDER BLANK

Byrne Industrial Services
35 E. Wacker Drive, Chicago 1, Ill.

Date _____

Send us _____ (quantity) copies of Employee Christmas Folder _____ (show identification letter)

Supply the Folders ( ) with our company name imprinted in red as shown in sample.
( ) without

Send us also _____ plain white envelopes to fit (not imprinted).

(Please check squares to show whether or not you wish company name imprint. It will help to guard against error if you will attach to your order the sample of the Folder desired.

Company name _____

Per _____ Title _____

Address _____

City & Zone _____ State _____

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`UTHERN PINE LUMBER COMPANY

| | Taxable Net Income for year | Dividends Paid | Amt. of Income Retained | % of income pd.out | % of income retained |
|---|---|---|---|---|---|
| 1945 | 434,364.86 | 231,000.00 | 203,364.86 | 53.18% | 46.82% |
| 1946 | 408,845.38 | 329,750.00 | 79,095.38 | 80.65% | 19.35% |
| 1947 | 596,659.17 | 494,700.00 | 101,959.17 | 82.91% | 17.09% |
| 1948 | 790,517.03 | 494,700.00 | 295,817.03 | 62.58% | 37.42% |
| 1949 | 405,836.45 | 329,800.00 | 76,036.45 | 81.26% | 18.74% |
| Totals | 2636,222.89 | 1,879,950.00 | 756,272.89 | 71.31% | 28.69% |

| | | |
|---|---|---|
| Surplus 12/31/49 | 3,171,046.03 |
| 1/1/45 | 2,350,570.66 |
| Increase 5 years | 820,475.37 |

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CC Mr. Kirby Herndon
Mr. Arthur Temple, Jr.

October 11, 1950

Mr. J. B. Edens, President
Texas Lumber Manufacturers Association
Corrigan, Texas

Dear Jim Ben:

I am very sorry that I will be unable to participate in the meetings which have been arranged with lumber dealer organizations throughout the State, as outlined in your letter of October 7th, but I will be tied up all of next week, the week of October 15th, with a trip to our mills primarily for Temple Lumber Company's annual meeting on Wednesday, October 18th, and the wedding of a cousin on Friday, the 20th, here at Texarkana. The following week, the week of October 22nd, I will be required to serve on the jury.

As far as I know now, I will be free on November 2nd, the date for the Lubbock meeting, but, frankly, Lubbock is very difficult to get to from Texarkana, and I wonder if it would not be better to depend upon directors of T.L.M.A. who are, perhaps, better situated than I am. As a matter of fact, I don't know how well qualified I would be to serve in the capacity which you have in mind. To say the least, I would probably need some briefing before the meeting.

With kindest regards,

Sincerely,

AT:ld

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October 19, 1950

Mr. W. R. Stephens
111 West Second Street
Little Rock, Arkansas

Dear Mr. Stephens:

In the course of a conversation with Latane Tuesday afternoon when we were on our way to our mill at Diboll, Texas, the wager which I made with you in my office several years ago came up. It appears that I lost the bet because the examining agent for the Internal Revenue Department did pass the income tax return of Temple Cotton Oil Company on which a deduction was taken for a loss on the John K. Gibson indebtedness, although this loss had to be treated as a recovery and reinstated on the income tax return of the following year. Accordingly, I enclose my check for $100.00 payable to your order, and if I am not correct in the amount, please let me hear from you.

I still maintain that the examining agent should not have approved the deduction of a loss on the John K. Gibson indebtedness; there was no determining event which my experience has demonstrated is required; the company presumably had ample security; and the fact that the indebtedness was collected in full with interest the following year is ample evidence that the account was not bad. My conclusion is that Temple Cotton Oil Company had an awfully "easy agent" or one who was probably influenced by the fact that the claimed loss had been shown as a recovery on the return of the subsequent year and before he made his examination.

I apologize for being so late in getting this check to you. I was just a little bit hazy in my own mind about the conditions of the wager, but I am entirely satisfied since talking with Latane.

With kindest regards,

Sincerely,

AT:ld

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cc Mr. Arthur Temple, jr.

October 26, 1950

Mr. J. B. Edens
C/o Edens-Birch Lumber Company
Corrigan, Texas

Dear Jim Ben:

I received a letter from Arthur yesterday in which he stated that you were counting on me to be at the meeting in Lubbock on November 2nd, a week from today.

The last letter I wrote you on this subject indicated that I was not at all keen about going out to Lubbock, both because Lubbock is very difficult to get to from Texarkana and because I did not feel qualified to participate in the program as a representative of the lumber manufacturers. I thought under the circumstances that you would get someone else.

The main reason I think it would be unwise for you to count definitely on me is that I have been troubled with a sore tongue for the past three weeks, and the doctor has had difficulty in diagnosing just what the trouble is. It wasn't so bothersome up until the latter part of last week, but since then has given me a lot of trouble and because it has hung on so long I want to watch it pretty closely. Under the circumstances I hope that you will get someone else to serve in my place. I would suggest Temple Webber, and he told me this morning that he would be glad to attend the meeting in Lubbock on November 2nd but for the fact that he and his wife are planning to leave here next Sunday to be gone ten days or two weeks on his vacation.

Sincerely,

AT:ld

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C
O
P
Y

October 26, 1950

Mr. Arthur Temple
Southern Pine Lumber Company
Texarkana, Texas

Dear Uncle Arthur:

Thanks for your generous letters in reply to mine about our Hope banking and our insurance. Both subjects might have been better taken up with you in person, since they are subjects to be explored rather than expounded.

I cannot deny that I am in something of a state, where small irritants can be magnified.

The price of cottonseed has gone to $100.00 and goodness knows what is being paid for soya beans. On the basis of present markets and the crush we can anticipate, we are facing a disaster. We do not have our actual working costs in these markets. Presumably other mills are planning to bull it through, which is a formidable course at such high prices. We sold very modestly against expected beans at margins providing over 20¢ per bushel. This margin has been eliminated and we have the prospect of delivering part of them at a figure cancelling the margin on those already delivered.

We are lagging in the sale of our oil, but I do not believe we are entitled to hang on to our total production for any period of time. We have crushed seed pretty well as they were received so we have practically no backlog to enjoy inventory appreciation.

I hate to write you these gloomy facts but there they are.

Yours,

Latane

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

October 27, 1950

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I have pondered on your letter of October 26th, received this morning, and I just don't know what the answer is to the problems which confront you, particularly how to operate successfully when you are required by competition to pay $100.00 a ton for seed when you cannot get actual working cost out of products. This, to be sure, is a condition which we have faced before, and our only hope is that the market prices for products will advance sufficiently to permit us to come out whole. That, however, is a precarious position to be in, and we are limited in working to that end by our storage facilities, the possible deterioration in oil, and the lack of capital to gamble on the market. We don't have any surplus, furthermore, to absorb any heavy losses.

I don't know what the solution is. I don't think it is fair to you to put so much responsibility on you, and if it would be of any comfort or any help to you, I would be glad to ask Arthur and Newman to join me in a trip to Little Rock for a further discussion of what course we should follow in view of the circumstances.

Not knowing whether you sent Arthur a copy of your letter of October 26th, I am having one made to send to him with a copy of this letter to you and also a copy to Newman. Maybe one of them can come up with a suggestion that will be helpful.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

October 27, 1950

Mr. A. E. Cudlipp
C/o Lufkin Foundry and Machine Company
Lufkin, Texas

Dear Al:

A Mr. Green with The Houston Post called me this morning in an effort to get a contribution of $50.00 on a full-page ad on the protection of the forests of East Texas from fire. I told him that we would participate in any such program only on a cooperative basis through Texas Lumber Manufacturers Association, and to this he replied that T. L. M. A. would give them material for the advertisement and a list of people from whom they might solicit contributions but would not contribute money.

According to this fellow, I did contribute for our company $50.00 to a similar ad last year. I question very seriously how much good advertising of this sort does, and I feel that if it is worth anything to the lumber industry of East Texas that it should be supported on a cooperative basis through T. L. M. A. I would like to know what your attitude is or, rather, what position T. L. M. A. has taken to this sort of thing.

With kindest regards,

Sincerely,

AT:ld

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CC Mr. Add Atkins
Mr. Arthur Temple, Jr.

October 27, 1950

Southwestern Transportation Company
Texarkana, Texas

Attention: Mr. H. B. McManus
General Freight Claim Agent

Gentlemen:

We are very sorry that we put so many people to so much trouble in connection with the Underwood electric typewriter which was shipped to Southern Pine Lumber Company, Diboll, Texas, for us by Ragland Office Equipment Company. Through some unaccountable reason this typewriter was misplaced by the Purchasing Department at Diboll and was reported to us by the management as not having been received.

All's well that ends well, and we can only apologize to you and to Mr. Atkins for causing so much trouble unnecessarily. At the same time we are very glad that you were saved any monetary loss.

Yours very truly,

SOUTHERN PINE LUMBER COMPANY

BY:

AT:ld

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

October 30, 1950

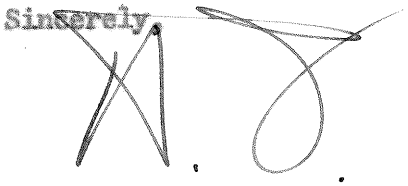
Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I really don't know of anything that a meeting with you, Arthur, Newman and me present would accomplish, and I only suggested it with the thought that you might feel that we are neglecting you, and, too, I realize so strongly the heavy responsibility which is on you.

If you should ever feel the need of meeting with me, or with Arthur, Newman and me, your active directors, please feel free to let me know. While it is quite a trip for Arthur to make from Lufkin, Newman and I can run up to visit with you any time you need us, and we will be glad to be of whatever service we can.

Sincerely,



P. S. I have observed the recent advance in the oil market. No doubt this is or will be of considerable benefit to you.

AT:ld

CC Mr. Arthur Temple, Jr.

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Mr. E. G. Prud'homme, Arthur Temple October 30, 1950

I am planning to entertain a group of my friends at Boggy Slough from the evening of November 14th through lunch on November 16th, and since you and Arthur are entertaining the Southwestern crowd on the 16th, 17th and 18th, I might stay over the night of the 16th. I would like to meet those of the Southwestern crowd whom I have not met and be with them at Boggy Slough and will count on doing this. If there should be any change in your arrangements, any change of date or anything of that sort, please let me know.

I don't think that I would want to stay over for the preliminary meeting of Texas Forestry Association on the 17th, but while we are together on the 16th you, Arthur and I can discuss our contribution to T. F. A. My thought on this, however, is that we can hardly afford to do anything but go along on the same basis as other manufacturers in our class.

AT:ld

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# A FATHER TO HIS SONS AT WILLIAMS 1812-1834

An unsung hero in the history of Williams College is the Rev. Alvan Hyde, who was graduated at Dartmouth College in 1788. Dr. Hyde was one of that small band of clergymen-schoolmasters whose influence provided the college with freshmen in its roughest days. Among the young men whom he sent to Williams from his school at Lee were four sons — Alvan, Jr. 1815, Joseph 1822, William 1826, and Alexander 1834. To them he wrote, while they were undergraduates at Williams:

*On Roommates* (To William, 9 March 1824): I was glad to learn that you found your roommate . . . I trust that from him you will contact no bad habits, nor imbibe any corrupt sentiments. I pray God to make him an instrument of the salvation of your soul.

*On Exercise* (To Joseph, 26 October 1820): When you are not intensely engaged in the investigation of knowledge, seek for bodily exercise. Consider it as no disparagement to be seen chopping your own wood, and conveying it to your room.

*On Frugality and Neatness* (To Alexander, 22 October 1830): Be frugal of your expenses as I have many to help. Keep your boots and shoes clean, your room neat, and everything about you. A pure mind will always tend to a pure exterior.

*On Organized Athletics* (To Alexander, 7 July 1831): The distance of your boarding-house may be conducive to your health. There will be no need of other exercise. I hope you will not be seen with the ball-club in your hand this summer.

*On Reluctant Belief* (To William, 20 April 1826): Do you view yourself a lost creature? . . . Are you shocked at your moral pollution? . . . Christ stands with open arms ready to receive you . . . Why all this delay?

*On Letter-Writing* (To Alexander, 18 February 1831): I wish you, my son, to write me more frequently than you did the last term, and let your letters carry marks of attention to composition, penmanship, and orthography.

*On Study* (To Alvan, 20 March 1812): Never go to the recitation-room with your lesson half gotten. Be thorough in the classics. Accustom yourself to close thinking, which you must do in order to make any proficiency in the higher branches of mathematics.

*On Spare-Time Reading* (To Joseph, 22 October 1822): I find you left home without taking a Bible. This has occasioned me many sorrowful reflections.

## WANTED: OLD LETTERS AND DIARIES BY WILLIAMS MEN

The beginnings of a new history of Williams are being undertaken by C. Frederick Rudolph, Jr. '42, who is preparing a doctoral dissertation for the Department of History at Yale on the social and intellectual history of Williams, 1795-1881. Mr. Rudolph is looking for letters and diaries written by students, trustees, and faculty members during the period prior to 1881. He suggests if any alumni or friends of the college own any material of this sort that they donate it to the Williamsiana Collection of the college library. (As a matter of fact, the college library would welcome the undergraduate letters of an alumnus as recent as 1950.) If the owners are reluctant to part with such material, however, Mr. Rudolph, who is now living at 140 Main Street, Williamstown, would like to borrow it long enough to make copies or photostats; he will return the letters and diaries promptly and in good condition.

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ARTHUR TEMPLE, JR.
DIBOLL, TEXAS

# *LETTERS TO THE EDITOR*

## The Company of Mark Hopkins

*(The following letters are representative of various reactions to the letter from R. W. Riis '17, printed in the July issue.)*

* * *

Cheers for your having opened the discussion and for the initial contribution by Roger William Riis.

Mr. Riis bears heavily on the conservatism of the alumni politico-economic viewpoint, but perhaps the emphasis must lie there. Since a liberal education is supposed to enable a "liberal" to wade knee deep among bright, new and wonderful ideas without losing either his perspective or his head, experimental contemplation of academic subjects such as literature, history or art is not calculated to raise either the eyebrows or the blood pressure for the simple reason that there are few preconceived notions to be bruised by what the ardent young student discovers.

How different with respect to his excursions into the never-never land of politico-economics where his judgment has been trapped by a conditioned reflex acquired around the parental (if Republican) board before he ever meets the glint in Greylock's eye. Thus we may not blame his later views on what Williams did or did not do to him, but rather on a pre-natal influence which later produces a stream of consciousness that becomes a mere fused function, not creaking only because it cannot bend. In short do we blame Williams for his remaining Republican or congratulate the Republican on having gone to Williams?

In either case let's come to grips with the problem and ask ourselves if, with respect to the flow of fundamental currents of politico-economic thought, theory and wishful thinking, the student should be "taught" at all? Mr. Riis well recites the antagonism of many alumni toward the Lerner motif in our faculty. But the criticism here, it seems to me, is not that the Lerners may alert the young gentlemen to the ideological confections lurking about the place, but that the alerting too often becomes "teaching."

Now the true liberal in politico-economics isn't *taught* anything for the reason that the whole subject is a mass of conjecture, wishful thinking, hope and bias. He is exposed, on the contrary, as brilliantly as possible to the various shades of thought and emotion. If a left wing professor emphasizes the "contradictions" of capitalism on Monday, the same students should on Wednesday be given a complete refutation by an equally explicit expose of the fatuities of socialism. The danger in radical exposure lies not in the exposure itself but in the clever way in which the brilliant and delightful radical persuades the victim that the exposure is permanent . . .

The student who is thus exposed to an intellectual diathermy of alternating positive and negative currents of thought may remain a Republican. He probably will. But he will have a far clearer concept of the principles of his conservatism and of the dangers to conservative progress that lie in both smug reaction and in blatant radicalism.

Such a student will not be "taught," but he will be exposed to challenging ideas, and if he has any interest whatever he will react by thinking the thing through for himself — which, after all, is the purpose of a liberal education . . .

What Williams should do, I believe, is to convince the boy that he is not there in Williams by divine right and that he should discover precisely what the social, economic and political processes are that enable him to be there, and how to justify himself in the light of his new comprehensions.

*— Delmer F. Hubbell, ex-'11*

* * *

It is impossible to let Mr. Riis' letter in your July 1950 issue pass unanswered.

People who consider themselves liberals (?) are always trying to show how intelligent they are by some smart statement or quotation which appears to make black white, like Mr. Riis' quotation from Lincoln (Whenever the people shall grow weary of the existing government they can exercise their constitutional rights of amending it or their revolutionary right to dismember or overthrow it). The action of Lincoln as President in crushing the revolution of our Southern States hardly bears out his quoted belief in the people's revolutionary right to dismember or overthrow their government . . .

What good is a Williams education, asks Mr. Riis, and why have the alumni objected bitterly to those faculty who held "original and unconventional" opinions? Because the greatest value of any educational institution lies not in its having a faculty made up of particularly re-

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Mr. E. A. Farley Arthur Temple October 31, 1950

I don't know whose error it was, but I am sure that you will want to run it down.

Wiener Lumber Company, Dallas, reported to us that instead of 104 pieces 1 x10 - 18 #2 S4S, they received 204 pieces in CB&Q car 26458 shipped October 23rd, our invoice #1335, which at $98.50 made a difference of $147.75. Fortunately, this shipment was to an honest customer, who reported the overage and paid us for it.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple November 1, 1950

While I think that we ought to go ahead and get our plans drawn up for a hardwood mill and other improvements which you contemplate for Pineland, I seriously question whether we would be justified in going ahead with this work in the face of continued inflation which is predicted as a result of the armament program, which will cause deficit financing on the part of the Federal Government beyond anything we have had in recent years, and that, of course, means inflation. In addition to the rising costs which may be anticipated, I think it is only reasonable to assume also that the armament program will make it very difficult to get steel, machinery and other items which will be required.

I realize, of course, that there is a need for a hardwood mill which might be termed "urgent". On the other hand, there are many reasons for deferring such a program as we have in mind. My idea would be to get the plans drawn up; then we can discuss prices with prospective suppliers and ascertain their estimates of deliveries, and we can then decide definitely whether to go ahead or to wait. With the restrictions on building and with the predictions that restrictions will be more acute after the elections on November 7th and progressively greater as the armament program gains momentum, I am very much afraid that we would not be able to go ahead with the work even if we should think that the time was opportune.

As an alternative to going ahead with our expansion program at this time, I wonder if you could not alleviate your hardwood situation some by getting little mills to cut hardwood for us. In suggesting this I realize that little mills could not do as good a job as a band mill at Pineland, but the more I think of it the more convinced I am that we probably could not carry through our program under conditions which I think we are facing for the next year or two.

AT:ld

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November 4, 1950

Mr. Carrol Allen
P. O. Box 1180
Lufkin, Texas

Dear Carrol:

The best way to straighten out the Pineland tire situation, I think, is for you to go to Pineland and discuss the matter frankly with Eck. I wrote him after our conversation on the way back from Jacksonville, but in order not to involve you as going over his head I could not cite chapter and verse and tell him specifically what you had told Arthur and me, but could discuss only in a general way our policy and my desire to favor you with our tire business where it would not be to the disadvantage of Temple Lumber Company to do so. As I recall, I implied that the purchase of other than U. S. Tires was probably due to Joe Pollard's prejudice.

Having told Eck very definitely that I think we ought to concentrate on U. S. Tires because of the very favorable contract we have with Straus-Frank, and because of our desire to favor you, the next move is for you to report to Eck what you have observed and try to get him lined up if he is, in fact, approving purchases of other tires and tubes. If you don't think this is the thing to do, then let me know what action you think I ought to take. I would not mind telling Eck positively to buy U. S. Tires and only U. S. Tires on the assumption that their prices are as low or lower than any others, and provided, of course, there is no valid objection as to the service we get out of U. S. Tires, but I don't want to cause any antagonism toward you on Eck's part. If there should be any friction between you and Eck, or between you and heads of departments at Pineland, to whom tire buying is delegated, you and U. S. Tires could suffer. I think it is far better for you to contact Eck and discuss the whole thing with him. From our conversation on the way back from Jacksonville and from what you have written I don't believe you have done this.

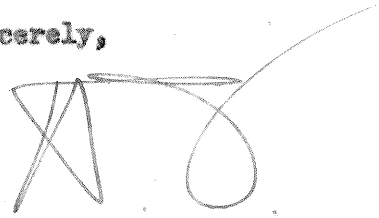
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I am inclined to think that the purchase of tires other than U. S. Tires has been due to a prejudice on the part of some foreman or perhaps because someone somewhere down the line is getting a rake-off. If this is true, then Eck can correct it, and I feel sure he will be glad to do it. Certainly, he should want to save the company money, and I believe he does, and he should be inclined to favor you on an even break, and I believe he would want to do that, too. Make an appointment to see him, lay your cards on the table, and I confidently believe that everything will be worked out to your entire satisfaction and in the interest of Temple Lumber Company.

If, however, you do not agree with the above, please let me know what steps you think I ought to take. Incidentally, I am sending a copy of this letter to Arthur, Jr. for any suggestions or comments he may care to offer.

Sincerely,



P. S. Am returning the packing slip from Gulf Tractor and Equipment Company, which you may wish to use in your conversation with Eck.

AT:ld

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

November 4, 1950

C. W. Rice, Editor-Publisher
The Negro Labor News
419½ Milam Street
Houston, Texas

Dear Rice:

I received your letter of October 30th and the enclosed editorial from your paper, also have received a number of issues of your paper which you have sent to me from time to time.

I am sure that you are doing a good work in the Houston territory among the colored people. I am confident, too, that the influence of your paper at our sawmill towns, Diboll and Pineland, is good. However, I am not so sure that there is any radical element to speak of among our colored employees and, as a consequence, I don't know how much need there may be for the sound doctrine you are preaching.

Your letter of October 30th implies that you want some special or additional financial help. Frankly, I hardly feel that I am in a position to pass on that, and I suggest that you contact my son, Arthur Temple, Jr., who is in charge of our operations at Diboll, and E. G. Prud'homme, who is manager for Temple Lumber Company at Pineland. These gentlemen are more familiar with your work than I am and are in a better position to evaluate it. It rather seems to me, though, that if you have subscriptions for 500 of your papers at our mills that you have pretty good representation, and I don't know that any additional contribution on our part at this time would be justified. However, I am perfectly willing to leave that up to my son and Mr. Prud'homme.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple November 6, 1950

Before receiving your letter of November 4th, I wrote Rice, Editor-Publisher, The Negro Labor News, Houston, and suggested that he contact you and Arthur for any assistance. I think this is better than having him come to me because you are on the ground and are in a position to evaluate his work or influence among our colored people.

AT:ld

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cc Mr. Arthur Temple, Jr. ✓

Mr. E. G. Prud'homme Arthur Temple November 13, 1950

I enjoyed reading the clipping by Bruce Barton, which was apparently handed to Arthur by Eddie Farley and sent by Arthur over to you.

I think that there is a lot in what Bruce Barton says. I know so many do try to handle every little detail themselves, and as a man is capable of just so much, such men are apt to wear themselves out and in the end not accomplish as much as those who delegate authority. Henry Temple was one of these. I used to get very put out with him because when we had a little scrap-iron to sell, for instance, he handled the negotiations and took up a lot of his valuable time that could have been devoted more profitably for overall planning and policymaking.

AT:ld

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Mr. E. G. Prud'homme Arthur Temple November 13, 1950

I am in full accord with the idea expressed in your letter of November 10th in regard to having "a complete job on our timber holdings".

While I don't know exactly what is contemplated in the work for which you have already contracted or what would be included in the overall job which Southwestern Settlement and Development Company is having, I do think that we cannot go wrong to have full and detailed information about our timber holdings, which are, as has often been said, our greatest asset, and on which everything else depends. After you have gone into this a little further with Bill Merrem or the people you have in mind to do the work and find out what it will cost, we can get together and discuss the advisability of going ahead, or if you are entirely sold on the proposition, I would be perfectly willing to be governed by your judgment.

I am planning to stay over for the first night of your party at Boggy Slough, the night of Thursday, November 16th. I am really looking forward to being with you, Arthur and the Southwestern crowd, and I hope that I will not be entirely played out by that time.

AT:ld

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Mr. E. G. Prud'homme Arthur Temple November 17, 1950

I was awfully sorry to leave Boggy Slough yesterday before your party began and not to remain over for the first night of your party, as I had planned. I had even taken a car down rather than go with one of my crowd so that I could stay over and come back today. However, I had such a painful throat yesterday that I decided I had better come on home where I could have it treated.

I was glad that Bill Merrem, Webb Pedigo, Jack Frost and one other man whose name I did not get, came in before I left the clubhouse. I did have an opportunity to visit with them a little while and to tell them why I was not staying over.

I certainly hope that you are having a fine party, and I wish very much that I could have been with you for a part of the time at least.

AT:ld

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November 22, 1950

Mr. Latane Temple
P.O.Box 52
Little Rock, Arkansas

Dear Latane:

Bob Waite and Aubrey Canon have been working for some time on getting up a new trust to take the place of the Temple Foundation and also in collaboration with Mr. Burford to determine when the trust set up by my father's will expires. You will recall that the will stipulated that the trust should run for a period of fifteen years, but there is a question whether that means from date of his death from the time the first money was received by the trust, the first time the money was paid out or just when.

To determine the expiration date of the present trust, the Temple Foundation, it appears necessary to go into District Court at Boston, Texas. At the same time a construction can be had as to the expiration date we might also, by making you, Helen, possibly J. J. Collins and possibly others, maybe Hart as guardian for John Rogers, parties to the suit, determine whether J. J. Collins had a right as administrator of T. L.'s estate to sell John Rogers' interest and Helen's to you or to sell T. L.'s full interest in the Foundation stock as a matter of fact to you. This, I understand from Aubrey, could be accomplished in a matter of ten days after serving notice.

There are several very complicated points involved, and in order that you may understand them fully and in order that we may have the benefit of your judgment and advice, I suggest that you come down to Texarkana the next time you visit Hope. I can't begin to explain all of the issues and would like very much for you to discuss them with Aubrey.

In connection with the setting up of a new trust, using the stock of the original trust or the equivalent with the exception of the 400 shares representing T. L.'s interest, we have run into some question as to whether

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such a trust would be tax exempt as to income and also whether the gifts made by us four heirs would be deductible. In an effort to straighten these questions out Aubrey and Bob are going over to discuss the matter with Frank Taylor, resident partner of Peat, Marwick, Mitchell and Company in Dallas, at an early date. Therefore, if and when you come down, please get in touch with one of us in advance, because it would be fruitless for you to make the trip when Aubrey and Bob are not here.

Yours truly,

AT

Aubrey: We are burning into a hundred of things, but hope to wind them up.

AT

AT:ld

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Mr. G. S. Smith Arthur Temple November 29, 1950

I am enclosing Southern Pine Lumber Company's stock certificate #186 for 2,000 shares issued in my name as trustee for the Temple Foundation. I wish that you would please endorse this certificate as Bob Waite and I have done as trustees of the Temple Foundation and return it to me for cancellation.

After Bob Waite and Aubrey Canon conferred with Frank Taylor of Peat, Marwick, Mitchell and Company in Dallas last Friday, we have reluctantly come to the conclusion that the Temple Foundation, which expired on October 2, 1950, cannot be revived or extended, or to put it more correctly, we cannot set up a new trust to take the place of the Temple Foundation because of the attitude of the Federal Government as exemplified in the new tax law. It is Frank Taylor's opinion, as well as that of the attorney he now has in his office in Dallas, and also Aubrey's and Bob's, that it is very doubtful if a new trust can be set up where the income would be exempt from Federal tax and where the gift on the part of my three sisters and myself would be treated as deductible to us individually.

In view of all of the circumstances the only thing we see to do is to reissue the stock represented by certificate #186 to the individual heirs, and to take care of those who have been beneficiaries under the trust and those who may qualify in the future, it will be necessary for our two companies to carry the load which has been borne for the past fifteen years by the Temple Foundation.

According to Frank Taylor, the Government has not yet gotten out regulations pertaining to trusts under the new law, and these regulations will probably not be out until next February. When they are issued, we will study them, and we may be able to figure out some way that a new trust can be created to take the place of the Temple Foundation. Certainly, that is our desire, and if you have any suggestions or recommendations to make in the meantime, I shall be glad to have them.

AT:ld

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December 4, 1950

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

Dear Ernest:

For some time I have thought that it would be advisable for us to distribute our Southland Paper Mill stock to the individual stockholders of Southern Pine Lumber Company. The only reason I have not advocated this in the past is that the tax on individual stockholders would have been quite heavy. I realize, however, that the longer we put this off the heavier the tax is going to be, because taxes generally are in a rising trend, and Southland stock is becoming more valuable all the time.

I might suggest a distribution of our Southland stock at the meeting to be held in Diboll on Wednesday, December 13th. In order to determine just what effect this would have tax-wise on individual stockholders in Southern Pine Lumber Company I would like to have your opinion of the market value of Southland stock. What I would really like to know is how low a figure do you think we could get by with?

I recall a year or so ago when the Southland board of directors decided to let some of its employees have stock a figure considerably less than book value was decided upon, and if I am not mistaken, Lou Calder argued that the price decided upon might well be considered the market value. If there have been any transfers at arm's length at figures more nearly in line with book value, then any such price at which the stock was sold to employees would be hard to sustain as market value. On the other hand, because the stock has not paid any dividends up to this time, the market value might be considered at a lower figure than it would otherwise. Anyway, because of your position you can probably give me some information that will be helpful in my thinking, and I will appreciate it very much if you will let me hear from you on this as soon as you can so that I can consider it before our meeting on December 13th. Incidentally, my only regret now is that we did not distribute our Southland stock a good many years ago when its market value was probably a fraction of what it is today.

With kindest regards,

Sincerely,

AT:ld

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cc Mrs. Lottie Wimp

# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

December 5, 1950

Mr. D. G. McNair
Houston, Texas

Dear Mac:

I have a letter from Arthur's secretary, Lottie Wimp, asking if I have a picture of Papa, size 10 x13 or larger, to fit a frame that they already have, but she adds that they could use one up to about three inches larger either way. As a matter of fact, I am quite sure they could and would provide a frame to fit any picture that might be available.

I recall that some years ago Styles had quite a number of copies of a picture of Papa made for the yards, and I wonder if you have any of these left. If so, I would appreciate it very much if you would send one to Lottie for Arthur. You may address her Mrs. Lottie Wimp, C/o Southern Pine Lumber Company, Diboll, Texas.

Yours truly,

AT:ld

Lottie:

I am sorry but I don't have any pictures of Papa. I believe, however, that Mr. McNair may have one, or if not, he can have a copy made for you.

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

Archie

This map
I mean diploma
started with
you on Thom.
Sure glad to
know you
and Ed had
a good time
yesterday.
Get busy this
straightened
out.

A. D.

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cc Mr. Arthur Temple, Jr.

December 15, 1950

Mr. H. W. Walker
Dallas, Texas

Dear Harry:

I was sorry not to see more of you when we were in Diboll for the annual meeting and was awfully sorry that you got away early Thursday morning, I presume, without my being able to say good-bye to you, Harry, Jr. and Hintz. It was too bad that we did not have sleeping facilities in Diboll sufficient to take care of you there. When the new tourist courts are completed and available for occupancy, we will be in better shape to take care of more people.

I don't know what the solution is to the Oil Field Lumber Company problem. Frankly, I hardly know what I would suggest if we had a live and aggressive management. I don't think we would want to put more money into the business to expand, and certainly I would not want to do anything like this with our present set-up. We could spend some money on fixing up the Mexia yard to make it more attractive and continue on as at present and work along with Richland without much, if any, prospect of any considerable increase in sales, and as long as we are making money there may be no reason to fret. Certainly, the showing for the current year, as estimated by Hintz, is not bad, representing as it does about 12% on the capital and surplus, but I am sure that we are not taking full advantage of the possibilities under the present leadership. From my point of view, the best thing would be to sell out or liquidate, but that might not be the best thing for you and the other smaller stockholders, and as a consequence, I would not want to insist upon this course. Maybe the conversation we had at our meeting in Diboll will have some good effect. I doubt it.

Yours truly,

AT:ld

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CC Mr. H. W. Walker
Mr. Arthur Temple, Jr.

December 21, 1950

Mr. John E. Hintz
C/o Oil Field Lumber Company
Mexia, Texas

Dear John:

I can tell very readily from statements which I get from the Retail Division of Temple Lumber Company what has been done with the money represented by earnings, but I get so few statements from Oil Field Lumber Company, only the profit and loss statement and the balance sheet, that it is not so easy to tell where the money has gone. I assume, however, that the earnings of recent years have gone into increased receivables and inventories.

According to statements which I have in my file, $12,222.00 was passed to surplus in 1948 after the payment of a dividend of $10,000.00 and income tax of $9,455.00, and in 1949 no dividend was paid and the full amount of net profit after income tax of $7,553.00 was added to surplus. Then we have in addition earnings for 1950, which I believe you estimated at our meeting in Diboll last week, to be in the neighborhood of $25,000.00 before tax, but you have comparatively little cash on hand, which we felt was not sufficient to justify a dividend this year. I will be better able to analyze the situation when I receive the year-end statements for 1950, but in the meantime if you can throw any light on our failure to accumulate sufficient cash to pay a dividend this year in spite of the fact that we have passed to surplus close to $20,000.00 in 1948 and 1949 and approximately $25,000.00 less income tax this year, I will appreciate your letting me hear from you.

Not that I suspect anything irregular in the Company's accounting, but I wonder if it would not be advisable for us to have an audit by Peat, Marwick, Mitchell and Company or some other reputable auditing firm. As far as I know, Oil Field Lumber Company has never had an audit by an independent, outside auditing firm, and I think it is only good business to have an occasional audit at least. I suggest that you give this some consideration,

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and, if you approve, consult Frank Taylor as to the cost. Please understand that I have no reason to suspect that anything is out of line, but I do think that an audit, with all of the information that it would contain, would be of considerable interest to all of us.

There is another point that I intended to touch upon at our meeting but did not think of it at the right time. I wonder how much supervision is given the Odessa yard. It is located at such a distance from the general office at Mexia that I doubt if you or anyone else from the general office gets out there very often. That, of course, is the one yard that is carrying most of the load, and you may think that we have nothing to complain about in its showing. However, I think an occasional check-up would not be amiss.

With kindest regards and all good wishes for the holiday season,

Sincerely,

AT:ld

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CC Mrs. Watson Walker
Mr. Arthur Temple, Jr.

December 21, 1950

Mrs. W. P. Rutland
441 Jefferson Street
Lufkin, Texas

Dear Mrs. Rutland:

If you were surprised and hurt beyond measure, as stated in your letter of December 20th, at the dividend you received recently on your Southern Pine Lumber Company stock, I was certainly disappointed to receive your letter. Frankly, I would have expected commendation rather than censure from one who has known, or should have known, the dividend paying practices of the Company over a period of a great many years.

We have paid dividends regularly since 1937, ranging from 5% to 15%, or 108% of the capital stock, in the past fourteen years for an average of 7.7%. This, I can assure you, is considerably better than the national average, though I confess that I am not acquainted with what other concerns in the Lufkin area have done. Prior to 1937 dividends from Southern Pine Lumber Company were sporadic, and from 1931, when Mr. Gilbert died, till the end of 1936 we struggled to pay off an indebtedness in excess of $1,000,000 and, of course, paid no dividends during that period. You are incorrect, therefore, when you state that the dividend paid this year is "the smallest ever paid."

Southern Pine Lumber Company earned this current year more than it paid out in the dividend, to be sure. We have, however, during the past year and during 1949 paid out a tremendous amount of money, considerably in excess of $1,000,000, replacing the old, inefficient and almost worn out kilns, the installation of improved methods of handling lumber which have eliminated forty to forty-five men, the acquisition of thirty-odd thousand acres of timber growing land to protect our future operations, overhauling or practically re-building mill #1, and I will say to you that we are not through yet. We intend to modernize the plant at Diboll, make it an efficient operation throughout so that we will be able to compete successfully and to make money for our stockholders even when conditions are not as favorable as they are today. The plant had been allowed to run down through the depression when we did not have the

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money to keep it up and during the war when materials could not be bought, and something had to be done about it. Rather than spend money repairing old and obsolete equipment we deemed it the part of wisdom to replace such equipment with new and modern equipment, which is more efficient and which will save considerable money in the long run.

I don't think the company is more considerate of its employees than it is of its stockholders. To be sure, we try to be fair and liberal with our employees, and I think that our attitude has been rewarded by their voting consistently not to affiliate with the C.I.O. There is a spirit of loyalty and cooperation at Diboll of which I am very proud indeed. However, our wages and salaries have not been out of line with what our competitors in the Lufkin area have paid, and, as for the salaries of our officers, which you imply might be excessive, I assure you, on the contrary, they are modest and considerably below what most concerns of our size pay for the same responsibilities and for equal results obtained. One reason we have never paid high salaries to our officers is that they all have a financial interest in the company and are not dependent solely on their compensation for their services. Incidentally, some of our employees do have to maintain their own homes because we have adopted the policy of selling off houses at Diboll to any employees whom we consider~~able~~ desirable citizens, feeling that homeowners make better citizens and better employees.

Again you are mistaken when you say that Southern Pine Lumber Company has received dividends from the Texas Southeastern Railroad Company while the Railroad's stockholders have not. Southern Pine Lumber Company, as a matter of fact, is not a stockholder in the Railroad Company and, as a consequence, would not receive a dividend if one should be declared. Frankly, I don't see much prospect of your receiving any dividend from the TSE any time soon because this little Railroad is having difficulty in staying in the black as a result of the drastic decline in shipments originating with Southern Pine Lumber Company due to the heavier movement of lumber by truck. While some fine work has been done by the TSE people in developing tonnage from various friends in business in Lufkin, as far ahead as I can see this little Railroad will be fortunate to do more than break even.

I am sorry that Henry Temple advised you not to invest in Southland Paper Mills stock. It is good stock, and Southern Pine Lumber Company and its stockholders are fortunate indeed to have such a substantial interest in Southland. However, Southland has never paid a dividend on its common stock and has paid interest only on the first issue of preferred for a few years to put the first issue of preferred on a parity ~~of~~ the second issue when all of the preferred was converted into common, on which, as I said, no dividend has ever been paid. If, therefore, you were looking for early and consistent returns on your investment,

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investment in Southland Paper Mills stock would not have served your purpose.

No one knows what the future holds for any of us. In a few years all industry may be owned by the Federal Government under the socialistic trend which is so prevalent today, and in any event I cannot see anything but controls and regulations by the Federal Government for years to come or until real peace is restored to the world. The management of Southern Pine Lumber Company will continue to exercise its best judgment at all times and do what is thought best for the company and its stockholders. Frankly, and without taking any credit for myself, I think that the present administration has handled the affairs of the company conservatively and well. You have received our regular annual statements which have shown a constantly improving financial condition, and with the expenditure of large sums of money the plant and timber holdings are in better shape than they have been within my memory, better than they ever have been as a matter of fact, and with any degree of prosperity for private enterprise I am confident that we will be able to hold our own in the industry and continue to pay our stockholders dividends, which I said at the outset of this letter have been in excess of the national average. In closing let me express the regret that you or Josephine or some representative of your choosing did not attend our annual meeting held in Diboll on December 13th. At that meeting you would have learned more about what we have done, what we are doing and what we contemplate for the future far better than I can explain these things in a letter. I do most sincerely want you to understand our problems, know that we are at all times exercising our best judgment and realize that we have the interests of the stockholders at heart. I do want you to know, too, that you have fared far better since near the close of the depression in 1936 as a stockholder of Southern Pine Lumber Company than you ever did in any prior comparable period.

If I have not answered all of your questions or answered them to your satisfaction, I shall be very happy to hear further from you and to discuss the affairs of the company with you sometime when I am in Lufkin. I have such a high regard for you, and I hold the memory of Bud too dear to have any misunderstanding on your part: I want to have your confidence, too.

With kindest regards and all good wishes to you and Josephine. May your Christmas be a joyous one and may the New Year bring you God's richest blessings.

Sincerely,

AT:ld

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CC Mr. H. W. Walker
Mr. Arthur Temple, Jr.

December 27, 1950

Mr. John E. Hintz
C/o Oil Field Lumber Company
Mexia, Texas

Dear John:

I have just received your letter of December 22nd in reply to my letter of the 21st in which I raised the question as to where the earnings of recent years, which have not been paid out in dividends, have gone. You seem to be of the opinion that my surmise, namely that the earnings have gone into increased inventory and receivables, is correct. The annual statements will show, of course, to what extent these items are up, and let me say again that I hope you will get the profit and loss statement and the balance sheet as of December 31, 1950 out as soon as you can conveniently do so after the books are closed.

It was, perhaps, unfortunate that I suggested the advisability of an audit in the same letter in which I raised the question of the disposition of earnings. I have not heard any rumor of irregularity or anything of that sort, and I tried to make that clear in my last letter. While writing, the thought simply occurred to me that an occasional audit might not be amiss. Nor do I suspect anything out of line at Odessa because I feel that Vickers is competent as well as honest: I only wanted to suggest that an occasional visit to Odessa by you, Harry or someone from the general office, might be advisable.

I am not particularly anxious to have a dividend from Oil Field Lumber Company this year. True, taxes will be higher next year, and, as a consequence, it would be well to distribute any earnings which ought to be paid out this year rather than next. On the other hand, it was the consensus, I believe, at our meeting in Diboll on December 13th that the company does not have any more than adequate working capital, and whatever cash you may have on hand at the general office may be needed to take care of purchases on a further increase in inventory and receivables, although I would like to see these items held down to a safe working basis. Then there will be a need for money if you improve the general appearance of the Mexia yard, as was discussed at our last meeting and as has been discussed, as a matter of fact,

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by you, Harry and me for some time. If I am not mistaken, you told us at Diboll that you owe one of the banks several thousand dollars. For my part, I would rather see this obligation paid off than a dividend declared.

In the absence of more detailed information on inventory, receivables, payables and cash on hand, it is difficult to form any clear idea as to what we ought to do with respect to a dividend this year. I rather feel that we should pass it. On the other hand, I am agreeable to whatever the majority wants to do and, as I am sending a copy of this letter to Arthur and one to Harry, I will suggest that they wire you if they feel that a dividend of 5% or 6%, as you suggest, should be paid.

With kindest regards and all good wishes for the coming year,

Sincerely,

AT:ld

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cc Mr. Arthur Temple, Jr.

December 28, 1950

Mr. G. H. Zimmerman
C/o William Cameron & Company, Inc.
Waco, Texas

Dear Zim:

When I was in Diboll recently, Arthur, Jr. told me that you had offered him 500 shares of your Cameron stock at $18.00 per share. He felt that he was not able to buy this stock because he is now carrying quite heavy obligations, and he suggested that I might be interested.

I have given careful consideration to the stock, and while I would like to be associated with William Cameron and Company as a stockholder, to buy the 500 shares which you have offered would not be consistent with the program which I have been following in recent years and which I have felt, and still do feel, is the best program for one in my circumstances. Under this program I have been giving stock in our two companies to my son and my daughter and have been buying municipal bonds because of the tax exempt income to the extent that I could afford.

Under the circumstances, therefore, I do not feel that I should buy Cameron stock. I am sure that it would be a good investment. I have a very high regard for the company and its management.

I am writing you directly on this because I have learned from Dick Brooks, your local manager with whom I have discussed the stock and who had a conversation with Mr. Weddington this morning, that you would like to have something definite from me by the end of this week.

With kindest regards,

Sincerely,

AT:ld

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cc Mr. Arthur Temple, Jr.

December 30, 1950

Mr. D. C. McNair
Houston, Texas

Dear Mac:

Arthur, Jr. sent me a Christmas card which was in a basket or box of fruit which he received at Diboll from Grady Turner. He didn't seem to know Grady Turner and thought possibly the fruit was intended for me. The note said something like this, "In appreciation of the good time had with you and your crowd."

I sent the card back to Arthur because I don't know any Grady Turner, or don't think I do. Temple suggested that possibly he was one of the men on the Temple Lumber Company party at Boggy Slough. If so, you know him, and in that event I wish that you would please drop Arthur a note and tell him. Otherwise, I don't know who he could be.

Yours truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

January 3, 1951

Mr. D. G. McNair
Houston, Texas

Dear Mac:

Arthur, Jr. came up night before last and was here yesterday morning. He told me briefly what he had in mind about taking over the eight North Texas yards of Temple Lumber Company and possibly the Oil Field Lumber Company yards at Odessa, Mexia and Richland, but we did not discuss it any more than in a general way.

I have long wanted to get rid of the North Texas yards of Temple Lumber Company so that we could reinvest the proceeds in yards in South Texas which would be in a more active area and also where they could be better supervised from the general office at Houston. You, and Styles before you, have been in accord with that idea. Of course, I would like very much to dispose of the Oil Field Lumber Company yards inasmuch as I feel the present manager is not at all aggressive, and I feel that they are apt to languish and die unless they receive a blood transfusion or something of that sort.

Offhand, I don't know what would be a fair value on the real estate and improvements of the Oil Field Lumber Company yards, and I haven't seen any statement showing their inventories since the statement as of December 31, 1949. I believe, though, Harry Walker, Jr. or Hintz made the statement at our meeting held in Diboll the middle of December that the inventories would run approximately $150,000 at the three yards. According to your letter of January 2nd to Arthur, the book value of the real estate improvements, furniture and fixtures of the Temple Lumber Company yards is about $185,000 and the inventories approximately $275,000, or a total of $460,000. Even if Arthur should be interested in taking over the Temple Lumber Company yards without the Oil Field Lumber Company yards, a considerable amount of money would be involved, and I don't know how he would propose to finance the deal. However, he is quite resourceful and might be able to figure out a way to do it.

Of course, I would be in an embarrassing position as far as a sale of the Temple Lumber Company yards to Arthur and his associates is concerned. I would not want to have much to say about the consideration for fear that some might say that I

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was inclined to favor Arthur. I would, however, be disposed to leave the negotiations largely, if not entirely, in your hands and be governed by your recommendation. To that end, therefore, I suggest that you continue to deal with Arthur on this proposition just as you would with any prospective purchaser.

Yours very truly,

AT:ld

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

January 5, 1951

Mr. D. G. McNair
Houston, Texas

Dear Mac:

Josh Morriss called me this morning and told me that he was planning to go to Diboll early next Tuesday morning, and unless there should be some change in his plans, I will accompany him. We will be in Diboll all of Tuesday and Tuesday night, leaving for Pineland early Wednesday morning.

If you are not entirely satisfied with the method of taking the yards' inventories as we decided yesterday, why don't you drive up to Diboll and have a little meeting with George Smith and me. George, in the meantime, can be making some estimate as to our tax liability and particularly whether we would be subject to an excess profits tax for the fiscal year ending October 31, 1950, and if there is any question of such a liability, we can then discuss some way to overcome it. If, on the other hand, you are entirely satisfied with figuring the yards' inventories as you have in previous years without taking off an additional $5.00 per thousand feet or 5% in addition to $5.00 per thousand feet, and there does not appear to be any excess profits tax liability, I see no reason for you to make the trip although would, of course, be glad to see you if you desire to come anyway.

Yours truly,

AT:ld

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January 8, 1951

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

Dear Ernest:

Arthur sent me a copy of his letter of January 5th to you, and I have also received copy of your letter of January 6th to Arthur which I appreciate.

I am quite sure that what Arthur had in mind was the opportunity to share in the purchase of sawlogs harvested off of Southland's lands generally and not from the acreage which we sold to Southland nor other lands on which the sellers retained an option on the sawlogs for some specified time. If there is any saw timber cut from lands owned by Southland and not under option, I do feel that Southern Pine should have the opportunity to buy such timber, or the logs, on an equal basis with others who are financially interested in Southland, and I am confident that you will concur in this view.

With kindest regards,

Sincerely,

AT:ld

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CC Mr. Arthur Temple Jr.
Mr. J. R. Morriss

January 11, 1951

Mr. W. Joe Anderson, Secretary-Treasurer
Lufkin Club, Angelina Hotel
Lufkin, Texas

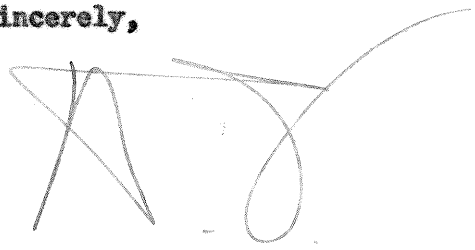
Dear Mr. Anderson:

I appreciate very much being offered a non-resident membership in the Lufkin Club, as indicated in your letter of January 10th, but in view of the fact that I spend so little time in Lufkin and always have so much to do while I am down that way, I feel that I would get very little out of the Club, and, as a consequence, think that it would be unfair for me to hold one of the memberships which are limited to ten.

From what I have heard of the new club I am sure that it is going to be very attractive and will fill a real need in Lufkin. If I spent more time in Lufkin or Angelina County, I assure you that I would be very happy to take advantage of the opportunities offered by membership.

With kindest regards,

Sincerely,



AT:ld

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cc Mr. Arthur Temple, Jr.

January 13, 1951

Mr. D. C. Kenley
Diboll, Texas

Dear Dave:

I am glad to have your letter of January 6th. I have speculated a good deal in my own mind as to whether the improvements which we are making at Diboll and which we contemplate for the future are wholly justified by the timber we will have to cut in the future.

I note that you are in favor of our buying "everything in the line of timber that we can, or land with growing timber, to help us get our lands stocked to grow the maximum amount that can be grown." If, as you say, we are growing 34,000,000 feet per year on 175,000 acres of land or 200 feet per acre, then it would appear to me that we are growing timber fast enough for our needs, and what we should buy more than anything else is logs or timber that can be cut now to permit our own timber to attain better size. Henry Temple used to say, you know, "We have too many shoats and not enough hogs", and that seems to describe our situation pretty well. I would be in favor, therefore, of being on the lookout for logs and timber to supplement the production of our own lands and to be cut currently rather than young growing timber to be harvested far into the future.

Yours very truly,

AT:ld
cc: Mr. Arthur Temple, Jr.

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

January 13, 1951

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

Have just received your letter of January 12th, and I am certainly glad to note that you anticipate an operating profit for the current season of approximately $75,000.00, which with the estimated dormant expense will mean that Temple Cotton Oil Company will just about break even for the current year. That will be a very satisfactory result in view of the difficulties under which you have operated this year.

While I was reading your letter, the thought came to me that it might be a good idea for you to come down here and talk with Harry Wiegel, President of The Texarkana National Bank, who, I am sure, would be sympathetic and sufficiently interested to advise us. Then I noted that you had written Mr. Long of Republic National Bank, Dallas, and had also sent him a copy of your letter of January 12th to me. He will no doubt advise you, and I will be interested to know what he has to suggest to overcome the lack of operating capital, and I include in operating capital loans to ginners, which we have discussed, though it may be questionable whether such advances should be included in this designation.

I presume if you could get some bank to make the loans to ginners for gin improvements, either with or without recourse against Temple Cotton Oil Company, you could carry your receivables and inventory without additional loans, but if not, it would not seem unreasonable to me to ask Republic to lend against our inventory with a reasonable margin for their protection. Anyway, let's see what Mr. Long has to say.

I am still having a little trouble with my tongue. I have not been able to determine just what the cause is. Alcohol and tobacco seem to make it worse, and as a result, I have given up the former altogether and cut down drastically on the latter and may eventually have to abandon entirely my one remaining vice to get complete relief.

I am sorry to note in your letter that you have been sick. Hope that you are entirely over your trouble and that Josephine and the children are all well.

Yours very truly,

AT:ld

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January 18, 1951

Mr. D. C. Kenley
Diboll, Texas

Dear Dave:

We can all keep in mind your suggestion that we take advantage of any opportunity we may have to repurchase the land in Trinity County which we sold to the paper mill for stock. I doubt very much, however, if we will ever be able to acquire this land because it is the policy of Southland to acquire even more land than it now owns, and what they got from us is no doubt a valuable asset to them.

The thing that I cannot understand about our timber situation is that all seem to be agreed that we have enough land to grow timber at the rate of 35,000,000 feet or more per year. Certainly, that amount is sufficient to take care of our cut at Diboll if it were of sufficient size. I go right back to what Henry Temple said and which I have repeated so often, namely, that we have too many shoats and not enough hogs. To acquire the paper mill land would simply add to the small timber which we own because, if I am not mistaken, we cut that timber down to something like a ten-inch stump or perhaps it was ten-inch or eleven-inch breast high.

It seems to me that what we need is to buy timber of good saw log size from the Government or wherever we can get it to supplement what we take from our own lands and to permit our own young timber or small timber to grow as much as possible. I cannot see that we are bettering our position to any great extent by acquiring more small timber when we are already growing such timber at a rate sufficient to take care of our needs in the future. Some time I would like for someone to show me where I am wrong.

Yours truly,

AT:ld

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cc Mr. Arthur Temple, Jr.
Mr. H. W. Walker

January 17, 1951

Mr. John E. Hintz
Mexia, Texas

Dear John:

Arthur, Jr. and his associates have purchased the Glass Plant Lumber Company here at Texarkana for a consideration of $110,000 cash. I am in on the deal with him in a small way, and Temple Webber, Josh Morriss and some of his crowd are also stockholders. From all I know about the deal it was made on very favorable terms, the location is good, being just west of the KCS crossing on highway 82, which, you may recall, leads out to Beverly, Brookhaven, and on to Nash and New Boston. It is a very good location, I think, for a retail lumber business.

Arthur has proposed that a merger might be worked out with Oil Field Lumber Company and also his yard at Rusk, Texas, stock being issued on a pro rata basis for the assets in each company less any cash that might be paid from the sale of new stock.

This proposition appeals to me. I feel that this new yard at Texarkana is going to operate very successfully, especially under war conditions which we have today and which we undoubtedly face in the future, because Texarkana is a defense center with the Red River Arsenal and Lone Star shell-loading plant a few miles west of town and employing at the present time, I understand, in excess of 10,000 people. Arthur's Rusk yard has always operated successfully, I believe, and Arthur even contemplates the eventual absorption of the Temple Lumber Company yards in North Texas at Lewisville, Ladonia, Commerce, Greenville, Paris, Bonham and Clarksville. For some years we have talked about disposing of these North Texas yards because they are so far away from our headquarters at Houston, and we would prefer to reinvest the money we have in these North Texas yards in additional yards in the Gulf Coast area. These North Texas yards, while they have not been outstanding, have operated at a fair profit over the years.

A copy of this letter is going to Harry Walker, and I wish that each of you would be giving some thought to this proposed merger and let me know how it appeals to you. From my standpoint I don't see much reason for me to have a financial

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interest in three retail yard concerns operating independently when two of them, at least, could be combined into one with a lower overhead and possibly other advantages.

Kindest regards.

Yours very truly,

AT:ld

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ROBERT TEMPLE KEELER
DIXIE TERMINAL BLDG.
CINCINNATI 2, OHIO

January 17, 1951

Mr. Arthur Temple
Southern Pine Lumber Company
Texarkana, Arkansas

Dear Uncle Arthur:

I was very much interested to receive a copy of the Annual Report of Diboll Operations. It seems to me that this is an excellent idea and should be continued or possibly even expanded some. I have in mind a report that contains some comparative figures with respect to operations in prior years.

I also have some questions and other comments:

1. What is the growth rate of hardwood timber on fee lands?

2. It is not clear from the report what was the purpose of selecting and marking 52,600 trees, mentioned in the third paragraph of the report.

3. In the fifth paragraph of the report there is a reference to 6,000,000 feet of hardwood which were cut, presumably during the first eleven months of 1950. In the breakdown of where the hardwood came from only five million feet are accounted for.

4. The total hardwood cut of 6,000,000 feet last year is enough for a run of approximately 6½ months at Mill Number Two, according to the calculation made in the third full paragraph on page 3. Apparently, the total hardwood cut last year at Mill Number Two (4,395,505 feet) took only about 4½ months at a steady run, by the same calculation. Is Mill Number Two inactive the rest of the time?

5. Approximately 1,600,000 feet of hardwood were cut in the woods last year in excess of that cut at the mill. Was it necessary to cut that much in excess? Your figures on pine cut at the mill when compared to logging operations seem to indicate that you keep in a more current position there, not having as many excess logs lying on the ground.

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No doubt these questions reveal a mind which knows nothing of the lumbering business. I am certainly interested in what goes on and how it goes on, but don't ask you to take these questions too seriously. In connection with the acreage of the company's fee lands, I recall Arthur, Jr.'s, remark about title difficulties in Texas. It is certainly deplorable to have assets resting on such a shaky foundation.

I enclose a clipping from the CIO News of January 8, 1951, which should be of general interest to you.

My warmest wishes to you and Aunt Katherine for a very happy new year.

Yours,

Robert T. Keeler

RTK:vf

P.S. In the Report it is stated that "references" given by prospective employees are carefully checked to determine whether they are desirable. I have wondered how the information as to "references" is obtained from a prospective employee. If it is obtained by asking the individual specifically for references, it may be objectionable. The preferred practice is to ask the employee to give a complete and accurate history of his employment from his first job up to the time of his application. I have no idea what your practice is and it is entirely possible that this comment of mine is academic.

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January 19, 1951

Mr. Robert T. Keeler
Dixie Terminal Building
Cincinnati 2, Ohio

Dear Bob:

Have just received your letter of January 17th and want you to know that I appreciate the interest manifested by the questions which you asked about the annual report of the Diboll's operations for 1950, or, to be more exact, for the first eleven months of that year. This report, incidentally, was based on the very fine report which Arthur, Jr. gave at our annual stockholders' meeting at Diboll on December 13th, and I wish that you had been there to hear it because you would have been interested in what was said, and I am sure you would have had some questions which would have developed good discussion.

I shall try to answer the questions in your letter, but I am going to send it, together with a copy of my reply, to Arthur, Jr. with the thought that he may wish to supplement what I have to say.

Question 1: It is impossible for me to tell you just what is the rate of growth of hardwoods. The rate is, of course, considerably less than pine, and I am sure that the rate varies among the different species. I am sure that it is not profitable to grow hardwoods because of the slow growth except where hardwoods are mixed in with pine, which more or less carries the hardwoods.

Question 2: The purpose of marking the 52,600 trees mentioned in the third paragraph of the report was to indicate to the log cutters the trees which were to be cut and sent to the mill. This marking is done by qualified foresters under our selective cutting program, where trees which have reached maturity and are ripe, defective trees or trees which do not show a good enough rate of growth to justify their being left, and some trees which are too thick on the ground for the area to support are marked for cutting. Much pulpwood is marked and cut to be sent to the paper mill at Lufkin, usually because they are too thick on the ground, are crowded out by larger trees and, according to good forest practice, should be removed.

Question 3: There is an error in the fifth paragraph of the report where there is a reference to 6,000,000 feet of hardwoods which were cut. Apparently, only

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5,000,000 feet were harvested. However, my mill statement does not agree with either figure. The November statement shows the following: cut from company lands 3,132,079 feet, from Government timber 8,200 feet, timber rights 801,004 feet, purchased logs 877,148 feet, for a total of 4,818,431 feet.

Question 4: We do not have sufficient hardwood logs at the mill at all times to run continuously on hardwood. At certain seasons of the year we are unable to bring hardwood logs into the mill because, as you no doubt know, hardwood grows in bottom lands where it is frequently difficult and expensive and sometimes impossible to log. Then, too, we do not have comparatively much hardwood timber left at Diboll and what we have is mostly mixed in with pine and is logged with the pine. However, when we are not cutting hardwood on mill #2, this mill is not necessarily inactive because we also cut pine on it, and for some weeks in the latter part of 1950 mill #1 was shut down for a complete overhaul, and pine was cut exclusively on mill #2 in order to hold up our production of pine and permit us to fill orders we had on file, pine which was in strong demand and the production of which we could not afford to sacrifice.

Question 5: While mill #2 was not cutting hardwoods but was cutting pine exclusively, we continued to accumulate hardwood logs in anticipation of future production of hardwood lumber. I presume that accounts mainly for the excess of hardwood cut in the woods over hardwood cut into lumber at the mills. As a matter of fact, though, this condition might well result from the accumulation of hardwood logs in excess of current production to supply the mill during wet weather when hardwood cannot be logged.

Frankly, I don't know what method is used in getting reference from prospective employees. I rather think that the method you suggest is probably used. However, I am sure that Arthur, Jr. will be very much interested in what you have to say on this subject.

Thank you for sending me the clipping from the CIO News. The West Coast is, of course, almost if not completely organized. We have been fortunate, I think, in that the employees at both Pineland and Diboll have consistently rejected the unions, and I think this has been due largely to our humane treatment of our employees, the paying of good wages, the providing of good living and working conditions, etc., etc. They have not bothered us in several years now, and I hope that they will leave us alone but we never know when another attempt to organize our employees may be made.

I don't think that we have too much to worry about in our land titles. We have had comparatively little trouble over the years, and I believe our titles are in as good, if not better, shape than they ever have been heretofore.

Let me thank you again for the interest manifested by your letter. Write to me whenever you have any questions concerning the affairs of either Southern Pine Lumber Company or Temple Lumber Company, and I shall answer them to the best of my ability.

Sincerely,

AT:ld

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January 19, 1951

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

I presume you have gotten Southern Pine Industry Committee Defense Bulletin effecting lumber #13, dated January 17th. This pertains to a revision of N. P. A. order M-4 which temporarily bans virtually all new commercial construction to be followed on February 15th by a system of licensing.

I am particularly concerned about this new order because of our store project at Pineland. I don't suppose we can continue the program already started without a permit to be granted in accordance with the revised order. However, in view of the fact that the building or buildings already constructed may be considered as a part of the whole, the program may be allowed to continue.

I think it probably would be well for you to take this matter up with the regional office in Dallas. I assume that such an office has already been opened there. In the event we cannot continue our program without a permit for additional stores to be built, and I don't think we can, it would be well to file an application for a permit on the ground that our stores are necessary for the production of lumber for the defense effort and contribute to the public welfare.

In the event you did not receive from S.P.I.C. their defense bulletin #13 covering the revised order M-4, let me know and I will send you the one in my file.

Yours truly,

AT:ld

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cc: Mr. Arthur Temple, Jr.

January 24, 1951

Mr. E. C. Prud'homme
Pineland, Texas

Dear Eck:

I must have given both you and Arthur the wrong impression when I wrote you several days ago about the Government's restriction on commercial building. Certainly, I had no idea of stopping the work on the stores at Pineland, and I suggest that you go right ahead with the work as contemplated.

I was concerned when I got the bulletin from S.P.I.C. which I referred to in my letter to you. I questioned whether our construction would be covered by the freeze and the requirement for a license after February 15th. I did think that it might be well to take the matter up with the Dallas office to be sure of our ground before proceeding further, but, as you and Arthur say, this might be like waving a reg flag. On the other hand, if we go ahead in violation of the Government order, we may be stopped. In that event we would have to get out of the difficulty the best way we could.

I am perfectly satisfied to go right ahead and especially since we have all of the materials on the ground or purchased, and in view of the further fact that these stores are necessary to a business essential for the defense effort, I am confident that we will not be stopped or if we are stopped, that we will be permitted to proceed.

Yours truly,

AT:ld

CC Mr. Arthur Temple, Jr.
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January 25, 1951

Mr. E. G. Prud'homme
Pineland, Texas

Dear Eck:

Under separate cover I am sending you the Wednesday, January 23rd, issue of the Southwestern Edition of The Wall Street Journal, in the right-hand column on the first page of which you will note an article about the Federal ban on commercial building.

There is nothing particularly enlightening about this article, but I thought that it might be of interest to you apropos of our exchange of correspondence about construction of the stores at Pineland, and you will be interested, I am sure, to observe the comments of Mr. William Hinkle of Temple Lumber Company quoted in the last paragraph.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr. ✓

Mr. D. G. McNair Arthur Temple February 2, 1951

I received the Peat, Marwic, Mitchell supplementary report on the examination of accounts for the Retail Division of Temple Lumber Company for the year ended October 31, 1950 yesterday morning, and I took one copy home with me last night, studied it there and completed my reading of it at the office today.

There are naturally some questions in my mind which it will be difficult to satisfy through correspondence with you, and I guess the best thing will be to wait until I am in Houston sometime when I can go over this report with you in detail. However, I might mention some of the things.

I am not yet reconciled to the net profit of $212,721.73 for 1949 when for this year the yards showed a gross profit on sales of 20.64% as against 24.97% for 1950 with operating expenses of 17.50% against 14.82% for 1950. Maybe these differences do account for the difference in net income, 3.26% for 1949 against 10.44% for 1950, but the volume in 1950 was $1,291,581.00 more.

While accounts receivables other than contractors' accounts appear to be in better shape than at the end of 1949, I do wonder about the comparatively heavy amounts past due one month, two months, three to five months and six to eleven months, and I would say that the $1,317.20 past due one year and over might well be a charge-off, though I don't suppose it is included in the $40,629.89 written off as uncollectible. I would say that it behooves us to work most diligently on these past due accounts. Then, too, I wonder about the contractors' accounts in the amount of $1,327,370.21, which according to the report are "secured in part by mechanics, liens and other security". I wonder to what extent these contractors' accounts are secured.

Maybe you have touched on some of these points in your monthly letters. I would be glad to hear from you, though, if you have any comments, particularly with respect to the contractors' accounts which are only partly secured and the past due accounts other than contractors' accounts. I would like to know, too, if you feel that the poor showing of 1949 as compared with 1950 is due entirely to the sale of so much material at little or no profit on Malcolm McCulloch's building projects.

AT:ld

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AT:ld

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CC Mr. W. T. Webber, office
Mr. Arthur Temple, Jr., Diboll

Mr. E. G. Prud'homme | Arthur Temple | February 5, 1951

I don't think that we ought to knowingly violate the Walsh-Healey Act, or any other Federal or State law, and if there is any question as to whether we would be violating the Walsh-Healey Act by taking on an order for Army desks amounting to $35,000.00, whether or not it is broken up into orders for $10,000.00 or less, we ought to take advantage of our counsel, Collins, Dies, Garrison and Renfrow at Lufkin. Martin Dies, who served in Congress, is no doubt familiar with the Walsh-Healey Act and can give us an opinion promptly.

When I talked with you on telephone Saturday morning, I felt that we would be in the clear if we broke a $35,000.00 order down into several orders, each not exceeding $10,000.00, but Temple talked with Aubrey Canon, and it was his opinion that we would not be in the clear then.

I understand that you have made a quotation on these Army desks. If so, it might be all right to let the quotation stand and take a chance if you get the order. However, I do not think that we ought to continue to place ourselves in jeopardy, and I would be governed entirely by advice of counsel.

AT:ld

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February 16, 1951

Mr. R. A. Hunter
C/o Angelina Chevrolet Company
Lufkin, Texas

Dear Sally:

My nephew, Latane Temple, who is Vice President of Temple Cotton Oil Company at Little Rock, Arkansas and who really looks after this business for us, called me by long distance telephone this morning to see if I could help him to get a Cadillac Model 62 Sedan, any reasonable color, for a friend, and I think a customer of his, whom he would like very much to accommodate.

Because of the demand for Cadillacs I told him that I questioned whether I would be able to do him any good but that I would write to you, see how you were lined up and whether or not you would be disposed to book such an order. Certainly, I do not want to impose upon you, but if you are disposed to take another order for a Model 62 Cadillac Sedan, I will appreciate it very much if you will advise when delivery could be expected. I would like to know, too, whether or not you can book an order and so wish that you would please let me hear from you right away.

I was told this morning on good authority that the Government had banned white side-wall tires effective immediately. I assume this means the manufacture of white side-wall tires, and I hope the Cadillac supply will not run out before I get mine. Of course, I want the tubeless Firestone tires with white side-walls if I can get them, but failing in that, I would want white side-walls in the conventional tire. Incidentally, I don't suppose you have anything definite on when my car will be coming through.

With kindest regards,

Sincerely,

AT:ld

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CC Mr. Arthur Temple, Jr.

February 19, 1951

Mr. Carrol Allen
Lufkin, Texas

Dear Carrol:

We got back last night about six o'clock. Had rain practically all the way, but otherwise it was uneventful. We enjoyed ever so much our little stay with you all. Katherine had been very anxious to run down to Lufkin for a visit, and now I think she will be quite well satisfied for awhile.

I have been going over your statements which you handed to me. The principle conclusion I have reached is that you are spread out too much, and I wonder how you are able to keep your finger on what is going on in so many different enterprises, the Jeep business, the Kaiser-Frazer agency, the tire distributorship, the filling station and now the television agency. I cannot help but think that you would be far better off by selecting one or two of the lines which are most profitable and which would work together well and to which you could give your entire attention. I am not qualified to say which would be the best, because your operating statement does not show the net profit of each line, but I would be inclined to think that your filling station and tire business would probably be your best bet.

While I can't tell from your statement what the Kaiser-Frazer agency has done, I note that you have $8,645.00 of used cars on hand, or did at December 31st, that you have $10,410.00 in parts and accessories, these two items, which I assume are attributable to the Kaiser-Frazer agency and possibly the Jeep agency, aggregating in excess of $19,000.00. Incidentally, I am just as scared of used cars as I am a rattlesnake. Furthermore, it would appear from your statement of income that you had a gross profit of only about $5,400.00 in cars while your big gross profit seemed to be in tires and the service station. All this leads me to the conclusion that you would probably do better to concentrate on these two lines which are closely affiliated and which might even be considered one.

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Two items I wonder about. These are $10,063.00 in accounts receivables and $9,072.00 in machinery and equipment, this latter item subject to $1,730.00 depreciation, leaving $7,341.00 net. I wonder how much of this is equipment not used in any of your businesses, equipment such as bulldozer, trucks, etc. Such equipment, incidentally, ought to be liquidated just as rapidly as possible, I think.

Your accounts payable looks pretty high. Without more information, however, I don't think I can comment any further on this item.

To sum up, I think it behooves you to consider very carefully the several lines of business which you are in to see whether or not they are worth the effort and risk involved. In any event, a man can spread himself just so thin without having his business get away from him, and I strongly recommend that you give serious thought to concentrating on one or two of the most profitable lines you are now handling, giving them your best thought and effort. If you do this, I believe that you will work out of your difficulties and I know that you will be relieved of a great deal of strain and will get a great deal more out of life.

I hope that you will not feel that I am assuming too much to advise you but I am , of course, very much interested in you and want to see you work out of your difficulties. My advice may not be worth much because, I must confess, I know so little about what is going on so far away from me, and perhaps the best suggestion I could make to you would be that you work just as closely as possible with H. J. Shands, who has demonstrated, I think, that he is a friend and quite willing to help you in any way that he can. His judgment should be pretty sound.

Sincerely,

AT:ld

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Mr. G. S. Smith Arthur Temple February 20, 1951

With reference to your letter of February 19th regarding fair market value for timber as of January 1, 1950:

I have always thought that the fairest method of determining the fair market value of timber is the average paid during the year, but, if I am not mistaken, you have stated on a number of occasions that the Government used, or liked to use, as a criterion the purchases made during the first month or the first several months of the year. If I am correct in this assumption, then I think it would be well to follow that formula if, in fact, it would work out to our benefit; in other words, if we would get a higher value than the year's average. Otherwise, I would be in favor of using the year's average if we could get by with it.

As I recall, you did use the average of purchases for the year for Pineland for the year ending October 31, 1950. To be consistent it might be in order, therefore, to use the same method for Diboll. However, I would be in favor of using the method which would be to our advantage provided you feel that it would be all right to do so.

AT:ld

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CC Mr. Arthur Temple, Jr.

February 22, 1951

Mr. H. W. Spencer
C/o Temple Builders Supply
P. O. Box 178
Lufkin, Texas

Dear Henry:

I am enclosing waivers of notice of the meeting of stockholders in Temple Builders Supply to be held in Lufkin on February 28th which have been signed by Temple Webber and me.

I hope that I will be able to attend the meeting. It is going to be necessary for me to be here on Tuesday, February 27th, and I am supposed to be in Dallas at noon on Thursday, March 1st. Certainly, I would like very much to attend the meeting in Lufkin on Wednesday even if it becomes necessary for me to drive down and back the same day.

With kindest regards,

Sincerely yours,

AT:ld

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Mr. Otto Ateley
Mr. D. C. McNair
Mr. C. H. Zimmerman

# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

ARTHUR TEMPLE, JR.
DIBOLL, TEXAS

March 2, 1951

Mr. Jim T. Lindsey
House of Representatives
Austin, Texas

Dear Mr. Lindsey:

I have just been advised that you have introduced in the House a bill known as House Bill #285 which would do away with the exemption of lumber and building material plants so that the chain store tax would be applicable.

I happen to be interested in three Texas corporations, each of which operates more than one retail lumber yard. One of these is Temple Lumber Company with headquarters at Houston, which operates 32 lumber yards within the State; Oil Field Lumber Company with headquarters at Nexia, which operates three; and Temple Builders Supply with headquarters at Lufkin, which operates two yards. I am not so much concerned about the bill which you have introduced because of the immediate penalty, which I understand would be $750.00 as a maximum, but rather because of the principle of the thing, and then, too, once the chain store tax is applicable to lumber yards the penalty might well be increased to the point where it would be a heavy burden and might conceivably result in the destruction of line yard companies.

After the chain store tax was established by statute I believe it was attached in court by one or more of the national chains on the ground that it was discriminatory. The court held, I understand, that it was not discriminatory in exempting lumber yards and public utilities because they do not sell consumer goods over the counter but are rather service institutions. The lumber yards sell merchandise that must be further processed, make contracts for completed houses, finance jobs, etc.,etc. Under the circumstances I do not feel that it is amiss to ask that the exempt status of lumber yards be continued.

I don't think that there ever has been any demand for lumber yards to come under the chain store tax statute. It is not a revenue producing measure but rather a punitive one, designed to handicap some of the large national chains which have engaged in practices detrimental to the smaller and independent stores, such practices which have not been attributed to retail lumber yards and building material plants. I can, therefore, see no purpose

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in broadening the statute to include lumber yards and building material plants.

I respectfully urge you, therefore, to eliminate line yard and building material plants from House Bill #285. In view of the court decision referred to above and the lack of insistence from any source and in the interest of the orderly development of our State, I hope that you can see your way clear to accede to this request.

With kindest regards and all good wishes,

Sincerely,

AT:ld

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CC Mr. H. W. Walker
Mr. Arthur Temple, Jr.

Arthur: I presume Hintz mailed you copies of statements.

March 3, 1951

Mr. John E. Hintz
C/o Oil Field Lumber Company
Mexia, Texas

Dear John:

I have just received your letter of March 1st with year-end statements of Oil Field Lumber Company.

I don't recall just what you did say with respect to the profit for 1950, but it seems to me that you anticipated just about what is shown. Anyway, I consider the showing for the year quite satisfactory overall, and certainly the financial statement indicates that the Company is in a strong and healthy financial condition with current assets of $247,823.00 against current liabilities of $11,244.00.

I have not heard anything lately from Arthur, Jr. about his proposal to merge the Oil Field Lumber Company yards into Temple Builders Supply Company. I don't know just what he has in mind, and I don't suppose any further move along this line is imminent, but I have suggested that the interested parties meet in Dallas, or at some other equally accessible point, to discuss the matter whenever he has something definite to propose. He also has in mind, you know, to take over the North Texas yards of Temple Lumber Company, but no progress has been made toward that end either.

I believe the by-laws provide for the annual meeting of stockholders of Oil Field Lumber Company to be held in April. I am going to be in Dallas on March 15th to attend a meeting of directors of the Texas and Pacific Railway Company at 10:30 A. M., and I wonder if it would be feasible for us to have the Oil Field meeting there on that day to save another trip. In that event I would arrange to stay over in Dallas the night of March 15th or go over the day before if the Oil Field meeting could be held before the T&P directors' meeting. Am giving you my thinking on this in order that you may give it some consideration.

Sincerely,

AT:ld

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CC Mr. H. W. Walker
Mr. Arthur Temple, Jr.

March 5, 1951

Mr. John E. Hintz
C/o Oil Field Lumber Company
Mexia, Texas

Dear John:

Arthur, Jr. phoned me from Diboll this morning to say that he would drive up to Texarkana next Thursday morning with several of his associates in Temple Builders Supply to look over the yard recently purchased here and map out plans for its future development. He suggested that it might be a good time for you and Harry to get together with us to discuss a merger of the Oil Field Lumber Company yards with the yards which Temple Builders Supply now owns, and if that should appeal to you and Harry, to whom a copy of this letter is going, I wish that you would please so advise.

You might prefer to meet with Arthur and me in Dallas. I told Arthur that I would have to be in Dallas on March 15th for a meeting of T&P Directors at 10:30 A. M., and if we should meet with you and Harry there, I would arrange to go over to Dallas the day before, and we could get together on the morning of March 15th and get through in time for me to attend the T&P meeting at 10:30. That was agreeable to him.

I am leaving tonight for Edgewater Park, Mississippi to attend a meeting of the Study and Planning Committee of the Southern Pine Association, which will last two days. I will be back in Texarkana at 8:30 A. M. Thursday morning. I will not have time to hear from you by mail before Thursday and will not be here to receive a telegram or telephone call. Under the circumstances I can only suggest that you write me, and I should have the letter Thursday morning, and if you do that, you might mail a copy to Arthur, Jr. at Diboll in order that he might plan accordingly.

Yours very truly,

AT:ld

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From agenda of Bd meeting 3/14/51 2-A 1

Estimated Earnings and Balance after Cash Outlay for Equipment Obligations, Sinking Fund, Additions and Betterments, Preferred @ 5 and $1.00 on Common

First Quarter 1951

| | | |
|---|---|---|
| 1. | Net Income | $1 504 000 |
| 2. | Percent on Common after Preferred @ 5 | 3.12 |
| 3. | Depreciation and road property retirements | 792 000 |
| 4. | Total (1 and 3) | 2 296 000 |
| 5. | Percent on Common after Preferred @ 5 | 5.16 |
| 6. | Principal equipment obligations | 442 000 |
| 7. | Sinking fund | 122 000 |
| 8. | Additions and Betterments | 649 000 |
| 9. | Total (6, 7 & 8) | 1 213 000 |
| 10. | Balance (4 - 9) | 1 083 000 |
| 11. | Dividend on Preferred @ 5 | 296 000 |
| 12. | Balance after dividend on Preferred | 787 000 |
| 13. | Percent on Common | 2.03 |
| 14. | Rate of dividend on Common | 1.00 |
| 15. | Dividend on Common | 388 000 |
| | 16 - Balance | $ 399 000 |

March 7, 1951

Increased $1.75 per share
increase of $100, $1,485,000
increase of $358,000

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# INCOME ACCOUNT FORECAST

## First Quarter 1951

| | JANUARY | | | | FEBRUARY | | | | MARCH | | | | TOTAL FIRST QUARTER | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Actual 1951 | Actual 1950 | Increase or Decrease | Per-cent | Estimated 1951 | Actual 1950 | Increase or Decrease | Per-cent | Estimated 1951 | Actual 1950 | Increase or Decrease | Per-cent | Estimated 1951 | Actual 1950 | Increase or Decrease | Per-cent |
| Operating Revenues: | | | | | | | | | | | | | | | | |
| Freight | $5 409 000 | $4 461 000 | $ 948 000 | 21.3 | $4 894 000 | $4 217 000 | $ 677 000 | 16.1 | $5 170 000 | $4 811 000 | $ 359 000 | 7.5 | $15 473 000 | $13 489 000 | $1 984 000 | 14.7 |
| Passenger | 503 000 | 386 000 | 117 000 | 30.3 | 326 000 | 312 000 | 14 000 | 4.5 | 360 000 | 296 000 | 64 000 | 21.6 | 1 189 000 | 994 000 | 195 000 | 19.6 |
| Other | 502 000 | 408 000 | 94 000 | 23.2 | 415 000 | 352 000 | 63 000 | 17.9 | 468 000 | 395 000 | 73 000 | 18.5 | 1 385 000 | 1 155 000 | 230 000 | 19.9 |
| Total Revenues | 6 414 000 | 5 255 000 | 1 159 000 | 22.1 | 5 635 000 | 4 881 000 | 754 000. | 15.4 | 5 998 000 | 5 502 000 | 496 000 | 9.0 | 18 047 000 | 15 638 000 | 2 409 000 | 15.4 |
| Operating Expenses: | | | | | | | | | | | | | | | | |
| M of W & S - Maintenance | 738 000 | 712 000 | 26 000 | 3.7 | 693 000 | 723 000 | 30 000 | 4.1 | 806 000 | 826 000 | 20 000 | 2.4 | 2 237 000 | 2 261 000 | 24 000 | 1.1 |
| " - Depreciation | 83 000 | 75 000 | 8 000 | 10.7 | 84 000 | 75 000 | 9 000 | 12.0 | 84 000 | 75 000 | 9 000 | 12.0 | 251 000 | 225 000 | 26 000 | 11.6 |
| " - Deferred Maintenance | | 31 000 | 31 000 | | | 40 000 | 40 000 | | | 34 000 | 34 000 | | | 105 000 | 105 000 | |
| " - Total | 821 000 | 756 000 | 65 000 | 8.5 | 777 000 | 758 000 | 19 000 | 2.5 | 890 000 | 867 000 | 23 000 | 2.7 | 2 488 000 | 2 381 000 | 107 000 | 4.5 |
| M of E - Maintenance | 806 000 | 667 000 | 139 000 | 20.8 | 681 000 | 628 000 | 53 000 | 8.4 | 832 000 | 733 000 | 99 000 | 13.5 | 2 319 000 | 2 028 000 | 291 000 | 14.3 |
| " - Depreciation | 173 000 | 165 000 | 8 000 | 4.8 | 171 000 | 163 000 | 8 000 | 4.9 | 174 000 | 154 000 | 20 000 | 13.0 | 518 000 | 482 000 | 36 000 | 7.5 |
| " - Anticipated Major Repairs | 17 000 | 6 000 | 11 000 | 183.3 | 17 000 | 46 000 | 29 000 | 63.0 | 17 000 | 10 000 | 7 000 | 70.0 | 51 000 | 62 000 | 11 000 | 17.7 |
| " - Total | 962 000 | 826 000 | 136 000 | 16.5 | 835 000 | 745 000 | 90 000 | 12.1 | 989 000 | 877 000 | 112 000 | 12.8 | 2 786 000 | 2 448 000 | 338 000 | 13.8 |
| Traffic | 169 000 | 162 000 | 7 000 | 3.9 | 156 000 | 157 000 | 1 000 | .6 | 172 000 | 159 000 | 13 000 | 8.2 | 497 000 | 478 000 | 19 000 | 4.0 |
| Transportation | 2 201 000 | 1 887 000 | 314 000 | 16.7 | 1 930 000 | 1 749 000 | 181 000 | 10.3 | 2 060 000 | 1 922 000 | 138 000 | 7.2 | 6 191 000 | 5 558 000 | 633 000 | 11.4 |
| Miscellaneous Operations | 79 000 | 50 000 | 29 000 | 59.3 | 57 000 | 45 000 | 12 000 | 26.7 | 55 000 | 44 000 | 11 000 | 25.0 | 191 000 | 139 000 | 52 000 | 37.4 |
| General | 253 000 | 225 000 | 28 000 | 12.5 | 216 000 | 224 000 | 8 000 | 3.6 | 243 000 | 232 000 | 11 000 | 4.7 | 712 000 | 681 000 | 31 000 | 4.6 |
| Total Operating Expenses | 4 485 000 | 3 906 000 | 579 000 | 14.8 | 3 971 000 | 3 678 000 | 293 000 | 8.0 | 4 409 000 | 4 101 000 | 308 000 | 7.5 | 12 865 000 | 11 685 000 | 1 180 000 | 10.1 |
| Railway Tax Accruals | 852 000 | 399 000 | 453 000 | 113.7 | 647 000 | 295 000 | 352 000 | 119.3 | 559 000 | 419 000 | 140 000 | 33.4 | 2 058 000 | 1 113 000 | 945 000 | 84.9 |
| Eq. and Other Rents - Net Dr. | 378 000 | 332 000 | 46 000 | 13.9 | 387 000 | 328 000 | 59 000 | 18.0 | 361 000 | 356 000 | 5 000 | 1.4 | 1 126 000 | 1 016 000 | 110 000 | 10.8 |
| Net Railway Operating Income | 699 000 | 618 000 | 81 000 | 13.0 | 630 000 | 580 000 | 50 000 | 8.6 | 669 000 | 626 000 | 43 000 | 6.9 | 1 998 000 | 1 824 000 | 174 000 | 9.5 |
| Other Income | 81 000 | 70 000 | 11 000 | 17.0 | 79 000 | 69 000 | 10 000 | 14.5 | 96 000 | 87 000 | 9 000 | 10.3 | 256 000 | 226 000 | 30 000 | 13.3 |
| Miscellaneous Deductions | 7 000 | 7 000 | | | 10 000 | 10 000 | | | 10 000 | 10 000 | | | 27 000 | 27 000 | | |
| Fixed Charges | 239 000 | 237 000 | 2 000 | .6 | 239 000 | 237 000 | 2 000 | .8 | 245 000 | 238 000 | 7 000 | 2.9 | 723 000 | 712 000 | 11 000 | 1.5 |
| Net Income | 534 000 | 444 000 | 90 000 | 20.4 | 460 000 | 402 000 | 58 000 | 14.4 | 510 000 | 465 000 | 45 000 | 9.7 | 1 504 000 | 1 311 000 | 193 000 | 14.7 |
| Percent on Common after Preferred @ 5 % | | | | | | | | | | | | | 3.12 | 2.62 | .50 | |
| Ratios: | | | | | | | | | | | | | | | | |
| M of W & S | 12.79 | 14.39 | 1.60 | | 13.79 | 15.53 | 1.74 | | 14.84 | 15.75 | .91 | | 13.79 | 15.23 | 1.44 | |
| M of E | 15.00 | 15.71 | .71 | | 14.82 | 15.28 | .46 | | 16.49 | 15.94 | .55 | | 15.44 | 15.66 | .22 | |
| C. T. | 34.32 | 35.90 | 1.58 | | 34.25 | 35.83 | 1.58 | | 34.34 | 34.94 | .60 | | 34.30 | 35.54 | 1.24 | |
| Total | 69.92 | 74.33 | 4.41 | | 70.47 | 75.36 | 4.89 | | 73.51 | 74.53 | 1.02 | | 71.29 | 74.72 | 3.43 | |

Dallas, Texas, March 7, 1951

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CC-Arthur Temple, Jr., Diboll
J. xxxxxxxxxxxxxxxxxxxx H. W. Walker, Dallas

March 9, 1951

Mr. J. E. Hintz
Oil Field Lumber Company
Nexia, Texas

Dear John:

Harry Walker came over from Dallas and Arthur, Jr., came up from Diboll yesterday as I advised you he would. We had a nice visit and discussed in a general way the merger of Oil Field Lumber Company with Temple Builders Supply and we three see possibilities for such a merger.

Inasmuch as I will have to be in Dallas on March 15 for a meeting of the T&P Board of Directors at 10:30 a.m., Arthur has agreed to meet me over there and I hope that it will be convenient for you to join us. Arthur and I will have a room at the Baker Hotel where we can meet on the morning of the 15th before my T&P meeting and in the event that we cannot get through before I have to leave for that meeting, we can resume after lunch. Inasmuch as Harry, Jr., is an interested stockholder, I presume you may want to bring him along too and I would be very glad to have him meet with us.

Sincerely yours,

AT:mok

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

March 23, 1951

Mr. Latane Temple
Mr. D. G. McNair

Dear Latane and Mac:

We have been figuring on some extensive improvements at Pineland, new kilns, new edge sorter, etc., which will run into considerable money, and I think it would be quite proper for the Board of Directors of Temple Lumber Company to consider the advisability of going ahead with this work at this time. Accordingly, I am calling a meeting of the Directors of Temple Lumber Company to be held in Diboll at 10:00 A. M. Wednesday, March 28th, and I trust that it will be possible for both of you to attend.

The meeting is being called at Diboll with Eck's approval because it is more convenient to more people.

Yours very truly,

AT:ld

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cc Mr. Arthur Temple, Jr.
Mr. D. G. McNair
Mr. G. S. Smith

Mr. E. G. Prud'homme Arthur Temple March 24, 1951

I asked Frank Sloan, who was talking with Ed Price on long distance telephone this morning, to tell you that we would have the meeting of the Board of Directors of Temple Lumber Company at Diboll at 2:00 P. M. next Tuesday afternoon instead of next Wednesday morning at 10:00. This is for the reason that Latane would like to attend the meeting and cannot be away from Little Rock Wednesday because he has a very important meeting of the State Hospital Board, and I told him that I was quite sure there would be no objection to changing our meeting to Tuesday afternoon instead of Wednesday morning.

I asked Frank to tell you to call me by telephone if this arrangement was not satisfactory to you. Not hearing from you, I will assume that it is and, accordingly, will see you in Diboll Tuesday afternoon at two o'clock or just as soon as I can get there from the paper mill directors' meeting which follows the stockholders' meeting called for 11:00 A. M. Tuesday morning.

A copy of this letter is going to Arthur, Jr., George Smith and McNair so that they will be fully advised. However, I got word to Arthur this morning through Raymond Martin by teletype.

AT:ld

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CC Mr. H. W. Walker
Mr. Arthur Temple, Jr.

March 26, 1951

Mr. J. E. Hintz
Mexia, Texas

Dear John:

After sending my letter to you Saturday I got to thinking about my reference to your getting along in years and thought that you might take some exception to this. I came back to the office Saturday afternoon and tried to peck out a letter on the typewriter to explain just what I meant, but I have used a typewriter so little in recent years that I made a mess of it.

I certainly did not mean to imply that you were an old man and did not have many years of usefulness left. I look upon you much as I do myself. I realize that I am not as vigorous and active, physically and mentally, as I used to be and, as a result, am more and more inclined all of the time to pass on to younger men the responsibilities of business. It is a fact, I think, that we have reached the point in life when we may be called to the great beyond at any time, and it behooves us to have our affairs in order. I have no fear of such an event but only want to be prepared for it.

I am concerned about your future. I want your decision, anything that we do about Oil Field Lumber Company's merger with Temple Builders Supply, to be for your own best interest.

Sincerely,

AT:ld

Copied from an original at The History Center, Diboll, TX 1993.016 Temple, Jr. www.TheHistoryCenterOnline.com

March 28, 1951

Mr. H. C. Berckes
C/o Angelina Hotel
Lufkin, Texas

Dear Herb:

I have just received your letter of March 27th advising me of the meeting in Lufkin tomorrow with Russ Eagle and inviting me to meet with you at lunch.

I would like very much to be with you in Lufkin, but I have just gotten in from a trip to Lufkin and Diboll and, of course, do not feel like turning around and making the trip back again tomorrow.

The thought has occurred to me that Arthur, Jr. might like to meet with you. If you would like to have him, you might call him at Diboll.

I also found on my desk when I returned to the office a few minutes ago the picture of the group taken at Edgewater Park when we had our Study and Planning Committee meeting the early part of the month. This is a splendid picture, and I am glad to have it. Thanks very much for sending it to me.

With kind regards,

Sincerely,

AT:ld

Copied from an original at The History Center Diboll, TX 1993:016 www.TheHistoryCenterOnline.com
CC Mr. Arthur Temple, Jr.

March 29, 1951

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I see no reason why a trade of Temple Cotton Oil Company stock for Temple Lumber Company stock cannot be worked out with my three sisters. As I see it, it would be a matter of determining what might be called the fair market value or the worth of the two stocks. The book value of Temple Lumber Company stock is in excess of $200.00 per share, and the book value of Temple Cotton Oil Company stock, as I figure it, is $83.00 plus per share. The earnings of Temple Lumber Company stock per share have,of course, been considerably in excess of what Temple Cotton Oil Company stock has earned, and that would have a decided effect upon its market value, and Temple Lumber Company assets are considerably under-valued, particularly its timber holdings while the Temple Cotton Oil Company statement reflects more nearly real values, except of course for the depreciation reserve.

If you are serious in your desire to exchange Temple Cotton Oil Company stock for Temple Lumber Company stock, I would suggest that you get with Newman the next time you come down and discuss it with him. Newman, of course, is a pretty hard trader, but he would have to be consulted sooner or later because he would represent Gertrude, and you might as well learn his attitude at the outset. I would be glad to sit in with you and Newman and assist in any way I could toward reaching a meeting of the minds.

Am sorry that we did not have more time together at Diboll Tuesday. I did not expect to be detained at the Southland meeting as long as I was. I learned later that the Southland directors' meeting continued until four o'clock, much longer than usual. I am looking forward to seeing you when you bring Helen down for a visit.

Sincerely,

P. S. Since dictating the above have received your letter of March 28th. However, don't think that it changes anything I have said.

A.T.

AT:ld

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

March 29, 1951

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I have your letter of March 28th advising that you have obtained an option on fifteen acres of land at $1,000.00 per acre paying $1,000.00 for the option which will run six months.

In view of the action taken by the Board of Directors of Temple Cotton Oil Company at its last meeting in Little Rock, I think you have done well to secure this option. However, I have never been very keen about our negotiating a loan with the RFC for money to build a fertilizer plant and am even less inclined that way now that so much dirt has been stirred up in connection with the RFC by Senator Fulbright's Sub-Committee. As a matter of fact, I don't like the idea of going to the Government for financing of a business enterprise. Furthermore, I doubt very much that we will be able to get an RFC loan, because there is a strong move on foot to limit RFC financing to plants that are needed in the defense effort. While a fertilizer plant may contribute indirectly to the defense effort through increasing the production of farm commodities, I think the tendency is, or soon will be, to limit loans to plants that will contribute directly.

I presume that you intend to proceed with preliminary plans and an estimate of cost. When these are ready, I think it would be well to call a special meeting of the Board of Directors to consider the next move. If we proceed along the line contemplated, you are not going to have too much time within the six months covered by the option.

Yours very truly,

AT:ld

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cc Mr. Hill Wolberv
Mr. Arthur Temple, Jr.

# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

April 4, 1951

Mr. John E. Hintz
Mexia, Texas

Dear John:

I have just received a letter from Arthur, Jr. asking when I am going to let him know about Oil Field Lumber Company, and, of course, he means if and when we are ready to exchange our stock in Oil Field Lumber Company for stock in Temple Builders Supply.

If I am not mistaken, Harry, Harry, Jr. and I indicated our acceptance of Arthur's proposition when we were together in Dallas some weeks ago, and since that time you have written that you are inclined to go along, though the tone of your letter indicated some reluctance, and you did not state how much of your interest in Oil Field Lumber Company you would want in stock in Temple Builders Supply and how much in cash.

As I see it, therefore, the only thing that is holding up the deal is some further word from you. If you are ready to proceed along the lines outlined by Arthur, Jr. in our meeting in Dallas, I wish that you would please communicate with him and tell him how much of your interest you want in stock and how much in cash.

I don't know whether you have taken any steps to have an audit in line with my suggestion. Maybe that is what you are waiting on. As a matter of fact, I don't know that it is necessary that we have an audit before closing the deal tentatively or subject to the audit, but that is something for Arthur to say I suppose. At any rate, Arthur would like to know whether you are ready to proceed, and I think we would all like to know whether or not you have asked Peat, Marwick, Mitchell and Company for an audit. Of course, when I refer to you and your interest, I also have in mind Verna Florence, who I presume will do what you do.

With kindest regards,

Sincerely,

AT:ld

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CC Mr. Arthur Temple, Jr.

April 7, 1951

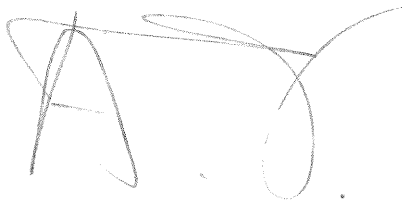
Mr. Carrol Allen
P. O. Box 1180
Lufkin, Texas

Dear Carrol:

I am enclosing a Power of Attorney which I received from Arthur this morning. I have signed it, and Arthur asked me to send it to you, I presume for you to sign and to acknowledge your signature before a notary public.

I am glad to know that two of the lots in our sub-division have been sold. This is a good start, and I hope that the sale of other lots will proceed at a good rate, at least until our investment is cleared.

Sincerely,



AT:ld

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cc Mr. H. W. Walker
Mr. Arthur Temple, Jr.

# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

April 9, 1951

Mr. John E. Hintz
C/o Oil Field Lumber Company
Mexia, Texas

Dear John:

Referring to your letter of April 6th, it is hardly possible for me to meet with you and Arthur any place except here at Texarkana during the current week, because I have engagements, I think, every day. Then, next Sunday I leave for New Orleans to attend the annual Southern Pine Association convention April 16th, 17th and 18th, and the following week I expect to be in Galveston for the convention of Texas Lumbermen's Association. From this you will see that I have much on my agenda for the next three weeks. By the way, immediately following the Galveston convention I am going to spend a couple of days visiting some of the South Texas yards of Temple Lumber Company with McNair.

Arthur told me on the 'phone a week or ten days ago that he would have to come to Texarkana sometime soon. You might get in touch with him, find out when he is going to make this trip and meet him here. This would give you the opportunity to see the Glass Plant Lumber Company, which was recently acquired by Temple Builders Supply. However, if you prefer, you might run over to Diboll to talk further with Arthur without me, but if you do that, you should contact him in advance to see that he will be there.

Another advantage which I see to the proposed merger, which I don't believe has been discussed, is the better market there will be for stock in Temple Builders Supply than there is or will be in Oil Field Lumber Company as presently constituted. If anything should happen to you and we decided to sell Oil Field Lumber Company, it would be hard to do, and the only alternative, I suppose, would be to liquidate, and that could hardly be done without a substantial loss. On the other hand, stock in Temple Builders Supply should have a market because the stock will not be so closely held, and certainly if the present demand for stock in Temple Builders Supply is any criterion, it should not be so difficult for an estate to dispose of its stock.

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I can certainly appreciate your reluctance to go into this merger. It would be quite a step for you, and there is the problem of what to do with Groover, and there may be others in the Oil Field Lumber Company organization who would have to be let out. On the other hand, I don't see any possibility of stockholders in Oil Field Lumber Company realizing as much from their interest as through the exchange of stock as proposed, and there is every indication, I believe, that Temple Builders Supply will be a dynamic, aggressive operation which will make a good return on the capital invested. I don't like to urge you to do something that you don't want to do either because it does not appear to be economically sound or because of sentimental attachment, and I hope that you will reach a conclusion based on what you think is in your own best interest.

Sincerely,

AT:ld

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April 14, 1951

Mr. Henry Spencer
C/o Temple Builders Supply
Lufkin, Texas

Dear Henry:

Mr. Hintz has been with me for the past two days, and we have discussed pro and con all of the arguments pertaining to the merger of Oil Field Lumber Company with Temple Builders Supply. One point that is of vital consideration, I think, to Oil Field Lumber Company stockholders is the assets of Temple Builders Supply, and to that end I will appreciate it very much if you would mail to Mr. J. E. Hintz, care of Oil Field Lumber Company, Mexia, Texas, a financial statement of Temple Builders Supply. You might send me a copy of this.

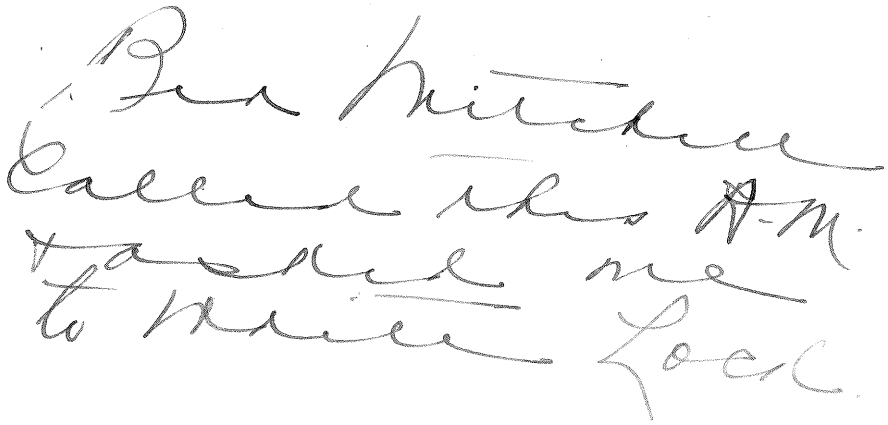
I received from you some time ago a condensed balance sheet and operating statement for one-third of January and February, 1951. I am sure this covered the investment in Glass Plant Lumber Company at Texarkana, but this statement is not in detail, and if you could furnish Mr. Hintz one that would show just what is represented at Texarkana and what at Rusk, I think it would be helpful to him.

With kind regards,

Sincerely,

AT:ld

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cc Mr. Ben H. Mitchell
Mr. Arthur Temple, Jr.

April 20, 1951

The Hon. Ottis Lock
Texas State Senate
Austin, Texas

Dear Senator:

I was in the room of Arthur, Jr. at the Roosevelt Hotel, New Orleans, last Tuesday afternoon when he talked with you by long distance telephone about Senate Bill #39. After his 'phone conversation with you was concluded, he and I discussed this bill, and I told him that I had expressed my opinion of it to Senator Carney, and while I did not feel qualified to discuss the technical aspects of the bill, I did know that Texas Employers Insurance Association had over the years steadfastly worked for lower rates on compensation insurance while those who are favorable to this bill had consistently opposed the efforts of Texas Employers Insurance Association to lower compensation insurance costs, and it was inconceivable to me that the situation would now be reversed.

I have been a director of Texas Employers Insurance Association for a good many years. I have come to know the officers of that Association intimately and to have a very high regard for them. I am confident that they are working in the interests of their policyholders, the employers of the State of Texas, and, while I do not feel qualified to discuss the technical features of the bill, I am willing to follow the judgment of Mr. Ben H. Mitchell, Executive Vice President of Texas Employers Insurance Association, and his associates who have opposed the passage of Senate Bill #39 so vigorously.

In addition to my confidence in the officers of Texas Employers Insurance Association who are opposing the bill, I do feel this: any reduction in compensation insurance costs to people who are doing an interstate business will have to be made up by an increase in costs to those who are doing an intrastate business. As I understand the rates promulgated by the Commission, they allow for an estimated loss ratio and an estimated expense ratio. Any reduction in rates, therefore, to one class of

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employers will probably be reflected in higher rates to other groups. The rates for our particular companies possibly would not be raised, but from the arguments, pro and con, which I have heard I am convinced that the rates for some intrastate businesses would be effected adversely.

With kindest regards,

Sincerely yours,

AT:ld

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

April 20, 1951

Hon. Jim T. Lindsey
House of Representatives
Austin, Texas

Dear Mr. Lindsey:

I was very much in favor of the so-called "right to work" law which was passed by the Legislature in 1947, but, strange to say, I did not realize at the time that this bill simply was a declaration of state policy without any penalties for violation.

I understand that S. B. 267 has been introduced in the Senate and has been approved by the House Committee and is now pending in the House. This bill puts teeth in the "right to work" law. I think it should be passed and I certainly hope that you will give it your full support.

With kindest regards,

Sincerely yours,

AT:ld

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CC Mr. Arthur Temple, Jr.

April 20, 1951

Mr. Henry Spencer
C/o Temple Builders Supply
P. O. Box 178
Lufkin, Texas

Dear Henry:

I have just received Temple Builders Supply's condensed balance sheet and operating statement for March and for the year to date. It is gratifying to see the progress which is being made. Incidentally, I presume that you mailed to John Hintz a copy of this statement in line with my recent letter to you.

I mentioned to Arthur, when we were together in New Orleans earlier this week, the sign which I saw out at the Texarkana yard recently. It apparently was given by Pee Gee Paint people and featured Pee Gee paints and had Temple Builders Supply in rather small letters at the bottom. I went by the yard last night, and while this is a nice attractive sign, it does not give much prominence to Temple Builders Supply but rather to Pee Gee paints, and, as I told Arthur, if it was worth the cost to Pee Gee Company to provide this sign to advertise their product, it should be worth the money for Temple Builders Supply to put up a sign which would feature and advertise the name of the company.

As I told Arthur in New Orleans, I haven't gotten very far with John Hintz. He came up and spent last Friday and most of Saturday with me, but he is still undecided as to what he ought to do. The main thing, of course, is that he is reluctant to give up a job with a salary and at the same time he does not want to take Groover's place as manager of the Mexia yard. I think he will be in Galveston next week at the Texas Lumbermen's Association convention, and Harry Walker and I will be there and we will discuss the proposed merger further.

Sincerely,

AT:ld

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CC Mr. H. W. Walker
Mr. Arthur Temple, Jr.

April 24, 1951

Mr. John E. Hintz
C/o Oil Field Lumber Company
Mexia, Texas

Dear John:

I was sorry not to see you at the convention in Galveston. Harry and I got there Sunday morning and immediately checked at the Buccaneer and the Galvez, but you were not registered at either, and after looking all around for you we decided that you were not there. However, Temple told us that he had seen you at the Southern Pine booth in the exhibit hall. We spent a good deal of time there but never did run into you.

I wonder what you have decided you want to do about the proposed merger. I am sure that Arthur wants to bring this thing to a head, because he told me when I saw him in New Orleans the early part of last week that he had several other yards in mind, and I know that he wants to know which way to shoot.

I would also like to know whether you have done anything about the audit. I do think it is high time that we were having an audit since we have never had one, and I feel this way whether we go through with the proposed merger or not.

By the way, I suppose you received from Henry Spencer Temple Builders Supply statements such as he sent to me. They showed a profit as of March 31st of $6,291.91, which covers I believe two and one-third months operations. I think this is pretty good considering they are just getting started with the Texarkana yard. In addition to the profit indicated, Arthur told me that they had a very substantial profit in the inventory here.

Sincerely,

AT:ld

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CC Mr. Arthur Temple, Jr.

April 25, 1951

Mr. Henry Spencer
C/o Temple Builders Supply
P. O. Box 178
Lufkin, Texas

Dear Henry:

Mr. C. D. Workman, who operates Superior Ice Company, the plant on New Boston Road which was formally owned and operated by Everett Fulgham, came by my office yesterday afternoon to talk about supplying the yard here with ice. It seems that Glass Plant Lumber Company has been buying its ice from Southern Ice, and Mr. Harwell told him that this was because Glass Plant Lumber Company had furnished the lumber on some work which Southern Ice did some time back. However, he added, as I recall, that they had been satisfied with service they had gotten from Southern Ice.

Mr. Workman is a member of Texarkana Rotary Club, to which I also belong. I have never known him intimately, but I told him that I would write you in his behalf. His plant is located just a few blocks from the yard, and I presume he could be depended upon to render good service. He is a small operator and seems to be an awfully nice fellow.

I don't think it makes any particular difference to Harwell where he gets his ice. He referred Mr. Workman to me, or perhaps he told him that he should see Arthur, Jr., and he assumed that I had something to do with the policies of Temple Builders Supply. My thought is that you might drop by to see Mr. Workman on your next trip up here, form your own opinion and make your own decision.

With kind regards,

Sincerely,

AT:ld

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Mr. E. G. Prud'homme | Arthur Temple | April 26, 1951

I am planning to go down to Diboll next Tuesday afternoon with Josh Morriss, as I wrote you yesterday, but I don't think that it is at all necessary that we wait until then to hold up or cancel outright the orders which have placed for new kilns, new edge sorter and all that goes with these items in the improvement program contemplated. If you and Arthur feel that it would be unwise to try to go ahead under present conditions, and if you think we can get by with what we now have, then it is certainly all right with me to defer action.

As a matter of fact, if we can get by without too much sacrifice of efficiency, I cannot help but have some feeling of relief, because our money is getting down mighty low, and, as I wrote you, I am sure that we are faced with the necessity of cashing some of our bonds at a discount or borrowing money to tide us over. Since our experience in the last depression I have something of a horror of borrowing money for capital improvements and particularly at a time such as this when values are inflated. If we could get by, I would really prefer to wait until some deflation sets in. Generally speaking, if one would conserve his financial resources during boom periods and expand and spend during periods of deflation, if one should go directly opposite to the crowd in other words, he could not fail to be ahead in the long run. We have spent a lot of money at both Pineland and Diboll in the past year or two, have a good deal more yet to spend to accomplish what we have already undertaken, and if we are not going to be too greatly handicapped, I would feel much better if we delayed any heavy outlays of capital investment.

To sum up, therefore, if you and Arthur are in agreement that the new kilns, edge sorter, etc. ought to be deferred, go ahead and hold up the orders or cancel them outright, and it will be perfectly all right with me. In the meantime, however, you may count upon my being in Diboll Tuesday evening in time for supper and remaining there until Wednesday afternoon.

AT:ld

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April 26, 1951

Mr. Homer R. Mitchell, Chairman of the Board
Texas Employers Insurance Association
P. O. Box 2759
Dallas 1, Texas

Dear Homer:

I have your letter of April 25th and am certainly glad to learn that the Senate by a vote of fifteen to fourteen refused to take up SB-39.

I note that Howard Carney of Atlanta and Ottis Lock of Lufkin both voted to bring the bill up. These are the only members of the Senate with whom I might have any influence, and I have let both of them know that I am opposed to this bill. Ben is familiar with letters which I have written to both.

Arthur, Jr. has been in pretty close touch with Ottis Lock about this bill, and, therefore, I am mailing him your letter of April 25th, knowing that he will be interested in seeing how Ottis Lock voted and with the thought that he may have some further contact with Ottis Lock about it.

Frankly, I don't know very much about SB-39, that is, just what effect it would have on compensation insurance rates in Texas. I was somewhat embarrassed when Howard Carney asked me just what my objections were. I had to tell him that I could not discuss the technical features of the bill but that I did know that Texas Employers Insurance Association had always sought lower compensation insurance costs for the employers of Texas, while the proponents of the bill had always tried to get the rates up, that I had full confidence in the officers and management of Texas Employers Insurance Association, and that I was willing to back their judgment. That is just the way I feel, and I think both Howard Carney and Ottis Lock understand my position.

With kindest regards,

Sincerely,

AT:ld

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TEXAS EMPLOYERS' INSURANCE ASSOCIATION
CREATED BY EMPLOYERS' LIABILITY ACT TO INSURE EMPLOYERS AT COST

HOMER R. MITCHELL.
CHAIRMAN OF THE BOARD

DALLAS

April 25, 1951

Mr. Arthur Temple
Southern Pine Lumber Company
Texarkana, Texas

Dear Arthur:

The House of Representatives yesterday passed House Bill 505 by a vote of 80 to 23, and at the same time the Senate refused to take up Senate Bill 39, the companion bill, by a vote of 15 to 14. A two-thirds majority was necessary to bring the bill up for consideration.

The following senators voted to bring the bill up:

| | | | |
|---|---|---|---|
| A. M. Aikin | Paris | Rogers Kelley | Edinburg |
| John Bealle | Cuero | Keith Kelly | Fort Worth |
| Searcy Bracewell | Houston | Ottis Lock | Lufkin |
| Howard Carney | Atlanta | George Parkhouse | Dallas |
| Joe Carter | Sherman | Jimmy Phillips | Angleton |
| Mrs. Neveille Colson | Navasota | W. A. Shofner | Temple |
| Jep S. Fuller | Port Arthur | Wayne Wagonseller | Stoneburg |
| | | R. A. Weinert | Seguin |

The following senators voted with us to keep the bill from coming up:

| | | | |
|---|---|---|---|
| Carlos Ashley | Llano | Crawford Martin | Hillsboro |
| Pat Bullock | Colorado City | Warren McDonald | Tyler |
| Kilmer Corbin | Lubbock | George Nokes | Corsicana |
| Dorsey Hardeman | San Angelo | Joe Russell | Royse City |
| Grady Hazelwood | Amarillo | Gus Strauss | Hallettsville |
| Hill Hudson | Pecos | Walter Tynan | San Antonio |
| Wardlow Lane | Center | Kyle Vick | Waco |

Senators George Moffett and William Moore were absent.

If we retain all of our votes, it is probable that neither bill will be considered by the Senate at this session. We feel sure that the proponents will make a determined effort to switch some of our votes; therefore, may we suggest that you contact those senators voting with us and with whom you are personally acquainted or have connections, and thank them for the position they have taken and urge them to continue their support. If you have any way of reaching those senators who voted

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to bring the bill up, we shall appreciate your using your influence to persuade them to vote against consideration of the bill.

Our representatives, Messrs. Pittman and Ben Mitchell, will be on the ground in Austin to do what they can to keep the situation under control, but your help will be appreciated.

Sincerely yours,

Homer R. Mitchell

Homer R. Mitchell
Chairman of the Board

HRM:M:LQ

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CC Mr. Arthur Temple, Jr.
Mr. H. W. Walker
Mr. John E. Hintz

April 27, 1951

Mr. Frank Taylor
C/o Peat, Marwick, Mitchell and Company
Mercantile Securities Building
Dallas, Texas

Dear Frank:

I have been talking for some time to John Hintz, President of Oil Field Lumber Company with headquarters at Mexia, about an audit. He was over here a couple of weeks ago and said that he had approached you and that you told him of our arrangement, and, as I understood, you proposed to handle the Oil Field Lumber Company audit on the same basis.

I told John Hintz that I did not see how that would apply altogether, because in our arrangement there is a guaranteed overall maximum. All that would apply to an Oil Field Lumber Company audit, I assume, would be the special rates which you have made us for senior and junior accountants, which is, I suppose, all that could be expected since it would be difficult, if not impossible, to estimate the time that would be required.

I would like to have an audit for Oil Field Lumber Company, and I presume what you would call a balance sheet audit as of December 31, 1950 would cover what I have in mind. Such an audit to verify the assets and liabilities as of that date would be about all we could ask for since, according to my understanding, there has never been an audit for this company. I would suggest, therefore, that you communicate with John Hintz, give him any additional information which you think would be pertinent as to rates and overall cost if you can and ask for his approval to go ahead with the work as soon as possible.

With kind regards,

Sincerely yours,

AT:ld

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# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

April 28, 1951
Dictated 4/27/51

Mr. John E. Hintz
C/o Oil Field Lumber Company
Mexia, Texas

Dear John:

I have just received your letter of April 25th and note that you stayed at Hotel Lafitte when you were in Galveston for the convention. I am sorry that I did not think to inquire for you there.

I am writing to Frank Taylor of Peat, Marwick, Mitchell and Company about an audit. I think that my letter to him, copy of which is going to you, covers pretty well what I have in mind in the way of an audit. I don't see much point to going back over any period of time but simply to verify the year-end balance sheet as to assets and liabilities. There would be little point in going back over the past year as we have not had an audit since we have been in business. Such an audit as I have suggested ought not to cost very much, and when Frank Taylor communicates with you, I suggest that you authorize him to do the work at the hourly rates he has made us. If he can give you an overall maximum, so much the better.

When I saw Arthur in New Orleans after your visit here, I told him what you had in mind. He is not agreeable to carrying any unnecessary expense, and, frankly, it does not seem at all practical to me to pay anyone for supervising the three Oil Field Lumber Company yards when there would be only five yards in Temple Builders Supply under the proposed merger. Such an expense could hardly be justified when such a small number as five yards could probably be adequately supervised from the general office at Lufkin.

I can appreciate your reluctance to throw Groover out of a job. I have wondered about the advisability of keeping him on in view of his heart condition, and I wonder if by doing so we may not be assuming a liability for compensation insurance if he should have an attack brought on by some exertion while on duty. Then, too, I wonder if he can be as aggressive as he should be to get the most for the Mexia yard.

All this leads me to say that one incentive I see for the proposed merger is to put our yards into an organization of young, aggressive men with constructive

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ideas for developing business to the maximum potential. With our reluctance to expand, to invest money to improve our physical properties, etc., I have had the feeling that we are standing still and, perhaps, are not taking full advantage of our opportunities. The main reason for favoring the proposed merger, however, is that you are getting along in years, and if, or when, anything happens to you, we will be confronted with the necessity of selling out or liquidating, and in either event we could hardly hope to realize as much for our interests as we are offered in the present proposal.

Frankly, I can't quite understand your feeling that you would lose face by going into the proposed merger. Successful men frequently retire. It is my thought that you would serve as a director of Temple Builders Supply, and in that capacity you would retain an active interest in the management of the company. You would be without your present salary, to be sure, and that is the only consideration which should have any weight, in my opinion. On the other hand, you might well expect the earnings of Temple Builders Supply to be such that you would receive substantial dividends without the cares and burdens which you are now carrying.

I don't like to be in the attitude of forcing you to do something that you do not want to do. On the other hand, if you were out of the picture entirely, I am sure that most of the Oil Field Lumber Company stockholders would be altogether in favor of the proposed merger. If we should go through with it, I would want the decision to be wholeheartedly approved or unanimous as far as you, Harry and I are concerned. I only wish that you could see the advantages to the merger sufficiently to go along with Harry and me voluntarily.

Sincerely,

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. E. C. Prud'homme | Arthur Temple | May 3, 1951

In accordance with our conversation in Diboll yesterday I am writing Joe Kurth, as per copy attached. However, the more I think about this proposition the more I think it would be better for us to build a small hardwood mill at Pineland, especially since you and Arthur seemed to think that we already have so much of the machinery and equipment which would be required, and I don't have much idea that Joe is in any mood to sell.

It seems to me that it would be so much better for us to have our hardwood mill at Pineland, where much of our hardwood is consumed in the dimension plant. With a mill at Jasper there would be considerable extra handling, which is something that we ought to try to reduce to the minimum. I lean very strongly to a mill at Pineland and holding the cost down just as much as possible.

AT:ld

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May 3, 1951

Mr. J. H. Kurth, Jr.
C/o Kurth Lumber Manufacturing Company
Kurth Building
Houston, Texas

Dear Joe:

We have been considering seriously the building of a hardwood mill at Pineland, and in discussing this when I was at Diboll yesterday someone suggested that you might be willing to sell your mill at Jasper, and especially in view of the fact that the dams which the Government is building and proposes to build may seriously handicap your operations there. If you would be willing to sell your mill at Jasper at a reasonable price, it would fit in very nicely with our program and would obviate the necessity, perhaps, of building a mill under the present unsatisfactory conditions.

If you would consider selling, will appreciate your letting me hear from you at your convenience.

Yours truly,

AT:ld

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CC: Mr. H. W. Walker
Mr. Arthur Temple, Jr.

May 7, 1951

Mr. John E. Hintz
Mexia, Texas

Dear John:

I have a letter from Arthur, Jr. stating that he has had a meeting of the directors of Temple Builders Supply at which it was agreed to recommend to the stockholders at a meeting called for May 16th the acquisition of Oil Field Lumber Company and an increase in the capital stock from $200,000.00 as presently authorized to $425,000.00.

Arthur suggested that in the event the deal is approved by his stockholders at the meeting on May 16th that we trade on the basis of values at December 31, 1950. I have suggested that this may not be practical, though from the standpoint of Oil Field Lumber Company stockholders I do not think that we would have anything to lose. According to the statement sent to me, copy of which I assume you received, Temple Builders Supply showed a profit of $6,291.00 as of March 31st for two and one-third months operation, and I dare-say any profit they may have made since they started in business or, say, from January 1, 1951, would be equal to if not in excess of what Oil Field Lumber Company has done in the same period of time or up to whatever date we may close the deal. Do you see any objection from a practical standpoint or otherwise to trading on this basis? We could, of course, trade on the basis of actual values at some date to be determined, May 31st or June 30th, but, frankly, I don't see how we could be hurt by following Arthur's suggestion.

I presume that we should call a meeting of stockholders of Oil Field Lumber Company to take formal action on the proposal. I see no reason why that could not be done either before or after the Temple Builders Supply meeting on May 16th. Maybe it would be better, though, to have the Oil Field stockholders' meeting after the meeting of stockholders of Temple Builders Supply. What would you think of our getting together down in Lufkin at the same time so as to agree on everything and get the whole thing buttoned up? I presume you will have Verna Florence's proxy, which would mean that you, Harry, Harry, Jr. and I would go down there for the meeting.

I have covered a good deal of territory in this letter. Frankly, this is all

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something new to me, and I do not know just what the mechanics are. If you agree to meet in Lufkin on May 16th, I will take Aubrey Canon down with me because he is not only a good tax man but has legal training, and I think that his advice probably would be helpful. I am just doing a good deal of thinking out loud in this letter, but I do like the idea of our getting together in Lufkin on May 16th to thrash everything out and bring this whole matter to a conclusion.

Yours truly,

AT:ld

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

Arthur Temple

May 8, 1951

For your information I am enclosing a copy of a letter received this morning from Joe Kurth.

As Joe says, I doubt very much if we would be able to get together on a "reasonable" price for his Jasper mill, but his letter does indicate some possibility of a deal.

AT:ld

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C
O
P
Y

May 7, 1951

Mr. Arthur Temple
Texarkana, Texas

Dear Arthur:

Your letter 3rd comes as rather a surprise. True, we have lost around 8,000 acres of ourlands flooded by Dam B at Jasper - a fair percentage pine-growing lands.

We will have remaining some 42,000 acres, very little low lands. We feel we can run Jasper easily eight years and possibly ten, with our present timber supply. We, of course, have hopes of buying outside timber from time to time.

We have spent quite a deal of money on the plant and I can say frankly, we have something of which to be proud. The plant and entire operation is running most satisfactorily.

I do not know that there would be a chance for us to trade. Certainly, it is pretty hard to make material gains, except under Capitol gains.

If we were to go into a discussion, I am rather doubtful that we could arrive at what you would consider a "reasonable" price.

I expect to be in Lufkin within the next few days and while there I will sound out my Directors. My thoughts are that we would not be able to make a price that would be satisfactory to you.

Yours very truly,

J. H. Kurth, Jr.

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May 9, 1951

Mr. C. G. Hayes, Vice President - Traffic
The Texas and Pacific Railway Company
Texas and Pacific Building
Dallas 2, Texas

Dear Mr. Hayes:

I wonder if it would be possible to have suspended Car Service Order 876, issued by the Interstate Commerce Commission effective Monday, May 7, 1951, and if so, whether you would be willing to advocate it. This order is working a great hardship upon lumber mills and retail lumber dealers alike, and I think it is going to mean more lumber diverted from the railroads to the trucks.

The smaller lumber dealers frequently do not want as much as, say, 35,000# to the car, do not have room to store this quantity, and many of them do not have the facilities for unloading cars at destination to avoid the payment of demurrage when cars are so heavily loaded.

From the standpoint of the mills, stocks generally are comparatively low and more or less broken, and frequently orders cannot be loaded when cars have to be loaded to capacity when they could be loaded at less than capacity. In our own case, our mills (Southern Pine Lumber Company at Diboll, Texas and Temple Lumber Company at Pineland, Texas) have quite heavy order files, and we are trying to take care of as many of our customers as possible: obviously, we cannot take care of as many if we are required to load cars to capacity.

Our mills have always tried to ship as much of their lumber as possible by rail rather than by truck, but if a customer wants 20/25,000# and does not want as much as 30/35,000#, we cannot insist upon his taking the larger quantity which would be required by rail shipment. It is only logical to assume, therefore, that considerably more lumber will be shipped by truck. Because of this I hope that the railroads generally will do whatever they can to have Car Service Order 876 suspended or, better yet, annulled by the Interstate Commerce Commission.

With kind regards,

Sincerely yours,

AT:ld

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CC Mr. Arthur Temple, Jr.

May 11, 1951

Mrs. Ira Davis
Antlers Hotel
Diboll, Texas

Dear Mrs. Davis:

I am getting together some of my associates in Oil Field Lumber Company, together with an accountant from Dallas, in Diboll next Wednesday morning and wish that you would please reserve accommodations in the court for seven men for Tuesday night. I presume the suite, number three, and two rooms would answer our need. We will all arrive probably late Tuesday afternoon.

Sincerely yours,

AT:ld

Bob Waite and Aubrey Canon will go down with me from here, Hintz will bring his bookkeeper or accountant, McMillan, and Harry Walker and Frank Taylor will come down from Dallas. Frank Taylor will fly, arriving at Burke at 9:47 P. M.

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

Arthur Temple

May 11, 1951

You may be interested to know that Mr. C. G. Hayes, Vice President - Traffic, Texas and Pacific Railway, called me yesterday afternoon in regard to my letter to him soliciting the support of the T&P in having the Car Service Order 876 suspended or annulled. I believe I sent you a copy of my letter to him.

Mr. Hayes said that he had called Washington yesterday morning on this, had learned that the order was put into effect at the request of the Administrator of O. D. T. and on the recommendation of lumber shippers; that as a consequence he did not think that the railroads could accomplish anything toward having the order suspended or annulled in spite of the fact that he realized it would probably mean more lumber being diverted from the rails to trucks.

Following this conversation I suggested to Temple that he handle the matter further with the Traffic Department of the Southern Pine Association. However, someone in that department with whom he talked day before yesterday told him that the industry should try to get along under this order or else we would probably get something worse, something like a priority system, which I am sure we would not want.

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. H. W. Walker

# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

May 14, 1951

Mr. John E. Hintz
Mexia, Texas

Dear John:

Arthur has proposed that we trade on the basis of December 31, 1950 values, and I suppose we might as well go ahead on that basis if we can work out all of the problems connected with this deal, although I believe Arthur also indicated that he would have no objection to setting some date other than December 31, 1950 on which to base the value of the respective stocks. As a matter of fact, I don't think that we in Oil Field Lumber Company would have anything to lose, because Temple Builders Supply has been making money consistently and showed a profit of $9,680.00 as of April 30th for a little over three months' operation.

I am certainly glad to learn from your letter of May 10th, which I found on my desk Saturday night after a quick trip to Lufkin and back, that Oil Field Lumber Company has an estimated profit of $10,444.26 for the period from January 1st to March 31st. This is very good, I think, and is considerably better than we have been running in recent years if it is not, in fact, the best rate of profit we have ever experienced. At that rate we would wind up the year with something in excess of $40,000.00 before taxes. Frankly, I wonder what the reason is for this greatly improved showing over last year.

I did a little figuring last night on the earnings per $100.00 of capital and surplus of the two companies, Oil Field Lumber Company and Temple Builders Supply. Oil Field earned a fraction over $4.00 per $100.00 of capital and surplus in the first three months while Temple Builders Supply, according to my figures, earned a little in excess of $5.00 per $100.00 of capital and surplus in February, March and April, having gotten started just a little before the first of February. With these comparative earnings it appears to me that the Oil Field Lumber Company stockholders would gain by trading on the basis of values as of December 31st, disregarding entirely the profit made by the two companies so far this year. Don't you see it that way? You understand that Temple Builders Supply has been operating with a capital of $175,000.00 with no surplus since they started fresh the latter part of January, while Oil Field has been operating with a capital and surplus in excess of $250,000.00.

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Everything is all set for us to meet in Diboll Tuesday night. I have rooms reserved at the court for seven, including you and McMillan, Bob Waite, Aubrey Canon and myself from here, Harry Walker and Frank Taylor from Dallas. Frank will fly down, arriving at Burke near Diboll at about 9:30 P. M. Tuesday. I don't anticipate that we will do much Tuesday night, but we can get started the first thing Wednesday morning, and I hope that we will be able to thrash out all of our problems Wednesday morning before the scheduled meeting of stockholders of Temple Builders Supply at 2:00 P. M. Wednesday. I hope that you will bring with you some information which will help us to determine the cost basis of our Oil Field Lumber Company stock, because that information will have considerable bearing on any tax liability.

Yours very truly,

AT:ld

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

# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

May 15, 1951

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

Dear Latane:

I see no reason why the annual meeting of Temple Cotton Oil Company should not be deferred one week to June 19th inasmuch as the date set by our amended by-laws conflicts with the National Fertilizer Convention this year, which you desire to attend. Unless I should hear from you to the contrary, therefore, I will mark my calendar accordingly.

I am sending Newman and Arthur copies of this letter so that they may know the annual meeting will be held on June 19th instead of June 12th.

Yours very truly,

AT:ld

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| | No. | Val | Sell |
|---|---|---|---|
| A. T. | 400 | 100,000 | 320. |
| A. T. Sr. | 50 | 12,500 | — |
| Anne | 50. | 12,500. | 25 |
| Hintz | 250 | 62,500 | 166 |
| V. F. Hintz | 20. | 20,000 | 80 |
| H. Walker | 120 | 30,000 | — |
| H. Jr. | 50 | 12,500 | — |
| | 1000 | | 591 |

591
25
2955
1182
1773

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1/17/23

Our town
Woodbox
1 p.m.

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CC Mr. Arthur Temple, Jr.
Mr. John E. Hintz
Mr. Frank C. Taylor

# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

May 18, 1951

Mr. J. W. Hassell, Jr.
C/o Hassell and Hassell
Magnolia Building
Dallas, Texas

Dear Mr. Hassell:

I give you the names and addresses of the present Oil Field Lumber Company stockholders:

Arthur Temple, Sr., P. O. Box 40, Texarkana, Texas
Arthur Temple, Jr., C/o Southern Pine Lumber Company, Diboll, Texas
Mrs. Carrol Allen, P. O. Box 1180, Lufkin, Texas
H. W. Walker, Sr., P. O. Box 1847, Dallas, Texas
H. W. Walker, Jr., P. O. Box 178, Lufkin, Texas
John E. Hintz, C/o Oil Field Lumber Company, Nexia, Texas
Verna Florence Hintz, Fort Worth, Texas

I do not know the married name of Verna Florence Hintz, the daughter of John E. Hintz, or her Fort Worth address, but I am asking Mr. Hintz to give you this promptly in order that you may send her a waiver of notice for a meeting of stockholders of Oil Field Lumber Company along with the other stockholders.

It is my understanding that a meeting of stockholders of Oil Field Lumber Company will be held in Dallas, Dallas being suggested by me, on or about May 24th or 25th to take steps necessary to incorporate under the laws of Delaware to increase the capital stock of the company, etc., etc.

Frankly, I am just a little bit confused as to all that is required to accomplish our purpose in merging Oil Field Lumber Company with Temple Builders Supply, but I am perfectly willing to leave the mechanics of this thing to you and Frank Taylor to work out to the best advantage and in the most expedient manner, and I am sure that other stockholders of Oil Field Lumber Company feel the same way. I suggest, therefore, that you proceed accordingly.

I would like to add something as to the time of our Oil Field Lumber Company stockholders' meeting. Unless a great deal of time will be consumed in the

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meeting, I would prefer to drive over to Dallas in the morning and back in the afternoon. Doing that, the meeting at 10:00 A. M. or later would be quite agreeable to me. However, if considerable time will be required for the meeting, I might better drive over to Dallas the afternoon before. Most any time that suits you and Frank Taylor will be all right, and I will make my plans accordingly.

Yours very truly,

AT:ld

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CC Mr. Frank C. Taylor
Mr. Arthur Temple, Jr.

# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

May 19, 1951

Mr. John E. Mintz
C/o Oil Field Lumber Company
Mexia, Texas

Dear John:

I tried to reach you by long distance telephone this morning at eleven o'clock, but you were reported as out of town. I left word for you to call back when you return, but I think, perhaps, a letter will suffice.

Frank Taylor and Mr. Hassell have suggested that it would be advisable for Arthur, Jr. to buy approximately two-thirds of your Oil Field Lumber Company stock now to affectuate the program which they have laid out, and Arthur called this morning and suggested that I take over this stock for him because he does not have the cash involved and does not want to borrow any more money. Accordingly, I am agreeable to having you send to me a certificate for, say, 160 shares at $250.00 a share, which would be $40,000.00, and you could send this stock through the Texarkana National Bank with draft attached, but I would prefer to give you my check and have you hold it to save my borrowing the money: as soon as everything is worked out, you could then cash my check or substitute for it one which Arthur, Jr. would give you. In the event you are agreeable to accepting my check and holding it, you can send the stock certificate directly to me.

This is in accordance with your wishes as expressed several times, namely, to sell two-thirds of your stock for cash and retain one-third to be reissued in Temple Builders Supply, Inc. stock. One hundred and sixty shares would not be fully two-thirds, but I think it would be sufficiently close to answer the purpose, and you could sell additional stock after the merger is completed.

This whole matter has become much more complicated than originally contemplated, but it is because we want to work the deal anyway to minimize our tax liability. As far as I can see, the plan mapped out by Frank Taylor and Mr. Hassell should proceed smoothly, step by step, so as to arrive at the same objective.

Incidentally, Frank Taylor has figured the cost basis of your Oil Field Lumber Company stock at $133.00 plus per share. Your capital gain tax, therefore, will be 25% of the difference between $133.00 plus and $250.00 per share, or whatever the book value may be.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple Jr.

May 21, 1951

Mr. John E. Hintz
C/o Oil Field Lumber Company
Mexia, Texas

Dear John:

Confirming our phone conversation of this morning, this is to advise that I will guarantee personally that Verna Florence will have a sale for her Oil Field Lumber Company stock, 80 shares, at book value as of December 31, 1950, which was approximately $250 per share, or book value at such time as the assets of Oil Field Lumber Company are taken over by Temple Builders Supply, Inc. This, I think, should be ample assurance that she will receive $250 per share or better, assuming that there will be no shrinkage in the assets of Oil Field Lumber Company since December 31, 1950.

There has been no change in Arthur's attitude, as expressed at our meeting in Dallas in January, namely, that he and his associates will take over our Oil Field Lumber Company stock for cash or stock in Temple Builders Supply or stock and cash at book value as of December 31, 1950. The only possible change is in the effective date for the trade, and I believe Frank Taylor has in mind May 31. In that event, the Oil Field Lumber Company stockholders are entitled to any profit made this year, but that profit, of course, is to be offset to some extent at least by the $10,000 dividend which Oil Field is to pay, according to the action taken at our Diboll meeting last week.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. D. G. McNair Arthur Temple May 22, 1951

Referring to your letter of May 21st:

I have read the little folder enclosed with your letter and I feel that this home for needy old people is a very worthy project. As a matter of fact, I attended a meeting here a week or ten days ago where the same sort of home was discussed for Texarkana, and the program was approved and is to be sponsored by the churches of this city. I say this is a worthy project: there is apparently no provision to take care of needy old people because the pension which they get is not sufficient to keep body and soul together, but at the same time, as far as our program here is concerned, it is planned to have pensioners contribute their pensions to their support.

Just what Temple Lumber Company ought to do is a question. I note that Turner Lumber Company will furnish the lumber at cost, and I presume this is for the first building. I don't see, though, how Mr. Turner could ask Temple Lumber Company to do more than Turner Lumber Company is doing. I suggest that you offer to furnish such amount as you think proper on this basis. If any outright contribution is required of us, then I would be inclined to make it in cash, and in that event I think that you are in a better position to judge as to the amount we should give than I am. I would be governed, I think, by what others in a similar situation are giving.

I don't like to pass the buck back to you. However, it is impossible for me to judge what we should do, if anything, at this distance. I am perfectly willing to rely upon your judgment.

AT:ld

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

Texarkana, Arkansas
May 23, 1951

Mr. Latane Temple
P. O. Box 52
Little Rock, Arkansas

Dear Latane:

I am thinking of suggesting that you be elected president of Temple Cotton Oil Company at our meeting to be held on June 19th. You are so much more active in the business than I am, are more intimately in touch with what is going on, and I think the title of president might add something to your prestige in your dealings with customers, bankers, etc., and particularly in such negotiations as are contemplated in connection with the new fertilizer plant.

Another thing I have in mind, as you may suspect, is that I certainly would hate to be president of Temple Cotton Oil Company if we went ahead with the new fertilizer plant, borrowed all of the money to build it and were unable to take care of our obligations and had to unload the plants on the banks under the mortgage which they would undoubtedly require. If I were president, I am inclined to think that I would feel a personal and moral obligation, and I would be most reluctant to encumber myself with any such at my point in life.

I realize that I am very conservative and have little or none of the gambler's instincts. My position is very different from that of you and Arthur, and I do not want my personal attitude to stand in the way of a vigorous, aggressive policy. I am not concerned about my investment in Temple Cotton Oil Company. I think you have done a fine job and I am willing to gamble my investment in the company on your continued successful operation of the business. Frankly, I do not like the idea of getting so far out on a limb as to borrow the amount of money which would be required for a new fertilizer plant and possibly a new oil mill, too, and I really wonder if the banks in Memphis and Little Rock will give firm commitments to the extent contemplated without some guarantee in addition to a mortgage on all of the properties. In the absence of a good and sufficient personal guarantee I should think that they would require more equity capital.

You will probably be surprised to get this sort of a letter from me. The fact of the matter is, however, that such things, together with the proposed merger of Oil Field Lumber Company with Temple Builders Supply which requires my putting up $40,000.00 to purchase 160 shares of Hintz's Oil Field Lumber Company stock for Arthur, the borrowing of something over $200,000.00 for Oil Field Lumber Company to buy the assets of Temple Builders Supply with my personal endorsement,

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the expansion program which Arthur has in mind for Temple Builders Supply, Inc., the new company to be formed, with no assurance that I will be able to liquidate my interest, or a substantial part of it, as originally contemplated, disturb my peace of mind and particularly at night when I should be sleeping, and there is no sense in my being bothered with these things when I don't have to be. I went through hell in the early '30's paying off debts which had been made through expansion policies in the '20's, and I resolved never to get caught in any such tight spots again.

I don't want to discourage you in what you are trying to do. I realize fully what your problem is, and I am perfectly willing to go along with what you and the majority of directors want to do; I just don't want to have the responsibility of being president of the company in carrying out such an ambitious program.

Yours very truly,

AT:ld

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# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

May 23, 1951

Mr. E. G. Prud'homme, Pineland, Texas
Mr. Arthur Temple, Jr., Diboll, Texas
Mr. Latane Temple, Little Rock, Arkansas
Mr. D. G. McNair, Houston, Texas

Gentlemen:

As most, if not all, of you know, the Temple Foundation, the trust set up by my father in his will to run for a period of fifteen years from the date of his death, expired last October 2nd, and since then we have been drawing on the fund which had been built up and supplemented to a small extent before the close of last year by my three sisters and myself. The surplus in the fund has been almost entirely used up and will run out some time during the month of June.

This letter is to notify you that the fund will be exhausted some time during next month, and some other arrangement will have to be made to take care of those individuals whom we are obligated to continue to support. I suggest, therefore, that each of you go over very carefully the list of employees and former employees who have been supported by the Temple Foundation in the past and any other individuals who may be on the rolls and eliminate all that can be eliminated, and then let each company continue to take care of its necessary cases. In a way, this will be better than the practice which has prevailed in the past in that the Federal Government will be bearing a large part of the cost, for such contributions, I think, are deductible, but such contributions will also be reflected in our costs, and from that standpoint the new arrangement will be bad. As a matter of fact, it is the only course that I think we can follow after the funds in the Temple Foundation are exhausted.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr. ✓
Mr. Latane Temple
Mr. D. G. McNair

Mr. E. G. Prud'homme Arthur Temple May 26, 1951

Perhaps I did not make my letter about the winding up of the Temple Foundation as clear as I should have. While the trust set up by my father in his will to take care of aged and disabled employees and for other charitable purposes did expire on October 2, 1950, fifteen years from the date of his death, we have set up a new trust with contributions by my three sisters and myself. We have not yet had an okey from the Treasury Department on this trust to assure us that contributions to it will be deductible, but I have little doubt on that score.

My idea is that my three sisters and I may make contributions to this trust from time to time, possibly on a regular annual basis. Also, I have in mind that Temple Lumber Company and Southern Pine Lumber Company will contribute such amounts as may be approved by the boards of directors at the annual meetings which come before the end of the year. Under this new trust set up I think we can go along just as we have in the past and take care of all needy cases, but I would confine our distribution, I think, exclusively to employees in need. Most of the funds of the Temple Foundation have been so expended in fact, but we have drawn upon the Foundation for small amounts to take care of certain cases which have appeared worthy.

I do think that we ought to screen our list of beneficiaries very carefully and eliminate all those whom we should not carry, and in this connection I wonder if it would not be advisable to write Mrs. Jack Fields that we can no longer contribute to her because the Temple Foundation has expired and its funds have been depleted. If you agree, I wish that you would do that, or if you are reluctant to do it, let me know and I will. On further thought I think maybe I had better do it, and I will make a note to write her the early part of next week. Please send me her address.

AT:ld

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

Mr. D. G. McNair | Arthur Temple | May 29, 1951

I wish that some way could be devised for us to make enough laminated 2 x 4 - 8' at a price which would return at least cost in order to supply the demand for this item.

In discussing this item with Temple and from what I have seen in letters from Eck, the main problem is in getting enough 1 x 4 - 8'. Frankly, I don't know how that could be overcome. When Arthur was figuring on getting out laminated 2 x 4 - 8' at Diboll, he expressed the opinion that he could buy all of the 1 x 4 - 8' #2 that would be needed, but I seriously doubt this because 1 x 4 - #2 is not an item that anyone wants to cut for but is one that accumulates in cutting for more desirable and higher priced items.

If we could have an ample supply of 1 x 4 - 8', then it probably would pay us to set up to get out laminated 2 x 4 - 8' in quantity. It would pay us to do this even though we could get no more than what we would get for 1 x 4 - 8' #2 plus the actual cost of gluing in order to provide an item that would compete with fir. I presume we could get as much as $10.00 per thousand feet over our 1 x 4 - 8' #2 price which Eck has estimated the cost to be, but we get right back to the problem of supply, and I don't know how we would overcome that.

AT:ld

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May 29, 1951

Mr. John E. Hintz
Mexia, Texas

Dear John:

I don't see how we can do other than cut off your compensation as of May 31st, because, according to my understanding, Oil Field Lumber Company will cease to exist on that date, and Temple Builders Supply, Inc. will take over. While it is true that some time will be required to work out the final details of the merger, these will be of a clerical nature, and I believe that no managerial supervision will be required as far as Oil Field Lumber Company is concerned. If I am wrong about this and if there is any need for you to continue in an active capacity to look after the interests of the present Oil Field Lumber Company stockholders, I suggest that you be paid on a pro rata basis for such time as your services are required. Maybe that is something which will have to be determined by future developments. If there is any additional compensation due you after May 31st, it should be charged to Oil Field Lumber Company and can be taken into account in the final determination of the book value of Oil Field Lumber Company assets.

At first I couldn't understand just what you were trying to get at in your discussion of your Federal old age benefit in your letter of May 26th. I believe, though, that your problem is this: unless you will have paid the tax on the higher basis of $3600.00 per year for eighteen months, you will not qualify for the higher monthly benefit or pension, and since this higher basis went into effect January 1st, you will have paid only five months. However, I don't see how that can be overcome. The only alternative would be to continue your salary at $3600.00 per year or more for thirteen months after May 31st.

I suppose the Government man with whom you talked in Dallas knows the facts; however, Bob Waite thinks that the maximum you would get even under the new basis would be $80.00 and not $90.00. That, then, would make a difference of $12.00 per month against you by qualifying for the old age benefit at May 31st rather than thirteen months later.

Aubrey Canon has dug up some facts which may be of interest to you. In addition to getting book value, or approximately $250.00 per share, for your Oil Field Lumber Company stock, you have received 119% in dividends, not counting dividends

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which have been applied to donated capital surplus, and in your case this amounted to about $42,000.00. Considering all this and the fact that your equity in your Oil Field Lumber Company stock had been wiped out when we paid off the indebtedness to Southern Pine Lumber Company in 1938, I think you must conclude that you have fared pretty well. Under the circumstances, therefore, I do not feel that you should be allowed the severance pay, bonus of thirteen months' salary or anything of that sort which you may have had in mind.

I am glad that you are going to qualify for Federal old age benefit. This, added to what might reasonably be expected from your stock in Temple Builders Supply, Inc. and other investments which you may make from the proceeds of your sale of 160 shares of your Oil Field stock, will, I hope, give you a very comfortable living whether you elect to be active in business or not.

Sincerely,

W. T.

AT:ld

Quitclaim: 1197% in dividends in addition to those turned back for capital purposes since 1942.

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May 31, 1951

Mr. H. W. Spencer
C/o Temple Builders Supply
P. O. Box 178
Lufkin, Texas

Dear Henry:

I am returning the duplicate copy of the contract between Temple Builders Supply and Temple Builders Supply, Inc. for the signature of H. W. Walker, Jr. as secretary of the latter corporation. Please have Harry sign the enclosed copy and return it to me.

I assume that Harry has signed the original. If not, he should so that this instrument will be complete.

Yours very truly,

AT:ld

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CC: Mr. Arthur Temple, Jr.
Mr. E. G. Prud'homme
Mr. D. C. Kenley

# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

Texarkana, Texas

June 4, 1951

Dr. D. G. Mann, Mayor
Hemphill, Texas

Dear Dr. Mann:

I can well appreciate your feeling as Mayor of the City of Hemphill, and that of other professional and business men, in losing some of your good citizens, and I would not blame you a bit for doing everything possible to retain the population which you have and even to add to it. On the other hand, I feel that Temple Lumber Company is, and always will be, a very substantial contributor to the prosperity of Sabine County and to Hemphill, as the principal city in the county, whether all of its employees live at Pineland or whether they are divided as in the past with some at Pineland and some at Hemphill. It is my thought that any industry which contributes to the county helps every town in the county, and particularly the county seat and principal business community.

I do not know how the individuals who have been living at Hemphill feel about moving to Pineland. I have always felt, however, that it was something of an imposition to require any of the men working at Pineland to drive long distances to and from work, not only because of the time consumed but also because of the expense involved. I have always felt, as a matter of fact, that the Company was derelict in its duty, perhaps, in not providing adequate housing for these people close to their work. From an operating standpoint I know that it would be better to have all employees living in the same community where the plant is located.

We do appreciate very much the fine spirit of friendliness of the people of Hemphill toward our Company. We want it to continue. We feel that we are a very real part of Sabine County, and I think we have demonstrated our loyalty to the county by adopting policies which will assure the operation of our plant at Pineland for many years to come, if not indefinitely. We have spent a considerable amount of money to make Pineland a better place in which to live, and by doing all these things I think that we have contributed to the prosperity, the general well-being of Sabine County, which is bound to effect Hemphill.

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We will, of course, give earnest consideration to your letter, and whatever we do in this, and any other connection, will always be with the thought of protecting as far as possible the interests of Hemphill and Sabine County as a whole.

Sincerely yours,

AT:ld

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June 5, 1951

Mr. H. W. Spencer
P. O. Box 178
Lufkin, Texas

Dear Henry:

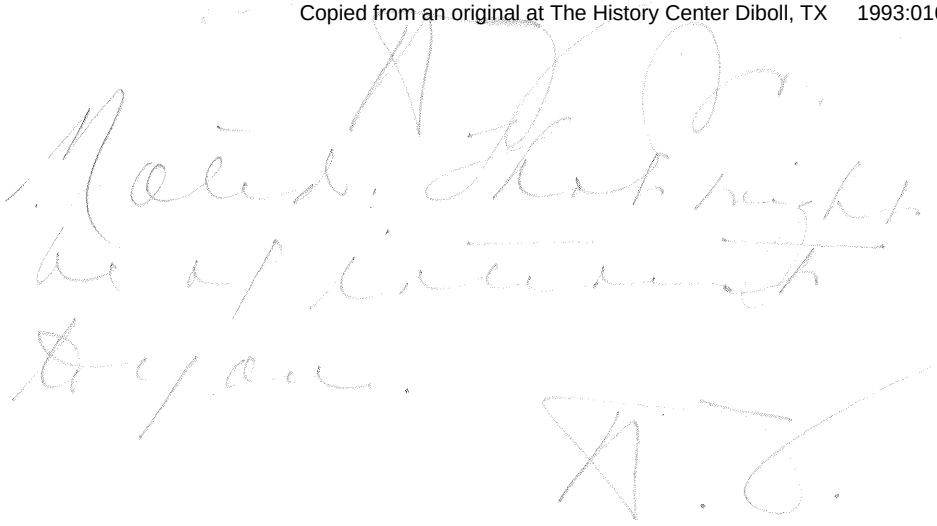
I tried to get John Hintz by long distance telephone shortly after I talked with you this morning, but he was reported out and so I talked with McMillan. I told him that we were very anxious to get the books closed so that the merger could be completed at the earliest possible date and suggested that Frank Taylor be asked to send someone down to Mexia to help with that work.

McMillan said that he would tell Mr. Hintz of my suggestion just as soon as he got back from a trip to town. I presume he will call Frank Taylor or, if for any reason he disagrees with this procedure, will call me.

Yours very truly,

AT:ld

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Southern Pine Lumber Co., June 6, 1951.

Texarkana, Texas.

Gentlemen:

COPY

In Southern Pine Costs, year 1950, dated May 28, 1951, you will find Kurth Lumber Company, Jasper, second in third block, page 6, total cost, $66.873.

Texas Lone Leaf Lumber Company, New Willard, second in the lower block, same page, total cost, $73.475. On page 7, second in third block, Texas Long Leaf, Trinity, total cost, $77.43.

If you have no objection, would like to have your location in the Cost book.

Yours truly,

KURTH LUMBER CO.

President.

JHK:B

DIBOLL, TEXAS
KURTH TEMPLE, INC.

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Mr. D. G. McNair Arthur Temple June 8, 1951

I received this morning a copy of a letter written by John Slaughter, Kerrville, to Arthur, Jr. apparently about some trouble with our Baytown yard due allegedly to Banks' failure to give Mr. Slaughter proper credit.

This letter of Mr. Slaughter's appears to me to be the work of a crazy man. I doubt very much if Banks made any such statements as Mr. Slaughter says he made. I would hate to think that anyone working for Temple Lumber Company would make such wild statements about our bookkeeping methods and practices and our evasion of income taxes which are legitimately due.

AT:ld

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cc Mr. Arthur Temple, Jr.

June 12, 1951

Mr. R. A. Jackson
Diboll, Texas

Dear Boots:

I am enclosing a letter addressed to the Directors of The Texas and Pacific Railway Company by Mr. W. G. Vollmer, President.

This letter has to do with the planned construction by the Gulf Oil Company of a ten-inch petroleum products pipeline from Lufkin to El Dorado, Arkansas, and just as the T&P is interested in hauling the pipe from Gulf's West Texas pipeline system, the TSE might seek to participate in this business. I am, therefore, passing this letter on to you for your consideration, and if there is anything that I can do to be helpful with the T&P or otherwise, please advise.

Yours very truly,

AT:ld

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cc Mr. E. G. Prud'homme
Mr. G. S. Smith

Mr. R. A. Damrel Arthur Temple June 12, 1951

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

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

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

AT:ld

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Can I have Mrs. Lee
take to Ed C tonight
& one if mine can
be prepared to,
say, Tues. 6/26. Thank.
Will come in for
Mrs. Thurs. 6/27

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Mr. E. G. Prud'homme Arthur Temple June 14, 1951

After talking with you by long distance telephone this morning I got in touch with Arthur, Jr. to find out what his plans are for next week. As I thought, he was planning to attend the Temple Cotton Oil Company meeting in Little Rock Tuesday, spend the night there with Latane and then drive down to Jackson, Mississippi and on over to Point Clear, Alabama for a day or two. He said that he was somewhat reluctant to be away from Diboll while Eddie Farley and several others are away on their trip to the West Coast, and he would not object to changing his plan so as to attend a meeting in Pineland next Thursday. He was to contact his wife and let me know something definite this afternoon.

Temple and I have been talking about the proposed purchase of the Sturgis mill site at Hemphill. Frankly, it does not appeal to either of us very much. With the building of a hardwood mill at Pineland at a cost of $178,000.00 plus, I would not be very keen about investing in another mill at Hemphill and particularly if the main reason for such a purchase would be the making of laminated 2 x 4 - 8'. It seems to Temple and me that it would be far better to make this item at Pineland where we have the gluing equipment or set up to do it at Diboll, as Arthur contemplated. As for purchasing logs, I don't see why we would have very much advantage at Hemphill over Pineland. I doubt if it is ever good business to set up a mill to keep someone else from coming into our territory: that's pretty much like our commitment to oppose Russian aggression wherever it may show up all over the world.

I think that we should have a meeting to see just what your ideas are and to consider them thoroughly. We should also have a meeting to formally approve the building of a hardwood mill at Pineland, if that is the thing to do, and, as I wrote you several days ago, I would like to have the directors appropriate $5,000.00 to match the appropriation made at Diboll last December for the Foundation we have set up to take the place of the Temple Foundation. The funds in the old trust are just about exhausted, or will be this month, and we will need something to draw on for the balance of the year.

AT:ld

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CC Mr. Arthur Temple, Jr.

June 15, 1951

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I wonder if it would be possible and entirely convenient to you for us to have our Temple Cotton Oil Company meeting next Tuesday, June 19th, at, say, 11:00 A. M. rather than at 2:00 P. M., the time now set. I am, perhaps, rather late in suggesting this but I hope very much that we can meet at the earlier hour so that we can get through without rushing and in time for Newman, Josh and me, assuming that Josh will be with us, to return to Texarkana before too late an hour. I do not relish night driving, and particularly on such a bad road as we have between here and Little Rock.

Arthur and his family are coming up to Texarkana Monday afternoon and will spend the night with us. There is no reason why we should not get away by eight o'clock Tuesday morning at the latest, and I really think that we can leave here by seven o'clock, which would put us in Little Rock in ample time for the meeting at eleven. Inasmuch as the meeting has been adjourned to 2:00 P. M. next Tuesday, I presume it would be well to notify anyone who might be expect to attend, and outside of those of us who will go from here, you and Cochran, that would mean, I suppose, Jimmie Webb, who might surprise us. Anyway, to be in the clear, I think Jimmie should be notified of the change in hour if you are agreeable.

Drop me a line, please, and let me know your decision, and I will advise Newman, Arthur and Josh.

Yours very truly,

AT:ld

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Mr. D. G. McNair Arthur Temple June 16, 1951

For a long time I have thought that we were probably making a mistake not to put a yard at Port Lavaca because of the industrial development there. On the other hand, I have been opposed to expansion generally because we have been spending so much money in so many directions that our cash position has not been too good, and I have a dread of owing much money if and when another depression sets in. A burned child dreads the fire, and I would not go through what we went through in 1930's again for anything in the world.

I wish you would go by Port Lavaca and make such a survey as contemplated in your letter of June 15th. As you suggest, it might be better to lease Mr. Ezell's yard and operate it for a year or two until we get our bearings and know just what we could do there. Let me know what you think of the proposition after your trip and be sure to let me know what you think of Mr. Ezell's yard as to location, appearance and its suitability in general for our purpose. I might say further that I would be disposed to follow your recommendation as to whether we go in at Port Lavaca or not, and if we should, whether we should lease Mr. Ezell's yard or put one in on our own.

AT:ld

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# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

June 18, 1951

Mr. Latane Temple, Little Rock
Mr. G. S. Smith, Diboll
Mr. Arthur Temple, Jr., Diboll
Mr. D. G. McNair, Houston

Gentlemen:

This is to advise that there will be a special meeting of the Board of Directors of Temple Lumber Company to be held at the Company's office in Pineland Friday, June 29th, at 1:00 P. M.

The purpose of this meeting is to consider the building of a mill to cut hardwood at Pineland, the purchase of the remains of the Sturgis mill at Hemphill and approximately 1,500,000 feet of timber, the appropriation of money for the Temple Foundation and such other matters as may be brought up at the meeting. In view of the importance of the matters to be discussed, it is hoped that all of the Directors who possibly can will attend.

It is presumed that luncheon will be served at 12:00 noon. In order that provision may be made for all who will be there, please let Eck Prud'homme know whether you expect to be there in time for luncheon.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. H. W. Spencer

# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

June 18, 1951

Dr. J. S. Long, Chemical Director
Peaslee-Gaulbert Paint and Varnish Company
223 North Fifteenth Street
Louisville 1, Kentucky

Dear Dr. Long:

It was nice of you to write me about your visit to Texarkana and to other points where Temple Builders Supply and Temple Lumber Company operate retail stores. I know that your visit was beneficial to our customers, the painters who heard your talks, and, in turn, should have a favorable reaction on our business.

While I was sorry not to participate in the very fine dinner which was tendered the painters here, I was glad that I was able to hear your talk, which was informing to me as a layman, and I know that it was helpful to the painters who heard it. I thought you had a very representative crowd, although I was sorry that Eddie Wright, whom I consider the leading paint contractor in Texarkana, could not be there. I tried to reach him several times by telephone but failed, and I think he must have been out of town.

I did speak to Mr. Lovellette about a shingle stain which would retain the color better than what I have used on the roof of my home in the past. What I have used fades out rather quickly, after a year or two, and the next time I paint my house I may call upon you for a special formula which will be more durable. I appreciate very much your offer in this connection.

With kind regards,

Sincerely yours,

AT:ld

Pls. return attached

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PEASLEE-GAULBERT PAINT & VARNISH COMPANY

DIVISION OF DEVOE & RAYNOLDS COMPANY, INC.

Paints • Varnishes • Enamels • Brushes • Artists' Materials • Wallpaper

223 NORTH FIFTEENTH STREET · LOUISVILLE 1, KENTUCKY

June 15, 1951

Mr. Arthur Temple, Sr.
Temple Builders Supply
Texarkana, Texas

Dear Mr. Temple:

After returning from Texas I went on to New York and have just gotten to my desk so I want to take this occasion to say that I enjoyed very much my week with you folks in Texas.

I am always very much interested in new business relationships being established from time to time and you will find as you go along with us that we take most seriously the matter of these relationships. I was accordingly very anxious to visit with some of the men in your organization and, having done so, I feel that we should get along very well over a period of many years. I will accordingly look forward to visit with you folks from time to time and you can rest assured that not only I but all the other members of our organization will do everything we can to be helpful. On my return I told Ed Kelly that I thought this was in many respects a natural.

I was particularly happy that you were able to come to the painter meeting we held at Texarkana, Friday night, June first. I talked essentially on the intellectual plane of the painter and small painting contractor because that was the audience but, nevertheless, from that particular point of view you could get some idea of the things that are going on in an industry that has finally awakened and is moving ahead rapidly under the guidance of scientific principles instead of the rule-of-thumb methods of the past.

Oscar Lovellette had had some reference somewhere to the fact that you were going to restain your roof at some not too distant time. If this is true and if it is to be green or blue it might be of interest to make up enough green shingle stain based on the copper phthalocyanine I referred to to afford a test of this and see whether we can persuade the color to remain unbleached and faithful to the original over at least a fair period despite the Texas sun. At any rate, we will try if you will let us know and give a little warning.

Thanking you and your organization again for courtesies while I was down there.

Very truly yours,

J. S. Long

J. S. Long - Chemical Director

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# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

June 20, 1951

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

Dear Latane:

We got back home at just about nine o'clock last night, driving straight through without stopping for supper. But for the bad road, particularly that between Gurdon and Arkadelphia and that between Hope and Fulton, it was a very pleasant ride, the air conditioning unit in my car keeping us cool and comfortable.

Speaking of air conditioning, I am reminded of the great humidity in your office. I hesitate to tell anyone what they ought to do, but if I were you, I certainly would do away with that system you have and either use a fan or put in an air conditioning unit. I can appreciate your feeling about having one in your office and not in the others. However, it did seem to me that your office was much hotter than McArthur's or the big office outside, and that might be justification for what would otherwise appear to be a selfish action. I wish that we could air condition all of the offices but doubt if it would be practical with such high ceilings and so much space involved.

The few remarks I made at the close of our meeting yesterday about the results for the current year were very inadequate. I do think that you and all who have contributed to the successful operation of the business are to be congratulated, and I only hope that we will do as well, if not better, the coming year when prospects appear to be so much better than they were at this time last year.

We did not discuss to a conclusion seed storage facilities. I wish that something could be worked out so we could take full advantage of the seed which will be available to us this year. I am sure that you would be reluctant to build additional storage facilities with construction costs as high as they are now, and then, too, if we should build the fertilizer plant, as I hope we will, I presume that you will have more adequate storage space in what is now being used for poison, fertilizer materials, etc. One problem with an old mill, one with what might be called obsolete equipment, is that

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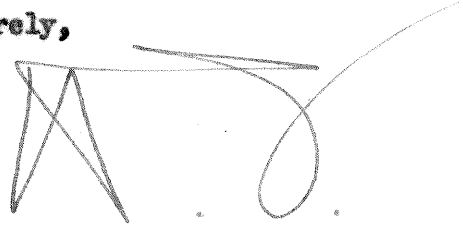
we do not feel disposed to make such capital expenditures as would otherwise seem advisable.

I was very favorably impressed by Mr. Hudson's presentation of the fertilizer plant which he proposed for us. Because of the much lower cost and the many desirable features of a one package deal, I hope that we will be able to buy his plant if and when we are able to go ahead. In this connection, I don't see how we can expect to do anything in the near future unless the Memphis bank is willing to make the loan without a subordination of the Southern Pine Lumber Company claim, but, as I expressed myself yesterday, I do not believe that they will insist upon that if, in fact, they are willing to make the loan at all. For my part, I would be willing to agree to a mortgage on all of the Temple Cotton Oil Company properties in favor of the lending agency because of the possibilities of increased profits, but, on the other hand, I don't know that I would have the right to approve, or even advocate, our going along on that basis, and certainly, the best arrangement from the standpoint of Southern Pine Lumber Company would be to have its claim paid off in line with the motion adopted at the meeting yesterday.

While I would be very reluctant to get rid of the Hope mill, the thought has been running through my mind that if we could find a buyer for this mill at a good price we might do well to sell it to help us with our program at Little Rock. I doubt, however, if we would have any more success in selling Hope than we did several years ago although conditions are very much better now. If we could sell Hope for a substantial consideration, we would have made a long step forward in the overall plan which you have in mind for Little Rock. Do you think this idea holds any possibilities?

I feel very good about your being elected president of Temple Cotton Oil Company. With the responsibility you have, with the interest you are taking and with the idea that you might be given additional prestige in the negotiations for the expansion program, I think that it is quite fitting. I am not altogether satisfied with the title of chairman of the Board for myself, because I think that is a rather empty title and would just as soon be only a director, but in any case I assure you that my interest in Temple Cotton Oil Company is just as great as it ever was, and you may count upon my full cooperation.

Sincerely,



AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple June 20, 1951

I am glad to learn from your letter of June 18th that you have arranged to buy the Sturgis Lumber Company short time timber amounting to 1,091,000 feet of pine at $30.00 and 790,673 feet of hardwood at $5.00, making a total consideration of $36,680.00.

Assuming that the quality of this timber and its accessibility are comparable with what you have bought from the Government recently and other purchases, I feel that you have made a good buy, and I am glad that you were able to get the timber without taking what is left of the mill at Hemphill.

I assume that we can pretty well eliminate a discussion of the purchase of what is left of the Hemphill mill. For my part, I cannot see much advantage to our buying it, and I feel that we will have all that we can say grace over if we build the hardwood mill at Pineland at an estimated cost of approximately $180,000.00 plus the cost of such changes in facilities as may be required.

AT:ld

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June 26, 1951

Mr. John E. Hintz
C/o Oil Field Lumber Company
Mexia, Texas

Dear John:

The Oil Field Lumber Company balance sheet as of May 31, 1951, which was prepared by Frank Taylor or in his office and mailed to me under date of June 23rd by Mr. Hassell, is the first really complete statement I have ever had. Comparing it with the statement furnished by you as of December 31, 1950, it reflects to my great surprise that Oil Field Lumber Company owes $81,832.17, while your statement of December 31st showed accounts, notes and income tax payable of less than $17,000.00. I am sure that the difference between the two statements could not be accounted for by the difference in dates, December 31, 1950 and May 31, 1951.

I presume you, too, have received a copy of the statement prepared by Frank Taylor or are familiar with it. I can understand why we may have had to borrow $15,000.00 from banks, but I cannot understand the big increase in trade accounts payable, and especially I cannot understand the item of $14,424.62 shown as Federal income taxes payable. This must be a carry over, in part at least, from years prior to 1950, and yet I don't see how we could have gotten by without paying our income tax.

The May 31st statement also reflects a very great increase in receivables, or notes, accounts and cash of about $321,000.00 against about $79,000.00 on your year-end statement. This difference could hardly be accounted for, I should think, by the difference in dates.

I would like very much indeed to have some explanation of the differences in the two statements. It is hard for me to reconcile them.

Sincerely yours,

AT:ld

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June 28, 1951

Mr. John E. Hintz
C/o Oil Field Lumber Company
Mexia, Texas

Dear John:

As you requested, I am enclosing a copy of the Oil Field Lumber Company balance sheet as of May 31, 1951, which was prepared in Frank Taylor's office and mailed to me by Mr. Hassell.

In going over my letter of June 26th I note that I did make a mistake in showing Oil Field Lumber Company's notes and accounts receivable and cash amounting to about $321,000.00 on the May 31, 1951 statement. This item included merchandise inventory of $205,146.18, as you will see on the enclosed statement. What I did was to inadvertently include the inventory in the figure pertaining to the May 31st statement, which I left out on the figure given for your December 31st statement.

Generally speaking, however, my letter of June 26th was correct. Certainly the May 31st statement shows current liabilities of $81,832.17, which is a considerable increase over your December 31st statement. That was the main thing I intended to bring out.

The overall book value of Oil Field's stock is not changed much by the May 31st statement. While the liabilities are up considerably, the assets are, too.

Yours very truly,

AT:ld

WJO: Am sure inc. tax liability increases this year's dates.

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CC Mr. Arthur Temple, Jr.

July 2, 1951

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

Dear Ernest:

I have no plans for going to Diboll or Lufkin any time soon, but I never know when something may come up to require such a trip. However, I will bear in mind that you want to talk with me and will make a point of getting in touch with you the first time I am down that way.

Sincerely,

A. T. Jr.:

Please see the attached. I am afraid that he wants to talk with me about the fuel pole order you recently took away from Angelina County Lumber Company. In order that I may be prepared, wish you would please write me just what his attitude is.

AT:ld

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CC Mr. Arthur Temple, Jr.

July 6, 1951

Mr. H. W. Spencer, Vice President
Temple Builders Supply, Inc.
P. O. Box 178
Lufkin, Texas

Dear Sir:

I hereby submit my resignation as president of Temple Builders Supply, Inc., and ask that I be relieved of the duties and responsibilities of this office at the earliest practicable date.

Yours very truly,

AT:lmd

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Mr. D. G. McNair
Mr. Arthur Temple, Jr.

Arthur Temple

July 7, 1951

Billy Temple, who has been working at Pineland since March 1950, is not too happy living in Pineland, and I think that the trouble is really with his wife, and, too, there does not seem to be too much opportunity for advancement commensurate with his education and general background. In short, he has indicated that he would like to be in the retail end of the business, and I told him that I would write both of you to see whether you had anything which you think might be of interest to him in Temple Lumber Company or Temple Builders Supply, Inc.

For Mac's information, Billy was graduated from the University of Texas in February 1950 with a degree in industrial management. He has always been exceptionally good in mathematics, and in an examination for a commission in the Navy a few months ago he was one out of eight, I believe, who passed, and he now has a reserve commission as ensign. He has a very pleasing personality, a good sense of humor and gets along well.

I wonder if there would not be an opportunity for him in the purchasing department at the general office at Houston with the idea of eventually being Bill Hinkle's assistance. I should think his mill experience, which included actual working in the various departments in both pine and hardwood, would be of considerable value in this connection. That is only my idea, however, and I am sure that any job with reasonable prospects of advancement would be quite acceptable.

In connection with Arthur, Jr., I thought that he might possibly be able to use Billy at one of the yards of Temple Builders Supply, Inc. and have in mind particularly the Texarkana plant, where little mill lumber is bought, kiln dried and put through a planing mill. Billy's experience at Pineland, I should think, would qualify him for something there. I know that it would be highly agreeable to Billy and his wife, Joan, to live in Texarkana where both are so well acquainted.

Both Billy and Herschel Payne, who went from here down to Pineland shortly after Billy did, feel somewhat stymied, and, frankly, I have felt that Eck has not had the same conception of their possibilities for development as I have had. My thought was that both of these men could be developed to assume positions of responsibility to be in line to take over if anything should happen to Eck, Carl Sanders and others. As I say, Eck has never had the same conception of developing them as I have had. Their work has been pretty general at Pineland, working in one department after another in order to familiarize themselves with the various operations. Herschel, like Billy, is a college graduate, a fine personality and all around good character, and in considering something for Billy I would appreciate it very much if you would bear Herschel in mind, too. Both of these men are the type that I would like to see coming up in our organization either with one company or the other, and in addition to helping them, I would hate to lose the investment we have in both. Please let me know if you have anything which you think would be of interest to Billy, Herschel or both young men.

AT:ld

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CC Mr. Arthur Temple, Jr.

Mr. G. S. Smith Arthur Temple July 10, 1951

I have just received the enclosed receipt, which, I presume, indicates that I have been given credit for a week's vacation. In view of the fact that I expect to take a vacation of two weeks in August and, for that matter, take off an occasional day to hunt and fish, I do not feel that I am entitled to any vacation pay.

Accordingly, I am returning the receipt. If, however, it should be for something else to which I might be more entitled, please let me know.

AT:ld

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July 12, 1951

Mr. H. W. Spencer
P. O. Box 178
Lufkin, Texas

Dear Henry:

I am enclosing Oil Field Lumber Company stock certificates #19 and #8 for 150 shares and 250 shares respectively. I assume that it is in order for me to surrender these certificates for one or more certificates in Temple Builders Supply, Inc. and/or cash.

I received from you this morning Temple Builders Supply, Inc. stock certificates #43 for 500 shares and #35 for 4,250 shares. The former no doubt represents my original investment in Temple Builders Supply, and the latter certificate for 4,250 shares applies, I presume, against my Oil Field Lumber Company stock. In this connection, please be sure that your records show that stock certificate #35 for 4,250 shares issued in my name applies against Oil Field Lumber Company certificate #8 for 250 shares. This is important in order that the proper cost basis may be preserved.

I assume that Arthur is going to sell up to 3,750 shares for my account. This will be stock in Temple Builders Supply, Inc. issued against Oil Field Lumber Company stock certificate #19 for 150 shares enclosed. It is important, too, that this relationship be preserved.

In explanation of the above I might say that there is some question as to my cost basis on the stock I acquired from L. D. Gilbert's Estate, which is represented by stock certificate #8 for 250 shares. For that reason I want to retain intact stock in Temple Builders Supply, Inc. issued against that certificate. Stock certificate #19 for 150 shares is part of my original investment in Oil Field Lumber Company, and there is little or no question about my cost basis on that.

It appears that 2,000 shares of stock in Temple Builders Supply, Inc. are being retained as part of the reserve for uncollectible receivables and any adjustment in the assets of Oil Field Lumber Company. I mention this primarily for my own record.

Yours very truly,

AT:ld

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

July 16, 1951

Mr. H. C. Berckes
C/o Southern Pine Association
Canal Building
New Orleans 4, Louisiana

Dear Herb:

This will acknowledge receipt of your letter of July 14th in regard to our decision to discontinue the voluntary contribution to the Trade Promotion Program.

One of our objections to the Trade Promotion Program of SPA is that such a heavy percentage of the production of southern pine is not a quality product, and, frankly, a number of our people feel that we could better afford to use the money which we have been paying for trade promotion through the efforts of SPA in promoting our own product individually or in conjunction with a selected group.

Another thing is the decision of the Trade Promotion Committee not to carry the load in promoting wooden grain doors recently when this matter was submitted to them, and, further back, their refusal to actively promote the use of wooden boxes and containers. I understand that these decisions were based on the theory that comparatively few subscribers were directly interested. However, my position was, and is, that anything which promotes the use of southern pine helps the entire industry. If 100,000,000' of lumber is used in grain doors, the whole industry is benefited and not the manufacturers of grain doors alone.

It is indeed hard to evaluate the work of the Trade Promotion Committee. It does seem to me, though, that we have been paying into this program too much for the benefit received. I don't know, but I think, that too small a percentage of the subscribers are making the voluntary contribution. I don't like the idea of some participating and some not. The burden should be distributed, I think, among the entire membership.

I don't suppose any additional payment will be due from our mills (Southern Pine Lumber Company at Diboll and Temple Lumber Company at Pineland) until

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after the July 23rd and 24th meeting of the Trade Promotion Committee. Under the circumstances I am perfectly willing to hold an open mind to see what transpires at that meeting.

Yours very truly,

AT:ld

C
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P
Y
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SOUTHERN PINE ASSOCIATION
New Orleans, La.
July 14, 1951

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

Dear Arthur:

I have your letter of July 12, and am of course very much disappointed to learn of your decision to withdraw your support of our expanded Trade Promotion Program. Especially is this so because I know so well the attitude both you and Arthur, Jr. have always shown toward a hard-hitting, aggressive campaign in behalf of the type of Southern Pine that must be kept in the forefront against the ever increasing efforts of our competitors.

The financial picture as reflected in our recent Statement represents the instructions of our Committee, i.e., that we build up a substantial reserve so that in the event quick action is desired to meet a special problem, we will not have to "pass the hat" or run the risk of having our efforts fall short due to a lack of readily available funds.

When we consider the size of our industry and the importance of its product in the building and construction field, our reserve is small in comparison with our competitors, particularly the West Coast producers.

Our Committee has at its last few meetings, shown great concern over the vigorous and sustained activities of the Douglas Fir people, and has studied the effects of their unrelenting campaign to displace Southern Pine.

I am sure that the Committee, at its meeting here on July 23 and 24th, will again give analytical study to this question, especially in the light of recent market trends. By this time, you have doubtless received my letter to the Board of Directors, transmitting an outline of material prepared for the guidance of our Committee in advance of their arrival in New Orleans. If this hasnot come to your personal attention, I am sending you aduplicate set here with because I think that after you review the fundamental problems that require the best thought and planning of our people, plus careful direction in carrying out the various functions of our Trade Promotion Department, you will see how essential they are to our markets today and over the long haul.

As a former chairman of our Trade Promotion Committee, and as well as a leader in our constructive association work, I hope you will reconsider your decision and defer final action until after you have an opportunity ot get the results of our two-day meeting here this month. I know that Arthur, Jr. has always been enthusiastic about the need for even greater support by our mills of a more expansive Trade Promotion Program, and certainly, the withdrawal of financial cooperation by your companies would have a most serious effect on our over-all campaign.

I trust that I may have the pleasure of hearing from you favorably before the July 23 and 24th meeting of our Trade Promotion Committee here.

With best regards, I am

Yours very truly,

SOUTHERN PINE ASSOCIATION

H. C. Berckes

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cc Mr. Arthur Temple, Jr.

July 17, 1951

Mr. Frank Farnsworth
C/o Bell Telephone Laboratories
Murray-Hill, New Jersey

Dear Mr. Farnsworth:

Since seeing you in Diboll a week or two ago, Mrs. Temple and I have decided to give up our trip East this summer and instead spend a few days at Grand Hotel, Point Clear, Alabama. Under the circumstances I will not have the opportunity to take advantage of your very kind offer to show me through the laboratories which made such a great impression on Arthur, Jr. I know that it would be a very interesting tour to me, too.

I enjoyed very much my little visit with you and the others in Diboll. I hope that our paths may cross again soon.

Sincerely yours,

AT:ld

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Mr. D. G. McNair Arthur Temple July 17, 1951

Arthur did suggest that we put Billy Temple with Temple Manufacturing Company, but the suggestion did not appeal to me. Arthur's idea was that we needed someone in the box business who was closer to us than anyone now in that organization and that the business needed someone to make it a more profitable operation.

My objection to placing Billy with Temple Manufacturing Company is that this business has always been highly competitive, and to really operate efficiently and with the greatest opportunity for profit, we would have to spend a considerable amount of money modernizing our one plant at Dallas. I have not been willing to do that, preferring rather to go along with a modest profit, or, failing that, then possibly to sell out or liquidate. Temple Manufacturing Company lost its entire capital but has operated profitably in recent years so that its stock now has a value of, perhaps, $40.00 per share. It is awfully hard to build back its capital very fast because of the Federal income tax.

Temple Manufacturing Company organization is a small one, and I don't know just where Billy would fit into it. I am sure that he would be ever so much happier in the Retail Division of Temple Lumber Company, and I will appreciate it very much if you will proceed along the line outlined in your letter of July 16th for both Billy and Herschel unless Arthur, Jr. should want to take Herschel into Temple Builders Supply, Inc., and he has not indicated anything definite along that line.

AT:ld

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CC Mr. Arthur Temple, Jr.

July 17, 1951

Mr. M. H. Tripp
Dallas, Texas

Dear Tripp:

I have copy of your letter of July 16th to Arthur, Jr. in regard to the charge-offs on the June profit and loss statement.

The $10,936.00 item is quite a blow, and I wonder if there is not a good chance of collecting the account which it represents. It seems to me that if this was the result of an income tax deficiency our customer must have had a very nice profit in excess of what may have been reported and, consequently, should be able to pay his debts as well as the tax deficiency.

I am sure that you are doing, or have done, everything possible to collect this account. I would like to know more about the circumstances and what effort has been made to collect. Have you turned it over to an attorney? Certainly, Temple Manufacturing Company can ill afford to take such a loss without exhausting every effort to collect the account.

Yours very truly,

AT:ld

CC Mr. Arthur Temple, Jr.
Copied from an original at The History Center Diboll, TX 1993:016 www.TheHistoryCenterOnline.com

July 18, 1951

Mr. Hugh W. Branch
C/o Texas Manufacturers Association
1301 National City Building
Dallas, Texas

Dear Mr. Branch:

Since you were here I have communicated with several of my directors in regard to an increase in our contribution to Texas Manufacturers Association. I have to tell you that we cannot see our way clear to pay more than we are now paying.

We are contributing so much in so many different directions that there is a strong feeling among our people that we ought to cut down somewhere. In addition to Texas Manufacturers Association, we are supporting the Southern Pine Association, Southern Hardwood Producers, Inc., National Association of Manufacturers, the Chamber of Commerce of the United States, the East Texas Chamber of Commerce, Southern States Industrial Council, etc., etc. This support in the aggregate is quite a burden, and while all of these agencies are no doubt doing good, there is probably some overlapping.

Yours very truly,

AT:ld

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Mr. E. G. Prud'homme | Arthur Temple | July 19, 1951

I presume you have received from the Southern Pine Association material prepared by Mr. O'Brien for the guidance of the Trade Promotion Committee in its meeting on July 23 and 24. In the event, however, you have not received this, I would like to send you that which came to me.

This material shows pretty well the various activities of the Trade Promotion Committee and what Howard O'Brien has in mind for the future. In other words, I think it gives a pretty good picture of the activities of ~~different departments~~ the department of S.P.A.

I think we are probably prone to criticize the work of the Trade Promotion Department without a full understanding of all that it is doing. At the same time I don't like their failure to carry the burden of the promotion of grain doors of wood, etc. On the whole, however, I feel that we need trade promotion, and I don't know of any agency better qualified for this effort than S. P. A. If it is not doing a job, then I think it is our responsibility in part to put it on the right track, and certainly we have an opportunity to contribute something to its direction with Temple Webber as a member of the committee.

I have told Herb Berckes that we will discontinue the voluntary contribution of 10¢ per thousand feet at both Diboll and Pineland. When he asked that we withhold final decision until after the Trade Promotion Committee meeting on July 23 and 24, I told him that we would hold an open mind, but as far as I can see now our discontinuance of the voluntary fee stands. For one thing I think that trade promotion ought to be supported by all subscribers even though I realize that some who will cut out within a few years don't have as much at stake as some of us who have a long life ahead of us.

Let me know if you did not receive the material prepared by Howard O'Brien for the committee meeting July 23 and 24.

AT:ld

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Mr. E. G. Prud'homme Arthur Temple July 20, 1951

Just one more word in regard to laminated 2 x 4, cross arms, etc: aside from all of the arguments pro and con I would like to see us slow down in our capital investments, because our operating capital is getting pretty low. Perhaps it would be more proper to say that our cash and the equivalent is getting down to a low figure. From day to day we don't know but what we might have to cash some of our $500,000.00 of Government bonds. Our accounts payable, $227,962.00 as of June 30th, are really deposits to the accounts of some of our larger stockholders, my sisters and myself, on which we draw no interest, and but for depriving the company of the use of that money I would like to make some investments in tax-free municipal bonds. I don't feel like doing it under the circumstances.

The whole point is that our cash has dwindled to a low figure because of plant improvement, the building of the shopping center, the purchase of land and timber, etc., etc. We have done an awful lot, and, generally speaking, I would like to slow down and permit our cash to build back up.

In this connection I wonder if it would not be advisable to defer the building of the tourist court at Pineland. True, it would be awfully nice to have a court something like the one at Diboll, but the one at Diboll stands on the books at above $19,000.00, and I daresay that a similar one at Pineland would run almost as much. I presume we can get by without a court, just as we have in the past, and having committed ourselves for as much as we have for the shopping center, I would really like to hold off on the court for awhile if it would be agreeable to you to do so.

Another thing, while the lull which we are experiencing may be temporary, we don't know positively just what the future market will be, and it is, of course, always harder to spend money when business is dragging than it is when demand is heavy and prices are strong.

AT:ld

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cc Mr. Arthur Temple, Jr.
Mr. Henry Spencer

# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

July 23, 1951

Mr. J. W. Hassell, Jr.
805 Magnolia Building
Dallas 1, Texas

Dear Mr. Hassell:

This will acknowledge receipt of your letter of July 21st with Temple Builders Supply, Inc. stock certificate #2 for 5,900.382 shares of the capital stock of that corporation issued to me as trustee; also copy of the trust deposit agreement to be executed by Temple Builders Supply, Inc. and Oil Field Lumber Company and a proposed form of participation certificate for the stockholders of Oil Field Lumber Company who have an interest in the 5,900.382 shares, represented by Temple Builders Supply, Inc. certificate #2.

Just as soon as I receive the duplicate originals of the trust deposit agreement from Henry Spencer, I will sign as trustee for the withheld stock and will send one to Henry Spencer and one to John Hintz and will send you a copy of my letters of transmittal, as you requested.

I call your attention to the fact that Temple Builders Supply, Inc. stock certificate #2 enclosed with your letter of July 21st is signed by me as president although it is dated July 23, 1951. It is my understanding that the directors of Temple Builders Supply, Inc. have accepted my resignation as president and that Arthur, Jr. has been elected president of the corporation. This is only heresay from Arthur, Jr., but if it is true, then I wonder if certificate #2 is valid.

Yours very truly,

AT:ld

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

July 25, 1951

Mr. E. L. Kurth
C/o Angelina County Lumber Company
Keltys, Texas

Dear Ernest:

I missed Mr. Ligon Smith of Texas Industrial Conference when he called on me some weeks ago, but I did read the material which he left.

We are supporting so many organizations at the present time that it is hard indeed to take on another one. In addition to our trade associations, Southern Pine Association and Southern Hardwood Producers, we are supporting the National Association of Manufacturers, the Chamber of Commerce of the United States, Southern States Industrial Council, Texas Manufacturers Association, Texas Lumber Manufacturers Association, the East Texas Chamber of Commerce, of course our local Chambers of Commerce, and there are probably others which do not occur to me at the moment. All of these organizations, I think, stand for the things we believe in, but I am inclined to think that there is probably considerable overlapping, particularly in the legislative field.

I would be inclined to follow you in almost anything which you might suggest, but, frankly, I don't see much point to our supporting Texas Industrial Conference when we are contributing substantially to Texas Manufacturers Association and Texas Lumber Manufacturers Association, both of which watch closely bills that are proposed at Austin and at Washington, and I wonder if TMA and TLMA are really not more effective because of the larger numbers they represent.

Sincerely yours,

AT:ld

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cc Mr. Arthur Temple, jr.

July 26, 1951

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

Josh came up to see me this afternoon with your letter cancelling Temple Cotton Oil Company's insurance. He was sick about this, as I knew he would be.

Josh insists that he does not want the business on the basis of friendship. He feels that he has given good service, and said that he knows that Temple Cotton Oil Company enjoys the lowest rates that are possible to obtain. He mentioned the number of losses which his companies had paid, including perhaps ten or twelve gins and the Arkadelphia mill, settlements on all of which were made on a very satisfactory basis to Temple Cotton Oil Company.

All I could tell Josh was that you felt it would be very much more satisfactory for you to deal with someone in Little Rock than at a distance. He thinks, however, that there is something else, and in order to satisfy himself I suggested that he might run up to Little Rock some time to have a frank discussion with you. Whether he will do that or not, I don't know, and I doubt if he is going to be satisfied with your decision because I think he honestly feels that he has served the account well. I wish there were some way to ease the blow.

Yours truly,

AT

AT:ld

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

July 28, 1951

Mr. H. C. Berckes
C/o Southern Pine Association
Canal Building
New Orleans 4, Louisiana

Dear Herb:

I am asking Arthur, Jr. at Diboll and Eck Prud'homme at Pineland to continue the ten cents per thousand feet voluntary contribution for trade promotion. Temple Webber, who attended the Trade Promotion Committee meeting the early part of this past week, was very favorably impressed with the program outlined and recommended that we continue our participation.

Yours very truly,

AT:ld

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I don't see any objection to sending this.

A. J.

Leave a receipt

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CC Mr. H. W. Walker
Mr. Arthur Temple, Jr.

# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

August 3, 1951

Mr. John E. Hintz
C/o Temple Builders Supply, Inc.
Mexia, Texas

Dear John:

Arthur, Jr. has told me a great deal about the situation at Odessa, particularly the $75,000.00 house or apartment building built for a Mr. Smith and the mingling of Vickers' personal affairs with company business, the employment of his wife as bookkeeper at, I believe, $250.00 a month, and the employment of his brother in the yard. Apparently, things are pretty involved out there, and the liability we have assumed on the house or apartment building of Mr. Smith's may not be the biggest thing.

I don't want to take any action immediately or for a few days on Arthur's recommendation, but I do think that an audit of the Odessa yard may be in order. There is no telling what may have been going out there for years, and if there has been any dishonesty or any loss protected under our fidelity bond, I think that we ought to take steps to determine it. To that end I would like to have your approval of engaging the services of Peat, Marwick, Mitchell and Company for this purpose, and I would like to know, too, the extent to which we are protected under our bond.

I know that you would be shocked to know that there has been anything irregular at Odessa, because I believe that you have always had utmost confidence in Vickers. It may be that he has not done anything strictly dishonest, anything which would be covered by our bond. It is, however, quite obvious from information I have now that Vickers has been guilty not only of poor judgment, as evidenced by the Smith deal, but has also been guilty of nepotism and the mixing of private business with company business to an extent that cannot be condoned.

Please don't say anything to Vickers about an audit. If we have one, I think that it should be sprung on him without notice to accomplish the best result.

Yours very truly,

AT

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple August 6, 1951

Please return

Apropos of our discussion yesterday, I think it would be very well to make a lease arrangement with the man you have in mind on the grocery store at Pineland, and if you can find someone of equally good reputation as to character and ability, I would like to see a similar arrangement on the dry goods, furniture, appliances, etc., in other words, to get out of the mercantile business entirely.

It is rather difficult for me to determine at this distance just what would be a fair rental arrangement on the several units. I think, however, that we ought to approach this on the basis of a fair return on our investment, and I assume that a percentage of gross business, which on the basis of present volume at the grocery store would give us $400.00 per month, would be fair.

I do not recall to what extent you propose to air condition units other than the drug store and grocery store already completed. I would suggest that this feature be eliminated as far as possible in the interest of economy, but I think I would put in ducts so that air conditioning could be installed later if it seemed advisable to do so.

I was very surprised at what you told me about store accounts. I can understand why some of our employees might owe substantial amounts for furniture and appliances, which would have to be paid off over a period of months on the instalment plan, but I cannot conceive of our permitting employees to owe upto $2,500.00 for groceries. If we are going to extend credit for food, it should be only on thirty-day accounts at the most. Anyone who allows his grocery bill to run past thirty days is, in my opinion, a very poor credit risk.

Have noted and agree 100% with your father.

AT:ld As I see it groceries should be cash

JJ

CC Mr. Arthur Temple, Jr.
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Mr. E. G. Prud'homme Arthur Temple August 6, 1951

Ed Price is quoting Carl on 300,000 feet of #1 Common and Better Sap Gum which we have in surplus at Diboll. I think he is quoting $100.00 on Common and Select and $120.00 on FAS, which prices are about $12.00 under the Memphis list.

I have talked to Ed about this inquiry and told him to tell Carl that we would be willing to meet any legitimate competition where we are not at a freight rate disadvantage. As scarce as money is and as much as we need to move hardwood at Diboll, I don't think that we ought to pay someone else for hardwood which Diboll has and is anxious to move. I wish, therefore, that you would please talk to Carl about this and arrange for us to have the order for Diboll either through this office or placed directly, whichever is the better way to handle.

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme

Arthur Temple

August 10, 1951

I intended to call you on the 4/4 Common and Better Sap Gum, but Ed has talked with Carl on the teletype and has told him that we are unwilling to meet $80.00 and $100.00 delivered Pineland on Common and Select and FAS respectively, and while I regret very much that we are not able to dispose of some of Diboll's surplus, but will on the other hand have to pay out $25,000.00 or $30,000.00 to someone on the outside, we are agreed here that we should be able to sell Diboll's stock to better advantage. Ed thinks he will not have to go below $90.00 and $110.00 f.o.b. mill, though he may have to hold the stock a few weeks longer.

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple August 10, 1951

The Texarkana National Bank called this morning and said that Pineland's account was overdrawn about $25,000.00. To cover this we are borrowing $50,000.00, but as Pineland's limit at Texarkana National Bank has been reached, I hope that it will not be necessary to go to them again, that on the other hand you will be able to realize sufficiently from your receivables and shipments to take care of your needs.

As I told you when you were here over last weekend, we advanced Pineland $295,000.00 in July and borrowed $100,000.00 additional making a total of $395,000.00, and Pineland's account increased on our books from $64,000.00 June 30th to $219,000.00 July 31st, an increase of $155,000.00. Since then we have borrowed this additional $50,000.00, but, of course, Pineland has made some shipments through this office which would act as a credit, how much I don't know. The point is, however, that Pineland has been spending lots of money and drawing on us heavily, has gotten to the bottom of the barrel and is going to have to depend upon its own shipments to take care of its needs in the future to avoid going deeper into debt. In view of the circumstances, why don't you draw down your balances at the two banks in San Augustine, the banks at Jasper, Hemphill and Newton, except for what you may need to take care of such operating funds as you need close by? According to your last statement you had something over $34,000.00 in these banks.

Of course, the amount advanced you in July including $119,000.00, an instalment on your income tax, and $42,000.00 for the purchase of timber. Even excluding these items, however, your demands have been heavy.

The best money to relieve the situation at Pineland would, of course, be a reduction in receivables. I wrote you along this line several days ago, calling your attention to several accounts on the books which I could not understand, and I stressed the advisability of keeping a very close check of our receivables, particularly at this time when there is a very definite lull in business generally and when our need is so great because of a very definite decline in the demand for our products and a resulting weakening in prices. I hope that you will see that our receivables are held to the very minimum and that they are kept on a current basis.

I wish that we were through with the shopping center. You said Sunday that you expected to be through with it about the middle of September, but can you estimate how much more money we will have to pay out on that?

AT:ld

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CC Mr. Arthur Temple, Jr.
Mr. H. W. Walker

# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

August 10, 1951

Mr. John E. Hintz
C/o Temple Builders Supply, Inc.
Mexia, Texas

Dear John:

I have your letter of August 6th in regard to the situation at Odessa. I cannot reconcile the figures in your letter, which were taken I believe from correspondence which Arthur sent to us, with figures which Arthur has given me in our conversations. However, I am sure that the facts are that the apartment building built for Mr. Smith at Odessa cost in the neighborhood of $75,000.00 for which Oil Field Lumber Company is holding the bag, and approximately $50,000.00 can be secured as a loan against the property ~~the~~ first lien, leaving about $25,000.00 uncovered and which we will have to carry with a second lien. I don't understand all about the A&M Lumber Company account, but there is considerable question in Arthur's mind as to whether their account was for material supplied on the Smith apartment job. Anyway, it is doubtful if we can segregate that account.

When Arthur was here a day or two ago, we agreed that he would not foreclose immediately but would give Mr. Smith until the end of this calendar year to arrange for a loan covering the balance over $50,000.00, which would take care of us. We thought this would be the better arrangement than to foreclose immediately, because Mr. Smith is in a better position than we are to handle the property, get an additional loan or sell it and would be more interested in doing something along this line if he could save it. Arthur seemed to think, though, that there would be less probability of our segregating the A&M account this way than by foreclosing now.

Everything may be on the up and up at Odessa. I don't know and neither does Arthur. It is true, though, I think, that Vickers has operated the yard for Oil Field Lumber Company for a number of years without much supervision, he has been engaging in business for his own account as well as for Oil Field Lumber Company, and I think we should probably have an audit to satisfy ourselves that everything is all right and also in justice to Vickers. When the time is right, I will arrange for an audit, but please don't say anything to Vickers about it.

I am disappointed to know that our managers have been covered by a fidelity bond for only $3,000.00. That amount in all probability would not cover any loss which we might have at Odessa or elsewhere. I am sure that Temple Builders Supply employees

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are bonded, but that would make no difference in the case of Odessa because anything which may have occurred would have been before Temple Builders Supply took over.

Sincerely,

AT:ld

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GENERAL OFFICE:
MEXIA, TEXAS

YARDS:
MEXIA
ODESSA
RICHLAND
BRECKENRIDGE
GRAND SALINE
MONAHANS
SEAGRAVES

OIL FIELD LUMBER CO., INC.
BUILDING MATERIALS

TELEPHONE 425

MEXIA, TEXAS

8-6-51

*_*%L

Mr. Arthur Temple,
Texarkana, Texas.
Dear Arthur:-

Referring to your letter ofthe 3rd: it is more than a surprise or shock. Arthur Jr. was here last week on his way to Odessa and said he would let me know about the situation after his visit. Both of us were very unhappy about the Smith deal. So far I have not heard from him, andno doubt he is spending more time there than he anticipated. Assume most of your information is based on the correspondence from Vickers which was copied off sent to us on or about July 3oth. There should not be any objection to an audit, unless you know of something that may be irregular other than that the Smith account has gotten so large; in that event, I agree with you to wait a little while to get it better in hand. On the other hand, I think Vickers is not guilty of any intentional wrong doing but probably used bad judgment in some or many respects, but you can never tell what influences may be strong when you do some things or are confronted about going ahead or passing it up. Apparently there were some changes and suggestions made that made them go ahead and not stick to the rule of taking and completing one unit at a time, as planned, and done in the past, which would have worked out satisfactorily, we think. Getting the shole thing stacked up in one lump sum made it difficult for the contractor and the yard and the probability is that it will be difficult to raise the difference in a few days. Rather than to force the deal I think it would be well to see if it cannot be worked out along the ;ines that the correspondence from Arthur Jr. indicates. Your letter mentions the Smith job as $75,ooo.oo still the letter indicates $48,375.6o, including the $1o,ooo.oo borrowed from the Bank. This of course does not include the furnishings and the amount list be others, especially the A&M Lumber Co. What was found out about their $4763.38? Unless I am badly mistaken I think we would get more money out of the deal by following the outline made incopy of the Odessa letter sent to us by Arthur Jr. I am inclined to think that is what he is doing since I haven't heard anything from him.

We had a letter in early May from the Odessa yard saying "have commitment here in file for a loan approved for him for $5o,ooo.oo", meaning Smith. The April 3oth, 1951 Trial balance showed a debit of Smith account of approximately $35,ooo.oo. The May 31st , 1951, Trial Balance showed Smith's apts $37664.67 and also a lot listed as #2 in the amount of$1212.63. May 31st is the last Trial balance.

Yours truly, John

P.S Our records show that Oil Field Lumber Co. paid Mrs. Vickers $175.oo per month, not $25o.oo as indicated in your letter. The Bond for each manager amounts to $3ooo.oo the papers were sent to Lufkin a short time ago before this matter came up and I assume they renewd it.

CC Mr. Arthur Temple, Jr.
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Mr. E. G. Prud'homme | Arthur Temple | August 15, 1951

In order to determine where the money has gone and why Temple Lumber Company has had to borrow $150,000.00 in addition to owing Southern Pine Lumber Company $219,460.00 as of July 31, 1951, I compared the combined financial statement for the mill and yards for July 1951 with that for July 1950. The results were quite interesting.

I found that inventories at the mill and yards were up $672,000.00, cash was up only $37,000.00, prepaid expenses were up $179,000.00 and timber was $238,000.00. Plant and equipment at Pineland alone was up $308,000.00, $275,000.00 for the mill and yards combined, making the overall increase at the mill and yards approximately $1,400,000.00. On the other hand, notes and accounts payable overall were reduced $170,000.00.

In addition to the above, we paid a dividend of $323,000.00 and had a tax liability of approximately $600,000.00, of which I believe but $119,000.00 has been paid.

With these figures it is not very hard to see where the money has gone, but I am surprised at the increase of $308,000.00 for plant and equipment at Pineland, but then I presume the figure of $986,046.00 on the July 31, 1951 statement for the mill and yards combined must include the new shopping center, because I don't know where else it could be. Otherwise, I cannot understand such a big increase in this item.

You may have already made such a comparison, but if not, you may be interested in these figures to see why we are in a tight in spite of the fine profit we have made the past several years and in spite of a rather conservative dividend policy. Incidentally, the combined statement for July shows a ratio of current assets to current liabilities of better than six to one, which is a very healthy condition, I think, in spite of what the company owes to the bank and Southern Pine.

AT:ld

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# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

August 17, 1951

Mr. H. W. Spencer
C/o Temple Builders Supply, Inc.
Diboll, Texas

Dear Henry:

I am indeed glad to learn from your two letters of August 16th that you had what appears to be a very successful visit at Odessa. I want to thank you for writing me in such detail about the way you handled the Smith apartment house deal and about conditions at the yard.

I am particularly glad that you do not feel there has been any downright dishonesty at Odessa but rather questionable ethics due to a lack of guidance and supervision. I cannot help but believe that Vickers will do all right for Temple Builders Supply, Inc. under your supervision and with certain definite rules and methods to follow. At any rate, I am glad that you intend to give him a trial.

I think it would be a salutary thing both from the standpoint of Oil Field Lumber Company and Temple Builders Supply stockholders to have an audit at the Odessa yard. I am writing Arthur suggesting that he arrange for Mr. Carl Rode of Lufkin to do this work at his earliest convenience.

Yours very truly,

A. T.

AT:ld

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August 20, 1951

Mr. John G. Curren
Carondelet Building
New Orleans 12, Louisiana

Dear John:

Yes, I was very happy to learn from Mr. Tripp that the unfair labor practice charge against Temple Manufacturing Company had been withdrawn; particularly is this so in view of the implications stated in your letter of August 18th.

I am not at all familiar with the charge which was brought against Temple Manufacturing Company. If Mr. Tripp ever told me about it, I have forgotten it, and I would indeed like to know more of the circumstances, preferably from you, and will look forward to discussing the charge the first time our paths cross.

With kind regards,

Sincerely yours,

AT:ld

CC Mr. Arthur Temple, Jr.
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Mr. G. S. Smith Arthur Temple August 23, 1951

I am indeed sorry to learn from your letter of August 22nd that Mr. Nichols, the revenue agent, has reported that the timber section of the Internal Revenue Department in Washington had kicked back his report on our 1947 and 1948 returns because of the fair market values we used; also, they want to give effect to timber growth as of January 1947 for the period of time from January 1, 1940 through December 31, 1946.

I can go to Diboll any day next week for a conference on this matter and suggest that you arrange a time that is agreeable to Mr. Nichols. I usually prefer to make such trips the early part of the week and suggest that I drive down next Tuesday morning, arriving in Diboll in time for lunch, and then we can meet with Mr. Nichols Tuesday afternoon after you, Arthur and I have had an opportunity to discuss the matter, or if you think it better, we could arrange to meet with Mr. Nichols Wednesday morning. I would, of course, like to go over this with you and Arthur before conferring with Mr. Nichols, and, too, I think that it might be well for me to bring Bob Waite or Aubrey Canon with me. Let me know as soon as possible when you want me to be there so that I can make my plans accordingly.

The enclosed, received this morning, may be of interest in this connection.

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. M. H. Tripp Arthur Temple August 23, 1951

I have had some correspondence with Frank Taylor of Peat, Marwick, Mitchell and Company, Dallas, about an audit for Temple Manufacturing Company, and he has come back with an estimate of $2,000.00 as the cost for the work, in fact, said that he would be willing to guarantee that the cost would not run over this figure and added that at the rate of $6.50 per hour, their new advanced rate for senior and junior accountants, the total would probably exceed $2,000.00, which they would have to absorb under the guarantee.

I would hate like everything to go to this expense if it was not fully justified. I know that you have opposed an audit for Temple Manufacturing Company on the ground that your organization is small and all of the accounting is concentrated at Dallas, but it does not seem consistent for us to have regular annual audits for Diboll, Pineland, Houston, and leave Dallas out. However, I am thinking very seriously of doing away with an audit for Southern Pine and Temple Lumber Company this year, because our business has slowed up considerably, and when it does, we watch our expenditures more closely than when business is booming. Also, our cash has dwindled over the past year or two when we have been making so many capital improvements at the mills, our inventories are greatly increased, and, considering everything, I am not much in the mood to pay out any money that cannot be fully justified.

I would like for you to give me your honest opinion about an audit for Temple Manufacturing Company for the fiscal year just concluded. I don't believe we have had one for Temple Manufacturing Company since 1948, and maybe such an audit once in three years would not be out of line, and the expense, say it is $2,000.00, would not be so heavy when figured against a three-year period, or a little less than $700.00 per year.

Arthur, Jr. has recommended very highly a CPA in Lufkin who was formerly with Ernst and Ernst at Houston, and I believe he said he was their head man there. He has done some work for Arthur, and Arthur likes him very much. I have asked Arthur to find out what his hourly rate is with the thought that we might use him in place of Peat, Marwick, Mitchell. It is my thought that we might use this man or his firm on a number of jobs for our several companies.

AT:ld

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CC Mr Arthur Temple Jr.

**Mr. G. S. Smith** **Arthur Temple** **August 27, 1951**

**I have your letter stating that you have made an appointment for us to meet with Mr. Nichols tomorrow afternoon, Tuesday, August 28th, at 2:00 P. M.**

**Bob Waite and I will leave here at about seven o'clock tomorrow morning, arriving in Diboll at about eleven o'clock, possibly in time for a little conference among ourselves before lunch.**

**AT:ld**

Mr. Rodgers passed away last night after a rather drawn out illness in Saint Michael's Hospital. His brothers are driving over from Dallas this morning, and we don't know when the funeral will be but presume that it will be tomorrow. I would like to be here to pay my last respects to Mr. Rodgers but am not changing my plan to be in Diboll tomorrow in view of the fact that an appointment has been made with Mr. Nichols. Wish you would please tell Ann about Mr. Rodgers' passing.

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CC Mr. Arthur Temple, Jr.

August 31, 1951

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

The Texarkana Gazette phoned me a little while ago to get some information about the gin at Wamba, which they said burned this morning at three o'clock. I could not give them very much information but suggested that they get in touch with Buettner, but, as you know, he is hard to contact. I did suggest that they might call Offenhauser and get some information from them.

I understood from the party at the Gazette with whom I talked that the gin was a total loss, but the fire department was able to save the seed house. I don't know that the seed house will be worth much to us without the gin. Anyway, I hope the gin was well insured, but I am inclined to think that this is a grievous loss to us because I am sure that you expected to get a good many seed at Wamba for Hope, and if the gin had to burn, it is too bad that it burned at this particular time, right at the beginning of the season.

When convenient I wish that you would write me particulars as to what the loss is, the amount of insurance, etc.

Yours very truly,

AT:ld

Josh said he had 3000 on hand. I had 2000 on Mckay Wood on engine.

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

September 3, 1951

Mr. Henry Bahr, Secretary
Forest Industries Committee on
Timber Valuation and Taxation
1319 Eighteenth Street, N. W.
Washington 6, D. C.

Dear Mr. Bahr:

In writing you on August 30th I probably should have suggested a scientific basis for determining the fair market value of stumpage rather than a definite formula. I doubt if formula is the right word.

Supplementing the remarks in my letter of August 30th, I might suggest that the average of Government sales in the respective areas where Government timber is sold would probably be the best criterion of fair market value. I believe the Government sells more timber than all other sellers combined, its sales are more representative and their sales prices are generally known. If they were used to determine fair market value, there would be no question or argument, no doubt on the part of the taypayers when making out their tax returns.

Yours very truly,

AT:ld

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Nina o
Please me
Money if
any thanks

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

September 8, 1951

Mr. Fred Hansen
C/o Minnesota Mutual Life Insurance Company
156 East Sixth Street
Saint Paul, Minnesota

Dear Mr. Hansen:

I have been requested by my son, Arthur Temple, Jr., Vice President of our Company at Diboll, Texas, to write a foreword for the booklet to be distributed among the employees of Southern Pine Lumber Company and Temple Lumber Company, describing the coverage under the group life, health and accident policies with Minnesota Mutual Life Insurance Company and Inter Ocean Insurance Company. The enclosed is what I have drawn up for that purpose.

I am not very familiar with the details of the policies, and I wish that you would read the enclosed with a critical eye and make any changes which you feel are in order. I have in mind particularly the phrase with respect to hospitalization benefits only for dependents of employees: I don't know whether benefits are limited to hospitalization for dependents or not.

I am submitting a copy of the proposed foreword to Mr. E. G. Prud'homme, Vice President of Temple Lumber Company, Pineland, Texas, and Arthur Temple, Jr., Vice President of Southern Pine Lumber Company, Diboll, Texas, with the request that they wire me Monday if they have any changes to suggest. If they do, I will pass their suggestions on to you by telegraph or air mail. Otherwise, if you do not hear anything further from me by, say, Tuesday, September 11th, you may proceed to have the foreword printed as submitted or revised by you.

Yours very truly,

AT:ld

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# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

TO ALL EMPLOYEES:

We have all seen the benefits which can be derived from Group Hospitalization Insurance. When we unite as an organization to purchase this protection from a reliable company, we are able to safeguard ourselves from large financial loss occasioned by hospital care which we and members of our family generally must face sooner or later. Through a cooperative group plan, it costs us only a few cents a day.

Likewise, Group Life Insurance is a most sensible and most economical means of protecting our families in event of death.

We have been able to work out a plan with the Minnesota Mutual Life Insurance Company and the Inter Ocean Insurance Company which provides us with all the benefits of Life, Hospitalization and Surgical Benefits for our employees, and also with Hospitalization Benefits for our dependents. We believe this is most worthwhile. The Company is sharing in the cost of the insurance, and we know that you will be glad to cooperate and make it a success. It behooves each and every one of us to use it only when necessary and to hold claims to a minimum in order that the cost will not be increased, because the ultimate cost of this insurance is determined by the aggregate claims paid.

This plan is a practical expression of the goodwill we hold toward our employees. It is hoped that it will give each of you a greater sense of security and satisfaction in your work with Southern Pine Lumber Company and Temple Lumber Company. This booklet explains the benefits as provided; we suggest that you read it carefully and keep it for future reference.

Sincerely yours,

President

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

September 11, 1951

Mr. Fred Hansen
C/o Minnesota Mutual Life Insurance Company
156 East Sixth Street
Saint Paul, Minnesota

Dear Mr. Hansen:

I have received several suggestions in connection with the foreword which I drew up to be inserted in the booklet to be distributed among our employees, covering the life, hospitalization and surgical benefits under the policies with Minnesota Mutual and Inter Ocean Insurance Company. Accordingly, I have wired you to hold up the printing of this foreword and wish that you would please change it as outlined in the following.

In the second sentence of the first paragraph, instead of saying "When we unite as an organization" please revise this to read "When the employees of our several companies buy this insurance together from reliable companies."

Please change the last sentence in the third paragraph, which begins "It behooves each and every one of us" to the following "Because the final cost of this insurance is determined by the total claims paid, it behooves each and every one of us to use it only when necessary and to hold claims to a minimum in order that the cost will not be increased. If we use this insurance when we shouldn't, it will cost us more in the next year."

And in the last paragraph instead of using the names of Southern Pine Lumber Company and Temple Lumber Company, please substitute "Temple Industries". This is suggested in view of the fact that other than Southern Pine Lumber Company and Temple Lumber Company employees are covered, and Temple Industries would be more comprehensive and include all.

I think, too, it would be well to leave out "Sincerely yours", and instead of "President" under my signature, use "For the Temple Industries."

I hope that these changes will not inconvenience you too much, but I believe the changes suggested will make a better foreword.

Yours very truly,

AT:ld

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CC Mr. Otis Dunagan
Mr. Arthur Temple, Jr.

# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

September 17, 1951

Mr. D. C. Kenley
Diboll, Texas

Dear Dave:

I am enclosing two leases in favor of Bobby Manziel, one covering 82½ acres and the other 125 acres in Anderson County.

Mr. Dunagan at Tyler has called me several times about these leases and apparently is very anxious to have them in hand. I have been delayed in signing them because of a trip to El Paso the latter part of last week, and under the circumstances hope that you will get them off to Mr. Dunagan without further delay.

Yours very truly,

AT:ld
Arthur: Mr. Dunagan is very anxious for these leases. Said that he had agreed with Dave on the bonus to be paid, etc. about a month ago, and the well he is to drill is being held up. Suggest that you get in behind Dave to see that he gets the leases off to Mr. Dunagan right away.
A.T.

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CC Mr. Arthur Temple, Jr.

September 22, 1951

Mr. Stanley F. Horn, Editor
Southern Lumberman
917 Berryhill Street
Nashville 3, Tennessee

Dear Mr. Horn:

I appreciate very much your sending me a marked copy of the Southern Lumberman for September 15th, which carried a story by H. E. Bovay, Jr. and Richard B. Robertson on our new treating plant at Diboll. This is, of course, very interesting to me, and I appreciate the nice publicity which you have given us.

With kind regards,

Sincerely yours,

AT:ld

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PUBLISHED SINCE 1881 IN THE CENTER OF THE WORLD'S PRESENT AND FUTURE SUPPLY OF HARDWOOD, YELLOW PINE AND CYPRESS

ANNUAL SUBSCRIPTION:
ESTIC $5, FOREIGN $7

SOUTHERN LUMBERMAN

J. H. WHALEY, PRESIDENT
STANLEY F. HORN, EDITOR

917 BERRYHILL STREET
NASHVILLE 3, TENNESSEE

September 17, 1951

Mr. Arthur Temple
Southern Pine Lumber Company
Texarkana, Texas

Dear Mr. Temple:

We are today sending you, marked for your personal attention, copy of our issue of September 15th, on pages 41-42 of which appears an article regarding your new wood treating plant, supplied us by Mr. H. E. Bovay, Jr.

You evidently have a very complete and efficient plant, and you have our best wishes for its successful operation.

With best wishes, we are

Yours very truly,

SOUTHERN LUMBERMAN

By Stanley F. Horn

SFH:vn

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CC Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple September 22, 1951

I told Katherine on my return last night about the desk which you and Carl so graciously offered to build for her, and from my description of it she does not think that it will be satisfactory for her purpose. Please, therefore, don't go ahead with it unless you have already started; in which event, let it come on, and I will try to show her that she can use it to advantage.

I enjoyed my visit with you in Pineland. I am going to try to make my visits more frequent than I have in the past, because I do want to keep in closer touch with what is going on, not only in Pineland but also at Diboll and Houston. I am thinking that I might spend about one week every month visiting Pineland, Diboll and Houston to obviate the necessity of moving to Lufkin in order to be closer to the business.

As for the two tracts of young timber which we talked about Thursday afternoon, I am disposed to buy them or not, according to your judgment. I wish, though, that you would repeat the information which you gave us, the acreage involved, what is on the ground, etc. I would like to consider these purchases a little further in my own mind. While it is true that almost every purchase of young growing timber in the past has turned out to be a good buy, we have had the benefit of inflation; and it may be that inflation has pretty nearly run its course, although from everything I read we can look forward to continued inflation for several more years, certainly as long as the rearmament program is in progress and the Government is spending more money than it is taking in. Generally speaking, I think the best time to buy young timber, or anything for the long pull, is during depressions, and my thought has always been that we should accumulate cash to be prepared to take advantage of such opportunities. During the last depression, you will recall, we were over-expanded, were hard pressed for cash, and instead of being in a position to take advantage of bargains were forced to sell a lot of our cutover land to the Government at a price which now appears to be ridiculous. If we had had the money during the last depression, just think of what we could have done with it. Another depression is coming just as surely as God made little apples, and it is apt to make the last one look like a boom.

I don't know that we reached any definite conclusion as to the price to bid on the Government timber. I suggested $40.40, but I believe that you were inclined to bid in the neighborhood of $42.00, which is all right with me. Your judgment is better than mine. I would be interested to know what price you do put in and, of course, would be interested to know what the high bid is and who makes it.

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple September 27, 1951

I am sorry to learn that you are having trouble with our group insurance, as indicated in your letter of September 25th to Arthur and copies of letters you have written Mrs. Ralls, which you sent to him and to me.

Of course, we all know from past experience that Mrs. Ralls is very unsatisfactory to deal with. I think she has always made statements which her company, Minnesota Mutual, has been unwilling to back up, but I should think that our contract with Minnesota Mutual and also with Inter-Ocean should set out in definite terms just what their obligations are, and I wonder if the trouble you are having is not perhaps due to the fact that the policies have not been in force long enough for everything to be clearly understood. I don't know anything about Inter-Ocean, but I presume they are a responsible company just as Minnesota Mutual is, and they can be depended upon to pay what they are supposed to pay on the various claims. In other words, we should have policies with Minnesota Mutual and Inter-Ocean setting clearly their obligations so that our dealings with Mrs. Ralls should be negligible.

I can appreciate your feeling as to the effect all of this may have on our employee relations. However, I don't see much reason for it. I hope that everything will be straightened out to your entire satisfaction and that of our employees shortly.

AT:ld

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October 2, 1951

Mr. C. G. Gribble
649 Logansport Street
Nacogdoches, Texas

Dear Mr. Gribble:

I am sorry that I do not have a copy of the last financial statement of the Texas Southeastern Railroad Company, but I am asking Mr. C. A. Jordan, Treasurer, to send you one.

There is not what you might call a market value for TSE stock. I don't know of any that has been sold in recent years, and, as you well know, the railroad has not paid a dividend: consequently, it would be very difficult to say what the stock is worth. However, my son, Arthur, Jr., has been taking a keen interest in the TSE, and he may be interested in making you an offer for your stock. I do not know of anyone else whom I might suggest as a likely prospect.

I have always regretted that you sold your Southern Pine Lumber Company stock and particularly at the time you sold it. We have been paying dividends on that stock regularly, and it has a value far in excess of what you received. However, I can well understand your reasons for selling and will admit that things did not look too bright back in the early and mid-thirties.

With kindest regards,

Sincerely yours,

AT:ld

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October 2, 1951

Mr. C. A. Jordan
C/o Texas Southeastern Railroad Company
Diboll, Texas

Dear Jordan:

I have a letter from Mr. C. G. Gribble, 649 Logansport Street, Nacogdoches, Texas, asking if there is any prospect of a dividend from the Texas Southeastern Railroad. I am telling him that I do not see any prospect of a dividend any time soon but am suggesting that Arthur, Jr. might be interested in making him an offer for his stock, which I believe consists of 31 shares.

I told Mr. Gribble that I would ask you to send him a copy of the last financial statement. I am sure that he would like to have this if he is considering the sale of his stock, and I think it is a good thing for him to have a copy of it anyway.

The thought has occurred to me that if Arthur, Jr. or some other individual stockholder is not interested in buying Mr. Gribble's TSE stock that the railroad might take it in. I hardly know, though, what to suggest to offer him. I am unable to find any statement of the financial condition of the TSE in my file, but I do have a pretty good idea of its condition, and under the circumstances would not be averse to offering him par or anything up to that figure. You might discuss this with Arthur, Jr., and then have Arthur, Jr. write Mr. Gribble either on his own behalf or for the railroad.

I don't know whether you know Mr. Gribble or not. He was connected with Southern Pine in the early days when he acquired Southern Pine and TSE stock. He sold his Southern Pine stock in the last depression to Joe Kurth at a considerable sacrifice. He has been working for Frost at Nacogdoches, but according to his letter had to quit working in July 1948 on account of a heart condition and has not been able to do anything since. I have always had, and have now, a very sympathetic feeling for him and would be disposed to help to any reasonable extent.

Yours very truly,

AT:ld

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Mr. E. G. Prud'homme Arthur Temple October 3, 1951

To the end that we may know just how much it would cost to carry out at Pineland the bonus plan suggested by McNair for the retail yards, I wish that you would do some figuring on this and let me hear from you as soon as you are in a position to estimate the cost. This is something that I think we will want to discuss at our annual meeting on October 17th, and the sooner we have the estimate of cost the more thought we can be giving to a bonus prior to the meeting.

I don't know just what the regulations of the Wage and Salary Stabilization Boards say about resuming a bonus after giving it up for one year. I haven't seen anything on this. I do know that these Boards have given the green light to bonuses which carry out a definite plan or policy which has been followed in the past: anything other than that has to be given a specific approval. I have written the Dallas office of the Wage and Hour Division for all of the pertinent regulations and hope to be fully informed by the time of our meeting.

AT:ld

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cc Mr. Arthur Temple, Jr.

Mr. E. G. Prud'homme Arthur Temple October 4, 1951

I am glad that you were not disappointed in losing the Government timber near Pineland at the price bid by Sturgis. I am never disappointed greatly when we lose Government timber at the high prices at which it sells, because there is always the question in my mind whether we can come out whole on it, and in our present position when we are short of cash it always hurts to put out a lot of money for purchased timber when there is a question of how we are going to come out on it and when, as a matter of fact, the chief advantage to buying it is to permit our own timber to grow.

It does hurt to have people like Stone and Sturgis, who are not working on the Wage-Hour Law, beat us. I wish that there was some way that the Government could restrict bidding to mills which are complying with Federal laws.

AT:ld

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October 12, 1951

Texas Forest Service
A. & M. College
College Station, Texas

Gentlemen:

We would like to have a quantity of "Keep Texas Green" folders, as per the enclosed, in order that we may distribute them in our mail to customers and others in Texas. We hardly know what to suggest as to the number, but you might send us 500 for a start.

If there is any charge for this folder in the quantity named, please let us know, and we will remit promptly.

Yours very truly,

SOUTHERN PINE LUMBER COMPANY

AT:ld

Arthur: This refers, of course, to the folder which I received from you this morning. I think this is very good and is something we should help to distribute.

A.T.

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

Mr. D. G. McNair Arthur Temple October 18, 1951

I am not at all sure that what we did yesterday at Pineland with respect to a bonus for employees at the yards and the mill is in compliance with regulations of the Salary Stabilization Board and the Wage Stabilization Board. I do think, therefore, that it would be advisable to check with the regional offices of these Boards or your attorney for an interpretation of the regulations, because it is my understanding that if we should be in violation of them we stand the risk of having not only what may be paid out in bonuses or increases in wages disallowed as expense items on our income tax return but also the total wages of all employees who participate. That is drastic, and I doubt if anyone would subject us to such a penalty, but it does certainly behoove us to be sure of our ground.

The question in my mind is whether the overall bonus would exceed what we have done in the past. I am somewhat concerned, too, as to whether we are in the clear when we did not pay a general bonus at the yards last year but only to certain managers and key men: however, on this point John Curren has assured Eck that the omission of a bonus one year does not preclude the employer from resuming a bonus payment following generally the program of previous years. I do want to be as sure as we can be that what we do is in accordance with the regulations.

Inasmuch as Pineland is also effected and Diboll will be later on, I will appreciate your passing on to Arthur, Eck and me any further information that you may get concerning the clarification of the regulations.

AT:ld

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

October 19, 1951
Dictated 10/18/51

Mr. Frank C. Taylor
C/o Peat, Marwick, Mitchell and Company
Mercantile Securities Building
Dallas 1, Texas

Dear Frank:

At the meeting in Pineland yesterday at which I told you we would discuss the question of an audit for Temple Lumber Company, Pineland and Houston, and Southern Pine Lumber Company, Diboll and Texarkana, for 1951, it was the consensus that we ought not to have it at the charge which you proposed in your letter of June 22nd, namely, at an average charge of $6.25 per hour with a guaranteed maximum overall fee of $18,750.00 plus expenses or with a guaranteed maximum overall fee of $20,750.00 if expenses are included.

Our business is not as good as it was, and, as a result, there is more of a disposition to examine more closely all items of expense. Furthermore, I feel that we may be able to get qualified accountants to do such work at a lower cost. In any event, we have not decided definitely to have an outside audit for 1951 and will give the matter some further consideration before coming to a definite conclusion.

With kind regards,

Sincerely yours,

AT:ld

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Mr. E. G. Prud'homme | Arthur Temple | October 19, 1951

Mr. Charles Jennyss, representing National Precinct Workers, Inc. of Chicago, was in to see me several days ago. I intended to talk about his appeal when in Pineland for the meeting, but there were so many other things to discuss that I did not get around to it.

This fellow gave me the impression that you had been favorably impressed by what he had to say about his organization's work against Communism and the opposition of labor leader racketeers to the Taft-Hartley Act and efforts generally to uphold the free enterprise system, etc. If this man did make a favorable impression on you and you feel that we should contribute to the work of his organization, please let me know. Otherwise, I will understand that you feel,pretty much as I do,that this may be something of a racket.

We contributed to National Precinct Workers, Inc. some years ago when we were told that they were working for the election of sound men to Congress or men who think along the lines we do. Frankly, they were working for the election of Republicans in the North and East in what might be termed doubtful states, and I believe it was in 1948 when I was very anxious to have a Republican Congress elected, and of course a Republican President. Since then, I have been turning them down. Now it seems that they have gone off on another tack and are opposing Communism and radicalism among the laboring people.

This fellow did show me photostatic copies of checks from Edens-Birch for $250.00, Bradley Lumber Company for $500.00 and, as I recall, one for $500.00 from Grogan and maybe one for the same amount from Trinity River Lumber Company. Apparently, he has been doing a good job of selling his cause to some of the lumber manufacturers in our section.

AT:ld

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

Mr. D. G. McNair | Arthur Temple | October 20, 1951

I am glad that you have contacted the Stabilization Boards as well as Mr. Babel, your attorney, with respect to the bonus which we proposed to pay to the employees of the Retail Division. It is well, I think, to be sure of our ground and not run the risk of the penalty which would result from violation of the regulations.

It may be that the payment of a bonus to those who received bonuses last year and set up a reserve for a bonus to be paid other employees will be all right. From what you say I presume that the regulations to be issued will set out clearly just what we can do, and in the event we cannot pay a bonus to employees who have not received it before, we will just have to govern ourselves accordingly.

I wish that you would continue to keep Arthur, Eck and me advised. It would be very helpful I think if you would have the Salary and Wage Stabilization Boards in Houston send them and me any additional or revised regulations that may come out.

AT:ld

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

Mr. D. G. McNair Arthur Temple October 24, 1951

I was awfully sorry to learn of the fire at the Denton yard, which resulted in almost a total loss. However, if any of our yards had to burn, Denton is not a bad point for us to lose because we have not been too successful there. Then, too, if we are to have a substantial loss, perhaps it is better to have a complete loss, which will help us in our decision whether to rebuild or take our money and put in a yard at some more desirable point.

As I told you on the 'phone this morning, I am leaving Friday night for Washington and New York to be gone about ten days. As a matter of fact, will be back on the morning of November 4th. Next Sunday and Monday I can be reached at the Mayflower Hotel in Washington, and from then until the following Friday evening, November 2nd, can be reached at the Commodore Hotel, New York. However, I don't anticipate that anything will come up which will require you to get in touch with me.

I am inclined to take the money we will get for our insurance and from the sale of our property at Denton, which you said was a very valuable piece of property in the downtown area of Denton, and either buy or put in a yard at some good town in the Gulf Coast area, some town like Port Lavaca or Pasedena. Pasedena has been very well spoken of, but it may be that we are too late there. Then, too, I don't believe you have been too favorably impressed by the prospects at Port Lavaca.

As I told you on the phone, to right ahead and do whatever you think is best if any quick, on the ground decisions are required.

AT:ld

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CC-Arthur Tempple, Jr., Diboll

October 26, 1951

Clover Manufacturing Company
Norwalk, Connecticut

Attention of Mr. Henry French
Sales Promotion

Gentlemen:

We are referring your letter of October 18, together with the catalog which you sent us, to our Diboll, Texas, mill. This is only the sales office and all such items as you produce are bought at the mill.

Yours very truly,

SOUTHERN PINE LUMBER COMPANY

AT:mok

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WAREHOUSES
CHICAGO
SAN FRANCISCO

E. B. GALLAHER, GENERAL DISTRIBUTOR

CABLE ADDRESS
"CLOVER"
NORWALK

# CLOVER MANUFACTURING CO.

NORWALK CONNECTICUT

SINCE 1903

October 18, 1951

Southern Pine Lumber Company
Texarkana, Texas

Attention: Mr. Arthur Temple, President

My dear Mr. Temple:

All of us here were naturally gratified to note your appreciation of Mr. Gallaher's monthly CLOVER BUSINESS LETTER, as evidenced by your request for extra copies. This has certainly brought a tremendous response from people all over the country who are joining in this struggle to preserve the Basic Americanism of Free Enterprise.

And we are managing to thrive on what is still left of that same competitive Free Enterprise. Therefore, we hope that you will bear with us in a rather natural interest in the possibility of supplying your Company with certain coated-abrasive items.

We are sending you herewith a copy of our new catalog which covers a complete line of highest quality and at generally lower prices. Of course, we would be very glad of the privilege of quoting on your requirements.

We are asking our representatives, Lynn & Hemphill of Dallas, to call on you the next time one of them is in Texarkana, and we hope that you can give him a few minutes of your time to advise how he should proceed in submitting the Clover Story to your people.

Truly yours,

CLOVER MFG. CO.

Henry French

Henry French
Sales Promotion

HF/hvg

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

Arthur Temple

November 7, 1951

On next Tuesday, November 13th, the citizens of Texas will be given an opportunity to vote on a number of proposed amendments to the Constitution of Texas. One of these which is generally considered to be particularly obnoxious is House Joint Resolution #6 raising the ceiling for old age assistance.

I am sure that you are familiar with this proposed amendment and that you are opposed to throwing open the old age assistance rolls even to permit aliens and people outside of the State who are 65 years old from coming to Texas and qualifying. I hope, therefore, that you will be sure to vote against this proposed amendment and use your influence with others to have them do likewise.

AT:ld

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DIOCESE OF TEXAS
Rt. Rev. Clinton S. Quin

November 13, 1951

C
O
P
Y

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

Dear Arthur:

I stopped by Lufkin last Saturday, and they told me you were knocked out for a little while, and then all of a sudden I hear you show up in Lufkin Sunday. Sure glad you are all right.

I hope you boys can do something about getting that new location for St. Cyprian's Church for several reasons. Would like to talk to you all sometime when we can get together.

May I also put in a thank-you for that Lectern Bible. You have no idea how much things like that count in the life of a Church.

Howdy to the family and God bless you all.

Faithfully yours,

Clinton S. Quin

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cc Mr. Arthur Temple, Jr.

November 14, 1951

Dear Bishop Quin:

I did intend to be in Lufkin last Sunday for the dedication of the Lectern Bible which I gave to Saint Cyprian's in memory of my father, but was prevented from being there by an illness which I contracted on my way back from New York. I think the dedication may have been postponed, and if so, I will try to be on hand for that occasion. Incidentally, it was a pleasure for me to give the Bible, which was something that was apparently needed, because I have a real affection for that parish in view of my children's association with it.

Arthur, Jr. spoke to me about a site for a new location for Saint Cyprian's, and while I cannot see the need for another location or a new church building, I would be disposed to cooperate in any reasonable manner. However, the land which we are developing just south of Lufkin, and which was mentioned as a site for the new church, is a partnership proposition, and there are others involved who might not be in a position to join in such a gift as is contemplated, and certainly, I cannot commit them. However, I shall be very glad to discuss the matter on my next visit to Lufkin, which I am sure will be in the near future.

With kind regards and all good wishes,

Sincerely,

The Right Rev. Clinton S. Quin
5309 Mandell Avenue
Houston 5, Texas

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CC Mr. Arthur Temple, Jr.

November 14, 1951

Mr. Dred Devereaux
Diboll, Texas

Dear Dred:

Arthur, Jr. phoned me today and told me that you are retiring as of today, and while I do not know just how long a period of time your services to Southern Pine Lumber Company have covered, I know that it is many, many years, and I just want to tell you, if I can, how much you have meant to the Company. Your work has always been of the highest order, and whenever a construction job was to be done, we have known that you could handle it and that it would be done right. Your loyalty to the Company over the years has been true and unwavering.

I agreed with Arthur, Jr. that we would deed to you the house in Diboll in which you are now living. This will be a token of our esteem for you, and I hope it will mean that you will continue to live in Diboll, where you will be available for consultation and advice and where your influence for all that is good will continue to be felt in the community.

I wish you the best of health, happiness and good fortune in your retirement. It is probably going to be hard for one who has been as active as you have been and for one of your temperament to take things easy, but I am sure that you will be able to develop interests which will occupy your time and thought. I shall continue to look forward to seeing you and chatting with you on my occasional visits to Diboll.

Sincerely,

AT:ld

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cc Mr. Arthur Temple, Jr.

Texarkana, Arkansas

November 19, 1951

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

I have your letter stating that Arthur, Jr. has tentatively agreed to meet with us in my office about mid-morning Wednesday, November 21st. I will be governed accordingly. I am leaving this afternoon for Dallas and Fort Worth but plan to be back tomorrow, Tuesday, night and will look forward to seeing you and Arthur Wednesday.

I wonder if you want Newman to sit in with us. As I understand it, this is not a meeting of the Board of Directors of Temple Cotton Oil Company but an informal conference with Arthur and me. Accordingly, I will not say anything to Newman about the meeting, but if you should want him to sit in with us, you had better call Temple Tuesday and have him notify Newman.

Yours very truly,

AT:ld

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CC Mr. Arthur Temple, Jr.

Texarkana, Arkansas

November 23, 1951

Mr. Latane Temple
Little Rock, Arkansas

Dear Latane:

After our meeting on Wednesday the thought occurred to me that any action looking to such liquidation of the properties of Temple Cotton Oil Company as is contemplated should probably be passed upon by the stockholders rather than the directors to comply with the law. I suggest, therefore, before you go very far in carrying out the plan we discussed that you get an opinion from your attorney.

If I am correct, then I think it would be well for us to get a waiver of notice from our stockholders for the meeting held last Wednesday, or if we cannot do that retroactively, then to get a waiver of a meeting to be called at some early date in the future, and in the latter event we can write the minutes up according to the business as transacted when you, Arthur, Newman and I met.

The point is that anything involving such a radical change in a business should be done legally to avoid any possible repercussions.

Yours truly,

A. T.

AT:ld

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Mrs. Carrol Allen
Mr. Arthur Temple, Jr.

# SOUTHERN PINE LUMBER COMPANY

MANUFACTURERS OF YELLOW PINE AND HARDWOODS

TEXARKANA, TEXAS

November 24, 1951

The Rev. James Savoy, D. D.
P. O. Box 937
Lufkin, Texas

Dear Mr. Savoy:

Mrs. Temple and I had hoped to be in Lufkin for the dedication of the Lectern Bible ere this; in fact, had planned to be there several Sundays ago and again this coming Sunday, but certain things came up to prevent our carrying out our plans. Certainly, we would like to be present for the dedication and will try to get down some time soon. In this connection, I wonder if the dedication while we are in Lufkin for Christmas would not be all right. I have to make so many trips to Lufkin and Diboll on business, which means during the week that it is rather difficult to work in a Sunday. However, we will keep in close touch with Ann, and if we can get down some time between now and Christmas on a Sunday, we will let you know through her.

From what you say I am sure that St. Cyprian's needs added facilities. However, the Church has always made such a strong appeal to me, the part with which I come in contact, that I was more or less distressed when I heard that there was a possibility of your abandoning the present property and building a new Church. I am sure that the matter will be worked out by those on the ground, those who are thoroughly familiar with all of the conditions, and I trust the final decision will be the right one.

With kind regards and all good wishes,

Sincerely,

AT:ld