

June 1, 1962

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At 10:30 this morning, at our request, Cliff Carter and I met with Mr. James J. McCloskey and Mr. William T. Cook of the FBI. Mr. DeLoach had called a few minutes earlier saying that an emergency matter had come up which would require him to be in the Director's office.

I started off the meeting by reviewing my conversation of yesterday with DeLoach and going over with Cook and McCloskey our correspondence, including that concerning Mattox, Foster, and Tanganyika. I then reviewed the only contact between Estes and the Vice President and how that came about. This was a duplicate of what I had told them a week earlier. I also told them in this connection there had been a good many wild rumors about various reported connections between Estes and the Vice President, such as the plane, Mrs. Johnson in business with him, the insurance, and told them the latest one was that Mrs. Estes and Mrs. Johnson were sisters.

I then reviewed for them in a general way Carter's contacts with Estes, including their meeting in 1958, the dinner in January to which several tickets were given to Carter, the telephone calls, and the public service radio and television tapes. I then summarized by saying that Estes had asked no favors of Carter except for information in the March call, which was not granted, and told them that Carter had received no gifts and had no knowledge of Estes' enterprises. I told them that was about the extent of it and if they had any questions Carter and I would be glad to answer them.

Mr. McCloskey said he would like to put Cliff under oath and review the information which I had given. He administered the oath to Cliff and then reviewed my statements, with him asking if they were correct. Cliff assured them they were.

At the end I made a point of telling them that Estes had never been a part of our organization and generally in the intra-party activities in Texas had been on the other side. The entire conference lasted 28 minutes.

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Handwritten notes: "Mud" and "HS 2"

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June 21, 1962

STATEMENT DICTATED BY MR. DELOACH TO WALTER JENKINS

This is a recording of a conversation between Charles Calloway Holden, former partner of Estes, Oscar Griffin, a reporter on the Houston Chronicle in Houston, and Dr. John Dunn. This record relates to a conversation which took place in late February or early March in 1962 when Dunn and Griffin went to Hamlin, Texas and interviewed Holden relative to Estes. Now Holden was aware that the interview was being taped. This tape has been furnished to Allen Propp, who is the accountant and business manager of the Pecos Independent and Enterprise newspaper. Dunn did not know what use Propp made of the tape. Griffin denied possessing a copy of the recording and stated that information furnished by Holden was strictly hearsay and rumor. Propp acknowledged receipt of the tape recording from Dr. Dunn. He loaned the recording to Miss Huff of Fortune Magazine. He did not know whether Miss Huff had a copy of the tape recording made. Propp played the recording for a reporter from the Denver office of TIME Magazine and Nate Caldwell of the Nashville Tennessean.

When playing the tape to these reporters, a woman reported to be employed by CBS, Jane Bartel, who was occupying space in the Pecos Independent and Enterprise newspaper office, came into and out of the room where the tape was being played by Propp and could have overheard pertinent inserts on the tape. Propp stated that this occurred shortly after Estes was arrested. Holden was interviewed on June 15, 1962, at which time he discussed previous association with Estes which covered the period from 1947 to 1948 during which time his partners were hauling grain and moving barracks from various military bases in Texas. Holden stated he had no personal knowledge of favoritism by the Government officials to Estes-- nor did he have any personal knowledge of any connections between Commercial Solvents Corporation and Mrs. Lady Bird Johnson. Holden acknowledged that when he was interviewed by Dr. Dunn and Oscar Griffin he furnished lengthy information concerning Estes and had full knowledge that the interview was being taped by Dunn. He also recalled making the statement that the airplane that crashed on the Vice President's ranch had been a gift to the Vice President by Estes. He stated that in making such statements he informed Dr. Dunn and Griffin that they were strictly the result of hearsay, gossip and rumors--that the he had no direct personal knowledge of the alleged association between Estes and the Vice President or Mrs. Johnson.

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RECORDING OF A CONVERSATION BETWEEN CHARLES CALLOWAY
HOLDEN, FORMER PARTNER OF ESTES, OSCAR GRIFFIN, A
REPORTER ON THE HOUSTON CHRONICLE, AND DR. JOHN DUNN

I had not been around Bill in quite awhile. I got out of the Army and ran into him and he stopped me one day and said we could make some good money with his brains and my work on buying wheat and he said he had a bunch of money coming in, but he did not have any cash at the time and that we would have to have some money to get started with and if I would put up the money, then by that time his money would be coming in. He said as soon as he got his money from the Government, we would have money to operate on and that is the way we operated. He never did get his money, but after we split up I found out he had gotten his money from the Government transporting grain.

Q: Were you in the business of buying grain?

A: Yes, we were buying grain from the farmers. We started out by buying it in our area, but it was in short supply around home so we started buying it in San Antonio and then as the harvest moved north, we moved with it. He bought a truck for Bobby. Bill bought the truck and Bobby drove it. Every time Bobby would come in home, Bill would get the cash. He would buy another load and get him started out again. Then that fall Bill bought another truck. I had not wised up to him then. Bobby got on to him a lot quicker than I did. When I first got mixed up with him I went up to Irving to buy maize.

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"Armstrong was driving the truck and he ended up he did not get money by running this truck. Bill told me that this Armstrong would get the money. About then I started moving houses--Government barracks--and I had pretty good credit and this Armstrong and Bill did not have any and it took quite a bit of money to move these houses.

Q: Did you do it with your money?

A: I ended up buying the whole building and I had a little old Army rig moving these buildings (barracks) from Brownwood.

Bill was really religious acting, but if you did not watch him he would steal you blind without your even knowing it. When he would get caught, then it was all a mistake and he had just made an error. I had fourteen new tires--truck tires-- stored. Then the first thing I knew they were all gone. When we found them gone Bill even went with me to the law to report their disappearance . Bill had a J. H. Pierce working for him. I did not see Pierce for about three years. I saw him one day and just asked him about these tires. He said he and Bill had taken them over to San Angelo and traded them in for some Sears tires. He said Bill told me he had bought them from me. Bill was really a coward. When everything was going well he was real brave, but when things were not going so well, he was the biggest coward I ever saw until he sees he has

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backing and then he gets real brave.

Q: In any of your dealings with him, is there anything you would consider illegal or shady?

A: Not in my dealings with him. I can give you some examples. During that time Bill did this all on his own. He bought several cars of sample grade grain. Estes told me this and I am pretty sure it is true because he tried to get my younger brother in on the deal. The way he would do this--he would buy this sample grade grain. Bill would buy this grain and fill it up to about that much from the top and then cover the bad grain with the good grain and then sell it to the little elevators. He sold several cars of this grain in Merkel and that old man--he is dead now--, but his son-in-law still runs that place in Abilene. Bill told me he did that.

Q: How much difference is there in the sale of a bushel of sample grain and second class in price?

A: Oh, there would probably be a dollar difference in a bushel of wheat. The sample grade wheat is good wheat, but the wheat that he bought --this grain had been treated down. It was No. 4 grade grain and he was selling it as No. 2 grade grain.

You are trying to get him on this grain storage deal?

You know that elevator--oh the one that is right out of Plainview eight or ten miles--I believe United is the name. He had a little outfit there. I believe the name was changed later. Bill was taking in grain for storage at that time with a moisture content as

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high as 22% to get some grain in his warehouses. He said just let him have the grain and he would take care of the moisture content. Fourteen percent is the maximum for moisture content in grain. If it is higher than that it will spoil, but he was taking in some as high as 22%. He said you just get the grain to me and I will take care of the rest. I don't care how much moisture it has. He did not have to worry because he owns that Commodity Credit bunch out of Dallas. They are on his payroll.

Q: Who are they?

A: I don't know their names, but I do know that grain will not keep that has 22% moisture. You can't keep grain with even 16% moisture. It will spoil and when you take 22%--but in my dealings with Bill, I know he would cheat on scales. He would try to get away with it, but if he got caught it was all a mistake. It just happened that way. He would not think of cheating them at all. He had a bunch of Mexicans in Plainview last fall haul in a bunch of grain in the country buying stations. He would take in a load or two --he would buy it from them, take it in for storage--Government storage because he would not sell it around there. He snooped around Plainview quite a little bit because he knew how it would be run.

Q: Wouldn't the warehouse or the men running the place have to be in on it too. They would have to know what was going on, wouldn't they?

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A: Sure, they would know. They would have to know. I am not an expert on grain, but I know grain when I see it. The warehouse men would have to know something was wrong. As long as the farmers did not know what was going on he was safe. If the farmers had ever called for it--if the price ever got high enough to sell on the open market, he would have been ruined. You know what happened--when was it?--was it the first of April--something like that. You could have bought all of the farmers' interest in 100,000 bushels of grain for \$1,000.00. Could have bought the farmers' equity in it and he could have covered himself on 200,000 or 300,000 on it--buying the farmers' equity. It would not have cost him very much to have bought the farmers' equity. They would not call it anyway. It was about 30¢ below the market. He knew exactly what the Commodity Credit Corporation was going to do.

(other man) That helps.

Q We were told he has shown letters to people stating that--letter from Yarborough saying that his warehouses will be kept full with Government storage grain. Have you heard that?

A. No, I had not heard that. That is to convince them it would be all right to go into business with him. A small elevator operator told me this: that they all got out and approached him--see if he can get that letter-- regardless of the moisture content of his grain if they would ship it to Bill, Bill would take care of all of the moisture content. If he did ship it into Bill's terminal, he would be covered.

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In fact, he held a little luncheon--all that would eat with him-- and explained it to these small elevator operators. You understand what the terminal elevator is. If they could just get it into his warehouses --which would imply to me they would cover up for Commodity Credit or someone connected with it.

That deal with Clements on selling the mortgages on these houses. What is the name of that place where Bill bought all of the Army barracks.?

There have been a number of places--no, it was not Mississippi or Arkansas. Was it where they were going to put in the dam down in Arkansas? No, that was on the acreage transfer because that was down in Mississippi.

Was this Fort Neches?

I don't think so. That is where Kaputen was working for Bill and Kaputen told me this himself. They would sell one of those old Army buildings and Bill would pick out a nice looking dwelling house in town and take a picture of it and this was the house they were moving and Governor Clements' dad was the one to put the OK on it through Tennessee Christian College. This is why Kaputen would talk. He had his name on a couple of them. The FBI man grabbed old Kaputen and told him they had the goods on him. I think he would talk.

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Q: Where is Kaputen now?

He is working on a missile base. That is all I know. He worked for Bill. Well, for awhile he was living in Andrews and they got him on a dwi charge and he lost his Texas driver's license and that is when he came to work for Bill and worked for him in Spokane, Washington when he bought the barracks there. And then in Arkansas and went back out to Clovis and they got into a big squabble. I think Kaputen says Bill still owes him \$2,500. But this is nothing compared to that A. B. Foster deal on the land deal in Eastland County. That was within the last few months. I heard old man Foster bragging about it--it is since the first of the year anyway that he and A. B. had already bought over 2,000 acres and paid cash and that they were in the market at all times for that land and that was since the first of the year. Foster is from Clyde. He is kinder like Bill. He leaves the appearance that he is a religious man and old man Foster is a big Church-goer. But I understand during prohibition days he would confiscate the material on these ships and always would wind up with a 5th of whiskey. They are religious acting.

Q: How did they get into this grain deal?

They have not had too much business in the Panhandle. It was mostly on selling. I do not believe they had too much business there.

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Last year his income from grain storage (Estes) was supposed to be in excess of \$4,000,000. He told old man T. A. Rogers that his grain business cleared him over \$7,000,000. He told him it cleared him a little over \$7,000,000 and that when he got the plant at Plainview where it would clear him \$10,000,000 he would retire.

Q: How did he work that?

A: Do you understand transshipment of grain? If you don't understand that, I can give you a little idea. We will say the Government owns grain in Kansas and it has been shipped into warehouses by rail--let's say it originates in South Dakota and where it originates, they pay the freight all the way to the Gulf Coast. Maybe it will not move a hundred miles but freight can be collected. If they want to save their freight then it can only stay in storage for 180 days and then it has to be picked up by the railroads and moved again.

I am getting with you. Each time it is shipped the elevator gets a storage and handling charge. In other words, grain can be turned to keep it in condition--if he is head of the business--legitimate business--to hold prepaid freight on it for the Commodity Credit. It can come into his warehouse and stay 180 days and every time it is loaded and unloaded they can collect a fee. I went by his Plainview place several times and asked a lot of questions like he just

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has not had any local trade and no local elevator has patronized him as a terminal and any grain he had handled had to be transit grain. He has a little old switch engine out there that will handle a few cars at a time, but you never see the switch cars moving. You can see them loading and reloading, but you never see the cars move. You can go into an elevator and he would have say three elevators on a line and this car would go into this one, through this one. They would be loading, unloading and storing all the same time, but the car would never have moved and it would not have left the car. I have been told that and I am sure that happens. I thought about trying to get a job there so I could keep track of the stuff. In one way or the other you ought to get access to the books.

Q: Do you think the books would show it?

A: Well, the books will show just exactly what he billed the Government for.

Q: How can you prove he did?

A: If a man was working in there and he kept track of every car --the loading and the unloading and could get a sample of the grain, and to get the dope on this loading and unloading.

The story is that he and Lyndon Johnson are supposed to be buying an elevator in India, built with counterpoint funds -- foreign aid deal--and the reason they are going to get it for a

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dollar is they do not want to make a profit. See, it is charity--
they are going to split it. Good public relations.

Good if you can get it!

It is supposed to have cost the Government about four
million dollars.

Q: Lyndon's name keeps coming up over and over. Is
there anything else that you know that would tie he and his wife
in on the grain storage portion of it?

That plane that fell with old Lyndon's pilot--old Bill
bought and paid for it.

(other man) I heard he collected the insurance on it.

A: He might have, but I heard he bought and paid for it.
It was a gift to Lyndon, but it was also a payment on Lyndon's
investment. It was a gift to Lyndon. I could not swear to that. But
talking about Lyndon--involving him or not involving--do you know
where Cortez, Colorado is? I was in Cortez one morning and an old
bum I used to know was sitting in a cafe. I had not seen him for
a long time--1940 or 1941 and I asked him what he was doing. There was
this bunch of trucks with construction equipment. He said do you see
that equipment. He said that is my stuff. I am going to Seattle. He
said--have you ever heard of a man named Reid? I don't know what
Reid's first name is, but Reid's wife and Johnson's wife are kinfolks.
So this old bum--he has got a lot of money now, but he told me during
the war Reid's wife and Lyndon's wife formed a corporation--

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construction outfit --they only get these cost plus jobs. They don't own a piece of equipment, and I started out working for them at that time and I had all this string of high priced equipment that was going to a Navy base in the Aleutian Islands --Seboyan-- about a 230 million dollar job . There is a bunch of Naval bases up there. This was in 1958 and it was supposed to be a 230 million dollar job--cost plus. We were moving that stuff up there.

That is good work if you can get it!

Yes, I never did have any of it.

Q: Did Clements enter into anything other than this Government barracks deal?

Clements and Anderson--now this is what I gather from what Frank Bowles told me--Clements and Anderson are in on this 50,000 pecan tree deal up in New Mexico. It has got to be close to Las Cruces because it is the only place it could be --about 50 trees to the acre.

Q: Have you heard anything about fraudulent warehouses on grain storage.

A: Yes, but I could not prove it.

Q: Do you know where you could go to find it?

A: Apparently if you have a warehouse receipt it is like cash.

From what I understand, a large volume of warehouse receipts were issued and there was no grain there. I will tell you I will--no, I won't say how much, but a lot of wheat showed up that did not have an owner on the book. We have been just one jump behind that bastard.

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A whole bunch of wheat showed up at the Houston elevator and I won't say how many bushels it was, but it was a whale of a lot of bushels of wheat and I always felt that was Government wheat.--60 or 61.

Q: And those people that ran that elevator never did tell you who owned it ?

No, but I bet it was Government wheat that Bill Estes got his hand on and charged to them. That was a matter of record and it would not be hard to check. That is the Houston Public Elevator. That could be checked.

Q: Do you know many of the warehousemen themselves who could be checked out--the main guys that worked for Bill?

A: You know who A. T. Wilson is? Anyway, A. T. Wilson used to export a lot of grain to El Paso and he does business under his name, but Claude Bailey owns it. This old man Wilson is a real religious old man. He has not collected but Bill has him snowed under. Wilson is in Vernon, but Bill bought a bunch of elevators from them --Graves, Silvester--he bought several up in the Plainview area and I think he borrowed some money from the old man. Do you know who Jake Wilson is--no relation to the old man. Wilson bucks grain freight from Oklahoma. Jake told me Bill's dealings with A. T. Wilson and Bill wrote old man Wilson a letter saying he did not expect to make a dime. One of his real long letters said all he

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wanted to do was help people less fortunate. Wilson paid for all of that stuff. Well, they are the only ones that can probably tell you about his grain operations. Wilson was honest and he had honest workers.

Q: Do you know anything about Addington Grain Company? They must be fictitious because we have been unable to get a lead on them.

A: There used to be a man that worked for Bill named Cy Addington. There is a McDonald Grain Company in Canyon. Addington?--nobody knows anything about them. Well Randall County is not so big. The sheriff says he knew every man in the county but he never heard of that. There has been nothing like that there since he has been sheriff. He used to know the big part of people around Tulsa.

Q: How about Yarborough? Has he entered into much of it.

A: Not that I know of.

Q: Can you think of any other leads we might check out on people who would know or who might have information that might be of value that we could check into on this grain deal?

A: Yes, I would go to some of A. T. Wilson's fellow-- the fellows that were managing the elevators when Bill took them over--now \$286,000. Zeke--must be in Randall County--Addington Grain Company--Fairbanks Morse, 150 ton capacity located at Zeke, Texas.

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The sheriff looked it up and said there is no such property.

Makes you kind of wonder. He might have bought the buildings.

He might have actually bought the buildings because that pretty well fits the description of Dimmit and Castro Counties. Actually I have not been able to find much in Dimmit. At Dimmit there is Castro County grain. In Tulia--this is all that is recorded. This is what I wondered about this man Reid. That might be the same fellow.

Q: Did this fellow Reid ever farm in Pecos?

A: Don't know anything about him. The man that built the elevator in Tulia farmed cotton in 1948 and 1949 and then sold out several years ago and went to Tulia. Would be easy to check with ASC. He was originally from Tulia. You know where the grain plant is.

I have never been there.

The way I understand it is he built this plant in Tulia and then went to Pecos--bought a bunch of the land and paid it out at a high price and gave Bill 25% net to manage it for him. If Bill was managing it probably that grain was shipped out of there to Bill's place. See what I mean? If he doesn't watch out Bill will steal him blind. I understand Bill is running that place in Tulia.

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Q: Apparently this Reid is the only one who shows in record in Tulsa.

A: Before you tie Estes into Lyndon Johnson you are going to have to go through about a half dozen companies.

Q: What are those companies? That is what we need. We can do the tying if we know where to tie.

A: That is where you have got to get a State charge on it.

Q: We have a State investigator who will investigate if he knows where to investigate.

A: I tell you what--if you will give me about an hour with Bill you will know where to investigate. I am not joking.

Q: Do you know any of the names of the companies?

A: No, but do you know a fellow by the name of Jay Pierce working for him. Jay Pierce is ten times smarter than A. B. Foster. You don't think he is as smart, but he is much smarter.

Q: His name has come up several times.

A: Pierce told me about it. In Missouri they had two or three companies in Missouri and that a lot of this stuff goes through them and that Earl Turnell knows something on Bill and Bill pays him good. Bill keeps his place rented for him in Santa Fe and pays on his place.

Q: We sure need someone to talk to that boy, don't we?

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A: Turnell?--I think most of Lyndon's stuff goes through his wife's name.

Q: Yes, I know, but it doesn't make any difference if it is crookedness.

A: Lyndon uses his prestige to force business to those companies. If you could get hold of J. H. Pierce--he might talk. He is so much smarter.

Q: Where was his base of operation?

A: He was there in Pecos last year, but he isn't there now. He worked for Bill. J. H. used to talk to me, but I don't know whether he would now or not. He was the fellow that told me that he and Bill got the ten tires.

Q: Do you think Estes will still talk to me?

Do you think he would if he was by himself?

A: There was a man named Worsham--the kind that was always dressed up. He will always have a black suit on. You never see him that he doesn't have a black suit on. I have seen him in the hot weather and he had a black suit on. He stayed in the hotel for awhile. The way I understood it was they got together and took on a uranium deal and he was such a good man Bill kept him. He is not that smart. This fellow always wears a black suit. He looks like he drinks a lot. I know he does .

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Q: How old a man is he?

A: Oh I would say around 60--no, he isn't that old.

Maybe in the 50's. I vaguely remember the uranium deal mentioned--it was in 1957 I believe. Believe this was the first time. I ran into this fellow in 1957 and they were telling me about their uranium deal. You don't know that Pierce?

(Other man)I don't know him, but his name keep coming up off and on.

A: I believe a lot of credit everybody is giving Foster is a lot of Pierce's ideas. Foster has been very careful to stay out of anything illegal. I heard the other day though that Foster was going to take the rap for Bill. He would be paid well if he did--that if anybody went to jail it would be Foster in place of Bill. I heard that it was going to be his wife to make the decision. Man, if I were him I would go to jail before I lived with that woman. I heard he would be the one--if somebody had to go to the pen it is going to be A. B.

Q: We can prevent that I think.

A: That was the plans. I heard that Saturday I believe.

Decision was supposed to have been made Friday. Well, you can get a whole lot on his grain operation right around Plainview from country elevator operators.

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Q: Do you know any names? We will do the leg work if we just know where to go?

A: There is a fellow named Burris at Harte. Bill contacted him and tried to make a deal with him--that community grain I spoke of a little while ago. I believe Bill had a meeting with most all of the grain men in Castro County and he explained to them how he could just take/ of all of them if they would just ship him the grain. He has gone from Dimmitt now, but he ran that south elevator there. Bill tried to make a deal with him to ship him the grain.

Q: Did the elevator go with him on it?

A: No, this Burris did not go with him either, but a man by the name of George Hipps did at Tulla. I think that George went in with them. I do not know that, but I just think that. There is a grain outfit--known as Triangle grain--I believe they changed the name of it. I believe it was W. C. Cowan's elevator and they bought him out. There was this Farmers Coop at Hale Center. I don't know who their terminal was, but I guessed it would be Estes because they were taking in grain up to 18% moisture this past fall and he would do something with it and I would guess Estes--it went through Estes' terminal because it is too high in moisture for anybody else to handle.

Do you know where Cotton Center is?

(other man) No, I don't believe I do.

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A: Anyway, it is a little country place--just out of Hale Center. Well anyway, Heath was one of the grain people there. They were the only grain people there. It might not be bad to check their books if you had a chance.

Q: Do you think we could find anything there?

A: Well you might. This fellow Wilson at Plainview can tell you quite a little bit. Think Kaperton can too. In fact, he has been doing some bragging around. Kaperton drinks a lot and he was bragging about Governor Clements' father and one time on a fishing trip they had a bunch of pictures made and he also bragged about that deal in Arkansas. Kaperton knows pretty well the operation of that deal in Arkansas where they were using to get that money out of Tennessee --they were selling these mortgages in Arkansas.

Q: Do you know a man by the name of Aaron Isaacs in ~~Edinmit~~? What is the name of that Coop--Castro County Wheat Growers or something.

A: I have heard of that name several times--Isaacs.

Q: Do you know anywhere I can find out this man's name. I have been trying to find out his name and can't find out/

A: I understand he was an attorney out of Oregon and that he was borrowed out in Texas. I was only going by what Bud told me.

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He and Bill got together in Utah on the uranium deal. There was a million guys in on that uranium deal. Now in Dimmit, there is Fred Burton Elevator, but I don't believe he would have anything to do with it. Most of the grain men would like to hang him.

This Jake Wilson--he is no relation to A. T. He thought he had the A. T. Wilson elevators bought, but Bill jumped in and bought them for nothing, but that Hale Center Coop is dealing with somebody where it is not on the up and up and I think that guy could check him and it would scare him. If you take 100 pounds of grain with 18% moisture and if you have to ship it out--13 1/2--all that they will let you ship out--then you lose 4 1/2 pounds right there, but it could be good grain. With 18% moisture it would spoil.

A: With 18% moisture, does it matter how green it is?

A: I have heard he told them--send it to me as green as you can--it doesn't matter. He gave them the full price on it green or not. Then he bought that little country elevator ten or twelve miles northeast of Plainview and now there is--Bill had his finger in a Coop named Coastal. Do you know who that is?

(other man) I have heard of it.

Well, I don't know who that will be, but if I am not mistaken when Bill first bought it he bought it as Coastal, but within a week or two it was Bill's deal.

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Q: Coastal has popped up a great many times in his grain dealings. Do you have any idea where you can find out where it is incorporated?

A: Austin

Q: But it might not be a Texas Corporation.

A: Washington or Austin.

Q: You told me something on the phone. You said you did not think we could get him on fertilizer--he covered too good.

A: That is right. I don't believe you can get him on fertilizer.

Q: They are not getting him on the fertilizer. They will get him on fraudulent mortgages.

They sign the contracts and then they confirm where to deliver it and some of that is over twelve months.

A: I see what you have him on. I tell you where they are going to run into trouble is getting him tried in Federal Court.

Q: Oh' we'll get him all right--don't worry about that.

A: Well I hope you do.

2
May 29, 1962

MEMORANDUM:

Buzz, in answer to a call from WJ, said as follows:

"George Dilman told the story about Wilson and Estes originally in Austin to Lloyd Hand and some other people around Tom Reavley's campaign. He told it on the weekend of the story breaking about Cliff's letter to Billie Sol. I think this is important. I called him to follow up on the story after Woody had called him and some other people had called him.

"I was not convinced of the accuracy of the story because I know George. This is supposed to have happened during the time he was traveling with Will Wilson in 1961 when he was acting as press man--when Will Wilson was running for the Senate. He said it took place in some place in West Texas where Wilson had gone to make a speech and when they passed one of these grain storage installations Wilson inquired about it and was told what Estes was doing. Wilson then told Dilman to write a local release for that paper and to include a compliment about the Estes operations and George says only that he assumes that he did do it.

"George told me he had his notes on the conference with Wilson. It is somewhat unlike George to have kept notes and he just doesn't do that. He says he does not have a copy of the story, but that he does have his conversation with Wilson. I am not inclined to believe much of that. I personally doubt that George wrote the story. He can't remember, but it was first brought up by George in defense of Cliff Carter and I think it has to be taken with somewhat of a grain of salt. He did say that Wilson told one of his Attorney General's to have a letter written from the Austin office to Billie Sol Estes to compliment him on his grain storage installations that he had seen on his tour of the Panhandle. I do not know whether or not that occurred. It it did occur--don't know whether or not it was followed through.

(2)

"George says his notes do not reflect where he was at the time he took these notes down.

"I would not want to write the thing off as a completely futile thing, but it was never said by Dilman that this was actually in a speech. It was only in a release and was purely for local consumption according to George. George is pretty quick to speak of things like this and he was pretty much on the defensive for having worked with Wilson who he grew to dislike and was especially displeased with the attack on Cliff. I don't want to say it right out, but I suspect it has a little element of fiction on the whole thing."

May 29, 1962

Bushy

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Adams, Gilbert Goodhue Building Beaumont	29 wks @ \$1.75	\$ 50.00
Ainsworth, H. M. 1st National Bank Luling	88 wks @ \$3.25	\$286.00
Andress, Ted (deceased) El Paso National Bank Bldg. El Paso	36 wks @ \$1.75	\$ 63.90
Ashby, Kermit KVOP Plainview	66 wks @ \$1.75	\$116.75
Baker, E. R. Hub RFD # 2 Somerville	58 wks @ \$1.75	\$102.00
Bath, T. A. Arnold Building Henderson	86 wks @ \$1.75	\$151.75
Bauerle, Jas. E. San Antonio	9 wks @ \$1.75	\$ 15.00
Beasley, D. N. San Augustine	99 wks @ \$1.75	\$171.00
Beckham, W. D. Lamesa	20 wks @ \$1.75	\$ 34.73
Bell, Jack Brownwood	8 wks @ \$1.75	\$ 13.85
Biedenharn, A. M. Coca-Cola Bottling Co. San Antonio	70 wks @ \$3.25	\$227.00
Blackmon, Larry Box 85 Mineral Wells	82 wks @ \$1.75	\$145.25

Blake, Charles Box 666 Hearne	82 wks @ \$1.75	\$144.00
Blake, Fred Coca-Cola Bottling Co. Cameron	119 wks @ \$1.75	\$208.10
Blanton, W. N. Houston	8 wks @ \$1.75	\$ 14.00
Bobbitt, Robert Lee San Antonio	15 wks @ \$1.75	\$ 25.00
Bock, Ben Bock Motor Co. New Braunfels	100 wks @ \$1.75	\$174.85
Boyd, Roland McKinney	(2) 98 wks @ \$1.75	\$336.50
Brand, C. E. San Antonio	9 wks @ \$1.75	\$ 15.00
Briscoe, Dolph Uvalde	116 wks @ \$1.75	\$204.25
Brookshire, Jack District Judge Beaumont	122 wks @ \$1.75	\$213.00
Brown, Harold 721 W. Ella Kingsville	78 wks @ \$1.75	\$136.50
Bruce, Lloyd Ranger	96 wks @ \$1.75	\$169.25
Bruce, R. E. Ballinger	4 wks @ \$1.75	\$ 7.10
Bryant, L. E. Pepsi Cola Bottling Co. Tyler	60 wks @ \$1.75	\$105.00

Buck, Raymond E. Commercial Standard Ins. Co. Fort Worth	72 wks @ \$3.25	\$234.00
Bullock, Maurice Fort Stockton	116 wks @ \$1.75	\$204.25
Bunnell, Pat Modern Way Grocery San Angelo	29 wks @ \$1.75	\$ 50.00
Burke, Elmo J., Jr. 1100 Goliad Road San Antonio	88 wks @ \$3.25	\$286.00
Byars, B. G. Citizens Nat'l Bank Bldg. Tyler	103 wks @ \$3.25	\$334.00
Camp, Harris M. Seven-Up Bottling Co. San Antonio	16 wks @ \$1.75	\$ 29.75
Carter, John Lake Jackson	32 wks @ \$1.75	\$ 56.00
Casseb, Sol San Antonio	9 wks @ \$1.75	\$ 15.00
Chandler, J. W. Jacksonville	19 wks @ \$1.75	\$ 33.10
Chapman, Ray Box 600 Denton	115 wks @ \$1.75	\$200.90
Clark, Lester Box 752 Breckenridge	116 wks @ \$1.75	\$204.25
Clark, Robert L. 1900 Adolphus Tower Dallas	(4) 120 wks @ \$1.75 (1) 18 wks @ \$3.25	\$897.90

Collins, Bryant Austin	9 wks @ \$1.75	\$ 15.75
Congelosi, F. C. Hearne	6 wks @ \$1.75	\$ 10.00
Connally, J. Ed Box 1621 Abilene	86 wks @ \$1.75	\$151.00
Connell, Ted C. Killeen	12 wks @ \$1.75	\$ 21.00
Cooper, Bill 7122 Shook Dallas	8 wks @ \$1.75	\$ 14.00
Cornett, Leighton Paris	34 wks @ \$1.75	\$ 60.40
210 Cortese, Hugo & Lenine 1009 W. Beauregard San Angelo	29 wks @ \$1.75	\$ 50.00
Cowser, Guy Coca-Cola Bottling Co. Center	99 wks @ \$1.75	\$173.25
Cox, Joe, Jr. M & P Building Sherman	31 wks @ \$1.75	\$ 53.60
Craddock, Tom Seymour	80 wks @ \$1.75	\$140.00
Craig, R. T. Box 484 Athens	29 wks @ \$1.75	\$ 50.80
Craver, H. A. Coca-Cola Bottling Co. Texarkana	88 wks @ \$1.75	\$154.00

Crutchfield, John Box 60 Abilene	100 wks @ \$1.75	\$175.00
Cosby, A. A. Falfurrias	64 wks @ \$1.75	\$112.00
Croslin, Lloyd (deceased) Lubbock Nat'l Bank Bldg. Lubbock	114 wks @ \$1.75	\$199.05
Dansby, Roland American Laundry Bryan	116 wks @ \$1.75	\$204.25
Davis, C. T. 904 Fillmore Amarillo	(2) 120 wks @ \$1.75	\$418.50
Davis, Paul L. 1st Nat'l Bank Bldg. Midland	86 wks @ \$1.75	\$150.00
Dean, Homer, Jr. Box 250 Alice	120 wks @ \$1.75	\$209.65
Denny, Earl Coca-Cola Bottling Co. Wichita Falls	120 wks @ \$1.75	\$209.65
DeStefano, Frank Hearne	4 wks @ \$1.75	\$ 7.00
Donnell, George R. San Antonio	15 wks @ \$1.75	\$ 25.00
Dorrance, G.L. & Ray 107 W. Twohig San Angelo	29 wks @ \$1.75	\$ 50.00
Dorris, W. L. (deceased) Dr. Pepper Bottling Co. Fort Worth	20 wks @ \$1.75	\$ 35.00

Dugagan, Conrad Coca-Cola Bottling Co. Monahans	122 wks @ \$1.75	\$213.15
Dunnam, Sam Coca-Cola Bottling Co. Corpus Christi	100 wks @ \$1.75	\$175.00
Dwigans, Ray 5500 El Paso Drive El Paso	116 wks @ \$1.75	\$204.25
Dyche, Kermit Box 672 Alvin	116 wks @ \$1.75	\$204.25
Daugherty, H. M State National Bank El Paso	120 wks @ \$1.75 3 wks @ \$3.25	\$220.05
Ehlert, Melvin Brenham	16 wks @ \$1.75	\$ 28.00
Felder, Jesse T. Seven-Up Bottling Co. Port Arthur	116 wks @ \$1.75	\$204.25
Ferguson, Clarence District Judge Groesbeck	72 wks @ \$1.75	\$127.75
Fink, Gus Brenham	5 wks @ \$1.75	\$ 8.69
Fisher, Joe J. District Judge Jasper, Tex	88 wks @ \$1.75	\$151.75
Flinn, Glenn "Tubby" Box 1261 Tyler	49 wks @ \$1.75	\$ 85.75

Fox, Gorman Raymondville	8 wks @ \$1.75	\$ 14.00
Fox, J. H. Hearne	6 wks @ \$1.75	\$ 10.00
Freeman, Joe San Antonio	18 wks @ \$1.75	\$ 30.00
Garrett, W. J., Jr. Charles Schreiner Co. Kerrville	122 wks @ \$1.75	\$213.15
Gammill, John Kermit State Bank Kermit	116 wks @ \$1.75	\$204.25
George, Derward Corsicana	3 wks @ \$1.75	\$ 4.70
Germany, E. B. Box 12226 Dallas	41 wks @ \$3.25	\$134.00
Gill, Truman Coca-Cola Bottling Co. Beeville	121 wks @ \$1.75	\$211.35
Gillen, Drew Blooming Grove	120 wks @ \$1.75 22 wks @ \$3.25	\$281.05
Gillham, J. O. Brownfield	78 wks @ \$1.75	\$136.50
Gonzalez, Arturo C. Del Rio	30 wks @ \$1.75	\$ 52.00
Gossett, R. T. San Antonio	15 wks @ \$1.75	\$ 25.00
Grant, Dr. Silas Hillsboro	116 wks @ \$1.75	\$204.25

Green, George San Antonio	9 wks @ \$1.75	\$ 15.00
Griffis, W. A., Jr. San Angelo	1 wk @ \$1.75	\$ 2.30
Hall, Walter Dickinson	(2) 49 wks @ \$1.75	\$173.00
Hardesty, Frank Big Spring	20 wks @ \$1.75	\$ 35.00
Harman, Robert A., Jr. Delaware Punch Co. San Antonio	16 wks @ \$1.75	\$ 28.00
Harvey, Fred Dr. Pepper Bottling Co. Denison	36 wks @ \$1.75	\$ 63.00
Hay, Lester, Jr. Marlin	41 wks @ \$1.75	\$ 71.25
Hay, S. J. Great Nat'l Life Ins. Co. Dallas	41 wks @ \$3.25	\$134.00
Heath, W. W. Austin	12 wks @ \$1.75	\$ 21.00
Hedrick, Wyatt Fort Worth	23 wks @ \$1.75	\$ 40.00
Hein, Henry J. San Antonio	9 wks @ \$1.75	\$ 15.00
Henley, Dave Brownwood	5 wks @ \$1.75	\$ 8.70
Herndon, Ray KMID-TV Midland	6 wks @ \$3.25	\$ 19.30

Hickerson, Marcus Hickerson Food Market Waxahachie	105 wks @ \$1.75	\$181.70
Hodges, Harlan A. 1405 Great Plains Life Bldg. Lubbock	99 wks @ \$1.75	\$173.25
Holleman, J. S. Box 363 Livingston	(2) 109 wks @ \$1.75	\$390.75 (<i>1 1/2 million patts</i>)
Holt, E. E. Seven-Up Bottling Co. Waco	52 wks @ \$1.75	\$ 91.00
Howard, Tom Pleasanton	7 wks @ \$1.75	\$ 12.25
Hoyt, W. S., Jr. Hearne	6 wks @ \$1.75	\$ 10.00
Hudson, C. L. Hearne	1 wk @ \$1.75	\$ 2.00
Hughes, Jack 4001 S. 1st St. Abilene	100 wks @ \$1.75	\$174.00
Hughes, R. G. Hughes Bldg. Pampa	(3) 80 wks @ \$1.75	\$421.85
Hutcheson, Dr. Z. W., Jr. P. O. Box 218 Andrews	102 wks @ \$1.75	\$186.75
Ingram, W. S. Jewett	29 wks @ \$1.75	\$ 50.00
Jackson, Wm. A. Great Plains Life Bldg. Lubbock (now living in Houston)	20 wks @ \$1.75	\$ 35.00

Johnson, Sam N., Jr. Coca-Cola Bottling Co. Laredo	116 wks @ \$1.75	\$204.25
Jones, H. Conger Box 562 Del Rio	72 wks @ \$1.75	\$127.75
Jones, Otto Jones Motor Co. Littlefield	4 wks @ \$1.75	\$ 7.00
Justice, Wayne Athens	9 wkd @ \$1.75	\$ 15.80
Kellam, J. C. KTBC Box 1155 Austin	120 wks @ \$1.75 17 wks @ \$3.25	\$263.45
Kennedy, Vann KZ-TV Corpus Christi	120 wks @ \$1.75 31 wks @ \$3.25	\$278.05
King, Harold Muleshoe	48 wks @ \$1.75	\$ 84.00
Kirby, Jerry Box 632 Littlefield	116 wks @ \$1.75	\$204.25
Korth, Fred Continental Nat'l Bank Fort Worth	72 wks @ \$1.75	\$126.00
Kuttschback, W. E. 1410 Cavitt Dr. Bryan	88 wks @ \$1.75	\$154.00
Laughlin, Boyd Box 670 Midland	68 wks @ \$1.75	\$119.00

Lee, Charles G. 1st National Bank Mineral Wells	24 wks @ \$1.75	\$ 42.00
Lentz, Zac Zac Lentz Hardware Co. Victoria	72 wks @ \$1.75	\$126.00
Levee, Ed B., Jr. Texarkana Nat'l Bank Bldg. Texarkana	106 wks @ \$1.75	\$186.75
Lewis, Glenn R. Central Nat'l Bank Bldg. San Angelo	29 wks @ \$1.75	\$ 50.00
Lieck, Charles J. San Antonio	9 wks @ \$1.75	\$ 15.00
Lockett, Reese Lockett Men's Store Brenham	54 wks @ \$1.75	\$ 92.75
Logan, Ralph 400 Petroleum Bldg. San Angelo	32 wks @ \$1.75	\$ 57.65
Looney, J. C. Box 390 Edinburg	(3) 98 wks @ \$1.75	\$514.25
Lord, Grogan Austin	12 wks @ \$1.75	\$ 21.00
Low, Sam D. W. Houston	1 wk @ \$1.75	\$ 1.50
Lowry, Dr. W. E. Sam Houston State College Huntsville	26 wks @ \$1.75	\$ 45.00
Luther, Charles Palacios	24 wks @ \$1.75	\$ 42.00

Lyle, Hugh Dumas	5 wks @ \$1.75	\$ 8.70
Lynch, John F. Box 1189 Houston <i>Corpus Christi</i>	96 wks @ \$1.75	\$168.00
Lynch, Raymond A. Midland Saving & Loan Bldg. Midland	30 wks @ \$1.75	\$ 52.50
McCan, Claud K. Victoria	62 wks @ \$3.25	\$200.00
McConchie, K. L. KTAE Taylor	129 wks @ \$1.75	\$226.35
McDaniel, Raymond A. Coca-Cola Bottling Co. Abilene	68 wks @ \$1.75	\$119.00
McGown, Floyd San Antonio	9 wks @ \$1.75	\$ 15.00
McGrede, H. C. Coca-Cola Bottling Co. Sulphur Springs	72 wks @ \$1.75	\$126.00
McLaughlin, C. T. Diamond M Building Snyder	121 wks @ \$1.75	\$211.35
McLean, Hunter W. T. Waggoner Bldg. Fort Worth	(2) 120 wks @ \$1.75 (1) 15 wks @ \$3.25	\$471.85
McNamara, Carl J. Coca-Cola Bottling Co. Dallas	30 wks @ \$1.75	\$ 52.50
Mann, Gerald C. 633 Meadows Bldg. Dallas	12 wks @ \$ 1.75	\$ 21.00

Mann, Harry Box 1177 Levelland	92 wks @ \$1.75	\$160.50
Marchbanks, C. L. 1st Nat'l Bank Bldg. Big Spring	5 wks @ \$1.75	\$ 8.75
Mathews, Cliff L. Royal Crown Bottling Co. Houston	81 wks @ \$1.75	\$141.50
Miller, J. Paul Tulia	66 wks @ \$1.75	\$115.00
Mills, C. Y. Box 906 Mission	60 wks @ \$1.75	\$105.00
Mitchell, A. F. Corsicana	4 wks @ \$1.75	\$ 7.00
Moore, Harry Navasota	58 wks @ \$1.75	\$119.00
Moore, Hilmar Richmond	114 wks @ \$1.75	\$199.10
Morgan, Ernest Cape Bldg. San Marcos	102 wks @ \$1.75	\$179.00
Musick, Virgil Seven-Up Bottling Co. Abilene	14 wks @ \$1.75	\$ 25.25
Newman, J. T. Cuero	62 wks @ \$1.75	\$110.25
Nickles, R. E. Coca-Cola Bottling Co. Amarillo	16 wks @ \$1.75	\$ 28.00

Nigliazzo, John W. Hearne	12 wks @ \$1.75	\$ 20.00
O'Brien, Chilton 311 McFaddin Building Beaumont	79 wks @ \$1.75	\$138.04
Odom, J. M. Austin	15 wks @ \$1.75	\$ 26.25
Parish, Elmer Box 388 Wichita Falls	103 wks @ \$1.75	\$180.55
Parker, R. O. Lamesa	20 wks @ \$1.75	\$ 34.73
Patteson, E. N. District Attorney Gonzales	11 wks @ \$1.75	\$ 19.13
Peace, John San Antonio	9 wks @ \$1.75	\$ 15.00
Peavy, James W. Box 918 Lufkin	36 wks @ \$1.75	\$ 63.00
Peeler, Ray Peeler Building Bonham	120 wks @ \$1.75	\$209.65
Penrose, Neville Fort Worth	29 wks @ \$1.75	\$ 50.00
Percy, Bill Kaufman	48 wks @ \$1.75	\$ 83.86
Perry, J. D. Box 1400 Abilene	29 wks @ \$1.75	\$ 50.00

Peters, Marshall C. 611 S. Haswell Bryan	12 wks @ \$1.75	\$ 21.00
Phinney, Carl L. 1st Nat'l Bank Bldg. Dallas	100 wks @ \$1.75	\$175.00
Pickett, Brad Box 488 Liberty	116 wks @ \$1.75	\$204.25
Pitman, John Douglas Hereford	120 wks @ \$1.75 3 wks @ \$3.25	\$220.05
Pitts, Groner Davis-Morris Funeral Home Brownwood	106 wks @ \$1.75	\$187.65
Preslar, H. C. P. O. Box 88 Childress	75 wks @ \$1.75	\$131.50
Preslar, Steve County Attorney McComney	36 wks @ \$1.75	\$ 63.00
Quarles, Nat Clarksville	122 wks @ \$1.75	\$213.15
Randle, Al Seven-Up Bottling Co. El Paso	75 wks @ \$1.75	\$131.00
Read, Ted Austin	12 wks @ \$1.75	\$ 21.00
Rees, H. B. Big Lake State Bank Big Lake	78 wks @ \$1.75	\$136.50
Richter, Walter Cuero	54 wks @ \$1.75	\$ 94.00

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Roberts, Morris Victoria Advocate Victoria	(2) 116 wks @ \$1.75	\$408.50
Robertson, French Box 519 Abilene	104 wks @ \$1.75	\$183.00
Rodes, W. M. Pete 1st Nat'l Bank Emory	20 wks @ \$1.75	\$ 35.00
Rogers, Dick 1st Nat'l Bank Alpine	82 wks @ \$1.75	\$144.75
Russ, Bryan Hearne	3 wks @ \$1.75	\$ 5.00
Russell, Norman 315 Main Texarkana	50 wks @ \$1.75	\$ 87.00
Sanders, A. A. Sugar Bastrop	12 wks @ \$1.75	\$ 21.00
Sanders, B. L. 1st Nat'l Bank Corsicana	5 wks @ \$1.75	\$ 8.75
Schmidt, Wm. A. Box 704 Taft	68 wks @ \$1.75	\$119.51
Seaberry, Borden M. Seaberry Bldg. Weatherford	116 wks @ \$1.75	\$204.25
Seibert, J. E. Hearne	6 wks @ \$1.75	\$ 10.00
Sellers, Grover Sulphur Springs	120 wks @ \$1.75 8 wks @ \$3.25	\$237.80

Selman, Earl (deceased) Seven-Up Bottling Co. Bay City	105 wks @ \$1.75	\$185.10
Semaan, Fred A. San Antonio	9 wks @ \$1.75	\$ 15.00
Shepherd, A. A. San Antonio	9 wks @ \$1.75	\$ 15.00
Shepperd, John Ben Box 3908 Odessa	(2) 117 wks @ \$1.75	\$408.50
Skelton, Byron 1st Nat'l Bank Bldg. Temple	112 wks @ \$1.75	\$195.50
Slack, Richard Box 808 Pecos	78 wks @ \$1.75	\$137.00
Smith, Carlton J. 902 Amicable Life Bldg. Waco	(2) 118 wks @ \$1.75	\$413.76
Smith, Roy 1st Nat'l Bank Killeen	115 wks @ \$1.75	\$200.90
Spears, Adrian San Antonio	112 wks @ \$1.75	\$195.85
Stannard, Harold K. San Antonio	9 wks @ \$1.75	\$ 15.00
Stilwell, Tom District Judge Palestine	6 wks @ \$1.75	\$ 10.00
Stone, Emerson, Jr. 306 Commerce Jacksonville	42 wks @ \$1.75	\$ 72.16
Strong, Wilbur Hearne	3 wks @ \$1.75	\$ 5.00

Sullivant, Carroll Sullivant Bldg. Gainesville	91 wks @ \$1.75	\$159.75
Taft, Paul KGUL Galveston	10 wks @ \$3.25	\$34.95
Taylor, Hobart, Sr. 2008 Hamilton St. Houston	116 wks @ \$1.75	\$204.25
Taylor, Jay 1st Nat'l Bank Bldg. Amarillo	98 wks @ \$3.25	\$319.00
Taylor, Winston 505 Nat'l Life Bank Bldg. Marshall	122 wks @ \$1.75	\$213.00
Temple, Arthur, Jr. KSPL Diboll	25 wks @ \$1.75	\$ 43.75
Thacker, Bill Hamilton Bldg. Wichita Falls	(2) 51 wks @ \$3.25	\$330.75
Thompson, Brad Box 85 Stephenville	9 wks @ \$1.75	\$ 16.00
Turner, Gean Cleburne	128 wks @ \$1.75	\$227.85
Tompkins, J. D. Box 115 Abilene	15 wks @ \$1.75	\$ 25.00
Turner, A. L. 109 N. Beauregard San Angelo	29 wks @ \$1.75	\$ 50.00

Turner, Tom E. San Antonio	9 wks @ 1.75	\$ 15.00
Vance, Estill (deceased) Ft. Worth Nat'l Bank Fort Worth	36 wks @ \$1.75	\$ 64.00
Varner, G. R. Hearne	6 wks @ \$1.75	\$ 10.00
Voigt, E. E. San Antonio	9 wks @ \$1.75	\$ 15.00
Watson, Marvin Box 680 Daingerfield	92 wks @ \$1.75	\$162.75
Westbrook, Joel W. San Antonio	9 wks @ \$1.75	\$ 15.00
Whitfield, W. H. Seven-Up Bottling Co. LaFeria	78 wks @ \$1.75	\$135.00
Whittenberg, S. B. The Amarivool Globe Amarillo	(2) 120 wks @ \$1.75 (1) 15 wks @ \$3.25	\$467.20
Williams, Glynn A. "Buddy" 2909 Texas Ave. Bryan	60 wks @ \$1.75	\$104.06
Willis, A. M., Jr. Bramlette Bldg. Longview	62 wks @ \$1.75	\$108.05
Wilson, Robert Lee Coca-Cola Bottling Co. Vernon	54 wks @ \$1.75	\$ 92.75
Winters, J. Sam 1020 Brown Bldg. Austin	68 wks @ \$1.75	\$119.00

Wofford, Harry Wheeler Co. Clerk Wheeler	126 wks @ \$1.75	\$221.65
Wood, Robert L. Midland Towers Midland	72 wks @ \$1.75	\$126.00
Woodson, Ross Lamesa	23 wks @ \$1.75	\$ 40.79
Woodward, Hal Coleman	116 wks @ \$1.75	\$204.25
Yeager, W. A. Box 990 Midland	86 wks @ \$1.75	\$150.50
York, Albert Box 3506 Victoria	72 wks @ \$1.75	\$126.00

note file

CONFIRMATIONS

COPY

agreed
Smith, W.

January 27, 1961

Dear Arch:

Thanks for your note of the 19th. I do not know to what extent I will be consulted on the selection of a man to fill the post of Assistant Secretary of Agriculture. Nonetheless, I have seen to it that Governor Freeman is aware of your recommendation of Wilmer Smith and have urged that every consideration be given to him.

It was good to hear from you. Come to see me when you can.

With kindest personal regards, I am

Sincerely,

Lyndon B. Johnson

Mr. Arch S. Underwood
P. O. Drawer 1680
Lubbock, Texas

LBj:LNH:pat

COPY

January 27

91

Honorable Orville Freeman
Secretary of Agriculture
Department of Agriculture
Washington 25, D.C.

XXX
Vice President

Lubbock, Texas
November 15, 1960

CONFIRMATIONS

Agrie
Thompson

O'Brien

Vice President Elect Lyndon Johnson
Stonewall
Texas

Dear Lyndon:

The attached is a copy of a telegram which I sent you earlier in the day. I firmly support everything stated in my telegram. Other leaders in agriculture in our area include Wilmer Smith of Wilson who was mentioned by Bob Poage in a recent speech at Hale Center as a good man for Assistant Secretary of Agriculture, and Roy B. Davis, manager of the Plains Co-op Oil Mill. Roy is an outstanding farm leader of this area. While he is identified with the co-op movement, he still has many friends outside the co-op movement.

Best personal regards.

Sincerely,

George
George Mahon

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent in a fast telegram	
TELEGRAM	☐
DAY LETTER	☒
NIGHT LETTER	☐

WESTERN UNION TELEGRAM

1206 (4-35)

W. F. MARSHALL, President

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate	
FULL RATE	☐
LETTER TELEGRAM	☐
SHORE SHIP	☐

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			15 EZ B 25 Congressman George Mahon	Nov. 15, 1960

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

Vice President Elect Lyndon Johnson
Stonewall
Texas

If it develops that you and Jack Kennedy want a Secretary of Agriculture from Texas, Charles C. Thompson from Colorado City is your best bet. He has a genius for leadership and is a good administrator. He is former Chairman of the Board of Texas Tech; he is Chairman of the Farm Credit Board of Texas; he has just completed 5 years as National Chairman of National Farm Credit Committee and presided at 5 annual meetings. Charlie has a host of friends nation wide who would tender enthusiastic support if called upon. He is not closely identified with any farm organization or faction. I believe he would accept the appointment but I am sure he will not campaign for it unless he is invited to give evidence of state and nation wide support. If it develops that a Texan may be considered and you want to give consideration to Charlie I shall be glad to cooperate with you. Otherwise no further action will be taken insofar as I know. From a political standpoint Charlie is highly acceptable having been loyal in every election and a long time supporter of yours and a supporter of Senator Kennedy's in the recent election. Regards.

George Mahon

XEROX FROM QUICK COPY

CONFIRMATIONS

Agree

Smith, Wilmer

COPY

December 30, 1960

Mr. Bruno E. Schroeder
307 Bash Building
Austin, Texas

Dear Mr. Schroeder:

I want to thank you for your good letter and its recommendation.

I do not know whether I will be consulted about appointments, but I do want Senator Kennedy and his people to have your recommendation. Thus, I am telling them of your suggestion. We are going to need all the talent and experience that can be made available to the country in the years to come.

With every good wish, I am

Sincerely,

Lyndon B. Johnson

PRESIDENT
TROY KERN
ROUTE 3
COOPER, TEXAS
TEL. 5153

VICE-PRESIDENT
WEBER W. POOL
1011 E. MAIN
SINTON, TEXAS
TEL. EM 4-2014

EXECUTIVE VICE-PRESIDENT AND TREASURER
B. E. SCHROEDER
307 NASH BLDG.
AUSTIN, TEXAS
TEL. GR 7-8178

* * *
**TEXAS FEDERATION
OF COOPERATIVES**

A Conference Body of Agricultural Cooperatives

December 27, 1960

The Honorable Lyndon B. Johnson
U. S. Senator and Vice President-elect
Washington, D. C.

Dear Senator Johnson:

Within the ranks of our cooperative people of Texas, we have an eminent agricultural producer -- 48-year old Wilmer Smith of New Home, Lynn County, Texas. He would make an excellent Assistant Secretary of Agriculture for the United States.

Mr. Smith possesses those qualities of leadership which stamp him a friend of the American farmer: A flexible mind to the changing needs of agriculture; a willingness to work with others to achieve goals in the national interest; and a thorough knowledge of agriculture from the producer's standpoint. He is a graduate of Texas Technological College.

Active in twenty organizations since 1953, Mr. Smith singles out the New Home Cooperative Gin; Plains Cooperative Oil Mill, Lubbock; the (Eisenhower) National Agricultural Advisory Committee and the Central Bank for Cooperatives, Washington, D. C.; and membership on President-elect Kennedy's Cotton Advisory Committee for the Democratic Administration.

Just last week the Progressive Farmer Magazine, January 1961 issue, honored Mr. Smith as its selection for "Man of the Year in Texas Agriculture."

Sincerely yours,


Bruno E. Schroeder

Enclosures -
Resolutions

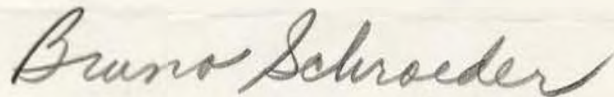
RESOLUTION ON APPOINTMENT OF
ASSISTANT SECRETARY OF AGRICULTURE

WHEREAS, WILMER SMITH of Wilson, Texas has proved his ability as an outstanding producer of agricultural commodities, an outstanding administrator as a member and officer of numerous local, state and national agricultural committees and organizations; inasmuch as he is a man of unquestionable integrity, knows the problems of the American agriculture industry from a practical experience, and has the trust and confidence of his industry's fellow workers: Now therefore be it

RESOLVED by the Texas Planting Seed Association that WILMER SMITH be, and he is hereby unqualifiedly endorsed by said organization for appointment to the position of Assistant Secretary of Agriculture.

* * *

I, the undersigned Executive Vice President of the Texas Federation of Cooperatives and the Texas Cooperative Ginners Association, do hereby certify that the above and foregoing is a true and correct copy of a resolution adopted by the Texas Planting Seed Association at Austin, Texas on December 15, 1960.



Bruno E. Schroeder, Executive Vice President
Texas Federation of Cooperatives
Texas Cooperative Ginners Association



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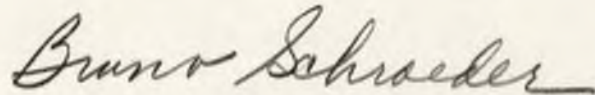
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Bruno E. Schroeder, Executive Vice President
Texas Federation of Cooperatives
Texas Cooperative Ginners Association

PRESIDENT
TROY KERN
ROUTE 3
DUNN, TEXAS
TEL. 5188

VICE-PRESIDENT
WESLEY M. DICK
1801 E. MAIN
DUNN, TEXAS
TEL. 5188

EXECUTIVE SECRETARY
E. E. SCHROEDER
207 N. MAIN ST.
AUSTIN, TEXAS
TEL. GR 7-0178

* *
TEXAS FEDERATION
* *
OF COOPERATIVES
*

A Conference Body of Agricultural Cooperatives

December 27, 1960

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U. S. Senator and Vice President-elect
Washington, D. C.

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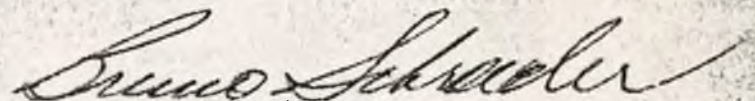
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Enclosures -
Resolutions

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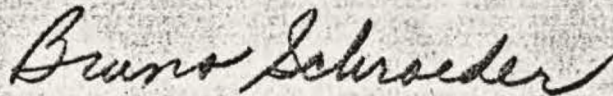
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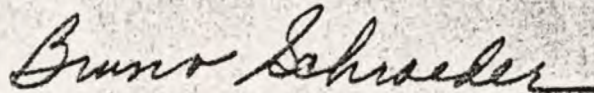
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Bruno E. Schroeder, Executive Vice President
Texas Federation of Cooperatives
Texas Cooperative Ginners Association

XEROX FROM QUICK COPY

TEXAS COOPERATIVE NEWS



TEXAS TECH DIRECTOR

WILMER SMITH, New Home, Texas, has been appointed by Governor Price Daniel to the Board of Directors of Texas Tech College, Lubbock. Smith is a cotton and grain sorghum farmer in Lynn County. He is a director and board officer of numerous agricultural organizations including President, Plains Cooperative Oil Mill, Lubbock; director, Central Bank for Cooperatives, Washington, D. C.; Vice-President, Plains Cotton Growers, Lubbock; director, National Council of Farmer Cooperatives, Washington, D. C.; director, Texas Federation of Cooperatives, Austin.

XEROX FROM QUICK COPY

CONFIRMATIONS

COPY

Ague
Smith, Wilmer

December 14, 1960

Mr. France Baker
P. O. Box 171
Lubbock, Texas

Dear Friend:

I want to thank you for your good letter and its recommendation.

I do not know whether I will be consulted about appointments, but I do want Senator Kennedy and his people to have your recommendation. Thus, I am telling them of your suggestion. We are going to need all the talent and experience that can be made available to the country in the years to come.

With every good wish, I am

Sincerely,

Lyndon B. Johnson

GROWER AND DISTRIBUTOR OF EMPIRE COTTON SEED

FARMS
LUBBOCK
COCHRAN
BAILEY COUNTIES

BAKER EMPIRE COTTON SEED FARMS

FRANCE BAKER

BOX 171 • LUBBOCK, TEXAS

PHONES
PO 3-8059 FARM
SH 4-6543 RESIDENCE

December 9, 1960.

OFFICE
3506 AVENUE Q
CAMPBELL & O'NEILL BLDG.

Hon. Lyndon B. Johnson
Hon. Sam Rayburn
Hon. George Mahon
Hon. Ralph Yarborough

Washington, D.C.

My dear Friends:

I am writing each of you to urge that you use your influence to have Mr. Wilmer Smith of New Home, Texas well known to you, I am sure, to the office of Assistant Secretary of Agriculture.

There is no man who is more able to fill this important office than Wilmer Smith and I know that he would be fair and right to both city and farmers of every kind all over the Nation, and that is what is needed so bad, under these conditions.

We dont need a man who will be against the city people nor against the farmers and Wilmer Smith has always been fair and religiously fair. You of course know he is Nationall known for his untiring work in agriculture and I am sure he will be accepted by every one in our United States and you will have the best man I know of for this appointment.

Respectfully,

Yours very truly

France Baker

France Baker Box 171.

*We sure
need this man
Please help
Thanks
JB*

BAKER EMPIRE COTTON SEED FARMS

FRANCE BAKER

BOX 171 - LUBBOCK, TEXAS

FARMS
LUBBOCK
COCHISE
BAILEY COUNTRIES

PHONE
RD 2-5025 FARM
RD 4-5543 RESIDENCE

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Respectfully,

Yours very truly

France Baker

France Baker Box 171.

*See your way
keep the
France Baker
Thank
88*

CAMPBELL & GRIFFIN BLDG
3508 AVENUE D
OFFICE



AFTER FIVE DAYS RETURN TO

P. O. BOX 171

LUBBOCK, TEXAS

RETURN POSTAGE GUARANTEED



Hon. Lyndon B Johnson Senator

United States

Washington, D.C.

had none of these. It was a hotly contested election. The issues were well defined after several months of campaigning on the part of both parties. The preelection forecasts were that the incumbent President and his team would win. The elections came; and the people voted for the opposition candidates for President, Vice President and six of eight seats in the Senate, but the majority in the lower House of our Congress went to the candidates of the then Government party. I have gone to some length in describing our last national election, because it proves, in my opinion, that our voters in the Philippines have come of age in that they exercise their right of suffrage with evident discrimination, freely and without fear. It also proves that a change of government takes place in the Philippines without the violent upheavals that attend changes of government in many parts of the world. This is something of a triumph in Asia, for which all free peoples should rejoice.

To the American investor, we offer another very solid basis for confidence. We have, through the years, demonstrated that we are your best friends in the world today, one of your staunchest allies. Only a few days ago, we again proved to you and to the whole world the identity of purpose that animates us and the close link of amity and understanding that binds out two countries and peoples together. Immediately after you started your new series of nuclear tests, many people in many countries which you have considered as your friends and allies and which you have assisted during these many years have mounted massive demonstrations protesting against the tests. My country is among the very few where no such unfriendly exhibitions have taken place and our Government came out immediately with an official declaration where we expressed our regret for the circumstance that made it necessary for you to resume the tests, and openly justified it as indispensable for the security not only of the United States but also of the entire free world.

One of the great deterrents to foreign investment in the Philippines is the absence of guarantees against non-business risks. President Macapagal is now urging on our Congress the enactment of a Foreign Investment bill which seeks to encourage and protect certain foreign investments and offers them several incentives. The bill makes available to foreigners specific areas of investments, which shall include (but is not exclusive) basic metal manufacture, metal products, basic chemicals, fertilizer, drug manufacture from basic materials, food processing, wood products, textile manufacture, electrical industries, cottage industries and deep sea fishing.

It grants to qualified foreign investments certain rights which the Government guarantees irrevocably, among them being the preclusion of any form of capital levy, the repatriation of capital and the remittance of profits. It assures to these foreign investors that no Government business which will compete with a qualified foreign enterprise will be established. These investors will be permitted to employ foreign nationals in administrative, supervisory, technical and advisory positions, except that at least 90 percent of those employed in the Philippines would have to be Filipino nationals. Various tax incentives are given to these foreign enterprises, the principal one being the exemption from income tax for 5 years from the date of the commencement of the business.

In what form the foreign investment bill will finally be approved by our Congress remains to be seen; but whatever it may be, there is every reason to expect that under it, foreign investments will be encouraged and facilitated.

One deterrent to foreign investments during the last several years was the announce-

ment and implementation of the "Filipino first" policy. We have always believed in the Philippines that nationalism is a legitimate national feeling and that it is not an unusual phenomenon. It exists and has existed in all countries and among all peoples. Usually, it is a smoldering fire, and erupts into an open flame only in the face of crisis, economic or political. However, the "Filipino first" policy, even to ardent nationalists among our people, has not altogether been acceptable. As one knowledgeable columnist in the Philippines has said: "We have not been enthusiastic about 'Filipino first' because we have always believed that legislating a people into business never worked."

A business writer in the Philippines, known for his nationalist views, has declared: "Undoubtedly, the said trade policy, as it was implemented, was too faulty and jingoistic. It not only caused a moral disintegration among our people in private and public life; it also caused much alarm among foreign traders already with us and among alien investors." He added, however, that: "regardless of its fault, the fact remains that it caused the proliferation of industries in our midst—industries which would not have thrived under different conditions. Local investors plunged into new investments because they had the assurance of market protection." He admitted that "Filipino first" spawned weak industries.

Before the members of the Philippine-American Chamber of Commerce and their guests, meeting in New York over a week ago, I said that the new Philippine administration has dropped the "Filipino first" slogan, because the new administration believes that the country's economic development cannot be advanced within the narrow context of that slogan. However, I wish to state that while we have dropped this slogan, yet the new administration will give every opportunity to the Filipino to assume a larger and more important role in the economic development of our country. We will exert every effort so as to prevent wresting from Filipino citizens and enterprises owned by Filipino citizens their supremacy over our own economic affairs, protecting our nationals in their legitimate aspirations, but insuring the just treatment of aliens and alien capital.

Ample credit assistance will be given to Filipino enterprises, something which they have not received during many years and which accounts for the failure of Filipinos and Filipino enterprises to occupy their legitimate place in the national economy. Filipino traders and Philippine businesses, whether owned by Filipinos or jointly by Filipinos and aliens in whatever proportion, will be protected from unjust and unfair foreign competition. It is on the foregoing basis that the new administration believes it can drop the "Filipino first" slogan, without endangering the interests of our own nationals.

I have attempted to explain the accomplishments of the new national administration in the Philippines during its first 100 days, in the fields of economic development and the advancement of the welfare of the masses of our population and have indicated the measures which have been or will be taken in those fields in order to promote the social and economic progress of our nation. We feel very strongly that the initiative and responsibility for achieving the ends that we pursue rest primarily on our Government and our people. The stakes are fundamentally ours but you, our friends, have also a stake in the success of our endeavors. To extend and spread the blessings of liberty and freedom to the masses of our population, under the regime of the free enterprise system, is a function of every democracy, and if we failed in this task, then the people will despair of democracy and the free enterprise system, and might

embrace another—something in which you, as the leaders of democratic thought and the democratic way of life, has as much a stake as we have. Therefore, as I spread before you our program for the socio-economic development of our country, I extend to you a combined invitation and challenge: the invitation to engage in a profitable enterprise and to join a worthy cause, the cause of helping the Philippines methodically to banish want from the masses of our people; and the challenge to prove that the free, private enterprise economy is the far more rewarding way of life than all the other systems inimical to it. I wish to express the hope and the prayer on this day that you will accept both the invitation and the challenge.

The ACTING PRESIDENT pro tempore. Is there further morning business? There being no further morning business, morning business is closed.

THE BILLIE SOL ESTES CASE

Mr. MANSFIELD. Mr. President, in this morning's Washington Post and Times Herald there was published a letter written by our distinguished colleague, the senior Senator from Texas [Mr. YARBOROUGH], the title of which is "Not Beholden." It is an answer by the Senator from Texas [Mr. YARBOROUGH] to an editorial which was published in the Washington Post and Times Herald on May 21 concerning the Senator, with respect to which he, in his usual frank and forthright manner, finds discrepancies and faults.

I believe the Senator from Texas has laid his cards on the table so that the people of Texas and the United States will know where he stands in respect to the matters which have been called to the attention of the press.

Mr. President, I ask unanimous consent that the letter to the Washington Post and Times Herald by our distinguished colleague may be incorporated in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NOT BEHOLDEN

Your editorial of May 21, concerning me, is a masterpiece of omission and misrepresentation.

In a five paragraph attack, you say in one sentence that "In one instance Senator YARBOROUGH obtained \$1,000 from Mr. Estes to pay for 10 tickets to a Democratic National Committee dinner celebrating President Kennedy's birthday," and in effect you charged that that opened the door to corruption.

Do you feel the same way about the other millions of dollars worth of tickets to fundraising dinners sold each year by both the Republican and Democratic Parties?

Do you know that each Democratic Senator is asked to sell tickets for each of these party fundraising dinners in Washington? Certainly you must know that in a broad based appeal to many persons, some will volunteer support, who, like Mr. Estes, later fail to live up to their public reputation. When one makes an appeal to all of the people, as the Democratic Party does, one always runs a danger of finding some contributor who does not turn out well later on. Neither I nor the Democratic Party has found it possible to screen contributors with a lie detector, or look in a crystal ball to see how they turn out in the future.

You feigned shock that I had to report weekly to the

That fund is common public knowledge among those participating in politics in Texas because support for it has been openly sought in letter solicitation and, by friends, by advertisement in a newspaper.

You publish a newspaper here in Washington. Do you claim that you didn't know of these radio and TV reports by members of Congress until I reported that Mr. Estes contributed to mine in 1960 and 1961? A copy of each of my broadcasts so labeled was mailed weekly to The Washington Post news desk and a copy was also delivered to the Senate Press Gallery for the benefit of all correspondents.

Following my election to the Senate in 1958, it was apparent to me that if I were to be able to keep my constituents informed in Texas, I would have to resort to the radio to do so, because I could not depend on the newspapers in Texas to do the job for me. I am told that Franklin D. Roosevelt once estimated that 92 percent of the newspapers opposed him. I must be on the right track because my percentage must be even higher.

Of the approximately 125 daily newspapers in Texas, not over 7 ever endorsed me for public office in one race. Of the 12 large population centers in Texas, in only 1 has a daily newspaper endorsed me. I discovered that, in one instance, a newspaper publisher who has a chain of newspapers in Texas instructed their Washington correspondent never to file a story with my name in it unless it was "derogatory." I found out that in another chain of Texas daily newspapers, instructions were given that my name was to be removed from syndicated columns and syndicated news stories out of Washington, and this policy has been followed religiously by this chain for the past 4 years.

This being the situation, in talking with my supporters in the State, I determined that the only way I could get any of my reports on the issues to the public was to resort to a weekly report on radio. It costs \$1.50 per tape at the Senate recording studio for a 4½-minute tape; or roughly \$5,000 per year for the 100 or so stations carrying the programs. We set out to raise the money publicly through public subscription. Public committees were set up and solicitations were made annually by the committees, by mail, or in person, or in ads, with some 15,000 letters being sent out one year by the radio fund committees in the State in connection with public fund raising dinners to help raise money for these reports. One year, newspaper ads were used with coupons, inviting people to contribute to the radio fund. The cost of this program since January 1, 1959, has been approximately \$24,400. I had paid \$20,384 on this amount, and now owe the Senate recording studio \$3,982.90.

I have long felt that all political contributions, as well as income of any type, to or through an elected official should be made, by law, a matter of public record, as the Washington Post suggests. However, so long as a segment of the press continues in a frenzy to impute "guilt by association" to anyone who ever knew Billie Sol Estes, I see no reason why these other innocent persons who contributed to my radio fund should be dragged into the Estes case.

I have been a candidate for statewide public office in Texas five times since 1952. In those campaigns, over 10,000 Texans have contributed to my campaigns, and thousands of others contributed their time, sweat, tears and labor. These campaign contributions are a matter of public record on file with the secretary of state at Austin, Tex., as required of all candidates by law.

I campaigned in Texas unaided by any large newspapers. I conducted my campaigns in the traditions of Jim Hogg and Jimmie Allred, under whose banner I en-

listed and trained. Texas is larger than each of 78 of the 104 independent nations on this earth; it has a larger population than each of 72 of those nations. Campaigning in Texas creates in a native son a dedication not attainable in a critic's easy chair. It burns deep in a man ideals never learned in easier ways. But time to stop and fly-speck every citizen and every contributor isn't there.

I hold my office in the tradition of Sam Houston, Thomas J. Rusk, John H. Reagan, and Tom Connally, and with as much independence of choice of position as any of them. I reject as puerile and weak slander any hint, suggestion or subtle slur that I am beholden to anyone, big contributor, or small contributor, honest man or one who turns out dishonest. I feel my votes over the last 5 years are proof of the truth of my statement. You, or anybody else, who hints that I improperly used one bit of power of my office for Mr. Estes, lies. With your innuendo of guilt by association, go burn your incense before Joe McCarthy's image—you owe him an apology for having opposed him.

If the Senate is composed of the band of weaklings contemplated by your editorial owned by whoever made a campaign contribution, then God help this Republic.

RALPH W. YARBOROUGH,
Senator From Texas.

WASHINGTON.

Mr. GOLDWATER. Mr. President, will the Senator yield to me?

Mr. MANSFIELD. I shall yield to the Senator after a brief additional comment.

I wish to say I am delighted that an investigation of the Billie Sol Estes case is being undertaken by the Committee on Government Operations, under the chairmanship of the distinguished, fair-minded, and determined Senator from Arkansas [Mr. McCLELLAN]. I know that the Senator from Arkansas has been diligently pursuing the matter, through the sending of investigators to Texas during the past 3 weeks. I know the Senator decided long ago that he would undertake no action unless and until he had the facts on which to base his action. For that reason he sent something in excess of a score of "bird dogs" to Texas to look into the question.

I am glad the Senator has announced that thorough hearings will be held; as chairman of the Committee on Rules and Administration, I assure the distinguished Senator from Arkansas, that if he desires any additional funds to carry on this or any other investigation all he will have to do, so far as I am concerned personally, is to make his request, and it will be granted.

I now yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I am very glad that the distinguished majority leader has seen fit and proper to introduce into the Record the letter of the Senator from Texas [Mr. YARBOROUGH] in answer to what I consider to be a very poorly timed and poorly written editorial in the Washington Post.

As the distinguished majority leader knows, for many years I have been chairman of the Republican Senatorial campaign committee. I know what it is to try to raise money for Senators and for campaigns. I can see nothing wrong

in the acceptance by the Senator from Texas of money from Mr. Estes long before there was any indication or inkling that Mr. Estes was engaged in wrongful practice. From my knowledge of the case, the Senator from Texas was merely doing his duty for a constituent, such as we do every day, when our constituents ask us to intercede here, there, or elsewhere on their behalf. Unless proven to the contrary—and I do not think it will be—I think that the distinguished Senator from Montana has done for the Senator from Texas an act of justice.

This week in Dallas I was asked by the press what I thought about the Senator's accepting money from Mr. Estes. I said I could see nothing wrong with it because at the time he accepted it, which was long ago, nothing had been disclosed on Mr. Estes.

I recall that in my own career I was approached by a relative to see if I would be interested in receiving a check. Well, I had never seen a man in politics who is not interested in receiving a check. I did not know the man to whom my relative referred. I had never heard of his name. I did not meet him until the campaign was over. Then I found him to be a very notorious individual. Had I known that previously, I probably would have refused the check. But under the circumstances I took it. I point that out because all of us engaged in politics have that problem to solve. It is almost an unsolvable one when we are dealing with money during a campaign. I think the Senator has done a justice to everyone running in politics or participating in politics.

Mr. MANSFIELD. Mr. President, I thank the distinguished Senator from Arizona for what he has just said. As usual, he has shown his fairmindedness and awareness that there is a problem, and I think he has performed a service in making his remarks today.

Mr. KEFAUVER. Mr. President, many of us who are friends of the senior Senator from Texas [Mr. YARBOROUGH] have read with sympathetic understanding his letter which was published today in the Washington Post.

I had intended to request unanimous consent that the letter be printed in the Record; but I understand that the majority leader has already made that request.

Mr. President, we need no reassurance in regard to the character and the integrity of RALPH YARBOROUGH. We know him; we have worked with him; we have watched him in his devoted service to the people of Texas and to the people of the United States.

RALPH YARBOROUGH's record speaks for itself. It needs no defense.

THE SS "HOPE"

Mr. HUMPHREY. Mr. President, the good ship *Hope*, our noblest American vessel, is now in Latin American waters, to repeat the miracle it performed in southeast Asia in 1960 and 1961.

The SS *Hope*, a unique yet typically American venture, will bring the best American medical expertise, teaching,

supplies, and help to Peru, a friend who needs them badly.

If anyone has any doubts about the merits and the outlook for success of the *SS Hope* in its first Latin American visit, let me pass along what Dr. William B. Walsh, *Hope's* founder and president, has told me already about the Peruvian mission.

As Senators may know, Peru invited the *SS Hope* to visit Salaverry, the port for the city of Trujillo, last year.

And in April, an advance unit of 25 of our top doctors, dentists, and nurses went to Peru to plan for the arrival of the mercy ship.

As my colleagues know, there have been a number of activities in the Nation's Capital and throughout the United States to help finance the operation and program. To the people who have engaged in those activities. I wish to pay my tribute and thank them for what they have done in terms of their generosity and cooperation.

Preliminary planning indicated 130 doctors and dentists, 35 nurses, and a dozen technicians would meet the needs outlined by Peruvian medical experts.

But news stories about *Hope's* coming soon blossomed throughout Peru and Latin America. These were not angry "Yankee go home" stories, but elated "*Hope is coming*" accounts.

The reception was overwhelming. Other Latin American countries immediately put in their bids for the *SS Hope*. Physicians in other areas of Peru brought forth their needs and their requests. And now *Hope* must also visit Huancayo, Oroya, Tarma, and Piura.

For these Peruvian cities are areas of critical need, too.

So now it is estimated that 250 doctors and dentists, rather than 150, will be needed to fulfill the Peruvian mission.

What will happen in Peru, a country beset by the tyranny of poverty and the slavery of disease that communism feasts upon, is this:

First and foremost, each of the American doctors, dentists, nurses and technicians will train a Peruvian counterpart in each port of call.

The Peruvians will learn American surgical and medical techniques through hundreds of lectures, seminars, clinics, and closed circuit television of operations. They will learn also through donations of medical journals, drugs, and supplies.

Thousands of children will be inoculated against such ancient killers as diphtheria, typhoid, tetanus, and pertussis. Thousands will be vaccinated against smallpox. And local vaccination teams will be trained and supplied to repeat the process throughout the whole country.

Thousands will be X-rayed for tuberculosis. Hundreds of major operations will be performed. Oral hygiene will be introduced to thousands who never knew the words.

There is a new medical school in Trujillo, which *Hope* will help staff and develop. There is also an old hospital in the same city, where there are 500 beds, but only 16 sparsely trained nurses and

no sterilizers. When *Hope* leaves, this will have been remedied.

These are just some of the things *Hope* will accomplish in Peru.

I do not think it can be stressed enough that the *SS Hope* is a private, really all-American endeavor. It is the American people, and American business, industry, and labor, who make it work.

The doctors, dentists, nurses, and technicians have all volunteered their services, without pay. And they are among the best we have. For example, there will be at least 30 full professors from American schools aboard the *Hope* this year.

The drugs, medical supplies, surgical instruments, food, and fuel for the ship are the result of private donations.

It is, as Dr. Walsh has said, a demonstration of the heart of America.

But it is a costly demonstration, of course. It cost the American people \$3.5 million to operate the *SS Hope* during its year-long maiden voyage to Indonesia and South Vietnam.

The U.S. Government played no part in the Indonesia mission, except to help rehabilitate and refit the ship.

The *SS Hope* needs help, continuing help, from all of us.

Dr. Walsh feels now that if the Government could give some help toward the operating funds of the ship, *Hope* could divert all of its private contributions to its expanding medical program.

I support his request, and I trust our Government will provide that aid.

For the *SS Hope* flies the American flag. And no ship, no American program, flies the American flag higher or more proudly than the *Hope*.

And the people in Peru, who are not able to read, nevertheless recognize that flag and understand what it and the ship mean.

As our President once said:

To these people in the huts and villages of half the globe struggling to break the bonds of mass misery, we pledge our best efforts to help them help themselves for whatever period is required—not because the Communists are doing it, not because we seek their votes, but because it is right.

The *SS Hope* is a dramatic, tangible expression of what is right in America.

HAITI

Mr. YOUNG of Ohio. Mr. President, State Department officials are to be applauded for their action in ordering the return to Washington of our Ambassador to Haiti, Raymond Thurston, and his deputy, Philip Williams, for consultations. This may be regarded as a repudiation of Haitian Dictator Francois Duvalier and his claims that our Nation is backing his regime.

Tuesday of this week was designated as the "Day of National Sovereignty" by this Caribbean despot. It was also the first anniversary of his declaring himself reelected for a term of office ending in 1987. His legal term was to have expired in May 1963. Let us hope that the absence of our ambassador will demonstrate to the people of Haiti that the United States is not supporting Duvalier's dictatorship.

State Department officials are also to be commended on the strong protest sent to Duvalier after his speech to the Haitian Legislature on April 16 in which he seemed to equate American economic aid with support of his regime. It is time that we took action to be sure that this tyrant and others like him will never be able to insinuate that our assistance signifies our approval of totalitarian forms of government.

Our experience has taught us that foreign-aid programs have been a basic influence in building and preserving the strength of the free world. But experience has also shown that foreign aid can be subverted and used to strengthen undemocratic and authoritarian regimes.

Mr. President, the situation in Haiti merits our close attention and consideration. Since the early years of the Eisenhower administration the United States has given Haiti more than \$85 million in aid. Since 1956, we have paid more than \$4 million in military aid. I take a dim view of President Duvalier and of our giving him military aid.

May I express every sympathy for the unfortunate men, women, and children living in squalor, misery, hunger, and idleness in this nation so close to our shores and in a land richly endowed by nature.

What result can really be claimed by us as an accomplishment of our aid over the years? We have spent millions of dollars of taxpayers' money. At the present time we are about to loan Haiti \$3.4 million for construction of a road and \$2.6 million for an airport. This in addition to our regular assistance program there. We shall undoubtedly continue this spending to the year 2000 and beyond.

At this time we have in this little poverty-stricken island nearly 200 American officials and employees. Over the years we have had approximately this number, year after year, sometimes more, sometimes less.

Presently in our State Department there are approximately 30 American officials and employees. In addition, of course, there are native employees.

In our Agency for International Development program there are 75 people, including 14 executive officers and staff members. Then, in addition, the U.S. Information Agency has a group of officials in Haiti. There is the U.S. Army, and then, believe it or not—and this is astonishing—we have a U.S. air mission of approximately 10 officers and enlisted men presumably engaged in training air fighters for the dictator running that little country. In addition, there is a U.S. naval mission of approximately 50 officers and men.

When the time comes for appropriations for foreign assistance, we should give a sharp look in connection with disbursements for Haiti.

What has been accomplished by the millions of dollars spent and the hundreds of Americans in that unfortunate country? If this is continued, where will it lead?

Today the people of Haiti live in an abysmal poverty. Four million people

live in an area approximately the size of Maryland. Ninety percent of the people are illiterate. The per capita income is less than \$70 per year. Malnutrition, tuberculosis, and malaria are widespread. Medical and sanitation facilities are almost nonexistent.

Today some families try to survive with less than one-fortieth of an acre of fertile land. Coffee, the major money crop, often grows wild in the mountains and is handpicked basket by basket and carried down to the local marketplace mostly by hardworking and undernourished women and children.

The man chiefly responsible for this misery and suffering is President Francois Duvalier. Millions of dollars of American aid plus American arms and military training have been sent to Haiti. What happens to this money and military support? The weapons go to Duvalier's armed forces, which he uses as a combined army-police force, primarily to control and tyrannize the populace.

Part of the aid supports the national budget which in turn supports Duvalier who spends these funds in secrecy to strengthen his own position. The rest of the aid is aimed at economic development. Here again Duvalier and his clique intervene with inefficiency and dishonesty at the expense of his own people.

Last year a \$350,000 program sent American light weapons and munitions to the Haitian army. A 50-man U.S. naval mission has been training Haitian troops since 1959. Though the arms may seem modest and the mission small, they have served Duvalier well by implying American approval of his regime and by training his army and police force.

Duvalier, like Castro, Khrushchev, and Franco, is a ruthless dictator. He maintains his own terror group. This secret police force is made up of about 10,000 wandering shoeshine boys, taxi drivers, waiters, and sundry ruffians. By day this group of hoodlums spreads out in civilian garb to spy, eavesdrop, and blackmail the citizenry.

At night they carry out the more violent Duvalier missions. Since May 1958, a state of siege has been in effect in Haiti. Homes are searched without a warrant and people are imprisoned without a trial. Freedom of the press has been obliterated. Three newspaper printing plants have been ransacked and dynamited. Editors have been jailed or have fled into exile. Labor unions have been destroyed. The working class knows the most degrading misery without power to protest. A union president was arrested, tortured, drenched with gasoline, and set on fire because he opposed the Duvalier regime.

Mr. President, can we afford to contribute to a budget which allows for such military expense? Is this foreign assistance, or is it blackmail to a ruthless dictator and his henchmen?

What else has been done with our money? The Arbonite River Valley which sweeps across central Haiti is a would-be garden spot which could some day feed the whole country. In a concept similar to our own TVA 80,000 acres

could be irrigated and a hydroelectric plant could be built. Construction of such a project began in 1953. It is still to be completed. Cost estimates climbed from an original \$6 million to \$32 million by 1956. Delay, waste, mismanagement, and corruption have been the hallmarks of this project.

Are there any good reasons for our policy in Haiti? There is no military advantage as we have no bases in Haiti. Politically there is no advantage. We are supporting a dictator who is blackmailing us with threats to turn his people over to the Communists. There are no sizable private American investments which demand our protection.

Not having any good reasons to justify our aid to Haiti's dictator, we have adopted bad ones. Fear is the main reason for our aid. Fear that the Dictator Duvalier will turn to the Communists or refuse to support us in the United Nations and the Organization of American States.

Many policymakers argue that, if Duvalier should go, a Castro-like catastrophe might take place. I hold this view to be completely backwards. The Castro-type revolution will be more likely to come if Duvalier stays. If we think back to the Batista era in Cuba, we can see the parallel.

In 4 years' time Duvalier has had thousands killed. Countless others have disappeared. Still others rot undefended in jail. Duvalier even depletes his own camp. He practices a perpetual purge of his cabinets, the Army, and his own political party. He will do anything to prevent anyone from gaining power and becoming a threat. The man in the street walks in fear of arrests and beatings.

Mr. President, intervention may be an offensive word in our hemisphere, but we are already intervening on behalf of Duvalier instead of the people of Haiti. Let us for once decide to give aid constructively or not at all.

When asked what we could do to help Haiti, Duvalier, instead of thinking of the millions in his country living in squalor and hopelessness, asked for more jet bombers for his air force.

If U.S. aid to Haiti were ended, the Duvalier regime would surely fall. Duvalier realizes this. We should insist that he hold a free election supervised by the Organization of American States before we grant any more aid.

Mr. President, the Republic of Haiti is the first free Negro state in modern times and the only one in our hemisphere. Its language is French and it is the one country in the Western Hemisphere not joined to the Latin American bloc by ties of language and culture. These people have inherited a heavy burden of poverty and distress from the past. They are a friendly, kindly, good people. Their history and tradition proves they are a liberty-loving people. Let us not add to their misery by supporting a harsh, ruthless, tyrannical dictator who seeks only to increase his own power and wealth.

We should stop a policy which aids and abets the dictatorship of Francois Duvalier, and direct our efforts to se-

curing freedom and democracy for the people of Haiti. We should ask members of the Organization of American States to cooperate with us. Aid to needy and deserving people is something that all Americans support. Aid to a greedy, bloody dictator is something all Americans abhor.

IMPRESSIVE PLEAS FOR COURT-SUPERVISED WIRETAPPING

Mr. KEATING. Mr. President, the Senate Committee on the Judiciary has conducted extensive hearings on the subject of wiretapping over a period of several years. These hearings are still in progress, but it is expected that they will be concluded in the near future.

Last week the committee heard the testimony of two widely experienced and very thoughtful witnesses, Judge Pecora, a leader of the New York bar, and Francis Biddle, the former Attorney General of the United States. The careers of both these men attest to their deep concern with civil liberties and individual rights. They have been devoted to the cause of justice and brought to this difficult problem of wiretapping insights based on decades of personal experience in the highest echelons of Government.

Both men strongly supported legislation to permit wiretapping by law enforcement agencies under court supervision. The common theme of their presentations was that wiretapping under the aegis of a judicial warrant was in harmony with constitutional limitations and was essential to any effective fight against the awesome power of organized crime.

Judge Pecora spoke extemporaneously and a copy of his statement is therefore not available. Former Attorney General Biddle, however, did have a prepared statement. Since very few Members of the Senate had the privilege of hearing his testimony, I ask unanimous consent that its text be printed at this point in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT OF FORMER ATTORNEY GENERAL FRANCIS BIDDLE

I am inclined to think that my experience, both as Special Assistant U.S. Attorney for the eastern district of Pennsylvania, from 1922 to 1926, and as Attorney General of the United States from 1941 to 1945, and my active interest in the defense of civil liberties, both in writing and in trial work, entitles me to speak on the subject of wiretapping before your committee. As U.S. attorney during prohibition I saw the widespread corruption and violation of the law that was perhaps the beginning of modern organized crime. Lord Acton said that all power tends to corrupt, and absolute power corrupts absolutely. The immense sums of money at stake, cheerfully furnished by a complaisant public, who insisted on buying their liquor at any cost, necessitated the formation of a vast criminal network which could afford to bribe public officers at almost every level. The bootleggers bribed the prohibition agents, and even reached up to the U.S. marshals and other officials, and pulled in many politicians who took their cut in campaign contributions. We did not use

wiretapping in those days. I have no doubt that interception of telephone conversations would have greatly strengthened our hand in getting the leaders of this criminal ring to jail. But, as usual, we caught some small fish now and then, but almost never the big shots.

Twenty years later I was confronted with the problem of wiretapping immediately before I was confirmed as Attorney General. At a hearing of the Senate Judiciary Committee considering my nomination, witnesses for Harry Bridges, the west coast labor leader, whose deportation I later directed as a Communist, testified that they had watched an FBI agent through binoculars from a neighboring building tap Bridges' telephone wire in New York City. The agent had left a letterhead identifying him with the FBI as he made a hasty escape. The Bridges group demanded that I make clear my position on wiretapping. Senator Tom Connally, the chairman of the committee, said to me that it was unnecessary for me to take the stand. I could be confirmed at once. But I insisted on testifying for the record. My position then was as it is today.

I testified that I would permit wiretaps in certain investigations, particularly espionage, and subversive activities, but only on my written approval, given on written requests from the head of the Federal Bureau of Investigation, until the Supreme Court of the United States ruled that the action was illegal. Most of the taps were on suspected German and Russian espionage agents. I occasionally turned down a request, but granted most of them, as I had confidence in Edgar Hoover's integrity and judgment. My action was taken in pursuance of a confidential memorandum from President Franklin Roosevelt to my predecessor, Bob Jackson, on May 21, 1940, as follows:

"I am convinced that the Supreme Court never intended any dictum in the particular case which it decided to apply to grave matters involving the defense of the Nation.

"It is, of course, well known that certain other nations have been engaged in the organization of propaganda of so-called fifth columns in other countries and in preparation for sabotage, as well as in actual sabotage.

"You are, therefore, authorized and directed in such cases as you may approve, after investigation of the need in each case, to authorize the necessary investigating agents that they are at liberty to secure information by listening devices direct to the conversation or other communications of persons suspected of subversive activities against the Government of the United States, including suspected spies. You are requested furthermore to limit these investigations so conducted to a minimum and to limit them in so far as possible to aliens.

"F.D.R."

I have said that I had taken an active interest in civil liberties. I was brought into the notorious Emerson Jennings case by Arthur Garfield Hays, then counsel for the American Civil Liberties Union, in 1935. Emerson Jennings who, in Wilkes-Barre, Pa., had made a nuisance of himself by standing up for the underdog, and continually preaching his constitutional rights, was framed by the local police. He was tried and convicted on a charge of dynamiting an automobile from which the daughter of one of the local judges had just descended. The record was full of perjury, and on appeal to the Superior and certiorari to the Supreme Courts of Pennsylvania, Jennings was cleared. Part of the testimony was in a doctored record of a wiretap by the police on Jennings. I had a vivid example of how viciously the police and county detectives could act.

To legalize wiretapping involves a serious decision between two conflicting principles, each fundamental to our American system, and each of great importance, the one to

protect society, the other to defend the individual. Weighing one against the other I have come to believe that a carefully drawn wiretapping bill should be adopted by the Congress, that authorizes the Attorney General of the United States to intercept wire communications, permits the States to adopt similar legislation, makes it criminal to tap except by officials specifically authorized to do so, under court orders, makes any other tapping criminal, and provides a system of centralized Federal reporting that will show how these powers and prohibitions are being obeyed. I have come to these conclusions for three reasons, based, as I see it, on such facts and information as we have: (1) wiretapping is not only useful in most criminal cases, but indispensable in uncovering organized crime; (2) our evidence of wiretapping, particularly in the city of New York where it has been chiefly used under a permissive State statute, does not show abuse by the district attorney or police; and (3) because of the present uncertainty as to the legal status of wiretapping, and the resulting indiscriminate tapping that probably results therefrom.

The chief evidence on which I rely is that of Frank S. Hogan, district attorney of New York County, backed by similar evidence of the district attorneys of Queens County and Kings County, N.Y. Frank Hogan has had 26 years experience in investigating crime and convicting criminals in New York City, and has been district attorney since 1942. He is nationally known for his extraordinary success in this field. He is able; he is honest; and above all he is a humane liberal.

Frank Hogan believes, without any reservation, that "telephonic interception is the most valuable weapon in the fight against organized crime." (Senate hearings, May 9-12, 1961, p. 430 and following.) To show this, he instanced the unearthing of the widespread bribing in college sports, the breaking up of a crooked gambling policy ring, the facts about the fake charity racketeers, and the conviction of the waterfront labor bosses, Mike Clemente, Saro Mogavero, and Louis Gaccone, and of six leaders of the Teamsters Union.

You may remember that Senator McCLELLAN, who had learned something about the spread of organized crime as chairman of the select committee investigating improper and criminal activity in the field of labor, said: "In many cases, prosecution and investigation of crimes would be completely thwarted and would collapse, were wiretapping to be denied to the law enforcement agencies."

And the taps in New York were certainly not excessive—about 75 a year, when Hogan was handling an annual average of 34,000 cases. Usually 25 to 30 interceptions were going on at one time. At present, in the area of organized crime, law enforcement is crippled because interceptions are forbidden, particularly, for instance, in the narcotic field—and drug peddling has spread into Westchester County—when it comes to a choice between protecting schoolchildren from narcotics, and protecting the public who use public telephones from having their conversations occasionally overheard by law enforcement officials—I prefer to protect the children.

Stephen P. Kennedy, former police commissioner of New York, testified before the Commission of New York State investigating wiretapping that in the city of New York over an 8-year period between 1952 and 1959 the police department obtained only 290 court orders a year on the average (transcript of public hearings, Apr. 5 and 6, 1960, p. 129)—less than 60 a year for each borough.

We have the testimony of Edward H. Silver, district attorney of Kings County, Brooklyn, which shows that in operating under the New York statute for 20 years there has not been a single instance where

the district attorney has abused his right. (Senate hearings, p. 22. Sam Dash's testimony was almost entirely based on hearsay and guessing as to police infringements.)

Frank O'Connor, the district attorney of Queens County, testified that we would never be able to prosecute criminal abortion cases without the assistance of wiretapping (Senate record, p. 327); and that although he gets frequent complaints about police corruption and refusal to enforce the law, he has never had a complaint "that private rights have been invaded by illegal wiretapping."

Directing your attention to S. 2813, the bill sponsored by the Attorney General, I have a few suggestions for changes. On the whole the bill seems to me to give sufficient authority to the Attorney General of the United States and the State enforcement authorities, and to limit and protect their wiretapping activities so far as is consistent with their effective use.

In section 5(a) the Attorney General is permitted to authorize the Federal Bureau of Investigation to intercept wire communications without any court order in crimes of espionage, sabotage, treason, sedition, and subversive activities where obtaining a court order would be "prejudicial to the national interest." This is a loose phrase, but pretty obviously means where it is feared that the information contained in an application for a court order is secret, and a leak is feared. I think such fear is unnecessary, and the provision over cautious. I should take my chance on trusting it to the judge, and treat (a) and (b) together, requiring court authority for all proposed wire taps.

I should add gambling to the crimes for which wiretapping may be authorized. Gambling, narcotics, and prostitution are the stakes of organized crime, the chief field of their activities, the trades from which the greatest profits arise. Perhaps prostitution should not be added out of some illogical fear that the lesser crimes should not be opened to taps, but only the more serious ones.

The opponents of wiretapping complain that it should not be used to pick up information, should be strictly held to the discovery of the crimes enumerated, citing the analogy of search warrants, where criminal evidence of other violations of law, against which the warrant is not levelled, cannot be used. But I do not admit the analogy. Wiretapping is not entering a man's house and seizing his effects—it is far more like the use of spies and stool-pigeons, a dirty business if you like, but legal. To limit excessive wiretapping the technique of court orders, as in search and seizures, is used. But that does not make a wire tap a search or a seizure. And it must be remembered that the phrase "a dirty business" was used by Mr. Justice Holmes not, as is generally believed, to characterize intercepting telephone messages, but to describe the use by the prosecuting attorney in a California case of evidence which had been illegally obtained by wiretapping.

And now a word about the reporting of wiretaps (sec. 9(a))—that each court order shall be reported (within 30 days) seems to me another paper burden that is unnecessary. I suggest that the judge transmit once or at most twice a year the orders, but not the applications for orders, which contain highly secret material, the names of the suspected criminals and the specific crimes suspected or perpetrated. All the reported information is useless unless made public for discussion and possible amendment to the act; and there is little point in reporting secret information. The reports should be ample, and the administrative office permitted to require information from the law-enforcement officers under regulations to be promulgated by it. It is to the enforcement officers that we must

Ger -

Senator says you answered this.
Tell him I favor him. I won't have a
thing in the world to do with
Cabinet appointments. I will talk
to Kennedy about him. Think Jerry
is a wonderful man. Did a
wonderful job.

Dorothy

Nov. 10, 1960

CONFIRMATIONS

COPY

Later - Holleman

November 12, 1960

Dear Fred:

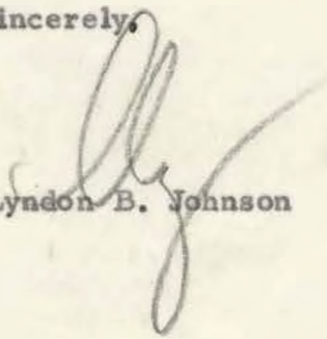
I appreciate deeply your warm congratulations. I am well aware of the contribution that you and labor made to our victory.

As far as Jerry Holleman is concerned, I favor him and I am for him all the way. I won't have a thing in the world to do with cabinet appointments, however, as this is in the province of the President. But I will talk to Senator Kennedy about Jerry and leave the name in his mind.

I think Jerry is a wonderful man who did a wonderful job and I will always be grateful to him.

With best wishes.

Sincerely,


Lyndon B. Johnson

Mr. Fred H. Schmidt
Secretary-Treasurer; Texas AFL-CIO
402 West 13th Street
Austin 1, Texas

LBJ:GER:at



TEXAS STATE AFL - CIO

JERRY R. HOLLEMAN, PRESIDENT • FRED H. SCHMIDT, SECRETARY-TREASURER
402 WEST 13TH STREET • AUSTIN 1, TEXAS • GR 7-6195 • GR 2-0600

November 10, 1960

Hon. Lyndon B. Johnson
LBJ Ranch
Stonewall, Texas

Dear Lyndon:

Congratulations! You really waged a terrific campaign and all of us were heartened and encouraged to make greater efforts because of the energy, devotion and leadership you gave. This is a great day for the country -- and certainly for Texas.

I wish to lay an idea before you which you might find useful and which I believe will be of immeasurable help in making the Kennedy-Johnson administration the success that America deserves.

I do not know if Senator Kennedy is amenable to considering the appointment of a Texan to his Cabinet, but I do know that if he is, there is a Texan who has all those qualifications I believe Senator Kennedy would expect his Secretary of Labor to possess. I suggest to you the name of Jerry R. Holleman, president of Texas State AFL-CIO.

Such an appointment would make such good sense. Jerry, of course, would be the first to reject any notion that the organized labor movement should be due, should expect or even request any patronizing appointments from this election. For that reason Jerry would never speak to you about this matter. I am doing it on my own motion. Jerry's intense interest in politics stems from an interest in good government and that alone. This is his first qualification for consideration and these others can be listed:

1. Jerry serves as a representative of the working men and women of Texas as a matter of choice and not by accident. It is an act of dedication stemming from his belief that he is his brother's keeper. If he chose he could be equally successful in the business community or in any commercial enterprise, as witness the fact that he even now serves as the unsalaried president of an important insurance company. Jerry has been repeatedly elected as president of Texas State AFL-CIO receiving more votes for that office than any Congressman who represents Texas in Washington.
2. Jerry Holleman has administrative skill and wisdom. In the event

of atomic attack or other national disaster, he is one of five Texans that have been selected by the Executive Office of the President to be responsible for civil and defense mobilization at our government's underground headquarters located in this state. Jerry served this country as an administrative leader during two wars as an officer in the U.S. Army.

3. Jerry has been appointed to many positions of honor and service. He is now a member of the Manpower Commission of the U.S. Department of Labor.
4. Jerry is one labor leader who can take the program advanced by Senator Kennedy and build support for it outside the ranks of organized labor, as he does within those ranks. As you know, during the campaign he was much in demand as a speaker before farm and other non-labor groups. He is effective with such groups because his roots are still on that west Texas farm where he was raised. Yet, there is no leader of labor who has a better understanding than he of the intricacies of modern collective bargaining, interpretation of economic data and knowledge of those problems facing the present day American worker.
5. Jerry was appointed a number of years ago by President George Meany to serve on the Joint U.S. -Mexico Trade Union Committee. His work in this capacity has brought repeated acknowledgements and praise from Mexican labor union leaders and from President of Mexico, Adolfo Lopez Mateos, himself.
6. One of the commendable things Labor Secretary Mitchell has done while in office has been to exhibit the concern of the U.S. Department of Labor for the migrant farm workers who have not shared in America's affluence. In this area Jerry Holleman was one of the pioneers who began working on this problem and its related problems concerning the "braceros" and, prior to that, the "wet backs". I know of few people in this country who have anywhere near the knowledge and understanding that Jerry already possesses in this field, having pioneered in it over seven years ago. If Senator Kennedy wants a man who can propose meaningful solutions for the problems of these forgotten people, Jerry already has this ability.
7. Jerry is an active churchman and serves his church as a lay preacher. Many in his church sought to use the organs of that church to hinder Senator Kennedy's election. You already know of the contribution Jerry made during the campaign in resisting those efforts.
8. There may be others in the ranks of our unions who deserve consideration for this position, but there are very few who have the unique qualification of having been elected to leadership not by members of a single craft or trade, but by the members of all unions within a given state.

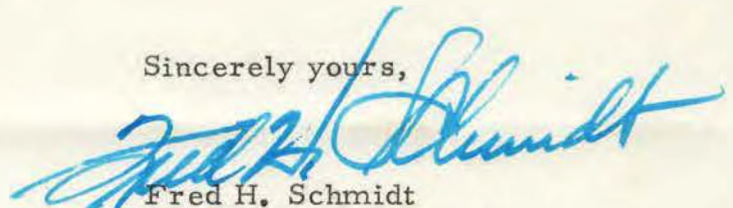
9. What better place could a man receive training for a position like Secretary of Labor than right here in Texas? Texas with its joining of the cultures of the old South, the Latin-American, the Negro, the West and most especially the rapid transition from rural to urban and agricultural to industrial, has made it possible for a man of only 40 years of age to experience the many strains and changes that typify America. Jerry has served at the point of impact where policies and program either gain or lose public acceptance and become law or do not. His training, like President Meany's, has been at the level where one deals directly with Congressmen and Senators and State Legislators to turn proposals into laws.

Our Texas unions have grown to where we now rank in the top ten of this country's state labor bodies and no state can boast of a broader program of public service and service to our members than we already have in Texas. I believe Jerry's appointment would be warmly cheered not only by our rank and file members but by the leaders of the AFL-CIO. Perhaps the mere fact that Texas lies between and aside from the industrial complexes on our Eastern and Western coast will suggest to Senator Kennedy that we have in Jerry Holleman a man who represents the tremendous progressive potential of a labor movement that still maintains its kinship with the rural workers who are entering our factories and retains some of the freshness of the industrial frontier in which it developed. Our Texas unions compare well with unions elsewhere. Our problems and our aspirations are the same as they are elsewhere, and we have been unburdened by ingrown jealousies and conflicting jurisdictions or any betrayal of trust that could lead anyone to question the sincerity of those ideals that Jerry Holleman has so frequently expressed to Texas working men and women.

I feel I have burdened you with a catalogue of attributes about a man whom you already know full well, and I am sure you could add others to the list above. If you find my suggestion of Jerry's name as having any merit, the working people of Texas will cheer your endorsement.

With best personal regards to you I am,

Sincerely yours,



Fred H. Schmidt
Secretary-Treasurer

FHS:mh

copies to: Hon. John F. Kennedy
Hon. Ralph Yarborough
Hon. Sam Rayburn
Mr. George Meany

oeiu #298

May 31, 1962

MEMORANDUM:

At 9:30 this morning, Deke DeLoche came by to see me. He brought with him Mr. McCluskey and Mr. Cook. Mr. McCluskey and Mr. Cook remained in the outside office. I told DeLoche that I had canvassed our office people to see what, if any, contacts had been made with Billie Sol Estes and wanted to report to him on the results of that canvass. I told him then that there had been a few pieces of correspondence back and forth, including the following:

(1) The transmittal of a public document on cotton acreage allotments, as already reported by me to McCluskey and Cook earlier.

(2) Letters to both Carter and the Vice President in behalf of Mattox -as had already been reported in the Press.

(3) A letter from Mr. Foster to Carter concerning personal appearances of purchasers of new land. I showed him how we handled such correspondence with referral slips and routine transmittals back to the constituents.

(4) Several pieces of correspondence concerning the Church of Christ missionaries in Tanganyika, all of which had been handled in the same routine manner.

I told him insofar as the Vice President was concerned there had been a good many rumors like the ones he had earlier brought to me, but that there just wasn't anything to any of them. I told him I had talked with the Vice President and so far as the Vice President could remember, he had never had a telephone call from Estes and had never handled a letter from him personally. The Vice President had just met him socially at his home on the one occasion which had already been described and on that occasion Estes told the Vice President he had to be against the Vice President's man for Governor. The Vice President told Estes he did not have a man for Governor. I told DeLoche that you had told me to furnish him whatever information we had. I then told him that I had talked with Cliff Carter and found that Cliff had

had some very limited contacts with him which consisted pretty much of the following:

(1) Meeting of Estes in 1956 in Bryan through the local Church of Christ minister who had just heard Estes make a speech to the students at A & M College.

(2) Attending a dinner in January at which Estes was the host and which some 60 other people attended, at which time Estes had given Cliff ten tickets to the Jefferson-Jackson Day Dinner which Estes had already bought. I told him Cliff distributed these to the lower paid stenographers and staff members who could not afford to buy tickets for themselves.

(3) Cliff had received several telephone calls from Estes during the early months of this year--one in January, saying Estes would be up here shortly and would like to drop by and see Cliff, one in February discussing alternate row planting but asking no favors, one in early March saying he had gotten an appointment with Mr. Ralph some time in April and would be coming back to Washington, and one in late March saying he (Estes) heard that he was being investigated and asking Cliff if he knew anything about it. I told him Cliff reported he knew nothing about it and Estes asked if he found out anything about it would he please let him know. I told him Cliff did not call him back. DeLoche said at this point that this was probably the basis for Estes' statement that he would call Johnson and stop the investigation. I told DeLoche that I had questioned Cliff very carefully on that point and Cliff says that at no time did Estes ask him to do anything to stop the investigation. DeLoche said it was obvious that we had not done so because the Justice Department records showed no such call and no such request.

(4) Estes was one of many people who paid small amounts for tapes of public service non-political broadcasts by the then Senator Johnson. He paid \$13.00 a month for something around 15 to 17 months. The transactions were handled entirely through the Texas office and the Vice President had no knowledge of any individuals involved as all amounts were paid directly to the Senate Recording Studio.

I told him the financing of the tapes was handled on a local basis--many occasions by radio and television stations and newspapers, as well as by the local citizens interested in the presentation of public issues then current.

In summary, I told him that Estes had not asked nor received any favors during the whole period of Carter's acquaintance with him. The sole request to Carter from Estes was for information in the March call and this request was not granted. I told him that Carter had received no personal gifts of any kind from Estes and that Carter is not and never had been connected with Estes business ventures and had no knowledge of Estes' various deals. I told him Carter knew only of Estes' reputation as a large-scale farmer.

DeLoche said that it was his personal opinion that none of this amounted to much, but that his advice was that it ought to be made a matter of record with the FBI so that we would be in a position of saying to any one at any point later that all contacts between Estes and our office had been turned over to the FBI. He suggested that we allow Mr. McCluskey and Mr. Cook to interview Cliff and let Cliff tell them the above facts so they can be made a part of the report. He told me that the FBI reports go only to the Justice Department and are not available to the press, Congressional Committees, the Texas Attorney General or anyone else. I told him I would discuss this recommendation with Cliff and if Cliff was agreeable we would set up an appointment for his recommendation to be carried out. DeLoche said he would be happy to sit in on the meeting if I thought wise so that it could be kept on an even keel which he had no doubt about and that they would be happy for me to sit in if I wished to do so.

CONFIRMATIONS

A.S.C.

Mattox

COPY

December 28, 1960

Dear Friend:

It was certainly good to hear from you. As you can imagine, I have been receiving thousands of letters and telegrams in the last few weeks and I haven't been able to answer them as soon as I would like to have.

I do want you to know, however, that I have put your suggestion in the hands of the people who will make the final decision on this matter and I hope the outcome is favorable. I'll let you know if there is anything else that can be done.

With best wishes,

Lyndon B. Johnson

Mr. Billie Sol Estes
Box 1052
Pecos, Texas

BILLIE SOL ESTES ENTERPRISES

BOX 1052

PECOS, TEXAS

December 15, 1960

*new note
Dear Billie*

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

Dear Lyndon:

Soon there will be appointed five members to the Texas State Agricultural Stabilization Conservation Committee and I have been giving considerable thought as to what man would make a good member from our section of the state. I have talked with many people of this area and I think we have chosen a man who is well qualified and will do a good job if appointed to this Committee. I would like to recommend Bill Mattox of Pecos, Texas, for appointment to this very important Committee.

I think this Committee should be composed of qualified men who are willing to work diligently at the job as the Committee administers agricultural programs with respect to allotting of acreage of all crops which have controlled acreage, price supports on various crops, A.C.P. funds, conservation reserve, loan programs, and many other important farm programs.

I am attaching a summary of the qualifications and background of Bill Mattox which I think will enable you to better understand him. I will deeply appreciate your support in getting Bill Mattox appointed to this Committee as I know we are interested in getting a man appointed who will look after the interest of the people and the welfare of our country. I think this man will carry out the job in a manner that will make us proud of our selection.

Yours very truly,

Billie Sol Estes

Billie Sol Estes

BSE:ds
encl.

Bill Mattex is well qualified for a State A.S.C. Committeeman and is the type man that will represent the interests of the people and the state.

He was reared on a farm and began demonstrating his ability as a leader while in high school. He served in various capacities in school organizations and was an outstanding football player in high school. He earned a football scholarship to Oklahoma University where he played football from 1939 to 1943, being chosen on two All-American teams. He graduated from Oklahoma University earning a Bachelor of Science degree. He again demonstrated his ability as a leader by being chosen to important and responsible positions in various organizations while attending Oklahoma University, some of which are as follows:

- President of P.K.A.
- Outstanding officer in Military Honor Society.
- Member of Inter-Fraternity Council of Oklahoma University.
- Member of Student's Executive Committee for Oklahoma University.
- Served as instructor of mathematics and gunnery for basic students during senior year.
- President of University military organization.

He attended Officer's Candidate School at Ft. Bliss, Texas and graduated in top 10% of his class and was commissioned an officer in Field Artillery. He served with the 242nd Field Artillery Battalion and early in the war was sent to the European Theatre under General Patton's Fourth Armored Division. Bill Mattex received five battle stars in the campaign and, also, was decorated with the Bronze Star and Soldier's Medal for bravery beyond the call of duty. He later served as Commander of Prisoner of War Camp No. 27 under direct command of General Patton and received a letter of commendation from General Patton for his outstanding service. At the age of 27, he was appointed to a job that carried the rank of Lt. Colonel while serving as Troop Commander of Third Army Headquarters. In 1946 he had a death in his family and was placed on inactive duty due to family hardship.

He returned to El Paso where he was manager of a family owned Sinclair Oil Distributorship before moving to Pecos, Texas in 1947 where he has lived since and has been an outstanding farmer and citizen in the community. He has continued to demonstrate his ability as a leader by being very active in civic and community affairs and has served in many positions of leadership including the following:

Executive Vice President of West Texas Chamber of Commerce for three years;
Director of West Texas Chamber of Commerce for five years and still serving;
Member of A.S.C. Committee of Reeves County for five years and still serving;
Member of Board of Directors of Trans-Pecos Cotton Association for seven years and still serving;
Trustee of Pecos Independent School District for three years and still serving;
Member of Board of Tax Equalization Reeves County for two years.

Bill Mattox was elected by twenty one county A.S.C. offices to represent this district at state level in 1958-1959. He has demonstrated himself as an outstanding speaker and in 1960 was one of three chosen to address the American Cotton Congress at Texas A & M College on ECONOMY OF COTTON FARMERS IN U.S.A.

Bill Mattox is a family man and is a member of the First Baptist Church of Pecos, Texas and has participated recently in various church building campaigns.

Bill Mattox is 41 years of age. He married a former classmate of Oklahoma University and is the father of two daughters and one son and has shown an outstanding interest in the affairs of the community. He is well acquainted with the A.S.C. organization from the county level to the state level and has kept abreast of the problems confronting the Southwest agricultural economy. He is qualified and deserving of the office of being a member of the State A.S.C. Committee.



Executive Vice President of West Texas State University for three years;
Director of West Texas Chamber of Commerce for three years;
years and still serving;
Member of A.S.C. Committee of Research and still serving;
Member of Board of Directors of Texas and still serving;
Association for seven years and still serving;
Teacher of Public Independent School District and still serving;
Member of Board of Tax Equalization Board, County of Tarrant, Texas;
the years;
Bill Hatten was elected by twenty one county A.S.C. officers to represent this district at state level in 1955-1957. He has demonstrated himself as an outstanding speaker and in 1959 was one of three chosen to address the American Cotton Congress at Texas A & M College in Canyon of Cotton Plants in U.S.A.
Bill Hatten is a family man and is a member of the First Baptist Church of Pecos, Texas and has participated recently in various church building campaigns.
Bill Hatten is 41 years of age. He married a former classmate at Oklahoma University and is the father of two daughters and one son and has been an outstanding leader in the affairs of the community. He is well acquainted with the A.S.C. organization from the county level to the state level and has been a member of the past several meetings of the National Agricultural Extension. He is qualified and deserving of the office of being a member of the State A.S.C. Committee.

February 5, 1962



Dear John:

Bill Teague has probably contacted you by now. We are going to use the tract of land I own for the Pecos Home for Senior Citizens. Please call Cliff Carter in Lyndon Johnson's office in Washington, and have him work on this with you.

Sincerely yours,

*Billie Sol Estes*Billie Sol Estes

Mr. John Dennison
P. O. Box 1046
Pecos, Texas

cc: Bill Teague
Pecos, Texas

Cliff Carter
Washington, D. C.

U. S. DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON 25, D. C.

OFFICIAL BUSINESS

Mr. Walter Jenkins
Administrative Assistant
Office of the Vice President
Room 5121 NSOB



Enter file
7

CASE FILE (A-Z)

BILLIE SOL ESTES
PECOS, TEXAS



Dear Walter:

Thanks so much for all your help in my behalf and others in West Texas. Walter, we are trying to work out our problem the way they have it set up now, but if not, I may be calling on you again.

Your friend,

Sol
Billie Sol Estes

Walter Jenkins
Administrative Assistant to the Vice President
Washington, D. C.

RECEIVED
FEB 19 1962
VICE PRESIDENT'S
OFFICE

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OFFICE



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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
WASHINGTON 25, D. C.

June 8, 1962

To: The Secretary of Agriculture
 Through: John P. Duncan, Jr., Assistant Secretary

From: Carl J. Miller

With reference to Mr. Robert E. Manuel's comment in the press on June 8, 1962, I should like to make the following statement:

Mr. Manuel did interview me at my home in Alexandria on May 25 and 26. The reason I recite both dates is that Mr. Manuel arrived about 10:15 p.m. on the 25th and departed about 12:15 a.m. on the 26th.

Mr. Manuel had called me at about 9:30 p.m. on May 25, stating that he had very recently been employed as counsel to the minority members of the Fountain Committee. He stated that he knew very little about the Estes case but that he was attempting to acquaint himself with the situation as rapidly as possible and would therefore like to see me that night. Perhaps one of the reasons that I consented to see him that night was his comment that the minority members of the Committee believed that I had been made the goat in this case and they wanted to see what they could do to help me.

The evening was very warm so Mr. Manuel and I sat out on our back porch where it was a bit cooler. He was questioning me about my acquaintanceship with Mr. Estes and about the features of the case in general, including my reassignment. Because of the lateness of the hour and the fact that I was very tired, I do not recall our conversation word for word but it was generally along the lines of the testimony which I gave on May 29.

Mr. Manuel has said "Mr. Miller told me in no uncertain terms that Billie Sol Estes had sought to pressure him by invoking the names of the late Speaker Rayburn and Vice President Lyndon B. Johnson. He told me this happened in his office during a visit by Billie Sol Estes on January 25, 1961."

At no time have I told anyone that I considered Mr. Estes' name-dropping habits as a means of bringing pressure to bear on the people to whom he was speaking. The most I have said was that Mr. Estes



claimed a personal friendship with certain prominent people but he did not couple this with bringing any pressure to bear on me.

If in fact I mentioned the name of the Vice President to Mr. Manuel during our interview at my home, I have no clear recollection of it. He says I did.

During the testimony of May 29, I was not sufficiently sure of Mr. Estes' claim to friendship with Mr. Johnson to repeat it at that time.

At the conclusion of the hearing, Mr. Manuel did call me over to the counsel's table and reminded me in the presence of Congresswoman Dwyer that I had mentioned the name of the Vice President in our interview and that he was anxiously awaiting that name during the testimony. He said that he was disappointed. He also said he would not make an issue of it. He asked me whether any pressure had been brought upon me by anyone to omit the name of the Vice President in my testimony. I assured him and I assure everyone now that no one has ever mentioned the subject to me.

As I recall, these questions came up late in the testimony on May 29. Mr. Smith, Mr. McCoy, and I had been answering questions for a number of hours and my mind was focused upon the facts of the case rather than upon gossip as to the names of persons with whom Mr. Estes might have claimed a personal friendship.

Leahy
6/8/62

INSURANCE COMPANY OF
NORTH AMERICA COMPANIES

RS: 789823

NO-PRO
EB-2117

SI AR 6863 A Feb 21, 1961

Two Hundred Thousand and No/100 ----- \$200,000.00

88-207

Brace-Tenth Street Company
and
American National Bank
Austin, Texas

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George L. Alford's g 9096

San Antonio, LTD



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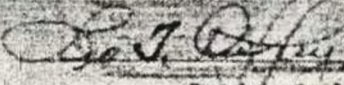
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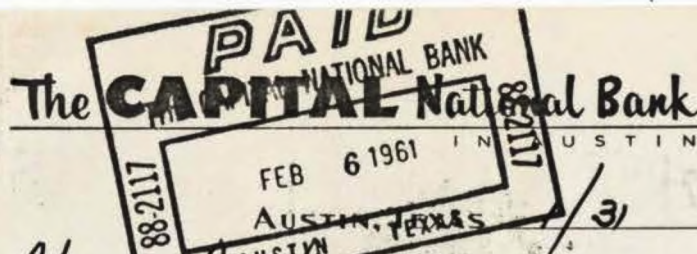


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107 M
BRAZOS TENTH STREET CO.

P. O. BOX 858 GR 6-0691

AUSTIN, TEXAS



NUMBER
88-2117
1141

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ORDER OF

ALAMR Aviation, Inc

1961

\$136,814.99

One hundred thirty six thousand eight hundred fourteen and 99/100 DOLLARS

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BRAZOS TENTH STREET CO.

PURCHASE CONNAIR CV-740
SERIAL #117, Reg. No. N94256

James S. Thomas

112 30 142

FORM 1-107

STECK, AUSTIN

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WHEN WRITTEN IN INK THIS CHECK IS INSURED AGAINST FRAUDULENT ALTERATION

FOR DEPOSIT ONLY
PAY TO THE ORDER OF
NATIONAL BANK OF COMMERCE
San Antonio, Texas
ALAMO AVIATION, INC.

12

PAY TO THE ORDER OF ANY BANK
OR BANK CLEARING HOUSE
THROUGH
ANY BANK OR CLEARING HOUSE
OR PAY TO THE ORDER OF
ANY PERSON OR FIRM
PAID ENDORSEMENTS GUARANTEED

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12

June 12, 1962

This is a question and answer statement participated in by Mr. Donald S. Thomas (accompanied to FBI Headquarters by Mr. Walter Jenkins of the Vice President's Office), Assistant Director C. D. DeLoach and Special Agent George E. Benjamin of the FBI.

Q. Mr. Thomas, will you state your full name please.

A. Donald Scott Thomas

Q. What is your home address and business profession?

A. My home address is 3901 Balcones, Austin, Texas. My business address is 1020 Brown Building, Austin, Texas. Home mailing address is Post Office Box 858, Austin, Texas. My profession is that I am a lawyer and partner in the firm of Clark, Thomas, Harris, Denius and Winters. I am also the sole stock holder and President of Brazus 10th Street Company, a Texas corporation, whose affairs are conducted from the law office.

Q. You have agreed to being placed under oath and taking the oath Mr. Thomas?

A. Yes, sir.

Q. Will you please recite for us the history involving the sale or useage of a plane utilized by the Vice President. The plane that I am speaking of is the one involved in the crash, commonly known as the "Lucy B."

A. It was a convair aircraft. The convair aircraft referred to, which was used by the Democratic National Committee during the Democratic campaign, was leased to that Committee for principally the use of the Vice President in his part of the campaign. It was purchased after the campaign by the company of which I am President and sole stock holder, Brazus 10th Street Company,

which purchase was made about January 30, 1961. The plane was purchased from Alamo Aviation, Inc., of San Antonio, Texas, whose offices are located at the Airport at San Antonio. The person whom I know and deal with and is General Manager of Alamo Aviation is Walter Gunstream. Operating for this company that I own and control, I made the decision to buy the airplane. Prior to its purchase I borrowed \$115 thousand from the American National Bank in Austin, Texas, consummated the deal on January 30 and at that time in my discussion with Mr. Gunstream I learned that the insurance policy that Alamo Aviation was carrying on this aircraft would terminate and expire in April, approximately April 3, 1961, and rather than cancel that policy and incur the short rate cancellation feature, I agreed with Mr. Gunstream that we would have the policy endorsed and transferred to Brazos 10th Street Company. The policy in question, of which I will furnish you a copy, was issued by the Insurance Company of North America, or the Indemnity Insurance Company of North America, to Alamo Aviation, Inc., on April 20, 1960, by L. C. Beery, an insurance agent in San Antonio whom I understand writes the insurance for Alamo Aviation. Pursuant to our agreement to transfer the policy which, as I say, was made on about January 30, the policy was endorsed effective as of January 31, 1961, but apparently dated February 10, 1961, and had the effect of changing the name of the insured from Alamo Aviation to Brazos 10th Street. Another rider which was necessary was the endorsement concerning the loss payable feature. I have here and am going to furnish to the Agent in Charge a photo copy of the certificate of insurance which was issued.

(Mr. Thomas has turned over to us for purposes of placing in FBI records the certificate of insurance made out to the Brazos 10th Street Company of Austin, as involving one Convair 240, serial number N 04258.)

Q. Mr. Thomas, to be specific and to place things in chronological order, this plane was first owned by whom?

A. The aircraft, insofar as my knowledge is concerned, was first owned by Alamo Aviation, Inc., in San Antonio, which is a large dealer in aircraft of all types and a distributor for Beechcraft aircraft over a large part of the State of Texas. When we saw there has been considerable interest shown by various news reporters in what I consider the most astounding fabrication I could imagine, and on account of the questions, I and my secretary, who serves as secretary of the corporation, made inquiry of Mr. Gunstream as to the prior owner of the aircraft and was informed by him that it was purchased by Alamo Aviation from American Airlines when a large number of aircraft of this type were retired from airline service. On that day, actually several airplanes were sold off their lot as I understand these were very available aircraft with the advent of the jets.

Q. Who did the Alamo corporation sell the plane to? Give dates if you can, please.

A. Alamo sold the aircraft to Brazos 10th Street Company on or about January 30, 1961, and on February 10, 1961, less than 30 days later, the aircraft was involved in an accident which totally destroyed it. So far as I know, the ownership of the airplane was from American Airlines to Alamo Aviation, from Alamo Aviation to Brazos 10th Street Company.

Q. Did the Honorable Lyndon B. Johnson at any time effect ownership of the lease?

A. No sir, he never had any ownership of the aircraft. It was leased for his use in the campaign but as far as any ownership of the plane, there never was any.

Q. It was leased by the Brazos 10th Street Company to the Democratic Committee?

A. No sir, It was planned to purchase the aircraft by Brazos 10th Street, but it was leased from Alamo Aviation by a partnership of which I was a member, Texas Aircraft Rentals, and subleased for use in the Johnson campaign to the Committee. The problem here is that the campaign committee could not own an aircraft and they could not effect a binding lease, that is, an informal committee of so and so for President or Vice President. So, Texas Aircraft Rentals had leased this aircraft from Alamo Aviation during the campaign. When the campaign was over I made the determination to buy the aircraft for purely business reasons on January 30. I thought I bought it at what it was worth from Alamo Aviation.

Q. Was the plane leased at any time to the Honorable Lyndon B. Johnson?

A. No sir. Not by any company of which I would have knowledge nor do I have any knowledge.

Q. At the time of the fatal crash of the plane, in which I understand two pilots were killed, who had the insurance on the plane?

A. The insurance was issued by the Indemnity Insurance Company of North America, the policy of which I furnished you a copy. The insurance policy was owned by Brazos 10th Street Company and the proceeds were collected by Brazos 10th Street Company. The check was made payable to the Brazos 10th

Street Company and the American National Bank.

Q. Do you know the amount of the insurance?

A. \$200,000

Q. Did the Honorable Lyndon B. Johnson in any way at all have any insurance on the plane?

A. No, sir, unless there might have been some personal items which belonged to him and were covered by personal policy coverage.

Q. And, to your knowledge, no insurance in the least was paid to the Honorable Lyndon B. Johnson at any time as a result of this particular plane crash?

A. I am positive. Not one penny.

Q. I think that the best evidence of who bought the airplane is the check that was issued to pay for it, which was the check of Brazus 10th Street Company. I think the best evidence of who received the proceeds are the indorsers of the check from the Indemnity Insurance Company of North America. I have called my office today and asked for copies of both of those checks, one to be procured from the bank and one from my cancelled checks. I would like to further state that the Brazus 10th Street Company has never had any character or business dealings with Billie Sol Estes. I never knew the man, never saw him in my life, never spoke to him in my life directly or over the telephone. He is not an officer or owner of any interest in Brazus 10th Street Company, or Texas Aircraft Rentals Company,

- Q.** Mr. Thomas, do you know whether or not Billie Sol Estes had any ownership or percentage of ownership whatsoever in this particular plane?
- A.** I know that he did not at any time that would be pertinent to this inquiry. I could not say, of course, where Alamo got the plane. I know in reason they got it from American Airlines. I know also that American Airlines probably got it from the manufacturer. I am just as certain as I am of anything that he never had any connection with the aircraft.
- Q.** I would like to straighten out one point if I may, Mr. Thomas. It was previously indicated that this plane was leased at one time under arrangements made under the possession of the Democratic National Committee. During that particular time, was there a sublease placing the plane in the Honorable Lyndon B. Johnson's possession.
- A.** Not actually. Nor was there ever any written lease in the Democratic National Committee. The Democratic National Committee was billed for the use of the aircraft for each hour of its use in the campaign. As far as ever having any lease with the Committee, it was really a matter of billing the Committee for use under the direction of the Vice President.
- Q.** Mr. Thomas, do you know the original cost of the plane in question?
- A.** No sir. I do not think it would be very pertinent considering the great supply of them then available.
- Q.** Were the pilots your employees?
- A.** No sir. From the period from January 30 until February 19, during that period the aircraft was leased to the LBJ Company, for its use in its

corporate business. Mr. Teague and Mr. Williams, the two pilots, were employees of the LBJ Company which usually operated aircraft in its business.

In other words, it was leased to the LBJ Company.

Q. Does this mean that the plane was actually leased to the Honorable Lyndon B. Johnson at that particular time?

A. I certainly would not so construe it. The lease is to a corporate entity, the LBJ Company. None of the stock of this company is owned by the Vice President nor does he operate any part of the business of that company. It is true that slightly over 50% of the stock of the company is owned by Mrs. Johnson.

Q. Mr. Thomas, at that particular time, that is to say while the lease was owned by the LBJ Company, did this same company have insurance on the plane?

A. No, sir. Except again there may have been some few minor items on the plane that were covered by another policy.

Q. Who was the insurance made out to at that particular time?

A. At all times it was made out to Brazos 10th Street Company.

Q. Mr. Thomas, does either the Honorable Lyndon B. Johnson or Mrs. Lady Bird Johnson own stock in the Brazos 10th Street Company?

A. Not a share--nor have they ever owned a share.

Q. In other words, Mr. Thomas, to the best of your recollection the Honorable Lyndon B. Johnson and Mrs. Lady Bird Johnson at no time received any insurance payments as a result of a possible accident or destruction of this particular aircraft.

- A. Insofar as it concerned the aircraft--and I can go beyond recollection--I can state a positive fact that they did not.
- Q. Mr. Thomas, during the approximately 45 minutes of this interview you have been advised of your rights, have answered questions under oath and at no time have been placed under duress, no threats or promises have been made to you, is that correct?
- A. That is entirely correct.
- Q. You have given this information of your own free will and accord knowing that to the best of your knowledge the answers were approximately true and correct?
- A. Yes, sir.
- Q. Are you willing to sign this statement?
- A. Yes, sir.

Donald S. Thomas

Cartha D. DeLoach
Assistant Director

George E. Benjamin
Special Agent

June 13, 1962

This is a continuation of the signed statement taken from Mr. Donald S. Thomas on June 12, 1962, being witnessed by Assistant Director C. D. DeLoach and Special Agent George E. Benjamin of FBI Headquarters. Mr. Walter Jenkins of the Vice President's Office also sat in on the interview.

Q. Mr. Thomas, you have again been advised of your rights and have been placed under oath?

A. That is correct.

Q. Will you please describe the functions of the Brazos 10th Street Company. In other words, briefly describe the articles of incorporation, or the activities or responsibilities of the corporation.

A. I could be more accurate if I had recently reviewed the corporate matter, however, I think that in broad outline the corporation is incorporated for a capital of \$150,000 all of which is paid in cash or property. I will give you some idea of the type of corporation it is. Its business activities are principally those in which I have had some personal interest. It has acquired a considerable amount of real estate, some of which is business property, some of which is residential property, some property which has been bought for long term investment. It owns and actively conducts farming operations, farms about 150 acres in Travis County and owns some stocks that I have thought were worthy investments. As far as active business operations, they are more in the nature of personal investments. The corporation is owned 100% by myself and my wife. The officers of the corporation are Donald S. Thomas, President, and Mrs. Jane Holt Thomas, Vice President, and Mrs. Hazel M.

Arnold, Secretary-Treasurer. Mrs. Arnold is my secretary.

- Q. As already previously indicated in this signed statement, Mr. Thomas, the Honorable Lyndon B. Johnson and Mrs. Johnson do not own any stock in the Brazos 10th Street Company?
- A. They do not and have not owned any stock in the Brazos 10th Street Company. I can testify to this, as far as the corporate records are concerned, and I know from the corporate records that the corporation was organized by the Perry family and the Brooks family in Austin and I acquired the stock from those two families and corporations that they used for the purpose of holding the stock.
- Q. In connection with the convair plane, "The Lucy B," once again. Did the Honorable Lyndon B. Johnson pay for the useage of this plane while it was leased to the LBJ Company?
- A. I do not believe that during the short period in which the convair aircraft was leased to the LBJ Company that the Vice President made any personal use of that particular aircraft, nor do I have any knowledge at any time that he used it personally, however, I do know that in the past when he made personal use of any aircraft he made direct payment at the regular rental.
- Q. In other words, to the best of your knowledge, when Mr. Johnson utilized any type of aircraft for his personal useage he paid for it from his own personal funds?
- A. Yes. I know that he was meticulously careful in this regard and if there was any failure to pay personally, which I certainly have no knowledge of, it was the result of error.

- Q. To the best of your knowledge, Mr. Thomas, did Billie Sol Estes at any time pay for any passage of the Honorable Lyndon B. Johnson on any of the aircraft mentioned in this particular statement?
- A. I know positively that he did not, nor for anyone else's passage nor did we collect any funds from anyone other than the Democratic National Committee, the various Johnson for President and Johnson for Vice President organizations, the LBJ Company and Lyndon B. Johnson personally. In other words, these were the sole sources of rental revenue and were in each instance paid directly by the Party making use of the plane.
- Q. Mr. Thomas, to your knowledge, does Billie Sol Estes have any stock whatever in the LBJ Company?
- A. I know as Secretary of the LBJ Company that Mr. Billie Sol Estes does not now own nor has he ever owned any stock in the LBJ Company nor its predecessor, the Texas Broadcasting Corporation.
- Q. To partially summarize, you have indicated that the Honorable Lyndon B. Johnson at no time received insurance or any part of the insurance received as a result of the crash of the convair plane described herein.
- A. That is correct.
- Q. Was any insurance whatsoever received, to the best of your knowledge, by Billie Sol Estes as a result of this plane crash?
- A. I know positively that Mr. Estes did not receive any part of the proceeds from the airplane or its contents.

Q. Once again I would like to ask you if any duress has been used.

A. No, sir.

Q. Will you indicate that the above answers have been given to the best of your knowledge and belief knowing them to be true?

A. Yes, sir.

Q. Will you sign this statement voluntarily?

A. Yes, sir.

Donald S. Thomas

Cartha D. DeLoach
Assistant Director

George E. Benjamin
Special Agent

OFFICE OF THE VICE PRESIDENT
WASHINGTON

Handwritten: Walter this is the
telegram you sent
last nite.
I thought you'd like
to see it

Handwritten: BER

Handwritten: 6-12-62

Arnold, Fortas & Porter
June 11, 1962

HGK
Straight Wire

Richard Berlin
Hearst Corporation
8th Avenue and 57th
New York, New York

As I told you by phone, Winchell's item that Billie Sol Estes had any participation in or connection with, directly or indirectly, in the acquisition, financing or insurance of any airplane used by the Vice President is an outrageous falsehood.

Walter Jenkins

Arnold, Fortas & Porter
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BULLETIN

ESTES

Washington (AP) - Robert E. Manuel, dismissed Republican counsel to a House Investigating Committee, charged today the group's inquiry into the Billie Sol Estes Case "is being distorted - and the truth suppressed."

LT1033AED 6/8

26

Washington -- Add Estes (25)

In a statement, Manuel quoted an Agriculture Department official as saying Estes personally pressured him by invoking the names of the late House Speaker Sam Rayburn and Vice President Lyndon B. Johnson, but that Johnson's name was not brought into public testimony.

Manuel added, "This incident points up the way this investigation is being distorted -- and the truth suppressed -- either because of shoddy preparation, or a willingness to cover up."

Manuel said another incident involves a discussion by the Subcommittee in closed session of how to deal with testimony "which would implicate certain members of Congress and at least one very high-ranking Administration official."

Manuel said, "The testimony, taken in Executive Session, related to a list of individuals to whom Estes allegedly sent gifts in the form of money orders."

Manuel said it was against this background that he decided, "as a matter of conscience and duty to the public," to give a confidential Agriculture Department report on the Estes case to a newspaper reporter.

It was for this action that Manuel was discharged after a day-long subcommittee wrangle behind closed doors yesterday. Democratic members spoke of a "breach of ethics."

Manuel also had harsh words for the subcommittee, headed by Rep. Fountain, D-N.C., which he called a "one-party operation."

Manuel brought in Vice President Johnson's name in this connection. He said Carl J. Miller, and Agriculture Department Employee, told him that Estes on January 25, 1961, invoked the names of Johnson and Rayburn when trying to pressure him.

(more)

But when Miller took the stand in open hearings last week, Manuel said, he mentioned Rayburn and Sen. Ralph Yarborough, D-Tex., but not Johnson.

Manuel said he accosted Miller afterward and reminded him he had previously mentioned Johnson to him. "He admitted this and seemed remorseful, but he offered no explanation..." Manuel said.

Miller was the official responsible for allowing Estes' grain storage bond to remain at \$700,000 instead of raising it to \$1 million.

It was in connection with this matter that Manuel quoted Miller as telling him that Estes visited his office and "sought to pressure him" with the names of Raybrun and Johnson.

LT1045AED 6/8

27

Washington -- add Estes (26)

Manuel said:

"My dismissal by the Democratic Party members of the Fountain Subcommittee was the price I am and was prepared to pay for making available to the public the true facts in a very important matter of grave concern to the public. I am not the first to be penalized for trying to bring into the open the full truth about the Billie Sol Estes case. And I probably won't be the last."

When he became the minority counsel just two weeks ago, Manuel said, "I saw at once that the operation of the Fountain Subcommittee was incredible," He added:

"Here, a counsel and two assistants, sitting in their Washington offices, in about 10 days prepared for public hearings on one of the most complex and serious national scandals in many years. By comparison, the Senate Investigating Subcommittee, headed by Sen. John McClellan of Arkansas, has been working for many weeks with a staff of well over 40 investigators, and still will not be ready to begin its public hearings until June 27."

As to the report which Manuel leaked to the New York Herald Tribune, Manuel said, "This report was not legally classified. It was stamped 'Administratively Confidential,' which meant that it contained politically embarrassing material ~~that~~ the Department of Agriculture wanted to keep from the public."

The Subcommittee's debate yesterday over what to do about Manuel kept it from holding a scheduled public hearing.

LT1048AED 6/6

What the Texas Observer Says About Estes

DOWN IN TEXAS there is a little weekly published in Austin called *The Texas Observer*. Its circulation is 7,064. Yet it probably has more political power than some Texas dailies with 10 or 20 times that circulation.

The Texas Observer is the organ of the extreme liberal faction of the Texas Democratic party. One of its goals is to make the Democratic party a purely liberal party. To that end, it urges all conservatives to get out of the Democratic party and enroll in the Republican party. Such a realignment, it admits, would elect Republicans now and then, but that possibility would be offset by the fact that when the Democrats were in power in Texas they would really be able to legislate their liberal reforms.

As an example of its purism, *The Texas Observer* urged its readers last year either to vote for John Tower for the US Senate or to stay at home. Far worse than Tower would be the election of William A. Blakley, which would—said the *Observer*—help perpetuate conservative influence within the Democratic party.

The *Observer* wants the Democratic party to make its principal appeal to "the minorities"—the Negroes and the Mexicans—and to the opinion-molding intellectuals, organized labor and small farmers—especially tenant farmers.

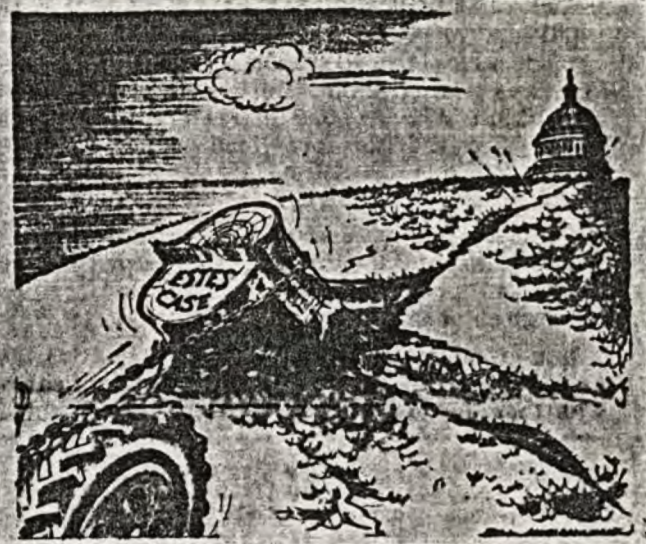
Its special enemy is Lyndon Johnson, considered by *The Texas Observer* to be an opportunist who talks liberal in Washington and conservative in Texas.

In the Democratic party's gubernatorial run-off primary, it is supporting Don Yarborough (no relative of the Texas Senator of the same last name, but with similar views) against John B. Connally, Jr., the LBJ-sponsored candidate.

This background is given here for the benefit of readers outside of Texas so they may understand the *Observer's* viewpoint. You may be sure that the

DEEP ROOTS?

By BILL WILLIAMSON
Dallas News Staff Cartoonist



Observer's report on Estes is being read with microscopes by politicians all over the Lone Star State. We now quote extracts from the May 19 *Observer* about the Estes case:

Among the most hardworking of the newsmen who are covering the Estes case is Jimmy Banks of the *Dallas News*. Banks, urged on by his editors, has come up with some solid and valuable contributions to the case and some contributions based strictly on hearsay and gossip.

For instance, among the material which Attorney General Wilson made available to newsmen this week was a copy of the interview Assistant Attorney General Les King held on April 9 with Lloyd Stone, formerly a partner in the fertilizer company of Lester-Stone and the first man to sell out to Estes when he began his fantastic campaign to corner the fertilizer market in the Plains area in early 1959.

In the interview, King fed Stone the question: "Did he [Estes] ever make a statement in your presence that he had contributed \$47,500 to Ralph Yarborough's campaign?"

A. "I thought the figure that I always heard him quote was some \$46,000."

Stone went on to say that Estes had made this claim in front of several other employees. Under further questioning by King, Stone said he had never heard Estes claim to have given money to Lyndon Johnson, Will Wilson or Congressman Rutherford.

Q. "You mean the only one he ever mentioned was Ralph Yarborough?"

A. "Yes, in my presence."

This data was gathered before a justice of peace, not in one of the regular courts of inquiry held by Wilson.

Wilson carefully told all newsmen that it was pretty flimsy stuff and that they would use it at

(continued on next page)

THE LAW WEST OF THE PECOS



(continued from preceding page)

their own peril—but he left it out for them to use, if they wished.

The Dallas News wished to do so, and did. So did some other newspapers, such as the Chicago Tribune.

Meanwhile, another assistant attorney general, Winston Crowder, had gathered copious notes full of hearsay about another highly prominent Texas politician, in connection with the Estes case. One rumor, which Crowder said everybody in Hereford was talking about, and which he also heard from Mutt Wheeler, one of Estes' employes, was to the effect that this prominent politician was a partner in one of Estes' largest grain storage elevators, the Allied Storage.

Another bit of hearsay picked up from a West Texas newspaper editor by Crowder was that the prominent politician's wife had invested in Estes through some of her companies.

And another piece of hearsay, which Crowder said came from two very reliable grain dealers, was that the prominent politician's wife's brother

stood surety with the Aetna Insurance Company for Estes' bond for grain storage.

All of this is hearsay, just like the \$46,000 business with Yarborough, but all was recorded in good faith by Crowder and saved for the attorney general's files.

Why wasn't this also made available to the press—put out in front of them where they could read it and use it, "at their peril," of course, if they chose?

The Observer asked Wilson this question, and he replied that he didn't even know that Crowder had the data.

Wilson told the Observer he thought it was "repensible" that the Dallas News's attorney let that newspaper use it. So far as Yarborough is concerned, the damage is done.

• • •

The Wall Street Journal, in its Friday weekly wire, said: "Rifts widen between Democratic Senator Yarborough and Vice President Johnson. Each hints the other was closer to Estes."

JFK's First Major Scandal

By WALTER TROHAN

THE KENNEDY ADMINISTRATION is confronted with its first major scandal in the manipulations of Billie Sol Estes, the Texas financier under indictment for fraud in connection with a multi-million-dollar scheme to parlay Federal farm programs into a personal fortune.

The scandal will test President Kennedy's campaign promises on clean government. He must decide whether he will scorn the political implications as Admiral Farragut did the torpedoes in Mobile Bay or whether he will hide the deep damnation of the \$235,000 "Washington project" account Estes carried on his books, obviously to make friends and to influence people in Washington.

During the final days of the 1960 Presidential campaign, when he spelled out his political beliefs at Philadelphia, on October 31, 1960, Kennedy said:

"Finally, I believe in an America with a government of men devoted solely to the public interest—men of ability and dedication, free from conflict, corruption, or other commitment—a responsible government that is efficient and economical, with a balanced budget over the years of the cycle, reducing its debt in prosperous times—a government willing to entrust to the people the facts on where we stand—not a businessman's government, not a labor government, not a farmer's government, but a government of, for, and by the people."

KENNEDY HASN'T balanced the budget, and he has introduced neither efficiency nor economy. It is evident that not all of his appointees have been men solely devoted to the public interest. It now remains to be seen whether he will give the people all of the facts on the scandal, and just how he will proceed against graft and corruption.

Almost 40 years ago, when he was confronted with the Teapot Dome oil scandals, Calvin Coolidge co-operated in full with the investigation, headed by former Senator Burton K. Wheeler (D-Mont.), although it involved cabinet officials in the Administration of his predecessor, Warren G. Harding. Harry

S. Truman was less co-operative when scandals fermented in his administration, like yeast in a bucket of fruit juice.

Dwight D. Eisenhower attempted to protect his No. 1 aide—because he needed him—when Sherman Adams was found to have borrowed a worn oriental rug, accepted a vicuna coat, and passed on hotel bills to Bernard Goldfine, a New England financier who courted Washington friendship. However, Eisenhower bowed to the inevitable and dropped Adams when that scandal became too hot a potato to handle.

Assistant Secretary of Labor Jerry R. Holleman resigned a \$20,000-a-year post when it was disclosed that he had accepted \$1,000 as a gift from Estes "to make ends meet." Holleman, a protegee of Vice President Johnson, said the gift had no connection with the Estes interests or his own responsibilities.

William E. Morris, a Department of Agriculture official, was fired after his name cropped up in the Texas investigation of Estes and his assistant, Emory Jacobs, deputy administrator of the Agriculture Stabilization program, has resigned his post under fire, although he denies having received anything from Estes. A third man whose name has been connected with Estes, James T. Ralph, a former assistant secretary of agriculture, is under investigation by the Federal Bureau of Investigation. [Agriculture Secretary Orville L. Freeman fired Dr. Ralph after this column was written.]

All of these are small fry. Only \$1,000 of the \$235,000 influence fund has come to light. Only a congressional investigation can determine just where it went and just who, if anyone, was influenced.

Whisper has marked some of the top figures of the New Frontier. No one is quite sure just where the New Frontier is, but there is wonderment here as to whether it may not become the burial ground of a smelly scandal.

Reprints of this article are available: single copy, 15 cents; 15 for \$1; 35 for \$2; 125 for \$5; 300 for \$10; 1,000 for \$20. Order by section number and date of issue.

ESTES SUBPOENAED BY JURY PROBING MARSHALL'S DEATH

Billie Sol Estes was subpoenaed Friday to appear before the Robertson County grand jury investigating the murder-or-suicide death of Henry H. Marshall of Franklin.

Meanwhile another controversy arose—was Marshall co-operating with Estes on fraudulent cotton allotments? Or was he trying to have his Agriculture Department superiors halt Estes' operations? State officials who studied the same information drew different conclusions.

In Washington, Dr. James T. Ralph gave his long-awaited testimony to a congressional committee. He said he got two \$100 money orders from Estes and told Agriculture Secretary Orville Freeman all about it. Freeman denied it.

Ralph also told of another Estes gift—a mink stole. A male Estes employe who wondered out loud at the propriety of the gift was promptly fired.

Vice-President Lyndon Johnson's name was brought into the case by the Republican who was fired for leaking information to a newspaper. A witness who mentioned Johnson in secret testimony (as part of Billie Sol's name-droping) used Sen. Ralph Yarborough's name instead when testifying in public. Why the change?

Details on these and other aspects of the Estes case, Pages 5 and 6.

Estes file

June 12, 1962

MEMORANDUM:

TO: THE FILES

FROM: Walter Jenkins

Cliff Carter had the following conversations:

(1) Carlton Smith said George Nokes and Jack Kultgen had shared the radio costs with him on about an equal basis.

(2) Bob Clark told Cliff his total was \$1190 and should be broken down as follows:

Robert L. Clark	\$257.90
Pat Coon	160.00
W. O. Reed	160.00
Carroll Hoffman	160.00
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(4) J. C. Looney told Cliff he suggested that you put it down with the following breakdown:

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(5) Roland Boyd told Cliff that the following participated with him on an equal basis:

Hansford Ray
Paul Hardin
Carl Cox
Gibson Caldwell
R. Fitzhugh Newsome
Truitt Smith, of Wylie
Alex Shell, of Plano

Radio file

LYNDON B. JOHNSON
TEXAS

United States Senate
Office of the Democratic Leader
Washington, D. C.

7
PUBLIC INFO.

broadcast-react

June 13, 1960

My dear Friend:

Because of my candidacy for re-election to the United States Senate and the requirements of Section 315 of the Federal Communications Act, I am -- for the time being -- discontinuing my weekly Radio Report.

The Report received by you for broadcast this last week was the final Report until such time as it may be appropriate to resume them.

I regret that this action need be taken. However, I'm grateful for the opportunity to again express my very deep appreciation for the generous cooperation you have always extended.

I look forward to a continuation of our pleasant and gratifying association, and hope most sincerely that if I can ever be of any assistance that you will let me know.

Cordially,

Lyndon B. Johnson

*Sent to all Radio Stations carrying
Senator's weekly report -
Via airmail - 6/15/60*

GOP Leader Takes 'Contempt' Case to Court

6/11/62

Story of Texas-Style Politics Unfolds Today

By Earl Mazo
National Political
Correspondent

WASHINGTON.

A federal court in Corpus Christi, Tex., will hear today a revealing story of the rough-and-tumble way politics is played in Duval county where George Parr has long been undisputed boss.

The decision may have a lasting effect on Mr. Parr's efficient, if hard-knuckled, machine.

At issue before Judge Raymond Garza will be a writ of habeas corpus by which Clarence Schroeder, chairman of the fledgling Duval County Republican Committee, was temporarily freed from the Duval county jail in San Diego, (Tex.) last Friday.

Mr. Schroeder, a 44-year-old business man, had been jailed on Thursday for "contempt" after allegedly having been beaten by two Duval County deputy sheriffs and assertedly badgered for several days by other local court officials and their grand jury.

That sort of politics is commonplace in Mr. Parr's domain. On Presidential election day in 1960, certain key precinct chieftains packed pistols. During the vote-counting that night, Republican watchers who seemed too curious were chased away. The Kennedy-Johnson ticket swept Duval County by 12 to 1.

This year the Parr organization did even better for gubernatorial candidate John D. Connally, long-time campaign manager for Vice-President Johnson. Mr. Connally's margin in Duval—14 to 1—contributed substantially to his close victory over Don Yarborough.

But the vote from Mr. Parr's political territory was even more crucial in 1948, when Lyndon B. Johnson was elected to the Senate by 87 votes, which the Parr organization "discovered" four days after the election in a mysterious "Box 13."

At the root of the controversy to be aired in Federal court today, however, is a strictly local office.

A Herald Tribune survey of the Schroeder incident—through direct and telephone

interviews—indicates Mr. Schroeder is a victim of the Parr organization's fear that Archer Parr, the boss's nephew and political heir apparent, may be defeated for county judge in the November general election.

It goes back to an unexpected nomination last month by the Duval County Republicans, a small but hardy band of former Democrats who oppose Mr. Parr. On May 5, at the first Republican primary ever held in Texas, Duval Republicans conducted a last-minute write-in campaign to nominate Dr. E. E. Dunlap for County Judge.

The doctor got 193 of the 205 Republican votes tallied—a fraction of the 3,000-plus votes cast in the Democratic primary for Archer Parr.

But the danger to Mr. Parr is in the fact that more than half the county's eligible voters did not show up on primary day. And they very well might cast ballots in the general election for the popular Dr. Dunlap.

Therefore, the only sure way to elect Mr. Parr's nephew, Archer, was to eliminate his opposition. That meant Republican nominee Dunlap had to be kept off the November ballot, which the Parr organization decided to accomplish by voiding the Republican primary.

The first step came on primary night when local Judge Woodrow L. Laughlin, a Parr organization stalwart, ordered the ballot boxes taken to the county jail, instead of the usual repository in Alice, Tex.

For three weeks only loyal Parr men were permitted near the boxes. But Mr. Schroeder, as Republican chairman, had on primary night gotten a bona-fide copy of the Republican primary records. Any alterations that might have been made in the jail also had to be made on the documents in Mr. Schroeder's possession.

Thus, on Monday, May 28, County Attorney O. P. Carrillo, a big man in the Parr apparatus, hurriedly summoned the Duval County grand jury to investigate "fraud" in the Republican primary. An "instant subpoena" was issued requiring Mr. Schroeder and his records to be brought before the grand jury at once.

Two deputy sheriffs located the quarry in a cafe at 10:30 a. m., but Mr. Schroeder was not carrying the records.

Then Back In Office...

A telephone call to the courthouse brought permission for Mr. Schroeder to go back to his office for the records, unescorted. But a few minutes later, as Mr. Schroeder was getting the records, the two deputies allegedly stormed into his office, knocked him off his chair, dragged him out, threw him into their car and hustled him into the courthouse.

The deputies forgot about the real prize—those election records, which were left behind in the Schroeder office.

At the courthouse Mr. Schroeder was kept sitting outside the grand jury room all day, without regard to his bruises, or for his desire to have lunch when the grand jurors recessed for theirs.

Late in the afternoon a conference of Parr sachems was called in the chambers of Judge Laughlin. Mr. Schroeder later was ushered in and, after again being refused permission to call his attorney, was ordered to leave and return at 9 a. m. the next day with the records.

That night Mr. Schroeder telephoned Ralph Curry, a Republican attorney in Dallas, who recommended that he mail the records to Dallas at once so certified copies could be made before the originals were given over to the Parr Democratic organization. Mr. Curry instructed Mr. Schroeder to tell the Duval court that he had acted on the advice of his lawyer, who promised to send the original records back to the Duval County in a day or so.

On the next morning, May 29, that information created a stir among Duval officials.

Judge Laughlin and other lesser lights assertedly threatened Mr. Schroeder with "contempt," among other things.

The May 5 ballot boxes were brought into the courthouse, opened, and the contents passed around the courtroom; an Assistant District Attorney named John Compos, who appeared to object, was ordered to leave the court house. Finally late in the day, Mr. Schroeder was ordered to return on Thursday, May 31.

That afternoon Sam Burris,

the District Attorney and also a figure in the Parr organization, publicly apologized to Mr. Schroeder and revealed that he, the District Attorney, had urged the grand jury to delay its inquiry, but had been overruled from on high.

By Monday, June 4, District Attorney Burris had changed his mind, however, and joined in filing a contempt action against Mr. Schroeder.

By this time Mr. Schroeder had engaged Walter Purcell, a 33-year-old Democrat, as his attorney. Mr. Purcell is famous in the Duval area because he once duped the Parr organization. That was in 1958, George Parr had been weakened by federal convictions, for mail fraud and tax-cheating, and Mr. Purcell, fresh out of law school, was elected County Attorney.

That gave the "Freedom Party" Democrats hope that Boss Parr's days were numbered. But within two years, the Parr crowd had moved back into full control of every public office in Duval County.

The hearing on Mr. Schroeder's "contempt" case was held last Thursday before Judge Laughlin.

Mr. Purcell and two other lawyers who had checked the files insisted the "pleading (against Mr. Schroeder) did not specifically charge [him] with disobeying a legal order." Their arguments were that they wanted the Republican primary records.

At the outset, Mr. Purcell produced the records and offered to hand them over. The offer was ignored, however, and Judge Laughlin found Mr. Schroeder "guilty," sentenced him to three days, and ordered him locked up.

"I walked into the cell with Clarence to make sure nothing happened to him," said Mr. Purcell.

That afternoon the Texas State Supreme Court refused a writ of habeas corpus, but at 1:30 a. m. Friday one was granted by a Federal judge in Houston.

Bail Set at \$1,000

Then came the problem of serving it and freeing Mr. Schroeder.

One obstacle was raised by U. S. Commissioner James C. Martin, whose office decor features a large "All the Way with LBJ" banner, apparently a souvenir of Vice-President Johnson's drive for the presidential nomination two years ago.

The bond was \$1,000, and although Mr. Schroeder, Dr. Dunlap and other substantial citizens had signed it before notaries in San Diego and Alice, Commissioner Martin insisted it be signed again in his Corpus Christi office, which is 59 miles from the Duval County seat.

"How will we get Clarence out of George Parr's jail to come over here and sign?" asked Mr. Purcell.

"That is a problem," the Commissioner reportedly replied.

Finally, he agreed to accept \$1,000 in cash. Lawyer Purcell and a colleague rushed to a bank, got a certified check—and late Friday afternoon Mr. Schroeder left the lockup.

This is the story Federal Judge Garza will begin hearing this morning.

COPY

June 12, 1962

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Carl Cox
Gibson Caldwell
R. Fitzhugh Newsome
Truitt Smith, of Wylie
Alex Shell, of Plano

WJ:ms

COPY

June 12, 1962

MEMORANDUM:

TO: THE FILES

FROM: Walter Jenkins

Cliff Carter had the following conversations:

(1) Carlton Smith said George Nokes and Jack Kultgen had shared the radio costs with him on about an equal basis.

(2) Bob Clark told Cliff his total was \$1190 and should be broken down as follows:

Robert L. Clark	\$257.90
Pat Coon	160.00
W. O. Reed	160.00
Carroll Hoffman	160.00
Ramsey Clark	160.00

(3) Hunter McLean told Cliff it was all his money. He did not take up money from anybody.

(4) J. C. Looney told Cliff he suggested that you put it down with the following breakdown:

Looney	\$ 214.25
D. U. Buckner	175.00
Rodgers Kelly	125.00

(5) Roland Boyd told Cliff that the following participated with him on an equal basis:

Hansford Ray
Paul Hardin
Carl Cox
Gibson Caldwell
R. Fitzhugh Newsome
Truitt Smith, of Wylie
Alex Shell, of Plano

LYNDON B. JOHNSON
TEXAS

United States Senate
Office of the Democratic Leader
Washington, D.C.

June , 1960

Dear Friend:

Thanks very much for your recent communication advising me of your opposition to the amendment added by the House of Representatives to the Agriculture Appropriation Bill.

I am sure you will be pleased to know that this amendment was eliminated from the bill in the Senate. I am hopeful that this action can be sustained in the conference committee.

With best wishes, I am

Sincerely,

Lyndon B. Johnson

LYNDON B. JOHNSON
TEXAS

PROPOSED ROBOT ON YATES AMENDMENT

United States Senate
Office of the Democratic Leader
Washington, D.C.

86

OK
WJ

Dear Friend:

Thanks very much for your recent communication advising me of your opposition to the amendment added by the House of Representatives to the Agriculture Appropriation bill.

I am sure you will be pleased to know that this amendment was eliminated from the bill in the Senate. I am hopeful that this action can be sustained in the conference committee.

With best wishes, I am

Sincerely,

Lyndon B. Johnson

OK

LYNDON B. JOHNSON
TEXAS

United States Senate
Office of the Democratic Leader
Washington, D.C.

Dear

Thanks very much for your helpful letter concerning the Yates Amendment to the Agriculture Appropriations Bill. Your views were certainly valuable to me in acting on this bill in the Appropriations Committee.

I am sure you will be pleased to learn that the Yates Amendment was eliminated from the bill by the Senate Appropriations Committee. I am hopeful that this action can be sustained in the bill as finally passed.

Sincerely

Lyndon B. Johnson

United States Senate

MEMORANDUM

Walter:

For flexo-writer letter.

When the Committee acts today
the Yates amendment will be
left out.

Jim Wilson

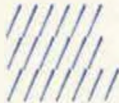
OK
WJ

LYNDON B. JOHNSON
TEXAS

No. 80--Yates Amendment TO Agriculture
Appropriations Bill

United States Senate
Office of the Democratic Leader
Washington, D. C.

May 25, 1960



Dear Friend:

Thanks very much for your helpful letter concerning the Yates Amendment to the Agriculture Appropriations Bill. Your views were certainly valuable to me in acting on this bill in the Appropriations Committee.

I am sure you will be pleased to learn that the Yates Amendment was eliminated from the bill by the Senate Appropriations Committee. I am hopeful that this action can be sustained in the bill as finally passed.

Sincerely,

Lyndon B. Johnson

C O P Y

COMMITTEES: G
Foreign Relations
Labor and Public Welfare
Joint Economic Committee

UNITED STATES SENATE

WASHINGTON, D. C.

Sept. 14, 1960

Mr. Billie Sol Estes
Pecos,
Texas

Dear Mr. Estes:

Many thanks for sending me the box of cantaloupes.

They were delicious and I want you to know how much I enjoyed receiving them.

With every good wish.

Sincerely yours,

(Signature)

John F. Kennedy (Typed)

XEROX FROM QUICK COPY

C O P Y

UNITED STATES SENATE

WASHINGTON, D. C.

November 23, 1960

Billie Sol Estes Enterprises
Box 1052
Pecos, Texas

Dear Friends:

I want to thank you for the very friendly message you sent to me after my election to the presidency.

I am most heartened by the many expressions of good will which I have received. I am sure that they reflect a broad unity of purpose in our nation. I hope that my record during the next four years will sustain your generous confidence.

With every good wish, I am

Sincerely,

(signature)

John F. Kennedy

BOX FROM QUICK COPY

C O P Y

THE WHITE HOUSE
WASHINGTON

August 31, 1961

PERSONAL

Dear Mr. Estes:

The President has just learned of the arrival of another crate of your fine cantaloupes and has asked me to send you this note of thanks. It is indeed thoughtful of you to continue to provide this delicious treat.

With the President's appreciation and best wishes,

Sincerely yours,

Evelyn Lincoln
Personal Secretary
to the President

Mr. Billie Sol Estes
Billie Sol Estes Enterprises
Pecos, Texas

PERSONAL

XEROX FROM QUICK COPY

C O P Y

UNITED STATES SENATE
OFFICE OF THE DEMOCRATIC LEADER
WASHINGTON, D. C.

September 3, 1959

Dear Friend:

If you knew how much I like and enjoy cantaloupe then you would know how much I appreciate your thoughtfulness.

Many, many thanks.

Best wishes to you and yours,

Sincerely,

(Lyndon)

Lyndon B. Johnson

Mr. Billie Sol Bates,
Box 1052
Pecos, Texas

XEROX FROM QUICK COPY

May 17, 1960

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

Dear Lyndon:

On May 11, 1960 the House of Representatives adopted the appropriations bill for the United States Department of Agriculture which includes the following amendment:

"Provided further, that none of the funds herein appropriated shall be used to formulate or administer any program which does not provide for maximum use of Government-owned facilities for storing surplus commodities, consistent with the economical operating of the (Commodity Credit) corporation."

The above amendment, as included in the appropriations bill, completely reverses the policy previously stated by the Congress in the Commodity Credit Corporation charter. The use of Government-owned facilities to the maximum possible extent is another action that is progressively federalizing industry at the expense of free enterprise. As you are aware, the grain trade has been asked repeatedly in the past to provide additional storage for price supported and Government-owned grain. The grain trade has met these requests and it seems most unfair that they should now be placed in a position in which they will be competing with a fourteen and one-half billion dollar Government corporation.

The amendment, as included, does not limit, as I see it, the use of Commodity Credit Corporation to the present facilities they have available, but it would leave to their discretion whether the Government should build or provide additional storage for grain in direct competition with our privately owned grain industry.

It has been proved conclusively that the grain industry has preserved and prohibited Government surpluses of stored grain to the fullest extent with complete responsibility for delivery of quantity and quality upon orders for delivery by Commodity Credit Corporation. It has been the history that grain in Government-owned storage has suffered tremendous losses in quality with resultant losses to the tax payer far in excess of the storage paid to the private grain trade where such losses incurred have been absorbed by the trade itself and not by the tax payer.

The Senate of the United States is our last resort on the question of whether the Congress shall now, in the panic over the consequences of the farm surplus situation, decree as national policy the progressive federalization of our industry.

Your personal efforts and influence is most seriously requested in behalf of the deletion from the appropriation bill of the amendment as contained in this letter.

Yours very truly,

Billie Sol Estes

XEROX FROM QUICK COPY

C O P Y

THE VICE PRESIDENT
WASHINGTON

August 16, 1961

Dear Friend:

Summertime means a lots (sic) of things--not the least of which is ripe, delicious Pecos cantaloupe.

Many, many thanks for your thoughtfulness.

I am grateful.

Sincerely,

Lyndon B. Johnson

Mr. Billie Sol Estes
Pecos, Texas

XEROX FROM QUICK COPY

C O P Y

January 30, 1962

OFFICE OF THE VICE PRESIDENT

Dear Mr. Estes:

On January 20 my husband and I attended the Democratic Dinner at the Armory.

I have been told by Cliff Carter that you were the "host" for the table we occupied and I wanted to thank you for making it possible for us to be there.

It was a wonderful evening and we enjoyed it so much. Your thoughtfulness is deeply appreciated and will be remembered for a long time to come. I am sorry my husband and I didn't get to meet you but look forward to doing so the next time you are by the office.

Sincerely,

Mrs. Ruth Mahoney

XEROX FROM QUICK COPY

C O P Y

UNITED STATES SENATE
OFFICE OF THE DEMOCRATIC LEADER
WASHINGTON, D. C.

November 28, 1959

Dear Mr. Estes,

I know the Senator will be very much interested in having your letter of November 24th and the attached pamphlet entitled "Progress on the Plains."

I shall see that this is brought to his attention at the earliest opportunity.

Sincerely,

Arthur C. Perry

Administrative Assistant
to Lyndon B. Johnson

Mr. Billie Sol Estes
Box 1052
Pecos, Texas

XEROX FROM QUICK COPY

C O P Y

THE WHITE HOUSE

WASHINGTON

March 3, 1961

Dear Mr. Estes:

Your letter recommending Mr. Bill Mattox which was addressed to Mr. Cliff Carter has been brought to my attention. I wish to thank you for this enforcement and to inform you that it is being referred to the Department of Agriculture.

Sincerely,

Larry O'Brien

Lawrence F. O'Brien
Special Assistant to
the President

XEROX FROM QUICK COPY

C O P Y

Lyndon B. Johnson
Texas

UNITED STATES SENATE
OFFICE OF THE DEMOCRATIC LEADER
WASHINGTON, D. C.

June 2, 1960

Mr. Billie Sol Estes
United Elevators
P. O. Box 1592
Plainview, Texas

Dear Friend:

Thanks very much for your recent communication advising me of your opposition to the Yates Amendment added by the House of Representatives to the Agriculture Appropriation Bill.

I am sure you will be pleased to know that this amendment was eliminated from the bill in the Senate. I am hopeful that this action can be sustained in the conference committee.

With best wishes, I am

Sincerely,

(full signature)

Lyndon B. Johnson

XEROX FROM QUICK COPY

COPY

Texas - Dec.

December 7, 1961

Dear Billie Sol:

Our mutual friend, Frank Moore, has written me of your assistance and I want you to know I am grateful for the hand of help you have extended.

When I can serve you or yours, I do hope you will call.

Sincerely yours,

Lyndon B. Johnson

Mr. Billie Sol Estes
P. O. Box 1592
Plainview, Texas

LBJ:CCC:dah

(original on note paper)

C O P Y

Lyndon B. Johnson
Texas

State Offices
207 U. S. Courthouse
Austin, Texas

UNITED STATES SENATE

OFFICE OF THE DEMOCRATIC LEADER

WASHINGTON, D. C.

August 2, 1960

Dear Billie Sol:

As the final weeks of Congress will be quite heavy in activity I am stopping my radio and television reports and I want you to know I am most grateful for the assistance you have extended in helping make these possible.

When you are 1500 miles away it is difficult to constantly keep in touch with your fellow-Texans but I believe my weekly broadcasts were a great help in closing that gap.

Please know I appreciate so much your faith and confidence.

Cordially,

Lyndon

**Mr. Billie Sol Estes
P. O. Box 1052
Pecos, Texas**

XEROX FROM QUICK COPY

C O P Y

August 26, 1960

My dear Friend:

Many, many thanks for the delicious cantaloupes.

You are a mighty thoughtful friend.

Lyndon B. Johnson

XEROX FROM QUICK COPY

C O P Y

U. S. Senator

(Photograph)

LYNDON B. JOHNSON

FOR VICE PRESIDENT

X X X X

Headquarters 1001 Connecticut Ave., N.W. Washington, D. C.
District ? 1717

October 23, 1960

Mr. Billy Sal Estes (sic)
Pecos, Texas

My Dear Friend:

We have had eight wonderful and successful weeks campaigning all across the nation. Now we are heading home to spend the final week among our friends who mean the most, Lady Bird and I want to see you, and I hope we will when we are in your vicinity.

I hope that you will be working--for me--to win the victory in Texas on November 8. The Democratic ticket is winning nationally and Texas will win with it. We have made great strides this year toward ending the prejudice against our region and state. I believe we are on the threshold of new influence and opportunity-- and a Texas-sized majority for the "Texan's ticket" will open the door to the future for the goals we have so long sought.

You know my gratitude for all you have done. You have my thanks in advance for your efforts between now and Election Day which will bring us the greatest victory of all.

Won't you and your family help all you can now. I'll be grateful.

Sincerely your friend,

(Signature)

Lyndon B. Johnson

XEROX FROM QUICK COPY

C O P Y

November 19, 1960

Dear Billie Sol:

I don't know how I could ever repay you for all the things you have done for me. But, I want you to know I appreciate everything you have done, and will never forget it. I know you were working against tremendous odds, and it is a tribute to your intelligence and your perseverance that the result came out like it did.

With every good wish, I am

Sincerely,

Lyndon B. Johnson

XEROX FROM QUICK COPY



AMERICAN AIRLINES

CABLE ADDRESS AMAIR

DALLAS LOVE FIELD • DALLAS, TEXAS

November 6, 1961.

Miss Mary Margaret Wiley,
Office of the Vice President,
Capitol Building,
Washington, D.C.

Dear Mary Margaret:

On your departure yesterday, Charlie paid for the tickets from Dallas to Washington, but suggested that I bill you people on the air travel card for the Mexico-San Antonio round trips. I am enclosing our transportation receipt for signature. Please fill in the air travel information on the lower right hand corner and get a signature on the upper left hand corner.

I didn't get a chance to talk to LBJ when he went up the ramp; however, I hope he realized that we had nothing to do with the reporters being on hand.

Be sure to let me know if you are coming through Dallas on the McKinney trip so that I may meet you.

Kindest regards,

Walter Hagan,
Chief - Airport
Passenger Services.

CE OF THE VICE PRESIDENT
WASHINGTON

November 13, 1961

Dear Walter:

Just a quick note to advise that you will receive a check from San Antonio for the round trip tickets from Mexico City to San Antonio.

Please let me know if this payment does not arrive shortly.

Mary Margaret

OFFICE OF THE VICE PRESIDENT
WASHINGTON

Cliff:

Get hold of Albert Pena and get
the money for this.

LBJ

(AWD) SPECIAL

COPY

November 13, 1961

Bill Stinson

Cliff Carter

Albert Pena should make out a check in the amount of \$206.00 for the round trip air transportation of Cantinflas and Senator Marin Y Kall to Mr. Walter Hagan, Chief, Airport Passenger Services, American Airlines, Love Field, Dallas, Texas.

Ask Albert to write Mr. Hagan a letter setting forth what his check is for and return the enclosed transportation receipt to make sure there is no confusion.

dah

June 1, 1962

MEMORANDUM:

at our request
At 10:30 this morning Cliff Carter and I met with Mr. James J. McCloskey and Mr. William T. Cook of the FBI. Mr. DeLoach had called a few minutes earlier saying that an emergency ~~would~~ *matter* had come up would require him to be in the Director's Office, but that he was sure there would be no difficulty, that McCloskey and Cook would come right back and report to him and if there was any problem he would straighten it out. He said he would see to it that it was handled properly and that nothing went wrong. He said he was convinced more than ever that all of this "is a lot of crap", but that he was also convinced that we were doing the right thing in making it a part of the record.

at our request
I started off the meeting by reviewing my conversation of yesterday with DeLoach and going over with Cook and McCloskey our correspondence, including that concerning Mattox, Foster, and Tanganyika. I then reviewed the only contact between Estes and the Vice President and how that came about. This was a duplicate of what I had told them a ~~week~~ *matter* earlier. I also told them in this connection there had been a good many wild rumors about various reported connections between Estes and the Vice President, such as the plane, Mrs. Johnson in business with him, the insurance, and told them the latest one was that Mrs. Estes and Mrs. Johnson were sisters.

at our request
I then reviewed for them in a general way Carter's contacts with Estes, including their meeting in 1958, the dinner in January to which tickets were given to Carter, the telephone calls, and the public service radio and television tapes. I then summarized by saying that Estes had asked no favors of Carter except for information in the March call, which was not granted and told them that Carter had received no gifts and had no knowledge of Estes' enterprises. I told them that was about the extent of it and if they had any questions Carter and I would be glad to answer them.

Mr. McCloskey said he would like to put Cliff under oath and review the information which I had given. He administered the oath to Cliff and the conversation from this point went about as follows:

Q: You say the first meeting was at Bryan?

A: Yes, the Church of Christ minister at Bryan called me to come out and meet Estes, who had just addressed the students at A & M. Bryan is my home town.

Q: In January of this year, you attended a dinner. Where was it held?

A: The Sheraton Park Hotel.

Q: Was that any particular occasion?

A: There were a bunch of farmers up here from Texas and practically all of those farmers were there-- about sixty of them.

Q: It was here that he gave you the tickets for the dinner. How many tickets were there?

A: Ten.

Q: You already had your tickets?

A: Yes, I had mine. He asked me if we needed tickets and these tickets were passed on to those secretaries who did not have them.

Q: Is that about it as far as your personal contacts with him went. You probably saw him at the Jefferson-Jackson Day Dinner. Were there many others?

A: I have seen him approximately five times. He came by the office early in January for about ten minutes.

Q: What was his purpose?

A: No real reason. I sat down in a small room that had a number of other people in it and visited for about ten minutes.

*reviewed
My statement.
With him, asking if
it was correct.
Cliff assured them
it was.*

Q: He didn't ask any favors?

A: No.

Q: In February you received another call?

A: I got one in February and one in early March. They were practically identical. He told me he had an appointment with Dr. Ralph and was wondering if I would be in town. This kind of call is not unusual. I get many of them just like it. At this point I pointed out that we get some 40 or 50 calls a day and that they come from all over the country on every subject under the sun. I said that Cliff takes most of them.

Q: Did Estes indicate what he wanted to see Dr. Ralph about?

A: No.

Q: Then in late March you received another call asking if he was being investigated?

A: He said there was a rumor he was being investigated and asked if I knew anything about it. I told him no and he said if I found out anything about it to call him back. I did not call him back.

Q: Did he indicate he wanted you to attend the meeting with Dr. Ralph?

A: No.

Q: On the radio tapes were any of the stations paid for the time?

A: No, the program was not carried on any station except those that carried it as a non-political service broadcast.

Q: Should the radio tapes be considered a link between the Vice President and Estes or between Carter and Estes?

A: (Jenkins) Well certainly not between the Vice President and Estes because they had no contact in this matter at all. The Vice President didn't even know who was paying for the tapes.

This was handled completely by the Texas office.

Q: I don't see anything here. If there is any other question may we get in touch with you? I don't anticipate that we will need to do so?

A: (Jenkins) Yes sir, Mr. Carter and I will be glad to furnish any information we have that might be helpful.

The one point during my general recitation and before the question and answer period, Mr. Cook asked me what the Senate Recording Studio was. I told him it was a place in the Senate Office Building where all Senators and Congressmen could go and make radio and television films and tapes for use back in their home districts and states. He then asked if it were a private concern and I told him I did not know the answer to that question. I just knew that it was there in the Capitol and available to Members and that fees were charged for whatever service performed by the studio. I told him that a great many of the Congressmen and Senators did use the facilities for the purpose of making the films.

At the end I made a point of telling them that Estes had never been a part of our organization and generally the intra-party activities in Texas had been on the other side. The entire conference lasted 28 minutes.

*Mud
7
PSE*

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, April 16, 1962

NOTE TO CORRESPONDENTS:

Attached is a statement regarding transfers of pooled cotton allotments in New Mexico and Texas during 1960 and 1961.

These transfers have been brought to public attention as a result of a Texas investigation of the business transactions of Billy Sol Estes.

Also attached is a statement covering the status of Government-owned grains stored in warehouses owned and operated by Estes.

Rod Leonard

Rod Leonard
Assistant to the Secretary

Statement regarding transfers of pooled cotton allotments under the Agriculture Adjustment Act of 1938, as amended (7 U.S.C. 1378) to farms in New Mexico and Texas in 1960 and 1961

This statement outlines the applicable law, regulations and facts developed with respect to the transfers of pooled cotton allotments in 1960 and 1961 to farms in Texas and New Mexico. The principal question involved is whether a number of farmers who had cotton allotments transferred were in fact bona fide owners of the farms within the meaning of the law and regulations or whether such farmers in effect sold their cotton allotments to other persons.

In general, it is the position of the Department of Agriculture that the transactions in question were not within the scope of the law authorizing transfer of acreage allotments and therefore are invalid. It is the contention of the parties that the transfers were within the scope of the law and therefore are valid. It is likely that the matter will eventually be settled by litigation in the courts.

This matter involves approximately 191 displaced owners from several States who obtained approval of transfers of approximately 5,200 acres of pooled cotton allotments to farms in Texas and New Mexico. A list of persons who sold land in these transactions is attached as exhibit A.

Section 378 of the Agricultural Adjustment Act of 1938, as amended, was enacted August 28, 1958, to provide a uniform method of pooling farm acreage allotments for all commodities under marketing quotas from farms acquired by an agency having the right of eminent domain. This section replaced various provisions of the Act relating to this matter for each commodity.

The statute provides that the farm acreage allotment on a farm acquired by any Federal, State, or other agency having the right to acquire such land by eminent domain shall be placed in a pool in the State where the farm is located. The displaced owner may make application within three years from the date he is displaced to have the pooled allotment transferred along with the applicable history acreage to "other farms owned by him." Transfers of pooled allotment may be made across State and county boundaries.

The statute was implemented by regulations of the Department published in the Federal Register on October 4, 1958 (Amendment 1 to regulations in Part 719; 23 F.R. 7693). These regulations closely paraphrased the law and established the functions of the county ASC committees. Transfers of farm allotments for the various commodities were handled under these regulations with several amendments which are not pertinent to the present discussion until Amendment 11 was published in the Federal Register on February 17, 1961 (Amendment 11 to regulations in Part 719; 26 F.R. 1396). This amendment was made necessary because of certain questions which arose in connection with various applications for transfer of pooled cotton allotments from Alabama, Georgia, Oklahoma and other counties in Texas to irrigated land primarily in Pecos and Reeves Counties, Texas, and Otero County, New Mexico.

(more)

This amendment to the regulations required the county committee to obtain additional information by personal interview with each applicant for transfer of pooled allotments so that it could determine whether the transaction by which the displaced owner claims to have acquired the farm to which it is requested that the allotment be transferred is a bona fide acquisition of a farm for the purpose of reestablishing the farm operations of the displaced owner or is a scheme or device to sell the allotment or to transfer the allotment for the benefit of some person other than the displaced owner. The applicant was required to file a certification with the county committee that he made no side agreement with any person for the purpose of obtaining an allotment from the allotment pool for a person other than himself. Such certification was required prior to the amendment to the regulations but this requirement was not specifically established in the published regulation as it existed prior to the amendment. Provision was also made for cancellation of any allotment transferred as a result of misrepresentation by or on behalf of the applicant. Stated another way, this amendment to the regulations assisted the county committee in determining the existence of a fact which the law and the prior regulation had always required as a condition of transfer of allotment, i.e. the fact of a bona fide ownership of another farm by the applicant.

Following are some of the significant events preceding this amendment to the regulations:

1. October 13, 1960. Copies of contracts relating to sales of land to which transfer of pooled allotments was requested from Oklahoma to Reeves County, Texas, were submitted to the Department by the Texas State Committee and a memorandum on this date from the Department advised the Committee that it was not administratively feasible to read intent into these transactions and that so long as the displaced owner certified on his application that no side agreements were involved and the documents furnished to the county committee supported a "bona fide real transaction which does not specify or imply, directly or indirectly, the sale or transfer of allotments, the case should be accepted at face value." The contracts were not the same as the sale and lease-back contracts discussed in 2. below. It appears that this memorandum became available to various persons who were allegedly selling farms to displaced owners on condition that cotton allotments would be transferred from pooled allotments in other counties in Texas as well as from other States.

2. December 20, 1960. A blank form of sale and lease-back contract was submitted to the Department by the Texas State Committee and the Committee was advised on this date that such contracts had been reviewed by the Office of the General Counsel and that transfers of cotton allotment should not be approved where such contracts were used to sell a farm to a displaced owner. These contracts provided, in effect, that the seller would convey title to a farm to the displaced owner who would pay for the land in four annual installments but no down payment was required. If the county committee failed to approve transfer of pooled cotton allotment, the entire arrangement was to be cancelled. The displaced owner leased the farm to the seller and received approximately \$50 per acre of cotton allotment as the first year's rental. The first payment on the purchase price was due on December 1, 1961, and the amount was so large that it appeared unlikely that any of the displaced owners would be in position to make

(more)

the payment. The contract provided an escape clause whereby the displaced owner could reconvey title to the land if he failed to make the first payment and he would thereby escape all personal liability under the contract. He would, however, be entitled to keep the first year's rental payment which in effect amounted to the purchase price for the cotton allotment.

3. January 16, 1961. A meeting was held in Dallas, Texas on this date with representatives of the Oklahoma, New Mexico, and Texas State offices and representatives of the Department, to discuss the question of transfers of pooled cotton allotments. The effect of the December 1960 ruling on the sale and lease-back contracts was fully discussed and a proposed amendment to the regulations was discussed. It was emphasized that the county committee must review the application for transfer of pooled cotton allotment by meeting with the applicant and considering the contracts and other documents evidencing his alleged purchase of a farm in the county.

4. January 17, 1961. A meeting on this date between Henry Marshall of the Texas State office, W. P. Mattox of the Reeves County Committee, the then Southwest Area Director of CSS, Taylor Allen, and John Dennison, attorney for Billie Sol Estes was held at the State office to discuss proposals for sales of land by Estes. Henry Marshall, the man who conducted this meeting, was a Program Specialist in the Texas State office and appears to have handled practically all the matters in the State office relating to cotton acreage allotments. Mr. Marshall was found dead from gun shot wounds on June 3, 1961, his death having been found by a coroner's ruling to have resulted from self-inflicted wounds. The accounts of this meeting by others who were in attendance vary considerably. Sale and lease-back arrangements of the kind involved in the transactions now in question were discussed, but there are conflicting reports as to what was said about them.

5. February 2, 1961. A meeting was held in Fort Stockton, Texas, by Henry Marshall of the Texas State office and representatives of the Reeves, Pecos, Culberson and Hudspeth County Committees to discuss the same matters covered in the Dallas meeting. It appears that at this meeting the representatives of the county committees were told by Marshall that if the applicant for transfer of the cotton acreage allotment (the new owner of the land) furnished a copy of a deed to the land and made the certification on the transfer application form that he had no side agreement for the purpose of obtaining the allotment for any one other than himself, no review of any other documents would be necessary.

Following these instructions, the county committees thereafter approved transfers of allotments upon presentation by the applicant of the deed to the land, the lease agreement and the certification of the applicant that he had made no side agreement for the purpose of obtaining the allotment for any one else. Pursuant to the February 17, 1961, amendment to the regulations, the applicants were required to appear in person before the county committees (unless they were excused because of advanced age, ill health or the like) to show that the transactions were bona fide. Before official written notices of cotton acreage allotments were issued, there was also approval of the transfer by the State ASCS Office. Under the regulations, no approval at the Washington level of the Department was required.

(more)

In April, 1961 the Alabama State ASCS Office furnished the Department with copies of a sale and lease-back contract being offered to displaced owners with pooled cotton allotments in Alabama. These contracts were similar to the contracts reviewed on December 20, 1960 as to which the Department advised the Texas State Committee that transfers thereunder could not be approved.

In a memorandum dated April 12, 1961, signed by Emery E. Jacobs, Deputy Administrator, State and County Operations, ASCS, the Alabama State Committee was advised that the form of contracts had been reviewed by the Office of the General Counsel and that transfers thereunder could not be approved. A copy of the memorandum and contracts was furnished to the Texas State Committee. On this date, representatives of the Department met in Montgomery, Alabama with the Alabama State Committee, the Alabama Commissioner of Agriculture and the Cotton Study Group of the Alabama Legislature. The memorandum of April 12, 1961 was discussed and a press release was issued by the State Committee which resulted in wide publicity in newspapers in Alabama and Texas.

It should be noted that approvals of transfers in Texas were made by county committees which did not have presented to them any contracts such as the sale and lease-back contract which was the subject of the publicity.

Based on reports from area representatives of the Department as well as other sources that some sales of land to which pooled cotton allotments were being transferred were not bona fide, an investigation was begun on July 5, 1961 into the general question of transfers in Texas and New Mexico.

As a result of the investigations, the Department advised the Texas State Committee to withhold issuance of 1962 cotton allotments based on the 1961 transfers of pooled cotton allotments.

A memorandum dated December 15, 1961 to the Under Secretary from the General Counsel recommended that action be taken to cancel the transfers of pooled allotment in the case of Billie Sol Estes. It was indicated that transfers in the case of other persons would be reviewed as soon as possible. As to the 1961 crop of cotton, the applicability of the erroneous notice of allotment provisions of the cotton acreage allotment regulations was also mentioned. These provisions of the regulations provide that where the farm producer plants cotton on the basis of an official written notice of allotment without any reason to believe the notice is in error, the county committee shall determine the facts and if warranted shall determine that no marketing quota penalty shall be established. This determination is subject to approval of the State Committee.

After the various sellers learned that 1962 allotments were being withheld, a number of them, including Billie Sol Estes, had meetings with representatives of the Department in Washington and alleged that the displaced owners to whom land has been sold were the bona fide owners of the land.

Upon careful consideration by the Department, it was determined that each seller should be given an opportunity to prove the bona fide nature of the sales of land. If the displaced owners made the first annual installment on the purchase price, this would indicate that the displaced owner did not intend to default on his contract or reconvey the land to escape personal liability for the purchase price. It appeared that a certification by the seller that a bona fide payment without any subterfuge or side agreement to refund the payment had been made would provide each seller with the opportunity to prove his case.

Accordingly, a form of "Seller's Certification of Bona Fide Sale of Land" was prepared and instructions went to the Texas and New Mexico State Committees. This procedure was approved in a memorandum dated January 31, 1962 from the General Counsel to the Under Secretary. A copy of this certificate is attached as exhibit B.

The Department is now in the process of determining how many of these certificates have been filed. In cases where the certificates are filed, if it appears upon a thorough examination of all the facts that the sale of the farm to the displaced owner was a bona fide transaction and that the transfer of the acreage allotment is a bona fide transfer to another farm owned by the displaced owner, it is contemplated that notices of allotment for the 1962 crop will be issued. In other cases, it is contemplated that notices for the 1962 crop will not be issued and the transfer of the allotments will be cancelled.

Transfers of pooled allotments for 1962 are governed by a revised regulation published in the Federal Register on December 16, 1961 (26 F.R. 12060) which, we believe, effectively prevents transfers which are requested to farms not actually owned by the applicant.

The net effect of this regulation is to require the owner to re-establish his farming operations on the new farm for the first year for which the pooled allotment is transferred so that his status either as farm operator or landlord of a cash lease will be continued.

EXHIBIT A

PERSONS WHO SOLD LAND IN 1960 or 1961 TO DISPLACED OWNERS
UNDER SALE AND LEASE-BACK ARRANGEMENTS PERTAINING TO THE
TRANSFER OF POOLED COTTON ALLOTMENTS 1/

Seller	County	Acreage Allot- ment
Billie Sol Estes Chandler Company	Pecos - Reeves (Texas)	3,123.1
Fred Chandler, Sr. and Fred Chandler, Jr.	Culberson (Texas)	308.8
Marcus Dingler, John P. Dennison Richard D. Naylor	Reeves (Texas)	330.5
Raymond Williams	Reeves (Texas)	105.0
Duke and Shaw	Reeves (Texas)	207.6
W. T. Lattner, Jr.	Reeves (Texas)	58.0
Dr. Harold Lindley, Paul, and John Ivey, a Partnership D. W. Wallace, William R. Ramsey	Reeves (Texas)	325.6
J. W. Hill	Otero (N.M.)	115.3
Drs. John T. Kelley and Channing M. Brown	Hudspeth (Texas)	26.1
Drs. Truett L. Maddox and John T. Kelley	Otero (N.M.)	345.0
Joyce Gray	Otero (N.M.)	57.0
Lendal Barker	Otero (N.M.)	41.0
Gordan Parks	Otero (N.M.)	60.0
G. V. Clayton	Otero (N.M.)	45.3
O. A. Thorp	Hudspeth, (Texas)	50.0
Albert L. Jones and Edna R. Mitchell	Hidalgo (N.M.)	28.5
	TOTAL	5,226.8

1/ Based on records available in U.S.D.A.
(Washington) on April 13, 1962.

EXHIBIT B

Seller's Certification of Bona Fide Sale of Land

I hereby certify that I entered into a contract for sale of land in _____ County, State of _____ to a displaced owner who had pooled cotton allotment transferred to the land purchased by him. Following is the farm identification, name and current address of the displaced owner, the amount of the first annual installment, the amount paid, and the date and manner of payment.

State and County Code and Farm Serial No.	Name and Current Address of Displaced Owner	Amount of First Annual Installment	Amount Paid	Date and Manner of Payment (indicate cash, check or specify other)
--	--	--	----------------	--

The above displaced owner has made full payment of the first annual installment due on the purchase price of the farm in the manner listed above. I entered into no side agreement with such displaced owner for return of such payment to him either directly or indirectly. I did not provide funds nor did I arrange for furnishing of funds by any other person to such displaced owner for use in making such payment. Such payment was bona fide and regular in every respect. The above displaced owner is personally liable for completing payment of the originally agreed purchase price of the land.

Such displaced owner is not now in default under the terms of our contract and such displaced owner is the bona fide owner of the above described farm subject to the vender's lien.

I further certify that the information furnished herein is true to the best of my knowledge and belief.

Witness my signature this _____ day of _____, 1962.

(Signature of seller)

Subscribed and sworn to before me, a Notary Public of the State of

_____, this _____ day of _____, 19__.

[IMPRESS SEAL HERE]

(Signature of Notary Public)

My commission expires _____, 19__.

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, April 16, 1962

USDA Inventory Shows Estes' Grain Stocks Sufficient to Satisfy Storage Obligations:

An inventory conducted by warehouse examiners of the U. S. Department of Agriculture shows that stocks of grain on hand in warehouses owned and operated by Billie Sol Estes and affiliated interests are sufficient both in quantity and quality to satisfy outstanding storage obligations, the U. S. Department of Agriculture reported today.

These warehouses have a capacity of 87,088,279 bushels and currently store 45,843,000 bushels of wheat, milo, barley, and soybeans owned by the Commodity Credit Corporation. The total value of this grain is about \$50 million.

The inventories were conducted during the period April 3 through 11 by warehouse examiners who administer the United States Warehouse Act and the Commodity Credit Corporation examiners who enforce warehouse performance under the Uniform Grain Storage Agreement. Similar inventories have been conducted of these holdings on a continuing periodic basis, as is the case for all grain storage operations.

The examiners took inventories by procedures normally used in determining quality and quantity of bulk grain. Quality was determined by examining samples drawn from each bin. Quantity was determined by measurement and is subject to minor variations from actual weight. Actual weighing of the quantity of grain involved would have required several months to complete.

Substantially all of the grain stored in these warehouses was originally put into them by the producers of the grain who then received warehouse receipts for their storings, which they pledged as collateral for loans from the CCC. When these loans matured, title to the grain was acquired by the CCC.

Operation of these warehouses is now in charge of a receiver who was appointed by a Federal Court.

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Congress of the United States
House of Representatives

COMMITTEE ON GOVERNMENT OPERATIONS

1501 House Office Building

Washington, D.C.

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CAPITOL 4-3121
MAJORITY—EXTENSION 5051
MINORITY—EXTENSION 5050

NEWS RELEASE

FOR IMMEDIATE RELEASE
July 30, 1962

Statement of Hon. L. H. Fountain, Chairman
Intergovernmental Relations Subcommittee

Stories were published yesterday in the Washington Post & Times Herald and the New York Herald Tribune allegedly relating to testimony taken by the Intergovernmental Relations Subcommittee in executive session from William E. Morris. The stories imply that the writers have confidential information concerning the Morris Testimony, but do not identify the source of such purported information.

While I am reluctant to dignify such speculative reports by commenting on them, I believe I should set the record straight.

Since the testimony of Mr. Morris has not yet been released by the Subcommittee, I am not at liberty to discuss it publicly at this time. However, I can state that the implication that it "involves" a number of Congressmen in previously undisclosed "dealings" with Billie Sol Estes is completely inaccurate.

I want to state for the record that there has been no "pressure" placed on me nor have I received any request to "suppress" publication of all or any part of the Morris testimony. Furthermore, so far as I am aware, no such pressure or request has been received by anyone else connected with the

Subcommittee, nor do I know of any "behind the scenes maneuvers" to prevent the release of this testimony.

The allegation that the Subcommittee has been "sitting on" the Morris testimony is completely unwarranted. It was stated publicly shortly after the testimony was taken and has been repeated on many occasions since that time that all significant information obtained through the interrogation of William Morris will be made a matter of public record by the Committee.

The Morris testimony has not yet been made public because the Subcommittee has been and still is in the process of obtaining further information concerning some of the matters to which he testified. The procedure being followed by the Subcommittee, to the best of my knowledge, has the full approval of both majority and minority members.



- 2 -

Subcommittee, nor do I know of any "behind the scenes" of testimony.

The suggestion that the Subcommittee has "behind the scenes" testimony is completely unwarranted. It was stated publicly shortly after the testimony was taken and has been repeated many times since that time. The Subcommittee has obtained significant information through the investigation of Williams. It will be made a matter of public record by the Committee.

The Non-Testimony has not yet been made public because the Subcommittee has been and will be in the process of obtaining further testimony. The Non-Testimony is of the nature to which he testified. The procedure being followed by the Subcommittee, to the best of my knowledge, is the approval of both majority and minority members.

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August 6, 1962

PERSONAL & CONFIDENTIAL

MEMORANDUM TO WALTER JENKINS

From: Charlie Boatner

I believe the best answer to give, in case we are asked, is:

"Mr. Johnson was at the head table at the banquet January 20 from the time he arrived until his departure.

"It has been stated previously that printed slips were passed out by members of the Vice President's staff to the visiting Texans at the banquet, notifying them of a coffee at the Vice President's home the following afternoon. Among those who accepted the invitation was Mr. Billy Sol Estes and Mr. Estes was introduced to the Vice President at that Sunday afternoon reception."

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Mr. Morris. No, sir.

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calling collect when you call back in a case like that; you are responding to their call. Either it wasn't important enough in the first place for the caller to make arrangements for you to call back, or else I wouldn't see any need to call back. So I don't see any relationship of that to a man giving a credit card. This just doesn't add up at all.

On many occasions when Mr. Estes came to town, made arrangements for him, such as picking him up at the airport and whatever other services he needed when he was around town, when he was here for the Inaugural anniversary banquet. I understand he also attended a reception given by the Vice President. Did you have any connection with this at all?

Mr. Morris. No, sir.

Mr. Langen. Did you know he was there?

Mr. Morris. He said he was there, and people in his party said they were there, and the Pecos newspaper had a story on it.

Mr. Langen. Did this include all of the members of his party? I gather he had quite a party here for that?

Mr. Morris. Yes, sir. I understand they were all guests. I don't know any details of it, Congressman. That is all I know, was that they were at the Vice President's home I think on Sunday afternoon.

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Mr. Morris. I beg your pardon?

Mr. Fountain. You didn't tell him that it was your wife's credit card?

Mr. Morris. I told him my wife had it, that Mr. Estes had left it for my wife's use when we discussed the bill. It was not for my personal use, nor my wife's personal use.

Mr. Naughton. Do you know Lyndon Johnson, Vice President?

Mr. Morris. I don't know whether I have ever shaken hands with him or not, Mr. Naughton.

Mr. Naughton. You are not personally acquainted?

Mr. Morris. No, sir.

Mr. Naughton. Have you ever seen him with Billie Sol Estes?

Mr. Morris. With him?

Mr. Naughton. Yes.

Mr. Morris. At that dinner I believe I saw the two together, Mr. Estes shook his hand or--I am not sure.

Mr. Naughton. How many people were at that dinner? Four thousand?

Mr. Morris. Five thousand, something like that. I don't recall whether I ever saw them together.

Mr. Naughton. Do you know of your own personal knowledge whether Billie Sol Estes is a close personal friend of Lyndon Johnson?

COPY

198

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COPY

336

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Mr. Morris. Yes, sir. I understand they were all guests. I don't know any details of it, Congressman. That is all I know, was that they were at the Vice President's home I think on Sunday afternoon.

particular time, in fact dated January 12, 1962, is the report on cotton allotments written by Mr. Tom Miller.

Did I understand you to say this morning that you knew Tom Miller?

Mr. Morris. Yes, sir.

Mr. Langen. Did you know about this investigation?

Mr. Morris. No, sir.

Mr. Langen. (continuing) -- that he was --

Mr. Morris. Oh, I knew of the overall investigation. I knew nothing of Mr. Miller making any investigation, no, sir.

Mr. Langen. At the same time, you were aware of a situation that had grown to such proportions that it was necessary to call for an investigation; you knew that there were all kinds of questions being raised relative to his entire field of operation; yet you could not determine that the receipt of \$200 had any relationship to all of this?

Mr. Morris. I did not so relate it, no, sir.

Mr. Langen. This is just beyond my ability to comprehend, with so many people in the Department being aware of it -- and the evidence is certainly here -- as to the results as far as Mr. Estes was concerned.

Let me explore another area.

One further question in this connection while we are
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on this subject.

I have mentioned before that as far as political contributions are concerned, certainly they are in order.

We know they have got to be made and so on.

But in connection with this dinner, and the purchase of tickets, I understand that there was a question of a number of other tickets, and that there was a request for the sale of some additional tickets.

Were you aware of this?

Mr. Morris. A request to sell some additional tickets?

Mr. Langen. Yes.

Mr. Morris. I had no request to sell additional tickets, no, Congressman.

Mr. Langen. In the notes that I have here -- and these are the notes of your appearance before the staff -- I note that "Estes bought a thousand dollars worth of anniversary tickets for the office of Lyndon Johnson when the office advised him that they were short of tickets."

You must have made some reference to this in your testimony to that at that time?

Mr. Morris. I placed a call from our office to the Vice President's office for Mr. Estes, and handed him the telephone. And all I know is the end of the conversation

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I heard. I don't know whether he bought him the tickets, delivered the tickets.

I don't know those things, Congressman.

Mr. Langen. Then let me explore that a little further. You say you placed a call for Mr. Estes?

Mr. Morris. Yes.

Mr. Langen. To Lyndon Johnson?

Mr. Morris. To his office.

Mr. Langen. To his office?

Mr. Morris. Yes.

Mr. Langen. And he just requested you to make this call for him?

Mr. Morris. Yes, sir.

Mr. Langen. This did involve the sale of some tickets to the dinner?

Mr. Morris. There was discussion. All I heard was his end of the discussion. It was about ten tickets that somebody needed. And he said I will provide them, or I will provide the money for them, or something like that.]

That is my recollection of it.

Mr. Fountain. Will the gentleman yield?

Mr. Langen. I will be glad to.

Mr. Fountain. Do you know who was at the other end of the telephone, engaged in conversation about Mr. Estes?

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Mr. Morris. I think his name was Carter, Cliff Carter.

I placed the call. Again, men like that would come into the office and say, "Would you make a call for me to someone," and I would make the call, hand him the phone, call the Hill or some place. I did not attach any unusual significance to it, that is why I don't know all the details.

Mr. Fountain. Where was the call made from?

Mr. Morris. From our office.

Mr. Langen. This was at the same time, however, that you also gave to him the tickets that you had purchased with the money orders?

Mr. Morris. Not at that moment, no, sir.

I did not have the tickets.

Mr. Langen. You did not have the tickets?

Mr. Morris. No, sir.

Mr. Langen. When did you give him the tickets?

Mr. Morris. I think the day before the dinner or the day of the dinner. I did not get the tickets until the day before the dinner or the day after.

Mr. Langen. When was the dinner?

Mr. Morris. January 20, as I recall.

Mr. Langen. You just bought the tickets on the 19th, the 18th, or something prior to --

Mr. Morris. No, Congressman. They had been

ordered for some time.

Mr. Langen. When did you order them?

Mr. Morris. I don't recall the dates. I think my wife and I ordered ours on the 16th -- I don't recall the dates. Early in the month they were ordered.

You don't get the ticket until they have arranged the seating arrangement.

Mrs. Dwyer. Would the gentleman yield at this point?

Mr. Langen. I will be glad to.

Mrs. Dwyer. What date was it that this phone call was put in by you to the Vice President's office?

Mr. Morris. I believe it was on the 18th, Mrs. Dwyer, because as I recall the purpose of the call was to invite them to a dinner that Mr. Estes was giving.

Mrs. Dwyer. To invite the Vice President and his wife to the dinner?]

Mr. Morris. The staff, I think he was inviting.

Mrs. Dwyer. You don't know?

Mr. Morris. Well, that was, as I understand the purpose of the call, would I get Cliff Carter for him, I think was the man I called, and he was going to invite them to a dinner he was having the night before.

This possibly was the 19th that this call was made. He had a dinner of his own at the Sheraton Park the night before the fund raising dinner. And I went to that dinner

myself. It was in the Sheraton Park Hotel.

Mrs. Dwyer. Didn't this impress you, that he would come into you and ask you to call the Vice President's office?

Mr. Morris. Yes, sir, I was quite impressed with the man.

Mrs. Dwyer. Would this be one of the reasons why you did not want to displease Estes, because you instinctively knew that he had a friendly relationship with the top, so to speak?

Mr. Morris. From where I sat, I would not be rude to or offend any man in his position.

Mrs. Dwyer. It was impressive to come into your office and say Get the Vice President's office?

Mr. Morris. Yes. Well, I worked on the Hill and I worked for Congressmen who could get the Vice President on the telephone. I am not easily impressed with the fact you can do it. But a man who knew everybody as well as Mr. Estes did, I was quite favorably impressed with him.

Mrs. Dwyer. Thank you, Mr. Langen.

Mr. Langen. Just following the matter of the impression, if I may.

Didn't it ever occur to you that maybe a big part of this impression that he seemed to be able to convey to anybody,

MEMORANDUM

DATE: July 28, 1962
TO: Walter
FROM: Cliff
RE:

I talked with Jim Naughton this morning and told him the things Abe had suggested. At the conclusion of my remarks Naughton said, "in reflecting back over the various things Morris said about the Vice President and you, is there anything of consequence or concern in the testimony?" I answered by saying, "no, nothing -- the only thing that bothered me was letting him get by with so much hearsay."

Naughton said if Morris was unclear and indefinite in his recollection about the things in which he has testified, then those things will be dropped from the record. However, he said it would be his guess that the minority members of the committee would vigorously object if an effort was made to drop any part that involved the Vice President, even if it was hearsay. Naughton said you know we must have unanimous consent from all members of the committee in order to strike anything from the record.

Naughton told me that McSpadden in Amarillo yesterday, said Estes had gotten Morris to destroy certain papers relating to Estes' bond on grain storage. The committee plans on asking Morris for more details of this allegation. He also said he understood there was a good possibility that Morris might be called before the McClellan committee this coming week.

Naughton said he would keep me posted before any release was made of the Morris testimony.

July 30, 1962

PERSONAL & CONFIDENTIAL

Mr. Vice President,

Per your instructions, I discussed this memorandum with Abe Fortas. Abe thinks that there is nothing to do except to sit tight.

He said the only possible course of action would be to have Cliff put a statement in the record before it is released, and he thinks this might just serve as a basis for the Committee to call Cliff for testimony and cross-examination. This Abe would not recommend.

GER-

He contributed substantially to the Democratic National Committee. I think one time he told me he had been to the National Committee and sat in the reserve section for those who had made substantial contributions.

Mr. Fountain. Did he tell you he had given them \$100,000?

Mr. Morris. He may have at one time. I do recall his saying he made the size contribution, five thousand or whatever it is, that entitled you to sit -- he mentioned that he was one of the first to contribute to pay off the debt.

But Mr. Estes was a kind of man who did not go into detail. He just said "I helped my political friends, I helped the national committee; I am a heavy contributor."

Mr. Fountain. Did he tell you anybody else he said he had given contributions to?

Mr. Morris. I don't recall specifically his saying that he contributed specifically to anybody, but he said he did help Senator Yarborough.

Mr. Fountain. Other than Senator Yarborough, did he tell you that he had given contributions to any member of Congress?

Mr. Morris. I don't recall any specific member of Congress to whom he said I gave some money.

Mr. Fountain. Did he indicate he had given contributions to the Vice President?

Mr. Morris. No; not that I recall, any indication that he contributed to the Vice President.

Mr. Naughton. So other than the names that you have already mentioned, you have no reason to believe that Billie Sol Estes ever gave any specific amounts of contributions to any specific individual?

Mr. Morris. Not that I recall.

Mr. Fountain. He did not say that? He said he had no reason to believe. He said that he made the general statement that he had contributed to people in public office. He mentioned Senator Yarborough specifically.

Mr. Naughton. Do you have any specific knowledge or specific reason to believe that Mr. Estes gave substantial contributions of gifts or anything of value to any individuals other than those you have already named?

Mr. Morris. Not to my knowledge, that I can recall, other than he talked of being a generous contributor, and he was a man who apparently threw around a lot of money. But I don't recall any specifics other than I do know he was very fond of Senator Yarborough and said he had helped him financially in his campaigns and had contributed to him to help him with his political problems and I think he said he had flown him a million miles in his plane in his campaigns, something like that.

I was not his confidant in the field of political

Senator or Congressman or somebody, a higher public official here in Washington that you talked about and knew well?

Mr. Morris. No, ma'am.

Mrs. Dwyer. Is Senator Yarborough the only one he mentioned to you?

Mr. Morris. No. As I say, he knew a lot of people. He knew all of the Texas delegation from the Speaker on down. According to him.

Mrs. Dwyer. He told you this?

Mr. Morris. Yes.

Mrs. Dwyer. In the course of your conversation and friendship, he told you he knew these people?

Mr. Morris. Yes.

Mrs. Dwyer. Who else did he say he knew?

Was Senator Yarborough the only one you remember?

Mr. Morris. No, ma'am. He knew Rutherford, Mahan, Speaker Rayburn, officials of the Democratic National Committee, whose names I cannot recall.

Mrs. Dwyer. Anybody higher up than that? Did you at any time in a briefing, or at any other time mention the fact that Mr. Estes had been to the Vice President's home?

Mr. Morris. Yes.

Mrs. Dwyer. And described what happened there?

Mr. Morris. He apparently knew the Vice President well.

Mrs. Dwyer. Were you at that party?

Mr. Morris. Oh, no.

Mrs. Dwyer. What you described was secondhand then?

Mr. Morris. Yes, ma'am.

Mrs. Dwyer. Who told you about meeting with Estes and the vice president at the Vice President's home?

Mr. Morris. Mr. Estes did.

Mrs. Dwyer. From Mr. Estes himself?

Mr. Morris. Yes, and also in the Pecos newspaper. There was a full-page spread of pictures and descriptions of the party.

Mrs. Dwyer. Were you a political adviser in a sense to Dr. Ralph as his assistant, a confidential adviser?

Mr. Morris. I don't know. What do you mean by "political adviser"?

Mrs. Dwyer. Having been on the Hill as long as you have been --

Mr. Morris. I would say I was his Congressional liaison adviser. I can't recall a specific partisan political advice.

You see, Dr. Ralph was engrossed in the self-help stabilization program. I would say we spent 90 per cent,

Mr. Fountain. Do you know of your own knowledge whether or not a copy was placed in Dr. Ralph's confidential memorandum file as you testified yesterday?

Mr. Morris. I gave a copy to Dr. Ralph. He had set up in his desk drawer a file where he put copies of his confidential memos to the Secretary. And I gave him a copy for the purpose of putting it in the file. He has since told me when this question came up that he couldn't find the copy.

Mr. Fountain. Mr. Morris, you testified yesterday, or told the members of the staff when they interrogated you, whichever may have been the case, I don't recall now, that Mr. Estes was close to all of the members of the Texas delegation, particularly Mr. Johnson and Senator Yarborough. How do you know that?

Mr. Morris. In the case of Senator Yarborough, I saw him at each of Mr. Estes' parties, and they were apparently close personal friends. I was with him one time, I think, when we went by Senator Yarborough's office, and all the staff in the office called him "Billie Sol" and knew him well.

I recall at one meeting some place he brought Congressman Mahon -- the reason I recall that was Congressman Mahon had been displeased with the speech Dr. Ralph had made, and we discussed that briefly. We discussed

again the day we walked over to the Democratic Caucus and I told him Dr. Ralph had benefitted by his counsel and he said he liked it, he was pleased.

So from that --

Mr. Fountain. The record will show that he was known in Vice President Johnson's office and certainly possibly known personally by Mr. Johnson and by Senator Yarborough.

What prompts me to ask the question is, if I am not mistaken, I have had several members of the Texas delegation say, "I never knew the fellow."

I am asking if your information is based upon what Mr. Estes said to you that he made a general statement that he knew all the members of the Texas delegation or most of them. It wouldn't be unusual if he did, coming from the same state. But I just think the statement of this kind ought to be clear.

Mr. Morris. I don't know, Congressman, of my own observation or knowledge. I know that any time I saw him with a member of Congress from Texas, they were cordial and first name basis, and from that I would have no reason to question his saying he knew all of them well.

I do not know of my personal knowledge whether he knew all of them or not.

Mr. Fountain. I would say it is logical to conclude that one like Mr. Estes would naturally know Senators, his

again the way we would want to see the Democratic Party
and I told him Mr. Nelson had been killed by his assassin and
he said he liked it, he was pleased.

He then said —

Mr. President. The record will show that he was known
to Vice President Johnson's office and certainly personally
known personally by Mr. Johnson and by Senator Johnson.
That is all I can say about the matter. At I do not

know, I have had several contacts of the Texas delegation
this day, "I never knew the fellow."

I am sending it your information is based upon what
Mr. Nelson said to you that he made a personal statement
that he knew all the members of the Texas delegation on
most of them. It would be unusual if he did, coming from
the same state. But I just repeat the statement as given him
right in the chair.

Mr. Nelson. I don't know. Congressman, of my own
observation or knowledge. I know that my time I saw him
with a number of Congressmen from Texas, they were invited and
first name basis, and from that I would have no reason to
question his saying he knew all of them well.

I do not know of any knowledge whether he
knew all of them or not.
Mr. Johnson. I am not sure.
That was from Mr. Nelson's statement, his



Enter 2
L. H. FOUNTAIN, R.C., CHAIRMAN
JOHN A. BLATNIK, MINN.
NEAL SMITH, IOWA
ROSS BASS, TENN.

EIGHTY-SEVENTH CONGRESS

**Congress of the United States
House of Representatives**

INTERGOVERNMENTAL RELATIONS SUBCOMMITTEE
OF THE
COMMITTEE ON GOVERNMENT OPERATIONS
HOUSE OFFICE BUILDING
ROOM 101, GEORGE WASHINGTON INN
WASHINGTON, D.C.

FLORENCE P. DWYER, M.J.
GARY LAMSON, MINN.

CAPITOL 4-3121
EXTENSION 2248

July 6, 1962

Mr. Clifton C. Carter
Assistant to the Vice President
Room 5121 New Senate Office Building
Washington, D.C.

Dear Mr. Carter:

I am enclosing for your attention pages 166,
167, 168, 169, 198, and 336 of testimony before the Subcommittee
by Mr. William E. Morris. These pages contain references to
you or to the Vice President.

It would be appreciated if these pages can be
returned to the Subcommittee as soon as you have examined them.
Since the testimony was taken in executive session and has not
been released by the Subcommittee, it should not be disclosed
or discussed with unauthorized persons.

We will notify you in advance in the event Mr.
Morris' executive testimony is to be released. In the event
there is any question concerning Mr. Morris' testimony, please feel
free to contact me.

Sincerely,

James R. Naughton
James R. Naughton, Counsel
Intergovernmental Relations Subcommittee

JEN:t
Enclosures

XEROX FROM QUICK COPY

OFFICE OF THE VICE PRESIDENT
WASHINGTON

March 7, 1962

Dear Billie Sol:

Thought you would like to see
the attached.

Lyndon B. Johnson

TRANSFERRED TO HANDWRITING FILE



DEPARTMENT OF STATE
WASHINGTON

March 1, 1962

Dear Mr. Vice President:

We have received your letter of September 15 regarding a request by Billie Sol Estes of Pecos, Texas, for your assistance in obtaining recognition of the Churches of Christ in Tanganyika.

We wrote to you on December 9, 1961, in regard to the status of the Churches of Christ in Tanganyika. We mentioned that the Embassy in Dar es Salaam had communicated with Mr. Eldred L. Echols, an American missionary of the Churches of Christ, and that Mr. Echols had decided not to press his application for recognition but to wait until the next missionary entered Tanganyika. At that time the Tanganyika Cabinet would be requested to grant recognition to the individual congregation sponsoring the missionary.

The Embassy has been instructed to report whether Mr. Echols has encountered any difficulty in obtaining recognition for missionaries entering Tanganyika and to render appropriate assistance, if necessary.

We shall write to you again when further information is received from the Embassy.

Respectfully,

Frederick G. Dutton
Assistant Secretary

The Vice President,
United States Senate.

COPY

February 15, 1962

Dear Billie Sol:

It was good to hear from you and I appreciate you writing me in behalf of the churches of Christ in Tanganyika. As I am sure you will realize, it would be improper for me to write direct to the Minister of Education in Dar-es-Salaam, however, I am this date presenting your thoughts to the Department of State asking that they take this matter up with the proper authorities of that country. I will be back in touch with you as soon as I have a report on this matter.

I am grateful for you calling this situation to my attention and I hope you will always let me know when I can be of service to you or yours.

Sincerely yours,

Lyndon B. Johnson

Mr. Billie Sol Estes
P. O. Box 1052
Pecos, Texas

ccc
LBJ:CCC:dah tagged to state

U. S. SENATOR...



7
LYNDON B. JOHNSON

FOR VICE PRESIDENT



HEADQUARTERS • 1001 CONNECTICUT AVE., N.W. • WASHINGTON, D. C. • DISTRICT 7-1717

October , 1960

My dear Friend:

We have had eight wonderful and successful weeks campaigning all across the nation. Now we are heading home to spend the final week among our friends who mean the most. Lady Bird and I want to see you, and I hope we will when we are in your vicinity.

I hope that you will be working -- for me -- to win the victory in Texas on November 8. The Democratic ticket is winning nationally and Texas will win with it. We have made great strides this year toward ending the prejudice against our region and state. I believe we are on the threshold of new influence and opportunity -- and a Texas-sized majority for the "Texan's ticket" will open the door to the future for the goals we have so long sought.

You have my thanks in advance for your efforts between now and Election Day which will bring us the greatest victory of all.

Won't you and your family help all you can now. I'll be grateful.

Sincerely your friend,

Lyndon B. Johnson

COPY

ELECTION

VP

Pro.

Tex.

November 19, 1960

Dear Billie Sol:

I don't know how I could ever repay you for all the things you have done for me. But, I want you to know I appreciate everything you have done, and will never forget it. I know you were working against tremendous odds, and it is a tribute to your intelligence and your perseverance that the result came out like it did.

With every good wish, I am

Sincerely,

Lyndon B. Johnson

Mr. Billie Sol Estes
Box 1052
Pecos, Texas

LBJ:HM:pat

BILLIE SOL ESTES ENTERPRISES

BOX 1052
PECOS, TEXAS

November 9, 1960

Lyndon B. Johnson
Vice President Elect
Washington, D. C.

Dear Lyndon:

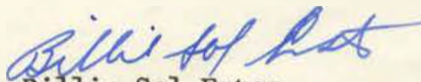
As a Texan and fellow-Democrat, please let me congratulate you and your wife and family on being elected Vice President of the United States in this most important time of world tension. A wiser choice could not have been made, and I predict that you will be the next President of the United States.

Your attitude toward your fellow-man and your zeal to serve your neighbor states and nations and all mankind throughout the world will make you one of the greatest presidents that this country has ever known. You will acquire a lot more knowledge and will take advantage of every opportunity to serve this country and that you will be a real blessing to the world by the way in which you live and serve your fellow-man.

In Reeves County, Kennedy-Johnson won with 2205 votes, Nixon-Lodge trailing with 1449. Please find enclosed a bunch of clippings from newspapers in this area and an excerpt from a regional paper that we had printed and circulated in this area. I really worked hard fighting those against the Democrats because of the religious issue. And I believe this had a lot to do with getting such a great number of votes.

Best wishes to you and the new administration.

Sincerely,


Billie Sol Estes

BSE/cw

gifts

COPY

August 26, 1960

My dear Friend:

Many, many thanks for the delicious
cantaloupes.

You are a mighty thoughtful friend.

Sincerely,

Lyndon B. Johnson

Mr. Billie Sol Estes
Pecos, Texas

LBJ:BC

GREETINGS AND BEST WISHES

AUG 12 1950

RECIPIENT

88933

Senator Lyndon B. Johnson
Senate Office Bldg.
Washington, D. C.

PIECES

GIFT NO.

DESCRIPTION

1

F O G

25 # CANTALOUPE

DONOR Billie Sol Estes
Pecos, Texas

SHIPPED BY

M. L. TODD CO.
PECOS, TEXAS

Thank for
cantaloupe

OFFICE OF THE VICE PRESIDENT
WASHINGTON

27

Juanita,

Reedy-Fortas recommendation.

In House Probe Of Estes Urged

Marshall Probers Wait File

FRANKLIN, Tex. (AP). County grand jurors hunting leads in the mystery death of Henry Marshall awaited a look today at a confidential government file on cotton allotments.

Marshall was found shot to death last June 3 after he had been checking such allotments held by Billie Sol Estes, the West Texas promoter since indicted on fraud and theft charges.

As witnesses the grand jury summoned William Elliott of Temple, an Agriculture Department investigator, and John Dennison of Pecos, who heads the Estes legal staff.

Dr. J. A. Jachimczyk, a Houston pathologist who said Marshall probably was murdered, likewise was expected to testify. The medical expert gave this opinion after an autopsy on the exhumed remains last week.

Five bullets from a .22 caliber bolt action rifle were fired into Marshall's body. The inquest verdict at the time was suicide.

Dist. Atty. Bryan Ruas and the grand jury called for a 175-page file prepared by Elliott on cotton allotment investigations. The Agriculture Department has ruled Estes obtained some allotments illegally.

Atty. Gen. Robert F. Kennedy said in Washington his staff had sent confidential data from an Agriculture Department report on Estes containing several references to Marshall. He said U.S. Atty. Barefoot Sanders of Dallas would present the information to the grand jury here.

It was indicated in advance, however, that the report was unlikely to provide any clues in the death of Marshall.

Kennedy told newsmen the Justice Department had prepared excerpts containing all parts of the report which could be considered to have any bearing on the Marshall case. Chairman John L. McClellan, D-Ark., of the Senate Investigations subcommittee, which also is probing Estes' affairs, already has been given the report.

Texas Atty. Gen. Will Wilson had asked that the full file on Estes' allotments be supplied the grand jury.

*Dallas Times Herald
May 28, 1962
Headlines
Wilson's Keep in
House Probe of
Estes Urged*

Officials Of USDA Due Quiz

By ROY MCGHEE

WASHINGTON (UPI)—Republican members of a House investigating subcommittee demanded today that Texas Atty. Gen. Will Wilson be called to give evidence about the Billie Sol Estes case.

Ranking GOP member Florence P. Dwyer made the demand in an opening statement as the House Intergovernmental Relations subcommittee began its investigation of the far-reaching case.

The New Jersey congresswoman said Agriculture Department witnesses called today by the subcommittee "are not in a position to clear up many questions which have been raised dealing with charges of favoritism in connection with Mr. Estes' grain storage activities."

WILSON WILLING

Mrs. Dwyer said the Texas attorney general — who she said knew more about the case than any other person — already had told Republican members he was willing to testify.

She read into the record a telegram dated May 25 to Wilson asking

See ESTES on Page 4

XEROX FROM QUICK COPY

Agent: Frank Moore has stated he passed on money to you he had received from Wayne Cooper for the purpose of helping to defray expenses of VP Johnson on his trip to Lubbock last November. Did you receive money from Wayne Cooper?

ccc: no.

Agent: Did you receive any money from Frank Moore to help defray expenses of the Vice President on the Lubbock trip?

ccc: no.

Agent: Did you receive any money from Frank Moore?

ccc: yes.

Agent: Was it used for Mr. Johnson or his expenses?

ccc: No.

Agent: What was it used for?

ccc: Frank Moore is the State Democratic Executive Committeeman from his area + he gave this money to me to be used in behalf of the various Democrats running for office at that time. It was used for this purpose.

Agent: How much money did Frank Moore give you?

CC: Several hundred dollars as I recall.

Agent: Previous to this occasion did Frank Moore ever give you any money?

CC: No.

Agent: Did this seem unusual to you that he now would offer you money to help Democrats?

CC: No.

Agent: Did you know Frank Moore got some of this money from Wayne Cooper?

CC: No.