

CASE & PROJECT

June 25, 1954

Dear Nib:

As you will see by reading the enclosed copy of a telegram from the McNaught Syndicate, Senator Johnson has received an advance copy of a column by Holmes Alexander, well known Washington columnist, which is devoted to a discussion of Senator Johnson and American foreign policy.

I understand McNaught is sending you a copy of this column. The Syndicate has informed us that any Texas newspaper may use the column, on or after Sunday, June 27, without charge or obligation. Naturally, we would like to see you publish it. And regardless of whether you publish it, we certainly would be very much interested in your personal reaction to Mr. Alexander's comments.

Best regards.

Sincerely,

Booth Mooney
Executive Assistant to
Lyndon B. Johnson

Mr. Albert Nibling
Sherman Democrat
Sherman, Texas
LBJM:JC

CASE & PROJECT

June 25, 1954

Dear Mr. Mayse:

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Best regards.

Sincerely,

Booth Mooney
Executive Assistant to
Lyndon B. Johnson

Mr. A. G. Pat Mayse
Paris News
Paris, Texas
LBJ:BM:JC

CASE & PROJECT

June 25, 1954

Dear Mr. Ragsdale:

As you will see by reading the enclosed copy of a telegram from the McNaught Syndicate, Senator Johnson has received an advance copy of a column by Holmes Alexander, well known Washington columnist, which is devoted to a discussion of Senator Johnson and American foreign policy.

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Best regards.

Sincerely,

Booth Mooney
Executive Assistant to
Lyndon B. Johnson

Mr. Clyde B. Ragsdale
Texas City Sun
Texas City, Texas

bm;mf

CASE & PROJECT

June 25, 1954

Dear Mr. Clyde:

As you will see by reading the enclosed copy of a telegram from the McNaught Syndicate, Senator Johnson has received an advance copy of a column by Holmes Alexander, well known Washington columnist, which is devoted to a discussion of Senator Johnson and American foreign policy.

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Best regards.

Sincerely,

**Booth Mooney
Executive Assistant to
Lyndon B. Johnson**

**Mr. Calvin Clyde
Tyler Courier Times Telegraph
Tyler, Texas**

bm;mf

Quota Res.

CASE & PROJECT

June 25, 1954

Dear Jake:

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Best regards.

Sincerely,

Booth Mooney
Executive Assistant to
Lyndon B. Johnson

Mr. J. Q. Mahaffey
Texarkana Gazette News
Texarkana, Texas

ljj/esp/mcb

Em

June 25, 1954

Dear Freddie:

As you will see by reading the enclosed copy of a telegram from the McNaught Syndicate, Senator Johnson has received an advance copy of a column by Holmes Alexander, well known Washington columnist, which is devoted to a discussion of Senator Johnson and American foreign policy.

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Sincerely,

Booth Mooney
Executive Assistant to
Lyndon B. Johnson

Mr. Frederick I. Massengill, Jr.
Terrell Tribune
Terrell, Texas
bm/mcb

CASE & PROJECT

June 25, 1954

Quata. Kes.

Dear Mr. Frailay:

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Best regards.

Sincerely

Booth Mooney, Executive
Assistant to
Lyndon B. Johnson

Mr. P. W. Frailay
Sulphur Springs News Telegram
Sulphur Springs, Texas

Booth Mooney

CASE & PROJECT

Quanta. Res

June 25, 1954

Dear Mr. Mayborn:

As you will see by reading the enclosed copy of a telegram from the McNaught Syndicate, Senator Johnson has received an advance copy of a column by Holmes Alexander, well known Washington columnist, which is devoted to a discussion of Senator Johnson and American foreign policy.

I understand McNaught is sending you a copy of this column. The Syndicate has informed us that any Texas newspaper may use the column, on or after Sunday, June 27, without charge or obligation. Naturally, we would like to see you publish it. And regardless of whether you publish it, we certainly would be very much interested in your personal reaction to Mr. Alexander's comments.

Best regards.

Sincerely

Booth Mooney, Executive
Assistant to
Lyndon B. Johnson

Mr. Frank Mayborn
Temple Telegram
Temple, Texas

LBJ:MMjdr

This resolution had been passed by House and Senate with no opposition except for the rivalry of similar bills, an honorable rivalry generously ended when the Senate, at the suggestion of the Senator from Michigan [Mr. FERGUSON] passed the House resolution in lieu of the previously passed Senate resolution that he himself had introduced. This matter has been treated, in both Houses and by the administration, in a spirit of selfless patriotism. We see the pledge, as it now stands, as a formal declaration of our duty to serve God and our firm reliance, now as in 1776, on the protection of divine providence. The pledge in this form should receive immediate wide dissemination, and on the coming July Fourth, anniversary of that occasion on which the Continental Congress simultaneously declared our independence of England and our dependence upon God, young voices and old should rise all over the land in this solemn pledge:

I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

For this purpose, I submit the following resolution:

Resolved by the Senate (the House of Representatives concurring). That there be printed as a Senate document the Pledge of Allegiance to the Flag, as designated in section 7 of the joint resolution approved June 22, 1942 (36 U. S. C., sec. 172), as amended (Public Law 396, 83d Cong., ch. 297, 2d sess., H. J. Res. 243, approved June 14, 1954); and that there be printed 294,750 additional copies, of which 74,250 copies shall be for the use of the Senate and 220,500 copies shall be for the use of the House of Representatives.

The VICE PRESIDENT. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 90) was referred to the Committee on Rules and Administration.

CIVIL WAR IN GUATEMALA—COMMUNIST PENETRATION OF WESTERN HEMISPHERE

Mr. JOHNSON of Texas. Mr. President, over the weekend we have had a dramatic illustration of the Communist determination to penetrate the Western Hemisphere. The scene was the United Nations Security Council. The issue was the civil war in Guatemala. The tip-off to Communist plans was the Soviet veto of a resolution to turn the dispute over to the Organization of American States.

It is difficult to imagine a more improper—or more cynical—use of the veto.

Whatever the future may hold, the fighting in Guatemala does not now endanger world security.

The issue is properly one for consideration by the American states. The American states are mobilizing their forces to handle the situation.

The resolution which the Soviet delegate vetoed was presented by two American states. The American resolution had the backing of every member of the

Security Council except the Soviet delegate.

The veto will not, and cannot, prevent the American States from assuming jurisdiction over the Guatemalan civil war.

Under these circumstances, there can be only one interpretation of the action. It was open, flagrant notice that the Communists are reserving the power to penetrate the Western Hemisphere by every means—espionage, sabotage, subversion, and ultimately open aggression.

The blueprint for Communist conquest is clear. First, the victim nation is infiltrated by small groups which struggle for a base of political power. Once that base is obtained, the Communists build upon it a structure for infiltration of the government itself.

At a certain point the Communist advisers in the Kremlin decide it is time for a show of force. Arms are supplied to the subversive elements, which then come out into the open.

After that it is only a matter of time—time until the victim nation becomes another member of the terrorized "family" behind the Iron Curtain.

It is a familiar story. It is the pattern of Eastern Europe and of Asia. The Communists have scarcely tried to conceal what has been going on.

There is only one new element. I think that many Americans have been startled by the realization that this is also the pattern for conquest of the Western Hemisphere—if the Communists can get away with it.

There can be no doubt that the Communists are seeking to establish a beachhead in the Americas now. They have passed the stage of infiltration and building small groups for espionage, sabotage, and subversion. They are entering a semimilitary phase of operations.

That fact is clear from the arms shipments to Guatemala and the Soviet refusal to send the Guatemalan controversy to a proper tribunal.

This new situation imposes upon all of us a new responsibility. I do not refer to the civil war in Guatemala itself. That is properly a subject for consideration by the Organization of American States.

But I do mean the Communist penetration of the Western Hemisphere. That is intolerable from every standpoint and must not be permitted to happen.

This country is clearly and definitely committed to the struggle against Communist dictatorship.

Our Congress has passed the Smith Act and the McCarran Act—and the distinguished author of that act is now standing behind me—to control the activities of domestic Communists. I was proud to vote for those bills.

Our Government has sought to bolster the anti-Communist governments that stand in the path of Red tyranny. Those steps have had the support of our people.

Now we are faced with what may become the necessity of defending the Western Hemisphere itself.

Our delegate to the United Nations Security Council—our former colleague, Henry Cabot Lodge, Jr.—expressed the feelings of the American people perfectly on Sunday. He told the Soviet representative:

Stay out of the Western Hemisphere. Don't try to start your plans and conspiracies here.

Mr. President, I heartily echo the sentiments expressed by Ambassador Lodge. I think practically every American will agree with him.

Communist arms must not be allowed to penetrate the Western Hemisphere.

Communist agents must not be allowed to penetrate the Western Hemisphere.

Communist conquest must not be allowed in the Western Hemisphere.

There is no question here of United States interference in the domestic affairs of any American state. We are concerned only with external aggression.

Mr. President, I believe that the United States Congress should back the sentiments expressed by Ambassador Lodge.

I believe we should go on record here and now that we resent the interference of Soviet communism in Western Hemisphere affairs and that we will take whatever steps are necessary to repel Communist aggression.

There should be no question of the sentiments of the American people. I submit for appropriate reference a concurrent resolution to express the sense of Congress on this vital issue.

Mr. McCARRAN. Mr. President, I should like to associate myself in every particular with the expressions made by the able Senator from Texas.

The VICE PRESIDENT. The resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 91), submitted by Mr. JOHNSON of Texas, was referred to the Committee on Foreign Relations, as follows:

Whereas for many years it has been the joint policy of the United States and the other States in the Western Hemisphere to act vigorously to prevent external interference in the affairs of the nations of the Western Hemisphere; and

Whereas in the recent past there has come to light strong evidence of intervention by Soviet Communists in the State of Guatemala, whereby Government institutions have been infiltrated by Soviet agents, weapons of war have been secretly shipped into that country, and the pattern of Soviet conquest has become manifest; and

Whereas on Sunday, June 20, 1954, the Soviet Government vetoed in the United Nations Security Council a resolution to refer the matter of the recent outbreak of hostilities in Guatemala to the Organization of American States; Therefore be it

Resolved by the Senate (the House of Representatives concurring). That it is the sense of Congress that the United States should reaffirm its determination to prevent interference in Western Hemisphere affairs by the Soviet Communists and take all necessary and proper steps to insure that the Organization of American States take direct and appropriate action to prevent any further Soviet interference in the affairs of the States of the Western Hemisphere.

83^D CONGRESS
2^D SESSION

(Guat. Res.)
S. CON. RES. 91

IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 1954

Referred to the Committee on Foreign Affairs

CONCURRENT RESOLUTION

Whereas for many years it has been the joint policy of the United States and the other States in the Western Hemisphere to act vigorously to prevent external interference in the affairs of the nations of the Western Hemisphere; and

Whereas in the recent past there has come to light strong evidence of intervention by the international Communist movement in the State of Guatemala, whereby government institutions have been infiltrated by Communist agents, weapons of war have been secretly shipped into that country, and the pattern of Communist conquest has become manifest; and

Whereas on Sunday, June 20, 1954, the Soviet Government vetoed in the United Nations Security Council a resolution to refer the matter of the recent outbreak of hostilities in Guatemala to the Organization of American States: Therefore be it

1 *Resolved by the Senate (the House of Representatives con-*
2 *curring)*, That it is the sense of Congress that the United
3 States should reaffirm its support of the Caracas Declaration
4 of Solidarity of March 28, 1954, which is designed to pre-
5 vent interference in Western Hemisphere affairs by the inter-
6 national Communist movement, and take all necessary and
7 proper steps to support the Organization of American States
8 in taking appropriate action to prevent any interference by
9 the international Communist movement in the affairs of the
10 states of the Western Hemisphere.

Passed the Senate June 25 (legislative day, June 22),
1954.

Attest:

J. MARK TRICE,

Secretary.

83^d CONGRESS
2^d SESSION

S. CON. RES. 91

CONCURRENT RESOLUTION

To express the sense of Congress on interference in Western Hemisphere affairs by the Soviet Communists.

JUNE 28, 1954

Referred to the Committee on Foreign Affairs

July 9, 1954

(Guatemala)

Dear Mr. Hanson:

Thank you very much for writing me about conditions in El Salvador. I have been following the situation in Central America as closely as I can and I certainly do agree with you that things are very disturbing.

Your information is very helpful and you may be certain that I will bear it in mind as we come to the various issues in which it is appropriate.

Again, let me thank you for writing and supplying me with facts that will be helpful.

Sincerely yours,

Lyndon B. Johnson

Mr. Rolf H. Hanson
Danli,
Honduras

NOTE: Bruce: Mr. Hanson is a Texan.

ROLF H. HANSON

DANLI, HONDURAS

July 5, 1954

Hon. Lyndon B. Johnson
United States Senate
Washington, D. C.

JUL 8 1954

My dear Senator:

Enclosed is a copy of a clipping taken from the "Miami Herald" of about a month ago. Due to the big strike on the coast of Honduras our mail has been very slow in reaching us— hence the delay.

The last four paragraphs of this article have thoroughly aroused me.

I lived and worked in El Salvador for two and one half years, and know something of the country, its people, and its conditions. I know, as do many Salvadoreans, that their government, and particularly their ministry of labor, is full of communist sympathizers and fellow travelers. They are on the same road, but at a slower pace, as Arbenz' regime in Guatemala. The anti-United States feeling is very strong in their present administration— except when they want another loan, or to rob us on overpriced coffee.

The former sub-minister (secretary) of labor, one of the country's most prominent red sympathizers, has just been promoted to "secretary-general" of the administration, a position in which his opinions will have much influence.

All labor, carefully excepting domestic and agricultural, is fully organized, regardless of their wishes, by direct orders of the minister of labor. Agricultural labor will not be permitted to organize as long as the coffee barons remain in control, and this labor has received none of the current inflated coffee price.

To top everything off, friends in the country advise me that the administration has just fixed a fee of \$400 US currency for each residence permit for foreigners— over 90% of which are Americans.

For us to spend taxpayer's money to aid an already unfriendly government to organize its labor more effectively under a communist-influenced ministry of labor to me is the last straw. (I know there will be a glib explanation that it is to prevent another mess like was just overthrown in Guatemala, but our aid and influence there certainly did no good. There is no doubt but that the current general strike here in Honduras is red-backed, in spite of (or perhaps because of) our aid.

My wife comes of one of the settling families of the Plains, around the Lockney, Floydada, Silverton area, where we maintain a small place as our "home base".

I am sure our many relatives, neighbors, and friends would be greatly interested in knowing of this, particularly just after having bought a pound of coffee.

Would you please look into this matter.

Respectfully yours,

Rolf H. Hanson

Miami Herald-Chicago Daily News Wire.

SAN SALVADOR— Point Four works. The program of American technical assistance in El Salvador, smallest republic in Latin America, offers ample evidence for that statement.

American technicians in the Point Four mission here are teaching the Salvadoreans first how not to die, and second how to live.

The most hardened cynic must be impressed by the multiplication of benefits that comes from our modest investment in this republic. The term "do-gooder" loses the meaning it has as a (one line of original apparently left out) and acquires honorable implications.

American technical assistance began in El Salvador long before President Truman formalized it as the "Point Four program" in his inaugural address of 1949.

It is now in its higher stages of showing Salvadoreans how to live as social and democratic beings, after first having shown them how not to die.

"This is a Salvadorean program, not an American program," says George N. Butler, a dedicated young man in charge of the Point Four mission in El Salvador. "We are actually trying to work ourselves out of a job, and make this wholly a Salvadorean show."

Butler works in close collaboration with Michael McDermott, American ambassador to El Salvador, and by far the best-loved foreigner in this republic.

Two of the older branches of the Point Four program have proved their worth conclusively, in showing the Salvadoreans how to improve their lot.

The health and sanitation program, under the direction of Dr. Herbert Hudgins, a United States Public Health officer, has just observed its 12th anniversary.

In those 12 years 300 health projects have been initiated and turned over to the Salvadorean government for operation. The water supply has been improved. Sanitation practices have been adopted at slaughter houses and other sources of disease.

The Point Four agricultural program, under the direction of Dr. Jaime Guiscafne A., a Puerto Rican coffee authority, formerly with the United States Department of Agriculture, has done many things in the years of its operation, but one contribution dramatizes its whole being.

When the Point Four agricultural technicians came in here a virus disease was rapidly destroying the sugar cane in El Salvador.

The American technicians combed the world and brought in 47 different varieties of sugar cane. They came up finally with six varieties that thrived here and resisted the virus.

Newer programs under Point Four offer Salvadoreans American technical assistance in the field of education, labor, public administration, and industrial production.

In the field of labor, for example, the Salvadoreans have only a few years experience in the organization of workers, and the trade union movement is still in an incipient stage, with a membership of 13,000 workers among some 160,000 urban workers.

The 400,000 rural workers, who produce the real wealth of El Salvador, which is coffee, are as yet completely unorganized.

The Salvadorean government of President Oscar Osario has a ministry of labor, and Dr. Irving G. Tragen, an officer in the Point Four mission, serves as technical advisor here.

The labor ministry, under Tragen's direction, and with the final approval of Ambassador McDermott, has sent six labor union officials to the University of Puerto Rico for training in the labor field.

ROLF H. HANSON

DANLI, HONDURAS

Hon Lyndon B. Johns

United States Senate

Washington, D. C.

E. U. A.

CASE & PROJECT

July 10, 1954

Guatemala

Dear Friend:

Thank you for your letter of July 5th. I am sure you realize you do not "bother" me at all with your letters. I am pleased to hear from you, and I appreciate your letting me know your views about matters coming before Congress.

I am continuing to give my close attention to the whole situation in Guatemala. The points you raise are very interesting ones. As you suggested, I will look into this matter thoroughly.

I think our whole Foreign Policy needs to be given a thorough reappraisal. We need to find out where we are going--who is going with us--and how we are going to get there. I am going to contribute anything I can toward the solution of the problems involved in our foreign policy. It helps me to know that I have your support in this.

Best regards. Please call on me if I can be of service to you.

Yours sincerely,

Lyndon B. Johnson

Mrs. R. L. Duke
705 Denver Avenue
Dalhart, Texas

lbj-bm-yb

US Sues United Fruit

WASHINGTON, July 2 (AP)—The federal government today filed an anti-trust suit designed to break up United Fruit Company's banana empire and, incidentally, to spike Communist propaganda guns in Guatemala and the rest of Latin America.

The Justice Department announced the suit—a scant 48 hours after Secretary of State Dulles had declared the Communists were trying to "obscure the real issue" of Communist imperialism in Central America, by charging that the United States is only interested in protecting American business.

Officials obviously felt the suit would show that this Communist claim is unfounded.

Atty. Gen. Brownell announced that the action was brought under the anti-trust laws in the district court at New Orleans, La.

It charged United with monopolizing and restraining trade in bananas in violation of both the Sherman Anti-Trust Act and the Wilson Tariff Act.

The New Orleans court was asked to order such action as may be necessary with respect to United Fruit's properties and operations in order "to dissipate United Fruit's control and to establish effective competition in the banana industry."

The complaint alleged that

United through combinations with or acquisition of former competitors had achieved a position of dominance in the production, transportation and importation phases of the banana industry, requiring correction.

The suit said United's "monopolistic position enables it to control prices and exclude competitors."

The company, whose big ships ply between Central American and US ports, the Justice Department said, has imported annually about two thirds of all of the banana tonnage brought into this country.

The action alleged the company had:

- Obtained control of nearly all land in Central America used for growing bananas.

- Controlled or had special privileges in wharfage and communications facilities involved in the banana business.

- Pre-empted banana transportation space on railroads and ships.

- Engaged in price cutting to drive competitors out of business, and coerced customers under threat of withdrawal of future supplies.

CHARGED

Dais-

MRS. R. L. DUKE
HISTORIAN
X I T COWHANDS ASSOCIATION
705 DENVER AVE.
DALHART, TEXAS
July, 5, 1954

RECEIVED
JUL 9 1954

Sen. Lyndon Johnson
Washington, D.C.

Dear Sir: I am bothering you again but I am very much interested in the Central American trouble. I have a daughter living and raising a family in Houston, Tex.

I was told more than four weeks ago by a man from California that I can relay on, that the United Fruit Co. was making this trouble down there. Why aren't the people of the USA told about this United Fruit Co? Now the Republicans will throw this suet out, t they are for BIG BUSINESS. Russia is not making any Communists down there, but the United Fruit Co. is doing that.

What is our foreign policy? Is McCarthy covering up our foreign policy? I have a brother living in Canada for 26 years. He came to visit me at Christmas and brought a lot of Canadian newspapers. They were saying: "The U.S. Senate is not going to tell us up here what to do! Out of this country you Democrats are named with the Republicans, there is no difference to them. People cannot get along in this world without friends; neither can countries.

Why doesn't the United Fruit Co. tell their side of the story? People are interested in this trouble! Please look into it.

*Yours truly
Mrs. R. L. Duke*

CASE & PROJECT

July 3, 1964

Guatemala

Dear Mrs. Brown:

It certainly was a pleasure to read your letter with its responsible expression of sentiments. Like you, I am very much worried about the current situation, and hope that a solution can be found that will bring us to a truly just and honorable peace. I touched on that subject in a speech on the floor of the Senate today, and I thought you might like to have a copy. I am enclosing one.

Thank you very much for sending me the clippings as I enjoyed reading them. They were extremely informative.

I hope you will keep on writing me, and remember, if I can ever be helpful at any time, I am no further than your mailbox.

Sincerely,

Lyndon B. Johnson

Mrs. Wm. L. Brown
1025 E. Yandell Boulevard
El Paso, Texas

LBJ:GER:gr

Senator Lyndon B. Johnson
Washington D.C. *Noted*
Dear Senator:-

Referring to yours of 6/14/54 in
response to my letter informing you of
my close affiliation with the Alliance
of P. American Round Tables (the Inter-Am-
erican organization representing all Pan-
American Tables of the 21 Am. Republics)
which also includes our Texas and our
local El Paso Tables you must understand
my deep concern over the Guatemala situation.

Your last News-letter forwarded to my
Calif. address contains pertinent and
important statements. Today's newspapers
containing full text of Pres Eisenhower
and Mr. Churchill's conference I read
carefully and am worried about some
items which do not sound quite
firm enough in my humble opinion.
These of course regard Churchill's insis-
tence on recognition of Red China
and apparent faith in Russia or

✓ Res China's agreements to anything.

Every thinking American wants the two English-speaking nations to remain close allies but this conference certainly revealed the fact of widely different ideas. Certainly we each want peace but we must be assured of adequate defense measures and insist on all our allies shouldering their respective responsibilities both militarily and economically. The U. S. A. cannot and not feed the whole world!!

Am enclosing two clippings from Los Angeles Times ^{via} by Lawrence and today 6/30/ by best commentator on Pacific Coast, I think, Mr. Polyzoides.

I believe you will feel repaid for the few minutes of your valuable time required in the reading.

Forgive me, Mr. Johnson, if am presumptuous in asking this of such a busy man.

Your lack of partisanship is greatly appreciated for our beloved country needs now all patriotic Americans to stand

united in the advancement of an honor-
able, just peace in this chaotic world

With every good wish
Katherine S. Brown
(Mrs. H. L.)

CHURCHILL TALKS PRODUCE LITTLE

BY POLYZOIDES

Of all the Anglo-American official meetings and conferences in the last dozen years, the latest one in Washington seems to have been the least productive of tangible results. So that if one were to draw any definite conclusions from it, particularly the formal statement issued at the conclusion of the Eisenhower-Churchill talks, and those held between U.S. Secretary of State Dulles and British Foreign Minister Eden, the best thing we could say about it is that these meetings brought out more clearly than ever the differences existing between the two countries in the realm of world affairs.

ATTITUDE ON REDS

Connecting these talks with the lengthy address of Anthony Eden before the British Parliament last Wednesday, and also with the frank manner in which Sir Winston expressed his views to the American press, one can hardly avoid the impression that British policy in middle 1954 is inclined to coordinate its movements more with those of the Soviet Union, Communist China and neutralist India, than with those of the United States. To begin with, Eden in the House of Commons was clearly though indirectly critical of our refusal to deal with Communist China in the course of the conference in Geneva, while Sir Winston's dominant idea in his remarks in the United States was that

a way of peaceful coexistence with the Soviet Union must be devised for the sake of all concerned.

FAVORS ASIAN PACT

Churchill said he will work with us in opposing Communism, but he is in favor of doing it in his own way. He favors a Southeast Asia Treaty Organization, but he wants India, Burma and Indonesia in it and would wish that China too were included in the deal. In discussing the European Defense Community the British Prime Minister is all for it and he wishes France and Italy to ratify the EDC agreements because it would be in the service of a good cause.

As they go through all these details which contain a lot of generalities devoid of positive substance, various observers are wondering whether Great Britain, like France, is getting tired of the continued uncertainty surrounding the world picture and is anxious to pursue realities rather than what Sir Winston obviously considers as little more than elusive shadows.

To be more realistic, Great Britain feels she is no longer the weak, exhausted and helpless country she was in the years from 1946-53. British recovery is a fact, British economy is sound and getting sounder while her production is increasing and rich markets are beckoning beyond the seas.

Sir Winston himself, no longer a young and dashing warrior in shining armor but

a venerable old gentleman with all the most active years of life behind him, is now giving vent to his nostalgic desire to get back to the good old times when Britain was the leading industrial and exporting country, with Russia and China among her best customers and Germany practically in second place. Two world wars have placed the United States at the head of the procession now, but with the awakening of Asia's untold millions, with Africa coming on and Eastern Europe with the Soviet Union offering new chances to all, rejuvenated Britain feels that the time has come to close the war era that has been with us since 1914.

Thus Sir Winston is more sensitive to alluring offers of trade from China, India and

the U.S.S.R. than to any political and diplomatic maneuvers, constituting the sort of expensive game for which the British lack the surplus funds.

Please keep this carefully
Reflected
facto
K.M. Bohm
14 Oct 1954
David Lawrence: Indochina Offer

WASHINGTON — Irrespective of the final outcome, the most extraordinary event of the year in the realm of international affairs is the singlehanded negotiation between Premier Mendes-France of the new cabinet in France and Chou En-lai, the foreign minister of the Red China regime, in their meeting held at Berne, Switzerland, to discuss the fate of Indochina.

First of all, it's ironical that, despite all the talk about a "colonial war" and the aspirations of the people of Indochina for independence, the principal personality Mendes-France sees across the negotiating table is the head of a government formally denounced by the United Nations as an aggressor in Korea and now in a sense conceding it has been a belligerent in the war in Indochina.

The other governments—Britain and the United States particularly—have drawn apart, watching the game with grave concern and wondering whether Indochina is to be given over to Communist control because of the ardent desire of a French cabinet to liquidate an unpopular war after eight years of fighting.

For the French premier has announced that, unless he gets a settlement within 30 days, he will resign. This is tantamount to an announcement by a person who has some property to sell that he has to sell it within that period. Everybody knows how readily the buyer can insist on his price when that kind of a "negotiation" occurs. This is generally known as a "forced sale." It means that France is today consulting her enemy to find out what terms that enemy will grant.

It seems incredible that French public opinion would sanction any abject surrender and it is logical to assume that the new French premier knows that, too. But what he is gambling on evidently is that the Red China premier will perceive his difficulty and will give a demonstration of fairness which might win friends in the Western world. A clever strategist on the Red China side might see an opportunity to divide the Allies and win admission to the United Nations at the same time if a reasonable plan of settlement is offered.

The French premier hasn't any trump cards to offer but, at the same time, in the background is

the prospect that, if he alienates American opinion, he may lose financial aid for his plan for internal reforms — something to which he gives high priority in his concept of a legislative program. The French premier told this correspondent about three weeks ago at his home in Paris that he thought France was suffering internationally because she had neglected her domestic situation and that, if the Indochina problem could be solved, it would enable Frenchmen to turn their energies in the direction of internal reforms long overdue.

But Mendes-France is by no means an appeaser or a man who will take anything that is offered. He will not, on the other hand, fail to canvass every opportunity for a settlement in Indochina. If the proposals made to him are utterly unacceptable, he will go back to France with a frank statement of all the factors and doubtless will come to Washington to ask for American help. The Red China premier knows this, too.

Between now and next Saturday is not a long time in which to feel out the situation but, if the French premier gets nowhere in his talks with Chou En-lai, that fact will be important information for President Eisenhower to have when he sits down this coming weekend with Prime Minister Churchill and Anthony Eden, British foreign secretary.

Big decisions, therefore, are in the making, and it is conceivable that the Red China government is about to "cross the Rubicon." If it doesn't present a plan that can save the face for France and insists instead on an extreme point of view, the Communist cause inside France will lose ground and the Moscow government will have reason to be greatly concerned about the course of her Asian ally. If, on the other hand, the Red China government gives Mendes-France an "out," the settlement of the war in Indochina will be very popular in France even if it is closer to appeasement than the kind of settlement America got in Korea.

The stopping of a war on almost any terms or what is sometimes called "peace at any price" is at this time what many people in the world seem to want. It was that way back in the '30s, but in the end the appeasement brought on World War II. History could repeat itself.

Personal

Senator Lyndon B. Johnson
U. S. Senate
Office of the Democratic Leader
Washington, D. C.



From
Mrs. W. L. Brown
Georgian Hotel

1415 Ocean Ave
Santa Monica
Calif.

Senator Lyndon Johnson
Washington D.C. 1954
RECEIVED
Liddy

Dear Sir:-

Thanks for news-letter of
May 29, 1954 especially important
content is the question of Commun-
ist infiltration of countries of
our Western Hemisphere.
Shipment of Arms to Guatemala
was shocking! Many articles I've
read recently especially that of
President of Nicaragua carried
by Associated Press of 6/4/54
reveals that Costa Rica and
Honduras, both small weak
Republics and Costa Rica peril-
ously near the Panama Canal,
are likewise full of Communists.
I have worked with Pan-
American Round Tables since 1922.

as Director of El Paso P. K. K. Table;
for years served as an Associate
Director of Texas P. K. Tables and
for five years served as First
Associate Director of the Alliance
of P. K. K. Tables and in this office
represents all Tables of U. S. K.
I attended the Inter-American Conference
of last mentioned organization's
Conference in Mexico City in 1944
and Conference in Havana Cuba
in 1947. Both experiences proved
wonderfully worth while and we,
the women of the Americas, felt
well repaid for welding links
of understanding friendship, con-
structive work toward education
of youth of our respective countries
and aiding in development of
culture in each republic.

Incidentally, our entertainment
in Mexico by the President and
some of his Cabinet and in Havana

by Cuba's President as well as Gover-
nor of Havana was indeed royal
entertainment.

I forgot to say that locally I orga-
nized the M. P. L. Hunt Club in
our Texas Western College, formerly
known as College of Mines.

It will interest you to know that
our mutually beloved friend Abbie
Thomson has been elected and was
installed in office in Ciudad Juarez³
in May at a beautiful fiesta as
Director of our El Paso Table.

All this explanation is to show
you my deep concern over present
situation in our Western Hemisphere
and it is my prayer that every
red-blooded American Patriot in
our Congress or U. S. H., regardless of
political affiliation, will act
quickly to protect the inherent
rights of our Western Hemisphere
against the onslaught of Communism.
(over)

Forgive this lengthy epistle please Senator
Johnson. Have no time to comment on
other items in Mrs. Letter but will do so
at later date.

Accept my best wishes to you and
yours.

Believe me Most Cordially Yours
Katherine M. Brown

(Mrs. Wm. L.)
1025 E. Yandell Blk
E. P.



Senator Lyndon Johnson
U. S. Senate
Office of the Democratic Leader
Washington D.C.

From
Mrs. J. M. L. Brown
1025 E. Vandell Blvd
El Paso
Texas.

GENERAL

June 14, 1954

Dear Mrs. Brown:

It was certainly good to hear from one who realizes how critical is the issue of communist infiltration in the Western Hemisphere. With your background, of course, you are alert to the real significance and I know that you are in a position to keep your friends and neighbors informed.

Thank you very much for the good news about our mutual friend, and I hope you will keep writing to me and advising me out of your rich experience.

Sincerely yours,

Lyndon B. Johnson

Mrs. Wm. L. Brown
1025 E. Yandell Boulevard
El Paso, Texas
LBJ:GER:gr

CASE & PROJECT

June 29, 1954

Dear Mr. Brucks:

Thank you very much for writing to me,
and expressing your forthright, vigorous views.
I agree with you that the United States cannot
meet the challenge of communism by counter-
poising weakness to Russian strength.

Sincerely yours,

Lyndon B. Johnson

Mr. E. W. Brucks
P. O. Box 206
Hondo, Texas
LBJ:GER:gr

Guatemala

WEDNESDAY, JUNE 23, 1954



The American system devised by the Fathers was not absolutely a democracy. It was a nice balance between radicalism and conservatism.

—William Randolph Hearst

Let's Meet the Challenge

by the Use of Superior American Force of Arms

THE outbreak of civil war in Guatemala emphasizes anew that the United States faces major problems in its own hemisphere equally as urgent as the Asian and European questions which for too long have monopolized the attention of our diplomats.

It is fruitless to develop solutions for faraway headaches such as Korea and Indo-China if we fail to meet with adequate skill and firmness the challenge to our hemispheric security posed by the Guatemalan explosion.

It is clear that the Red-tainted government of President Arbenz has always been a potential source of danger to American interests.

Now that government is under serious pressure and a good chance exists that the rebel forces may overthrow the pro-Communist regime.

What should American policy be in this situation?

The timid will cry that the

war is none of our business and we should remain aloof from any course of action favorable to the anti-Communist side.

The "liberals" in our midst are certain to shout "imperialism" over any move which aligns American strength and support behind forces aiming to liquidate a government avowedly on the Kremlin's side.

We trust that President Eisenhower and Secretary Dulles will not be deterred by such counsels from launching any steps which they think will serve to safeguard the long-range welfare of the United States.

We hope they will rise to the Guatemalan challenge with vigor and energy.

Too often in the past American policy has been shackled by fear and indecision.

The time has come for the U. S. to take cognizance of the evil growth mushrooming in its own backyard, an alien intrusion equally threatening as the problems of Indo-China or Korea.

Morale Menace

IN RECENT years the American people have time and again had cause to thank God for the high quality of those in the armed forces, their devotion to duty, their courage in battle and their conduct on leave.

Morale of the armed forces is of the utmost importance, and the American people should leave no stone unturned to keep morale high.

So it is that civic leaders are concerned at reports emanating from military posts that restrictions on post exchange and commissary sales, curbs on ration reimbursement, elimination of private car transport at government expense and other economics being ef-

fects in the armed forces have stirred the wrath of both officers and men.

How serious the danger to the armed forces is was shown recently by Col. J. C. Aggerbeck of the Los Alamitos Naval Air Station, who said:

"Present estimates indicate that only 17,076 of 1,600,000 persons now in the army will remain regular members."

"The cost of training men is high. \$200,000 is required to train a single navy pilot and give him four years experience to achieve maximum efficiency."

It would seem that the government should restore immediately those in-service benefits which are so dear to the hearts of those in uniform.

*That's the trouble they would go into
World War II, and we need for us*

P O Box 206
Hondo Texas
26 June '54

Dear Fellow American -

In the June 25th Issue of US News and World Report, Ridgway tells Ike what it would take to Win the War in Indo-China. Ike shows an Egghead Puzzle on his face that betrays his UN addiction to the Abhorrence of War and of Military Prestige in the World-wide Battle with encroaching International Communism. If Ike is not a Leftist Condoner of Communism, he should be aware of quite a few things, such as:-

1. His obedient acquiescence to the Surrender of East Germany to Russia.
2. His copying of Foreign Ideologies when he said in the Russian Capital "I always feel that I am among Friends when I am in Moscow".
3. His joining Truman in Fostering and Perpetuating Chinese Communist Imperialism when he proclaimed in '49 - "I shall never send an American Boy into the Morass of China to Fight".
4. His anti-American acquiescence in furthering America's Retreat from Victory over Communist Menace, and in furthering the Growing Enlargement of the Communist Sphere of World Domination.
5. His refusing to follow McArthur's strategy in Korea, and refusing give Mark Clark a chance to explain His Plan for a Military Victory in Korea.
6. His aiming to Fight the Wars in Asia with Asian Soldiers, without utilizing Van Fleet for this service immediately, *and letting Negotiations supersede Force of Arms.*
7. His allowing Murphy and Sinclair Weeks to promulgate a War to Peace Economy, after Mark Clark told us the Korea was unfinished Business.
8. His agreeing with his Defeatist Defense Secretary that some 360,000 men can be cut from our Armed Forces, in order to give his Moscow Friends the idea that our Fight against the Communist Aggressors ended in Korea.
9. His agreeing that America can not police the whole Worldwide Front, thus inviting the Communist Conspiracy to aggress anywhere and everywhere.
10. His proclaiming to the World at large, that he would never use the initiative in Hydrogen Bomb use; thus according all the Hydrogen Bomb attack initiative to the Communist Enemy.
11. His failure to start the UNT program he advocated Dec 9, '53, thus putting the Russian Bear at ease and lessen his Fear, if any of American Retaliation.
12. His indulging in favoring the Ecclesiastic pro-Communists in our Realm in order in order to agree with our feeble British Allies who allow the Red Dean of Canterbury to elevate Communism to the same Level of Piety as that of Christianity.
13. His announcing that J B Mathews "Damaged our Nation" in exposing the 7,000 Communists, Fellow Travellers, and Witting and Unwitting Dupes, pro-Communists all, in the Churches of this Land of the Free etc.
14. His appeasing of International Communism when he proclaimed that we would Meet Aggression anywhere, letting the Communists deliver the First Blow.
15. His continued appeasing of International Communism, when he said that We would Resist Communist Aggression anywhere, and inviting the Communists to Attack first.
16. His Continued Appeasement of International Communism, when he announced that Instant Massive Retaliation Policy and gave the Communist Enemy the Privilege of Committing the Overt Act so that we then could Retaliate.
17. His yen to share our Prestige in World Affairs with our Allies who give Strategic and non-Strategic Aid and Comfort to the Communist Enemy, - Allies that condone, appease, and adulate International Communism at Home and Abroad.
18. His Failure to mention in any of his Public Utterances that we must Win the Wars against the Communist Aggressors anywhere and everywhere.
19. His trusting of the Fickle French, his agreeing with Moscow that we must not fight for French Colonialism.
20. His apparent willingness to stay in the Secondary Role in World Affairs and accord to International Communism the Primary Role.

If our Leaders do not Want to Win, the Communists will grab the Victory, by defeating us in Negotiation and in All-out Undeclared War.

Americans for Victory by E.W. Brueck

America's Statesman
6-27
**Sen. Johnson Takes Lead
In Stand on Guatemala**

By SARAH McCLENDON

WASHINGTON, June 26—Senator Lyndon Johnson moved quickly this week to pick up the reins left lagging by State Department officials while Russia was attempting to prod the run-away Guatemalan horse to an even faster pace.

Johnson was determined to make the world see that the Congress—both Houses included—was backing up Henry Cabot Lodge Jr., former Republican senator and now U.S. delegate to the United Nations Security Council, in telling Russia to stay out of the Western hemisphere.

With a Texan's dislike of official red tape and wavering, Johnson took the direct route.

"Guatemala is only 1½ to 2 hours distant from the Texas Gulf Coast and I am not about to let Moscow get a beachhead down there," said Johnson. "Why, Guatemala is closer to Texas than El Paso is to Texarkana."

As a result of his efforts, certain news analysts said frankly that the national leadership that ought to be found in the State Department was being supplied by Johnson and his supporters on the Senate floor.

Johnson made the speech Tuesday afternoon and immediately Senator William Knowland, R., Calif., leader of Senate republicans, promised to back Johnson up in his resolution that "it is the sense of Congress that the United States should reaffirm its determination to prevent interference in Western hemisphere affairs by the Soviet Communists and take all necessary and proper steps to insure that the Organization of American States take direct and appropriate action to prevent any further Soviet interference in the

affairs of the states of the western hemisphere."

The Johnson resolution, calling for House concurrence, points out that for many years it has been the joint policy of the United States and the other states in the Western hemisphere to act vigorously to prevent external interference in the affairs of the nations of the Western hemisphere. He also said in the "recent past there has come to light strong evidence of intervention by Soviet Communists in Guatemala whereby government institutions have been infiltrated by Soviet agents, weapons of war have been secretly shipped into that country and the pattern of Soviet conquest has become manifest."

"We have got to be for Americans first," said Johnson. "The time has come for us to close ranks at home and cut out this distrust and hatred of each other which certain ones have been fomenting. We ought to give less attention to elections and more attention to protecting the United States."

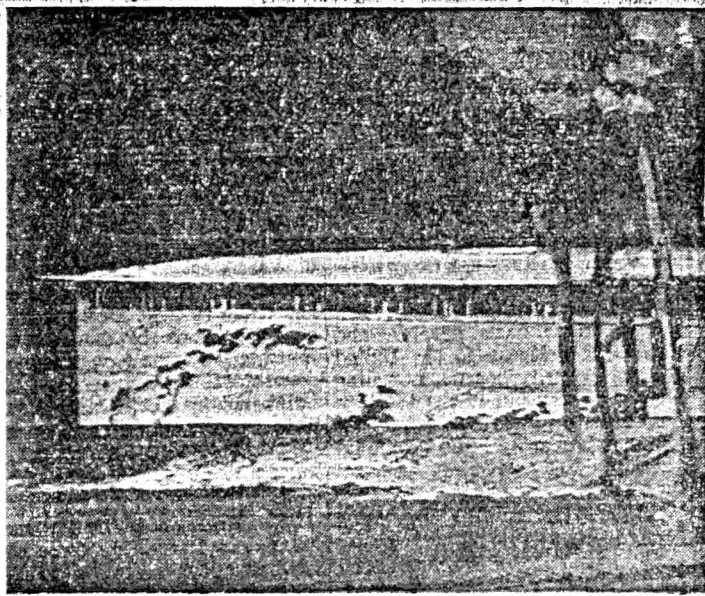
"In this regard, I am glad to hear that Senator Knowland, the Republican leader, has termed my resolution on Guatemala as 'very constructive'."

Johnson said he had lived on the border and taught school there and had many close friends and supporters among the Latin American people whom he knew well.

"But we must not hesitate to be alert to any support for a Red threat in our own backyard. We cannot permit that."

At one time, Texas and Texans were interested in helping the poor people of Guatemala to better their agriculture and build up their economy so they could help themselves. That was when Dean E.

J. Kyle of Kyle, formerly with A. & M. College, was ambassador there. He introduced good cattle from Texas and showed the natives how to care for herds.



PROPOSED DOCTORS' BUILDING—This is an architect's perspective of the new \$75,000 doctors' office structure to be built north of the new St. starting owned Thomas

But the decision averts the possibility of a tight money market in the coming months and assures continuance of the present favorable supply of financing for all business operations including home

UT Students Taking Camp

FORT EUSTIS, June 26—Four students of the University of Texas are currently attending the 1954 Transportation Corps ROTC summer camp Fort Eustis, for an extensive six-week field training course which will terminate July 30.

The students are Berverly B. Goldsmith, 415 West 32nd Street, Jimmie C. Parker, 1204 Justin Lane, William A. Penn, 3114 West Avenue, and Robert E. Silvus, 2005 Vista Lane.

Special Events Of the Month Listed by CC

The Chamber of Commerce conventions calendar shows the following special events scheduled here during the coming month, along with the number of persons expected to attend and the dates:

Texas Garage Association, 50 persons, June 27; Teen-Age Rodeo, 25 persons, June 27; Texas Association of Deans of Women, 80 persons, June 27; Lutheran Youth Conference, 30 persons, June 27.

From E W Brucks
P O Box 206
Hondo Texas



Lyndon B Johnson (Tex)
U nited States Senate
~~U S Senator~~
Office lof the Democratic Leader
Washington D C.

CASE & PROJECT

June 28, 1954

Guatemala

Dear Mrs. Brannin:

The United Nations Charter makes specific provision for the handling of such disputes as the Guatemalan civil war through such regional bodies as the Organization of American States. It was realized at the time the Charter was written that there are some Hemispheric problems which are best handled on a Hemispheric basis. The Soviet delegate to the United Nations Security Council, of course, vetoed the proposal that the Organization of American States consider the Guatemalan situation. It was obvious that he did not want jurisdiction assigned to a group that could act quickly and expeditiously.

It is obvious that under all the circumstances that the OAS will, sooner or later, assume jurisdiction over the dispute unless it settles itself.

Thank you very much for writing to me and expressing your views.

Sincerely yours,

Lyndon B. Johnson

Mrs. C. P. Brannin
5614 Ridgedale Street
Dallas 6, Texas
LBJ:GER:gr

RECEIVED
JUN 25 1954

5614 Ridgedale St.
Dallas 6 Texas
June 23, 1954

Recd

The Honorable Lyndon B. Johnson
The Senate
Washington, D.C.

Dear Mr. Johnson,

I am writing to say that I am confused over the refusal of the United States to work through the Security Council in the Guatemala affair.

I am not at all sure that we have a right to work through another organization, since the United ~~States~~ Nations was set up to deal with just such problems. But even if

we do have that right, the danger of a conflict between Guatemala and Honduras, and maybe more South American states, looms ahead. Why don't we work through the United Nations? The fact that we are suspicious of the Guatemalan leaders hasn't a thing to do with it.

If I am wrong, please enlighten me. I have been studying and working on the United Nations for some years.

Very truly yours,

Laura Brannin

Mrs. C.P. Brannin

June 28, 1954

Guatemala

My dear Friend:

Thank you very much for your generous statement and your expression of confidence in the actions I have taken.

Frankly, I do not know the names and the characters of the rebels in Guatemala. The important point to me, however, is that this dispute should be brought before the Organization of American States where it properly belongs. It is obvious that the Soviet Union is trying to block such a step because it wants to use Guatemala as a beachhead for communist penetration. The communists do not want such controversies handled by the American Republics which would make short shrift of their plots.

Guatemala is of minor significance from many standpoints. But as an entering wedge of communist penetration, it assumes major proportions. This is something that should be cut off immediately.

Thanks very much for writing to me and I plan to study carefully the document that you sent me on the Temco Aircraft Corporation to see whether it would be the subject of appropriate action.

Sincerely,

Lyndon B. Johnson

Mr. Charles L. Scarborough
Fowler, Thomas & Scarborough
102 South Record Street
Dallas, Texas
LBJ:GER:ls

CLAYTON "Red"
FOWLER
Place 7, LEGISLATURE

• • •
FOWLER Won't Forget You



CLAYTON "Red"
FOWLER
Place 7, LEGISLATURE

• • •
FOWLER Won't Forget You

 2

FOWLER, THOMAS & SCARBOROUGH
ATTORNEYS AT LAW

STERLING 2550

June 23, 1954

CLAYTON FOWLER
BILL G. THOMAS
CHARLES L. SCARBOROUGH

102 SOUTH RECORD ST.
DALLAS, TEXAS

RECEIVED
JUN 26 1954

The Honorable Lyndon Johnson
United States Senator
United States Senate
Office of the Democratic Leader
Washington, D. C.

My Dear Senator Johnson:

I wish to thank you very much for your Washington News Letter and the information contained therein. I read it item for item, and I must state that I am in general agreement with your opinions. At the present time, of course, the Guatamala situation is of great interest. We, here in Texas, are hearing some statements to the effect that the persons opposing the Communist regime in Guatamala are as bad, if possible, as those in power. I would appreciate a statement by you on just who these people are who are attacking in this area. I am a Major in an Organized Marine Jet Fighter Squadron in Dallas, and I can't help believing Guatamala is of minor significance when we could settle such controversy on a week-end drill. I realize, from lack of information, I could be terribly wrong about this matter.

I have only a very small legal practice in Dallas. To supplement my income, I am working nights at Temco Aircraft. This, of course, gives me a great deal of time in the City for contact work. A situation has arisen at this plant about which I feel you should know if you do not already have complete information. This is a great aircraft plant, headed by a most competent president, who is only interested in making a superior aircraft for less money. This we feel we have done, but we also feel we have been out "politicked". I am enclosing some literature I received today from the office of the President of Temco Aircraft for your information.

Of course you have no political problem in this State; but if at any time in the future I can be of any service to you in Dallas, please do not hesitate to call. I am available for any service from tacking signs to money contributions in your behalf as I feel you are a sincere man with a great deal of political know-how.

Yours very truly,

Charles L. Scarborough

Charles L. Scarborough

CLS/h
2827 Anzie Drive
Dallas 24, Texas



POST OFFICE BOX 6191 • DALLAS 2, TEXAS

June 18, 1954

OFFICE OF
THE PRESIDENT

To: All Temco-Dallas Employees

I am attaching to this letter a resume of events which I feel will be of considerable interest to you, since it affects all of the employees of Temco, the business people in Dallas, Grand Prairie and Arlington areas of Texas, and at the same time involves unnecessary expenditures of the taxpayer's money and national defense appropriations.

The controversy more completely detailed in the resume of events is briefly this:

- (1) Temco, along with two other competitors, submitted an aircraft, designed and built at its own expense, to be evaluated by the Navy for procurement as a light primary training aircraft.
- (2) At the conclusion of the evaluation, the Navy decided that two aircraft, Temco's and Beechcraft's entries, were basically equal and acceptable with certain modifications and requested proposal or prices for contract negotiations. This was to be an off-the-shelf procurement of an article proven suitable and acceptable by the Navy.
- (3) The initial specifications were incomplete, and Temco submitted prices along with its competitor which would be used as a basis for further negotiations.
- (4) The Navy elected to consider the initial prices final and notified Beechcraft, whose initial prices were somewhat lower than Temco's, that they would go ahead with the contract to buy the Beech aircraft.
- (5) Temco protested on the grounds referred to in the resume of events, such as incomplete specifications, the assumption that this contract would be handled in a manner similar to other Navy contracts consummated with Temco.
- (6) After weeks of deliberation, the Navy issued firm statement, see resume page 3, which in effect permitted both companies to resubmit new bids to new specifications, including prices of spare parts.
- (7) New specifications were issued to both companies for planning and preparations of new bids.

June 18, 1954

- (8) Temco was notified that the signals had suddenly been changed, and that Beechcraft would get the contract.
- (9) Temco again protested, resulting in Assistant Secretary Pike requesting that the whole matter be held in abeyance for review by Mr. Wilson, Secretary of Defense.
- (10) After the presentation of Temco's position to Mr. Wilson, and a delay of approximately two weeks, Temco was advised by Assistant Secretary Fogler of the Navy that they had decided to buy the Beech aircraft.
- (11) To add to our confusion, Temco meanwhile was undergoing and being subjected to a very confusing decision exactly the reverse of the Navy policy in the trainer procurement. Temco had submitted bids to the Air Force for the overhaul of T6G aircraft. Temco was notified they were low bidder and instructed to appear at Wright Field to negotiate and sign the contract. While actually in the process of negotiating a contract one of the previous bidders submitted an unsolicited second bid. The Air Force ceased negotiations with Temco on the basis that it was perfectly legal for this company to submit revised bid, and it would now be necessary for Temco to revise their bid or stand by their original proposal. This is an exact contradiction of the Navy's policy in connection with trainer procurement. At the same time, however, it is the same policy used by the Navy on the R6D and R7V contracts. It is quite evident that neither branch of the Services is properly instructed on how to handle procurement matters.

The most disturbing part of the whole controversy is the fact that Beech has exerted political pressure in this issue. They issued form letters and stamped, addressed envelopes to all their employees, requesting that they sign their names and mail them to the Congressman's address on the envelopes. This is not hearsay. Temco has copies of these forms in its possession. No political pressure or interference of this nature has been put forth by Temco; however, we feel that our competitor has secured some unfair advantage in this respect.

I feel that Temco has been subjected to unfair treatment by the Navy Department. I also feel that the taxpayer has been unfairly dealt with, since the Navy has procured the Beech aircraft at a price substantially higher than Temco would have sold its military trainer.

All Temco-Dallas Employees

Page 3

June 18, 1954

The Navy has admitted that both of the aircraft are equal; however, we have been advised by Navy personnel that the Temco airplane was superior from a maintenance standpoint.

I hope these letters will provide you with a clear picture of just what has transpired. I will advise you of any later developments.

Yours sincerely,


Robert McCulloch
President

RMCC/b

Att...

RESUME OF TEMCO'S PART IN NAVY TRAINER COMPETITION

The following chronological series of events is being presented for your information in order that you may be fully cognizant of all that has transpired in connection with existing controversy relative to Temco Aircraft Corporation's position with respect to the Navy procurement of light primary training aircraft.

Background and reason for Temco's participation in this project

In June 1953, a conference was held in the office of Mr. Charles Wilson, Secretary of Defense, attended by Mr. Charles Wilson, Mr. Charles Thomas, Admiral T. Coombs (then Chief of the Bureau of Aeronautics), Mr. Robert McCulloch (president of Temco Aircraft Corporation), and Mr. Barnett Chaskin (Temco's Washington Representative), for the purpose of discussing the cancellation of the Navy's contract with Temco for the fabrication and assembly of the F3H fighter.

The conversation eventually drifted to comments about Temco's reputation as a low cost producer in the aircraft industry, and Mr. Wilson indicated that it was his desire to see companies of Temco's type continue in business on the basis of their reputation and continued performance as a low cost producer. Admiral Coombs, sympathizing with Temco's position, answered the somewhat indirect statement by advising that the Navy had existing plans to procure a light training aircraft, and that Temco had one available which might suit their purpose. Mr. McCulloch countered by stating that, in his opinion, the existing airplane was not good enough to beat the competition, and that if this new competition would be on the basis of an off-the-shelf procurement, he would design and build another aircraft at Temco's expense, to meet the Navy requirements, capable of successful competition with other existing aircraft. This statement received the general approval of the group. Mr. Wilson further making the comment that Temco should build an airplane of its own design and try to make itself less dependent upon receiving work from other prime contractors. The Navy procurement was to be on the basis of selecting an off-the-shelf aircraft suitable for their purpose. The fact that the Air Force had procured a trainer of like design would not have any bearing on this policy. (As a side light to the F3H program, Temco eventually secured sub-contracts from McDonnell Aircraft Corporation at a price approximately \$1,000,000.00 lower than negotiated with previous subcontractors.

Subsequent Action taken by Temco

Temco immediately after this meeting proceeded to design, build, and subsequently test fly their new aircraft. The time itself was indicative of the effort and money put forth in good faith to meet the requirements of the Navy. The aircraft was designed, built, and flown in 75 working days, later flown to Pensacola for evaluation along with two other competitive aircraft, the Beech T-34 and the Ryan Navion entry.

Results of the Evaluation

At the conclusion of the evaluation program, the Bureau of Aeronautics notified Beech Aircraft Company and Temco Aircraft Corporation that the two airplanes submitted to them would be satisfactory and would meet their requirements after compliance with certain modifications to the aircraft.

Invitation to Contractor to Submit Proposal

On January 29, 1954, Temco received an invitation to submit a proposal in accordance with the aforesaid procurement of aircraft ranging in quantities from 33 aircraft to a total of 400 aircraft. The specifications submitted to Temco had been hurriedly compiled and were rather incomplete as evidenced by the new specifications subsequently provided Temco after the Navy's decision to reopen price proposals. As an example, delivery schedule by months was not included in the specifications or request for proposal. It is readily understood that the elapsed time in completing deliveries on a contract of this nature has a definite bearing on price since labor rates can change, work loads change, effecting overhead and administrative costs, etc. In addition to this omission, no reference was made with respect to the supply of technical publications to be furnished with the aircraft. The new specifications, for example, contain information requiring approximately two pages of instructions and requirements relative to this item of cost. Your attention is also directed to a rather nebulous statement in the original specifications, "Simplicity, economy and reliability must be stressed. The article tested is considered to employ an excessive number of electrically operated devices. For example, the power operated Canopy." This is the only electrical device of this nature on the Temco aircraft. Since both manual and electrical controls are provided it is a simple matter to eliminate this control switch. On the other hand, the competitive aircraft still retains such major electrical devices as electrically operated landing gear and electrically operated flaps, the changing of which would be a major redesign of the landing gear and flap operated system. It is noted that this paragraph has been deleted from the new specifications.

Numerous conference calls were conducted by Temco and the Class Desk personnel at the Bureau of Aeronautics handling this procurement and the answers or conclusions were most indefinite. Some sections of the Bureau of Aeronautics desired certain equipment installed, other sections did not. No definite requirement was arrived at. The general idea of the Bureau of Aeronautics was to purchase this procurement as rapidly as possible in order to be able to allocate existing funds. Temco proceeded with their proposal submitting two prices with the thought in mind that our proposal would be reviewed and negotiations of a final character and final price consummated. Temco had had similar experiences along these lines when two contracts, namely, the R7V overhaul contract and the R6D contract were handled in this manner, namely prices were submitted, contractors called in, and the proposal reviewed, final prices submitted and contracts awarded. It was Temco's impression that this would be a similar type of negotiation.

Navy's First Decision

On the evening of February 25, 1954, Temco was advised by the Navy that they had decided that the other company's proposal was more acceptable and that they were entering into negotiations for the purchase of the Beech aircraft. On February 26, Mr. McCulloch met with Admiral Soucek and was informed that he had decided to procure the other airplane on the basis of price alone, that both aircraft were acceptable and would do the job and that even if Temco had been a dollar higher he would have had to award the contract to their competitor. As a matter of fact, he stated that Temco's price was not even 10 per cent higher. This did not provide Temco with any information since they had submitted two prices and had no knowledge how many prices had been submitted by their competitor. To this date Temco does not have any idea of its competitor's price.

Subsequent Meeting with Admiral Soucek

After receiving Admiral Soucek's permission, the matter was taken up with Assistant Secretary Smith and Assistant Secretary Fogler of the Navy and Secretary of the Navy, Robert Anderson. A conference was held attended by Mr. Fogler, Mr. Smith, Admiral Ekstrom, Deputy Chief of the Bureau, Mr. Moore, Assistant to Mr. Fogler, Mr. McCulloch and Mr. Chaskin, at which time Mr. McCulloch explained his position in connection with the proposal. He made reference to the incompleteness of the specifications. During this conversation, Mr. McCulloch asked Admiral Ekstrom if he had specifications that could be used to purchase the Beech aircraft. His answer was yes. Mr. McCulloch then asked if the specifications had been written. Admiral Ekstrom's answer was no. Mr. McCulloch then remarked that if the specification was not written it was not in existence and that now would be a good time to write one complete in detail for both companies to bid on. During conversations in this matter relative to procurement of aircraft in general, Mr. McCulloch brought out the fact that a training aircraft of simple design and construction such as the one being discussed and one subjected to considerable usage should have the inclusion of spare parts costs as part of the total purchase. As an example, he stated that no civilian operator contemplating operating a training base would contemplate purchasing an aircraft without first having some knowledge of the cost of supporting equipment. The idea seemed to make a favorable impression on all concerned, especially Mr. Fogler and Mr. Smith. It had never been done before. This seemed to be a good time to include this provision in general procurement planning of aircraft of this type and simplicity. Mr. McCulloch stated that it would be no problem to have the contractor supply the cost of the major items of spares with the price of the aircraft. The meeting was then concluded and Mr. McCulloch was advised that full consideration would be forthcoming regarding Temco's position and a decision rendered after complete and detailed study by the Department of the Navy.

In addition to having this meeting, and prior to this meeting with the aforesaid gentlemen, Mr. McCulloch delivered a new price to the Bureau of Aeronautics for the aircraft and stated that he was perfectly willing to have the competitor do likewise providing our price was kept confidential. Upon the later decision of Mr. Fogler to reopen the price, Mr. McCulloch requested that this letter be eliminated and no longer considered.

Decision to Reopen Negotiation - Public Statement to the Press

Sometime approximating April 20, 1954, after months of deliberation and study including visits by both Assistant Secretaries of the Navy to the training center of Pensacola, Admiral Soucek notified Mr. McCulloch that the decision had been reached to reopen negotiations along the suggested plan, using a new and completely detailed specification including spare parts requirements, delivery schedules, technical data, etc. Mr. Fogler when questioned by the "American Aviation Daily" regarding his decision to reopen negotiations made the following public statement as published by that publication.

"Interviewed by the "Daily", Fogler said he was responsible for the decision, adding 'It wouldn't have been done unless I approved it.' He said his decision had 'full concurrence' of BuAer and that 'The Bureau of Aeronautics has decided that either plane with modifications would be satisfactory.'"

"Asked about the February 25 wire, Fogler said it did not mean that Beech had been

selected the winner of the hotly-contested competition. He pointed out the last sentence of the wire (which is a standard-type phrase in such BuAer negotiation communications), saying it was included 'in case you want to make a different approach.'"

"Fogler said the reason for reopening negotiations was that the Navy had reached a point in the competition 'where we desire to tell the companies what modifications should be made' and also to include the cost of spare parts in the forthcoming bids."

"The closer we can come before we make a contract, to complete and detailed specifications, the more satisfactory the Navy's relationship will be with the contractor", he said. "It's the type of action that could be done more and more."

"Noting that 'each of the planes is basically acceptable' as a new Navy primary trainer, Fogler said the original request was 'a request for proposals for negotiations, not bids. He expressed no knowledge of a closing date for these initial requests, adding that Temco 'came in with a lower proposal' at a later date after both firms had submitted cost estimates. He said 'nothing prevented Temco from making a second proposal.'" Mr. Fogler also stated in connection with this matter that "it had not been referred to Secretary Anderson or Mr. Wilson, although I did discuss this matter with Deputy Defense Secretary Roger M. Kyes." At this same time, Mr. Smith stated "In my opinion the competition has been handled fairly, and I think we will end up with a good airplane".

Temco Action since Notified of Reopening of Negotiations

Temco, upon advice that negotiations would be reopened, initiated an intensive production engineering study campaign to simplify the manufacturing methods of producing the airplane. They also contacted all of the vendors supplying the equipment to Temco and after intensive effort by purchasing groups were able to get improved commitments and prices. Temco proceeded to expend this considerable amount of time and effort in the firm belief that the Navy's firm commitment to reopen negotiations would, at least, provide them with another opportunity to submit an improved price.

Navy Reversal of Previous Decision

On the morning of May 27, Admiral Soucek handed Temco's Washington Representative, Mr. Chaskin, a letter signed by Mr. Fogler, which in essence stated that the Navy had reversed the decision and were not prepared to carry out their firm commitment to Temco to reopen negotiations and that a contract would be negotiated with Beech Aircraft Company on a sole-source basis. Mr. McCulloch on the morning of May 28, accompanied by Mr. Chaskin, met in conference with Mr. Fogler to discuss this latest development. The result of the conversation was that Secretary Fogler stated that the reason for the Navy's reversal of their decision was based upon three factors. The first of which was the fact that the U. S. Air Force had procured an additional quantity of Beech T-34 aircraft. This, in the opinion of the Navy, would result in a lower price to the Navy for the Beech trainer. The second basic factor effecting the decision was the fact that some sources in the Air Force and the Navy considered it desirable to maintain a common trainer aircraft for both services. The third factor put forth by Mr. Fogler revolved itself around the old question of whether it was ethical or unethical to permit the reopening of negotiations. This seemed

rather strange in view of the fact that so much time and study, consuming months of deliberation and investigation had already resulted in a decision to reopen negotiations as announced by Mr. Fogler and concurred in by Mr. Fogler, Assistant Secretary of the Navy, Mr. Smith, Assistant Secretary of the Navy, and Mr. Kyes, Deputy Secretary of Defense. On this last point Mr. Fogler advised that a final meeting had been held in the office of the new Secretary of the Navy, Mr. Charles Thomas, at which time this decision to eliminate Temco was made. Temco takes the position that the ordering of additional aircraft by the Air Force did not necessarily mean that Beech's price would be any lower than Temco's new price. Temco also takes the position that had the Navy wanted to use the same aircraft as the Air Force they should never have allowed Temco to embark on a course of this kind at an expenditure of this kind of a million dollars just for the experience.

Mr. McCulloch and Mr. Chaskin then advised Mr. Fogler that they would endeavor to see Mr. Thomas, Secretary of the Navy, for further discussion. The interview with Mr. Thomas, Secretary of the Navy, was exceedingly short; possibly two or three minutes, since Mr. Thomas, Secretary of the Navy, had no definite appointment with us and was called out of his office shortly after we entered. He did, however, in that brief interview leave no doubt in our minds as to how he felt about our position. We were left standing on third base by reason of what we considered a "doubtful called strike." Our only recourse was to appeal the decision to a higher authority and asked Mr. Thomas, Secretary of the Navy, if he would object to our contacting the office of the Secretary of Defense. He offered no objections whatsoever.

Mr. McCulloch and Mr. Chaskin then obtained an appointment with Mr. Pike, Assistant Secretary of Defense. Mr. Pike listened to our story very attentively and agreed to see us again on the following Tuesday morning, June 1, 1954.

The meeting was resumed on the morning of June 1, 1954, at which time Mr. Pike agreed to arrange a further conference with the Secretary of the Navy, Mr. Thomas, attended by Mr. Fogler, Mr. Pike and Temco Representatives, Mr. McCulloch and Mr. Chaskin.

Meeting with Secretary Thomas, Secretary Pike and Secretary Fogler

The meeting in the office of Secretary Thomas finally developed once more into a discussion as to whether it would or would not be ethical to allow Temco and Beech to present new prices to new specifications including prices of spare parts. Temco took the position that Mr. Fogler's statement, a fairly emphatic statement in our estimation, and made after Admiral Soucek's notice to Temco that negotiations would be reopened, was made after thorough and detailed investigation by all departments of the Navy, and that it seemed rather strange that it should now be reversed. We wish to make it clear, however, that we do not question the Navy Department's authority to change its decision; we merely are mystified at the course of events and raise the question as to just how the Navy and the taxpayer will benefit by this decision. After all, Temco's plea was not that the Navy should award a contract to Temco, it was simply a plea to be allowed to submit a new price based upon complete factual data, in competition with the other company. Temco, at this meeting, offered to submit its price there and then and was advised that we should retain it in our possession. We have, however, taken steps to have this document retained in the United States Mails as evidence of its existence, as of this date, June 2, 1954. The

merits of the two aircraft have never at any of the meetings been discussed. Mr. McCulloch, however, at this meeting stated emphatically that the Temco aircraft was superior from a maintenance standpoint and explained a number of advantages such as: (a) The number of spare parts required to maintain Temco's aircraft by reason of its design should be considerably less than our competitors. The only way to prove this point will be comparison of spare parts costs for the life of the aircraft. We are willing to submit our prices for comparison, (b) the movement of the Temco aircraft to and from maintenance shops, as for the procedure used at Pensacola, and to and from adjoining auxiliary fields through traffic, can be accomplished without the use of special movable cradles, since Temco's outer wing design permits removal of the wing, leaving landing gear in position as means of conveyance, (c) the landing gear is operated through the well tried, proven, and almost exclusively used hydraulic system, in comparison with our competitor's system using electric motors and gears. This is one of the things pointed out as being undesirable in the original specifications and as being a general source of annoyance and trouble during maintenance of aircraft, (d) our one piece rear cockpit enclosure is much cheaper and easier to maintain than the three section enclosure on the competitor's aircraft. There are many other items, however, that could be enumerated and substantiated by a review of the aircraft involved. No doubt the opinions of the spare parts survey team could be solicited in this respect. I am sure they, from their past experience, could agree or disagree with these comments.

Conclusion

In closing let us state that it is our intention to prepare a cost proposal based on the new specifications now in our possession including the cost of spare parts to be opened by a responsible and disinterested party only and after the Beech Aircraft Company's bid is submitted. This is being done in order to protect ourselves against any new statement that we are aware of any new price they may submit or have submitted.

Temco would like to state that they consider they have been grossly mistreated by the Navy Department, in that they were, first of all, encouraged to enter a "free" competition which later developments seemed to indicate not free at all but already decided in favor of single source procurement, and that later they were given a firm commitment that negotiations would be reopened causing them to expend additional sums of money and effort to provide the best possible price to the taxpayer. The only policy that can satisfy Temco now would be to continue with the reopening of negotiations permitting them to submit a new quotation in competition with our competitor and let the best proposal win, and the loser call it a day.

Action Taken by Temco and Defense Department after Submittal of
this Resume of Events and Protest by Temco

Copies of the above resume of events were forwarded to the Offices of the Secretary of Defense Wilson, Deputy Secretary of Defense Anderson, Assistant Secretary of Defense Pike, Secretary of the Navy Thomas, Assistant Secretary of the Navy Fogler, and Assistant Secretary of the Navy Smith, together with copies of the Beech Aircraft form letters which had, as previously mentioned, been distributed to Beech employees for the purpose of applying political pressure in connection with this controversy. Temco at the same time offered to submit its revised proposal to the new specifications, as previously agreed upon and decided by Assistant Secretary of the Navy Fogler and, of course, later revised, the Navy Department refused to accept Temco's revised proposal, Temco then proceeded to protect the date of this proposal by depositing it in the U. S. Mail as a registered document to be held in General Delivery for thirty days. This proposal at this moment is still in the Post Office, as evidence that Temco's revised proposal was available and in existence as of June 1, 1954.

After a lapse of approximately two weeks and a stop order from the Defense Department holding up all action by the Bureau of Aeronautics, during which time we were advised that Mr. Wilson would review our case, the Navy Department on the 17th of June, 1954, by telephone call from Mr. Fogler, Assistant Secretary of the Navy, notified Temco that they had decided to buy the Beech aircraft and were in the process of signing a contract with that company. No attempt was made whatsoever to ascertain Temco's revised price as outlined in the revised proposal. It was further learned that during the negotiations with the Beech Aircraft Company and the Navy Beech Aircraft had been permitted to reduce their price below the initial price originally submitted. However, this new price is still substantially higher than Temco's revised price, which the Navy refused to accept or even consider.

Upon receipt of this telephone call from Mr. Fogler, Mr. McCulloch sent the following telegram to Mr. C. E. Wilson, Secretary of Defense:

"HONORABLE C. E. WILSON
SECRETARY OF DEFENSE
PENTAGON BUILDING
WASHINGTON, D. C.

"HAVE JUST BEEN ADVISED NAVY'S DECISION TO PURCHASE BEECH TRAINING AIRCRAFT WHICH IN EFFECT UPHOLDS NAVY'S DECISION REFUSING TO ALLOW TEMCO TO SUBMIT REVISED BID. HERE ARE FOUR EXAMPLES OF THE MIXED-UP AND CONFUSED PROCUREMENT POLICY NOW BEING ADOPTED AND USED BY THE PROCURING AGENCIES:
(1) TEMCO ALONG WITH OTHER INTERESTED COMPANIES SUBMITTED PRICES FOR R7V OVERHAUL. ALL PRICES WERE RETURNED TO INTERESTED COMPANIES WITH THE REQUEST THAT THEY SUBMIT REVISED PRICES THERE WAS NO CHANGE IN SPECIFICATIONS AND NO

REASON OTHER THAN THAT THE NAVY DESIRED TO SECURE THE BEST POSSIBLE PRICE FROM THE MOST COMPETENT COMPANY. (2) TEMCO ALONG WITH OTHER INTERESTED COMPANIES SUBMITTED PRICES ON R6D OVERHAUL. ALL PRICES WERE LIKEWISE RETURNED TO ALL COMPANIES CONCERNED AND NEW PRICES WERE REQUESTED. AS A MATTER OF INTEREST, TEMCO ACTUALLY SUBMITTED PRICES FOUR TIMES AND AGAIN THERE WAS NO CHANGE IN THE SPECIFICATIONS. (3) TEMCO ALONG WITH ONE OTHER COMPANY SUBMITTED PRICES FOR TRAINING AIRCRAFT. IN THIS INSTANCE, HOWEVER, SPECIFICATIONS WERE INCOMPLETE AND INADEQUATE WHEN COMPARED WITH NEW SPECIFICATIONS DRAWN UP BY THE NAVY DEPARTMENT. NAVY, HOWEVER, IN THIS INSTANCE DECIDED THIS WOULD BE A ONE TIME FINAL BID. HOWEVER, THEY DID NOT ASK FOR SEALED BIDS ORIGINALLY AND ELECTED TO FOLLOW A NEW POLICY REFUSING TO ALLOW TEMCO TO REVISE ITS PRICES. NAVY THEN REVISED ITS DECISION PUBLICALLY STATING THAT TEMCO HAD EVERY RIGHT TO SUBMIT NEW PRICES. NAVY SUBSEQUENTLY AGAIN REVISED THE DECISION THIS TIME REFUSING TEMCO PERMISSION TO SUBMIT REVISED PRICES. OUR COMPETITOR, HOWEVER, WAS PERMITTED TO REVISE HIS PRICES A SECOND TIME. WE HAVE NO DOUBT THEY WERE REVISED DOWNWARD. TEMCO WAS ELIMINATED FROM ANY FURTHER CONSIDERATION AND THEIR REVISED PRICES OFFERED WERE REFUSED. (4) HERE IS ONE AFFECTING TEMCO IN THE OPPOSITE DIRECTION. TEMCO ALONG WITH OTHER INTERESTED COMPANIES SUBMITTED PRICES TO THE AIR FORCE FOR OVERHAUL OF T6G AIRCRAFT. TEMCO WAS THEN NOTIFIED BY THE AIR FORCE THEY WERE LOW BIDDER AND REQUESTED THEIR PRESENCE AT WRIGHT FIELD TO NEGOTIATE AND SIGN CONTRACT. WHILE ACTUALLY IN THE PROCESS OF SIGNING CONTRACT TEMCO SUDDENLY ADVISED ONE OF THE INTERESTED COMPANIES HAD SUBMITTED A REVISED UNSOLICITED BID AND IT WOULD NOW BE NECESSARY FOR TEMCO AND THE OTHER COMPANY INVOLVED TO SUBMIT NEW PRICES. THERE WAS NO CHANGE IN THE SPECIFICATIONS. AIR FORCE ADVISED TEMCO THIS WAS PERFECTLY LEGAL AND IN ORDER. AIR FORCE EVIDENTLY FOLLOWING THEIR POLICY OF BUYING THE MOST FOR THE AIR FORCE DOLLAR.

"YOU WILL ADMIT THIS IS ALL VERY CONFUSING TO ME. I HAVE NO FAULT TO FIND WITH THE AIR FORCE. THEY ARE SIMPLY SPENDING THE TAXPAYER'S MONEY TO BEST ADVANTAGE.

"TEMCO'S NEW PRICES WITH RESPECT TO TRAINER PROCUREMENT REPRESENT SUBSTANTIAL SAVINGS TO THE TAXPAYER. THE BEECH AIRCRAFT ORIGINALLY COST THE U. S. AIR FORCE AND THE TAXPAYER APPROXIMATELY THIRTY-NINE THOUSAND DOLLARS EACH AIRCRAFT PLUS MILLIONS OF DOLLARS FOR TOOLING. BY REASON OF TEMCO'S COMPETITION THIS PRICE HAS SUDDENLY BEEN REDUCED DOWNWARD AT LEAST THIRTY PER CENT. TEMCO'S NEW PRICE SUBSTANTIALLY LOWER THAN THIS PRICE REDUCTION.

"WE DID NOT ASK FOR A CONTRACT. WE MERELY REQUESTED THAT WE BE PERMITTED TO BID THE SECOND TIME ALONG WITH OUR COMPETITOR. WHEN A FINAL BID IS DESIRED IT WOULD SEEM TO BE GOOD BUSINESS PRACTICE TO HAVE A PROVISION IN THE REQUEST FOR BID STATING THAT THE BIDS WILL BE ON THE BASIS OF SEALED BIDS PUBLIC OPENING.

"I KNOW YOU ARE EXTREMELY BUSY BUT WILL REQUEST THAT YOU DO ME THE FAVOR OF ALLOWING ME TO PRESENT MY STORY TO YOU PERSONALLY. I HAVE COMPLETE CONFIDENCE IN YOUR FAIRNESS.

ROBERT McCULLOCH
PRESIDENT
TEMCO AIRCRAFT CORPORATION
DALLAS, TEXAS"

A review of the contents of this telegram should indicate to all concerned just how mixed-up and utterly confused these Government procurement policies are. On the one hand Temco is refused permission to submit revised bid on the theory that it is not legal--on the other hand, the Air Force, when Temco is low bidder, permits another company to submit a new bid, requesting Temco to do likewise or stand by its original bid, advising Temco that it is perfectly legal to permit the other company to bid. Here we have an example of two branches of the service doing just as they please and using whatever procurement policy they think might suit their purposes. It is quite evident that no uniform thinking has been established. In simple language, someone should determine just what is legal and what isn't legal. Either the Air Force is correct and the Navy is wrong, or the Navy is correct and the Air Force is wrong. In the meantime, the contractor wanders around in circles wondering what new policy will suddenly be presented to him.

Mr. Wilson has granted an interview with the writer on Monday, June 21. This will be the first opportunity Temco has had to present this case personally to the Secretary of Defense. I feel it is only fitting and proper that I should acquaint you with all of the facts contained in this letter. I have done everything in my power to see that your splendid effort in building the Plebe received fair consideration. I am of the opinion that we have received unfair and unwarranted treatment in the handling of this whole subject.

CASE & PROJECT

Guate

June 28, 1954

My dear Friend:

It is certainly good to know that my old friends at San Marcos are backing the stand I have taken. This is the time for firm and decisive action and I think that every Texan is willing to stand up and be counted.

Thanks again for writing to me as there is nothing that means so much as a word of encouragement from an old and trusted friend.

Sincerely yours,

Lyndon B. Johnson

Mrs. Peter Woods
San Marcos,
Texas
LBJ:GER:gr

Lucy S. Marcos Zeno
Dear Friend
Dear Lyndon

RECEIVED

JUN 25 1954

I must write you this
early morning & tell
you, how proud we
are that you express
yourself, being in
favor of helping Guatemala,
malta, keep on. Please
up all the senate or
do all you can do
let our influence
you not to help - it is
right & in that way
not only help them
but help ourselves you

will gain² votes for
himself. I can't under-
stand how Henry Cabot
Lodge could want to
^{make} no aid for that country.
How can the Pres, Dulles
& others of the N. W. let
England & Russia
dominate, I hear plenty
of saturo here express
themselves, & can't under-
stand why some of our
leaders will support the
communists. You are
a Texas man & we are
proud you came out &
said what you did.
Don't let any one discom-

you, Texans have
common sense and
gumption.
We your old friends
are going to back you
with ash votes & want
you to do the right thing
& not be afraid to do
your duty & do all you
can to help the help-
less & to save our
freedom, may God
bless you

Your friend
Wm Peter Woods

AFTER FIVE DAYS RETURN TO

Mrs. Peter Woods

San Marcos, Texas



SEN. Lyndon B. Johnson

Washington D. C.

VIA AIR MAIL



Air Mail.

CASE & PROJECT

Guatemala

June 28, 1954

Dear Mrs. Sanders:

I feel now, as I have always felt, that the question of Guatemala is properly one to be considered by the Organization of American States. Such jurisdiction is both logical and consistent with the terms of the United Nations Charter.

The obvious fact is that the Guatemalan situation threatens the peace and integrity of the Western Hemisphere. Consequently, I think it should be considered by the nations most affected.

Thank you very much for taking the trouble to write to me, and if I can be helpful in any way, remember I am no further than your mailbox.

Sincerely yours,

Lyndon B. Johnson

Mrs. Thos. W. Sanders
2823 Grand Avenue
Dallas, Texas
LBJ:GER:gr

2823 Grand Ave.
Dallas, Texas

June 24, 1954

Sen. Lyndon Johnson

RECEIVED
JUN 27 1954

Wash., D.C.

Dear Sir:

I have been very upset over the events in Guatemala, and feel that this situation represents a real threat to the peace.

While we may not agree with the present regime of Arbenz in Guatemala, I still feel that it is one which the people there support. Therefore, I can see no justification for our government to support an invading force, which has as its expressed aim

the forceful overthrow of
the present government.

If our government sent
troops to Korea to repel an
invader or aggressor, don't
you think we have the
same responsibility to
urge the U N to repel the
warring forces which have
crossed Guatemala's
borders and started a war?

Sincerely,

Mrs. Thos. W. Sanders.

CASE & PROJECT

June 25, 1954

(Guatemala)

My dear Friend:

I certainly agree with you that it's time to awaken our Nation to the dangers that flow from Red infiltration in Guatemala. That is why I rose on the floor the other day and offered a resolution reaffirming America's historic policy against infiltration of the Western Hemisphere. I am enclosing a copy of my speech and the resolution for your study. I certainly hope it meets with your approval.

When the State Veterans Committee meeting is concluded I would like to have a report from you as to what took place. I know of no one in whose estimate I would have more confidence.

I'll pass on your best personal regards to everyone in the office and, meanwhile, many thanks for your generosity over the years.

Sincerely yours,

Lyndon B. Johnson

Mr. K. A. Ramsauer
2500 Overlook Terrace
Madison 5, Wisconsin

LBJ:GER:gr

RECEIVED

JUN 20 1954

2500 Overlook Terrace
Madison 5, Wisconsin
June 17, 1954

My dear Friend

The Hon. Lyndon B. Johnson
United States Senate
Washington 25, D.C.

Dear Lyndon:

I cannot urge you too much to use your influence to awaken some of your colleagues to the dangers facing our cities and the Panama Canal because of the Red government in Guatemala.

While our officials are obliging the Communists by fretting about Indochina and one army private, the main peril, as always, perhaps deliberately, is overshadowed.

If more Americans are to die, it should be in the right place, here on this continent, according to the Monroe Doctrine, protecting our country before air bases are built for Russian use in Guatemala.

I am leaving here June 23rd for Dallas where I will attend a State Veterans Committee meeting of which I am a member. I am sure there will be some discussion as to candidates in the forth coming elections, therefore it is my aim to campaign for those of the Democratic party in every way possible. If you have any suggestions in this respect please advise me.

I will be at the Hotel Adolphus, Dallas, from June 25th until the 28th if you wish to contact me.

My best regards to Sam and Arthur Perry and my best wishes and I hope to hear from you soon.

Sincerely,

K. A. Ramsauer
K. A. Ramsauer

T. L. L.

From:

K. A. Ramsauer
2500 Overlook Terrace
Madison 5, Wisconsin



The Hon. Lyndon B. Johnson
United States Senate
Washington 25, D.C.

VIA AIR MAIL

CASE & PROJECT

June 25, 1954

(Guatemala.)

Dear Mr. Grawunder:

Personally, I agree with you that this country should not interfere in the internal affairs of other nations. But, when one nation of the Western Hemisphere threatens the peace and security of the Western Hemisphere, I think we are fully entitled to act to protect ourselves and keep communism from our shores.

I would not favor American intervention in Guatemalan affairs. But I do favor American action and cooperation with other Western Hemispheric nations to repel Soviet imperialism. I believe this can be done without shedding any American blood but since Latin America is at our Nation's back door, I think we must act. After all, Guatemala is closer to Texas than Brownsville is to Amarillo and I believe we must bear that fact in mind.

Thank you very much for writing to me, and if I can be helpful in any way, don't hesitate to contact me.

Sincerely yours,

Lyndon B. Johnson

Mr. Henry C. Grawunder
Bellville,
Texas

LBJ:GER:gr

Invasion by Exiles Threatens Guatemala's Red Government

The invasion of Guatemala by exile anti-Communists is being prosecuted on a surprisingly large scale. The initial successes, the number of men apparently engaged, and the variety of instruments of war being employed all indicate the likelihood of a quick destruction of the first dangerous Communist base ever carved out in the New World.

While the invasion comes as no surprise, the care with which preparations had been made and the diversity of weapons, including airplanes, aerial bombs, landing craft and flame throwers is astonishing in a Central American revolution.

It is no wonder that according to early reports a third of the country was quickly occupied. If these reports are correct, the rebellion is making remarkable progress in view of the fact that the massing of forces on the border was no secret to Guatemala's red-dominated government.

The key to the outcome of events is the Guatemalan army. If it should remain loyal to the regime, a long and bloody war probably will be fought. For the army numbers about 6000

men, as against a reported 5000 insurgents, and the army is backed up by a militia of perhaps 30,000 which is said to have been armed in recent weeks. The Guatemalan government is well supplied with weapons and munitions, the shipment from Poland last month alone having been sufficient to make the country the dominant military power in Central America. However, there is said to be much disaffection with the regime in the army.

There is, of course, a possibility that the conflict will spread beyond Guatemala's borders. The Arbenz government is accusing Honduras particularly, and Nicaragua also, of supporting the exile forces. Obviously both of those neighbors have at least looked the other way while the insurgents prepared for the invasion.

However, the quick victory for the anti-Communist forces which appears probable would rule out any such international complications.

Citizens of this country are deeply gratified over the prospect of an early end of the Red foothold in the Americas. Most Latin Americans also must be well pleased with the turn of events.

R IS NOW FAVORED. SEE SECTION 4, PAGE 4

GRAMMERC
BELLVILLE
39117173

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Houston's Best Local Coverage

3

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EDITION

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JUN 23 1954

[Handwritten signature]

TELEPHONE FA-3131, CLASSIFIED BL-0611

PRICE 5 CENTS

U.S. Warns Russia To Keep Out of Hemisphere



Kansas Convicts Kill Guard in Escape Try

LANING, Kan. — (AP) — Six long-term convicts, wielding three crudely-fashioned, home-made pistols and several knives, killed a guard and briefly held eight terrified prison visitors as hostages in an unsuccessful attempt to escape from the Kansas State Prison Sunday.

Two convicts and one of the near-hysterical hostages were wounded, none critically, in the gunfire that occurred when the prisoners brazenly tried to escape through the administration building.

WILLIAM MORRIS, secretary to Warden Charles Edmondson, gave this account:

The convicts were waiting in the prison yard outside the building. They grabbed Fred Kenega, an unarmed guard

vestibule in the prison yard. It adjoins the administration building.

Kenega apparently tried to halt them. He was shot and killed by a .22 caliber bullet, fired from one of the pistols, fashioned from wood and pieces of pipe. He had been shot in the stomach.

"THE WOMEN WERE screaming and almost hysterical," said Norris.

The desperate convicts ordered Gatekeeper Andy Hollinshead to open the gate, which leads from the vestibule to the administration building and fired at him when he refused.

Warden Edmondson rushed to a second gate about 15 or 20 feet behind the vestibule gate. He tried to reason with the convicts.

Bellville, Texas .

June, 22, 1954

Senator, Lyndon B. Johnson,
Washington, D.C.

Dear Senator Johnson:

I am writing you for information on the foreign situation, especially in Central America. I, for one am completely baffled at the policy of the State Department and news editorials, which, if it was not so serious, I would say are rather amusing.

For years we, that is our officials at Washington, have gone all out for a "Everything short of war" policy, in meddling in foreign affairs. Although those troubled zones were thousands and thousands of miles from our immediate shores. Since that time our influence, bases, etc; are scattered over the many other Hemispheres. Now with troubled nations at each others throats, here in our own hemisphere, state officials are quick to warn foreign nations to stay out of this hemisphere. Is that-I ask you-not a sure road down to war? God have mercy on us, if we have so forgotten the Golden rule.

The question of Aggression: May I ask you, "When is an aggression, not an aggression? Is your answer?" When such an aggression is to our advantage, economically and otherwise? Again I say, God have mercy on us. I thought that our democracy always held that all questions and problems of internal nature, should be settled peacefully through the vote of the people; That is not the way the anti-Communist are, at this time, settling their difference in Guatemala. I am not asking you to comment on why violence and force is used in that country, the question I am concerned ^{over} is that the citizens of this country (as the editorial puts it) seem to be greatly gratified over this violence (note press clipping inclosed) When the press say Citizens, I take it that it means also those men responsible over our state affairs.

So there you have it; a good and sure method to take a nation down the road to war. If it is wrong for other nations to resort to aggression, it certainly is wrong for nations in this hemisphere to resort to force and violence to settle their internal affairs. And who are we to say otherwise? And again, if it is wrong for other foreign powers to meddle in this hemisphere, then it is wrong for this nation to use their influence in other hemispheres, thousands of miles away. What do you say?

Respectfully,

Henry C. Grawunder
Henry C. Grawunder,
Bellville, Texas.

AFTER FIVE DAYS RETURN TO

Henry C. Grawunder,

Bellville, Texas.



Senator, Lyndon B. Johnson,
United States Congress,
Washington, D.C.

CASE & PROJECT

June 5, 1954

Dear Mrs. Schlueter:

I certainly agree with you it is not possible for the United States to police the whole world alone nor should we do so. It would be tragic if our young men had to go forth for the third time in a generation to fight and die.

I am enclosing a copy of speeches I recently made in San Antonio and in Dallas which cover my thoughts on Guatemala and the world situation generally.

If I can ever be helpful to you in any other way, don't hesitate to write me.

Sincerely yours,

Lyndon B. Johnson

Mrs. William Schlueter
2723 Grayson Drive
Dallas, Texas
LBJ:GER:gr

Dallas, Texas

May 21, 1954

Honorable Lyndon Johnson
Senate Office Building
Washington, D.C.

JUN 4 1954

Curly

Dear Sir:

I urge you to use every effort
to stop any move to send U. S. troops
to Indo-China. We cannot police
the world.

In regard to another problem area -
Is it possible to crack down harder
on Guatemala? (By economic means)

Sincerely,

Mrs. William Schlueter
2723 Grayson Drive

2723 Grayson Dr.
Dallas 24, Texas



HIRE THE HAND:

ITS GOOD BU.



Senator Lyndon Johnson
Senate Office Building
Washington, D.C.

COPY

CASE & PROJECT

June 9, 1954

NOTE TO SENATOR JOHNSON

James Stogel suggests you may like to make a speech on the floor today deploring the loss of civil liberties in Guatemala along the line of how can it be a people's revolution when the first shot out of the box the civil liberties are taken away from the people.

Walter -

wj dj

COPY

CASE & PROJECT

June 7, 1954

Guatemala

Dear Friend:

The enclosed letter from the Assistant Secretary of State relates to your recent letter to me concerning United States-Panama relations.

I hope you will find the Secretary's letter of interest. If there is anything further you feel I should do in the matter, please let me know.

With best wishes, I am

Sincerely,

Lyndon B. Johnson

Mr. Jamie F. McFarland
Jefferson Tower Building
Dallas, Texas
lbj/acp/mcb

DEPARTMENT OF STATE
WASHINGTON



June 4 1954

In reply refer to
ARA:MID 611.19/5-2954

Dear Senator Johnson:

I refer to your letter of May 29, 1954, with which was enclosed a letter from your constituent, Mr. Jamie F. McFarland, on the subject of United States-Panama relations.

The current conversations between Panama and the United States were requested by the Government of Panama and were initiated in September, 1953. The purpose of these talks is to review relations between the two countries resulting from the construction and operation of the Panama Canal with a view to removing all justifiable grounds for Panamanian misunderstanding and complaint regarding our operations in the Canal Zone under the pertinent treaties and agreements.

The Panamanian Delegation has presented a series of proposals during these talks and the United States Delegation, after consultations with the several United States Government agencies directly interested, has presented its comments on each of these proposals and has made a series of counter-proposals. The initial phase of these conversations is expected to be concluded shortly, after which the Panamanian Delegation will return to Panama for consultations with its Government and to analyze in its entirety the United States position with respect to Panama's proposals.

The issues involved are exceedingly complex and directly bear upon the most vital national and strategic interests of the United States, since the Canal, even in this atomic age, remains one of our most important assets. All proposals bearing upon our position on the Isthmus, therefore, have had to be carefully scrutinized and studied in order that their implications and effect might be fully appreciated and understood. It is pertinent, in this connection, to point out that the 1936 Treaty with Panama was concluded only after two and one-half years of negotiation.

The

The Honorable
Lyndon B. Johnson,
United States Senate.

JUN 5 1954

RECEIVED

The current conversations have gone forward in the frank and cordial atmosphere which has always characterized United States-Panama relationships. The Department is confident that these talks will result in solutions and arrangements mutually satisfactory and beneficial.

Sincerely yours,

For the Secretary of State:

Thruston B. Morton
Assistant Secretary

Enclosure:

Letter from Mr. McFarland returned

Jamie F. McFarland
CERTIFIED PUBLIC ACCOUNTANT
JEFFERSON TOWER BUILDING
DALLAS, TEXAS

May 26, 1954

RECEIVED
MAY 28 1954

Senator Lyndon B. Johnson
United States Senator
Washington, D. C.

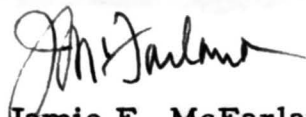
Dear Senator:

I have just been talking to friends from Panama. They cannot understand why the negotiations concerning our use of the Panama Canal continue to drag on when in the first instance, negotiations concluded in forty-five minutes or so.

These friends suggest that perhaps if Panama should threaten war on us or if Panama should threaten to turn in with the Guatemalaeans, Uncle Sam would open his purse strings and pour out good 'ole' U. S. dollars into their coffers. They have the opinion that while we are quibbling over a few dollars increase in rent, we at the same time have not declined dollars in gifts and grants, and no repayment required, to our enemies.

What these friends say just about sums it up, don't you think?
Does it make sense to you?

Yours very truly,



Jamie F. McFarland
Certified Public Accountant

JFMcF/dw

COPY

CASE & PROJECT

May 29, 1954

Dear Friend:

I have your letter of May 26, regarding the negotiations concerning our use of the Panama Canal.

I am taking the liberty of bringing your comments to the attention of the proper officials here and shall be glad to write you further as soon as I have some report thereon.

With best wishes, I am

Sincerely,

Lyndon B. Johnson

Mr. Jamie F. McFarland
Jefferson Tower Building
Dallas, Texas
lbj/acp/mcb
S

COPY

May 29, 1954

Arthur C. Perry
186

Office of the Secretary
Department of State
Washington 25, DC

CASE & PROJECT

June 21, 1954

My dear Friend:

I am certainly glad you took the time and trouble to write me about your visit to Mexico City. Your detailed information will be extremely helpful to me in considering the highly important question of Guatemala and Central America.

I don't know when I'll get back to Austin but I will be very happy to meet with you and Ed Idar. I will get in touch with you at the earliest opportunity.

My best regards to Mrs. McLellan, and I certainly do appreciate the splendid work that she is doing.

Sincerely yours,

Lyndon B. Johnson

Mr. A. C. McLellan
311 E. Main Street
Rio Grande City, Texas
LBJ:GER:gr

311 E. Main St.,
Rio Grande City, Texas
June 13th, 1954

Recd

Hon. Lyndon Johnson,
U. S. Senate Chambers,
Washington, D. C.

RECEIVED
JUN 16 1954

My Dear Senator:

I was very happy to read of your concern over the Guatemalan situation in your last news letter from Washington. Your concern is well taken.

A few days ago, Ed Idar of Austin and Chris Aldrete of Del Rio, and the writer, returned to Texas after attending the First Anti-Communist Continental Congress which was held in Mexico City May 27th thru May 30th. We were, unfortunately the only U. S. citizens in attendance. Fourteen Latin American Republics were represented. The largest delegation from outside of Mexico was the Guatemalan delegation which had twelve distinct anti-communist groups in attendance, plus representation from the Anti-Communist Coordinating Committee headed by Carlos Salazar living in Mexico, in exile.

Idar and I spent some considerable time with the Guatemalans and mixed, in the limited time available, with a number of the other pro-U.S. groups. We also spent some time with U.S. wire service reporters and correspondents some of whom had been covering Guatemala from the interior, and some who were giving daily coverage to the well organized anti-communist groups living in exile in Mexico.

The situation seems to be much more tense than is believed in this country. The Guatemalans themselves state that 95% of Guatemala is anti-communist and that there are only about 1,000 died-in-the-wool communists in Guatemala. However this small core has taken control of all key agencies and is able to impose its will over the entire republic. They predicted to us that there would be an attempt made to suspend all constitutional guarantees; this happened three days ago; you can well understand what this means. Another prediction was that we would see the peculiar phenomenon of an administration "overthrowing itself", that is, a number of cabinet ministers, ambassadors etc., would be removed from office with wide publicity given to their removal. The same puppet masters however, would continue to pull the strings. It would appear that this is beginning to happen. Some days ago, one of the top communists in Guatemala, Jose Manuel Fortuny, resigned his post as secretary-general of the Guatemalan Communist Party and all other government titles he held. The reason given was 'ill-health'. None of the Guatemalans living in exile believe that Fortuny has been discarded. They suspect that he has been given the authority and the assignment of instigating disorder and chaos in some of the neighboring republics... Honduras, Costa Rica, Columbia and El Salvador.

In line with this, we here on the border are witnessing a series of incidents which may, or may not be related. However there does seem to be a general pattern of violence with related propaganda. In the last three months there have been four distinct areas of violence develop close to the U. S. border. The first, some ten weeks ago, broke in Matamoros. The second broke close to Caydeteta between Monterrey and the border. The third is still active, in Cananea, Sonora, and the fourth broke three days ago in Reynosa.

In all four areas there are reportedly some active Communist cells. A day or two before the Cananea riot broke, Vicente Lombardo Toledano had visited there. In the Reynosa situation, an agrarian revolt, 52 agitators were apprehended, most of whom were carrying copies of "Voz de Mexico" which is considered the official organ of the Mexican Communist Party. The Matamoros situation broke under the leadership of Juan de Dios Hinojosa former presidente municipal of Nuevo ~~Laredo~~ Laredo who has long been suspected of having communist leanings. The Caydereta riot was inspired by a group of miners and agrarians. In all instances the U.S. and "Yankee imperialism" were denounced by the riot leaders..... this is the typical Lombardo Toledano line.

Perhaps the air will be cleared considerably during the scheduled inter-governmental conference in Montevideo, but there is some doubt that such will be the case. It seems to me that the U.S. has lost some considerable prestige all thru Latin America in spite of Vice-President Nixon's recent statements to the contrary. This is evidenced in part by the fact that in 1952 the U.S. exported to the 20 Latin American republics something like 3,480,000,000 dollars. In 1953 our exports to these same republics dropped some 350,000,000 dollars... and our exports are still dropping. The recent devaluation of the Mexican peso and the later Cortines directive on the importing of luxury items from the U.S. plus a high tariff against competitive products being manufactured in Mexico, will decrease the U.S. export figure still further.

As you are well aware, Idar and I have taken some firm positions with regard to Mexico, her economy, and our wide-open Mexican-U.S. border. We feel that everything we learned on our recent trip to Mexico City helps justify the stand we have taken.

I sincerely hope that both Idar and I will have an opportunity to visit at length with you on your next trip back to Austin, when we can discuss with you the situation as we see it, not only along the border, but in Mexico and Central America. We will look forward to an invitation at such time as you feel convenient.

In the meantime we are continuing to follow the situation thru the contacts we were able to establish south of here.

To more personal matters. Mrs McLellan informed me a few days ago, that her Womens' Political and Civic Club, the auxilliary of the Starr County New Party, had joined with the New Party in unanimously endorsing your candidacy for re-election..... I thought you might like to know this.

With kindest personal regards from us both, and best wishes for a successful campaign, we are, as always,

Loyally yours,

A. C. McLellan.

CASE & PROJECT

June 11, 1954

Dear Mr. Gilbert:

It was good to hear from you and have your approval of my stand on Guatemala.

I hope we can get prompt action in the near future as I believe this is a very serious situation that will require the use of our best brains.

Sincerely yours,

Lyndon B. Johnson

Mr. Harvey Gilbert
The Harvey W. Gilbert Tide
Water Industrial Sites
Gilbert Building
Beaumont, Texas
LBJ:GER:gr

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UNITED STATES



POSTAL CARD

JUN 9 1954 RECEIVED

*Mr. Lyndon Johnson
U.S.S.
Washington, D.C.*

6/6/54 Dear Sir: Thank
you for your letter.

I think you have sized
up Gualaquite well and I am sure the
President will check this
promptly. Harry Gilbert



CASE & PROJECT

June 8, 1954

Dear Mr. Bell:

I certainly do appreciate your generous comments and your expression of support in the stand I am taking in regard to Guatemala. It is heartwarming to know that citizens like you, who follow current events so closely, are aware of the grave dangers that are involved in Communist penetration of Latin America.

My stand on the Constitutional Amendment concerning the voting age reflected only my deep belief that this is an issue that should be settled within the state itself. The Texans have full power to determine the voting age and I did not think that that should become a federal issue.

I hope you will keep on writing to me and if I can ever be helpful don't forget I am no further than your mailbox.

Sincerely,

Lyndon B. Johnson

Mr. Eugene S. Bell
1510 Sixth Avenue
Fort Worth, Texas

LBJ:GER:ls

ml

1510 Sixth Avenue,
Fort Worth, Texas,
5 June 1954.

RECEIVED
JUN 8 1954

Handwritten signature

Honorable Lyndon B. Johnson,
U. S. Senate,
Washington, D. C.,

My Dear Senator;

Thank you for your recent News Letter, in which you outlined your views on matters of national importance and am in agreement with you in all except one subject which I will discuss later.

As to the Guatemala situation, it is gratifying to know that you are looking on it as a matter of grave concern. We can not look upon such happenings with complacence. It is high time that the average American be awakened to the growing threat to our way of life and we must not let the Communists get a toe hold in Latin America and it is hoped that the other legislators be equally as concerned as you are.

Senator Johnson, perhaps you are right in the matter of states rights, pertaining to the issue of lowering the age limit to 18 for I do not know all the ramifications of the proposed amendment which was defeated, however there is a facet which I believe should be considered on the subject. The Federal Government could call on an 18 year old for military service if the need arises for military service, therefore if he is old enough to fight it seems that he is old enough to vote. Civil rights has recently taken a turn which brings up multiple problems. Let's look at the voting question this way, there are negro boys in some states who at the age of 18 have the right to vote, yet in the State of Texas, white boys of like age do not have such right. ~~It is~~ It is not the state which determines the draft question but the Federal Government therefore it follows, to my way of reasoning, that 18 year olds should be entitled to a choice of their preference for national offices. On the matter of material things such as the tidelands issue, then I do favor states rights.

ff
The thinking man in our state recognizes your ability and knows that your efforts for the national good can be depended upon.

With best wishes, I remain,

Very truly yours,

Eugene S. Bell

CASE & PROJECT

June 8, 1954

Dear Mrs. Kelly:

It is certainly heartwarming to know that you approve of the stand I have taken on Guatemala. We have got to act very soon in order to prevent that communist beach-head from spreading right in our own back yard.

If I can be helpful to you in any way when it comes to that case you mentioned, just get in touch with me, and my office will see what can be done. I agree with you that things are very uneven for military personnel and that everything possible should be done to put them on an even keel.

Your generous hopes for the future are very much appreciated and you may be sure that I will always do everything that I can to represent every Texan as I, myself, would wish to be represented.

Sincerely yours,

Lyndon B. Johnson

Mrs. E. Kelly
210 Hoover
San Antonio, Texas

LBJ:GER:gr

San Antonio Texas,
June 4th 1954.

RECEIVED
JUN 7 1954

210 Hoover

Handwritten signature

Dear Senator Johnson:

I, along with many other Americans, and Texans especially, are with you 100% on this GUATEMELA question, Isolate them, YES, like Communist China should have been done, Had the BIG SHOTS up in D.C. gone along with General McArthur and not KOW-TOWED to Britian, how much better off the world would have been. I have heard of Flyers (out of the service now) who told that they chased Communist planes" Beyond the Yalu", we did'nt give a Damn, about "orders not to chase them beyond" we just did go beyond the Yalu.

They speak of "Senator Johnson" as PRESIDENTIAL TIMBER" the next time "Nomination comes up", but if you are nominated, one THING you must be sure of, WASH YOUR HANDS of all Roosevelt Politics, which of course takes in those of Harry Truman. We were "SORT OF" (in my opinion, "Sold Down the River" by Franklin R. Always remember that in your "Bid" for the D. Nomination. It is simply a question of "20 years of Rooseveltism and Trumanism" that broke up the HOLD the democrats had so long. I am wish our estimable Gov. Allan Shivers, A democrat, yes- maybe, but not that we want any more of what has been in for 20 years

I understand another bill is up to allow Officers to retire in 20 years if they so desire. Things are so uneven for the Military Personnel - they are just getting out by the wholesale, they are taking away everything that might encourage a man or woman to make it a career.

For instance, I am the wife of a man who put in 32 years of Military service, in all that time I went up for medical attention but once, about 4 years ago had a slight skin cancer taken off my nose. Now, there is a LUMP in the palm of my hand. I am going up to Brooke for that, first you have to tell them what you want, then they send you to an MD for a "Diagnosis", and if they say this is another sign of a slight cancer and refuse to take it out, I am going to get their refusal on paper- and SEND IT up to Washington. If they refuse me up there, then I will get a civilian Attorney, like Cpl Batchelor did to get his \$4000. back pay, he got it too, or an order for it. Not that I have any respect for this soldier for turning "Turn Coat" but I am an A-1 American, plus a Texan, I am afraid of no one except the devil.

your best efforts have been put in for Texas, outside of being too PRO- Roosevelt. May you sit in the White House

Sincerely

Handwritten signature: Mrs. E. Kelly



Washington News Letter

from *Hyndman Johnson*
U.S.S.

May 29, 1954

My dear Friend:

GRAVE CONCERN: The shipment of communist arms to Guatemala is a question of grave concern to every American.

The actual amount of weapons landed in that Central American country may not have been very large. But the implication is far-reaching. It means that we must devote some cool, careful thought to our whole foreign policy.

This is the first communist military penetration of the Western Hemisphere that we know about. In the past, communist agents have remained in the shadows. They have confined themselves to agitation, propaganda, espionage and sabotage.

Now, they apparently feel that they are ready to arm groups of men and form them into military organizations. We do not know what they will do with these arms. Maybe they will be used for border sniping. Maybe they will be used for guerilla fighting.

Whatever the use, it means the cold war has entered a new stage!

It has been brought into our own backyard!

Fortunately, we have some real friends among the South American nations. We also have machinery through which we can act.

The American states can act speedily to isolate Guatemala. Economic sanctions can be invoked. Joint action is possible to prevent the shipment of any communist arms into the Western Hemisphere.

This is an issue upon which there can be no delay. Guatemala has the right to conduct its internal affairs as it sees fit. It does not have the right to threaten the peace and security of the Western Hemisphere.

* * *

STATES RIGHTS: Senate rejection of the Constitutional Amendment to lower the voting age to 18 is one of the most important blows that has been struck for States Rights in recent years.

The issue was clear. At present, every State has the Constitutional right to determine the minimum age of its voters. Had the Amendment been approved by Congress and three-fourths of the states, this right would have been lost.

The Senate decision to reject the Amendment did not reflect opposition to 18-year olds voting. This point was made clear by the fact that Senator Richard B. Russell, of Georgia, led the opposition to the proposal.

Senator Russell's native state permits 18-year olds to vote. He took the position that other states should have the same right of choice.

I agreed strongly with this position! I think that Texans are fully capable of deciding for themselves the proper level of the voting age. I do not think that we should be forced by Congress and the other states to set any arbitrary limit.

Had the Amendment been approved, we Texans would have lost our right of choice! I think it was quite properly rejected.

* * *

(over)

IMPORTANT TO TEXAS: Debate on this Constitutional Amendment was only one of many major Congressional activities during the week.

Of major importance to Texas was the Senate Appropriations Committee report on the Rivers and Harbors bill.

This is the measure which decides each year the dams and reservoirs that will be built and those which will be postponed to a later date. An authorization for a dam or a reservoir is only the first step! It must be followed by an appropriation which supplies the actual cash.

One project of particular interest involves \$1,000,000 for the Ferrell's Bridge Dam and Reservoir in East Texas. This project -- authorized in 1946 -- is an essential part of the Red River flood control and levee improvement plan.

According to top experts, completion of this plan would eliminate 90 per cent of the floods which originate in the headwaters of the Red River.

The Red River basin drains a highly important farming area. It is also a region of important industrial plants -- including the Lone Star Steel plant.

OTHER PROJECTS: The committee also approved funds to continue work on other major projects which have been started or approved in the past. They include the Belton Reservoir; the Dallas Floodway; the Fort Worth Floodway; the Garza-Little Elm Reservoir; the Guadalupe River Channel to Victoria; the Houston Ship Channel; the Port Aransas-Corpus Christi Waterway; the Texarkana Reservoir.

This means action -- action on an important phase of the Texas water problem. There is nothing more vital to our state.

WATER FACILITIES: The Senate passed a bill making the benefits of the Water Facilities Act available to the whole country instead of just to arid and semi-arid areas.

I was a co-sponsor of this measure and was extremely interested in its passage. It provides for financial and other aid in the construction and maintenance of water storage facilities. The new measure would also increase the limit on the amount of aid available.

This measure is a recognition of the fact that water is becoming a national problem. Our population is increasing rapidly -- at a rate of 2,000,000 a year. The time is not too far distant when it will take all of our skill and ingenuity to produce enough food and fiber to feed and clothe our people.

In the past, water has been of serious concern only to the dry regions of our country. National thinking must change. We must realize that all Americans are affected.

A NOTE OF THANKS: I want to thank all my Texas friends who made my recent trip to Texas so enjoyable. On May 28, I participated in the dedication of Belton Dam. On that same evening, I spoke before the San Antonio Junior Chamber of Commerce -- a live wire group.

The following day, I had the privilege of speaking in Dallas when that great Texan Robert B. Anderson received the A. Harris Company Texas award. I want to say a few personal words about Bob Anderson. There is no more able official in any executive branch of our government than Bob Anderson. He is a great statesman, a great public official, a great human.

CASE & PROJECT

June 4, 1954

Dear Frank:

I certainly appreciate your taking the time and trouble to advise me on the situation in Guatemala. Your background of rich experience in Central American affairs makes you one of the best qualified persons to pass judgment.

I consider this Guatemala situation to be of the greatest importance. I want all the advice and counsel that I can get. Any further ideas or analyses that you have will be most welcome and I hope to hear from you again soon.

Best personal regards.

Sincerely yours,

Lyndon B. Johnson

Mr. Frank Gibler
P. O. Box 22,111
Houston, Texas
LBJ:GER:gr

George

FRANK GIBLER

Mexican Research

Telephone:
MEIrose 9615

Office in the United States;
P. O. Box 11066,
Houston, Texas

May 31, 1954.

"Frank Gibler knows Mexico like a book . . . Read him. He'll let you in on some inside stuff."

Scripps-Howard Newspapers,
January 4, 1924.

"We know of no one better informed than Col. Frank Gibler concerning the economic, industrial, social and political conditions of this country."

American Chamber of Commerce of Mexico,
April 11, 1931.

"This Department has commissioned you to furnish newspaper men who visit this country the data they may require....."

Department of Press and Publicity, Mexican Federal Government, to Frank Gibler,
March 14, 1938.

Mexico City, August 13, 1941.
Col. Frank Gibler, Director,
MEXICAN RESEARCH,

..... Your recently published article on banking here shows a clear perception of the Mexican way, only possible to one who has lived with us and who has understood what he has seen.

Bankers' Association of Mexico,
Lic. Carlos Novoa,
Secretary-Manager.

"Because of your ability, your friendship for Mexico, and your knowledge of her people and their problems, you have been named director of foreign publicity for this political party."

The Executive Committee of the Democratic Party of Mexico to Frank Gibler, April 3, 1946.

"We will be honored if you will accept full authority to serve as the general representative of this national political party in the United States of America."

The Anti-Communist Popular Front of Mexico, Sept. 29, 1949.

(Other similar references
can be cited.)

The Honorable Lyndon B. Johnson,
The Senate of the United States of America,
Washington, D.C.

Dear Senator:

Thanks for the recent literature you have sent to me. Although, and through no fault of the Democrats, the dignity of the United States Senate has been brought shamefully to a new low, we still are fortunate in having a few good men who like yourself are willing to return to an almost thankless task.

The best of all good fortune to you and may God bless you and yours.

And Lyndon, I hope that you will not think me impertinent if I take my pen in hand about Guatemala.

I have been a student of Latin America many years and with my wife, Conchita, spent more than a month this Spring in Central America. We know personally several Presidents and many high governmental officials, business men, ranchers, newspaper people and others.

The danger, as I see it in Guatemala, is not of any immediate sabotage of the Panama Canal or even of invasion of El Salvador or Honduras. The danger is that Communists will stir up border incidents on the Guatemala-British Honduras frontier.

You remember that in Caracas a resolution was offered and passed with only our vote dissenting, condemning European colonies in the Americas. Ofcourse this was a nuisance resolution aimed at us and intended to embarrass us in our relations with England, France and Holland.

However, should Guatemalan Communists be able to foment a revolt against England in British Honduras and if England were forced to send troops there to put down a rebellion our position among the nations of America would be most awkward.

Leftist papers, particularly including "HOY" of Mexico City and "SIEMPRE" of Mexico City and many others NOW are encouraging violence in British Honduras. I am informed that outbreaks will occur within weeks.

The possibilities are most disturbing.

I am writing a letter similar to this to Albert Thomas.

Sincerely,

Frank

FRANK GIBLER

Mexican Research

P. O. Box ~~11000~~
25,111

Houston, Texas



The Honorable Lyndon B. Johnson,
The Senate of the United States of America,
Washington, D.C.

Personal attention; please.

CASE & PROJEC.

June 3, 1954

Dear Mrs. Walters:

I surely agree with you that something can be done and should be done about the Guatemalan situation. We certainly cannot afford to have a communist beachhead established in our own back yard.

Recently, I outlined my position on this question in a speech I made at San Antonio. I am enclosing a copy for your study.

It seems to me that this situation is so serious that it does not brook delay and I hope within a few days to hear that our diplomatic officials have taken the steps that will truly protect the whole Western Hemisphere from communist imperialism.

Sincerely,

Lyndon B. Johnson

Mrs. Frances Walters
Eastland
Texas

LBJ:GER:md

May 26, 1954

RECEIVED

MAY 29 1954

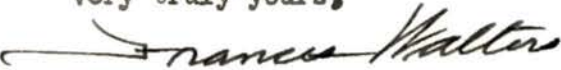
Senator Lyndon Johnson
Washington, D. C.

Dear Senator Johnson:

Isn't there something we can do about the communist gaining such a strong foothold in Guatemala that they can send thousands of dollars worth of guns right under our very noses. We have stood by for several years now and watched the communists gain ground in Guatemala, so much so that tourists have been afraid to venture that far down. What kind of people are we and what kind of government have we that there is nothing we can do about arms and ammunition jeopardizing our very existence in our own continent?

Wouldn't it be better to make a great step now while there is less danger? We can't keep being such a smug, complaisant, and indifferent race of people, while all around us the enemy progresses and while he encompasses us. As we look over the years and view the progress they have made, we wonder how soon they will swallow us, and we wonder with more amazement than anything else how it could have been allowed? What is the answer? What is holding us back? If you are not too busy, I would like to hear your plan for the situation in Guatemala and in the meantime, I would like to hear that the representatives from all states have decided to set a definite course.

Very truly yours,



Mrs. Frances Walters
Eastland, Texas

Mrs. Frances Walters, Eastland, Texas
AMERICAN CANCER SOCIETY
TEXAS DIVISION



Senator Lyndon Johnson
House of Congress
Washington, D. C.



CASE & PROJECT

June 3, 1954

My dear Friends:

It is certainly good to hear from you and to have your views. I am in full agreement with you that the Guatemalan situation is one of the most crucial that confronts our country.

Personally, I believe we must act now to prevent this communist military beachhead from expanding. Otherwise, we may soon find that a minor sore spot has turned into a major cancer.

Again, let me thank you for sending me your views as there is nothing so valuable to me as letters from my good and trusted friends.

Sincerely,

Lyndon B. Johnson

Mr. and Mrs. A. C. Piland
Route No. 1
Manor, Texas

SGH
LBJ:GER:md

Direct Action

Our hurrying arms to other Central American Republics may be a poor way to combat Russia's shipment of munitions to the Communist-sympathizing government of Guatemala.

Texans, believers in direct action, think there are other courses consistent with established, acknowledged and enforced Western Hemisphere policy.

One trouble is that if people are armed, especially in times of internal stress and border bad blood, such as the Communist threat is creating in Central America, they are more liable to break into a fight.

The United States leans far back in trying to avoid the charge of domineering the affairs of the little American countries. The charge, linked with the old familiar "Yankee imperialism" is made just the same, and is part of the keynote of hopping up the Central Americans of Guatemala and other tiny republics for the benefit of the Red cliques reaching for their control.

It is a well-established fact under the Monroe Doctrine that if England, France, or any of our so-called allies were to try to send a boatload of troops to Guatemala, Nicaragua, or any of the rest, we'd stop it. And those troops might be sent for the same purpose we have, to prevent the Communists from getting an operating base in Central or South America, yet we'd invoke the Monroe Doctrine and say, "It can't be done." Also, there is the direct Inter-American Treaty of Reciprocal Assistance, which could be invoked to meet the real Red threat. But as it is now, an avowed enemy, bent on creating trouble in the Americas as well as the rest of the world, is taking the overt step of sending war goods to pro-Communist political groups and leaders in the little countries where they already have created an atmosphere of strife.

The Texan idea would not be to hand over guns to some nearby people, who may be threatened with a sizeable Communist core that would get hold of the weapons. Rather, it would be to send a warship to the nearest port, head off the Russian weapons, and send the ship either back or down.

We have an obligation to the free peoples of Central America, of protecting their continued freedom. Otherwise, we have no obligations of the same sort to the people of Greece or Europe or Korea.

But we have a still bigger obligation for the safety of the people of the United States, and the military defense system designed to protect it. The threat of a Communist-controlled stronghold is a threat to the Panama Canal and its use by America and the Western nations.

A sore spot of Communism as near as Guatemala would be like an outbreak of yellow fever. It is something that our duty calls upon us to prevent, rather than merely wait for it to develop.

We can meet our obligations to the militarily helpless Central American republics without any sense of exploiting them. Our job is to protect, not weaken, their freedom; and our advantage is to have the free, not captive or Red ideology or anybody's imperialism.

Route 1, Manor, Tex.
MAY 31 1954
May 26, 1954.

Dear Senator Johnson -

Some time ago, you asked for
our views on current events.

We are sending the enclosed
article because it expresses better
than we can our views on
the most crucial question con-
fronting us as a nation, "The
menace of Communism has been
dealt with in many areas, but
the shipment of arms to Guatemala
is the most serious threat, yet
it seems to us.

We appreciate your stand on
these vital issues very much.

Sincerely
your friends,
"The Pilands"

AFTER FIVE DAYS RETURN TO

Mrs A.C. Piland

Rte. #1, Manor,

Texas.



Senator Lyndon B. Johnson,

Washington,

D.C.

CASE & PROJECT

June 3, 1954

My dear Friend:

Like you, I think we must be very careful not to let the situation in Guatemala get out of hand. Positive action is needed now to prevent this communist beachhead in our own back yard from extending and becoming a major menace. You may be sure that Democrats will continue to back the President in any action that we sincerely believe serves the best interests of our country. These are times in which our Nation must be put before partisanship. Otherwise, there may be no future for ourselves or for our children. I hope that when you get a day off and come to Washington you will contact my office and we will be sure that you have an opportunity to see the Senate in action. We will be only too happy to arrange passes to the Gallery.

Meanwhile, best personal regards and it may be that we will be able to get together for a good visit. I only wish that I had more time to spend with people like you and with the other millions of Texans whom I represent.

Sincerely,

Lyndon B. Johnson

PFC Henry B. Angus
ER 18388077
Hdq. Co., 8579 AAU
Fort Holabird
Baltimore, Maryland

74
LBJ:GER:md
(file in 231 - a texan)

May 29, 1954

Mr. Lyndon Johnson
United States Senate
Washington D.C.

RECEIVED
MAY 31 1954

Dear Sir,

Last night I was very pleased to hear over the radio that you had spoken out about the situation in Guatemala. We all realize that it is a very ticklish problem; one in which our country has to be very careful in handling. However, I think we can be overly cautious and let the situation get out of hand if our leaders are not very careful. I hope that the men in the Senate and in the House realize that Communism cannot be contained in any effective way. Whether positive action is being taken or not, I don't know, but I surely hope so. I am glad to hear our Texas Senator speaking up these days.

AF Although I am not fortunate enough to be in Texas now, my parents will be for you this fall. At the present time I am in the army, but I will be headed back to the promised land when my time is up. Lately, I have been hoping for a day off, so that I could come down to Washington and see the Senate in action. I guess I should contact my congressman, Mr. Lucas, about that, since visitors have to have passes of some sort, I believe.

May I say in closing that I hope the Democrats in Washington will back the President to the limit in days to come, for it appears that, as Senator Symington said yesterday, there is a strange silence from the men on the right, the Republicans. I believe that the President wants to put the country first and the party second; let's hope that the Congress will put the country first regardless of their political affiliations.

Most Texans are long winded. There is one thing I did want to add. Mr. Symington and McClellan have done a wonderful job the past two weeks and really seem to be making some headway toward putting the junior Senator from Wisconsin in his place. If Senator Symington has to take any proposal to the Senate floor for action, I am hoping that the public will hear more from the Senator from Texas. How hard is it to replace a chairman of a Senate Committee?

I hope all is well with you and your family, and also hope that someday my wife and I may be able to meet you.

I remain sincerely,

Henry B. Angus
PFC Henry B. Angus
ER 18388077
Hdq. Co., 8579 AAU
Ft. Holabird
Baltimore, Md.

United States Senate

MEMORANDUM

Dorothy:

Do you have any suggestions
as to what to quote from this
letter for a ff....

Yolanda

COPY

May 31, 1954

My dear Friend:

Thank you for your thoughtful letter of May 26th. I have read it with a great deal of interest.

I am greatly concerned as you are, about the developments in Guatemala. Recent events there certainly have been most disturbing. I am giving the situation the best thought of which I am capable, and you may rest assured that I shall keep your views in mind to help guide me in such action as I may have opportunity to take.

It helps me in my work here to know your thinking about these matters. I appreciate your writing me.

Please call on me at any time that I can be of service to you.

Yours sincerely,

Lyndon B. Johnson

Miss Edith Barnes
Box 3
Clarendon, Texas

lbj-lm-yb

Clarendon, Tex.
May 26, 1954.

RECEIVED

Dear Senator Johnson: MAY 29 1954

Isn't there something that can be done about our buying coffee and any thing else from Guatemala?

Is the difference that makes it all right for us, to trade with this Communist dominated country and wrong for Great Britain to trade with Red China, in that ^{little} understood business of weather diplomatically we are speaking to a country or not?

I would appreciate your looking into this. It seems to me, if I have my facts (meager though they are) straight, this is important.

I would also like to

see a "you must go" club
in the Senate!

Thank you

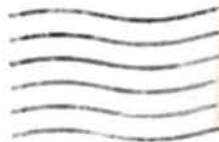
Sincerely

Edith Barnes

Edith Barnes

Box 3

Clarendon, Texas



Senator Lyndon Johnson
Washington
D. C.

CASE & PROJECT

Guatemala?

MEMORANDUM

1. This statement is dangerous from every standpoint, including foreign relations and domestic politics.
2. It may be possible to make out a legal case for invoking the Monroe Doctrine. But as a practical matter, the Monroe Doctrine simply does not apply. It could not be sold to the rest of the world and any doctrine in international law which cannot be sold to the rest of the world simply does not apply.
3. The Monroe Doctrine, whatever the wording, was intended to apply to military conquest of an American nation. In this instance, the infiltration of Guatemala is ideological. The native government of Guatemala has bought the arms. There is not the slightest evidence that Soviet forces have moved into the nation and taken over by strength of arms. The shipments, of course, must be stopped but some other way must be found to do it.
4. Under all the circumstances, a mention of the Monroe Doctrine carries with it overtones of a direct--and one-sided--intervention in Guatemalan affairs. The Monroe Doctrine has never been too popular in South America anyway. If it became official government policy in this case, it would be a finishing blow. It is probable that even Americans of Latin-American descent would be affected.
5. The Monroe Doctrine invocation would also place the communists at a tremendous psychological advantage. They would be able to point out that the United States has shipped arms to Yugoslavia and this would give them a legal justification for all sorts of action in the Balkans.
6. A little research in international law would develop much better justifications for stopping the arms shipments. However they are stopped, of course, it must be done in concert with Latin-American nations. Even if their participation is only nominal, their sanction is vitally necessary.
7. The United States, of course, has the power to go in and start pushing Guatemala around without delay. But this would mean that we would have to go on policing Central American through eternity. It is much better to let the other Latin-American nations do it even if we have to supply the actual power.

CASE & PROJECT
Guatemala

MEMORANDUM

1. This statement is dangerous from every standpoint, including foreign relations and domestic politics.

In this case, 2. It may be possible to make out a legal case for invoking the Monroe Doctrine. But as a practical matter, the Monroe Doctrine simply does not apply. It could not be sold to the rest of the world and any doctrine in international law which cannot be sold to the rest of the world ~~simply does not apply.~~ *is worthless.*

3. The Monroe Doctrine, whatever the wording, was intended to apply to military conquest of an American nation. In this instance, the infiltration of Guatemala is ideological. The native government of Guatemala has bought the arms. There is not the slightest evidence that Soviet forces have moved into the nation and taken over by strength of arms. The shipments, of course, must be stopped but some other way must be found to do it.

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###

CASE & PROJECT

June 3, 1954

Dear Mr. McFarland:

I certainly agree with you that the situation in Guatemala is one which brooks no delay, and which calls for strong action. We cannot afford to permit this communist beachhead in Central America to expand and menace the whole Western Hemisphere.

Thank you very much for expressing your views and I hope that action will be forthcoming very quickly.

Sincerely yours,

Lyndon B. Johnson

Mr. Jamie F. McFarland
Jefferson Tower Building
Dallas, Texas
LBJ:GER:gr

Jamie F. McFarland
CERTIFIED PUBLIC ACCOUNTANT
JEFFERSON TOWER BUILDING
DALLAS, TEXAS
May 26, 1954

RECEIVED
MAY 28 1954

Ready

Senator Lyndon B. Johnson
United States Senator
Washington, D. C.

Dear Senator:

Let me suggest that Uncle Sam quit "pussy-footing" around about Guatemala. I believe a nice, quick solution to our problem with that country is to cut off all communications by air, water, radio, telephone, cable, and break off diplomatic relationships. The public gets pretty sick of the wrist-slapping that our diplomats administer to these rough necks.

I am offering these suggestions just in case nobody in Washington has thought of such a thing before. Let us hope it will be considered.

Yours very truly,

J. McFarland

Jamie F. McFarland
Certified Public Accountant

JFMcF/dw

CASE & PROJECT

May 24, 1954

make folder

Dear Mr. Holmes:

Like you, I am deeply troubled by the situation in Guatemala. Apparently this represents the first overt attempt of world communism to establish a military beach-head in the Western Hemisphere.

I am in full agreement with you that the solution lies in action taken through friendly nations such as Honduras. It is my understanding that there are other nations in that region which have similar friendly feelings toward our country.

I am giving this matter very careful thought and very careful study. My primary belief is that our country cannot afford to permit this extension of the Iron Curtain into our own back yard.

Thank you very much for your report, which is based upon observation of conditions at the scene. I hope you will continue to write me and let me know your thoughts on this vital and pressing subject.

Sincerely,

Lyndon B. Johnson

Mr. Lynn S. Holmes
P. O. Box 345
Corpus Christi, Texas

ALL
LBJ:GER:md

P. O. Box 345,
Corpus Christi, Texas,
May 21, 1954

RECEIVED

MAY 24 1954

Senator Lyndon B. Johnson,
Washington, D. C.

My Dear Senator:

It is with apprehension that I have been reading in the newspapers and hearing over the radio the gravity of the Communist situation in Guatemala. This is something I have firsthand and personal knowledge. This is not a situation that has sprung up within the last year and cannot be placed entirely at the door of the present Secretary of State.

I first came in direct contact with this communist infiltration about five or six years ago. On a trip to Honduras about that time I stopped overnight in Guatemala City. This was in July or about that time. That night one of the fiercest street fights occurred between the anti-communist and the communist. This was the last real effort made by the anti-communist to prevent further infiltration. About fifty were killed and over two hundred wounded officially. I was more than glad to get out the next day.

About three years ago two friends of mine Americans were sitting in a cafe in Guatemala City and had a very humiliated experience. While eating two men approached their table and spit on them, cursed them as imperialistic Americans, capitalist and the usual abuse. They were smart enough to control themselves otherwise they would have been mob assaulted. There were about fifty natives waiting outside for an excuse to enter and drag them out.

This is not heresay and can be proven by their own papers; parades are held on May Day and all the flags in the parade are Russian flags and all the usual banners and cards with all the communist slogans as would be seen in Russia itself. The newspapers carry the sickle and hammer on their mastheads. Guatemala is nothing but a communist bridgehead already established here in North America.

If this sore had been cleaned out several years ago or in the last year what has followed would not have happened. Honduras, would not now be faced by the strike of over 30,000 banana workers and several thousand miners. This is entirely created and communist directed from Guatemala. The attempt to assassinate the President of Nicaragua is also a further attempt to gain control of another nation in Central America. I know from actually seeing and being in contact with the wage conditions, working conditions, living conditions and the general care and safeguard of the liberties and general sanitary and health conditions of the banana workers to say without equivocation that it is far above the average in Honduras and above the standards of the same class of workers here in the United States.

What is to be the answer to this challenge by the Communist? Would your father, my father or our grandfathers turned their heads or hid them in the sand like we are doing? I believe I can answer this by saying "NO." When a man in their days said either by talking or by his actions that the next time they met one of them would not live to

see another day, would they have ignored this warning. No they would not. They would oiledup the old thumb buster and gone looking for him and tryed to meet him on grounds of their own choosing. This is what we apparently are trying to do, but it will not work. We are not having trouble with gentlemen or people that have a code of honor, but the cheat, the sneak and the type that will shoot you in the back or through a lighted window after dark. I would one time like to know that we struck first and did not wait for what in this next Pearl Harbor could well be our death stroke.

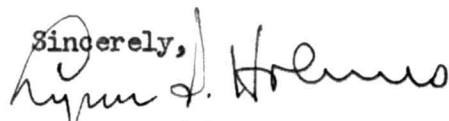
Why do we have to wait for some overt act ? Do we not have the Monroe Doctrine ? This communist infiltration and seizure of a government is another phase and angle of armed aggression and seizure of a nation on the Western Hemisphere. The definition is the same now as in President Monroes time, but the manner in which the is being accomplished by the communist and in the end Russia is the same. Why do we have to be so careful of someones feelings when our own national safety is at stake ? We have walked on egg shells in handling the Latins in Mexico and in Central America since we have taken the new course. I can say without reservations that the Mexicans hate the United States and Texas with completeness and fevor. We have coddled them and let them get away with murder all these years.

I am sure the State Department has complete details regarding all that is happening in Central America, but of what use is this information if something is not done. Only by strong, forceful action can a major defeat and reversal be prevented.

Knowing many of the leaders of the Republic of Honduras as I do I know they have full and complete confidence in the United States and that we can expect the fullest cooperation from them. I also know that they know we do not have the slightest desire to dominate them or their Government. That we have the kindest feeling for them and their problems. We can do more working with Honduras than any other nation in Central America. People from the United States have always been well received in Honduras and treated with the utmost consideration. I have been in all parts of Honduras from the most populated section to the most undeveloped and found this to be true.

Senator let us go all out to help these people and in doing so help ourselves. It has as many advantages to us as to them and in the end more to us.

Thanks for any consideration you can give what I have attempted to express. Let us do something NOW.

Sincerely,

LYN S. HOLMES

United States Senate

MEMORANDUM

C. F. Corzelius }
Washington Hotel.)

Capt. Walsh


BALANCE SHEETS AS OF MARCH 22, 1954

ASSETS

CASH AND BANKS		\$ 268,644.84
ACCOUNTS RECEIVABLE		887.66
MATERIALS		28,153.09
FIXED ASSETS	709,361.34	
Less: Reserve for Depreciation	<u>4,682.05</u>	704,679.29
DEFERRED CHARGES		1,012,688.71
DEFICIT (loss on Smelter Operation)		<u>94,389.35</u>
		<u>\$2,109,442.94</u>

LIABILITIES

ACCOUNTS PAYABLE	\$ 1,352.80
SALARIES PAYABLE	3,359.90
NOTES PAYABLE	1,678.787.40
CONTINGENT LIABILITIES	225,942.84
CAPITAL	<u>200,000.00</u>
	\$2,109,442.94



C
O
P
Y

April 2, 1954

Contracts Administration Branch
Materials Division
General Services Administration
Washington 25, D. C.

Attention: Mr. John C. Ford

In re: Contract GS-OOP(D) - 12194

Gentlemen:

In our conference on March 2, 1954, in which you were informed as to the nature of the fire loss recently sustained by Compania Minera de Huehuetenango, S.A., you suggested that we advise you as to the terms under which the Company would consider cancellation of the contract. Pursuant to your suggestion, we have carefully considered this matter and our conclusions are set out below.

Having examined the background of the contract and the current statistics on lead production, and certain conditions affecting the Company, we have concluded that there are a number of reasons why the Government and the Company would benefit from a cancellation of the contract on the terms hereinafter set out. From the Government's standpoint, our thoughts are as follows:

(1) The Government's primary reason for purchasing lead under this contract was to alleviate the shortage of lead then existing. This reason no longer justifies the continuation of the contract. Instead of a shortage, we now have a surplus of lead. This surplus has caused a fall in the price of lead, F.O.B. New York, from 21¢ per pound to 13¢ per pound since our contracts were made. As a result, numerous domestic mines have been forced to curtail production or shut down, thereby causing permanent damage to some of the mines and resulting unemployment. The recent action of the President in authorizing purchases of lead shows the concern for renewal of domestic production and relief of such unemployment.

(2) The second reason for the contract was to develop a new source of lead which would be available by rail transportation in the event of an emergency. This objective has been met. The Company has spent Two Million One Hundred Nine Thousand Four Hundred Forty Two and 94/100 Dollars (\$2,109,442.94) in fulfilling this contract, and its contract with the General Services Administration. The principal part

April 2, 1954

of this amount has been spent in building roads and opening up the mines, over a period of four years. In the event of an emergency, production could commence without having to duplicate the time and expense of the roads and opening up of the mines.

(3) The cancellation would result in a substantial saving to the Government. The price of this lead to the Government amounts to \$.1873 per pound F.O.B. New York, based on the following figures:

Contract price (per lb.) F.O.B. Porto Barrios	- \$.1734
Ocean freight (per lb.) to New York	- .0046
Refining cost (per lb.)	- .0093
Total	\$.1873

Since the world market price is now \$.1300 per pound, F.O.B. New York, the Government is paying a premium of \$.0573 per pound for lead under this contract. The Company still has to deliver 26,250 tons, or 52,500,000 pounds. Applying the premium price to this figure, we find that the government will be paying a total of \$3,008,250.00 over the present world market price (52,500,000 lbs. x \$.0573). Similarly, on the contract with General Services Administration, the Government will be paying \$835,663.20 over the World Market Price (14,584,000 lbs. x \$.0573). Thus, a cancellation of the two contracts would result in a saving to the Government of \$3,842,913.20, less the price of cancellation.

(4) Upon cancellation, the Government could then divert the funds allocated to the contracts into purchases on the domestic market at a price of \$.1300 per pound. This procedure would both effect the saving mentioned above and alleviate, in part, the present surplus of lead on the domestic market and the existing unemployment in domestic mines.

(5) The insurance proceeds from recent fire loss of the Company will be expended by the Company unless the cancellation is agreed upon. If a cancellation is contemplated, now is the time so that the insurance proceeds can be retained in full. Any later cancellation would necessarily be more costly to the Government since the increased investment would have to be included in the evaluation of the cancellation price.

While the above comments express our views on the benefits which would accrue to the government in the proposed cancellation, we have also examined the Company's position on the matter and have concluded that it would likewise receive certain benefits from the cancellation. While it is our opinion that the Company would realize a substantial profit by completing the contract, there are certain conditions now existing over which the Company has no control which prompt us to give serious consideration to the proposed cancellation, provided that an acceptable price is agreed upon.

April 2, 1954

After considering this matter carefully, it is our feeling that the cancellation price should be approximately equal to the Company's investment to date, less the cash on hand and the reasonable liquidation value of the assets of the Company.

As shown by the attached Auditor's report, the total investment of the Company is \$2,109,442.94 and the cash on hand is \$268,664.84. The liquidation value of the assets of the Company will not exceed \$15,000.00, or slightly more than fifty per cent of the cost of materials and value of accounts receivable. Due to the nature of the mining concession, the Company does not anticipate any recovery whatsoever on its fixed assets. Thus, as shown below, the total investment less cash on hand and liquidation value of assets amounts to \$1,825,778:

Total Investment		\$2,109,442.94
Less:		
(1) Cash on Hand	\$268,664.84	
(2) Liquidation value of Assets	<u>15,000.00</u>	
		<u>283,664.84</u>
Net:		\$1,825,778.10

As was previously stated, the price which the Government is paying on its two contracts with the Company amounts to \$3,842,913.20 over the present price of lead on the World Market. If the Company is paid the sum of \$1,825,778.10 is reasonable.

We wish to point out that we have not discussed the proposed cancellation with the General Services Administration. However, we have every reason to believe that they would cancel their contract concurrently with, and on the same basis as, our contract with your Agency. For that reason, we have calculated the above figures on the presumption that both contracts would be cancelled simultaneously, if either is cancelled.

In submitting this proposal, we wish to make it clear that it is submitted at your suggestion, and for no other reason. If an agreed cancellation cannot be worked out, we have every intention of completing the contract according to its terms. At the present time, our work is proceeding without regard to the possibility of cancellation. Therefore, we would appreciate your serious attention to the matters contained herein so that an early decision can be reached.

Very truly yours,

COMPANIA MINERA DE HUEHUETENANGO, S. A.

By _____
President

/dp
encls.

A REPORT TO THE MINISTER OF ECONOMY OF THE ACTIVITIES
OF THE COMPANIA MINERA DE HUEHUETENANGO, S. A. SINCE
THE FOUNDING OF THE COMPANY IN GUATEMALA

MISTER MINISTER OF ECONOMY:

I have the honor of submitting to you, as titular head of the branch of the Government of Guatemala which has jurisdiction and control of all mining concerns in the Republic of Guatemala, the following brief resume of the activities of the COMPANIA MINERA DE HUEHUETENANGO, S. A., since its founding to date.

The company was organized on November 12, 1948, for the purpose of developing mining properties in Guatemala. In October of 1950 the Government of Guatemala granted the Company concessions to exploit certain mines in the district of Huehuetenango. The concessions were approved and ratified by the Congress of the Republic and granted the company the right to exploit the mines, to construct and develop the necessary facilities in order to carry out the work properly, and at the same time obligated the company to install the necessary facilities to beneficiate the mined products within a fixed period of time. Other terms of the concession stipulated tax levies imposed upon the company and outlined the privileges as well as the obligations of the contracting parties.

Since entering into the agreement with the Government of Guatemala, the Compania Minera de Huehuetenango, S.A. has faithfully carried out all its obligations under the concession and, in doing so, it wishes to report the following activities:

- 1.- The company has constructed approximately 52 kms. of all-weather roads to gain access to the mining areas and to be able to transport the products of the mines. These new roads constructed by the company, as shown on the attached map, at a cost to the company of \$528,114.81 as of

December 31, 1953, became the property of the Nation at no cost and have opened up to truck and automotive traffic a large territory which previously was accessible only by horse and mule travel. These roads have made it possible for the local inhabitants in that area to obtain a ready market with better prices for their locally grown crops.

- 2.- The company has under construction the necessary facilities to beneficiate 150 tons of ore per 24 hours.
- 3.- The mines operated by the company have been opened up to produce the tonnage of ore necessary to supply the requirements of the concentration mill.
- 4.- Indispensable housing and other facilities have been completed with additional facilities under construction.

In addition to the above the management believes that the company has contributed to the general benefit of the government and the country in the following manner:

- 1.- It has given employment to a large number (700) of men and has paid wages and salaries totaling \$765,189.83 as of December 31, 1953.
- 2.- Its total investment in Guatemala as of December 31, 1953 amounted to \$2,060,646.10.
- 3.- The company has purchased most of its supplies and materials, whenever available, from Guatemala merchants and industries.
- 4.- The mines that the company contracted to purchase at a consideration of \$285,000.00 have been deeded over to the Government of Guatemala, as called for in the concession, without cost.
- 5.- The company has been granting fully paid scholarships to two Guatemala students studying mining engineering abroad and upon termination of their studies and graduation these students will be offered employment with the company.
- 6.- All expenditures and investments made by the company in Guatemala to date have been made with funds brought into the country by the company.
- 7.- The large amounts of wages and salaries paid have stimulated trade in the entire area of Huehuetenango where our operations are now based.

8. On account of the large local purchases made by the company, the Government has received large amounts of taxes paid by the merchants from whom we buy in the form of stamp taxes, consular fees and import duties, which taxes the government would not otherwise have received.

There are other minor activities and benefits not enumerated herewith, but we feel that we have outlined to you the principal activities of the company, to date.

Respectfully yours,

Guatemala, March 1, 1954