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[COMMITTEE PRINT]

INVESTIGATION OF DEPARTMENT OF AGRICULTURE

(Testimony of William E. Morris)

EXCERPT FROM
HEARINGS
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON
GOVERNMENT OPERATIONS
HOUSE OF REPRESENTATIVES
EIGHTY-SEVENTH CONGRESS
SECOND SESSION

JUNE 29 AND 30, 1962

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CONTENTS

Testimony of William E. Morris, former employee, Department of Agriculture; accompanied by Frank H. Strickler, counsel	Page 2, 93
Letters, statements, etc., submitted for the record by—	
Fountain, Hon. L. H., a Representative in Congress from the State of North Carolina, and chairman, Intergovernmental Relations Subcommittee:	
Excerpt from testimony of Robert Manuel, minority counsel, Intergovernmental Relations Subcommittee, June 6, 1962	34
Excerpt from the rules of the House of Representatives, rule X, section 26 (m), relating to procedures of committees	1
Letter which appeared in the Dallas News, April 21, 1962	89
Langen, Hon. Odin, a Representative in Congress from the State of Minnesota: Excerpt of letter from William E. Morris, former employee, Department of Agriculture, to Billie Sol Estes, September 22, 1961	75
Morris, William E., former employee, Department of Agriculture:	
Excerpt from memorandum of conversation with Hon. Carl Anderson, a Representative in Congress from the State of Minnesota	88
Excerpt of letter from Billie Sol Estes to:	
Alice Morris, February 5, 1962	114
Alice and William Morris, July 20, 1961	114
William E. Morris, September 12, 1961	114
Excerpt of letter from William E. Morris to Billie Sol Estes, July 27, 1961	114
Letter from Billie Sol Estes to William E. Morris:	
March 6, 1962	30
March 19, 1962	30
Naughton, James R., counsel, Intergovernmental Relations Subcommittee: Excerpt of an unsigned letter which appeared in the Dallas News and according to the paper was obtained from the "Bill Morris file"	87
Strickler, Frank H., counsel for William E. Morris: Letter from William E. Morris, former employee, Department of Agriculture, to Billie Sol Estes, March 9, 1961	32
APPENDIX	
Comments of Hon. George H. Mahon, a Representative in Congress from the State of Texas	143
Comments of Hon. Harlan Hagen, a Representative in Congress from the State of California	144
Statement of Hon. H. Carl Andersen, a Representative in Congress from the State of Minnesota	146
Comments of Hon. Ralph W. Yarborough, a U.S. Senator from the State of Texas	146

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INVESTIGATION OF DEPARTMENT OF AGRICULTURE
(Testimony of William E. Morris)

FRIDAY, JUNE 29, 1962

HOUSE OF REPRESENTATIVES,
INTERGOVERNMENTAL RELATIONS SUBCOMMITTEE
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C.

The subcommittee met in executive session¹ at 10:27 a.m., in room 1537, New House Office Building, Hon. L. H. Fountain (chairman of the subcommittee) presiding.

Present: Representatives L. H. Fountain, Neal Smith, Florence P. Dwyer, and Odin Langen.

Also present: James R. Naughton, counsel; Daniel A. Kavanaugh, assistant counsel; Herbert B. Warburton, minority counsel; Miles Q. Romney, associate general counsel, Government Operations Committee; Philip Carlson, minority counsel, Government Operations Committee; and Edward Hanna, certified public accountant, General Accounting Office.

Mr. FOUNTAIN. Let the subcommittee come to order.

Let the record show that a quorum is present.

Under the rules of the House of Representatives, the Committee on Government Operations, as I have pointed out a number of times, has responsibility for studying the operation of Government activities at all levels with respect to economy and efficiency. That responsibility, insofar as it relates to the Department of Agriculture and certain other departments and agencies, has been delegated by the committee to the Intergovernmental Relations Subcommittee.

Our hearing today in executive session is for the purpose of obtaining information concerning operations of the Department of Agriculture. We are primarily concerned at the present time with operations involving Billie Sol Estes.

The subcommittee is trying to ascertain, among other things, whether or not Billie Sol Estes received preferential treatment and whether or not he had reason to expect he could get preferential treatment, even if he did not actually receive it.

Rule X, section 26(m), of the House of Representatives, relating to procedures of committees, reads as follows:

If the committee determines that evidence or testimony at an investigative hearing may tend to defame, degrade, or incriminate any person, it shall (1)

¹This portion of the hearings were held in executive session. Subsequently the subcommittee ordered the transcript released.

receive such evidence or testimony in executive session, (2) afford such person an opportunity voluntarily to appear as a witness, and (3) receive and dispose of requests from such persons to subpoena additional witnesses.

I am not at all certain that any evidence or testimony we will take today will actually tend to defame, degrade, or incriminate any person. However, in view of the area to be covered by our questions and the differences of opinion that sometimes exist as to the meaning of the phrase "defame, degrade, or incriminate," we on the committee have thought it best to take testimony in executive session today.

We have Mr. William E. Morris present this morning. I think the record should show that Mr. Morris is here voluntarily at the request of the committee.

Mr. Morris, will you raise your right hand, please? Do you solemnly swear that the testimony you are about to give to this subcommittee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MORRIS. Yes, sir.

**TESTIMONY OF WILLIAM E. MORRIS, FORMER EMPLOYEE,
DEPARTMENT OF AGRICULTURE; ACCOMPANIED BY FRANK H.
STRICKLER, COUNSEL**

Mr. FOUNTAIN. Mr. Morris, would you please give us a brief summary of your personal background up to the time you first came to Washington?

Before you do that, let the record also show that Mr. Morris is accompanied by counsel, Mr. Frank H. Strickler.

Mr. MORRIS. Mr. Chairman, I am William E. Morris. I was born in Powder River County, Mont., on a homestead. After the loss of my father we moved back to Oklahoma, from whence my parents had come. I grew up in Oklahoma, attended public schools, and Tulsa Business College.

There is nothing significant about my early life except I worked as a caddy, as a Western Union messenger; I ran an elevator in a two-story building one time, which people find kind of hard to believe.

I came to Washington on savings and two or three businessmen, and one teacher who had confidence in me, loaned me money to come to Washington.

I came to Washington with Congressman Wesley Disney, who was the Congressman from that district, and worked without compensation in his office until I could find my first Government job.

Mr. FOUNTAIN. Would you please outline for us briefly any and all Government jobs which you have held, other than with the Department of Agriculture and the House of Representatives, which we will go into later.

Mr. MORRIS. Yes, sir.

My first appointment was at EO-1, \$1,080 a year, in the Department of Labor as an underclerk. I worked in the Department of Labor, Employment Service, for several years. From there I went to the Office of Information in the Department of the Army—Department of War at that time. From there I went to the Maritime Commission as a personnel officer. From there I went back to the Employment Service, which was then the War Manpower Commission, in the Veterans Employment Service.

Each of these changes was for a promotion. I worked up to Assistant Chief of the Veterans Employment Service, title IV of the GI bill. And from there, the Veterans Employment Service, I went to the Bureau of Veterans Reemployment Rights as field representative for a group of Southwestern States. I left that job, resigned, to go into business, and I proved that a bureaucrat couldn't survive in business and I lost all the money we had saved in the jewelry and gift business.

I came back to Government in the U.S. Department of Agriculture in the manpower end of it during the Korean war, and you have my record with the Appropriations Committee and Congressman H. Carl Andersen of Minnesota; and then was reinstated in the Department of Agriculture a year ago March 1.

Mr. FOUNTAIN. When did you go with Mr. Andersen? Was that before you went with the Department of Agriculture?

Mr. MORRIS. No, sir. I was with the Department of Agriculture in 1950, 1951, along in there.

Mr. FOUNTAIN. Was that when you first went with the Department of Agriculture?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. How did you happen to go to work there?

Mr. MORRIS. I canvassed the departments, and in Agriculture they had this manpower problem arising out of the Korean war, and they had put together a small manpower staff. Congressman Stigler, of Oklahoma, had recommended me to the then administrative assistant secretary. I don't recall his name.

A man named Jerry Tichenor circulated me all over the Department. I had interviews for several days and finally landed in this spot where they had a vacancy, needed somebody, and I was reinstated there.

Mr. FOUNTAIN. What were your duties there?

Mr. MORRIS. Working on the manpower problems of Agriculture.

Mr. FOUNTAIN. What were the circumstances under which you left the Department the first time?

Mr. MORRIS. That was in a reduction in force, following the change of administration.

Mr. FOUNTAIN. When you left the Department did you then go to work for the House Appropriations Committee?

Mr. MORRIS. As I recall, I was separated in this reduction in force sometime in April or May of 1953, I guess it was. And the next day I went in the insurance business, the only thing that I could go into quickly.

Congressman Andersen then recommended me to Mr. Taber for appointment as consultant to the Appropriations Committee the next year. I worked that year for the House Committee on Appropriations as a consultant making a survey of the U.S. Department of Agriculture, or participating in a survey.

Mr. FOUNTAIN. What were the circumstances under which you left the Appropriations Committee?

Mr. MORRIS. That was another change of administration in the Congress.

Mr. FOUNTAIN. What year was that?

Mr. MORRIS. That would be 1954. You see that was the 83d Congress, at the end of that Congress; as a matter of fact, we made this

survey under the direction of Mr. Taber, but we submitted our report to Mr. Cannon.

Mr. FOUNTAIN. Did you then go to work immediately for Congressman Andersen?

Mr. MORRIS. No, sir. It was some few months later. As a matter of fact, I went back in the insurance business and if you will recall, sir, there was a controversy between the House and Senate in the closing days over some additional clerk-hire money for the House side, and Mr. Andersen had offered me a job but I didn't feel I could take the job at the salary that was then available.

The day after Congress resolved that issue and provided additional clerk hire, I went to work for Congressman Andersen.

Mr. FOUNTAIN. What were your duties with Congressman Andersen? Were you the first assistant?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. Administrative assistant?

Mr. MORRIS. Yes, sir. Incidentally, I did not go in at the top salary but with the money he had available, the additional money, it made it possible for me to take the job.

Mr. FOUNTAIN. Please outline for the committee the circumstances under which you left Congressman Andersen's office and again went to work for the Department of Agriculture.

Mr. MORRIS. I heard in December, January, along in there, that Emery Jacobs, with whom I had worked previously, and whom I had known 10 years, I suppose, was coming back into the Department of Agriculture. As a matter of fact, there were rumors around that he was coming in as Under Secretary, Assistant Secretary.

So I got in touch with Mr. Jacobs and said if he did come back into the Department I would like to work for him. And when Mr. Jacobs came back into the Department he called me up and asked me to come to work for him.

As a matter of fact, I worked the last 2 days of February without compensation so that I wouldn't have to return the check and so forth.

Mr. FOUNTAIN. Did you have to be recommended for that job?

Mr. MORRIS. No, sir. It was straight civil service.

Mr. FOUNTAIN. Straight civil service?

Mr. MORRIS. Yes, sir. I was eligible for reinstatement at the grade.

Mr. FOUNTAIN. What were the circumstances under which you became associated with Dr. Ralph? In other words, when did you first meet him, how well did you know him before you went to work for him, and so forth?

Mr. MORRIS. I met him very casually in mid-March, I would say, coming back from an area meeting at Denver. We flew back on a chartered MATS plane. I just met him, that was all. I don't think I saw him again until Mr. Jacobs called me at home on Sunday and asked me if I were offered the job, would I consider going to work as Dr. Ralph's assistant. I said, "No." He said, wait a minute, that is why I called you at home, because I want you to think it over very carefully before you say, "Yes" or "No."

I agreed to think it over and the next morning I said if they wanted me to take the assignment, I would. And that was the beginning of working part time for Dr. Ralph and then eventually being assigned to him as his confidential assistant.

Mr. FOUNTAIN. When did you first meet Mr. Jacobs? And how long have you known him?

Mr. MORRIS. I had known Mr. Jacobs since 1950, I guess.

Mr. FOUNTAIN. Under what circumstances have you known him?

Mr. MORRIS. I met him in Oklahoma at that time. I was not in a Government job at the time. He was field representative or area director or something for the Department of Agriculture.

Mr. FOUNTAIN. Had you been associated with him in any way, or had other contacts with him prior to the time you went back to work for the Department of Agriculture?

Mr. MORRIS. This last reinstatement?

Mr. FOUNTAIN. This last time.

Mr. MORRIS. Only exchange of Christmas cards and occasionally he would come up with a Farmers Union tour and he would either always call us or come by my wife's office and say hello. I suppose I talked to him three or four times during that 8-year period.

Mr. FOUNTAIN. Were you close personal friends or casual friends?

Mr. MORRIS. Yes, sir; we had been.

Mr. FOUNTAIN. You had visited back and forth between each other's homes?

Mr. MORRIS. Yes, sir; I had stayed over in his home and I think he stayed in mine. I am not sure. He has eaten dinner with us many times.

Mr. FOUNTAIN. What were your duties while you were working for Dr. Ralph or under him?

Mr. MORRIS. Mr. Chairman, the best way I can describe that position is that it was almost identical to the position of an administrative assistant in a Congressman's office. It was personal to him, handling congressional calls—he was away a great amount of the time on speaking trips—and reviewing correspondence that came through the office, and generally serving him.

I remarked many times I couldn't distinguish between that job and the job of an administrative assistant to a Congressman; very much like it, sir.

My first assignment, sir, was in the office of the Southwest Area Director. That was a temporary housing assignment. And the first official assignment I had on March 1, when I went on the payroll, was to go to Texas to interview applicants or candidates for appointment to the State ASC Committee. It was then the CSS Committee.

Mr. FOUNTAIN. Who is Mr. Tom Miller?

Mr. MORRIS. Tom Miller is the Acting Southwest Area Director.

Mr. FOUNTAIN. What were the circumstances, Mr. Morris, under which you left the Department?

Mr. MORRIS. I was informed on Monday, April 16, that I had been dismissed for my failure to be in the office that day.

Mr. FOUNTAIN. For your failure to be in the office that day?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. Was that the only reason given for your dismissal?

Mr. MORRIS. Dr. Ralph came by and told me I had been fired. I read in the papers, and heard on the radio and television, that Tom Hughes had announced that I had been dismissed for not making myself available for questioning.

Mr. FOUNTAIN. Had you been contacted and requested to be available for consultation?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. Who made the contact with you?

Mr. MORRIS. A representative of the Department came out Friday evening.

Mr. FOUNTAIN. Who was the representative?

Mr. MORRIS. I can't recall his name, sir.

Mr. FOUNTAIN. Do you know what his position was?

Mr. MORRIS. He was from the Department personnel office.

Mr. STRICKLER. Arliss?

Mr. MORRIS. No, I think it was another man.

Mr. FOUNTAIN. What did he say to you?

Mr. MORRIS. He brought a letter, handed it to me and said, "I have done my duty," and left.

Mr. FOUNTAIN. Was his name Robert H. Anthony?

Mr. MORRIS. That might have been the man, yes.

Mr. FOUNTAIN. He handed you a letter?

Mr. MORRIS. I am not certain of his name.

Mr. FOUNTAIN. He didn't ask any questions?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. What were the contents of the letter?

Mr. MORRIS. The letter said in effect that I should call Mr. Baker, John A. Baker, and tell him my schedule for the weekend, where I would be, in case they wanted to get in touch with me, and that I should report to him Monday morning at 9 a.m.

Mr. FOUNTAIN. Did you report to him on Monday morning at 9 a.m.?

Mr. MORRIS. I called in by telephone, called my secretary and said I would be late coming in. I did not go in, sir.

Mr. FOUNTAIN. You did not go in?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. Why didn't you go in?

Mr. MORRIS. Several reasons, sir. One of them was that I had reached the point in this experience that I felt I needed advice, and I went at 9 a.m., or 9:30, or thereabouts, to see Mr. Strickler, to get his counsel as to what I should do.

As part of the background for my predicament, I had been requested, sir, by several people who were innocently associated with Mr. Estes, to not say anything about it, and I am so constituted, sir, that I had only two courses open, one was to go in and say everything about everybody that I knew, and the other was to take the risk myself, and I went to Mr. Strickler to get his advice on what I should do.

Mr. FOUNTAIN. When you said "innocently associated," you had in mind people who knew Mr. Estes or had been associated with him?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. And you were fearful it might be construed that something improper had gone on between them?

Mr. MORRIS. Not improper, sir. By that time it was quite clear to me that anyone who had been in any way associated with Mr. Estes would be maligned.

Mr. FOUNTAIN. So you say your main reason for not going was that you didn't want to be put in the position of having to mention names of people who had been innocently associated with him?

Mr. MORRIS. Yes, sir. I had nothing to fear myself, sir.

Mr. FOUNTAIN. You had nothing to fear yourself?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. No other personal reasons for not showing up?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. Mr. Naughton, since you, along with the minority counsel for the full committee, Mr. Carlson, have had an opportunity to interview Mr. Morris previously, I believe I will ask you to continue the questioning at this point; then we will supplement your questions wherever we think it is necessary.

Mr. MORRIS. Mr. Chairman, I might say on that Monday morning I had reached the point of no return as far as I personally was concerned. I hadn't slept for two or three nights. I don't think I had eaten for 3 days. I had reached the point where I could not determine my own proper course. I frankly couldn't, sir.

Mr. FOUNTAIN. Mr. Naughton?

Mr. NAUGHTON. Mr. Morris, will you give us a little more detail concerning the nature of the survey you conducted, or participated in, for the House Appropriations Committee?

Mr. MORRIS. Mr. Naughton, I don't believe I ever saw the directive, but I understood from Harris Houston, the staff director, that it was a blanket directive to make a survey of the Department of Agriculture.

Congressman Andersen's primary concern was the care and custody of CCC commodities. And we went rather deeply into that area, but we did undertake a survey of the whole Department of Agriculture. We didn't knowingly miss any area of the Department.

Mr. NAUGHTON. Did you participate in the whole area covered by the survey, or did you specialize in one part of it while other parts were covered by other staff members?

Mr. MORRIS. We generally worked as a team.

Mr. NAUGHTON. How many were there on it?

Mr. MORRIS. There were four or five. It fluctuated a bit. I think there was a consultant from one of the rubber companies or somebody who was there with us in the beginning but later left. But we worked largely as a team. We always went out, two of us together.

Mr. NAUGHTON. And was this work under Congressman Andersen as chairman of the Agriculture Appropriations Subcommittee?

Mr. MORRIS. No, sir. The investigative staff of the Appropriations Committee works under the staff director who reports only to the chairman of the full committee. You do not get direction from subcommittee chairmen or ranking members. You get your direction from the staff director, and he in turn from the chairman.

Mr. NAUGHTON. You have indicated that this involved the care and custody of Commodity Credit Corporation inventories. Did that include a fair amount of concentration on grain storage?

Mr. MORRIS. Grain storage, perishable commodities, any of the commodities that were stored. We went into refrigerated warehouses, bin sites.

Mr. NAUGHTON. Did this give you an opportunity to become familiar with procedures of the Department in general and grain storage in particular?

Mr. MORRIS. Become generally familiar. You can't even in a year make a survey of the whole U.S. Department of Agriculture, and become expert in any area of it. It's too monstrous.

Mr. NAUGHTON. Did you travel to the Commodity Offices?

Mr. MORRIS. I visited the Dallas Commodity office, as I recall, and I visited the Minneapolis Commodity office.

Mr. NAUGHTON. Did you become acquainted with Mr. Mosely at that time?

Mr. MORRIS. Yes, sir. I think I knew him before, as I recall.

Mr. NAUGHTON. What is the nature, the extent of your relationship with Mr. Mosely? Did you know him well?

Mr. MORRIS. I just know him well enough that we know each other.

Mr. NAUGHTON. Have you seen him since your latest association with the Department?

Mr. MORRIS. No, sir.

Mr. NAUGHTON. Are you sure you have not seen Mr. Mosely in Dallas?

Mr. MORRIS. Since I left the Department?

Mr. NAUGHTON. Not since you left the Department, but since—

Mr. MORRIS. You said since my latest association.

Mr. NAUGHTON. Since your latest association in the Department.

Mr. MORRIS. Yes, I saw Mr. Mosely several times.

Mr. NAUGHTON. Did you ever mention Mr. Estes to Mr. Mosely, or did you introduce—

Mr. MORRIS. I introduced him.

Mr. NAUGHTON. What were the circumstances of that?

Mr. MORRIS. Dr. Ralph and I were at Dallas, at some commodity meetings, and Mr. Estes was in and out. As I recall this was the peanut meeting. Mr. Mosely was standing by in the hope that Dr. Ralph could come over and make a tour of the Commodity office.

I think when the meeting broke up, as we walked out, as best I can recall, Mr. Estes was there, Mr. Mosely was there, and I introduced them, as you would introduce anybody standing beside—

Mr. NAUGHTON. Was Dr. Ralph there at the time you introduced Mr. Estes to Mr. Mosely?

Mr. MORRIS. I think we were out in the hotel corridor when these introductions took place. I think the meeting had broken up. I am not sure, Mr. Naughton.

Mr. NAUGHTON. This was in September of 1961?

Mr. MORRIS. Yes, sir. That had no significance to me so I don't remember the precise details. It was a matter of introducing one person to another.

Mr. NAUGHTON. Did you make any comment to Mr. Mosely at that time to the effect that Mr. Estes was in the grain storage business, or that he was a good Democrat, or any other comment other than just—

Mr. MORRIS. I think I did, yes sir.

Mr. NAUGHTON. What did you say?

Mr. MORRIS. I can't recall precisely what I said; except I would have introduced him as a good friend of the administration, of the Department. I would have given him a little buildup, which I believe I did.

Mr. NAUGHTON. Would you have said: "This is Mr. Estes; he is doing a lot of grain storage and he is a good Democrat and a friend of the administration; take good care of him"?

Mr. MORRIS. That doesn't sound like my language.

Mr. NAUGHTON. Would that have been the implication?

Mr. FOUNTAIN. Don't put words in his mouth. Let him tell you what he did say.

Mr. MORRIS. I don't recall. I had no conscious effort to do anything other than introduce him properly as a man who is associated with the team, the Department.

Mr. NAUGHTON. Did that mean he should get preferred consideration from Mr. Mosely?

Mr. MORRIS. Not in my judgment; no, sir.

Mr. NAUGHTON. Did you say anything to Mr. Mosely that should have been construed as an attempt to indicate that Mr. Estes should receive preferred consideration in connection with his grain storage operations or any other business activities with the Commodity Credit Corporation?

Mr. MORRIS. I can't say how Mr. Mosely would construe the introduction, but I certainly had no intention, and I don't recall saying anything that any person would so construe.

Mr. FOUNTAIN. Right at that point, before Mr. Naughton proceeds; I believe you were in the process of making the statement and got into something else. Was Mr. Mosely in and out of Mr. Estes' office?

Mr. MORRIS. This was a room in the hotel where we had been meeting with the peanut people. Mr. Estes had been in the room, listening.

Mr. FOUNTAIN. In and out of the room?

Mr. MORRIS. Yes, sir. My best recollection of this introduction was simply when the meeting broke up and people were milling around, I said, "Mr. Mosely, do you know Mr. Estes?" something to that effect, probably, and I told him who Mr. Estes was.

Mr. FOUNTAIN. You also said he was a good friend of the Department?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. What did you mean by that?

Mr. MORRIS. He was a member of our Cotton Advisory Committee.

Mr. FOUNTAIN. He was on the Cotton Advisory Committee at that time?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. Did you say anything else to indicate that he was a good friend of the Department except in that capacity?

Mr. MORRIS. I don't recall saying anything else; no, sir.

Mr. FOUNTAIN. So when you said he was a good friend of the Department, you meant that he was associated with the Department?

Mr. MORRIS. He was—

Mr. FOUNTAIN. And interested in the work of the Department?

Mr. MORRIS. He was a part of our family.

Mr. FOUNTAIN. Part of your family?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. Go ahead.

Mr. MORRIS. I assure you I had no purpose other than introducing people, as you do at a political meeting if you are standing there with people on one side of you and on the other. You introduce them and say nice things like that. That was my only purpose.

Mr. FOUNTAIN. I think we understand a lot of these things, but we have to ask the questions, as you can appreciate, to get it on the record.

Mr. MORRIS. I can only speak for what my intent or purpose would be, or was, and I had no intent other than to introduce people.

Mr. FOUNTAIN. Go ahead.

Mr. NAUGHTON. As I understand it, in 1952, or early 1953, when the administration changed and the Republicans took over the national administration, you were released on a reduction in force at that time from the Department of Agriculture?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. Then you went to work for the Congress, which was at that time controlled by the Republicans?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. Then when the Democrats took over Congress you were again released?

Mr. MORRIS. No. I was looking for a job back in Government.

Mr. NAUGHTON. I am talking now about the circumstances of your leaving the House Appropriations Committee.

Mr. MORRIS. Yes, sir; I was again released.

Mr. NAUGHTON. So you seem to have been in the position of being out no matter which party took over.

Mr. MORRIS. Well, I have no complaints. It is one of the risks you run when you are in a job that has political—

Mr. NAUGHTON. In other words, you had jobs which depended on politics to some extent for their tenure under both parties?

Mr. MORRIS. Yes, sir; but I didn't expect to make a career of this work for the Appropriations Committee, because traditionally the Appropriations Committee rotates its investigators. I had no expectation to make a career of it.

Mr. SMITH. Mr. Chairman, at that point: The reduction in force, did it have anything to do with politics?

Mr. MORRIS. I don't know, sir.

Mr. SMITH. I mean when you have a reduction in force, if you fall within a certain category, regardless of your politics, you leave, don't you?

Mr. MORRIS. You see, sir, I was in a civil service job.

Mr. SMITH. Yes.

Mr. MORRIS. But under the Whitten rider I had been reinstated during one of the periods of the Whitten rider and I did not—was not reinstated with my permanent status. I have permanent classified status. But during the Korean war Mr. Whitten did not want to—while the boys were overseas fighting—let those behind get ownership on the Government jobs.

Mr. SMITH. So in the force reduction, the temporaries went?

Mr. MORRIS. Yes, sir. I have no complaints about the reduction in force. No criticism.

Mr. NAUGHTON. Would it be accurate then that your jobs, as far as you were concerned, have not been political? In other words, you have had civil service jobs, and you had a nonpolitical status with the House Appropriations Committee?

Mr. MORRIS. Sir, from my first job I got that first 30-day appointment because of the marks I made on an examination down to the District of Columbia Employment Service. Even that first one, that

30-day appointment, was not political. I have not been politically sponsored either in the appointments I have received or in the promotions I have received. I have largely worked my way up step by step.

Mr. NAUGHTON. How did you happen to wind up—are you a Democrat? Or has anyone asked you that?

Mr. MORRIS. I am a registered Democrat; yes, sir.

Mr. NAUGHTON. How did you happen to go to work for Congressman Andersen?

Mr. MORRIS. I knew Congressman Andersen through Congressman Stigler. He was an outstanding man. Congressman Andersen was Congressman Stigler's favorite Republican. They worked together on the subcommittee. Through Mr. Stigler's high praise of Congressman Andersen and their association I had gotten acquainted with Congressman Andersen. And when I was separated in this reduction in force I knew Congressman Andersen and I told him about it. As I recall, I asked him to not press it, let it go, I would make a living. It didn't distress me too much. And then Congressman Andersen asked me if I wanted to come to work with him. Frankly, he didn't have enough clerk hire available, and I didn't think it wise to take a job at \$6,000 or \$7,000 a year, and I didn't go to work for Mr. Andersen until Congress provided additional clerk hire, and I went to work for him the next day.

Mr. FOUNTAIN. At this point, for the record, I think we all know it, but we will ask you: From your experience, the fact that you have civil service status, regardless of what happens in elections and who has control of the executive or the legislative branch, that status does enable you to get a job with the Government much easier, does it not?

Mr. MORRIS. Yes, sir, because they couldn't hire you for many jobs unless you were either on a civil service register, one of the top three, or eligible for reinstatement with competitive classified status.

Mr. NAUGHTON. When did you first meet Mr. Estes?

Mr. MORRIS. On that March 1—well, I believe I met him on March 1, 1961.

Mr. NAUGHTON. Would you give us the circumstances under which you met him?

Mr. MORRIS. I had a prearranged schedule of interviews by telephone calls from Washington asking the candidates for appointment to meet me at the airports along the way. Texas is a big State. If you want to interview 12 people all over Texas, they have to come part way.

Mr. NAUGHTON. These were candidates for position on the Texas State ASC Committee?

Mr. MORRIS. Yes, sir. There was a candidate at Pecos, Tex., who had been called, and asked to meet me at the airport at Midland-Odessa, the nearest airport. It was there that I met Mr. Estes, who was in the company of this candidate for appointment.

Mr. NAUGHTON. Who was this candidate?

Mr. MORRIS. William Mattox—Bill Mattox.

Mr. NAUGHTON. Would you describe for us what happened when your plane landed at Pecos?

Mr. MORRIS. When I landed there the same pattern took place at each of these airports. We had to ask each other who we were, and I met Mr. Mattox. He was waiting there when I got off the plane. We sat down and had a cup of coffee there in the airport terminal.

Mr. NAUGHTON. Was anyone else there? How did Mr. Estes happen to be with Mr. Mattox?

Mr. MORRIS. I don't happen to recall whether I was introduced to him right off the bat or not. He was there with a group of men. As I recall, they sat over at another table and had coffee while Mr. Mattox and I sat at a table, the two of us, and had coffee. He had flown Mr. Mattox over in his plane.

Mr. NAUGHTON. What was the nature of Mr. Estes' association with Mr. Mattox at that time, as you understood it?

Mr. MORRIS. I don't recall any association except he had flown him over for this interview.

Mr. NAUGHTON. Why had he flown him over? Were they friends?

Mr. MORRIS. They were neighbors. The city of Pecos isn't a big city and most people know each other.

Mr. NAUGHTON. Before we get back—

Mr. MORRIS. I know nothing about how they arranged the flight over, sir.

Mr. NAUGHTON. Before getting back to Mr. Estes, how well do you personally know Mr. Mattox now, or through your association with Estes?

Mr. MORRIS. Casually. I have seen him two or three times. Three or four times, maybe.

Mr. NAUGHTON. Have you had any discussions with Mr. Mattox about anything involving Mr. Estes and his cotton allotments?

Mr. MORRIS. Not that I recall. It would have been very casual if there had been. I don't recall any such discussions.

Mr. NAUGHTON. So that you have not been closely associated with Mr. Mattox?

Mr. MORRIS. No, sir.

Mr. NAUGHTON. You simply had the job of interviewing him for the State committee?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. Would you go on, then, with what subsequently happened? Was this at the Pecos Airport—

Mr. MORRIS. Midland-Odessa.

I was going to interview him in the airport, as I did other airports, but he asked me how long I had to stay over. I don't recall. You can check my travel schedule, which was set before I left Washington. I had several hours.

They said, "Have you ever seen Pecos?"

I said, "No."

And they said, "How about coming over there? There is plenty of time. Conduct the interview over there and we will get you back in time to catch your plane."

And those were the circumstances under which I agreed to fly over with them to Pecos.

Mr. NAUGHTON. Would you describe in narrative form what took place from that time on, from the time you left the Midland Airport to fly to Pecos through the time that you left Pecos?

Mr. MORRIS. As soon as I said I would go over to Pecos, as I recall, we immediately got in the plane and flew over to Pecos. I sat in the back, four-seat plane, with Mr. Estes. I am frank to say I was tremendously impressed with the man.

He talked 30 minutes, or whatever the flight time was, of his charitable activities, sending Mexican and Negro children to college, and his philosophies, his Christian philosophies.

I don't recall, and from refreshing my memory I don't think he said anything about politics or the Department of Agriculture. He talked, as I recall, exclusively of his philosophies of life.

We landed in Pecos. I think Mr. Mattox's car was parked at the airport. We got in it. I think we drove briefly by Mr. Estes' headquarters. He just showed it to me. Then I am a little uncertain whether it was before lunch or after lunch they took me on a sightseeing tour of Pecos.

In the course of this sightseeing tour, Mr. Estes said something about "let's get old Bill tattooed." I didn't have any idea what that meant. Congressmen, I have been all over the country, and there are all kinds of local customs and I went along with the deal.

They turned around the car and parked and we went in a men's clothing store about the size of this room, as I recall. And Mr. Estes said we are not going to have a representative of the Kennedy-Johnson administration in Texas bareheaded. This was the 1st of March, and I usually wear no hat. I was bareheaded, as I usually am.

This adds or detracts nothing from the story, but I always wear a western hat. Mr. Andersen at one time said it didn't look like Minnesota, but I bought it in Redwood Falls, Minn. My wife had said get yourself a western hat. Before I lost 25 pounds from this misery, I had a big face.

I fully intended to buy a hat. This suited me fine. I tried on several hats. I took a peek at the price tag on the hatband, and they were all \$20 and \$25, which is the price I pay for a hat.

After he had gotten my hat size, I know now what his proceeding was, after he got my hat size he told the salesman, he said, "You know the hat I want."

He said, "Yes, Billie," and went back and brought out a hat. It looked to me like the other hats, but there was no price tag on it.

So he put it on me and shaped it to my head and took it back and steamed it or something and brought it back out. I pulled out my money to pay for it. I have a money clip in my pocket and I pulled it out.

Mr. Estes said, "No, you are not going to buy a hat in Texas," and pushed me out the door. I had a hat.

The pilot of the plane told me, when we took off, that it was a hundred-dollar hat. As I recall, that is the first inkling I had. I didn't even know they made \$100 hats.

Mr. FOUNTAIN. What prompted the pilot to mention it was a \$100 hat?

Mr. MORRIS. I was wearing it, sir. I was real pleased with my Texas hat.

Mr. FOUNTAIN. Did you ask him?

Mr. MORRIS. I don't recall asking him. I think he just said, "That is a \$100 hat." He said Billie Sol buys that for all the VIP's who come into Texas, his visitors.

I frankly thought nothing of it. I was embarrassed at the price, when I found out it was \$100, but I frankly had no inhibitions about the hat at all. I had no inkling Mr. Estes did business with the Department of Agriculture. As a matter of fact, when I wrote him a thank you note, I found this in the files last night, I said: "Our paths will probably not cross again but I want you to know that I am deeply grateful for the opportunity which was mine" and so forth.

I had no indication that the man—and I assure this committee, had I known that the man did business with my Department, he wouldn't have bought me a \$25 hat. I wouldn't have permitted it. But this was a—I suppose I thought he was an oil millionaire or something. He gave the impression of being tremendously wealthy. Mr. Mattox had said some fine things about him, what a wonderful man he was, and he had impressed me greatly. I at that time thought nothing of it, nothing particularly of the hat.

We went to Mr. Mattox' home for lunch and Mr. Mattox and I went off in a bedroom, as I remember, a little desk there, and I interviewed him and got my information, had my application signed and I did find the man, by the standards I had been given, fully qualified for consideration for appointment on the State committee.

But they had delayed me so long that I couldn't make my phone connection, and then on this basis they said, "Now you have got to stay over and see some of the countryside." I said, "No, sir, I have got a schedule to keep and I am going to keep it if I have to walk or hitchhike or catch a bus."

The only way I could keep my schedule, I had to be in Austin, as I recall, Mr. Estes said, "Under those circumstances how about letting my pilot fly you over there?" To me, his pilot flying me over, was no different from a man saying, "Let me drive you in my car." It certainly was no inconvenience to me. To keep my schedule, they did fly me over.

Mr. NAUGHTON. This was, of course, Mr. Estes' plane?

Mr. MORRIS. Yes.

Mr. NAUGHTON. You have indicated that on the trip over to Pecos, Mr. Estes talked mostly about Mr. Estes and there was no talk of politics or anything else? Did he mention some of the influential people he knew later on?

Mr. MORRIS. I think after we got to Pecos he did. Because at some time after our association he told me a little story, that he had called Ralph Yarborough. Mr. Estes had elaborate service facilities. He had a telephone-answering service so that he could call them and have them take care of anything.

As I recall, sometime in our association he, as a joke, told me, "You know, when you came down there I thought you were maybe a hold-over Benson man, and I was real careful with you until I called Ralph Yarborough, had my answering service call, and they got the answer back, 'He is all right.'"

Mr. NAUGHTON. Did he ever say whether his answering service talked with Senator Yarborough?

Mr. MORRIS. No, sir. That is all I know about it.

Mr. NAUGHTON. How would Senator Yarborough's office know you were all right?

Mr. MORRIS. I don't know, unless they checked with somebody they knew in the Department or something.

Now, in retrospect, I can see that somebody like that, to whom expense meant nothing, would check on a fellow coming out there.

Mr. NAUGHTON. But you have no personal knowledge of whether Mr. Estes actually did call or have the answering service call. He told you he did.

Mr. MORRIS. He told me he did. As I recall, he said he had somebody check and found out I was all right.

Mr. NAUGHTON. You indicated that you interviewed Mr. Mattox and subsequently I am sure you interviewed other persons who were candidates for the Texas State ASC Committee. Was your job to make a recommendation as to who should be hired or simply to conduct an interview and to report back as to what the background and experience of the individuals concerned were?

Mr. MORRIS. As I understood the assignment, Mr. Naughton, it was fairly routine. They didn't want to engage men for this type of responsible position without somebody going out and interviewing them. The purpose of the interview was, first, to determine if they were not eligible, didn't meet the basic requirements of the job. You had to check them very carefully on that. Bona fide farmer, general attitude toward the new administration's farm policies or programs, as you understood them. But unless you uncovered something that disqualified them, then the purpose of the interview as I interpreted it, as it was interpreted to me, was not to go out there to make a selection.

Mr. NAUGHTON. Did you report back that you thought Mr. Mattox was qualified?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. Without mentioning any names, did you report back that any of the others that you interviewed you thought were not qualified?

Mr. MORRIS. One was subsequently appointed—

Mr. NAUGHTON. That you thought was unqualified?

Mr. MORRIS. On whom, I thought, I recall I had some reservations on being a—do I have to put all these things in the record?

Mr. FOUNTAIN. Was it associated in any way with Mr. Estes and his operations?

Mr. MORRIS. No, sir; no, sir. I had some reservations about whether he was actually farming. As I interpreted it, the question did come up in Louisiana, you remember, they had quite a hassle over whether a man was actually a farmer. This man was sufficiently engaged in farming that he was eligible. But I didn't have any serious questions about any of these men.

Mr. NAUGHTON. Your job was not to make the appointment or selection but to send information back on which others could make that?

Mr. MORRIS. Get applications signed, because we had to have signed 57's, fill out one 57 in longhand, and get the man to read it carefully and be sure that it was all accurate. Then sign the blanks on which you would type that information, a clerk would, back in Washington. We had to have the applications.

Then we have another form on which you got personal background, organizations he belonged to, and so forth. It was a factfinding type of interview.

Mr. NAUGHTON. March 1 was the first time you met Billie Sol Estes. When was the last time you had any communication or contact or meeting with him?

Mr. MORRIS. Late in March, when Congressman Andersen and I went down to see him in Texas.

Mr. NAUGHTON. You have not talked with him or had any communication with him since that time?

Mr. MORRIS. I have not, myself. He called my wife to tell her how sorry he was for what had happened to us, but I wasn't home. She took the call. It was very brief.

Mr. NAUGHTON. About how many times, approximately, did you see or meet with Mr. Estes in between those two dates, about 1 year's time or 13 months?

Mr. MORRIS. I saw him constantly, or not constantly but when he was in for Cotton Advisory Committee meetings. He was in and out of our office because they met just next door.

Occasionally when he was on a trip to New York he would call and say he was stopping off here and I would pick him up at the airport and come out and have dinner with us.

How often I saw him, I would say I couldn't hazard a precise estimate, but I would say he was out at the house for dinner maybe 6 or 8 or 10 times. We had dinner once or twice with him. And then in addition to that the Advisory Committee meetings in the office; so I saw him frequently when he was in Washington. He was here quite frequently.

Mr. NAUGHTON. Would you say you had seen him 20 or 25 times?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. Did you stay at his home in Pecos?

Mr. MORRIS. I have been his guest in his home twice; yes, sir.

Mr. NAUGHTON. The first time was on March 1, 1961?

Mr. MORRIS. No, sir. I had a schedule. I didn't stay overnight.

Mr. NAUGHTON. You didn't stay overnight at that time?

Mr. MORRIS. No, sir.

Mr. NAUGHTON. When were the occasions? One time I guess was when you went down with Congressman Andersen.

Mr. MORRIS. And the other was in September, and I had not planned to stay overnight with him but that was when Hurricane Carla swept in. I had reservations back, which did not include a stopover in Pecos. I went down on the Fabens Cotton Festival. Hurricane Carla canceled out my flight and I was held over. I stayed overnight. It was not scheduled.

Mr. NAUGHTON. Were you on official business at the Fabens Cotton Festival?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. Was Mr. Estes there, also?

Mr. MORRIS. Yes, sir. He was the one who had asked me.

Mr. NAUGHTON. Were you speaking there? What was the purpose of your visit?

Mr. MORRIS. I was introduced as the distinguished guest at the festival and interviewed by the press. I met with a group of cotton

farmers who were disturbed with pink bollworm infestation. It was the first knowledge I had that pink bollworm had broken out down there. There were a number of problems that farmers talked to me about while I was there.

Mr. NAUGHTON. Were you regarded as a cotton expert for the Department?

Mr. MORRIS. Oh, no, sir.

Mr. NAUGHTON. Was it because of your association with Dr. Ralph or because Mr. Estes was introducing you as a distinguished friend of his from Washington?

Mr. MORRIS. No, he didn't introduce me. The master of ceremonies introduced me as the distinguished guest from the Department of Agriculture. I think he garbled, he promoted me to Assistant Under Secretary, or something like that.

But I was seated on one side of the festival hall, and then ceremoniously moved to the other side. I didn't know I was supposed to be the distinguished guest. It turned out I guess in Fabens, Tex., anybody from 200 miles away is a distinguished visitor.

Mr. NAUGHTON. With anyone from Washington, I guess that would be particularly true?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. How did you get from Fabens to Pecos and what were the circumstances resulting in your going there rather than continuing back to Washington, or wherever else you were scheduled?

Mr. MORRIS. By way of background, when Mr. Estes was in Washington for a Cotton Committee meeting, or something, somehow at some point he learned that Dr. Ralph and I were going down to Dallas for these meetings. He said that coincides with the Fabens Cotton Festival, can Bill come out for that. That is how it was arranged. Dr. Ralph of course concurred in my—as long as I was in Dallas—going out to the Fabens Cotton Festival.

My schedule, as I recall, included a reservation on a flight out of Midland-Odessa back to Washington. I went down there on Saturday, stayed overnight in El Paso Saturday night, and I had a reservation back to Washington Sunday. But that is when Hurricane Carla moved in, and when I got back to Pecos we called about my reservation and they said the flights are cancelled, because planes weren't flying into Dallas.

I caught the first available flight out. I got up I think at 5 o'clock in the morning to catch that first flight out.

Mr. NAUGHTON. From Midland?

Mr. MORRIS. From Midland, yes.

Mr. NAUGHTON. Did Mr. Estes also go over to El Paso?

Mr. MORRIS. There was a tremendous crowd over there.

Mr. NAUGHTON. Is Fabens near El Paso?

Mr. MORRIS. It is within a few miles of El Paso. Right near. That is where they select the Cotton Queen. It is the big annual affair. It amazed me, the wealth displayed there, Cadillacs and beautifully gowned and dressed people. It is quite a big affair in southwest Texas.

Mr. NAUGHTON. So that you stayed at Mr. Estes' home in Pecos on two occasions?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. Once would be in March of this year, when you were down with Congressman Andersen; the other time would be in September of 1961 when you came over from El Paso. Did you stay one night or two nights?

Mr. MORRIS. I stayed two nights. I stayed Sunday night, could not get out Monday. I think Monday was the worst day of the storm. Could not get out Monday night. And, as a matter of fact, my wife was waiting at the airport out here for me Sunday night, and we couldn't reach her to tell her I wasn't on the plane. We had quite a bit of trouble about that.

But I caught the first plane that I could catch back to Washington.

Mr. NAUGHTON. In addition to the meetings that you have described, were these—in addition to staying at his home these two occasions, how many times did you see Mr. Estes outside of Washington? In September at Dallas and at Fabens. How many other times?

Mr. MORRIS. I don't recall any other time, Mr. Naughton. The meeting at Dallas—

Mr. NAUGHTON. This is the same trip at which you introduced him to Mr. Mosely?

Mr. MORRIS. Those are the only two occasions. As a matter of fact, back a year ago in March when I went on that series of Texas interviews I went back 2 weeks later to interview more candidates and I had no communication with Mr. Estes. He was past history.

Mr. NAUGHTON. Has he ever stayed at your home?

Mr. MORRIS. Not overnight. He has had dinner with us many times.

Mr. NAUGHTON. You have had fairly frequent phone calls I guess from Mr. Estes up until recently?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. About how many would you estimate? I am not talking about—

Mr. MORRIS. That would be difficult. The press said there were 40; I don't know whether that was—

Mr. FOUNTAIN. I notice the Washington Post on June 24, 1962, said 41, from Mr. Estes. At least from his telephone to Mr. William Morris.

Mr. MORRIS. He would always call me before he came to Washington. I would always go out and pick him up at the airport, if I could, go over to Friendship and pick him up—he had a boy in church he wanted me to try to find a job for. I advised filing with the Peace Corps. He called me about anything that occurred to him. We were very close family friends. One time he was up and his daughter was going in for an operation. We said, "Billie, let us know how she comes out." When he got home from the hospital the first thing he did was call us to tell us how she came through the operation. He called about many things, sometimes just to visit. He would call and ask my advice about the paper. He was tremendously interested in this newspaper he had invested in, and so was I.

Mr. FOUNTAIN. How many of these calls related to matters coming under the jurisdiction of the Department of Agriculture?

Mr. MORRIS. I wouldn't say as I recall, Mr. Chairman, other than asking about the nature of—he would call me and say, "What is the purpose of this meeting of the Cotton Advisory Committee; do you think it is important enough for me to come up?" I would ask Dr.

Ralph how important is it, and he would say, "Tell Billie we want him up here."

Generally speaking, these were not calls about business of the Department of Agriculture. They were calls about his plans to come up, and then if his plans were changed he would call and say his plans had been changed. I would say the bulk of them were personal or related to the newspaper or the funeral home or the family.

My oldest son, we had agreed to let him go down this summer and spend a month or two with him in Texas. We were real close family friends.

Mr. FOUNTAIN. Were any of his calls concerning his storage operations?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. He never called you about his storage operations?

Mr. MORRIS. Not that I recall. I don't recall him ever calling me about any storage problem, question, operation activity.

Mr. FOUNTAIN. Mr. Naughton?

Mr. NAUGHTON. What was your connection with the Cotton Advisory Committee, Mr. Morris?

Mr. MORRIS. All of these advisory committees were either my immediate assignment or association. I think Dr. Ralph on the Cotton Committee was the official Department representative, as I recall. He was on most of them.

Our office was used by the Advisory Committees as its service office. They received calls there, made plane reservations there. Our secretaries and I waited on them, put coffee in there for them, ran errands for them. We serviced them.

Mr. NAUGHTON. Did you at any time during the course of your duties with the Department of Agriculture, have any conversations or communications about or make any decisions concerning or have anything at all to do with Mr. Estes' cotton allotment problems?

Mr. MORRIS. Did I participate in any decisions?

Mr. NAUGHTON. You can start with that.

Mr. MORRIS. On his cotton allotment problems?

Mr. NAUGHTON. Yes.

Mr. MORRIS. No, sir, not that you will—

Mr. NAUGHTON. Did you have any conversations with anyone inside the Department or outside the Department concerning Mr. Estes' cotton allotment problems?

Mr. MORRIS. I recall the first time it came to my attention was back in the spring of 1961, when somebody from the Cotton Division called me, and it was either the Director or the Deputy Director.

Mr. NAUGHTON. Would that be Mr. Moss?

Mr. MORRIS. Moss or Tucker. He asked me to come up for a meeting with Carl Albert, that Carl Albert was upset, had been down in Oklahoma and gathered some evidence about this cotton transfer, and would I go up with them.

I don't want to put words in people's mouths that I try to remember over a year ago. But as I recall the gist of it was they understood I knew Carl Albert real well and they didn't know whether an investigation was justified and would I go along and help them.

Mr. NAUGHTON. Did they want you to help them convince Carl Albert that there should be no investigation made? Was that the import?

Mr. MORRIS. As I recall, I had that impression, because I don't know why else they would want me to go along, although their purpose could have been entirely different. Maybe they wanted friendly introduction to Carl Albert. I don't know, sir. But they did call me and ask me would I go with them because they understood I knew him real well. And I have known him since he first came to Congress and have known him well.

Mr. NAUGHTON. When was the next time that you had any—did you go up on this—

Mr. MORRIS. I went over to Mr. Jacobs and told him that I did not think that I should impose on my friendship with Carl Albert, going up with an official group to talk with him about something.

As you mentioned earlier, I am no cotton expert, so I couldn't have contributed a thing technically to the discussion of cotton. It was obvious that the only reason they wanted me was because I was in their judgment a close friend of Carl Albert.

Mr. FOUNTAIN. A social introduction?

Mr. MORRIS. Yes, sir.

I didn't want to abuse what friendship existed with Carl Albert by going along on some mission like that. So I begged out of it and Mr. Jacobs said we will send somebody else. I did not go.

Mr. NAUGHTON. Do you know whether the meeting was actually held?

Mr. MORRIS. I didn't have any report on it. I wasn't interested, you know, interested. They wouldn't report back to me on it, nobody would.

Mr. FOUNTAIN. Was Mr. Albert on the Agriculture Committee when you served on the subcommittee under Congressman Andersen?

Mr. MORRIS. Carl Albert was on the legislative committee for 11 years.

Mr. FOUNTAIN. That is right. It was the Appropriations Committee that you worked for.

Mr. MORRIS. I won't impose on Odin Langen, H. Carl Anderson, or anybody's friendship to take a group up with some problem. Let the problem stand on its merits. I asked Mr. Jacobs if I could be excused.

Mr. NAUGHTON. Did you know that the problems involved Mr. Estes' cotton allotment?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. When was that?

Mr. MORRIS. Sir?

Mr. FOUNTAIN. About what time was that? What year?

Mr. MORRIS. That was the spring of 1961, sometime in April or May, along in there.

Mr. NAUGHTON. Did you tell Mr. Estes about this situation?

Mr. MORRIS. I don't recall. I think he knew about it. He had lots of information, apparently, about what was going on.

Mr. FOUNTAIN. He was on the Advisory Committee at that time wasn't he?

Mr. MORRIS. Yes. And incidentally, Mr. Chairman, every advisory committee, when they met, the Secretary, the minutes will show, I am sure, the Under Secretary, Assistant Secretary, told the members of these advisory committees that all information in the Department they

sought would be made available to them. Nothing would be withheld from them.

If you are interested, if you will check the minutes, you will find that these advisory committee members were given virtually carte blanche to facilitate their work as an advisory committee.

So, if I or anyone else discussed anything with a member of the advisory committee, regarding any operations of the Department, it was policed down from the top that nothing was to be withheld from the members of the advisory committee.

Mr. FOUNTAIN. How long has that practice existed?

Mr. MORRIS. I don't know. But as I recall the speeches by the Secretary, Under Secretary or Assistant Secretary, that point I think was always covered, that any facility you want, any information you want, any advice you want, whatever it is, tell the Department representative and it will be made available to you. The Department is—these were official committees, sir.

Mr. FOUNTAIN. All members of the Committee—

Mr. MORRIS. They were paid official travel and per diem, they had official appointments. They were advising the Secretary on programs and policies.

Mr. FOUNTAIN. Mr. Naughton?

Mr. NAUGHTON. Were you told that whatever information the advisory committee members wanted for their personal business with the Department was to be made available to them?

Mr. MORRIS. I don't recall anything like that.

Mr. NAUGHTON. Do you know whether the advisory committee had anything to do with, or made any recommendations on, the cotton allotment problem?

Mr. MORRIS. I am not too familiar with—well, that was a major part of their responsibility. I am not that familiar with the work of the Cotton Advisory Committee that I could tell you what they recommended.

Mr. NAUGHTON. Do you know of your own personal knowledge whether or not the Cotton Advisory Committee had anything to do in the course of its official dealings with the problem which involved Mr. Estes' cotton allotments?

Mr. MORRIS. I don't know.

Mr. NAUGHTON. Do you know whether or not that Committee obtained any information with reference to Mr. Estes' cotton allotments in the course of its dealings?

Mr. MORRIS. I don't know. Excuse me, Mr. Chairman, if I could make clear my relationship with an advisory committee was primarily to wait upon them, run errands for them, arrange travel. If they wanted to go up on the Hill and visit, call and make the appointment; servicing them. It was not my responsibility to direct them or work on that technical basis with them.

Mr. NAUGHTON. Was information available to them only as to cotton or as to any commodity?

Mr. MORRIS. Sir?

Mr. NAUGHTON. Was information available to them only as to cotton, or was it available to them as to any commodity they wanted?

Mr. MORRIS. Mr. Naughton, I wasn't the channel through which the information went. So I wouldn't know what kind of information.

Kits were made up, and additional material they wanted. If they wanted a representative of the Commodity Division to come in to answer certain questions, we would arrange that. We would call that office and have him go in there. These were executive. The press wasn't in, ordinarily.

I didn't sit with the Cotton Committee. I don't think I spent 30 minutes the whole time the Cotton Committee was meeting sitting in there with them. I had other things to do.

Mr. NAUGHTON. We know you don't meet members of the general public at the airport. Do you know of your own personal knowledge, whether information was made available to the Cotton Advisory Committee or other advisory committees which was not available to the general public?

Mr. MORRIS. I can't say, sir, because I didn't transmit the information to them.

Mr. NAUGHTON. This was back in the spring of 1961, when the question involving Mr. Estes' allotments came up. Subsequent to that time, did you have any other discussion of any other type involving Mr. Estes' cotton problem?

Mr. MORRIS. Yes, it came up frequently. I knew when he was—when the Committee was being formalized. You see, this is a peculiar committee. It was informal, and then it was formalized. And I knew by grapevine information that the appointments of the Committee were being held up because of questions on Mr. Estes.

Mr. NAUGHTON. You mean the appointment of the whole Committee?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. What was the nature of this grapevine information?

Mr. MORRIS. Just that the appointment of the whole Committee was being delayed pending the completion of the investigation of Mr. Estes.

Mr. NAUGHTON. When was this?

Mr. MORRIS. That was the late summer or early fall, last year.

Mr. NAUGHTON. What was the nature of the information that you got concerning the reason why it was being held up?

Mr. MORRIS. To explain the background; the documentation on the appointment of the Advisory Committee came through our office, the document, cleared by Dr. Ralph, over to the Under Secretary. And then you wait until the documents come back signed, and then it is official and you get out—the releases go out through information. This document didn't come back, so naturally I inquired, what is the holdup at some point along the way? The holdup was an investigation of Mr. Estes.

That is why, when the appointments were cleared, and the Committee was appointed, my first knowledge of it was when an official Secretary's memorandum, printed one, came to my desk; the routine distribution. Here was the Cotton Committee appointed and Mr. Estes was on it.

At my level that indicated to me that Mr. Estes had been cleared because the Department was to my knowledge, very strict on the clearance of advisory committee members. This cleared Mr. Estes in my opinion.

Mr. NAUGHTON. When did this clearance come? As I understand it there were two appointments. Was there one under which Mr. Estes was appointed to an informal committee which was advising the Department in an informal manner, and later on it was formalized as a formal committee?

Mr. MORRIS. You can check the records of the Department. I don't recall the date. It was sometime in early winter, November or December, of last year.

Mr. NAUGHTON. So this would have been the formal Committee appointment?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. Not the previous—

Mr. MORRIS. In November, I think it was.

Mr. NAUGHTON. The recommendations as to who would be appointed to these committees, those would come in through your office and then the document would go over. At that point would a personnel investigation be made? Was the personnel investigation handled out of your office?

Mr. MORRIS. It was on the committee that I had responsibility for putting together.

Mr. NAUGHTON. Which one?

Mr. MORRIS. Turkey Advisory Committee. I handled that whole thing in my office, myself.

Mr. NAUGHTON. Who was the—

Mr. MORRIS. That was the only one that I handled.

Mr. FOUNTAIN. You did not handle anything in connection with the Cotton Advisory Committee?

Mr. MORRIS. Not a thing; no, sir. In other words, here was an informal committee which predated me. It was in being when I went to work for Dr. Ralph. Then somebody, up above, made a decision to formalize it because it was the only advisory committee coming in there, meeting regularly, paying their own travel expenses, and not formalized.

Then somebody up top made a decision to formalize the Cotton Committee. My office had nothing to do with the screening of people recommended for appointment, getting biographical data on them, getting FBI clearance, and so forth. That was handled elsewhere.

The finished product, after all of this had been accomplished, would come through our office. But I don't recall even seeing the document on the Cotton Committee except I know it had gone over to the Under Secretary. I am not sure it came through Dr. Ralph.

Mr. NAUGHTON. Who handled the investigation?

Mr. MORRIS. I would assume there were two types of investigations. There was the FBI agent check or name check kind of thing.

Mr. FOUNTAIN. You said you assume. Wouldn't you know on the basis of your experience?

Mr. MORRIS. I don't know on the Cotton Committee how it was handled. I know that the procedure was there was a man in another office under the direction of the Office of the Secretary who handled it. This sort of thing is quite restricted.

In other words, when I take some names down to him I would leave them with him—name, address, date, place of birth, and so forth. Then, I had nothing more to do with it until he returned names to

me that were cleared. I knew nothing of the processes except I knew they went over to the Department of Justice and from time to time he would admonish me, don't be concerned about one that takes a lot of time because we can't explain it; some take a long time, there is nothing wrong.

Then the Department internally, as I understand it—I wasn't handling this, but I kept generally in touch with everything working for Dr. Ralph. As I understand it the Department was making its own investigations in place of, or in addition to, Justice. I don't know. But when this Cotton Committee document was not announced, I didn't see the press release, I asked somebody around the Office of the Secretary what is holding up the Cotton Committee.

Mr. FOUNTAIN. What prompted you to ask that question?

Mr. MORRIS. Because it had gone over to the Secretary's Office but nothing had ever come back. In my role as assistant to the Assistant Secretary I keep in touch with a multiplicity of things. This hadn't come back. I didn't keep a document or record myself. You just follow up on things. I said what happened to the Cotton Committee, and somebody said it is being held up because of an investigation of Estes.

Mr. NAUGHTON. Did you get any details as to what the nature of this investigation was, who was conducting it, or just what the problem was with Mr. Estes?

Mr. MORRIS. I never talked with any of the investigative people.

Mr. NAUGHTON. Did you get any details from anyone else, or did you have any reason to know?

Mr. MORRIS. It was general knowledge in the Department, by last fall, that questions had been raised. Recall back in the spring they asked me to go up and talk to Carl Albert. I knew that an investigation was going on on all of these acreage transfers. It was general knowledge. I don't think anybody who was around there did not know that this investigation was proceeding.

Mr. NAUGHTON. When you say general knowledge, you have 90,000 employees, or 100,000 in the Department.

Mr. MORRIS. The people who were associated with the activities.

Mr. FOUNTAIN. He means people in close proximity.

Mr. MORRIS. People in the Office of the Secretary; people in the Office of the Administrator; people in responsible positions knew that there was an investigation going on.

But I never talked to any of the investigative people, so I don't know any of the details of the investigation.

Mr. NAUGHTON. We have had so far two instances on which you had discussions involving, or some knowledge concerning Mr. Estes' cotton allotments problems.

One is the invitation to go up to talk to Carl Albert, the second is the fact that you received through the grapevine information indicating that there was a question about his appointment to the advisory committee because of these problems?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. Were there any other instances in which you had any conversations or discussions with anyone concerning this?

Mr. MORRIS. There probably were, yes, sir; because it was something that was discussed quite a bit.

Mr. NAUGHTON. What were they, other than normal routine?

Mr. MORRIS. I recall one discussion I had with somebody. I said "I hope we can get this thing resolved and protect the integrity of the Department."

Whoever that was I talked to, I assume they would remember the latter part of that phrase I used, "protect the integrity of the Department."

That to me was paramount.

Mr. NAUGHTON. When was this?

Mr. MORRIS. That would be in the late summer or fall when the problem was current.

Mr. NAUGHTON. Was it—

Mr. MORRIS. I would say later than late summer. Probably in the fall.

Mr. NAUGHTON. Had Mr. Estes expressed concern to you about the fact that he might be fined substantial amounts of money if these allotments—

Mr. MORRIS. He never said anything about being fined. He did not like the idea of being investigated.

Mr. NAUGHTON. What did he say to you about that?

Mr. MORRIS. As I recall, he was unhappy about being investigated.

Mr. NAUGHTON. Was this being investigated by the FBI or by the Department of Agriculture?

Mr. MORRIS. I did not know of any FBI interest in it. As far as I knew it was our own C and I investigators, in whom, from my experience, I had considerable confidence. I did not think they would be biased, prejudiced, or unfair. I assumed it would be a very fair investigation.

Mr. NAUGHTON. Did Mr. Estes give you any reason to indicate that he was going to try to use his influence to have this investigation called off or altered in any way, and have a favorable recommendation made?

Mr. MORRIS. Mr. Naughton, Mr. Estes was a paradoxical individual. He would talk volubly at one time and at another time he would not talk at all.

I know he was very unhappy about this cotton investigation and professed to me—and I had no reason to disbelieve him—that he had gone into it with full advice from his counsel and his accountants and everybody else that it was proper, it was nothing wrong with it, it was something that had been going on before he went into it, and that he would never have gone into it if he thought there was anything wrong with it.

As I recall I think he used an expression; he said, "I would have been out of my mind to put the money that I have put into this if I had thought there was anything wrong with it."

Mr. NAUGHTON. Did any Member of Congress talk to you about this cotton allotment problem of Mr. Estes?

Mr. MORRIS. I don't recall anybody on the House side.

Mr. NAUGHTON. On the Senate side?

Mr. MORRIS. Senator Yarbrough discussed it with me.

Mr. NAUGHTON. What were the circumstances?

Mr. MORRIS. As I recall the first question that came up from Senator Yarbrough's office was—I can't associate this with anything to give a date, except it was—he had an administrative assistant, other than

the one he has now, and he was preparing to leave. That will date it if you are interested in establishing a date.

Alex Dickey was coming up to succeed him.

The Senator told this story, this man was leaving because he found out this big salary—that is incidental but he was going back to Texas but Alex Dickey was coming in. He called about it and said the Senator wanted to discuss it, or he wanted to discuss it.

I can't recall the details. Bear with me, Mr. Naughton, I get a lot of calls from the Hill about a lot of people, talk to a lot of Congressmen, Senator Case used to call me once a week about some problem in South Dakota, and I would try as hard to help him with it as I did anybody else.

Mr. NAUGHTON. Why did Senator Yarborough's office call on you on Mr. Estes' cotton allotment problem?

Mr. MORRIS. I was in the Office of the Assistant Secretary for Stabilization. And that was a focal point of a lot of calls from the Hill. If you ever worked in a congressional office, you open up the congressional directory, run down it and see who is the Assistant Secretary for this activity, and you call there.

Mr. FOUNTAIN. That is the the reason you described yourself as somewhat similar to an administrative assistant on Capitol Hill?

Mr. MORRIS. Yes, sir. I was the counterpart down on the other end.

Dr. Ralph was away a great deal. They may have been calling Dr. Ralph, I don't know. I got the call.

And then a date was arranged for me to go up and sit with Senator Yarborough. The only way I can date that was he had just returned from military duty, I think he was a brigadier general in the Reserve. He had been to Europe. It was either that day or the day before that he had gotten back.

This was just a general discussion, not any different from scores of discussions you have with Members of Congress about problems of constituents.

What did I know about it? He told me what he knew about it, and indicated or as I understand he did to Mr. Murphy, that he wanted fair and equitable treatment.

The principal point on which this seemed to hinge was, were we changing the rules in the middle of the game?

In other words, if a man had come in officially and gotten approval of transfer, then were we coming along later and changing the rules and then retroactively, like an ex post facto law, going back.

Frankly, Mr. Naughton, I did not know that much about the details of the whole operation. And to this good day I don't know that much about the details of how that acreage was transferred.

But I did sit down with the Senator and tell him that I would keep an eye on it, that I felt sure that any investigation, or any study that was made would be fair and objective, and I do believe that, Mr. Naughton.

Mr. FOUNTAIN. I think the Senate is going into details about the transfer and legalities of the transfer and so forth.

We are interested primarily with relation to cotton or anything else in anything that would tend to indicate favoritism to Mr. Estes.

Mr. MORRIS. I can say this for the record: that I would not—I am not a competent judge, probably—I would not interpret anything

Senator Yarborough said as putting the pressure on the Department to do anything other than what was legal and proper under the circumstances.

They subsequently called several times and wanted, one request was for a breakdown of the acreage, where did this acreage come from.

Obviously to me that was not for Mr. Estes because Mr. Estes knew that.

But the Senator had asked one of his staff assistants to call and find out what all was involved in the way of acreage. I called the Cotton Division, got the breakdown of the acreage, and called back and transmitted it back, as routine as—I don't want you to think we handle your calls routinely, Mr. Chairman, but there are so many.

Mr. FOUNTAIN. I realize a lot of them have to be routine, otherwise you would never get your work done.

Mr. MORRIS. I plead with you not to let me say anything in the record that would indicate any impropriety on the part of Senator Yarborough because I did not detect it. It was not indicated to me.

(See comment by Senator Ralph W. Yarborough, p. 146.)

Mr. NAUGHTON. Did you get other calls from Senator Yarborough's office for other constituents in Texas?

Mr. MORRIS. I got several calls from Yarborough's office. I don't recall any from the other Senator from Texas. But we did have several calls from Mr. Yarborough's office about different constituents.

We got a lot of calls from the Hill, Mr. Naughton.

Mr. FOUNTAIN. On a variety of subjects?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. Which came under the jurisdiction of your office?

Mr. MORRIS. Yes, sir. We handled them all in virtually the same way.

I must admit when somebody like Senator Case called and the reason he called me he thought I would handle it for him. Somebody had recommended me to him.

There was a new Congressman from Pennsylvania whose secretary said, "Hyde Murray had said call Bill Morris and he will treat you fairly."

I treated everybody alike, Republican or Democrat. And I think I did—one time they kidded me about being the Republican contact in the Department. I treated everybody alike. I was a civil service employee. I thought that is what I should do.

But we would generally refer it down to the operating people. Occasionally we would call down and get the information and call it back if the Congressman or Senator wanted us to do that.

Senator Case usually wanted me to call him back, rather than buck it down into the agency.

Mr. FOUNTAIN. You made some references, I believe, to members of the staff that people called you about various and sundry things, and that if you got questions on grain storage operations, you would refer them to someone else. Where?

Mr. MORRIS. Down to the Assistant Deputy Administrator for Commodity Operations. That would be Frank Hussey's shop. He had Ballou and two or three other assistants. He would refer it to one of them.

Occasionally I would call over to the Grain Division, like Senator Ellender's office or somebody called about rice, I would call Judge Satterfield over there, because he was the rice expert.

There was no—

Mr. FOUNTAIN. Did you have any calls from the Hill in connection with Mr. Estes' grain storage operations?

Mr. MORRIS. I don't believe so, Congressman.

I don't believe anybody ever called in behalf of grain storage.

I don't recall that that was ever a serious problem. His problem was the cotton.

Mr. NAUGHTON. Did Mr. Estes ever talk with you about his grain storage problems?

Mr. MORRIS. I don't believe he ever indicated he had a problem, Mr. Naughton.

Mr. NAUGHTON. On his grain storage operations?

Mr. MORRIS. He was in grain storage.

Mr. FOUNTAIN. Did he ever talk to you about how he got into the grain storage business? How he increased his operations and built so many facilities?

Mr. MORRIS. No, sir, except to indicate he was the biggest in—I think he used the term he was the "biggest independent warehouseman." He was not too happy with our farm program, which was cutting down the supply and therefore reducing the surplus.

But I don't recall that he was exercised about it.

Mr. NAUGHTON. The farm program he was unhappy with, was that the program which Mr. Freeman put in calling for voluntary reduction of acreage of the sorghums?

Mr. MORRIS. The feed grain programs.

Mr. NAUGHTON. He did not like that?

Mr. MORRIS. No warehouseman did. It cut down the supply.

My counsel has reminded me, if I can tell you quickly: there was a cotton committee reception. A new official had been elected and he had a reception, somebody, for him. I was at that reception representing Dr. Ralph.

Mr. Estes and as I recall his attorney were there. I think they were up here on the cotton problem.

Mr. NAUGHTON. Was that Mr. Dennison?

Mr. MORRIS. Yes.

When we left the reception, you know how you say, somebody said "Let's go eat," and somebody said "Let's eat here."

We were in the Statler and went to the dining room with Frank Hussey, Deputy Administrator for Commodity Operations. During the course of dinner Mr. Estes said something about the fact that he was a good Democrat and why was it that some elevator he knew about that was Republican-owned was full up and he was not full.

I could see Frank Hussey was embarrassed. Mr. Estes was a good friend of mine, and I interrupted and I said "Billie, if you want to get your elevators empty, the quickest way to get them empty is to ask any of us to show you preferential treatment, because to protect ourselves we will have to lean the other way. If you ever ask for preferential treatment from one of our people on grain storage, I warn you that you will probably get the other result, because that man,

if he is in a position to give you favoritism, has to lean the other way to protect himself."

Frank Hussey came by the next morning and said, "Thank you, you got me off a tough spot."

To me it was a highly improper situation. He was the Deputy Administrator, in charge of storage operations, the man in charge; it was highly improper to ask him to show some consideration.

Mr. NAUGHTON. Was Mr. Estes complaining because he thought others were getting better treatment than he was?

Mr. MORRIS. As I recall he cited a Republican elevator out there was full.

"Here," he said, "I am a good Democrat and a heavy contributor, how come I am half full and this Republican elevator is full?"

I interrupted this and admonished him not to ever ask one of our people to ever show him any preferential consideration.

Mr. NAUGHTON. Do you keep any records in the Department to show which elevators are Republican and which are Democratic?

Mr. MORRIS. No, sir; and I would not know. He never identified the elevator.

Mr. FOUNTAIN. Was the person to whom he was talking in your presence in a position to show him preference—

Mr. MORRIS. He was the Deputy Administrator in charge of the grain storage program.

Mr. FOUNTAIN. Go ahead.

Mr. MORRIS. Absolutely the wrong thing for a man to do, to ask him.

Mr. NAUGHTON. Mr. Hussey is Mr. Ballou's boss?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. Do you know whether Mr. Hussey ever took any subsequent action to accede to Mr. Estes' request?

Mr. MORRIS. I have no knowledge.

I wish I could say it off the record, but my confidence in the integrity of Frank Hussey would lead me to conclude that he would be the last man on earth who would—I don't know of anyone in the Department that I know who would do that sort of thing.

I don't know.

Mr. NAUGHTON. Mr. Morris, you have indicated that you received a hat on your first trip?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. Could you give us a brief rundown on the extent of the gift or anything of value that you have received from Mr. Estes, and also the gifts that you may have given to him?

Mr. MORRIS. I have received nothing since from Mr. Estes of any substantial value. I received in the office last summer a few crates of canteloupes, which I opened in the office and divided with my office associates and took a few home.

At Christmas we received a basket of citrus fruit, oranges, grapefruit, and so forth, which was of nominal value, I believe.

After I found out, learned that Mr. Estes was doing business with the Department, and particularly when I learned that he had a problem with the Department, I set about purposefully, without his knowledge, to repay him for the hat.

Incidentally, I reported that hat immediately to my superiors, and they said nothing derogatory about it, or negative.

I sent him I am sure over a hundred dollars worth of books. Three or four times possibly I went to lunch with him I would always pay the cab fare. It is a custom of mine if somebody is going to buy my lunch I will pay the cab fare. It is about even. I tried, and I am sure I was successful, in keeping the small courtesy exchange substantially even, and it was not easy with a man of his apparent wealth and generosity.

Mr. FOUNTAIN. What kind of books did you send him?

Mr. MORRIS. I had read in a magazine article that this fellow had gone to his home and he did not have a book in his house. I loved books. It seemed books were the one thing you could send a millionaire who did not have books.

Here is a letter from him, of March 6:

Many thanks for the thoughtfulness in subscribing to the Realities monthly magazine for Patsy.

I like this magazine.

Mr. FOUNTAIN. Is that a letter from him to you?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. What is the date of the letter?

Mr. MORRIS. March 6, 1962.

Mr. STRICKLER. Would you like to see it?

Mr. FOUNTAIN. If there is no objection it will be made a part of the record.

(The letter referred to is as follows:)

Pecos, Tex., March 6, 1962.

Mr. WILLIAM E. MORRIS,
3806 Basil Road,
McLean, Va.

DEAR BILL: Many thanks for the thoughtfulness in subscribing to the Realities monthly magazine for Patsy. I am sure she will enjoy reading it.

Will be looking forward to seeing you on my next trip north.

Best regards,

Son.

Mr. MORRIS. Here is one March 19—

Mr. FOUNTAIN. Will you furnish a copy for the record?

Mr. STRICKLER. Yes.

(The letter referred to is as follows:)

Pecos, Tex., March 19, 1962.

WILLIAM E. MORRIS,
3806 Basil Road,
McLean, Va.

DEAR BILL: "Behold My Glory" is without a doubt the loveliest compilation of masterpieces and scriptural articles I have ever seen.

Your thoughtfulness is exceeded only by your good taste, please accept my thanks for the volume.

Things are busy here—much ado about farming and financing. My best regards to everyone.

Cordially,

BILLIE SON.

One of these books I bought him I paid \$29 or \$39 for it. It was a beautiful big volume of Biblical art. The man was a deeply religious man and I sent him several Biblical books, art and so forth.

Mr. FOUNTAIN. What was the cost of the Realities magazine?

Mr. MORRIS. Fifteen dollars. That I subscribed to in his wife's name and sent that down.

In addition, I ordered three special-order neckties from Saltz Bros., silver with monogram, and had those sent down to him.

My purpose, not known to him—I didn't say anything to him about it—was to establish an even balance, because ethically, if he was a close friend, and was involved with the Department, I felt even though at the time he gave me the hat it meant nothing, I felt I wanted to go back and establish this even balance, and I feel sure I accomplished it.

Mr. FOUNTAIN. You wanted to put yourself in a position where you were not obligated to him?

Mr. MORRIS. No, sir, either within myself or as it looked to others. I told everybody about the hat, Dr. Ralph, and all of my associates. I wore the hat constantly and told where I got it. I had nothing to conceal about it. But when I learned he had difficulties with the Department, then, within me I felt I should go back and compensate him for the hat. He was the type of man you wouldn't mention that to.

Mr. STRICKLER. Could we have the chairman's last question read? I don't know if there was a complete answer.

Mr. FOUNTAIN. I think I said, so you were trying to even things out and put yourself in position where he would not feel that you were in any way obligated to him.

Mr. MORRIS. And that I would not feel—yes, sir, both ways. That was one of the reasons we had him out to our house for dinner, because you couldn't go out to dinner with him without him—I don't know, spending a hundred dollars on dinner. So instead of that, my wife and I would say, "Billie, if you want to have dinner with us, come out to the house."

Mr. FOUNTAIN. What was your salary, Mr. Morris?

Mr. MORRIS. Fourteen thousand three something.

Mr. FOUNTAIN. Mr. Naughton?

Mr. NAUGHTON. Mr. Morris, you indicated that you reported the gift of the hat to your superiors immediately. Was this done because you received a gift from someone who was doing business with the Department?

Mr. MORRIS. No, sir. This was very casual. I wore the hat into the office and told Mr. Jacobs and all of my associates the story of how I came by the hat, a Texas millionaire had given me a hundred-dollar hat. At that time that is all it meant, as I read from that letter I wrote him. I had no expectation of ever seeing the man again. This was—

Mr. FOUNTAIN. At that time you knew nothing about his difficulties with the Department?

Mr. MORRIS. Oh, no, sir. I knew only that the man seemed to be and was to me a deeply religious man, a wonderfully good man. This philosophy of doing good with what God blesses you with, it had great appeal to me.

Mr. STRICKLER. Mr. Chairman, there has been this "thank you" letter for the hat referred to earlier in the proceeding. If you would care to read that now, I will pass it around and supply the committee with a copy for the record, if you would like to have it.

Mr. FOUNTAIN. Yes, we want to give the witness the benefit of putting into the record anything which establishes his relations with Mr. Estes in what has transpired. He is entitled to that.

(The letter referred to is as follows:)

MARCH 3, 1961

DEAR BILLIE: Thanks for the hat, for the picture, and for the use of your plane and pilot who is in every respect the best and most responsible I have ever flown with. But above all else, my sincere and heartfelt thanks for the privilege of an all too brief association with you.

I meet a lot of people, but if you will forgive the frankness I do believe you are the most remarkable man I have ever met. Having read carefully the literature you handed me and from my reflections upon our discussions, I count the meeting among the major events of my years.

You are rendering yeoman service to American agriculture but more importantly you are rendering Christian service to the people of your acquaintance. I only wish your example could be laid before others that they might benefit as I have.

Though my own means are limited and my family responsibilities are considerable, I resolve to try harder in the future to share my material blessings with my fellow men. If it be your purpose to sow in others the seeds of compassion, this you have accomplished.

Our paths will probably not cross again, but I want you to know that I am deeply grateful for the opportunity which was mine. Upon mature reflection, I honestly believe that if I could afford to do so I might some day walk in your door and say that I have come to help bring some of your idealistic dreams into practical being.

Thanks, again, Billie, for the insight you gave me and I hope you make a billion dollars because I know the good you could do with it. My regards and best wishes to your wife and your business associates.

Sincerely,

Mr. NAUGHTON. Mr. Morris, did your wife or any member of your family receive any gifts or anything substantial of value from Mr. Estes?

Mr. MORRIS. Nothing of any substantial value. Mr. Estes sent my wife a dress which incidentally she wore once, didn't like, and I think she gave it to the Good Will Industries.

I wish I could talk off the record.

She didn't like the dress, didn't want to keep it, but I said to keep it. You know, it is from the goodness of the man's heart. He had been our guest at our home several times. He wanted to give Alice something because she had been fair to him. He wanted to bring his business associates out, and others. Several people would come out to dinner with us.

Mr. NAUGHTON. What were the circumstances?

Mr. MORRIS. He gave me a picture that had a zero value, as far as I was concerned. It was a calendar picture of a bunch of bums looking out of a boxcar. But I took it home with me because to have done otherwise would have offended him.

He also sent, or somebody sent, two postal money orders in the amount of a hundred dollars each at Christmastime. Those arrived in the mail on Christmas Day.

Mr. NAUGHTON. Did those arrive in your home or the office?

Mr. MORRIS. At home.

Mr. NAUGHTON. Were they identified as being from Billie Sol Estes?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. What did you do when you received those?

Mr. MORRIS. I discussed it with Dr. Ralph and he had received at that time, as I recall, he indicated he had received one. I think it has been indicated since he has received two, as I did. We discussed what to do with them. We couldn't—

Mr. NAUGHTON. Excuse me. When did you discuss this with Dr. Ralph? They arrived Christmas Day. When did you first talk with Dr. Ralph about this?

Mr. MORRIS. They arrived Christmas Day. Sometime within the next couple of weeks, as I recall, 2 or 3 weeks, we discussed it.

Mr. NAUGHTON. Would it have been immediately after Christmas? What was your reaction? You wanted to get this matter settled immediately?

Mr. MORRIS. I wanted to get rid of it because I couldn't accept even at Christmas time—

Mr. FOUNTAIN. Did they come without a letter of transmittal?

Mr. MORRIS. They came, sir, in just an envelope, no transmittal, not even a Christmas card.

Mr. FOUNTAIN. Had he previously contacted you and told you he was going to send those?

Mr. MORRIS. No, sir. As a matter of fact, sir, on several occasions I chastised Billie—he was a good enough friend so that I could do it—for spending so much on people. I said, "You embarrass people. You hurt your friendship."

When he came up to Washington I confronted him about these money orders, and I said, "This can't be," in effect, "You can't do this. You compromise me. You embarrass me."

He apologized most profusely and said he had no knowledge of it. Apparently my name had gotten on his Christmas list and they had gone. He indicated to me he had no knowledge that they had been sent.

Mr. NAUGHTON. He said he didn't know your name was supposed to be on the list?

Mr. MORRIS. That is what he told me; yes, sir.

Mr. FOUNTAIN. Right at that point, did he describe it as a particular list, a Christmas list, or any other list?

Mr. MORRIS. Just a Christmas list.

It was a very brief discussion of it, Congressman. I just told him that "This you can't do, Billie; you embarrass me; you put me on the spot; you hurt your own friendship."

Mr. NAUGHTON. Do you know of your own knowledge that Billie Sol Estes has a Christmas list?

Mr. MORRIS. No, sir. He just made that one flat statement.

Mr. NAUGHTON. You have never seen such a list?

Mr. MORRIS. No, sir.

Mr. NAUGHTON. Have you ever told anyone that you knew of a list Billie Sol Estes had that had names of at least one prominent administration official and Members of Congress on it?

Mr. MORRIS. I don't recall any such discussion. I know he talked of financial contributions in a lot of places, to the national committee, Congressmen, Senators, and so forth. But my personal knowledge, I don't know. But I might have at some time mentioned to somebody that he had people he sent contributions to. I don't recall, Mr. Naughton.

Mr. NAUGHTON. Did you ever tell anyone connected with this committee that you knew that such a list existed and that there were names on it?

Mr. MORRIS. I said that he said that there was a list, a Christmas list.

Mr. NAUGHTON. Yes, just as you have testified now. But have you ever told anybody connected with this committee anything different than the sworn testimony which you just gave?

Mr. MORRIS. I don't recall how I could have, because that is all I know. That is all I can recall, was a very casual statement that I didn't know your name was on the Christmas list, my people must have put it on. He indicated to me he did not know that I had been sent the Christmas gift.

Mr. NAUGHTON. Did he specifically say "Christmas list"? Could it have been a list of people to whom he was sending tickets to a dinner?

Mr. MORRIS. Frankly, I don't recall that much detail, Mr. Naughton. I believe when I brought it up with him it was in some hurried moment or someplace that I had run into him, and I told him that I couldn't accept it and he knew better.

And he said, "Bill, I give you my word, I knew nothing about that. My people must have put your name on my list," or Christmas list, or something.

I know nothing about what kind of list it was. It might have come from the cantaloup list; I don't know. I wouldn't want to conjecture, because I don't know.

Mr. FOUNTAIN. Mr. Morris, we ask these questions for a reason. Mr. Manuel, after being released by this subcommittee as minority counsel, made a public statement. One of the things which he said prompted him to do what he did in releasing the confidential document (which had been delivered to the subcommittee by the Department and in turn to Mr. Manuel) came from an executive session Wednesday, June 6. As I recall he said—

at this session the committee discussed how to deal with forthcoming testimony which would implicate certain Members of Congress and at least one very high ranking administration official. The testimony, taken in executive session, related to a list of individuals to whom Estes allegedly sent gifts in the form of money orders.

I think Mr. Manuel was referring to an executive session of this subcommittee on June 6, 1962, in which we had some discussions.

Mr. Manuel's statement made necessary these questions. I have several others at this point.

Have you attended any executive session of this subcommittee heretofore?

Mr. MORRIS. Only with the staff, Congressman, and as I recall—

Mr. FOUNTAIN. Was the staff represented by both the minority and the majority staff members of the subcommittee?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. Did you at any time tell the staff that there was a list of individuals to whom Mr. Estes allegedly sent gifts in the form of money orders and that that list contained at least one very high ranking administration official?

Mr. MORRIS. As I recall, Congressman, all I said was substantially what I have said here, that when I jumped on Mr. Estes about send-

ing me money orders, he said, in effect, as I recall, "Bill, I didn't know they were sent to you. My people must have done that, put you on my list, or something, without my knowledge."

That, Congressman, is all I recall. I don't know how I could have said more than that because that is all that I recall that transpired.

Congressman, it was a very brief discussion with Mr. Estes. I just told him that—it was when I gave him the ticket. That is when I told him. I handed him the three tickets and I said, "Billie, you know I am not going to accept anything like that, Christmas or otherwise. Here are the dinner tickets."

Mr. FOUNTAIN. Three or two?

Mr. MORRIS. Three. One from Dr. Ralph. Two that he had sent me. My wife and I bought our own dinner tickets.

Mr. FOUNTAIN. Go ahead, Mr. Naughton.

Mr. NAUGHTON. Have you had any conversations with the staff of the subcommittee—other than when the minority counsel, Mr. Carlson was present—concerning any list?

Mr. MORRIS. I have had no discussion with any representative of this committee other than that session to which the chairman referred, that one session.

Mr. NAUGHTON. And you have not talked with Mr. Manuel?

Mr. MORRIS. No, sir.

Mr. NAUGHTON. Getting back to what happened after these money orders arrived on Christmas Day, you subsequently had a discussion with Dr. Ralph about it. Can you give us any idea exactly when that discussion was? How close it was after Christmas?

Mr. MORRIS. I can't date it, Mr. Naughton. As I recall, Dr. Ralph went down to Tennessee for Christmas, and this was some time after Christmas, and it was—I don't remember which one of us even brought it up first. Whichever one of us brought it up, the other one said "I was just going to bring that up." It was a common problem with both of us.

As I recall, I think the discussion was in my car. I picked him up and before we went in the office we discussed this. We said, "How do we dispose of them?" We discussed mailing them back, and then we discussed, well you offend him, you embarrass him having to take them back down to the Post Office Department. Mr. Estes, to us, was a tremendously wealthy man and you didn't burden him with a nuisance like that. We said, "Let's just assume that they are for the purchase of dinner tickets." We knew he was coming up for the dinner. So we endorsed them over to the national committee, got the tickets, and it was my responsibility to hand them to Mr. Estes, which I did, and at the time told him that he should not send that type of present.

Mr. FOUNTAIN. When was the dinner to which you are referring to be held in relation to the time when you received the money orders?

Mr. MORRIS. The dinner was January 20, Congressman. These two money orders we received were received on Christmas Day.

Mr. FOUNTAIN. You received two and Dr. Ralph received two?

Mr. MORRIS. Yes, sir. And incidentally—later the same day Dr. Ralph and I discussed it, I believe it was the same day, or shortly thereafter, Dr. Ralph instructed me to write a memorandum to the Secretary, and inform him of it.

This sort of thing you don't spread around the Department. So I sat down at a typewriter myself and typed it, with one or two carbons, personal and confidential. As I recall, I started out: "There have been two instances of generosity on the part of advisory committees with which I think you should be acquainted."

The other incident was the potato committee had put together a purse and left with my secretary to buy Dr. Ralph a present, because he had them in his home and entertained them and they wanted to do something for him. Our ethical considerations were that we should not accept any monetary gifts from anybody. So we wrote the Secretary this memo.

As I remember, I gave it to my secretary to take over to the Secretary's office so that he would be informed of it.

Mr. FOUNTAIN. What is the name of the one who was your secretary at that time?

Mr. MORRIS. I am not sure she is the one I gave it to. I said I think. But Kathy Rhine was my secretary at the time. It may have been one of the other girls. But I gave it to one of the girls.

Mr. FOUNTAIN. Did you have any discussion with her as to whether or not she delivered the memorandum and to whom she delivered the memorandum?

Mr. MORRIS. Oh, no, because Dr. Ralph often sent the Secretary personal and confidential notes like that. It was standard procedure to give it to one of the girls to take over and leave in the Secretary's office.

Mr. FOUNTAIN. Did you make a copy of the memorandum?

Mr. MORRIS. Made a copy and gave it to Dr. Ralph to put in his—he kept a file of confidential memos to the Secretary.

Mr. FOUNTAIN. Did you discuss it with him to see—

Mr. MORRIS. I have discussed it since with Dr. Ralph and he said it is not in his file, or was not in the file.

Mr. FOUNTAIN. I believe that is what he testified to before.

Mr. MORRIS. We didn't feel it added or detracted much, Congressman, but we did write the memo. I typed it myself, having done it—

Mr. FOUNTAIN. You don't know of your own knowledge whether or not it actually reached the Secretary?

Mr. MORRIS. No, sir, because one of our secretaries would not take it in to the Secretary. They would take it over to one of his secretaries and just put it in the box. I typed on the envelope "Personal and confidential to the Secretary."

Mr. FOUNTAIN. Did Dr. Ralph complain to you about these money orders?

Mr. MORRIS. Congressman, as I said, I don't know which one brought it up, which one did, the other said—

Mr. FOUNTAIN. Did you have conversation with Mr. Estes about the money orders which he had sent to Dr. Ralph?

Mr. MORRIS. When I gave him the tickets, I admonished him then. I said, "Billie, I have told you time and again, don't embarrass people with these gifts. We made the assumption these were for the purchase of dinner tickets. Here are the dinner tickets."

And I handed them to him.

Mr. FOUNTAIN. Was that the same time he told you he didn't know your name was on the list?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. In your interview with members of the staff, did you refer to the list as a Christmas list, or a list?

Mr. MORRIS. I may have, because I think today I referred to it as a Christmas list. We got it on Christmas Day. Whether Mr. Estes called it a Christmas list or not I am not sure. I am trying to say what happened, and I don't recall exact words. I know he apologized profusely, said he did not know about it, but said our names had just—his people had put our names on the list.

Mr. FOUNTAIN. Mr. Naughton.

Mr. NAUGHTON. Mr. Morris, have you had an opportunity to examine Dr. Ralph's testimony before this subcommittee?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. Let me ask: Did you discuss with Dr. Ralph this matter about which he was to testify before he took the witness stand?

Mr. MORRIS. Not in any detail, Mr. Chairman.

Mr. FOUNTAIN. Did you discuss with him what his testimony would be in any way?

Mr. MORRIS. As I recall, not in any specifics or detail. He told me he was coming up. He was called up. And we had no way of anticipating the type of questions that would come up any more than I had for certain today what I would be asked.

Mr. FOUNTAIN. Did you have any lengthy discussion in which you attempted to put together the facts, correlate what had transpired as you saw it and as he saw it, before he testified?

Mr. MORRIS. My position with Dr. Ralph, Mr. Chairman, in response to that question, see, he goes to the same church I do, we live in the same neighborhood. On the occasions that he has dropped by the house or visited, I have taken the position with him as I have with others, that I have no purpose, no choice, but to come before any committee and tell the full, exact truth, because I feel I have nothing to hide. And that is what I have told Dr. Ralph and others, that I intend, it is my purpose, to tell the full factual truth.

That generally has been the type of conversation Dr. Ralph and I have had. What are we going to do? He has never been before a committee. I don't think he ever sat with them or anything. I have sat through a lot of hearings and I know the thing I intend to do is answer fully, truthfully, honestly.

Mr. FOUNTAIN. Is this the first time you have testified before a committee of any kind in connection with this matter?

Mr. MORRIS. It is the first time I have ever testified before any committee, Congressman.

Mr. FOUNTAIN. You did not testify before the court of inquiry in Texas?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. Mr. Naughton.

Mr. NAUGHTON. Mr. Morris, do you have any knowledge of any gifts, of anything of value whatsoever, by, for, or on behalf of Billie Sol Estes, to any employee of the U.S. Department of Agriculture, other than what you have already testified?

Mr. MORRIS. The only thing I recall, I think Dr. Ralph also got cantaloups but I am not sure his were taken home. I don't think he was there usually when they came.

Mr. NAUGHTON. I don't recall any gifts except Mr. Estes', if you were having dinner with him, he would always get a fistful of expensive cigars, and put them out on the table, that sort of thing. He would occasionally bring some cigars by the office, bring a handful and drop them off.

Mr. NAUGHTON. Were you present when Dr. Ralph and Mr. Estes were in Neiman Marcus?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. Did you observe Dr. Ralph trying on suits?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. Did you observe the tailor marking up suits?

Mr. MORRIS. I don't recall seeing the tailor marking up suits and I don't know whether I would have noticed whether he was putting a suit on him and fitting it. But as a specific thing I don't recall seeing suits marked up.

Mr. NAUGHTON. Did you hear any arrangements made that would indicate whether or not Dr. Ralph had agreed to accept the suit or—

Mr. MORRIS. I don't recall any acceptance on his part and I hoped he wouldn't.

Mr. FOUNTAIN. Were you all standing there together when he was trying on the suits?

Mr. MORRIS. No, sir. This was awkward and embarrassing to me and I walked off around the store. I didn't want to try on any suits. Mr. Estes had taken me over there earlier in the day, and wanted to buy me some clothes, and I said, "No, you are not going to buy me any clothes."

Mr. FOUNTAIN. Did you say anything to Dr. Ralph to indicate that you thought he would be making a mistake if he either accepted substantial gifts of any kind from Mr. Estes or if he left there under circumstances indicating that something like that had happened, and that it would be improper?

Mr. MORRIS. Mr. Chairman, I believe that I did warn or admonish Dr. Ralph to watch Billie's generosity, that he was too quick to give to people. But I am not certain, but I know at some time I talked to Dr. Ralph, because I discussed with him all of my relationships with Mr. Estes and other advisory committee members.

Mr. FOUNTAIN. What were you doing while the tailor was apparently marking up suits to be tailored for Dr. Ralph?

Mr. MORRIS. The best way I can describe my feelings at the time was—pardon me, Mrs. Dwyer—if you have ever gone with your wife in the lingerie department, you walk off. I didn't like this, Mr. Chairman. And I walked off and wandered around the other areas of the store. It is a beautiful store. And then I would come back and see if he were ready to leave.

Mr. FOUNTAIN. Were you a close friend of Mr. Estes at that time?

Mr. MORRIS. Fairly close; yes, sir.

Mr. FOUNTAIN. Why didn't you say something to Mr. Estes?

Mr. MORRIS. I can't say why I didn't, except I had previously admonished him about—

Mr. FOUNTAIN. You had been very frank with him on previous occasions and you were frank thereafter about his persistency in being generous to people—that it might be embarrassing to them.

Mr. MORRIS. Dr. Ralph was my superior, Mr. Chairman. It is the same as when I worked for the Congressman. I wouldn't presume to admonish the Congressman or constituent about anything that was going on. I wouldn't do it, sir. That is my training. I wouldn't do it.

Every man must judge for himself, and my judgment has always been that I would not accept anything from anybody that I didn't work for and earn. Every man must judge for himself.

Mr. NAUGHTON. Do you have personal knowledge of any gifts, contributions, or any gift of any substantial value from, by or for Billie Sol Estes to any public official, Federal, State, or local?

Mr. MORRIS. Not to my knowledge.

Mr. NAUGHTON. Do you have any reason to believe that this has happened, other than what you have read in the papers?

Mr. MORRIS. I have no reason to believe so.

Mr. FOUNTAIN. Any reliable information?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. To satisfy you that it has happened?

Mr. MORRIS. Mr. Estes talked to me about his political contributions, which I mentioned earlier, that he was a big contributor to the Democratic Party and Members of the Congress and Senate.

Mr. NAUGHTON. Did he tell you who he had given contributions to?

Mr. MORRIS. He mentioned a lot of people.

Mr. FOUNTAIN. Who did he mention?

Mr. MORRIS. From what I have—I wish I could speak off the record. This is what I think of as things that I don't—he was never specific enough. He contributed to Senator Yarborough, he said. He had flown him in his plane in his campaigns.

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 reserved 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, \$5,000 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 say he had given contributions to anybody else?

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 he 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, Mr. Naughton. He said he had no reason to believe. He said Mr. Estes made general statements 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 or 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 contributions. Mr. Estes pretty much kept his own counsel on things.

As I have read in the papers, I have learned more about Mr. Estes in the papers many times than I knew of him, even though we were close personal friends, family friends primarily. I was very fond of the man, I had a very high regard for him.

Mr. NAUGHTON. Do you believe or do you have any reason to believe that anyone used influence to try to favor Mr. Estes in any of his operations?

Mr. MORRIS. Not to my knowledge, sir. I don't recall anything that I would consider improper intercession, improper favoritism, improper conduct.

If it occurred in my presence it went by me. I am not aware of it, sir.

Mr. NAUGHTON. Mr. Chairman, I have quite a few more questions, but probably somebody else would like to ask some now.

Mr. FOUNTAIN. I have quite a few too, but I will yield. Do you want to recess now and come back?

(Discussion off the record.)

Mr. FOUNTAIN. The subcommittee will stand in recess until 2 o'clock.

(Whereupon, at 12:30 p.m., the subcommittee was recessed, to reconvene at 2 p.m., of the same day.)

AFTERNOON SESSION

Mr. FOUNTAIN. Let the subcommittee come to order.

Let the record show that a quorum is present.

Mr. MORRIS, continuing our questioning started this morning, you made reference to a meeting in which you participated with Senator Yarborough. Will you describe that meeting?

Mr. MORRIS. It was a meeting to discuss Mr. Estes' cotton problem, this transfer of cotton acreage.

Mr. FOUNTAIN. Where was the meeting held?

Mr. MORRIS. In the Senator's office.

Mr. FOUNTAIN. In the Senator's office?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. You had it with Senator Yarborough?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. Do you recall the nature of the conversation?

Mr. MORRIS. It was his discussing what he knew about it, by telling him what I knew about it, and, in effect, what he said was that if, if, if, and if—if legally, if he acted in accordance with the law, and if the Department processed all of this, he had questions of the fairness of now changing the rules and going back retroactively and canceling out something that had been approved through official channels.

That, sir, seems to be the basic question involved, is did they come in, get official approval, and then did they have a right to rely on that official approval and plant and produce cotton.

Mr. FOUNTAIN. Did that discussion indicate whether or not Mr. Estes had come in and gotten official approval?

Mr. MORRIS. It was a matter of record at that time, and everybody was concerned with it, that they had come in to the county office, they had to, sir, to get the paperwork accomplished to transfer the acreage.

Mr. FOUNTAIN. Was the approval sent on up through channels?

Mr. MORRIS. I think it only went as high as the State office. If the acreage was being transferred within Texas, X county out here, a man would come in and file for the transfer of the acreage. If approved by that county committee, it would go, I assume, to the State office. They would check with the other county committee, check the documentation, approve it, and then an allotment would be officially established on that land.

Mr. FOUNTAIN. Did Senator Yarborough ask you to do anything to show Mr. Estes a personal favor?

Mr. MORRIS. No, sir.

That is why I say, the Senator did not importune me any differently than most Members of Congress or Senators talk to somebody from a department about a problem of a constituent.

The Senator sought information as well as expressing what he knew about it. Even in the light of current developments I cannot look back and see any impropriety in Senator Yarborough's discussion with me. No different from most discussions with Members of Congress regarding problems of their constituents.

Mr. FOUNTAIN. I yield at the present time to Mrs. Dwyer.

Mrs. DWYER. Thank you, Mr. Chairman.

Mr. MORRIS, along the same line, did Senator Yarborough call you personally on any other constituent's problems?

Mr. MORRIS. I don't think so, Mrs. Dwyer. I don't recall his personally ever calling me, and I don't believe I ever talked to him personally about any other problem but this one.

Mrs. DWYER. What did you say your position was in the Department of Agriculture?

Mr. MORRIS. I was confidential assistant to the Assistant Secretary for Stabilization.

Mrs. DWYER. Were you representing Dr. Ralph in this capacity?

Mr. MORRIS. Yes.

Mrs. DWYER. I think you said that you started in the Department of Agriculture on March 1?

Mr. MORRIS. Yes, ma'am.

Mrs. DWYER. In 1961. And your first assignment was going down to Texas and at that time you were to interview Mr. Mattox?

Mr. MORRIS. Among about 12, I think.

Mrs. DWYER. How did the Department of Agriculture, or the State, choose these candidates for State committees, such as Mr. Mattox?

Mr. MORRIS. Mrs. Dwyer, drawing on my own knowledge, having worked for a Member of Congress, they were recommended to the Department by Members of Congress. And others, I assume.

Mrs. DWYER. From that particular State?

Mr. MORRIS. Yes. I know Congressman Andersen recommended, unsuccessfully, some appointments.

Mrs. DWYER. After you interviewed them, then what was the procedure from there on?

Mr. MORRIS. Primarily my mission was to document all of the papers necessary for their appointment if appointed. The application form, the background data for press release purposes and so forth, and also to find out if he were disqualified.

Mrs. DWYER. What was the channel once you brought back—

Mr. MORRIS. And then I brought back and turned those over to my superior.

Mrs. DWYER. That was Dr. Ralph?

Mr. MORRIS. No. This is when I worked for Mr. Jacobs. I was assistant to the Deputy Administrator of the agency at that time. Then they were out of my hands.

Mrs. DWYER. Then where did they go from Mr. Jacobs' hands?

Mr. MORRIS. In his office the recommendations for appointment, the appointment papers, were drawn up and sent up through channels. When I was assistant to Assistant Secretary Ralph they came into our office for Dr. Ralph to sign as Assistant Secretary, and then over to the Secretary. The Secretary made the appointments.

Mrs. DWYER. You mean Secretary Freeman?

Mr. MORRIS. Yes, ma'am.

Mrs. DWYER. Did he recommend these names to the White House before they came back again?

Mr. MORRIS. That is my indirect understanding.

Mrs. DWYER. What do you mean by "indirect"?

Mr. MORRIS. Those things—

Mrs. DWYER. It just happened?

Mr. MORRIS. Those things to people at my level are not told directly. We know they go some place for clearance. It was my understanding they went over to the White House for clearance. I don't know that as a certainty because I did not handle it.

My understanding in the Department was that they did go to the White House for clearance.

Mrs. DWYER. Officially, they go just to the Secretary of Agriculture, Mr. Freeman in this case, is that correct?

Mr. MORRIS. Yes. And to a person in my position they went from me to the Deputy Administrator, and from there on.

When I worked for Dr. Ralph they came through most routinely, through our office. There would be a stack of them, and Dr. Ralph would sit there and sign them.

Because I don't recall his handling any political clearances on them. Then he may have. I was not party to it if he did.

Mrs. DWYER. If I recall, this morning you talked about the plane trip you had with Mr. Estes at your first meeting. Something was said about his being cautious about talking about politics, because he did not know you well enough. And then he had the information through some telephone device that he had called Senator Yarborough and you were cleared and then he opened up and talked politically to you.

Was this the first day?

Mr. MORRIS. No, ma'am. This was sometime later, maybe months later. He humorously told me the story that he was very reserved with me when he first met me. He let me know why.

Mrs. DWYER. To get back to the Christmas list, did you ever recommend to him that any names be put on that list?

Mr. MORRIS. No. I never knew it existed, except that one-sentence reference that he made when I spoke to him about it.

Mrs. DWYER. Do you feel that he would have been sending you this Christmas gift, and Ralph as well, if you did not hold key positions in the Department of Agriculture?

Mr. MORRIS. Mrs. Dwyer, you would have had to have known Mr. Estes in those days to understand my answer. He was extremely generous with everybody. Little people, big people. He was an extremely generous man. So I can't say what his intent or purpose was. If it was an intent to obligate you or an—and apparently from what I know now he did not need me in the Department; he had much higher connections than me.

Mrs. DWYER. What do you mean by "much higher connections" than you?

Mr. MORRIS. He was on the Cotton Advisory Committee; he worked directly with the Under Secretary.

Mrs. DWYER. Who was that?

Mr. MORRIS. Mr. Murphy. I have been here since 1936, and I have not met a man who seemed to know his way around and know as many people as Mr. Estes did. It seemed almost limitless.

So I can't say why—

Mrs. DWYER. I cannot quite understand you when you say he did not have to depend on you; "he had influential people or people on a higher level than I was."

"If he needed to have any help at any time he did not need me."

You must have some reason for saying this.

Mr. MORRIS. Your question, as I recall, Mrs. Dwyer, was did he send this to me because I was in an influential position. I don't know why. He said he did not know that it was sent to me. And I took that at face value.

Mrs. DWYER. Again this morning you mentioned that Mr. Estes had just talked to you about Senator Yarborough. Under oath, Mr. Morris, was Senator Yarborough the only 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, Mahon, 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 describe 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 specific partisan political advice.

You see, Dr. Ralph was engrossed in the self-help stabilization program. I would say we spent 80 percent, probably, of our activity, in that field.

My job was a total job like your congressional assistant, serving him.

Mrs. DWYER. What was Dr. Ralph's relationship with the Secretary of Agriculture while you were with him?

Had the relationship disintegrated at all?

Mr. MORRIS. We had varying indications. We had rumors at one time that he was in difficulty with the Secretary. We had other indications that the Secretary was pleased with the job he was doing. We had alternating indications.

I heard from some people the Secretary was not too happy with the job he was doing, and the way he was doing it, and the emphasis he was putting on self-help stabilization.

Mrs. DWYER. Did you hear this from Dr. Ralph or from other people?

Mr. MORRIS. From Dr. Ralph and others.

You see, in my position there, I was pretty well isolated—

Mr. FOUNTAIN. Pardon me, Mr. Morris.

We have a vote now on a gambling devices bill.

Mr. MORRIS. Mrs. Dwyer, to fully answer your question, I was not at any time real certain how he stood with the Secretary. And I don't believe he was.

Mr. FOUNTAIN. The subcommittee stands in recess. The committee will return in a few minutes.

(Short recess.)

Mr. FOUNTAIN. Let the subcommittee come to order.

Let the record show that a quorum has returned.

Mrs. Dwyer, you were questioning Mr. Morris.

Mrs. DWYER. I have just one more question, Mr. Chairman.

Mr. MORRIS, you indicated that you and Dr. Ralph turned Estes' money orders over to your party's committee. Did Estes buy political dinner tickets for anyone else that you heard of?

Mr. MORRIS. As I recall, he said he bought 40 dinner tickets. I don't know, and he didn't tell me, the distribution, who they went to. I think he had about 8 or 10 of his own group up from Texas—8 or 10 or 12. I don't know. But other people were his guests at the dinner.

Mrs. DWYER. Were you his guest at the dinner?

Mr. MORRIS. No, ma'am.

Mrs. DWYER. Did you sit with him at the dinner?

Mr. MORRIS. We sat at their table.

Mrs. DWYER. You bought your own tickets?

Mr. MORRIS. Bought our own tickets, yes, ma'am.

Mrs. DWYER. Who was at the Estes table, do you recall?

Mr. MORRIS. I don't believe we sat at Mr. Estes' table, so I don't know who was sitting with him. Most of the people at the table at which we sat I did not know, except I believe Mr. Mattox sat at that table, Mr. Bill Mattox, from Texas.

Mrs. DWYER. He was the only one you recognized at the Estes table?

Mr. MORRIS. As I recall, yes, ma'am.

Mrs. DWYER. In your briefing, I think, before the staff, you mentioned something about Estes had called Morris after attending Rayburn's funeral, about getting a job for John Holton, the Speaker's administrative assistant. Why did he call you to do this?

Mr. MORRIS. I don't know. He just wanted my advice on this. He said, "What would you think if we hired John Holton as a sort of public relations man? He is going to be needing a job."

I couldn't give him a quick answer. I had very high regard for John Holton. I said, "What would be the nature of the job?"

"Well, we want him as a public relations man up there."

I said, "I will call you back."

I asked my wife and two or three others what they thought. They all said we had very high regard for John Holton, and I told him he was highly recommended, everybody had an extremely high regard for him.

Mrs. DWYER. Would you say that you had a more intimate relationship in a friendship sort of way with Mr. Estes than anybody else in the Department of Agriculture?

Mr. MORRIS. I can't say than anybody else, because I don't know who else might have had a personal friendship with him. I know that between us a close personal friendship developed.

Mrs. DWYER. Thank you, Mr. Morris.

That is all, Mr. Chairman.

Mr. FOUNTAIN. What is this about Mr. Holton, Mr. Morris? Was Mr. Estes seeking a job for Mr. Holton?

Mr. MORRIS. When he called me it was after the Rayburn funeral. He said, "Bill, what would you think of us hiring John Holton as a public relations man, to set up in business in Washington, to represent us up there?"

I said, "Billie, I don't know. I will inquire a little bit."

I did ask two or three people. They all had the same high regard for John Holton. I passed it back to him. That was the end of it.

Mr. FOUNTAIN. Was Mr. Holton hired by Mr. Estes?

Mr. MORRIS. Not to my knowledge.

Mr. FOUNTAIN. Excuse me, Mr. Smith. I will yield to you at this time.

Mr. SMITH. What year did you first go to work for the Government? You said it was back sometime ago.

Mr. MORRIS. In 1936.

Mr. SMITH. You started at what grade?

Mr. MORRIS. EO-1. Executive Order 1. It was below the civil service level, \$1,080 a year.

Mr. SMITH. You just took an examination like anybody else who wasn't qualified on that? Is that your statement?

Mr. MORRIS. I was desperate for a job and I went down to the public employment service and in interviewing me they administered this battery of tests. As I recall, the lady who administered them said that I had made an extremely high grade and she called Ed Young, who was then the Assistant Director of the U.S. Employment Service, and said we have this young man down here and referred me down. He hired me on a 30-day appointment at \$1,080 a year. That is how it started.

Mr. SMITH. After that did you get an appointment? How did you get your first—that was a 30-day appointment?

Mr. MORRIS. Yes, sir.

Mr. SMITH. Then did you get a permanent appointment?

Mr. MORRIS. As I recall, it was extended 60 days, then I have a very bitter memory that somehow they forgot to extend it and when payday came I didn't get paid. That was the best thing that happened to me, I guess, they switched me over then to a regular job without limit, time limit, at \$1,260, as I recall it was in those days.

Mr. SMITH. Then you stayed with the Government service until what year?

Mr. MORRIS. Until—I am trying to remember now—1940 or 1941, I left.

Mr. SMITH. Then you went back to Government service in what year?

Mr. MORRIS. The following year. I was reinstated with the Maritime Commission as personnel officer.

Mr. SMITH. Reinstated at the same level which you left?

Mr. MORRIS. No, sir. I think I left Government at CAF-5 and think it was a grade 6 that I was reinstated at.

Mr. SMITH. Was this a routine application and reinstatement, or was there anything significant about how you got in there?

Mr. MORRIS. No. I just looked around town for a job and managed to sell myself into this personnel job.

Mr. SMITH. Then when did you leave Government service the next time?

Mr. MORRIS. In 1947, along in there, I believe.

Mr. SMITH. Then you went back in during the Korean war?

Mr. MORRIS. Yes, sir.

Mr. SMITH. Then when you left, at the end of the Korean war, that was under a RIF action?

Mr. MORRIS. Yes, sir.

Mr. SMITH. Under a RIF action you have priority on going back into Government Service whenever a job opens up, is that correct?

Mr. MORRIS. I don't know that much about the present regulations. I do have permanent status and eligibility for reinstatement.

Mr. SMITH. That was under a reduction in force?

Mr. MORRIS. Yes, sir.

Mr. SMITH. You went back in at the same grade level or a different grade level?

Mr. MORRIS. No, sir, I went back in at the same salary I was making as an employee of Congress.

Mr. SMITH. You described Mr. Mattox and his name came up several times, but you didn't say: Was he selected for the job?

Mr. MORRIS. No, sir.

Mr. SMITH. These money orders that arrived at your house on Christmas Day, did I understand you to say that they were in an envelope with a special delivery stamp on them?

Mr. MORRIS. Yes, sir. I didn't receive them. My wife received them but they were delivered on Christmas Day and I think she said they had—if I could say, I don't know, but they came on Christmas Day, she said. I didn't receive them.

Mr. SMITH. When they arrived on this day and under those circumstances, why did you assume that they were for purchases of some dinner tickets?

Mr. MORRIS. I didn't assume that, sir. I assumed they were a Christmas gift.

Mr. SMITH. In other words, you mean that you took this way—

Mr. MORRIS. Of getting rid of them.

Mr. SMITH (continuing). Of getting rid of them?

Mr. MORRIS. Yes, sir. I did not want to accept that type of gift.

Mr. SMITH. You said in your direct testimony something to the effect that during that weekend before you were fired, some people asked you not to talk?

Mr. MORRIS. Yes, sir.

Mr. SMITH. You didn't go into that in any detail. Was it during that weekend they asked you not to talk, or when?

Mr. MORRIS. Some had previously, and that weekend one asked me not to.

Mr. SMITH. Who was that, and what were the circumstances.

Mr. MORRIS. That was Congressman Andersen. He called me Friday evening and I met him at the Rosslyn Hot Shoppe Saturday afternoon. He said he hoped I would not voluntarily disclose anything about our trip down to Texas. I gave my word I wouldn't.

Mr. SMITH. Did anything else come up during the conversation concerning Estes, directly material to this case?

Mr. MORRIS. No, sir, not that I recall.

Mr. Andersen said if it became public knowledge we will both frankly, freely, publicly tell what happened. But please don't—

Mr. SMITH. I am interested in your giving us a more detailed account, blow by blow, as to what happened in Dallas that day in a narrative form. Would you just start out and tell us when you first saw Estes, and—

Mr. MORRIS. What day is this sir?

Mr. SMITH. When you were with Ralph.

Mr. MORRIS. As I said earlier, we were there for these commodity meetings. Mr. Estes sat through part of the meetings, was in and out.

At one time he asked me to step out with him. I did. We went for walk and went over to Neiman-Marcus, and he wanted to buy me some alligator shoes. I asked the price of them. They were \$135. I said I wouldn't wear \$135 shoes if I found them. I wasn't that caliber person. I said, "I am not interested in these shoes." He told me how comfortable they were and wanted to buy me some. I said, "No, no shoes." Then he wanted me to go up to the suit department and see suits, and I said, "No, I have got to get back to the meeting," and we went back to the meeting.

When the meeting broke—well, we had another meeting that afternoon with the poultry group. And when that meeting broke—

Mr. SMITH. When you say "we"—

Mr. MORRIS. Dr. Ralph and I. These were prearranged meetings in his schedule.

Mr. SMITH. Estes wasn't at the poultry meeting?

Mr. MORRIS. I don't think so.

Mr. SMITH. OK. Go ahead.

Mr. MORRIS. These meetings were arranged weeks ahead of time. Dr. Ralph's schedule was made up far ahead. We spent the afternoon with this poultry group and when we came out, I honestly can't remember all of the details because they weren't that significant to me, but we either saw Mr. Estes in the lobby or in the corridor or someplace, and we were going for a walk, Dr. Ralph wanted to find some California sherry wine. He was very particular about the kind of wine he would drink. We went into Neiman-Marcus.

Mr. SMITH. Just the three of you?

Mr. MORRIS. Yes, sir. I can't remember the location in relation to the hotel but in our walking we went in Neiman-Marcus, and went up to the suit department. Mr. Estes wanted us to try on suits.

Regardless of what anybody has testified, I didn't try on any suits, overcoats, shirts, ties, shoes, anything, because I was not interested in anybody buying me clothes.

And as I said earlier, I didn't like this situation, and I walked off. I walked around the store and came back from time to time until they were ready to go.

Mr. SMITH. You didn't hear any conversation between Ralph and Estes other than what you have testified to?

Mr. MORRIS. Oh, Mr. Estes was telling him he should dress better, and as I recall Dr. Ralph had on a summer suit, wash and wear, that Mr. Estes didn't think was becoming to an Assistant Secretary. I think they asked my comments and I think I picked up some sleeves and looked at them because I don't think I have ever been in a suit department that I didn't. And the reason I think I did is because I didn't any price, didn't see any price tags on those suits. I don't recall any prices.

And then there was a vicuna coat brought out. I went over and listened to some of the Goldfine hearings and I was quite aware of the Goldfine coat. I think Dr. Ralph tried on the vicuna coat. This was a prank, as I interpreted it. Billie Sol said, "I could get a thousand dollars for a picture of you in that vicuna coat," something to that effect. But the coat was put back on the rack.

Mr. SMITH. Did you see Dr. Ralph being measured for trousers or a suit?

Mr. MORRIS. Not to my knowledge. He might have been, or might not have been. I couldn't tell the difference between a salesman putting on a suit and turning up the cuffs. I wasn't that interested in what was going on.

Mr. SMITH. Did you hear any conversation that indicated whether or not a purchase was being made or just looking at suits?

Mr. MORRIS. He was looking at suits, trying them on, and Mr. Estes was telling him—and I told him how good a couple of them looked on him, and how a couple of them didn't look so good. But as to the consummation of the sale, whether he bought any or Mr. Estes bought any, that I don't know as a matter of certain knowledge.

Mr. SMITH. After you left the store, then, you were with Dr. Ralph coming back to Washington, were you?

Mr. MORRIS. No, sir. I went on out to the Fabens Cotton Festival. I am not sure Dr. Ralph came back to Washington.

Mr. SMITH. Did you have any conversation with Dr. Ralph any time after that regarding whether or not he was to receive a suit?

Mr. MORRIS. No, sir. I think we were in a group. I think we went out to dinner together that night. I think we stayed together in the group.

Mr. SMITH. Do you remember any conversation as to whether or not a suit had been purchased?

Mr. MORRIS. No, sir.

Mr. SMITH. I guess that is all that I have, Mr. Chairman.

Mr. FOUNTAIN. I have a lot more questions.

Mr. LANGEN, since we are going around,

Mr. LANGEN. Mr. Chairman,

Mr. MORRIS, I am sure that it goes without saying that this is probably an experience that we don't cherish, either one of us.

Mr. MORRIS. Thank you, sir.

Mr. LANGEN. However, I think you realize, as I do, that if this committee is going to be in a position in which they can write a report, make recommendations, or whatever the case may be, it becomes essential that we have the facts relative to the case as close as we can possibly determine them to be. For that reason, of course,

it becomes essential that we do everything possible for the purpose of exploring what those facts are.

As I recall the testimony beginning this morning—and I would like to start at this point—your first meeting with Estes was on March 1, 1961?

Mr. MORRIS. To my best recollection, yes, sir.

Mr. LANGEN. This came about because you were assigned to go to Texas to interview some applicants for State ASC Committee?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. In connection with the meeting of a Mr. Mattox you also met Mr. Estes?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. This, in turn, by virtue of the events that took place, brought you down to Pecos, Tex., and the events that took place there which caused you to miss your plane and so on?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. And so out of this initial meeting grew what I have gathered to be quite a friendship—

Mr. MORRIS. Yes, sir.

Mr. LANGEN (continuing). Within the very short period of time of only about a year or 13 months or something like that. What puzzles me about it is that didn't it occur to you that this was a rather strange combination or sequence of events where you had come to Texas to meet with a certain individual and then wind up meeting another one, ending up in the town where you hadn't intended to go, being delayed in your scheduled trip, ending up very unexpectedly with a hundred dollar hat? This seems like kind of a unique combination to me to be the beginning of a friendship, in a sense, because to me it would arouse some suspicion. Didn't all of this kind of strike you as being an odd combination or an odd sequence of events?

Mr. MORRIS. No, sir. As a matter of fact, I never expected to see the man again, as I have indicated in my thinking. I said, "Our paths will never cross." This had no significance to me, sir.

Mr. LANGEN. I can appreciate that you probably didn't expect to see him again, but the fact remains that you did.

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Inasmuch as you did, then it would seem to me that on the second meeting, the third one or fourth one, or whatever the case may be, that the sequence of events relating to the first meeting must have somehow or other come to your mind, that this fellow that I met down there that bought me the hat and that led me off my schedule the last time I was in Texas, it would seem to me that there should have been some kind of unique recollection of this first meeting.

Mr. MORRIS. It did, sir, and that is why I set about in my way paying him back for the hat. I set out very purposely to establish an even balance.

Mr. LANGEN. So that in that event this seemed like a very unusual, possibly not acceptable, procedure whereby you did get this hat on the first visit, and this you recognized at this early stage and so set about trying to balance up the books, so to speak, in this respect; is that somewhat correct?

Mr. MORRIS. Well, at the time I was given the hat, knowing the Texas hat custom, it meant nothing to me. It had no unusual signifi-

cance at all. I was chagrined that it was a hundred-dollar hat. I read enough articles and stories about Texas millionaires giving people hats that it wasn't anything unusual to me, sir.

Mr. LANGEN. Then as time moved along—and by the way, I am not sure whether I am clear in this respect—on your first visit, were you working for Dr. Ralph or Jacobs?

Mr. MORRIS. Mr. Jacobs.

Mr. LANGEN. You were working for Jacobs during the first visit?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. So that any experience that you had on that trip would have been reported to Jacobs?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. As compared to Ralph?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Then as we move along in the time schedule comes the matter of the Cotton Board and his appointment to this Cotton Board. It is my understanding that this at first was an informal group and then became a formal group, a part of the Department of Agriculture?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. The purpose of this Board, if I understand it correctly, was to give advice, to discuss policy to some degree, inasmuch as all of the people on here were well acquainted with whatever problems existed in the cotton farm program area.

Mr. MORRIS. That is my understanding.

Mr. LANGEN. Is this basically correct?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Then there arises a question as to the appointment of Mr. Estes to this Board. I believe you stated this morning that you were aware of the fact that there was some question regarding his appointment?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. And that you became aware of this on the basis that a recommendation had once been made and then it was delayed, nothing happened, and you were wondering what happened. You were told it was because somebody was exploring Mr. Estes.

Mr. MORRIS. Yes, sir.

Mr. LANGEN. At this point we get the second question that comes in. You having had the experience of having been there, having gone through the experience and knowing of his actions and his way and means of operating, having provided you with a hat and so on, at this point didn't it occur to you that I wonder if all is well here with Mr. Estes?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. In so wondering, did you then report that to your superior, and at this point would it have been Dr. Ralph as compared to Dr. Jacobs? Or was it still Jacobs?

Mr. MORRIS. No, it was Dr. Ralph.

Mr. LANGEN. It was Dr. Ralph. And Dr. Ralph was also—was he a member of this Cotton Board or did he sit in on these meetings as a member of the Department?

Mr. MORRIS. I think he was the Secretary's representative to the Committee. I am not sure, Mr. Langen. On most of them he was

the Secretary's representative, or on several of them he was, although the Cotton Committee was primarily under Mr. Murphy's guidance.

Mr. LANGEN. As I understood, and recollect from Dr. Ralph's testimony, I believe he said that he attended all or practically all of the Cotton Board meetings. So he must have attended as the Secretary's representative.

Mr. MORRIS. I am not certain of that, Mr. Langen.

Mr. LANGEN. Did you at that particular time report to anyone or call to anyone's attention, inasmuch as there was a concern about his appointment to the Board, the experience that you had had in Texas regarding the hat and soon?

Mr. MORRIS. Regarding the hat, Congressman, I think I discussed the hat with practically everybody I knew in the Department.

Mr. LANGEN. But relating to the question of his serving on the Board—

Mr. MORRIS. I don't believe I did, sir, because that didn't occur to me; that that had any bearing on it. I had no guilt complex about the hat. It was after I knew that he did business with the Department, I wanted to reimburse him in a proper way.

Mr. LANGEN. I realize that. But I am referring to your statement earlier where you acknowledged that this was a rather unusual experience. I am sure that in the—no, I can't say I am sure, but I am assuming that in a number of the other trips that you made, in which you were interviewing people to serve on ASC committees or with the Department or this personnel assignment that you had, I don't expect you met too many that bought you a hat, as an example, or anything else, probably.

Mr. MORRIS. No, I wouldn't—

Mr. LANGEN. So that this one experience was bound to stand out as compared to the others?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. And because there then was a question raised, it would seem that it would have to be associated somewhere here. Is this right, or—

Mr. MORRIS. As I say, it was because questions were raised that I was reimbursing him for the hat in a courteous way.

Mr. LANGEN. Then comes the question of the cotton allotments. You stated this morning that this had been raised and had been discussed and talked about. They as well must have been a part of the consideration in the appointment to the Board. Correct?

Mr. MORRIS. I didn't participate in his appointment to the Board, Congressman Langen, so I don't know what entered into it.

Mr. LANGEN. But you were aware there was some problem with the cotton allotments?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. As the righthand man of Dr. Ralph, did you report this to him?

Mr. MORRIS. Dr. Ralph knew all about the hat, yes, sir.

Mr. LANGEN. I am talking about the cotton allotments and irregularities that may have existed there.

Mr. MORRIS. I know Dr. Ralph was generally familiar with it, yes, sir.

Mr. LANGEN. So that he in turn, as the Secretary's representative now on the Cotton Board, was also aware of the fact that there had been questions raised and had been suggestions made that all wasn't well as far as the cotton allotments and Mr. Estes were concerned?

Mr. MORRIS. I think so. Mr. Langen, it was, as far as I knew, common knowledge around that whole secretarial area that Mr. Estes had a cotton problem.

Mr. LANGEN. In view of that, and in view of the fact that there was an appointment to be made, and in view of what you stated today in interviewing the respective candidates for ASC offices and so on, this would have been a logical question to raise relative to anyone being considered for such an appointment, would it not?

Mr. MORRIS. I don't know that the hat would, because here was a man who—

Mr. LANGEN. I am getting back to cotton allotments, the fact that there were irregularities with the cotton allotments.

Mr. MORRIS. There was a question whether there were irregularities at that time.

Mr. LANGEN. There was a question. And so because of that question this would have been one of the points that certainly ought to be considered in the matter of his appointment.

Mr. MORRIS. I can't presume to judge what the Secretary would consider, Mr. Langen.

Mr. LANGEN. All right; let me approach it from another angle.

If you were interviewing a person who was to serve on an ASC committee as you did with a good many of them, and as you stated this morning this required getting a part of their personal background, determining whether or not they were a bona fide farmer, determining whether they were eligible in every respect to serve in that capacity, and in so doing if you had found a person on which there was a real question relative to some cotton allotments on his particular farm, this would have been one of the points that you would have given serious consideration to in making a recommendation, would it not?

Mr. MORRIS. I did not make recommendations. I reported facts.

Mr. LANGEN. All right.

Mr. MORRIS. I would include that as a fact.

Mr. LANGEN. You would have reported that as a fact?

Mr. MORRIS. Yes.

Mr. LANGEN. And it would have been one of the items that they were desirous of knowing, would it not?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Also it would have been one of the items that would have made some difference in their decision of whether or not to make the appointment?

Mr. MORRIS. I assume it would be; yes, sir.

Mr. LANGEN. So that now we have clarified that as far as yourself and Dr. Ralph are concerned, you were aware of the problems and the questions that had been raised relative to the cotton allotments that he had acquired during this recent period?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. As time went along—and I gather there were numerous meetings of this Cotton Advisory Committee?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Did they meet once a month?

Mr. MORRIS. I did not handle the scheduling, Congressman, and I don't recall that much detail about the Cotton Committee, how often it met, or on what basis.

Mr. LANGEN. Did they meet more often prior to its becoming a formal group, or more often after they did?

Mr. MORRIS. I could not answer that.

Mr. LANGEN. You could not?

Mr. MORRIS. No, sir.

I did not have that much to do with the Cotton Committee. I think I only went in once or twice for a few minutes. I had very little to do with the Cotton Committee, sir.

Mr. LANGEN. But as I understood by your statements this morning, while you did not have anything particular to do with what went on in the meeting, you were serving that particular meeting in whatever capacity you could?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. In whatever their needs were, in providing transportation, hotel rooms, or other services that they might have required?

Mr. MORRIS. Yes, sir; but the scheduling of their meetings, preparing the agenda, the conduct of them, I had nothing to do with, sir.

Mr. LANGEN. In view of this did it surprise you any when the report finally did come through, indicating that Mr. Estes was a member of the—

Mr. MORRIS. I was not surprised; no, sir.

Mr. LANGEN. In other words, it did not disturb you any that there had been questions raised on cotton allotments, the fact that he bought you a hat, the fact that there had been several noticeable irregularities here, but these were just overlooked?

Mr. MORRIS. Well, I don't know that there were irregularities. I know questions were raised, Congressman; as you know, I worked almost 6 years for Congressman Andersen and we had a lot of farmers who had problems, questions coming up, and in many instances the farmer in the end was completely right.

From my experience I would not prejudge, and I did not have enough information to judge.

Mr. LANGEN. Wouldn't you have had as much information relative to Mr. Estes at this point as you had of Mr. Mattox, for instance, or as you had of any of the others that you interviewed, and that you had turned in reports on?

Mr. MORRIS. I did not interview Mr. Estes or turn in a report on him.

Mr. LANGEN. But you had visited with him; you knew him, you knew of his activities; you must have known him as well as you knew the others?

Mr. MORRIS. Yes, sir; but I did not know that detail, that amount of detail of his operations.

Mr. LANGEN. Did anyone ask you about him during the course of this consideration?

Mr. MORRIS. Anyone in the Department?

Mr. LANGEN. Anyone in the Department, yes.

Mr. MORRIS. I don't recall anyone asking me any specific questions about Mr. Estes; no, sir.

Mr. LANGEN. Who held up the decision? The decision was held up, I believe you stated this morning; it was held up by those higher up?

Mr. MORRIS. Over in the Secretary's office.

Mr. LANGEN. Over in the Secretary's office somewhere it was held up.

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Do you know who?

Mr. MORRIS. No, sir.

Mr. LANGEN. You do know that it was held up in the Secretary's office because of the complaints that had been—

Mr. MORRIS. I know that was my understanding, that it was held up pending completion of this Estes investigation.

Mr. LANGEN. And they had sent somebody out there to investigate it but you don't know who that was either?

Mr. MORRIS. No, sir; I made no inquiry into the investigation. I knew no details of it.

Mr. LANGEN. Be that as it may, he was appointed to the Cotton Board?

Mr. MORRIS. Yes, sir; and that indicated to me that in the investigation review consideration, the man was cleared.

Mr. LANGEN. And after he was appointed, then these meetings were held, I believe you stated that in the completion of your services you oftentimes heard from him prior to a meeting?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. As to making arrangements for him here at hotels, or meeting him at the airport. I believe you mentioned that you met him at the airport many times?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Did you regularly meet him at the airport when he came?

Mr. MORRIS. If I could, I did, yes, sir.

Mr. LANGEN. Did you ever meet any of the other members of the Cotton Council at the airport?

Mr. MORRIS. Not any members of the Cotton Committee, no, sir.

Mr. LANGEN. So that this was the only one of the Cotton Committee that you would meet at the airport when he would come?

Mr. MORRIS. Yes, sir. I met other advisory committee members, took them to and from airports, stayed over and visited them when I was in their area.

Mr. LANGEN. And in so doing, I gathered from your statement this morning, he generally would call you first to determine what might be discussed at the meeting and how important it was and so on, so that you somewhat advised him as to his coming or not coming?

Mr. MORRIS. If I said that I did not intend to, Congressman. I said he may have on occasion. I seem to recall he called me, and he was tied up and said should I come up to this meeting.

I asked Dr. Ralph and Dr. Ralph said "Yes, tell him if he can, to come up, it is an important meeting."

Mr. LANGEN. I believe you said this morning, in connection with the number of telephone calls, that there were a number of these that were associated with his meetings of the Cotton Board?

Mr. MORRIS. They were associated with his coming to Washington, or stopping off in Washington en route someplace else.

Mr. LANGEN. Did he come on a number of other occasions when the Board did not meet?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Do you know the nature of those—

Mr. MORRIS. No. I seem to recall that on some occasions he was on his way to New York or back from New York, and stopped over in Washington.

He was up here for fund-raising dinners, he was up here on other trips. He was in and out of Washington quite a number of times.

Mr. LANGEN. Quite a number of times?

Mr. MORRIS. Yes.

Mr. LANGEN. When he was in Washington as a rule did he stop by the Department of Agriculture?

Mr. MORRIS. Generally he would stop in there, yes, sir.

Mr. LANGEN. Did he make very many trips here when he did not stop?

Mr. MORRIS. I can't tell you, sir, because I had many other duties, and I can't recall whether he always came in the Department or did not. I don't know, sir.

Mr. LANGEN. I believe you stated, too, that he had mentioned or had said at one time that he was kind of unhappy about the fact that he was being investigated.

I gather this was the investigation relative or prior to his appointment?

Mr. MORRIS. Yes, sir. Oh, I don't know, sir, whether it had anything to do with his appointment. This as I understood it was the investigation of this transfer of cotton acreage.

Mr. LANGEN. And because of this investigation, and his concern, there developed a meeting, did there not, or was going to be a meeting.

I believe you said there was going to be a meeting and you don't know whether it was held or not, relative to his eligibility to serve on the Cotton Board?

Mr. MORRIS. I don't know about any meeting of that nature, sir.

Mr. LANGEN. Didn't you mention this morning that there was such a meeting planned or requested in connection with Senator Yarborough?

Mr. MORRIS. This was in September, I believe, that Senator Yarborough asked me to come up, or his office staff asked me to come up and discuss it with him.

Senator Yarborough or his office also as I recall called Dr. Ralph about it, and talked to him personally.

Dr. Ralph in turn relayed that to me and said could I keep an eye on this, or something to that effect. About the same thing he said in effect about the other problems.

Mr. LANGEN. Did you say Senator Yarborough did call Dr. Ralph on this matter?

Mr. MORRIS. As I recall, sir, either Senator Yarborough or somebody from his office.

Dr. Ralph called me and said I have had a call from Senator Yarborough's office about Estes' cotton problem, keep an eye on it; or I promised him we would keep an eye on it.

Mr. LANGEN. So that at this point Dr. Ralph was also concerned about the appointment?

Mr. MORRIS. Well, he was aware of it.

Mr. LANGEN. Aware enough so that he conveyed it to you and let you know that Senator Yarborough had—

Mr. MORRIS. Or Senator Yarborough's office as I recall. I am not sure whether it was the Senator himself. I was not in there when he received the call.

(See comment by Senator Ralph W. Yarborough, p. 146.)

Mr. LANGEN. During all of these visits—and I gather, too, that he made a number of visits to your house?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. When was the first of these?

Mr. MORRIS. Sometime in the spring of 1961 he came up, or came through here on a trip, or a Cotton Committee meeting. I don't recall.

Mr. LANGEN. In the spring of 1961?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. So it would have been shortly after your first meeting with him in—

Mr. MORRIS. Sometime within the next couple of months, yes, sir.

Mr. LANGEN (continuing). Within the next couple of months?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Then these visits and these trips continued on during the summer?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. How many other of the people on the Cotton Board made these same kind of visits to you or to your house?

Mr. MORRIS. None, sir. I don't know any of them that well.

Mr. LANGEN. I get back to where we started. How did this particular friendship develop to that degree in this real short period of time after this unusual experience in Texas in the first instance?

Mr. MORRIS. Congressman, I don't know what you mean by this real short period of time.

Mr. LANGEN. It is a short period of time.

Mr. MORRIS. I was quite favorably impressed with Mr. Estes when I first met him and I tell you frankly I liked the man tremendously. He impressed me tremendously as an individual. Not his wealth or any of that, because I am not too easily impressed with that. But when he called and came to Washington and wrote and sent me material and press clippings that had been published and all, how do you describe how a close friendship develops? They don't develop often, but a real close family friendship developed with Mr. Estes. We were very fond of him.

Mr. LANGEN. So that we get the sequence right here, was it in September that you and Dr. Ralph were in Dallas with—have I got the right month?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. This, then, constituted the second experience in which now again you were in the company of Mr. Estes?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. And which, on this occasion, you again had the experience of Mr. Estes trying to provide gifts that were certainly beyond the usual?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. This time with someone in the Department bearing the title of an Assistant Secretary. Didn't that raise some kind of suspicion or some kind of question?

Mr. MORRIS. I didn't let him buy me any clothes, Congressman.

Mr. LANGEN. But the mere fact—was this his first meeting with Dr. Ralph?

Mr. MORRIS. Oh, no; no, sir. He had been in and out of the office.

Mr. LANGEN. He had been in and out of the office before this?

Mr. MORRIS. Yes.

Mr. LANGEN. But at the same time it was the first meeting they had met in Texas?

Mr. MORRIS. To my knowledge.

Mr. LANGEN. And on this first meeting it very conveniently turns out exactly the same way, completely unplanned on your part, completely unplanned on Dr. Ralph's part, but at the same time you wound up trying on clothes—hats in the first instance?

Mr. MORRIS. I didn't, sir.

Mr. LANGEN. But Dr. Ralph did?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. He was having exactly the same experience that you had had in the first instance, right?

Mr. MORRIS. Well, not exactly the same. I think buying me the hat, I didn't know the man had any relation to Agriculture, is a little different, Congressman.

Mr. LANGEN. So maybe it is different. At the same time can you think of any other person or any other experience that is comparable to this? Did you ever go anywhere for the Department of Agriculture on any kind of an assignment and two times in succession wind up with a man buying some clothes for him?

Mr. MORRIS. Congressman, I don't think—

Mr. LANGEN. Is there a comparable experience?

Mr. MORRIS. Congressman, I don't think in any of my Agriculture trips I ever met or was associated with a man of the obvious or apparent wealth of Mr. Estes. I don't recall ever meeting a man who had so much money to spend and spent so much money. It was a unique experience.

Mr. LANGEN. Let me just correct that. You thought he had that much money to spend, because obviously he didn't have it. But even at that, we acknowledge that he had a lot of money to spend. Be that as it may, this was still a pretty irregular practice of the minute he met someone from the Department to immediately pursue the very same avenue and wind up buying or attempting to buy clothes for them. This seems to me to be real unusual.

Doesn't it to you?

Mr. MORRIS. I can't speak for Mr. Estes, as to whether this was unusual—

Mr. LANGEN. I am asking your opinion. What puzzles me is that this didn't arouse suspicion enough to where it was reported to a greater degree to those above or whoever was dealing with it, remembering now that you were also aware that there had been questions regarding his quota allotment, remember that you were also aware that he was in the grain storage business in a big capacity, and had

bragged about this. Remembering, too, that he had acknowledged his acquaintance with people in the Department, Members of Congress, and so on. This point it just seems to me couldn't go unnoticed.

Mr. MORRIS. Congressman, if you are asking me about my responsibilities, I was with my official superior if you know channels in Government, sir.

I was not required or expected, for in Government when you go around your superior, you are in trouble. My official superior was present, the Assistant Secretary of Agriculture. I had no one else to report anything to, sir. This was my superior I was with. And he knew everything I knew.

Mr. LANGEN. So now, then, you became aware that here was an Assistant Secretary of Agriculture that had responded to the efforts of Mr. Estes in providing an unusual amount of gifts. You were aware of that?

Mr. MORRIS. I was aware that he was over there in the store, the three of us were in the store. I am not aware that he responded or accepted. I hope then—

Mr. LANGEN. Because you knew what happened to you when you went on the same kind of a mission, you wound up with a hundred dollar hat?

Mr. MORRIS. Yes, sir. But many people have told me of his generosity to all kinds of people. He built churches for the Negroes in Pecos. He built a church for the poor Mexicans. I heard from many sources of his great generosity. Here was a man who, from all I heard, spent a lot of money.

Mr. LANGEN. Of course I can appreciate that, that he may have been very benevolent to those who were in need, but I don't know that the same thing applies to an Assistant Secretary of Agriculture. I don't suppose that he would have been making gifts there for the sake of being benevolent. I can see this being done to some poor kid on the street, yes, or somebody in need. But it takes on an entirely different interpretation, and I don't see how you can come out with the opinion that his benevolence reached all the way up to an Assistant Secretary of Agriculture.

Mr. MORRIS. Congressman, if I didn't say earlier I want to say now, I was disturbed by this; I didn't want to be party to it. I walked away; I was embarrassed. I hoped that Dr. Ralph would not let him buy him any clothes. And as I said, I believe I warned Dr. Ralph about it, that he had a tendency to spend too much money.

Mr. FOUNTAIN. The committee stands in recess for another brief period of time.

(A short recess.)

Mr. FOUNTAIN. Let the committee come to order.

Let the record show that a quorum is still present.

Mr. Langen?

Mr. LANGEN. In light of this, that you did warn Dr. Ralph, you must have had some discussion about it after being in the store, and I gather you warned him. What did Dr. Ralph have to say about it, the experience of trying on these suits and the shoes and the coats or whatever else there was?

Mr. MORRIS. I don't think I saw Dr. Ralph for some days or week or two after that, and I don't recall any discussion of it, Congressman.

Mr. LANGEN. But you just stated you warned him about it?

Mr. MORRIS. I believe I did. I believe either as we were leaving the hotel or when it became apparent that we were going into Neiman-Marcus, I think I whispered something to Dr. Ralph about "watch him, he gets too liberal at times" or something, "Watch him, he might want to buy you something." I am not certain, Congressman, but I believe I did say something to Dr. Ralph.

Mr. LANGEN. Do you mean to say that other than that, you never discussed that experience again?

Mr. MORRIS. No, sir; not that I recall.

Mr. LANGEN. Do you mean that—

Mr. MORRIS. Until this flash came up in the press.

Mr. LANGEN. Do you mean that again this experience of being invited into a store, trying on suits that I understood ran into several hundred dollars, \$200 or more, and that this didn't attract enough attention to even warrant a comment between the two of you after it was over?

Mr. MORRIS. I don't recall any discussion on it, Congressman.

Mr. LANGEN. This again kind of surprises me, that an experience of this kind wouldn't generate at least that much attention.

Let me ask you, too, in connection with this visit to Dallas. Did you stay in a hotel in Dallas?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. What hotel?

Mr. MORRIS. I don't remember but I think it was the Statler-Hilton.

Mr. LANGEN. As I understand, from what information I have, you had reservations at another hotel?

Mr. MORRIS. At another hotel; yes, sir.

Mr. LANGEN. How did you get over to the Statler-Hilton?

Mr. MORRIS. Mr. Estes and one or two people, I don't know how many, were waiting at the airport when we arrived. Dr. Ralph and I came in from different directions. I came from Atlanta. They said, "We have also made reservations at the hotel." I believe our meetings were in the Statler-Hilton and Dr. Ralph said we will stay over there instead of at the other hotel, then.

Somebody called and released the other reservation.

Mr. LANGEN. And these accommodations that you then had at the Statler-Hilton, did Mr. Estes take care of those for you?

Mr. MORRIS. Somebody paid my bill, because when I went to get it they said, "It is paid." We were checking out.

Mr. LANGEN. Do I gather from that that you don't know who paid them?

Mr. MORRIS. I don't know; no, sir. Somebody in the party said, "The bill is all taken care of, let's go." Cabs were waiting and we were headed for the airport. I assumed somebody in the Estes party settled the bill.

(Mr. Morris subsequently advised the subcommittee that he searched his travel file and found his receipted bill and recalls other events which convince him that he personally paid this hotel bill.)

Mr. LANGEN. It is true, is it not, that this was a suite that Estes had reserved there most of the time?

Mr. MORRIS. I don't know that, sir. I didn't stay in any suite. I stayed in a single room.

Mr. LANGEN. My information indicates that you left that hotel on September 7 at 9:20, which was Room 2421, or rather you arrived at 9:20 on September 7 and left on September 9 at 9:17, and that Estes arrived in the same room—pardon me. This is wrong.

Estes arrived at the same hotel at about the same time so that you were all staying in here, is what I am trying to get at.

Mr. MORRIS. He was there for a meeting of the Cotton Committee. How long he had been there, or where he stayed before I arrived, I do not know, sir.

Mr. LANGEN. But whatever the case may be, the hotel accommodations then were paid for by what you assume to be Mr. Estes or some of his party?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Did Dr. Ralph stay at the same hotel?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. In the same room, or in another room?

Mr. MORRIS. He was I think two doors down from me, something like that. I think he was on the same floor I was on.

Mr. LANGEN. And his accommodations were taken care of, too?

Mr. MORRIS. I don't know, sir.

Mr. LANGEN. To move on, let me then get to Christmas of that year, when you received the two money orders, as did Dr. Ralph. They arrived at your place on Christmas Day. When they arrived, what kind of an interpretation did you put on receiving two \$100 money orders?

Mr. MORRIS. I interpreted it as Christmas.

Mr. LANGEN. As being a Christmas gift?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Did you also anticipate that the money orders that Dr. Ralph got were also Christmas gifts?

Mr. MORRIS. I didn't at that time know about them, sir.

Mr. LANGEN. When did you first find out about them?

Mr. MORRIS. When he and I discussed it.

Mr. LANGEN. When you discussed it, did you agree that these probably were Christmas gifts?

Mr. MORRIS. My thinking was that they were Christmas gifts. We agreed that we would, to dispose of them, because we did not want to accept them, we would consider them contributions to the dinner. It was ticket-selling time for the dinner.

We said that is the way we would handle it, and then we wrote a memorandum to the Secretary, telling the Secretary about it, and how we had disposed of them.

Mr. LANGEN. So that it was your decision then that you were going to convert them into a party contribution or to tickets to the dinner?

Mr. MORRIS. We would dispose of them in that way; yes, sir. We did not want to accept them ourselves.

Mr. LANGEN. At this point did it occur to you that they probably should have been sent back inasmuch as you had already acknowledged that this was not a proper contribution?

Mr. MORRIS. As I recall, Dr. Ralph and I discussed the various alternatives and we said if we send them back, we run the risk of offending Mr. Estes, embarrassing Mr. Estes. They are in multiples of a hundred dollars, ticket-selling time is here, let's just endorse them

over to the national committee and assume they were for dinner tickets and be done with it. Then we have received nothing, we have accepted nothing, we have done nothing improper ourselves.

Mr. LANGEN. Again wasn't this a kind of unusual experience? Did you ever get any money orders of any kind in the mail before in this fashion?

Mr. MORRIS. I can't recall who has given me presents through the years. I received Christmas gifts from a number of people.

Mr. LANGEN. Didn't it also occur to you that—so that the record may be straight here—that there certainly isn't anything wrong with political contributions to a party as such? This isn't involved here. But I think this raises a question, when this kind of a contribution comes to an assistant secretary, or a prominent person in the Department of Agriculture, and they are then converted into a political contribution, that this wasn't exactly the proper manner in which to treat them.

Mr. MORRIS. Are you asking me the question, Mr. Langen?

Mr. LANGEN. I am asking.

Mr. MORRIS. You say do I think it wasn't a proper manner?

Mr. LANGEN. Yes.

Mr. MORRIS. I concluded it was the most acceptable manner. I can't see any impropriety on my part. I did not accept—I can't say that he was wrong in sending me a Christmas present of \$200 money orders, but I felt it would be wrong for me to accept them. I could have stuck them in a bureau drawer for 20 years and cashed them. I did not want to accept that kind of present from anybody.

Mr. LANGEN. I can appreciate that, and I compliment you for it.

Mr. MORRIS. I discussed it with my superior and he and I agreed. I was talking to my superior, Dr. Ralph. He and I agreed this is how we will dispose of them, get rid of them. We didn't want them.

Mr. LANGEN. I can appreciate that and I compliment you for that.

Mr. MORRIS. As to whether we used good judgment, I can't say.

Mr. LANGEN. The question still remains of whether this is a proper action of accepting any kind of a monetary contribution as an employee that you questioned in the first place and that you have now admitted you didn't want any part of it, and then taking it, converting it into a political contribution.

Mr. MORRIS. From where I sit, Congressman, all I can say is that I discussed it with my official superior, disposed of them as the two of us agreed we would. I feel I met my obligation when I did that.

In addition, we wrote a memorandum to the Secretary so that he would be informed of it.

Mr. LANGEN. So you wrote a memorandum to the Secretary. This memorandum somehow or other seems to have become lost. But let that be as it may, now then, at this point, with regard to the respective gifts which are numerous in number, you were aware of Mr. Estes' actions, so was Dr. Ralph, so was Mr. Jacobs, so was Mr. Murphy, and if the note that you delivered was, so was the Secretary; all of these people were aware of these irregularities as far as Mr. Estes is concerned at this point; isn't that right?

Mr. MORRIS. I assume they were because I know of no reason why they shouldn't be. It was something to be properly considered.

Mr. LANGEN. I believe you stated, too, that it was common knowledge around the Department that there had been questions raised on the cotton allotments and we have had previous testimony which indicated that there had been reports and questions raised relative to grain storage and the amounts and so on. So that it then became almost common knowledge in the top echelon of the Department that all these things were going on.

Mr. MORRIS. That was my impression.

Mr. LANGEN. That was your impression.

Then, I wonder how you can say, as I believe you said this morning, that there wasn't any kind of favoritism or any kind of concern on the part of the Department relative to Mr. Estes, when in view of this acknowledgment among all of these people, come February 23, 1962, they again approved another 8 million bushels of storage when it has also been revealed that a report had been requested regarding the cotton allotment experience, and that that report had been requested to have been written in favor of Mr. Estes' actions, how can you then say that to your knowledge there was no consideration or no favorable consideration given to Mr. Estes? You knew all of these.

Mr. MORRIS. Because, sir, everything you have enumerated I have learned from the press since I left the Department. I did not know of those things, Congressman.

Mr. LANGEN. No, no. All of the things that I have enumerated you have stated during the course of testimony you were aware of. You were there when you got the hat, you were there when Ralph tried on the suits, you received the money orders, you were aware of the fact that there was an exploration of his cotton allotments, you were aware of all these things, so you have testified during the course of this day.

Mr. MORRIS. Yes, up to that point.

Mr. LANGEN. And I hope you didn't have to read it in the papers in order to verify it.

Mr. MORRIS. Sir, I was aware of that but your question included additional points, that 8 million bushels of grain went into his elevators and other things. I knew nothing about that.

In answer to your whole long question, I only knew half of that.

Mr. LANGEN. You knew that he was appointed to the Cotton Board?

Mr. MORRIS. Yes, sir, and when he was appointed I assumed that as a result of the investigation he had been exonerated. From where I sat it appeared to me the man had been exonerated, Mr. Estes was cleared.

Mr. LANGEN. All right, so he had been exonerated and you knew this.

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Didn't it ever occur to you that that exoneration might have been due to the fact that money orders were being sent and that all of these other matters that we talked about here were to play a part in that?

Mr. MORRIS. I assume they played a negative part. I can't see where they would have played a positive part. If I were sitting in judgment on an appointment of that nature, they would be negative with me.

Mr. LANGEN. They would be negative?

Mr. MORRIS. Yes.

Mr. LANGEN. So that your assumption would have been that these actions, being negative, should have prevented the appointment?

Mr. MORRIS. I can't say they should have prevented it because I do not know what factors went into such an appointment. But I know I was disturbed by them. But when he was appointed, that indicated to me that their investigations had cleared him.

Mr. LANGEN. Didn't it occur to you—and I raised this same point with Dr. Ralph—as you stated just a moment ago with regard to the money orders, your decision was not to send them back to him because you might hurt his feelings—

Mr. MORRIS. That is right.

Mr. LANGEN. I can't quite imagine that it would hurt a man's feelings too much to send him back a money order that you, yourself, admitted was improper, and that you, yourself, have stated, with regard to the hat and some other statements he had made, was somewhat out of order on his part. If that kind of an attitude prevailed, that you were so afraid of hurting his feelings, can you then imagine anyone saying "No" to him when it came to a matter of approving grain storage, or moving grain into his elevators, or making sure that all the arrangements with regard to cotton allotments were all right? Don't you suppose these would have hurt his feelings?

Mr. MORRIS. I can't answer for anybody but myself, Congressman. I went to my superior; I discussed it with my superior. This was the decision made. From my standpoint, I feel I have discharged what was reasonably expected of me. I did not accept anything, I cannot say it was improper for him to send me a Christmas present. I thought it was improper for me to accept it, and I did not accept it.

I discussed it with my superior and the decision was made in that discussion to endorse them over and give them to the national committee and say they are contributions for the dinner and be done with it.

Mr. FOUNTAIN. Will the gentleman yield?

Mr. LANGEN. I will be glad to.

Mr. FOUNTAIN. Do you mean to tell this committee, Mr. Morris, that you don't think it was improper for him to send these two \$100 money orders?

Mr. MORRIS. I don't know whether I am competent to judge, Congressman. I can judge only my own actions. To me it would have been improper for me to have accepted.

Mr. FOUNTAIN. If it would have been improper for you to have accepted it, isn't that a strong indication that it was improper for him to send you what amounts to \$200, without any explanation whatsoever, in view of the position which you occupied in the Department?

Mr. MORRIS. It came to my home, we were close personal friends, he was a man of apparent great wealth. At the time I did not attach any—I bawled him out for it. I said, "Billie, I told you not to make me the target of your generosity."

Mr. FOUNTAIN. Go ahead, Mr. Langen. I wanted to get that particular point in.

Mr. LANGEN. Mr. Morris—

Mr. MORRIS. I would not have done it, Congressman, had I been in his position.

Mr. LANGEN. The fact still remains that right at this 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 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 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 10 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 with Mr. Estes?

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 of the dinner.

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 the anniversary dinner.

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, man, 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, or to everybody, might have been accomplished by virtue of the fact that you had had the experience of his buying you a hat, you had seen where he had attempted to buy suits for somebody else, had you got money orders in the mail, and the whole works, that a great part of this impression was being bought?

Mr. MORRIS. Not that he was buying peoples' friendship, because he did not buy mine. He could not buy mine.

Mr. LANGEN. Did you ever see anybody else participate in those kinds of actions?

Mr. MORRIS. Congressman, you would have to have known Billie Sol Estes in those days to understand why people liked him so well, why they were so fond of him.

He may have had enemies. I never met one. I never met a critic. I never heard anything derogatory about him.

Mr. LANGEN. Let me explore another angle.

I understand you also had a telephone credit card that belonged to Mr. Estes.

Is that right?

Mr. MORRIS. I had a number that he had written down. That was for the—

Mr. LANGEN. You had a number that he had written down?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. So that you were at liberty at any time to make a telephone call if you so desired on a credit card given to you by Mr. Estes?

Or a credit card number?

Mr. MORRIS. It would depend on the purpose of the call, Congressman.

Mr. LANGEN. But you had the number?

Mr. MORRIS. He gave me the number; yes, sir.

Mr. LANGEN. Why did he give you the number?

Mr. MORRIS. Because my wife was writing a column, without compensation, for a paper in which he was interested, and on several occasions she had wired or called the paper and I had called and we had paid for the calls and we would not let him reimburse us.

I did not want to take money from anybody. And he said "I don't want you paying for calls and Alice paying for calls; when she calls the paper or when she has business use this credit card number"—and he wrote it down on a little slip of paper, or he had already written it down, and just handed it to me.

He knew I would not let him reimburse me, for a call, and my wife would not let him.

Mr. LANGEN. So you had this credit card number that he had given to you, primarily for the purpose of your wife calling back to Mr. Estes—

Mr. MORRIS. Or the paper.

Mr. LANGEN. Or the paper?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. And reporting what was going into a column?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Is this a daily paper?

Mr. MORRIS. It is a daily paper, yes.

Mr. LANGEN. How often did she write a column?

Mr. MORRIS. It was a weekly column featured on the editorial page, Sunday edition.

Mr. LANGEN. Did she call these in each week?

Mr. MORRIS. No, sir. She wrote them and sent them down. But occasionally you make a mistake, and she would have to call and correct the mistake. I think she reversed Alaska and Hawaii in the order of admission in the column one time and picked it up and either wired or called down and corrected it. She was not accepting compensation, nor would we let him reimburse us for the telephone call.

I said, "Forget it, Billie." I wanted to keep things in balance between us and I did not want to ever let him give me any money. All he had usually was hundred dollar bills, rolls of hundred dollar bills.

I had to pay cab fares for him. He would try to give me a hundred dollar bill to reimburse me for \$5 worth of telephone calls.

Finally, in January, this was sometime in January, he handed me that slip of paper, as I recall it was about 3 inches wide and so on, and he said: "Here is my credit card number. Don't pay for any more calls, you or Alice."

I would not let him reimburse me.

Mr. LANGEN. Yet in spite of all these attempts, and they keep growing all the time, of his attempting to reimburse you in one form or another, it still did not arouse any kind of suspicion that all was not well with Mr. Estes in whatever he was trying to do?

Mr. MORRIS. Sir, I think he should have reimbursed us but I did not want to accept reimbursement because that was another means I employed to try to strike a balance between us.

If I had made a phone call or my wife had made one, I would say, "Forget it."

Mr. LANGEN. Did you have occasion to use the credit card?

Mr. MORRIS. I think my wife and I probably used it three or four times in the time we had it. Only to call down there or something.

Mr. LANGEN. I understand that—

Mr. MORRIS. This was not personal use.

Mr. LANGEN. I understand that you found occasion to provide Dr. Ralph with this credit card number?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Can you relate the circumstances surrounding the need for Dr. Ralph to—

Mr. MORRIS. We were in the office, I believe it was February 16.

The Secretary had asked Dr. Ralph to stand by, he wanted to see him.

As I did when I worked for a Congressman, I never went home until Dr. Ralph left. So I stayed.

Late in the evening, somewhere around 6 o'clock, probably, it was late, the call came to come over to the Secretary.

In the meantime Mrs. Ralph had arrived. They were going to dinner with somebody. They and I waited while he went over to see the Secretary.

He was over there maybe 30 minutes, I don't know. It seemed like 30 minutes. He came back and he looked quite shaken and dejected. He said, "Can you keep a secret?"

As I recall I facetiously said "No." He said, "I am serious; can you keep a secret?"

I said "Yes, sir, if you ask me to."

He said "I have just been fired."

We had a warning, had we interpreted it, but we had no advance knowledge. We thought that he was doing well.

His wife and I and he, as I looked back, were completely shocked by this. I could not—I never experienced a Presidential appointee being called in and fired.

The reason he said it must be kept secret is that the Secretary had admonished him that if any word got out about this, that instead of giving him I think it was a week he was giving him to find another job, he would make it effective immediately. So here Dr. Ralph was in a situation where he had just been fired; he had gained a week's grace to find another job, provided no one found out about it.

As he reported it, the Secretary said "If word gets out, then I will make this effective immediately rather than give you a week"—or whatever the time was he gave him.

The problem then facing Dr. Ralph was to whom he could turn for advice on where to start looking for a job. He could not talk to any of his political friends, and he had both Democrats and Republicans who were close friends of his in Congress, because word might get back to the Secretary. He was quite circumscribed.

Between us we thought, well, call Billie Sol Estes, he knows everybody all over the country, and big people in business, he will keep your confidence, I do believe, and see if he can give you any advice on where you can immediately start looking for a job.

He did not want to make any calls from the office to anybody where it would show up on the record. It occurred to me to use Billie Sol Estes' credit card to call Billie Sol Estes. So I gave him the credit card number to use in calling Mr. Estes. And that is how it happened that I gave Dr. Ralph that credit card number.

I gave it to him for that sole purpose of calling Mr. Estes without a record in the Department switchboard of a long distance call from Dr. Ralph immediately after the Secretary had fired him, to Billie Sol Estes.

He called Mr. Estes and told him, pledged him to secrecy, and asked him for suggestions on where he might start looking for a job.

Mr. Estes did make several suggestions of people he could get in touch with.

That is my total recollection of the incident.

Mr. LANGEN. This becomes rather pertinent at this point.

Did this discussion take place now right at this time when he had just been notified that he was fired, or he was going to be laid off in a week?

Mr. MORRIS. He had just walked back in the office and told us.

Mr. LANGEN. And then during the course of the discussion about the problem that confronted him of finding another job, in this discussion your decision was to call Mr. Estes seeking his help?

Mr. MORRIS. His advice where he might start looking for a job with his background.

Mr. LANGEN. And so that the object of your giving him the card—

Mr. MORRIS. The number.

Mr. LANGEN (continuing). The number, excuse me, was one of providing him an opportunity of making a call to Mr. Estes without it showing on the switchboard or being a record as far as the Department of Agriculture was concerned?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Was this the only consideration?

Mr. MORRIS. That was it. Because he had been fired as Assistant Secretary, and from that moment was no more help to me or anybody.

I had a fear of what was going to happen—may I have this off the record—I had a fear of what would happen to me.

Mr. LANGEN. Couldn't he have gone home and made the same call from a phone at home?

Mr. MORRIS. I don't know, Congressman.

As I said, his wife was there. They were getting ready to go out to dinner. They had a dinner engagement I think with a Member of Congress. I don't recall. This was a moment of real shakeup. He wanted to do something to get—to feel like he was getting started. He only had a week. He wanted to call somebody to get something started in the way of inquiring as to leads on where he might get a job.

Mr. LANGEN. Did he call him then?

Mr. MORRIS. He placed the call, yes, sir.

Mr. LANGEN. Right then?

Mr. MORRIS. Yes, sir. He wrote down the number and called, got an outside operator.

Mr. LANGEN. How did you convey the number to him?

Mr. MORRIS. I read it off to him.

Mr. LANGEN. You read it off the slip you had?

Mr. MORRIS. I read it off the slip of paper, yes, sir.

Mr. LANGEN. I think it is only fair to warn you that your testimony here is substantially different from that given by Dr. Ralph when he appeared before the committee with regard to the use of the credit card, the manner in which he explained that it was of some convenience to him to have the benefit of this credit card, and the manner in which it was used.

For that reason I would want you to be as precise as you could be.

Mr. MORRIS. I am giving you my best recollection, Congressman. This was a moment of real panic in our office.

Mr. LANGEN. Was your wife and his wife there, too, also at this time?

Mr. MORRIS. No, sir.

Mr. LANGEN. Just the two of you?

Mr. MORRIS. Just his wife.

Mr. LANGEN. Just his wife?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Did you also say to him that he could use this card for other purposes?

Mr. MORRIS. I don't recall whether it was then or at another time that I asked him not to abuse it, if he did use it to limit it to three or four calls, not to abuse Billie Sol.

But I don't recall whether that was then or at another time.

Mr. LANGEN. When you say abuse Billie Sol, you mean take an unfair advantage or spend Mr. Estes' money?

Mr. MORRIS. Yes, sir. I would not have used his credit card for any personal use, and I asked him not to have used it.

Mr. FOUNTAIN. Will the gentleman yield at that point?

Mr. LANGEN. I should be glad to.

Mr. FOUNTAIN. Did you write a letter to Mr. Estes to find out what the cost of these telephone calls was in order that you might advise Dr. Ralph?

Mr. MORRIS. Congressman, in the record there is an acknowledgment of a subscription to this magazine.

When I subscribed to that magazine—and I have the canceled check, which I think is the last day of February—I made a carbon copy of the letter to the New York firm that published it, and wrote at the bottom "Billie, Dr. Ralph used your credit card; I want to reimburse you for it." I think I said, "I insist that you send me the bill when it comes in in order that I can reimburse you."

That letter should be among those letters in the file.

I wrote it in my own handwriting on the bottom of that carbon copy of that letter ordering that magazine.

Mr. FOUNTAIN. Would that notation be on the copy of the letter?

Mr. MORRIS. It would be on a carbon copy of the letter I wrote subscribing to the magazine. I made the carbon to send to him to let him know I had subscribed to the magazine.

Mr. FOUNTAIN. Was it in the files of the Department of Agriculture?

Mr. MORRIS. No, sir; that was personal.

In his files, that letter should be in there some place. Because when I say Patsy, I mean Mrs. Estes, she said Bill had not mentioned the magazine. So I assume he stuck it in the office file or his secretary

did. That was in my handwriting on the bottom of that carbon copy, saying I insist when the bill comes in, you send me the bill, because I want to pay for it.

Mr. LANGEN. In calling Mr. Estes at this particular point, and I gather you called him right at this moment, couldn't you have called him collect?

Mr. MORRIS. I don't like to call anybody collect, No. 1, and No. 2, it would have defeated what I understand was the purpose of not having a record.

This was a personal call, and if you made it through the Department switchboard you would have to tell the long distance operator "This is Dr. Ralph, I want to make a collect call to Billie Sol Estes in Pecos, Tex."

There would be a record and in case anybody picked it up, the Secretary would say "I know you called Billie Sol Estes minutes after you left my office. You are fired immediately."

This, as I interpreted it, Congressman, was the problem, and that is why I gave him the credit card number to use.

That was my interpretation of it.

Mr. LANGEN. The real surprising thing to me, and I can appreciate that it must have been an upsetting thing to you and to Dr. Ralph and to whoever was involved to have all at once become aware of the fact that you had lost your job, and to an Assistant Secretary of Agriculture obviously this wasn't a minor item. What surprises me, however, is that almost within minutes the first person you thought of calling was Billie Sol Estes.

Mr. MORRIS. He would have been the first person I would have thought of calling.

Mr. LANGEN. Actually, Mr. Estes either wasn't obligated to you or he was obligated to you in some manner or another. There had been all of this question raised previously to this about the money orders and about all of these matters. I just can't quite imagine that all at once you would decide to call him as the very first person, within minutes after. Would there have been a further purpose of this call in calling him, that with all of his influence around Washington, and with the top officials, that he might have been able to change the opinion of the Secretary in his action.

Mr. MORRIS. Not to my knowledge, Congressman.

Mr. LANGEN. It is kind of unique, too, is it not, to be calling Mr. Estes in this fashion, using his credit card so that he was paying for the call, and at the same time make a request as to some kind of a work assignment. What kind of a work assignment did you have in mind all at once? What kind of a job would he have provided or you think he might have provided?

Mr. MORRIS. I don't have any idea, Congressman. He was the richest, he was one of my best friends, he was the richest man who, from our knowledge of him, had connections with big commodity groups all over the United States. He seemed a logical one to call. I felt sure he would protect the confidence and not move up Dr. Ralph's dismissal. At the time it seemed logical to me and, I assumed, to Dr. Ralph.

Mr. LANGEN. I would guess that it seemed logical in more ways than that. In view of the revelation of all of the items that had taken

place here, it would seem quite logical that a person for whom so many favors had been done now we have some difficulty, maybe Mr. Estes can return the favor. What was Mr. Estes' response to this request for a job?

Mr. MORRIS. I don't know. I was not on the telephone, Mr. Langen.

Mr. LANGEN. You can't tell me that in all this excitement and in all this concern about finding a job right away, and a call was made, and obviously something was said, that you dropped the subject right there and didn't discuss it any further?

Mr. MORRIS. No, sir. My impression was that he was going to call him back, he was going to give it some thought and, as I recall, I think he did suggest two or three people Dr. Ralph could call that he from his knowledge of them knew they would protect his confidence, and start giving him some leads on where he might get a job. I know of no favors that had been done for Mr. Estes that would make him obligated to help. He did not turn up a job for Dr. Ralph to my knowledge. I don't know that he found him one. It seemed the beginning, a place to begin.

Mr. LANGEN. Let me explore that area just a little further. You also said that when Dr. Ralph came out of the Secretary's office after having been notified that he was no longer needed, that if word got out—what word?

Mr. MORRIS. That he had dismissed Dr. Ralph.

Mr. LANGEN. That he had dismissed Dr. Ralph. What were the reasons given for his dismissal?

Mr. MORRIS. As I recall, Congressman, when Dr. Ralph came in the office, my best recollection was this secrecy business, and then, "The Secretary has just fired me."

I believe the—I think we asked him the reason why. As I remember he said "Questions of my judgment. The Secretary questions my judgment."

I can't recall the precise discussion, Congressman, because this was a shock to us.

Mr. LANGEN. So that at the same time you were kind of puzzled, I gather, as to just why he had been fired?

Mr. MORRIS. Well, I believe he mentioned that the Secretary cited a couple of instances of what he considered bad judgment. As I remember, Dr. Ralph's reaction was, "I don't think those were serious enough."

We were puzzled, we were shocked by it. I had, thinking back, I could see indications; but until then I didn't realize they were indications.

Mr. LANGEN. What was Dr. Ralph's own personal reaction to this? And I say that in this sense: I gather now that you told me that he had a week or 10 days or something in which to look for another job. Is this correct?

Mr. MORRIS. What is your question, Congressman?

Mr. LANGEN. My question is, What was his reaction to the decision of the Secretary to let him go in a week?

Mr. MORRIS. I can't say what his reaction was. My observation was he was shocked, didn't know where to turn, what to do.

Mr. LANGEN. Is my recollection correct here, wasn't Dr. Ralph also considered as an agricultural attaché to the Philippines or Puerto Rico or somewhere?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Was he aware of this at this particular moment when you made the call to Estes and so on?

Mr. MORRIS. I don't recall whether he mentioned that then or the next day or the next day. But at some point in that period he did describe in more detail his discussions with the Secretary, which included this possible assignment. I don't recall whether that developed in that conference or the next conference he had with the Secretary. I don't recall that detail.

Mr. LANGEN. Wasn't the final experience one of his taking some kind of training or being prepared in some manner for becoming an agricultural attaché?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. When did that come about?

Mr. MORRIS. In my previous answer I said I do not recall. I don't know whether it was at that February 16 or the next time he talked to the Secretary. I don't recall, Mr. Langen.

Mr. LANGEN. The reason I am asking is because of this great desire all at once, right at that very moment, to look for another job. I was just wondering whether or not he was aware of the fact that there was an alternative of an agricultural attaché?

Mr. MORRIS. I don't remember whether he said he had been offered the alternative or not, Congressman, at that time. I know that within a few days I knew he had that alternative. But I don't know whether he had it then or not.

Mr. LANGEN. Did Dr. Ralph as Assistant Secretary have a private telephone line of his own?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Couldn't this telephone line have been used for any of these calls?

Mr. MORRIS. I don't know, sir, how that was hooked up. Dr. Ralph arranged that himself. I think on his instrument there was another button that was a private line, but that wasn't connected on our extensions, but I don't know the mechanical details of that, Congressman.

Mr. LANGEN. I suppose it was customary for him to use that sometime or other for calls that he wanted to make in private, wasn't it? As his assistant you would know?

Mr. MORRIS. I guess that is why he put it in there; yes, sir.

Mr. LANGEN. It never occurred that that line might be used in this instance?

Mr. MORRIS. That was an official telephone, Congressman. That was not a personal telephone.

Mr. LANGEN. Let me then, and I have to go back here a little bit in order to develop this point because it follows along with the contributions that we talked about a while ago.

On September 22, 1961, I believe you wrote a letter to Billie regarding the printing of a speech that Dr. Ralph had made, and the moneys for payment of reprinting of this speech.

Do you recall that experience?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. And you wrote him at that time asking for a contribution so that this speech might be distributed. Right?

Mr. MORRIS. Is that a question?

Mr. LANGEN. That is a question.

Mr. MORRIS. I wrote him confirming the discussion that we had had on the subject when he was in the office.

Mr. LANGEN. And you asked him to then make a contribution of \$220?

Mr. MORRIS. I was confirming what he had discussed when he was in the office.

Mr. LANGEN. Well, the fact is, and I have a copy of the letter before me, and I will read this part so there may be no question about it:

I would suggest that you send me a check in the amount of \$220 made payable to the treasurer of the Democratic National Committee, indicating on the check that it is for Harlan Hagen, Member of Congress, if you care to do so. I will then take the check to the national committee and have them credit you with the contribution and issue a similar check to the Congressman to reimburse him for the printing cost. While you are at it, if you are still in a generous mood, you might make out a check to the treasurer, Democratic National Committee, in the amount of \$200 for Ed Edmondson, Member of Congress. He is very close to Congressman Carl Albert and is in a serious financial bind on some campaign regards.

This indicates that there were further party contributions that became your concern as far as Mr. Estes was concerned, in addition to the amounts that you converted from the money orders, and so it leads me to ask: Was this a customary practice as a part of the assignment in the Department of Agriculture?

Mr. MORRIS. I don't know whether it was or not, Congressman. If you read the first paragraph of that letter you will read: "You will recall I discussed with you the proposed reprinting." This was a letter confirming what Mr. Estes had discussed when he was here.

Mr. LANGEN. The reason I am asking this question, and again I am not concerned about the party contributions, but I am concerned about this point: Did you write letters of this kind soliciting moneys in this fashion—and I don't care about the Congressmen involved here or anything else—to anyone else as a member of the Department of Agriculture?

Mr. MORRIS. In the first place this was not a solicitation. This was a letter confirming.

Mr. LANGEN. The \$200 for Ed Edmondson certainly was a solicitation.

Mr. MORRIS. He had said he wanted to do that. This was a letter, so that it came in and he would do it. I don't recall ever writing anybody else. This man was a close personal friend. When he was up here he saw Dr. Ralph's speech and saw that we were sending out mimeographed speeches. He said why can't you send out a printed speech? This ought to go out all over the country. I did talk to Dr. Ralph and he said Harlan Hagen would put it in the Record or had already put it in the Record. On the speech, I had many speeches put in the Record. This was a letter confirming the discussions when Mr. Estes was here. He said he wanted to do it.

Mr. LANGEN. Had you discussed with him the matter concerning Congressman Edmondson?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. In this issue, too?

Mr. MORRIS. He had gone by the office to visit my wife and they were getting out a mailing. He talked to her about how you do this.

As I recall, we couldn't have dinner with him because Alice was working very late getting this mailing out and he was quite interested in the mailing. It was, as I recall, a franked mailing. And he wanted to know how much it cost. She said it cost about \$200 to get it reproduced. "How often do you get them out?"

As she described the discussion to me, she said this is the first one we had gotten out in several years. "Why?"

"Well, the Congressman doesn't have the money."

He said, "That is good for the cause. I will send you a couple of hundred bucks and tell them to get out another mailing."

He asked me to write him confirming this. You would have to know Mr. Estes. You could talk to him about something and you had to put it in writing. That is why he asked me to write him things.

Mr. LANGEN. Of course this isn't what your letter says. This says: "He is very close to Congressman Carl Albert, and is in a serious financial bind on some campaign regards." This is in 1961. There wasn't a campaign in 1961.

Mr. MORRIS. This wasn't a campaign.

Mr. LANGEN. This is what your letter said.

Mr. MORRIS. This was injudicious use of words, I guess. This related to his discussion, as I recall, with my wife. He discussed it with me, too. He said, "I will send Ed over a couple of hundred bucks." I was glad to see him do it.

Mr. LANGEN. The fact remains that you didn't carry on any of this kind of correspondence or efforts with anyone else other than Estes again. He becomes the prime concern, both in the area of soliciting funds for this purpose as well as all of the other purposes.

Then I note, too, that the followthrough on that, the checks were mailed to you. He says he was happy to make the contributions. It then became necessary for you, because of some kind of a change in the operations of the national committee, to write him again asking that he cancel out these checks and make new ones.

Is this right?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. What were the circumstances that surrounded that?

Mr. MORRIS. The national committee apparently no longer handled contributions in that way to Members of Congress. They had to go direct. I didn't know my way around too well in this field, Congressman.

Mr. LANGEN. I am only asking these to try to determine the relationship of Mr. Estes and all of these respective contributions. If these are campaign contributions, all right, this is fine. It just seems odd to me that all of these continuous experiences, many of them involving money, all related to Mr. Estes, and yet there can be no interpretation on your part or on the part of anybody else in the Department that this was a different procedure from the rest of the members with which you were doing business, members of the Cotton Council and all the rest of them. And as yet I haven't—or at least you haven't revealed to me any comparable situation to this.

My only question here is whether you had any experiences of this kind with anyone else. And the answer is "No," I understand, that you gave to me a moment or two ago.

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. Mr. Langen, it is now 5:05. I should say between Mr. Naughton and I we have another 2 or 3 hours of questioning ourselves. Do you want to meet again in the morning or adjourn to some other date?

Mr. LANGEN. It is all right with me to meet in the morning.

Mr. NAUGHTON. I can finish in 45 minutes or so.

Mr. FOUNTAIN. I have a lot of questions. I have let others ask questions in the area that I am interested in. A lot of other questions have been raised in Mr. Langen's examination that I want to ask questions about also.

Can we meet at 9 o'clock in the morning?

Mrs. DWYER. It is all right with me.

Mr. FOUNTAIN. How long will it take you to finish your line of questions?

Mr. LANGEN. Not long. If I may survey this, there may be more as we develop. It shan't take too long from where we are now.

Mr. NAUGHTON. Why don't we go ahead and finish tonight instead of coming back tomorrow?

Mr. FOUNTAIN. If Mr. Langen won't take all night.

Mr. NAUGHTON. I would rather stay up late than get up early.

Mr. FOUNTAIN. All right. Go ahead. Maybe we can finish tonight.

Mr. LANGEN. Getting back to where we were—

Mr. NAUGHTON. Did you want to continue right now? It may be that I have in mind some of the same questions that you are interested in.

Mr. LANGEN. I will yield for a moment.

Mr. FOUNTAIN. Mr. Langen, you can relax your voice for a while.

Mr. LANGEN. All right.

Mr. NAUGHTON. One question on the telephone card. Why did Dr. Ralph use the telephone credit card for additional calls at all?

Mr. MORRIS. I don't—as I think I said earlier, I don't recall the specifics of that except as I remember it I admonished him. He had, I believe, written down the number. I am trying to remember what transpired, and I think I said please don't abuse it, or something to that effect.

Mr. NAUGHTON. Did you tell him it was Billie Sol's credit card?

Mr. MORRIS. As I recall, I did. There was a lot of confusion at the time. He was upset, his wife was terribly upset, and Dr. Ralph has since told me that he didn't know at the time that it was Billie Sol's credit card. I think I told him because I would have no reason not to. But I don't know whether he caught it when I said it. To me it was logical to use Mr. Estes' credit card number to call him.

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

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 Vice President Johnson?

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. 5,000, 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?

Mr. MORRIS. No, sir.

Mr. NAUGHTON. The only thing you know about it is what Billie Sol Estes has told you?

Mr. MORRIS. That is substantially all I know.

Mr. NAUGHTON. So that your knowledge in that area is based on what Billie Sol Estes said?

Mr. MORRIS. I think so. So many people talked about Billie Sol Estes that it is hard to sift out what he said or what somebody else said.

He was highly regarded by everyone I knew, who knew him or knew of him.

Mr. NAUGHTON. At the time that Billie Sol Estes called you about John Holton, was this shortly after Speaker Rayburn had died and at a time when it was not certain who was going to be the next Speaker?

Mr. MORRIS. I think so. It was very shortly after the funeral, as I recall.

Mr. NAUGHTON. So there was obviously a question of whether John Holton would stay on as administrative assistant in the Speaker's office?

Mr. MORRIS. As I remember the conversation, there was no indication to me that Mr. Estes had talked even to Mr. Holton. As I remember the call he called me and said, "What would you think of us hiring John Holton as a representative up in Washington?"

I said, as I remember my response, "That is something I would have to check with a few people. I have a high regard for him myself."

Mr. NAUGHTON. Did he tell you what he wanted John Holton to do?

Mr. MORRIS. I think, when I asked him what the purpose would be, he said—or whether I said this—in the course of the discussion as I can best recall it, it was a question of what kind of representation. If it is on legislation, in Congress, the man is highly regarded, and I think he would be extremely valuable to anybody as a congressional relations man.

As I remember, he said something about, "What about relations with the Department, checking up on things down there and so forth?"

I advised against that, if that was it. That is my recollection. I said, "I don't think that would be a proper assignment for the former administrative assistant to the Speaker, because I had an extremely

high regard, as everybody did, for the Speaker, and it extended to his staff.

I am trying to recall something that to me wasn't an important matter, but now—

Mr. NAUGHTON. So you have no knowledge of whether he ever talked with John Holton?

Mr. MORRIS. No, sir.

Mr. NAUGHTON. Except he was apparently considering approaching him to ask him—

Mr. MORRIS. I have no knowledge at all other than the call saying what kind of a representative would he make for us, or something to that effect.

Mr. NAUGHTON. Mr. Morris, in April did you request an interview with Joseph Robertson, the Administrative Assistant Secretary?

Mr. MORRIS. In April of this year?

Mr. NAUGHTON. Yes, in April of this year. April 25 to be exact.

Mr. MORRIS. As I remember the development on that, I said—This was in that period when I didn't want to discuss all of the things we have discussed today—I said that I would talk to the Secretary or the Administrative Assistant Secretary.

Mr. NAUGHTON. Did you indicate to Mr. Robertson that you wanted to discuss with him some particularly sensitive aspects of your association with Billie Sol Estes and your knowledge of the case involving Mr. Estes? Did you indicate that you wanted to discuss an aspect of the case that had important political overtones and that involved a political campaign and did you suggest that it involved a person or persons not yet identified in the public media thus far?

Mr. MORRIS. In substance I believe that was—

Mr. NAUGHTON. What did you have in mind at that time?

First, let me ask you, what was Mr. Robertson's reaction when you talked with him about this?

Mr. MORRIS. I believe he told me that he would be put in the same spot I had been in; namely, that if I discussed anything with him, that he would have the same obligation then to reveal that I was under, and that it wouldn't accomplish anything.

Mr. NAUGHTON. In other words, you wanted to talk with him, with the agreement that he would keep confidential what you told him?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. And he—

Mr. MORRIS. I wanted to make a full statement on everything I knew, but that in my conscience I didn't want to discuss innocent people who knew Mr. Estes, who would be hurt politically, maybe. With my years of political background and moral background, that I didn't want to do.

Mr. NAUGHTON. Did you suggest to Mr. Robertson, in effect, that you were prepared to talk with him with the understanding that the conversation would remain unofficial and that Mr. Robertson would not reveal it to anyone?

Mr. MORRIS. That it would not be made public, yes. As I recall, that was it.

Mr. NAUGHTON. Did Mr. Robertson decline to discuss the matter with you under those circumstances, saying that he would have to take proper action on anything you told him?

Mr. MORRIS. Yes.

Mr. NAUGHTON. What was it that you had in mind when you asked for this interview?

Mr. MORRIS. One of the things that was bothering me, as I recall, was when Mr. Estes was first arrested, that created one situation in the press and the public mind, and then these things developed step by step. Shortly after Mr. Estes was arrested, Congressman Whitten had asked me—my best recollection of the problem, as he described it, was that Congressman Mahon had been disturbed about Mr. Estes arrest and that he had introduced him, as I remember, to Mr. Whitten, had invited Mr. Whitten to be his guest at dinner or some association there.

My recollection is that when Mr. Whitten talked to me it was from the standpoint of Congressman Mahon—not from his standpoint, but he was asking me, because I had been at these two dinners. I had seen Mr. Whitten there, and others.

I had on one occasion, I think, run into Mr. Estes in the building and we had gone by Mr. Mahon's office and had walked over to the—what was the date of the Democratic caucus?—we had walked, Mr. Estes and I and Mr. Mahon had walked over together and visited. To me it was completely understandable, in view of the guilt-by-association thing that was developing, that Mr. Mahon and Mr. Whitten and anybody else who had been friends of Mr. Estes wouldn't want me disclosing it.

It really had nothing to do with the Department or my official position or anything except I was aware of it.

(See comment by Congressman George Mahon, p. 143.)

Mr. FOUNTAIN. Is that the only thing that you had in mind, the statements that you made to Mr. Robertson?

Mr. MORRIS. That was principally it, yes, Congressman, that I had been asked not to discuss Members of Congress who had been friends of Mr. Estes because they didn't want it publicized. And my feeling was that if I discussed it, it would go out, and then innocent people, whom I believed were innocent and should not be subjected to what I was subjected to—I didn't want to do it.

Mr. NAUGHTON. What were the circumstances under which Congressman Whitten talked to you about this?

Mr. MORRIS. I think I was in his office.

It was very brief discussion. My best recollection is that he said "I don't see why Mahon is concerned, but if he is,"—and you know Mr. Mahon is a very high type individual; I can understand it, I was beginning to go through it, so I could appreciate it.

But what he had suggested to me was "Don't say anything about it."

Mr. NAUGHTON. Did he suggest that you should tell an untrue story to any investigators?

Mr. MORRIS. No, sir. No one has suggested that to me at any time or any place.

Mr. NAUGHTON. Did he suggest that you should not volunteer the information to anyone?

Mr. MORRIS. Sir, this was before the investigation developed. This was way back when Mr. Estes was first arrested.

Mr. NAUGHTON. In March?

Mr. MORRIS. Was it in March? It was in late March.

Mr. NAUGHTON. How long after you got back from Pecos?

Mr. MORRIS. It was the next week, about Thursday, I think, that we heard of it up here.

Mr. FOUNTAIN. Was this after he was arrested?

Mr. MORRIS. After he was arrested, yes, sir.

Mr. Whitten suggested that I think and one or two others suggested it to me. They knew I knew because, you see, Mr. Estes and I were real close personal friends and I had seen him at these dinners and knew Members of Congress who were his guests.

To me it was understandable that they would not want a man who had been arrested for fraud or something of that nature to have me making statements about their friendship with him.

Mr. NAUGHTON. Did you introduce Mr. Estes to a number of Members of Congress?

Mr. MORRIS. I probably introduced him to one or two or three as I recall. But he seemed to know most Congressmen I knew.

Mr. NAUGHTON. You mentioned Congressman Whitten. Were there any others who contacted you or that you contacted?

Mr. MORRIS. I think that day—I was up on the Hill on some business—I went by Senator Yarborough's office as I recall and talked to Alex Dickey, his administrative assistant. This was sensational, Billie Sol Estes had been arrested.

I believe Mr. Dickey—I recall, I think he was the one who told me not to say anything to the press, advised me not to.

He said let all statements go out through the office channels of the Department.

But in that period anyone I ran into on the Hill, whom I knew had known Mr. Estes or who had favorable association with him, they all said "Don't say anything about my association with him."

Mr. NAUGHTON. Did anyone else contact you specifically for that purpose?

Mr. MORRIS. I don't recall that anybody did.

Mr. NAUGHTON. Did Congressman Andersen?

Mr. MORRIS. Mr. Andersen did. He called me. It would be April 13, I believe, on a Friday, whatever date that would be—and asked me to meet him at the Rosslyn Hot Shoppe the next day on Saturday at 4 p.m.

At that time naturally he was quite distressed, quite concerned about it. And he asked me not to voluntarily bring it up. I think everybody, as I interpret it, everybody lived in the hope that their friendship for him would not be brought out. And I did not want to be the one to bring it out.

Mr. NAUGHTON. I asked you this morning whether anyone had ever asked you to use influence or whether you knew of any favoritism for Billie Sol Estes.

I want to phrase that question in a different way.

Did anyone ask you to try to help Billie Sol Estes get anything done, or anything not done?

Mr. MORRIS. I don't recall anything as precise as that, Mr. Naughton. Different people who talked to you in behalf of some problem talk different ways.

As I say, I was in Congressman Rutherford's office a time or two with Billie Sol. I don't recall Congressman Rutherford ever saying I want this done or I want that not done.

I don't recall any improper request or any pressure from any congressional source.

Mr. NAUGHTON. I am not asking you about improper requests. I am asking about any request that you received, that asked you to do anything which involved Billie Sol Estes' operations.

Mr. MORRIS. I don't believe I had any requests to do anything.

Mr. NAUGHTON. Did you have any request to try to see that something was not done, whether improper or not, in connection with Billie Sol Estes?

Mr. MORRIS. I don't recall any request that nothing be done.

Mr. NAUGHTON. Did anyone ever discuss with you his grain storage operations, or his cotton operations in a manner which would indicate an interest in what happened to Billie Sol's operations?

Mr. MORRIS. I will try to recall as best I can any discussions of his operations.

I recall a limited discussion with Senator Yarborough's administrative assistant before Alex Dickey.

As I recall that was very limited, just some questions about it.

Mr. NAUGHTON. Was this related to the cotton allotment problem?

Mr. MORRIS. The cotton. Then I recall the meeting in Senator Yarborough's—in I believe his office—which lasted about 45 minutes, in which he discussed what he knew about the problem and I discussed what I knew about it.

Mr. NAUGHTON. We have the testimony on that.

Mr. MORRIS. Frankly, it was very limited from my standpoint.

Also, as I have testified, when walking to the caucus, Congressman Mahon—either he or Mr. Estes, made reference to the fact that he had elevators in every county in Congressman Mahon's district. I think something was said about keeping them full or filling them up or something and I said everybody has that problem, as I remember.

Mr. NAUGHTON. Did they ask you to see what you could do to keep them full?

Mr. MORRIS. Well, not to what I could do, because this was a question Mr. Naughton that came up every time you talk to anybody who was in the grain storage area, the fact that there was not sufficient grain to fill all the elevators, and the answer—

Mr. FOUNTAIN. Everybody wanted more grain.

Mr. MORRIS. Yes, sir, and the answer on my part became stock, that everybody has this problem. To my knowledge, Mr. Naughton, everybody was treated equitably. I don't know about the grain storage, but as far as I know it was a mechanical type of operation. I know the correspondence that came in, and the answers were pretty pat, "We will look into it, but this is a problem." There was not as I knew, anything that anybody could do to favor somebody in the grain storage.

(See comment by Congressman George Mahon, p. 143.)

Mr. NAUGHTON. To your knowledge has Billie Sol Estes ever been in the export business?

Mr. MORRIS. Not to my knowledge.

Mr. NAUGHTON. Is there any reason to believe in your opinion that he has been in the export business?

Mr. MORRIS. Not to my knowledge, sir.

Mr. NAUGHTON. Do you think he has any money in Swiss banks?

Mr. MORRIS. Not to my knowledge. All I know on that is what I have read in the papers.

Mr. NAUGHTON. Have you ever heard him discuss Swiss banks?

Mr. MORRIS. Never do I recall the subject ever coming up.

Mr. NAUGHTON. Would you tell us in detail about your trip to Texas in March of this year, starting with the circumstances which brought it about, the manner in which the reservations were made, and giving us the full details and that trip?

Mr. MORRIS. Congressman Andersen wanted to go down to see Mr. Estes, to see if he would not invest in the coal mine in Washington. This preliminary discussion of that had gone on for several weeks, and we had thought Mr. Estes would be up.

He did not come up and I think Mr. Andersen called him and he said, "I cannot get up there any time soon."

As I remember, this was before the Commercial Solvents official visit down there, and he said, "They are coming this weekend; come next weekend."

And I believe I talked to Mr. Estes in that interval. He either called me about something or he called me and said, "Come down with Congressman Andersen."

I agreed to go down.

I talked to Dr. Ralph about it and told him what the circumstances were, that this coal mine was an operating coal mine, that Mr. Andersen needed to raise capital for operation, that Mr. Estes was widely diversified in his investments and Congressman Andersen had some hope of selling him some stock in his mine.

Dr. Ralph's reaction was that if it was personal, private, and I went not at Government expense, on my own time, that he saw nothing objectionable about it.

So I agreed to go.

As I recall, Congressman Andersen did not have, or did not have the money in his bank to buy the tickets. I am not sure of this, but anyway, I bought the tickets to go down, or he asked me to get the tickets. I had my secretary go over to the Agriculture airlines ticket office, make the reservations, get the tickets. I gave her my personal check to pay for them.

We went down and we arrived at Dallas. On the way Mr. Andersen discussed in detail the whole proposition. I knew a lot about this mine because I had known of it since it started, since before it started.

Mr. Estes was at the airport when we arrived in Dallas with his pilot. And they had a problem of weather. They checked on the weather and there was a weather front moving in and it looked like we would not be able to go to Pecos and stay in Dallas.

Finally he did get clearance to Lubbock and we took off. I sat up with the pilot and Congressman Andersen and Mr. Estes sat in the two back seats.

I think Mr. Andersen slept a lot of the way, but we could not hear the conversation anyway when they were talking with the motors. So I don't know what they talked about.

When we got near Lubbock, we were cleared to the north but not south to Pecos. He radioed for weather. They said "Let's go to Plainview. Can we get to Plainview? Let's show Bill and Congressman Andersen the storage facility up there."

We went to Plainview. When we landed there the pilot or Mr. Estes, I think the pilot, called somebody to come out to the airport and pick us up. After a short wait somebody did come out and picked us up and they took us and showed us through the big storage facility there, which was a tremendous installation, amazing in its electronics and so forth.

Then when the weather cleared, so that we could get into Pecos, we got back in the plane and flew down to Pecos, which put us in there late in the day—do you want this much detail?

Mr. NAUGHTON. Yes.

Mr. MORRIS (continuing). Late in the day, and Congressman Andersen and I were shown to our rooms and we bathed and changed clothes, rejoined the family, the whole family, and we went out to dinner, and a little sightseeing drive around town.

I don't know if it was before dinner or after dinner that we went by the funeral home that he just built and the newspaper plant.

We went to a Mexican place for dinner, came back, and the time had come to talk about the coal mine.

So we went into the big parlor of the main house and sat down. Congressman Andersen, Mrs. Estes, Mr. Estes and myself. I think the children, two of them, had gone to the movies and two of them had gone to bed.

I sat through the discussion of the coal mine with one exception, when Mr. Andersen asked me to go to his room to get some material out of his suitcase. He had I think it was a Coal Age magazine with a several page description of this mine in there.

It was quite an innovation, the mining system.

I don't recall any decision being reached that evening on whether Mr. Estes would make the investment in the mine or not.

The next morning Mr. Andersen had a reservation back to Washington and Mr. Estes and again I don't recall whether this was in my immediate presence or just in the household, gave Mr. Andersen cash for stock in the mine.

Mr. Andersen asked me to bring a thousand dollars of it back with me to spread the risk, as he said, that something would happen to one of us, and then there was a discussion of how the stock was to be issued.

I believe that was discussed the night before, that if he did buy the stock Mr. Andersen suggested that he might want to put it in his children's name, that if it did prove as profitable as everyone hoped it would, then it might be wise to have it in the children's names if it was a long-term investment and it took time, as it did in the TVA area, to come to coal for thermal generation, in that area up there it might be a few years, or several years before the mine became highly profitable.

Mr. Estes did not ever come to a conclusion as to whose name he wanted the stock issued in.

I believe he said something to the effect that had no significance at the time but to me now becomes significant, to the effect that "Well,

just let it stand as it is, your word is good," and I think he said something to the effect of "I don't mind having a little money out some place that nobody knows about."

He knew of Mr. Andersen's integrity because I had told him of Mr. Andersen's absolute integrity.

So in light of current knowledge, and what everybody knew then, to me then it was not at all unusual for Mr. Estes to say "Your word is good. In Texas we make investments on a man's word."

But that was the way the situation was left, was that Mr. Estes would let him know at some future date how he wanted the stock issued.

I think the total was \$2,500 as I remember.

But I think he was still interested in further investment in it, but I think he wanted—I cannot think for him, but it appeared that he wanted to think a little more about it, to know a little more about it.

And Mr. Andersen then, somebody took him to the airport, then flew him over to Midland-Odessa and he caught his plane back.

The Estes family and I went to two church services that morning and drove out to the mountains and spent the afternoon and came back and went to an evening church service, and that was the day.

Mr. NAUGHTON. Was that three church services?

Mr. MORRIS. Yes, sir. Two more than I ordinarily attended.

Mr. NAUGHTON. What was the date that you went down there?

Mr. MORRIS. I can't recall. I could check back and get it together.

Mr. NAUGHTON. How long was it before Mr. Estes was arrested?

Mr. MORRIS. It was the weekend before he was.

Mr. NAUGHTON. Was he arrested on a Thursday?

Mr. MORRIS. I think the following Thursday. It was the weekend preceding his arrest.

Mr. FOUNTAIN. Did you have any knowledge at that time that he was being investigated?

Mr. MORRIS. Sir, I did not have the faintest indication that a problem existed.

Looking back I recall that Sunday he was very withdrawn, but I did not—at times he was a very quiet man anyway. I did not attach any significance to it.

Mr. FOUNTAIN. He never told you he was being investigated?

Mr. MORRIS. Oh, no, sir, I had no knowledge.

Mr. FOUNTAIN. Do you know whether or not he knew he was being investigated?

Mr. MORRIS. I have no knowledge at all, because the subject never came up.

We talked about the newspaper, the funeral parlor, the family, children. My oldest boy was going to go down this summer and spend a couple of months with him.

Probably we agreed that he would. We talked about things like that.

Mr. NAUGHTON. Was he making lots of phone calls?

Mr. MORRIS. I don't think so, and I believe he had the phone off the hook, because the daughter could not call home from the theater to have somebody pick her up. I think the phone was off the hook. We had no interruptions at all. It was strictly a family household.

Mr. NAUGHTON. You have indicated that Mr. Andersen went back after 1 night, and that you stayed over for an additional—when did you come back?

Mr. MORRIS. I came back Monday. I stayed over Sunday with him.

Mr. NAUGHTON. Did you come back, taking the plane from Midland also?

Mr. MORRIS. He and his general manager, and the pilot and I, Monday morning flew over to Dallas, and I caught a plane back from Dallas. I spend Sunday with the family.

Mr. NAUGHTON. Was the general manager there at that time, Mr. Cooper? Or Mr. Foster?

Mr. MORRIS. This was Mr. Foster. Was he there when?

Mr. NAUGHTON. Was he at the house?

Mr. MORRIS. No; we flew in the plane over to Dallas.

That is the first time I had seen Mr. Foster on the trip, was when we got in the plane.

Mr. NAUGHTON. How much was the plane fare down and back from Pecos, round trip for you and Congressman Andersen?

Mr. MORRIS. From here down?

I don't recall except when Mr. Andersen and I settled up, I think he gave me 2 hundred-dollar bills and I gave him back 30 some, or something like that. I think that is what it was. I can check and give you the exact figure. I have the cancelled check.

Mr. NAUGHTON. Excuse me.

Mr. MORRIS. I say I have the cancelled check. I don't recall the exact figure. As I recall Congressman Andersen gave me two hundred-dollar bills to reimburse me for his ticket and I gave him back \$39 or \$40, something like that.

Mr. NAUGHTON. This was a total of nearly \$400, then, for the two tickets?

Mr. MORRIS. It was three hundred and something, as I remember.

Mr. NAUGHTON. Who paid for your ticket?

Mr. MORRIS. Both Congressman Andersen and Mr. Estes offered to reimburse me. I let Mr. Estes reimburse me because of Mr. Andersen's lack of money. Mr. Estes was wealthy. This trip was not for my benefit. I did not object to being reimbursed by one or the other.

Mr. NAUGHTON. Didn't it seem a little strange to you, that here was Mr. Estes, the soul of generosity—and you had a little trouble keeping him from giving you presents—spending a couple of hundred dollars on your fare, and then having a couple of plane trips down to Dallas, if they were special trips?

Mr. MORRIS. No, because he asked me to come down. He wanted me to come down.

Mr. NAUGHTON. The sole purpose of all this just being to determine whether or not he should make a \$2,500 investment?

Why didn't he just send the money up? It would have been cheaper.

Mr. MORRIS. Well, he had not done it and Mr. Andersen wanted to go down and talk to him to see if he could not get him to invest.

I am trying to remember now the details of other peoples' business, but I think Mr. Andersen said they had \$25,000 or \$30,000 worth of unissued stock. All Mr. Estes bought was \$2,500 worth.

Mr. NAUGHTON. Wouldn't a \$10 phone call have been able to get this information and save the two plane fares?

Mr. MORRIS. It didn't. I think Congressman Andersen talked to him. He wanted us to come down. He importuned us to come down. He wanted us to come down.

Mr. NAUGHTON. You made a comment a while ago about spreading the risk, indicating that Mr. Estes had given some cash to Congressman Andersen and also some to you?

Mr. MORRIS. No. Mr. Andersen had the money. And when he got ready to leave he asked me if I would bring a thousand dollars back. He said he didn't like to carry that much cash. He said, "Spread the risk in case something happens to one of us." That was all the significance of that.

Mr. NAUGHTON. And when you got back you took care of that then with the Congressman?

Mr. MORRIS. I gave it to him; that is, when I took out his plane fare.

Mr. FOUNTAIN. You say he gave you this \$2,500 in cash?

Mr. MORRIS. Yes, sir. I didn't count it. Mr. Andersen said it was \$2,500.

Mr. FOUNTAIN. Did you see where he got the money from?

Mr. MORRIS. Someplace in the house. He went back in the back of the house. As I say, I am not—I don't recall whether I was standing there when he gave Mr. Andersen the money. I know that he gave him the money to pay for the stock. But I don't recall whether I was standing there at the time. It was either before breakfast or after breakfast.

Mr. FOUNTAIN. Was there any discussion as to why the negotiations were being terminated with a payment in cash rather than a payment by check?

Mr. MORRIS. I don't know, except he paid cash for the stock.

Mr. FOUNTAIN. This was at a time when Mr. Estes was supposed to have been about broke, wasn't it, on the basis of information we have since received?

Mr. MORRIS. Since learned, but I had no knowledge of it then and I know Congressman Andersen didn't. To us he was still the wealthy tycoon.

Mr. NAUGHTON. Was this the first transaction Mr. Estes had with Congressman Andersen?

Mr. MORRIS. My recollection is that on the flight down, Congressman Andersen went into the detail of the earlier stock purchase he made. As I recall, that was by check, that he had called down to Texas and had a check for \$1,500 sent up. I think he had bought \$1,500 worth of stock earlier in January. Mr. Andersen said at that time he didn't want the stock issued yet. He had—Mr. Andersen, as I recall, told me that he had entered it in his ledger but had not issued the stock.

Mr. NAUGHTON. There is another letter which appeared in the Dallas News. It is taken—according to the paper—from the "Bill Morris file" in Billie Sol Estes' office in Pecos. We can put the whole letter in the record. It starts in this way, and it was not signed, apparently:

Billie, you recall we have discussed the wisdom of a "good" Republican contact in Congress. We considered H. Carl Andersen, of Minnesota (top Republican in the House Agriculture Appropriations Subcommittee and third ranking on the full Appropriations Committee), a good choice.

What was the necessity of a "good Republican contact in Congress" for Mr. Estes?

Mr. MORRIS. This, as I recall the use of the language, was sales talk about Billie Sol Estes to get him to buy some of Mr. Andersen's stock in this coal mine—not Mr. Andersen's stock but some stock in this coal mine. This seemed as good an argument as any.

Mr. NAUGHTON. Why would having a contact in Congress be pertinent to sale of stock?

Mr. MORRIS. Mr. Estes liked to know a lot of people. To me, this was a matter of helping two friends. He liked to know a lot of people. I think when that letter was written he knew Mr. Andersen. He had met him. He had gone in from Rutherford's office, as I recall, and had known Mr. Andersen.

Mr. NAUGHTON. Did he think he was getting something besides coal mine stock?

Mr. MORRIS. Not to my knowledge.

Mr. FOUNTAIN. What is the date of the letter?

Mr. NAUGHTON. There is no date on it.

Mr. MORRIS. This, as I recall, Mr. Chairman, was following—I talked to him on the telephone about it. He said, "Write me a memorandum." And this was my best recollection, this was the memorandum of the conversation, the discussion. These were the details. This was Mr. Andersen—he did this with other people—Mr. Andersen had said—

I will agree to buy back the stock a year from now with a 10-percent increase in value, or 2 years from now with a 20-percent increase.

I know Mr. Andersen did that with several people here in Washington, sold them the stock, with an agreement to buy it back. From all I know he lived up to those agreements.

Mr. FOUNTAIN. What was the purpose of the agreement to buy it back?

Mr. MORRIS. I suppose that was in order to get them to invest. He would agree to protect them from loss.

Mr. FOUNTAIN. To assure them that he had confidence in the coal mine?

Mr. MORRIS. Yes, sir. And unless I am misled, he did buy back from several people who decided they didn't want to hold the stock. I helped him sell the stock to a number of people.

Mr. FOUNTAIN. You say in this letter also that "most of the stock"—"most of it is committed." What did you mean by that?

Mr. MORRIS. Most of the stock?

Mr. FOUNTAIN. You said, "They have authorized the sale of some additional stock." That is in the third paragraph of the letter, which we will put in the record. "Most of it is committed but Congressman Andersen hopes you might take \$1,500 or \$2,000 worth."

Then you go on to discuss his willingness to agree to buy back the stock and so forth.

Mr. MORRIS. My recollection, Congressman, is that the contents of that letter were based on notes I took from Mr. Andersen as to his suggestion of what was said. I think I had lunch with him in the House restaurant and I jotted down some notes of the agreement to buy back within a year, within 2 years. As I recall, that letter was written from those notes that Mr. Andersen had given me.

Mr. FOUNTAIN. Did those notes indicate that most of the stock had been committed?

Mr. MORRIS. Mr. Andersen told me that, that most of the stock had been committed. I assume that is sales talk, "Most of it is committed but there is a little available."

Mr. FOUNTAIN. Did Mr. Andersen at that time own an interest in the coal mine?

Mr. MORRIS. Congressman, going way back to the organization of the coal mine, my recollection is that Mr. Andersen put up the first capital, and some stock was issued to him. His brother didn't put up any capital, as I recall the details of the first formation of it, and stock was issued to him for having the site, having the location and so forth. That is how it started. Each year it was supposed to start paying a dividend but each year it cost more to operate it. I think at this time Mr. Andersen told me it was costing \$1,500 a month to operate. At the time I wrote that letter the winter market for coal was ended and they needed operating capital to keep producing coal to have coal above the ground to bid on contracts.

Mr. FOUNTAIN. In the last paragraph you say:

He is really in a bind right now. He is good about standing by his commitments and his friends and this could be a good investment. Let me know about your decision right away. It means nothing to me personally. Judge what it might be worth from your standpoint.

Do you have any comment on that paragraph?

Mr. MORRIS. That reflected my feeling about the mine. It could be—I wanted to invest in it myself. My wife wouldn't let me.

It looked, still looks to me like a potentially very good investment.

Mr. FOUNTAIN. If there is no objection the copy of this letter, which I understand appeared in the Dallas Morning News on April 21, 1962, will become a part of the record.

BILLIE: You recall we have discussed the wisdom of a "good" Republican contact in Congress. We considered El Carl Andersen of Minnesota (top Republican on the House Agricultural Appropriations Subcommittee and third ranking on the full Appropriations Committee) a good choice.

Talking to him yesterday he made a suggestion I commend to you. He and his brother have a new coal mine in Washington just outside Seattle. They are a coal mining family of Danes and this will be the most modern mine possible including the first operation of new Bureau of Mines developed equipment. The mine is in production and more capital is required to be able to bid on big State, Federal, and other contracts. Most of the stock is owned by the Andersen family.

They have authorized the sale of some additional stock. Most of it is committed, but Congressman Andersen hopes you might take \$1,500 or \$2,000 worth of it. He would be willing to agree to buy back the stock after May 1, 1962, at 110 percent or after May 1, 1963, at 120 percent with a time limit of one year thereafter (his brother died a few months ago and left an estate of about \$100,000 mostly in Government bonds. He will have his share in a few months and this is the basis behind the offer.) If you would like to buy the stock he suggests you send the check care of me made out to: Treasurer, Coal, Inc. for the number of shares of stock (\$100 per share) and I would hand him the check in exchange for his letter addressed to you confirming the commitment to repurchase at your option.

He is really in a bind right now, is good about standing by his commitments and his friends, and this could be a good investment. Let me know about your decision right away. It means nothing to me personally—you judge what it might be worth from your standpoint.

Mr. NAUGHTON. How and when did Billie Sol Estes reimburse you for the air fare?

Mr. MORRIS. Before I left down there, he offered to reimburse me.

Mr. NAUGHTON. What did he give you, a check or cash?

Mr. MORRIS. I think he gave me three \$100 bills, and I handed him back one, and said, "I think my total expense will be less than \$200, Billie."

He said, "You can't come here and back to Washington less than \$200," so we settled on that.

Mr. NAUGHTON. He gave you \$200?

Mr. MORRIS. Two \$100 bills, yes, sir.

Mr. NAUGHTON. Do you know whether he reimbursed Mr. Andersen for his air fare?

Mr. MORRIS. I don't but I don't think he did.

Mr. NAUGHTON. How did Mr. Estes meet Mr. Andersen in the first place, do you know? Did you introduce him?

Mr. MORRIS. No, sir. As one or the other described it to me, Mr. Estes had gone from Rutherford's office next door in and introduced himself to Congressman Andersen. I have a time or two been with Mr. Estes when he did that, walked in and introduced himself and tell the Congressman how much he appreciates his service to agriculture. As a matter of fact, that was one of the informal, unofficial missions of members of advisory committees, was to circulate around the Hill and say "Hello" to their Congressmen.

Mr. NAUGHTON. In other words, the people of the Department should be nice to advisory committees and the advisory committees should be nice to Congressmen.

Mr. FOUNTAIN. I am not very flattered. None ever visited me.

Mr. NAUGHTON. Do you know Secretary Freeman personally?

Mr. MORRIS. I have met him on occasions, yes, sir.

Mr. NAUGHTON. What is the extent of your acquaintance?

Mr. MORRIS. Very limited, sir.

Mr. NAUGHTON. Are you acquainted with Under Secretary Murphy?

Mr. MORRIS. A limited acquaintance.

Mr. NAUGHTON. Have you ever had any discussion or conversation or any transaction of any kind with him involving Billie Sol Estes?

Mr. MORRIS. Not to my recollection a word ever with Mr. Murphy about Mr. Estes. Either on his part or my part, as I can recall.

Mr. NAUGHTON. On either of your parts?

Mr. MORRIS. I don't recall any discussion with Under Secretary Murphy.

Mr. NAUGHTON. I am going to ask you these same two questions about a list of several people. Do you know Horace Godfrey?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. Did you ever have any conversations or communication or transaction with him involving Billie Sol Estes?

Mr. MORRIS. Not to my recollection.

Mr. NAUGHTON. You have indicated, I believe, that you introduced Mr. Estes—

Mr. MORRIS. I think I told him about the hat. But other than that I don't recall any discussion of Mr. Estes with Mr. Godfrey.

Mr. NAUGHTON. You have indicated, I believe, that you introduced Mr. Estes to Mr. Moseley. Did Mr. Estes or Mr. Moseley indicate at that time that they already knew each other?

Mr. MORRIS. I can't recall. They were—

Mr. FOUNTAIN. If you recall.

Mr. NAUGHTON. If you recall.

Mr. MORRIS. No, I don't recall whether either indicated—each knew who the other was. That was obvious to me. I introduced them.

Incidentally, I think this was out in the hall and there was a newspaper reporter standing beside us. This was to me very casual.

Mr. FOUNTAIN. What you are saying is that you don't know whether this was his first introduction or not?

Mr. MORRIS. No, sir, but I got the impression this was the first time that they had actually met and shaken hands with each other, although each knew who the other was.

Mr. NAUGHTON. Do you know Truman Cunningham?

Mr. MORRIS. Truman Cunningham?

Mr. NAUGHTON. An assistant to Mr. Moseley in Dallas.

Mr. MORRIS. I can't place him.

Mr. NAUGHTON. Do you know Carl Miller?

Mr. MORRIS. AMS?

Mr. NAUGHTON. Yes.

Mr. MORRIS. I don't think I do. I don't think I ever met him.

Mr. NAUGHTON. Do you know Maynard Wheeler, president of Commercial Solvents?

Mr. MORRIS. No, sir.

Mr. NAUGHTON. Do you know Mr. Leonhardt? Have you ever met him?

Mr. MORRIS. In the Department?

Mr. NAUGHTON. No, Mr. William S. Leonhardt was the financial vice president of—

Mr. MORRIS. No, sir.

Mr. NAUGHTON. Are you acquainted, to your knowledge, with any employee of Commercial Solvents Corp.?

Mr. MORRIS. I don't know that I have ever met or seen them anywhere.

Mr. NAUGHTON. Are you acquainted with Mr. Frank Cain?

Mr. MORRIS. No, sir.

Mr. NAUGHTON. Did you happen to meet the district attorney down at Pecos while you were down there, Mr. R. B. McGowen, I believe it is?

Mr. MORRIS. I couldn't say. I spoke to several hundred people one night in Pecos and shook hands with hundreds of people. I have no distinct recollection of him; no, sir.

Mr. NAUGHTON. You have no recollection of Mr. Estes ever mentioning his name to you?

Mr. MORRIS. The name doesn't ring any bell at all; no, sir.

Mr. NAUGHTON. Do you know Mr. Walter Berger?

Mr. MORRIS. I knew him when he was in the Department; yes, sir.

Mr. NAUGHTON. Did you have any conversations, communications, or dealings with him concerning Mr. Estes?

Mr. MORRIS. No, sir. I have never seen or heard from Mr. Berger since he left the Department.

Mr. NAUGHTON. Do you know Martin Sorkin?

Mr. FOUNTAIN. While he was in the Department did you have any communications with him in connection with Mr. Estes' operations?

Mr. MORRIS. Mr. Chairman, I never heard of Mr. Estes until I met him last—a year ago March. Mr. Berger was in and out of Congressman Andersen's office by reason of Mr. Andersen's position. That is the only way I knew Mr. Berger.

Mr. NAUGHTON. Did you know Martin Sorkin?

Mr. MORRIS. Not to my recollection.

Mr. NAUGHTON. Did you know anybody connected with the Anderson-Clayton Co.?

Mr. MORRIS. I suppose through the years I have met some of those people. When I was in the manpower program I met somebody with Anderson-Clayton at some farm-labor meeting in Mississippi. But not to say that I know any of them; no, sir.

Mr. NAUGHTON. Do you know Mr. James McConnell, former Assistant Secretary of Agriculture?

Mr. MORRIS. Just—I think I met him once or twice in or out of Congressman Andersen's office.

Mr. NAUGHTON. Did you ever have any conversations or communications with him concerning Mr. Estes?

Mr. MORRIS. No, sir. I had never seen or heard from him since he left the Department, which was some years ago.

Mr. FOUNTAIN. I think it is obvious we are not going to get through with Mr. Morris tonight.

Mr. NAUGHTON. How much more do we have to go?

Mr. FOUNTAIN. Why don't we recess until tomorrow?

(Discussion off the record.)

Mr. FOUNTAIN. The subcommittee stands in recess until 10 o'clock tomorrow morning.

(Whereupon, at 5:55 p.m., the subcommittee was recessed, to reconvene at 10 a.m., Saturday, June 30, 1962.)

[COMMITTEE PRINT]

INVESTIGATION OF DEPARTMENT OF AGRICULTURE

(Testimony of William E. Morris)

SATURDAY, JUNE 30, 1962

HOUSE OF REPRESENTATIVES,
INTERGOVERNMENTAL RELATIONS SUBCOMMITTEE,
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C.

The subcommittee met in executive session¹ at 10:25 a.m., in room 1501-B, New House Office Building, Hon. L. H. Mountain (chairman of the subcommittee) presiding.

Present: Representatives L. H. Fountain, Florence P. Dwyer, and Odin Langen.

Also present: James R. Naughton, counsel; Daniel A. Kavanaugh, assistant counsel; Herbert B. Warburton, minority counsel; Miles Q. Romney, associate general counsel, Government Operations Committee; Philip Carlson, minority counsel, Government Operations Committee, and Edward C. Hanna, certified public accountant, General Accounting Office.

Mr. FOUNTAIN. The subcommittee will come to order.

Let the record show that a quorum is present.

FURTHER TESTIMONY OF WILLIAM E. MORRIS, FORMER EMPLOYEE, DEPARTMENT OF AGRICULTURE; ACCOMPANIED BY FRANK H. STRICKLER, COUNSEL

Mr. FOUNTAIN. Mr. Morris, I want to remind you, you are still under oath as we continue our examination of you in connection with the subject matter of our inquiry.

Did I understand you to say yesterday that you got your job in the Department of Agriculture without the necessity of a recommendation?

Mr. MORRIS. I don't understand the question, Mr. Chairman.

Mr. FOUNTAIN. As a result of your civil service status, this last time, did you get your job in the Department of Agriculture without any recommendation?

Mr. MORRIS. Mr. Jacobs recommended me for the job.

Mr. FOUNTAIN. Mr. Jacobs recommended you?

¹ This portion of the hearings was held in executive session. Subsequently the subcommittee ordered the transcript released.

Mr. MORRIS. I had status and was eligible for transfer from the legislative to the executive branch and reinstatement.

Mr. FOUNTAIN. Who in the Department had to approve your appointment as Dr. Ralph's assistant, other than Dr. Ralph?

Mr. MORRIS. Congressman, I was on detail to Dr. Ralph. I never was officially transferred to that position. Dr. Ralph selected me for the assignment.

Mr. FOUNTAIN. You were transferred from what?

Mr. MORRIS. From Mr. Jacobs' office in Agricultural Stabilization and Conservation Service. This was a detail.

Mr. FOUNTAIN. When you were in Mr. Jacobs' office did he himself have the authority to hire you?

Mr. MORRIS. I assume his superiors approved it, sir. As a matter of fact, I am sure he discussed it with his superiors, and they approved it.

Mr. FOUNTAIN. Who had to approve it, if you know?

Mr. MORRIS. The Administrator, I assume, Horace Godfrey.

Mr. FOUNTAIN. Mr. Horace Godfrey?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. Can you tell the committee how Mr. Jacobs got his job?

Mr. MORRIS. No, sir. I don't know the details of it. He had been in the Department before as an area director and was reinstated as Deputy Administrator. But I do not know the details.

Mr. FOUNTAIN. You don't know when that was?

Mr. MORRIS. It was, I believe, a week or so before I went into the Department.

Mr. FOUNTAIN. Do you know of your own knowledge who recommended Mr. Jacobs for the job?

Mr. MORRIS. Not of my own knowledge, no, sir.

Mr. FOUNTAIN. You stated yesterday, as I recall, that when you and Mr. Estes and Dr. Ralph went into Neiman-Marcus in Dallas, Tex., that you did not try on any clothes other than hats, and that you bought none, and that none were measured for you nor purchased for you by Mr. Estes.

Mr. MORRIS. That is correct, except I didn't try on hats, Congressman.

Mr. FOUNTAIN. You didn't?

Mr. MORRIS. My recollection is that the furthest I went was to pick up a sleeve of a coat on a rack.

Mr. FOUNTAIN. You tried on no clothes whatsoever?

Mr. MORRIS. Not to my recollection. I don't recall even putting a suit jacket on, sir.

Mr. FOUNTAIN. You would remember, wouldn't you, if you had, in view of everything that transpired there, and refreshing your recollection since?

Mr. MORRIS. Well, I believe I would, except I don't believe I could recall everything that was said here yesterday, Congressman. The best of my recollection is that I did not try anything on. I wasn't interested, Congressman.

Mr. FOUNTAIN. Tell us whether or not prior to that time, or since, you have received gifts of clothing from Mr. Estes?

Mr. MORRIS. Only the hat, sir.

Mr. FOUNTAIN. Only the hat?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. Think real good: between the time you first met Billie Sol Estes and the day you left the Department of Agriculture, and list for the subcommittee all gifts which you have received from Billie Sol Estes in the form of money or its equivalent.

Mr. MORRIS. When I first met him he gave me a hat at Pecos, Tex.

In the summer, last summer, he sent cantaloups addressed to the office, crates of cantaloups.

Mr. FOUNTAIN. How many cantaloups were in the crate—each crate?

Mr. MORRIS. I didn't count them. It was a small crate. I would say—I have seen crates delivered here in the Capital that looked twice as large. It was a small crate, about 24 to 30 inches long, maybe a dozen cantaloups in it. I can't recall. I didn't count them.

Mr. FOUNTAIN. I imagine cantaloups were sent to other people in the Department, too?

Mr. MORRIS. Yes, sir, I think Dr. Ralph received a crate in the office. I don't know who else might have received it.

At Christmastime we received a fruit basket of grapefruit, oranges, and so forth. That was delivered, I think it came Railway Express, and we had to go out and get it.

Mr. FOUNTAIN. What year was that?

Mr. MORRIS. That was last Christmas.

On Christmas day there came in the mail two \$100 postal money orders and I testified as to the disposition we made of those.

I testified that in September Mr. Estes bought a dress and sent it to my wife, in a small shop in Dallas. I don't even remember the name of the shop, and I don't remember the price of the dress. It was just a dress.

When I was in Texas with Congressman Andersen he reimbursed me—I don't consider that a gift—for my travel coming down. He had often requested me to come down. This wasn't for my benefit. I thought one or the other should reimburse me and I let Mr. Estes reimburse me for my travel expenses down.

I don't recall any other gifts which I received from Mr. Estes of any significance or monetary value.

Mr. FOUNTAIN. Have there been instances other than the one to which you referred when you were reimbursed for your trip to Dallas in connection with the sale of the stock where Mr. Estes has reimbursed you for expenses incurred in connection with anything in which he was interested?

Mr. MORRIS. Not to my recollection. He has offered to reimburse me for telephone calls, cabbages. He would drop in the office and ask for a dollar or two for cabfare and run up to the Capitol or someplace, because he didn't have any change. I don't recall ever permitting him to reimburse me even for those little items.

Mr. FOUNTAIN. He never reimbursed you for any other trips than the ones to which you have already referred?

Mr. MORRIS. I haven't had any other trips that he would be concerned with; no, sir.

Mr. FOUNTAIN. Have you been compensated financially by Billie Sol Estes or any of his enterprises, or anyone on his behalf, for any service performed by you in his behalf?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. Have you acted as his agent in the distribution of any political funds either to private citizens or public officials?

Mr. MORRIS. The only instances that could even be applied would be when he paid for the printing of a speech of Dr. Ralph's by Congressman Hagen.

Mr. FOUNTAIN. That has already been referred to.

Mr. MORRIS. Yes, sir.

Those are the only instances that I have any recollection of that I was even remotely connected with anything of that nature.

Mr. FOUNTAIN. I guess the two money orders—

Mr. MORRIS. The two money orders and the two checks, Hagen and Mr. Edmondson, and I understand the Edmondson check was returned.

Mr. FOUNTAIN. Have you on his behalf or on behalf of any of his enterprises—this is to some extent repetitious, but in a little different form—delivered any money of any kind to any employee of the Department of Agriculture or any employee of any other agency of the Federal Government?

Mr. MORRIS. I don't have any recollection of ever handling any money for Mr. Estes with any of those classes of people.

Mr. FOUNTAIN. What is the name of the pilot of Mr. Estes' plane, the one who took you on the trip to which you have already referred?

Mr. MORRIS. He had two different pilots. I don't recall the name of the first one, Congressman. The second one was Joe Blake, I believe. Joe was his first name.

Mr. FOUNTAIN. Who was, if you know, Mr. Estes' closest friend, other than you?

Mr. MORRIS. I frankly don't know that much about his circle of friends, Congressman. He seemed to have a great many close friends, and I couldn't single one out in preference to another.

Mr. FOUNTAIN. Would it be proper to say that you, of all of the public officials with whom he had to deal in the Department of Agriculture, with whom Mr. Estes was acquainted, were the closest to him in terms of personal friendship?

Mr. MORRIS. I can say only from my observation, because I have learned from the press, since all of this developed, that he visited and saw other people in the Department, about which I had no knowledge at the time. But I know we had a very close family and personal friendship.

Mr. FOUNTAIN. Other than what you read in the press, do you know of any employees, high or low, within the Department with whom he was closely acquainted?

Mr. MORRIS. Not of my own knowledge, Congressman.

Mr. FOUNTAIN. Do you have reliable information, other than what has appeared in the press?

Mr. MORRIS. I wouldn't have any source of information, Congressman.

Mr. FOUNTAIN. You said not to your knowledge, that is the reason I asked.

Mr. MORRIS. I don't know of any real close friend he had in the Department. But he was not a loquacious man. You wouldn't know.

Mr. FOUNTAIN. What about his relationship with Mr. Jacobs?

Mr. MORRIS. I know nothing about that relationship.

Mr. FOUNTAIN. Can you think of anybody else in the Department of Agriculture whom you know Mr. Estes did know well?

Mr. MORRIS. I don't know, Congressman.

Mr. FOUNTAIN. Other than, say, members of the Advisory Committee, the Cotton Advisory Committee, with whom he was associated from time to time.

Mr. MORRIS. Congressman, I don't know how well he knew people because he didn't discuss, in my presence or to me, his acquaintances with other people in the Department.

Mr. FOUNTAIN. You said yesterday he did a lot of business around the Department of Agriculture. Do you know who most of his contacts were with in the Department, and for what purpose?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. You do not?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. Did you ever set up any appointments for him with any of the officials in the Department?

Mr. MORRIS. I may have at one time arranged for him or somebody associated with him to talk to somebody in the Foreign Agricultural Service. I am not certain.

I know when he was talking about going in the oversea grain trade business I may have, but I don't recall that, Congressman. I think that is the only instance in which I could have made any appointment for him within the Department. I am not sure that I did that.

Mr. FOUNTAIN. This next question is partially repetitious of what you were asked yesterday by Mr. Langen and probably by other members of the committee and the staff. I want to get the record completely clear.

You said yesterday that the money orders which you and Dr. Ralph received—you say on Christmas Day, and Dr. Ralph testified before this committee, sometime after Christmas—were construed by you as Christmas gifts, but that rather than return the money orders and take the chance of offending Mr. Estes, you and Dr. Ralph both agreed that you would look upon them or just consider them as contributions to the national Democratic Party—as sums for the purchase of inaugural anniversary tickets and that the money orders were endorsed and delivered to the National Democratic Headquarters for the purchase of \$100 tickets; is that right?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. Mr. Morris, you testified yesterday that because you felt close enough to Mr. Estes, he having visited in your home and you two having been associated socially, your families, or your family and Mr. Estes on a number of occasions, that you frequently admonished Mr. Estes not to embarrass people with his generosity. And yet you tell this committee that you were afraid to offend him by returning those money orders to him.

How do you reconcile those positions?

Mr. MORRIS. That, Mr. Chairman, was a decision made with my superior, Dr. Ralph. We discussed what to do with them and we concluded that since it was the time that tickets were being purchased for the dinner, that the simplest thing to do would be simply endorse them over and deliver the tickets to him, which in Dr. Ralph's opinion there was nothing improper about us serving as an innocent medium in the purchase of tickets, and deliver the tickets to him, and then advise the Secretary what had transpired.

Mr. FOUNTAIN. The point I am getting at is this: In view of your experience with him, and your willingness to admonish him about his generosity, which was embarrassing people, how could you conclude at that time that it would have offended him to return the money orders to him?

Mr. MORRIS. That was a joint conclusion—

Mr. FOUNTAIN. You had money orders and Dr. Ralph had money orders?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. You had a right to make an independent decision about your money orders and so did he; did you not?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. Did you tell Dr. Ralph how close you had been to Billie Sol Estes and that you felt that you could return those money orders and that he would not be offended?

Mr. MORRIS. I didn't tell him the latter part. He knew of every significant contact I had with Mr. Estes, because I kept him informed of every significant relationship I had with Mr. Estes.

Mr. FOUNTAIN. Did you think Mr. Estes would be offended if you had returned the money order?

Mr. MORRIS. I think he would have been embarrassed, having the money orders returned and going down to the post office and having them canceled out.

Mr. FOUNTAIN. Had he ever been embarrassed when you had admonished him about embarrassing other people by bestowing gifts upon them?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. What was his reaction when you had—

Mr. MORRIS. When I had talked to him about the advisability of not embarrassing people with too expensive gifts, one time the man very frankly—I think he wept, because he told me, he said, "Bill, I just like to share with people." It was his underlying philosophy of life. He published a booklet on it, the philosophy of doing good, of accumulating by giving away to people. He said it was basic philosophy.

I said, "Billie, you embarrass people." I pointed out, for example, if you were having lunch or dinner and he would go over to the cigar counter and buy a big fist full of expensive cigars, I said, "Billie, what do you do with those cigars? Do the men at the table divide them up? If you want to buy cigars, buy one for a person and then each person has a cigar. You embarrass people with this extreme generosity."

He was embarrassed in turn and said, "I don't mean to embarrass people. My purpose is good. I have it and I like to share it."

Mr. FOUNTAIN. Had Mr. Estes ever before sent you or your family Christmas gifts in the form of money orders or checks?

Mr. MORRIS. I had not known him previously. This was the first Christmas.

Mr. FOUNTAIN. Did he thereafter?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. Had he since sent you Christmas money orders or money of any kind?

Mr. MORRIS. No, sir. Remember, Congressman, when I gave the tickets to him I admonished him then and he said he did not know that our names had been added.

Mr. FOUNTAIN. You gave him the tickets for the money orders?

Mr. MORRIS. Yes, sir, I gave him the tickets.

Mr. FOUNTAIN. Tickets which were purchased with the money orders from the Democratic National Committee?

Mr. MORRIS. Yes, sir. And I admonished him at that time that I could not possibly accept that kind of Christmas gift.

Mr. FOUNTAIN. I want to ask you this question, in fairness to the Democratic National Committee. When you took the money orders over to the National Democratic Headquarters and got these anniversary tickets, did you explain the circumstances under which you had received those money orders?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. Now explain to the committee again, if you will, just what you said in the memorandum which you say you typed off and delivered to Secretary Freeman's office through your secretary.

Mr. MORRIS. My best recollection, I typed it myself, was the first paragraph said: "There have been two instances of generosity on the part of members of advisory committees which should be brought to your attention." And then there was a description of the money orders from Mr. Estes and the disposition we had made of them, and then there was a paragraph describing the gift money from the potato committee. The potato committee had brought a purse of money and given to my secretary and said buy a present for Dr. Ralph.

The description in that paragraph was that we had instructed the secretary to return the money to the potato committee the next time they were in Washington. My secretary advised me that she did return the money to the potato committee.

Mr. FOUNTAIN. Then I take it from what you say that the memorandum which you sent, and of which no copy has been found (and Secretary Freeman's office has advised that he knows nothing about it) did not set forth the full circumstances under which you received the money orders; that is, that they came on Christmas Day, that there was no letter of transmittal with them explaining why they were sent, but that you took them to be Christmas gifts, that you were not going to keep them but that you were going to deliver them to the National Democratic Party as a contribution.

You did not state it that way?

Mr. MORRIS. Not precisely that way, Congressman. As I recall that paragraph, it said that these money orders had been received and that we had endorsed them to the national committee, and that when the tickets were received, they would be delivered to Mr. Estes.

Mr. FOUNTAIN. Then if that memorandum had been received and was seen by the Secretary or anyone else, whoever saw the memorandum would have a right to believe that Mr. Estes had sent those

money orders to you for the purpose of making purchases of tickets from the Democratic National Committee?

Mr. MORRIS. We didn't say they had been sent to us—as I remember the memorandum we didn't say for what purpose they were sent to us. We said we have received—my assistant and I have received from Mr. Estes—postal money orders.

Mr. FOUNTAIN. In view of what you say you had in the memorandum as to what you were going to do with it, what conclusion could the reader of the memorandum reach other than that it was a contribution to the Democratic Party?

Mr. MORRIS. It was our purpose in the memorandum—recall in the first paragraph, the way I wrote it, was that there had been two instances of generosity. I think I used the word "generosity"—on the part of members of advisory committees. I don't think that would be construed later on that these were contributions to the national committee. These were acts of generosity which we properly could not accept, and then he went on to say briefly what disposition we made of them.

Mr. FOUNTAIN. Did you say in the memorandum, which you could not properly accept? Did you put that in the memorandum?

Mr. MORRIS. I don't recall whether we put that in or not. We just told him what we had. We told him of the acts of generosity and how we had disposed of both of them.

Mr. FOUNTAIN. How you had disposed of them?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. Did Secretary Freeman or anyone on his behalf indicate to you or to Dr. Ralph that he had received the memorandum marked as you said, "Personal and confidential?"

Mr. MORRIS. No one indicated it to me. Incidentally, Dr. Ralph told me that he had also discussed the potato contribution with John Baker, Director of Credit. John Baker said return it.

Mr. FOUNTAIN. And John Baker said return it?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. So you did return the generous gift in that situation?

Mr. MORRIS. My secretary said she returned it to the potato committee.

Mr. FOUNTAIN. Was the memorandum put in an envelope and marked "Confidential and Personal" on the outside, or was "Personal and Confidential" marked on the sheet upon which it was written?

Mr. MORRIS. I think it was on both, Congressman. I think on the memorandum I typed at the top "Personal and Confidential" and the envelope was "Assistant Secretary" envelope, the way we always sent confidential memos over to the Secretary.

Mr. FOUNTAIN. You gave it to your secretary?

Mr. MORRIS. Gave it to one of the girls in the office.

Mr. FOUNTAIN. You don't recall which one?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. What did you tell her to do?

Mr. MORRIS. To take it to the Secretary. Dr. Ralph sent numerous confidential memos on various things.

Mr. FOUNTAIN. Did it go through Dr. Ralph's hands before it got there?

Mr. MORRIS. Dr. Ralph signed it. As I recall—

Mr. FOUNTAIN. Did you then take it yourself to one of the girls or did he do it?

Mr. MORRIS. Congressman, as I best recall, we were getting ready to go to lunch. I think Dr. Ralph and I were going to lunch. As I went out I gave it to one of the girls and said take it over to the Secretary's office. That was the routine way we sent a personal and confidential memo to the Secretary.

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 that Mr. Estes knew 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 the Kennedy birthday dinner in 1961 Congressman Mahon spoke with Dr. Ralph, who was standing beside Estes' table—the reason I recall that was Congressman Mahon had been displeased with the speech Dr. Ralph had made, and they discussed that briefly. We discussed again the day we walked over to the Democratic caucus and I told him Dr. Ralph had benefited by his counsel and he said he liked it, he was pleased.

So from that—

(See comment by Congressman George Mahon, p. 143.)

Mr. FOUNTAIN. The record will show that he was known in Vice President Johnson's office and 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, if 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 a 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 own Congressman, and certainly other Congressmen in close proximity to him.

In view of his desire to win friends and influence people I am sure he met as many Members as he could.

So you don't know of your own knowledge who he knew personally, other than the ones to which you referred?

Mr. MORRIS. Only the ones that I saw with him or saw him talk to or who were his guests at some dinner or something.

Mr. FOUNTAIN. I don't know how pertinent this is to our inquiry, but I think I will ask you, since it was brought up in the interrogation of you by the staff. When you were interrogated by the staff before this hearing began, reference was made to certain letters of yours to Mr. Estes relative to an export plan, and that you had written a thank you note to Mr. Estes and never expected to receive a kit of materials in return.

Without going into a lot of detail, what was the substance of these letters and what did they relate to?

Mr. MORRIS. Congressman, he sent me—if I can find an example of one of them—reprints of articles. This says, "Clyde native plans grain exporting on grand scale." This was a reprint of an article in the Abilene Reporter News dated November 19, 1960. He had apparently, in the years before I had met him, announced and discussed plans for going in the grain export business as a private entrepreneur. Here is one called: "India, a big market; Estes foresees exports to end surplus grain." This is from the Standard Times Agricultural Editor.

He sent me a large envelope of these clippings and asked me if I would sit down and give him the benefit of my thoughts on it, that he entertained this ambition to go into—not wait for Government, on his own—to go into grain export. He was thinking in terms, as this article indicates, of India and Pakistan, that area.

He talked of building terminal facilities at Galveston or Houston and also in India, and Pakistan. That was the purpose of my writing him, was this was good to me for a private entrepreneur, a man of great wealth, to go into the grain export business and help us move the grain abroad.

There was no indication in any of the articles or in his letter that he proposed to go into grain export in collaboration with the Government. This was a private entrepreneur who was going to help move our surplus abroad. To me it had tremendous appeal.

I thought if this man will do it, others will do it, and help share the burden of moving these surpluses. That was the purpose of just jotting down, at his request, my thoughts on how he might implement this ambition.

Mr. FOUNTAIN. Mr. Naughton?

Mr. NAUGHTON. Mr. Morris, are you familiar with procedures relating to Government financed exports of grain?

Mr. MORRIS. Not in any detail; no, sir.

Mr. NAUGHTON. Do you know how much privately financed exports of grain there are, or it is feasible to believe there will be in the near future, to India?

Mr. MORRIS. No, sir.

Mr. NAUGHTON. Aren't you aware that practically no grain is shipped to India that is not financed by the U.S. Government?

Mr. MORRIS. I don't know that as a fact.

Mr. NAUGHTON. Did you inquire about this?

Mr. MORRIS. Not at the time I wrote those letters; no, sir.

Mr. NAUGHTON. So you didn't know that all of our shipments to India have to be financed by the Government because India has no dollar reserves that it is in position to spend for—

Mr. MORRIS. No, sir.

Mr. NAUGHTON (continuing). Grain imports?

Mr. MORRIS. That is why if you read the letters you will see that I suggested means of meeting this dollar lack. In other words, if he could go in there and build an elevator, in cooperation, meet their requirements of native Indians cooperating financially in it, and then if he could sell the grain for local currency, and if he could go into trade, I think I suggested that he recapture the Yankee spirit of trading; I suggested, maybe I was presumptive but he asked me to give him the benefit of my thoughts, I suggested that this might be a possibility, privately, without depending on Government, for a man to go in and first get permission or partners. It was my impression that because of the feeling toward colonialism that with the Indians and the others, local people, citizens of that country, would have to be in it.

Then if he could buy merchandise with the local currency which he could bring back in his ships—he gave me the impression he was going into it on a large scale—that that would overcome this lack of dollar exchange and to me would be a possibility to a promoter or plunger or whatever you call him. This to me sounds possible of accomplishment.

I am no expert in the field but when a man asks me would I be good enough to jot down some ideas, I did so.

Mr. NAUGHTON. Aren't you aware that the normal method of doing business for foreign currency is for the Indian Government to put up foreign currency and the U.S. Department of Agriculture to put up dollars to match, which are paid to the exporter?

Mr. MORRIS. I don't know that much of the detail.

Mr. FOUNTAIN. I am not sure that all Members of Congress know that, Mr. Naughton.

Mr. MORRIS. At the time I wrote those letters I had no thought of Government involved in it, because he said he did not want to wait for Government. I don't know whether that is in these articles or not but in his letter I think he said he didn't believe—this I like—he said he didn't believe that American citizens, who had the ability and the vision and the imagination, should sit and wait for the Government to do all of these things. To that I fully subscribed, that if an American businessman can develop a trade program, and move our surpluses over there, I am all for it.

Mr. NAUGHTON. I guess he was successful in securing private financing for a number of his ventures.

Mr. MORRIS. Mr. Chairman, if I may quote from an article in the San Angelo Times, October 30, 1960, Mr. Estes said, "Whether the Government does or not, I am going to be in the export business." He added, "We are going to move our grain into the world markets."

This is among the material that I read and he wanted my thinking, if I could give it to him, on how he might develop this dream of his, this ambition.

Mr. FOUNTAIN. That was a bit of material—

Mr. MORRIS. That he sent out and asked me if he could impose on me, would I sit down and give him my thoughts on it. I, at that time had no thought of Government participation. This to me—if you read my letters I think they will reflect—this to me was a private entrepreneur talking of going into world trade.

Mr. NAUGHTON. Mr. Morris, you mentioned in one of your other letters, I believe, that while you had been at Maritime Commission there had been some, I believe the language you used was, "good deals in surplus ships," and that this might be a possibility in acquiring ships. What were the "good deals in surplus ships" that you had in mind when you made that reference?

Mr. MORRIS. I didn't know this as an official of the Maritime Commission, but from the press, the public knowledge, some of those ships at the end of the war, some people—I think there have since been some investigations of people who bought ships at a very low price. I didn't know whether any of those ships were still available. But I just dropped in every thought that I thought was constructive.

Mr. NAUGHTON. In your capacity with the Maritime Commission, did you have anything to do with the sale or disposal of surplus ships, or was this just something—

Mr. MORRIS. Oh, no, sir; I was the personnel officer. I didn't have firsthand knowledge, except general knowledge, that at the end of the war with all these surplus ships, some people did get some good buys in ships.

Mr. NAUGHTON. I guess all of us have read of the congressional hearings, or newspaper articles relating to those?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. Did you or did you not say yesterday that Mr. Estes made frequent telephone calls in the Department from your office?

Mr. MORRIS. I don't know whether I said "frequent." Congressman. Occasionally he made calls, as did many members of advisory committees.

Our office was right next to the conference room. We serviced them on telephone calls, reservations.

Mr. FOUNTAIN. Do you have any recollection of any parties in particular whom he has called on your telephone?

Mr. MORRIS. Not specifically, Congressman.

Mr. FOUNTAIN. You mentioned a reception that was given for the new president of the Dallas Cotton Association in your interview with the staff. I am not sure whether it was mentioned here yesterday. I believe you stated either to the committee staff, or yesterday, that you attended the reception in Dr. Ralph's place, that Mr. Estes called you to pick him up by the House Office Building and that you and Mr. Frank Hussey, the administrator of the department in charge of grain storage, picked him up. How well did Mr. Hussey know Mr. Estes?

Mr. MORRIS. I think, Congressman, that is the first time he had met him.

Mr. FOUNTAIN. That was the impression you had from the meeting?

Mr. MORRIS. Yes, sir, that was the impression. This was just a very casual thing. I was going to the dinner as Dr. Ralph's representative, or the reception. Frank Hussey called and said, "Are you going to the reception?"

I said, "Yes."

He said, "Can I ride with you?"

I said, "Yes."

And just as we were leaving, I had a call from Mr. Estes saying, "Can you pick me up? I don't know whether I can get a cab this time of day." It was about 5:30, and you know how it is up here on getting a cab. We said, "Sure, we will swing up."

We picked him up at the southeast corner of the House Office Building and drove to the reception.

Mr. FOUNTAIN. How closely related was your work as administrative assistant, so to speak, of Dr. Ralph, with that of Mr. Hussey? Did you have frequent contacts with him?

Mr. MORRIS. Occasional contacts.

Mr. FOUNTAIN. Occasional contacts?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. Were you close personal friends?

Mr. MORRIS. Fairly close personal friends.

Mr. FOUNTAIN. Did he visit your home during the years?

Mr. MORRIS. I think he and his wife have been in our home once or twice. I don't think we have been in their home.

Mr. FOUNTAIN. Then you are telling this committee that it was just a coincidence that you and Mr. Estes and the man in the Department who had charge of or responsibility for a substantial part of grain storage operations, were brought together?

Mr. MORRIS. Yes, sir, purely coincidence. As I recall, Frank Hussey called me about, or called Dr. Ralph's office, to see if Dr. Ralph was going to the reception, and if so they would go together. I told him that Dr. Ralph had another engagement but I was going in his stead. He said, "Are you driving?"

"Yes." I had my car parked on the apron or in the lot there.

Mr. FOUNTAIN. You had had no requests from Mr. Estes to pick up Mr. Hussey—

Mr. MORRIS. No, sir.

Mr. FOUNTAIN (continuing). In order that he might get a chance to speak to him?

Mr. MORRIS. This was a pure coincidence.

Mr. FOUNTAIN. Following the reception did you three go out to dinner together?

Mr. MORRIS. We left the reception and, as I recall, as we walked down the hall, somebody said, "Let's have dinner." And some discussion of where we would have dinner. Somebody said, "Let's have dinner right here in the hotel."

So—I think it is called the Embassy Room—we stopped in there and had dinner.

Mr. FOUNTAIN. Who was with you then?

Mr. MORRIS. Mr. Estes; I think his attorney was along; Mr. Hussey, and myself.

Mr. NAUGHTON. Was that Mr. Dennison?

Mr. MORRIS. John Dennison, yes.

Mr. FOUNTAIN. Where did you go to dinner?

Mr. MORRIS. In the dining room in the hotel.

Mr. FOUNTAIN. How long were you in there?

Mr. MORRIS. Just long enough for dinner.

Mr. FOUNTAIN. Do you have any idea about how long it took to consume the dinner and socialize together?

Mr. MORRIS. An hour, probably, an hour and a half. I don't recall. I think Frank Hussey ordered chicken instead of lobster, and regretted it, as I recall.

Mr. FOUNTAIN. Where did you go from there?

Mr. MORRIS. Everybody—

Mr. FOUNTAIN. After you finished.

Mr. MORRIS. Everybody separated and went their separate ways.

Mr. FOUNTAIN. Yesterday you indicated that Mr. Estes discussed his grain storage operations, or during the course of the conversation in some way requested more grain for storage, or complained that he wasn't getting enough, and that you pointed out that that was not a proper way to get cooperation from the Department—that the Department would lean over backward rather than subject itself to criticism. Did Mr. Estes make any comment in the presence of Mr. Hussey upon the way he was being treated by the Department? Any comment to Mr. Hussey or in his presence?

Mr. MORRIS. Congressman, it is difficult, that long ago, to recall a whole conversation. I think I said yesterday that I recalled his using as the illustration that he knew of a Republican-owned elevator someplace that was full and his elevators weren't full. As I recall it, that was the total statement. It was a very brief exchange. It was embarrassing to me and I knew to Mr. Hussey.

Rather than let Mr. Hussey reply to him, I interrupted and I said, "Billie, let me warn you that any request for any favorable consideration is the quickest way you can get your elevators empty, because our people will, I think, to a man, protect themselves by bending over backward and doing the opposite." I said, "I hope you will never ask one of our people to show you any special or favored consideration."

Mr. Hussey came by my office the next morning and thanked me for getting him off a difficult spot.

Mr. FOUNTAIN. Did he make any statement as to cooperation he had gotten from the previous administration and the present administration?

Mr. MORRIS. I think that ended it, Congressman, as I recall, when I interrupted him and said that is the wrong thing to do.

Mr. FOUNTAIN. Do you recall what you told the staff when they interviewed you concerning this subject?

Mr. MORRIS. I can't recall everything I said. But I think he did make a statement somewhat to that effect. But I don't think he made it at that time, Mr. Chairman.

Mr. FOUNTAIN. When did he make it? Somewhat to what effect?

Mr. MORRIS. I recall him one time, and I don't recall what this had relation to, he said something to the effect that I have been treated worse by my own administration than I was by the previous administration, something to that effect.

Mr. FOUNTAIN. Did he describe how or in what way?

Mr. MORRIS. No, sir, it was just a general statement.

Mr. FOUNTAIN. And that was not in the presence of Mr. Hussey?

Mr. MORRIS. I don't recall whether that was. My recollection is that that was a very brief statement he made while we were sitting

there at the dinner table. He just brought up the question and said, "Why is it, here I am a good Democrat and my elevators are half empty, and I can cite you a Republican elevator that is full; why can't I have more grain in storage?"

Mr. FOUNTAIN. Was that said in the presence of Mr. Hussey that night at the dinner or was it said on some other occasion?

Mr. MORRIS. That was said to Mr. Hussey. And I interrupted and rather than let Mr. Hussey be embarrassed by it—

Mr. FOUNTAIN. And told him what you have already related?

Mr. MORRIS. I told him, sir.

Mr. FOUNTAIN. You said a few moments ago you thought that was said on another occasion.

Mr. MORRIS. The other statement, I think, was on another occasion. I don't recall precisely. I do recall this statement about "Why is it that I can point to a Republican elevator and it is full and my elevators are half empty." That I specifically recall because that to me was something he shouldn't ask one of our people; should not ask any of us.

Mr. FOUNTAIN. Let me get back to a few questions about the use of Mr. Estes' credit card. Mr. Morris, on what date, if you recall, and in what manner, did you receive the telephone card from Mr. Estes?

Mr. MORRIS. Some time in early January.

Mr. FOUNTAIN. Was it given to you or given to your wife?

Mr. MORRIS. It was—he was in our home—

Mr. FOUNTAIN. Did he hand it to you personally?

Mr. MORRIS. I think he handed it to me.

Mr. FOUNTAIN. The card itself, or just the number?

Mr. MORRIS. No sir, just the number. He pulled out of his pocket a slip, a piece of hotel pad or something, and he had written the number on it. He said, "I don't want you and Alice paying for calls on my account."

You see, my wife was not accepting compensation for writing this column for the newspaper. And he did not want her doing all of this work for which she wasn't being paid, and then out-of-pocket money for telegrams and telephone calls.

He said—and I had previously declined to be reimbursed, so did my wife for a telegram or call. And he said, "I don't want it being out-of-pocket. You can't afford it." And he handed me the number written down just on a piece of paper.

Mr. FOUNTAIN. Did he give you or your wife any specific instructions with respect to the use of the credit card; that is, did he state that this is to be used only by your wife to call my newspaper in Pecos; or did he say it was for your general use; or did he say it was to be used by you for making calls on his behalf? Just what did he say, if anything, other than what you have just related?

Mr. MORRIS. Just a very short statement. He said, "I don't want you people to be out of pocket on any calls."

Congressman, you would have to know the things he asked me to do. There was a fellow on his newspaper staff he wanted me to find a job for, and I had been inquiring around some of the agencies. He wanted to get in the Information Agency. I called somebody, not anybody I knew, just called and inquired about the possibility of

him—I think he had worked for them previously. Then, as I recall, I called him to tell him that his application was under consideration. That was one of the calls that I paid for. And then this Mr. Delaney apparently told him that I called him.

When Mr. Estes saw me he wanted to reimburse me for the call and I said, "No, forget it."

He said, "On anything like that, use this credit card. Don't spend your money." He couldn't reimburse me in cash; I wouldn't accept reimbursement. So he gave me the credit card number.

He said, "Any time you have calls like that, use this credit card."

It was for my wife's use primarily. If I made a call, helping somebody with a job or something, he didn't want me paying for it.

Mr. FOUNTAIN. Do you have a recollection as to the total number of calls which were made by you on his credit card, and how many were made by your wife to the Pecos newspaper?

Mr. MORRIS. I think we made maybe three or four calls on it.

Mr. FOUNTAIN. What about her calls to the Pecos newspaper?

Mr. MORRIS. I don't know whether she used it to call the paper. It was only a short time, Congressman.

Mr. FOUNTAIN. How long a period of time was it?

Mr. MORRIS. It was in January.

Mr. FOUNTAIN. How long did she actually serve in that capacity, sending stories?

Mr. MORRIS. She wrote that column for 7 months.

Mr. FOUNTAIN. And received no compensation?

Mr. MORRIS. She received a total of \$592 compensation. I think there were 30 columns she wrote.

Mr. FOUNTAIN. Didn't you say a few moments ago she was not being compensated for it?

Mr. MORRIS. At that time, no, sir. But at the end of January, when he was up, he was out at the house and he said, "Alice, I can't let you continue to do all of this work, this column. It is good, it is one of the most popular things in the paper, and I can't let you continue to do it without compensation."

By that time she was satisfied as to its quality and that she could handle it, and she agreed to accept compensation. It was a lot of work, Congressman.

Mr. FOUNTAIN. I can understand that. But isn't it more convenient to call a place of business collect than it is to use a credit card? Isn't it quicker?

Mr. MORRIS. I don't call anybody collect, Congressman. I just don't do this.

Mr. FOUNTAIN. Your wife was working for Mr. Estes' newspaper. Did she not call the newspaper collect?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. In connection with any items which she sent in?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. She always used that credit card?

Mr. MORRIS. Well, we only used the credit card three or four times. Congressman, as I recall, I think probably the three or four times I used it was returning a call from him.

Mr. FOUNTAIN. You said she worked for the paper for a period of about 7 months?

Mr. MORRIS. Seven months; yes, sir.

Mr. FOUNTAIN. She had no reason to call the newspaper regularly?

Mr. MORRIS. Not regularly; no, sir.

Mr. FOUNTAIN. Just to send in her column, whatever it was?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. What was she writing about? Just interesting things here in Washington?

Mr. MORRIS. This was a column called "Capitol Comment," with her byline. It was a question-and-answer column. Her thought was she would like to write a column which was similar to the work—she was 18 years as a congressional secretary, and the questions people wrote in, she had the feeling that there were hundreds of people with the same questions who did not write their Congressman. So she took the current questions that were coming in, wrote the question, and then wrote the answer on social security, veterans' problems, and so forth, and it would be a good public service type of column. It was featured on the editorial page, the same spot reserved for it, in every Sunday's edition of the paper.

Mr. FOUNTAIN. With her background I would imagine that her columns were most interesting.

Mr. MORRIS. Congressman, that is why she finally agreed to accept compensation. The Texans who were up here told her that that was one of the most helpful, useful columns that they had ever seen, and the editor told her that when people came in and looked at the back issues, 9 times out of 10 they were looking up her column. That is when she was finally satisfied that it was a worthwhile effort. It took a lot of work, Congressman.

Mr. FOUNTAIN. Mr. Langen asked you a number of questions yesterday about why it was necessary to start making calls so soon after Dr. Ralph was summarily dismissed. Of course, Dr. Ralph was financially in bad shape, you say, and he had just been fired without much notice. I can accept the contention that he was shocked and wanted to act quickly to get another job. But of all people—as Mr. Langen expressed it—I can't understand why he called Mr. Estes.

Let's assume that all of this was normal under the circumstances. Why did you feel it necessary to offer him Mr. Estes' credit card?

Mr. MORRIS. My reason for it, Congressman, was the Secretary's admonition that he not discuss this with anyone, because if he did so and it became public knowledge—that is the way he described it—the Secretary said he would make his separation effective immediately if it became public knowledge.

Had he, coming back from the Secretary's office, placed a call to some prominent official like a member of an advisory committee, there would be an immediate record that he had immediately called somebody and talked.

Mr. FOUNTAIN. Did you tell Dr. Ralph that it was Estes' credit card number?

Mr. MORRIS. My recollection was that I did, but there was a lot of confusion. We were using Mr. Estes' credit card number to call Mr. Estes. And Dr. Ralph said he doesn't recall that I told him whose credit card number it was.

Mr. FOUNTAIN. If I am not mistaken, that is what he testified to before this committee.

Mr. MORRIS. He has told me that personally.

Mr. FOUNTAIN. That he did not understand it to be Mr. Estes' credit card?

Mr. MORRIS. I told Dr. Ralph, kept him informed of all relationships with all members of advisory committees, and I would have no reason to withhold the fact this was Mr. Estes' credit card number. I would have no reason to.

Mr. FOUNTAIN. Didn't you know that Dr. Ralph could call long distance anywhere in the country from almost anyplace, and have the calls charged to his residence number?

Mr. MORRIS. He could, I assume, if there was somebody there to accept the charge. I don't know.

Mr. FOUNTAIN. As I understand it, he can call almost anyplace by identifying his residence number (it may be that they will call the residence number to check), but you can put in a long distance call that way.

Mr. MORRIS. Congressman, all I can recall is that all of us were under great stress and he was going to call Mr. Estes to see if he could give him some leads on a job. I gave him the credit card number to use to call it. My purpose was so that there would be no record in the Department of the call, in keeping with what he told me about the Secretary's admonition to not talk to anybody.

Mr. FOUNTAIN. Of course, notwithstanding the fact that the Secretary had admonished him to keep it secret, he did talk to you about it?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. Then he in turn told Mr. Estes about it?

Mr. MORRIS. Yes, sir.

Mr. FOUNTAIN. So his pledge of loyalty to the Secretary wasn't kept?

Mr. MORRIS. I don't know, Congressman, whether he gave a pledge. He told me the Secretary told him that if this gets out, I will make it effective immediately.

Mr. FOUNTAIN. Yesterday you stated that Dr. Ralph did call Mr. Estes, that Dr. Ralph pledged him to secrecy, told him that he had been fired. Was the purpose of this call, in addition to seeking employment, to alert Mr. Estes to the fact that one of his friends within the Department had been fired?

Mr. MORRIS. Not to my knowledge, sir. The purpose was to get his advice on where to start immediately looking for a job.

Mr. FOUNTAIN. Did you tell Dr. Ralph that if he paid for the calls he could charge them off as a business expense?

Mr. MORRIS. Did I what?

Mr. FOUNTAIN. Did you tell Dr. Ralph that if he made the calls and if he reimbursed Mr. Estes for them that he would be able to charge them off as a business expense?

Mr. MORRIS. That Dr. Ralph would?

Mr. FOUNTAIN. Yes.

Mr. MORRIS. I don't recall anything like that, Congressman.

Mr. FOUNTAIN. I assume he would be able to if he were seeking a job.

Mr. MORRIS. I don't recall any such discussion.

Mr. FOUNTAIN. You don't?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. Will you supply the committee with a copy of the carbon letter, which you say you wrote Mr. Estes, upon which you made a notation asking for the amount of Dr. Ralph's calls?

Mr. MORRIS. I don't have a carbon copy of that, Congressman.

Mr. FOUNTAIN. You don't have it?

Mr. MORRIS. This was a letter subscribing to a magazine for Mrs. Estes. I made a carbon of it, which I sent to Mr. Estes.

This would be telling him I had subscribed to a magazine for Patsy. On the bottom of that carbon copy I sent him, or wrote a request, as I recall I used the word "insist," "I insist when the bill comes in that you send it to me, because I want to pay it."

I said yesterday I assumed that would be in his file in the office, because when I saw Mrs. Estes and asked her if she had received the magazine she knew nothing about it.

Mr. FOUNTAIN. Mr. Morris, did Mr. Estes ever deliver to you any substantial sum of money for distribution here in Washington?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. We have heard stories to that effect.

Mr. MORRIS. He never delivered any money for me to deliver, to give to anybody.

Mr. FOUNTAIN. Did anyone deliver anything to you on his behalf, any money on his behalf?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. Did Billie Sol Estes ever tell you that he found it necessary to make big gifts in order to get things done or to be in a position where he could get things done?

Mr. MORRIS. I don't recall any such statement, Congressman. As a matter of fact, my recollection is that every time he talked of his generosity, it was in terms of Christian principles and sharing his blessings with other people. That was the impression he always gave me, was that his generosity was based on Christian principles, that he had been blessed and he wanted to share his blessings with others.

Mr. FOUNTAIN. I think all of the information which has come out thus far indicates there is probably some truth in that. But in view of his other operations, do you still believe that all of his motives were Christian motives?

Mr. MORRIS. You mean do I in light of what I have learned since?

Mr. FOUNTAIN. In light of what you have learned since.

Mr. MORRIS. Congressman, that is an extremely difficult question to answer, when you have had a close friend whom you have admired and respected. I don't turn my back on my friends, and I hate to believe anything ill or evil of any person, whether a friend or not, and particularly a good friend, and I was very fond of the Estes family. I had the greatest faith and confidence in the whole family. They were wonderful people as I knew them.

I hope and pray that he is not a bad man. But I don't know, Congressman.

Mr. FOUNTAIN. I asked you the question about payoffs because Mr. Cain, the attorney in Texas who represents the Pacific Finance Co., testified before this subcommittee that during a conference at Mr. Estes' home in connection with Mr. Estes' financial difficulties, and difficulties of the Pacific Finance Co., too, since they had been financing him, that Billie Sol Estes said that he had to have \$40,000.

Mr. Cain said, "Billie, what is that, payoff money?"

Billie responded by saying, in substance, that it was; that it was one of the ways he had to keep his operations going. You know of no money of that kind being distributed?

Mr. MORRIS. I have no knowledge of anything like that, Congressman. As a matter of fact, Congressman, most of our discussions, when Mr. Estes was in our home or when we were together, were about family. We talked a lot of the newspaper, and the funeral parlor, things like that. I don't recall him ever discussing with me any of his financial arrangements.

As a matter of fact, I read in the paper that he had bought an implement company, and I asked him about it. He said, "I don't know. My people handle those things."

You don't press a man. I wasn't curious or interested. But he did not discuss his business affairs with me.

Mr. FOUNTAIN. How many hotel bills has Mr. Estes ever paid for you, other than the one to which you referred yesterday when you were being questioned by Mr. Langen?

Mr. MORRIS. I think he or somebody in his party paid that Dallas hotel bill. And I was either the guest of the Fabens Cotton Festival or somebody, because when I checked out of a motel where I stayed one night at El Paso, I was a guest and there was no bill. They gave me courtesy cards and things, and I assumed that I was a guest of the Fabens Cotton Festival. But those are the only occasions I recollect that any bills of any kind were paid of mine.

(Mr. Morris subsequently advised the subcommittee that he searched his travel file and found his receipted bill and recalls other events which convinced him that he personally paid this hotel bill.)

Mr. FOUNTAIN. I assume that on those occasions where your hotel bill was paid by somebody else, you did not include a hotel bill on your expense account?

Mr. MORRIS. Your expense account does not include hotel bills. It is just per diem.

Mr. FOUNTAIN. You get per diem?

Mr. MORRIS. I have almost always lost money on Government travel, because you just have a flat per diem.

Incidentally, Congressman, on that trip to the Fabens Cotton Festival, I had, when I left Washington, intended to go off per diem and not make that as an official trip, because he was providing transportation from Dallas out there and back. When I returned to Washington I instructed my secretary to put me on per diem because I had been worked day and night the whole time I was there.

Mr. FOUNTAIN. Did you ever advise Mr. Estes that it would be good for him to cultivate the friendship of certain public officials in or out of the Department of Agriculture?

Mr. MORRIS. Not in the Department of Agriculture, no, sir. It is my recollection I didn't ever advise—

Mr. FOUNTAIN. Outside of the Department of Agriculture?

Mr. MORRIS. I suggested, I think, in my letter about H. Carl Andersen, that he broaden—here was a big businessman who seemed to be affiliated with one party, and I thought it was wise—most businessmen like to know a few Republican Congressmen as well as Democratic Congressmen.

(See statement of Congressman H. Carl Andersen, p. 146.)

Mr. FOUNTAIN. Who among Mr. Estes' associates were you acquainted with?

Mr. MORRIS. I met A. B. Foster, his general manager, when he was up here on two or three occasions. I met his two pilots. I met Wayne Cooper, and several others whose names I don't recall, who were up here for the dinners. He brought a considerable number of his associates up for those dinners.

Mr. FOUNTAIN. Did you ever have any dealings with any of those associates? Did you ever call any of them by telephone?

Mr. MORRIS. I don't recall ever having any call, either to or from any of his associates.

Mr. FOUNTAIN. Mr. Morris, have you made any financial investments of any kind during the past 2 years?

Mr. MORRIS. Financial investments? I don't think I have even bought any life insurance in the last 2 years.

Mr. FOUNTAIN. I wasn't thinking of life insurance. Any financial investments in any business, any stocks or anything else?

Mr. MORRIS. No, sir, not that I recall. I don't think I have made any investments of any kind.

Mr. FOUNTAIN. You would recall if you made any investments, wouldn't you?

Mr. MORRIS. Yes, I would think so. I don't know how broad the term is. I don't think I bought any life insurance, I haven't bought any property, I haven't bought any stocks or bonds, or put any money in—I bought an automobile; that is the only thing I had bought of any consequence in the last 2 years.

Mr. FOUNTAIN. I notice you have a tendency to answer so many of your questions by saying not to your recollection. Of course, that is a pretty good way of not getting into difficulty, either if you are in doubt or if you deliberately have something in mind you don't want to tell the committee.

Mr. MORRIS. My wife handles the money. I don't think we have, other than the automobile, bought anything of any consequence. We haven't bought any stocks or bonds or invested in any business or enterprises of any kind.

Mr. FOUNTAIN. Did you ever discuss investments of any kind with Billie Sol Estes?

Mr. MORRIS. I don't recall any discussion of any investments in anything with Mr. Estes, no, sir.

Mr. FOUNTAIN. Did he ever suggest to you that a particular investment of any kind might be worthwhile?

Mr. MORRIS. Not to my recollection, no, sir.

I talked to Congressman Andersen about his coal mine many times.

Mr. FOUNTAIN. You said yesterday you wanted to buy some stock but didn't have the money?

Mr. MORRIS. We had the money but my wife wouldn't agree to the investment.

Mr. FOUNTAIN. Do you have copies of correspondence between you and Mr. Estes since you have met him?

Mr. MORRIS. I believe we have submitted all the copies that I have, Congressman.

Mr. FOUNTAIN. Do you have anything other than what you have already mentioned in the course of your testimony?

Mr. MORRIS. I have a copy of a letter here of July 27, 1961. I have some letters from Mr. Estes, including one that my wife thought she had thrown away but hadn't. This is the extent of correspondence that I have been able to find, which I think—

Mr. FOUNTAIN. Would you make those available to the subcommittee for the record if we decide it is relevant and pertinent enough to put in the record?

Mr. MORRIS. Would you want me to run quickly through them?

Mr. FOUNTAIN. Yes, you might run through them.

Mr. MORRIS. This is the brochure he sent, and the clippings.

A letter to Alice, saying:

I have been hearing many good comments as to your column. It is doing so much good. I appreciate your faith in working up the column.

Just a note about my trip down, saying:

I am very happy that you are in Washington. You are the kind of person that we need in our Government.

One of those gratuitous letters.

Mr. FOUNTAIN. Would you give the dates of those letters?

Mr. MORRIS. This letter was March 14, 1961. This must have been in response to my letter saying thanks for the hat, my thank-you note. Would you want that for the record?

Mr. FOUNTAIN. Yes. If you will give it to us I think we can determine later whether or not it is necessary to put it into the record.

Mr. MORRIS. A letter of July 20, 1961, saying:

DEAR BILL AND ALICE: It was so good to have the privilege of visiting with you in your home and to be with you both and your fine children. You are doing a wonderful job of raising your children.

Bill, I appreciate more than you will ever know your showing me around Washington. I sure want you and Alice to come to Pecos as soon as you can after the newspaper is started, which will be July 30, and I know that you can give some suggestions that will really be beneficial. We sure want to produce a first-class paper.

Another thank-you letter, September 12, 1961:

It was indeed a great honor and privilege to have you come and visit with us in our home.

This one, I think, has been put in the Congressional Record by somebody.

A letter of mine, July 27, 1961:

Your letter in behalf of Norman Lindley has been received and I will, of course, be glad to help any way I can. First, I would appreciate your having Mr. Lindley complete and return two copies of the 57's. It would appear that the Peace Corps will be a logical place for Mr. Lindley and I suggest that he, if he has not already done so, consider making application under that program.

That is the extent of the correspondence that I have been able to locate. I think that is virtually all of it. I don't think there is any that is missing.

Mr. FOUNTAIN. We will return this to you after we have examined it.

Mr. STRICKLER. If the subcommittee would like to duplicate and return it to us, it will be satisfactory to us, Mr. Chairman.

Mr. FOUNTAIN. Thank you.

Can you think of any other correspondence which you had with him which is not included here?

Mr. MORRIS. I don't recall any other correspondence. This is all I have been able to find in searching all of my files. This is all of it that I have been able to find.

Mr. FOUNTAIN. Did you keep all of your correspondence with Mr. Estes?

Mr. MORRIS. I don't think so, sir.

Mr. FOUNTAIN. What about your typed letters?

Mr. MORRIS. Sir?

Mr. FOUNTAIN. What about the letters which were typed between you?

Mr. MORRIS. I think most of the letters I wrote him have been published, with a few exceptions.

Mr. STRICKLER. For the record, I might say that the correspondence just turned over does not include the correspondence of which photostatic copies were turned over yesterday.

Mr. FOUNTAIN. They were turned over yesterday?

Mr. STRICKLER. Yes, sir.

Mr. FOUNTAIN. I haven't had a chance to see them. I am glad you made that observation.

Mr. MORRIS. I have two or three more questions myself before I yield to the other members.

Can you tell us who else was a frequent guest or visitor to your home when Billie Sol Estes was there?

Mr. MORRIS. On one occasion or two, I think John Dennison, his attorney, was up here with him. We invited them both out to dinner.

On another occasion, I think I have a note from him at home, I can look it up, there was a dentist—oilman with him.

Mr. FOUNTAIN. A doctor, a dentist?

Mr. MORRIS. Yes, sir. I picked them both up at the Friendship Airport and took them to my home for dinner.

I think perhaps A. B. Foster might have been along on one occasion. Beyond that, I don't recall any of his associates or anybody who was along for dinner. Usually it was Mr. Estes.

Mr. FOUNTAIN. Any other representatives of the Department of Agriculture?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. Other than you?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. No others have visited in your home while Mr. Estes was there?

Mr. MORRIS. Not to my recollection. I don't believe anybody from the Department has ever been in my home when Mr. Estes was there.

Mr. FOUNTAIN. Do you keep a diary or journal or notebook of events?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. Do you know of anybody else to your knowledge who entertained Mr. Estes while he was here in Washington during this period?

Mr. MORRIS. I was in Dr. Ralph's home one evening when he had one of the advisory committee groups out, or it was the one—some group out—and I believe Mr. Estes was out that night. I am not sure, Congressman. That would be the only incident.

I think once there was a party at Dr. Ralph's home. Maybe it was a Cotton Committee he had out, including Mr. Estes. That is the only recollection I have of anybody in the Department who I know, recall, that Mr. Estes was in the home. I think he was on one occasion.

Mr. FOUNTAIN. I will yield temporarily to Mr. Naughton.

Mr. MORRIS. I believe it was the cotton group, because they went to dinner. I did not go to dinner with them. I stayed for a brief time and went home. I think that was the evening.

Mr. NAUGHTON. Mr. Morris, did you know about the first transaction between Mr. Estes and Congressman Andersen before it happened?

Mr. MORRIS. No. At some point afterward, one or the other, or both, told me about it.

Mr. NAUGHTON. Were you surprised to learn that there had been this transaction?

Mr. MORRIS. Not particularly, because I knew Mr. Andersen was very anxious to sell this stock.

Mr. NAUGHTON. I think you indicated yesterday that you helped the Congressman sell stock to a number of people?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. Who did you help him sell stock to?

Mr. MORRIS. Well, people who came in the office, both local people and others. There was an Oklahoma friend of mine, W. B. Pruitt, who I think bought \$1,500 worth of stock, as I recall. He still has it.

Mr. NAUGHTON. Do you recall the names of any of the others?

Mr. MORRIS. I think one of the boys—you see, I wish I could talk off the record—could that be stricken, that statement, Congressman?

Mr. FOUNTAIN. No, it will have to be on the record. Go ahead.

Mr. MORRIS. When Congressman Andersen was talking to somebody about the coal mine and its future and its prospects, he would call me in, and we would all of us sit there and talk about the coal mine, because I had been with him when his brother came down from Washington and when the decision was first made to go into the mining operation. As you know, Mr. Chairman, your administrative assistant is very close to you. I was very close to Mr. Andersen and knew the whole history of the mine from the very beginning. I would be called in to join in the discussion of the mine and what its prospects were and its future.

Mr. FOUNTAIN. Let me ask this, Mr. Naughton. It is pretty well known about the mine. The fact that Mr. Andersen was interested in selling stock—what is the relevancy of a purchase by someone unrelated to the Estes operation?

Mr. NAUGHTON. The purpose, Mr. Chairman, is to determine whether any of the other purchasers of stock had business with the Department of Agriculture.

Mr. FOUNTAIN. Go ahead.

Mr. NAUGHTON. Can you give us a list of the names of the others?

Mr. MORRIS. No, sir. I don't have any express knowledge, other than this friend of mine in Oklahoma, who was in Washington, and I at that time thought it was a real good investment. As a matter of fact, that was during one of the periods I tried to talk my wife into our investing. And I told Mr. Pruitt, as I recall, that I thought it was a good speculative long-term investment and if he wanted

to make an investment on the chance that it would turn out to be very good, that he would have to decide for himself whether he wanted to.

He said "Yes," he would. He talked to Mr. Andersen and I recall I think he bought \$1,500 worth of stock. I didn't handle the transaction.

Mr. FOUNTAIN. Maybe this will cover the point that you have in mind, Mr. Naughton.

Do you know of anyone to whom Mr. Andersen, either through you or directly, sold stock in his mine, who has had contacts with the Department of Agriculture?

Mr. MORRIS. I don't know of my own knowledge, other than Mr. Pruitt, to whom he sold stock, Congressman. I know I sat in on the discussions. I never saw anybody. I didn't even see Mr. Pruitt buy the stock. I do know Mr. Pruitt bought it, and I think I made inquiry of him a couple of years ago. It had not paid any dividends. I either sent word or wrote him or called him or talked to him and said that if he was unhappy with it that I would take it off his hands so that he wouldn't lose any money, because I had asked him to buy it, or suggested he buy it. He said "No" at that time. I think through someone else I sent word down that I would buy the stock if he wasn't happy with it.

Mr. FOUNTAIN. What business is Mr. Pruitt in?

Mr. MORRIS. He is in the fur business and produce, I think. I think he is primarily fur, pecans—he has a big pecan processing plant.

Mr. FOUNTAIN. Not in the grain business?

Mr. MORRIS. No. No, sir, not to my knowledge. He is a businessman.

Mr. NAUGHTON. Regardless of whether they bought stock or not, do you know of anyone that had discussions with Congressman Andersen regarding purchase of stock in his mining operation, who had business interests with the Department of Agriculture?

Mr. MORRIS. That is hard for me to recall, Mr. Naughton. Mr. Andersen talked of the mine to many people. I don't know who bought stock and who didn't.

Mr. NAUGHTON. I am talking about those he talked with, not about whether they bought stock. Did any of those—

Mr. MORRIS. I don't recall anybody doing business with the Department of Agriculture to whom he sold stock.

Mr. NAUGHTON. To whom he sold stock or discussed the sale of stock.

Mr. MORRIS. Mr. Naughton, we talked about the mine, Mr. Andersen did, and I did, to a lot of people.

Mr. NAUGHTON. Do you think some of them did have business with the Department of Agriculture?

Mr. MORRIS. They may or may not. I don't recall that much about it. This has been several years ago.

Mr. NAUGHTON. So you do not now recall one way or the other?

Mr. MORRIS. No, sir. We talked of the stock, or he did, or both of us did, to many people, because he had great enthusiasm for the mine.

Mr. NAUGHTON. In fairness to Congressman Andersen, I want to ask this question: Do you know or do you have any reason to believe that Congressman Andersen asked the Department of Agriculture

to do anything for anyone who had bought stock from him or had discussed the sale of stock?

Mr. MORRIS. I do not know of that. I do not believe that Congressman Andersen, with his level of integrity, would do anything like that. Mr. Andersen is a man of very, very high integrity.

Mr. FOUNTAIN. And you were associated with him for how many years?

Mr. MORRIS. I worked for the committee 1 year and I worked for him for 5½ years.

Congressman, Mr. Andersen was extremely cautious about even a routine letter to a regulatory agency, anything like that. Mr. Andersen in all of my work with him was a man of very high principles, extremely high, very high.

Mr. NAUGHTON. Why was Congressman Mahon displeased with the speech in his district by Dr. Ralph?

Mr. MORRIS. Because there had been used an off-color story in a mixed audience that Mr. Mahon didn't like.

Mr. NAUGHTON. He didn't appreciate that type of thing going on in his district?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. You mentioned yesterday that Jerry Tichenor had helped you get your first job with the U.S. Department of Agriculture. Is Mr. Tichenor with the Foreign Agricultural Service?

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON. Did you at any time discuss with Mr. Tichenor anything involving the possibility of Mr. Estes getting into export operations?

Mr. MORRIS. I think so, because we rode in the car pool together.

Mr. NAUGHTON. What was the extent of your discussions?

Mr. MORRIS. I am trying to recall a casual discussion way back. I may have briefly—or, I don't know, casually brought up the man's plans to go into export. I don't recall any serious discussion.

Mr. NAUGHTON. Do you know whether Mr. Estes ever talked with Mr. Tichenor, or do you have any reason to believe that he talked with Mr. Tichenor?

Mr. MORRIS. I don't believe so. Not to my knowledge or recollection.

Mr. NAUGHTON. Do you know or have any reason to believe that Mr. Tichenor ever supplied any information or did anything for Mr. Estes?

Mr. MORRIS. Not to my knowledge or recollection.

To be sure I have the record full, I think one time I did inquire of someone this question of going into the private grain trade business in India, Pakistan. I think someone told me, I think that is where I had the knowledge there that Indian nationals would have to be financially interested. I think somebody told me that. But that is just—

Mr. NAUGHTON. You don't know whether it was Mr. Tichenor or not?

Mr. MORRIS. I don't think it was. I think probably I just called somebody over there and said, "What is the situation of a private businessman going into the grain trade with India or Pakistan," and

I think they said, "Our experience is that nationals over there would have to be in the business because of the attitude of the Government."

Mr. NAUGHTON. Dr. Ralph has testified that you called him, I believe, on January 20, and asked if Dr. Ralph would be willing to pick up some of the Estes party at the Sheraton-Park and drive them out to the dinner the evening of January 20. Would you tell us the circumstances of that?

Mr. MORRIS. I think that was it. He lives beyond me in McLean. They were at the Sheraton-Park. I had agreed to pick up my car full and I asked Dr. Ralph if he would pick up a car full. He had an Armory parking sticker. He was in the Reserves. He wouldn't have any trouble parking.

My recollection of that was that I called him and said, "Would you pick up what you could of the Estes party?"

He picked them up ahead of me and I came in the hotel and he had already gone and I picked up some of the others.

Mr. NAUGHTON. Which members of the Estes party rode out with you?

Mr. MORRIS. I can't remember, Mr. Naughton. We just swung in the driveway and picked up our car full. And Dr. Ralph had already been through and picked up some of the group. And we gave them transportation out there.

Mr. FOUNTAIN. Mrs. Dwyer?

Mrs. DWYER. Thank you, Mr. Chairman.

Mr. MORRIS. Secretary Freeman I understand informed Dr. Ralph of his discharge on March 30, 1962. When did you say the Department representative notified you of your discharge?

Mr. MORRIS. I believe Dr. Ralph came by Monday, April 16, on his way home from the office and said, "You have been fired." He told me I had been fired, and some other things that had happened that day.

That afternoon—that was Monday—when I called Mr. Baker, he told me that I had been dismissed, that I should not come in, that I would hear from the Department. Those, plus the press, stories in the press, said Tom Hughes, the Executive Assistant to the Secretary, had announced at a press conference that I had been dismissed.

Mrs. DWYER. You said yesterday that you lost about 25 pounds in those 3 days after you had been discharged. Could you tell us what caused this sudden physical loss? What happened during those 3 days?

Mr. MORRIS. Mrs. Dwyer, I have lost 25 pounds from then to now.

Mrs. DWYER. What did Dr. Ralph say happened during the day when he called on you and said you had been fired?

Mr. MORRIS. He was there only for a moment. He said, "You have been fired and I am going to Dallas to testify." And just quickly filled me in on what had happened. That was the discussion.

Mrs. DWYER. How do you mean quickly filled you in?

Mr. MORRIS. He was on his way home. He stopped in on his way home and said, "You have been fired and I am being sent to Dallas to testify at the court of inquiry," just brought me up to date on what had happened that day in the Department.

Mrs. DWYER. Why did he say you had been fired? What reason did he give you for having been fired?

Mr. MORRIS. I think all he told me is that "You have been fired."

Mrs. DWYER. Did you suspect what the reason might have been?

Mr. MORRIS. Mr. Baker earlier had told me that I was out, when I called Mr. Baker. So I already knew that I was out.

Mrs. DWYER. I remember yesterday your saying something about Dr. Ralph being in a panic when he found that he had been fired and came back to report to the office after he had talked to Secretary Freeman. And then you said, looking back over some of the circumstances that had happened, there was some indication, inferring that you should have seen this thing coming or some such remark. Could you enlarge on that?

Mr. MORRIS. If I used the word "panic" that was injudicious. He was terribly shocked and upset.

In looking back, as we can look back now on Mr. Estes, unfortunately people look at me in light of what has happened recently to Mr. Estes, and I look at my relationship with Mr. Estes in light of when he was a fine, highly respected man.

When Dr. Ralph came in and said he had been fired, then we thought back in our discussions of things that had gone on that should have indicated to us, had we not been overconfident, that—

Mrs. DWYER. What things? What should have made you be suspicious or indicated?

Mr. MORRIS. Well, there were some internal relationship problems.

Mrs. DWYER. Could you spell these out for the committee, please?

Mr. MORRIS. There was a lack of authority, he felt, on his part, over the Stabilization Agency. He felt the Administrator went directly to the Under Secretary or the Secretary and did not come through him. He had apparently discussed—

Mrs. DWYER. Was this true, that this did happen?

Mr. MORRIS. Yes, ma'am. He had apparently on occasions discussed it with the Under Secretary or the Secretary and thought that he had clarified it but, as we looked back in retrospect, after he had been fired, we could see that he had not apparently established his authority.

Mrs. DWYER. Why was he bypassed?

Mr. MORRIS. I couldn't tell you, ma'am, except that was one of the problems when I was assigned to work with him. One of my big jobs was to try to improve the operating relationships.

Mrs. DWYER. Wasn't there some dissension between Dr. Ralph and Godfrey, for instance?

Mr. MORRIS. I wouldn't call it personal dissension. Dr. Ralph felt that he was not consulted or advised with to the degree that he should be as Assistant Secretary; that most decisions were made between the Administrator and the Under Secretary or the Secretary and he learned of them after the fact, rather than having participated as Assistant Secretary in those discussions and decisions.

Mrs. DWYER. Do you know how Assistant Secretary Ralph was appointed, the circumstances under which he was appointed?

Mr. MORRIS. His appointment predates my association with the Department, ma'am, and I don't know any of the details of the appointment except he was director of agriculture in California and came from that job as Assistant Secretary.

Mrs. DWYER. Do you know who recommend him for the job?

Mr. MORRIS. I know Dr. Ralph said he was cochairman, I believe, of the Farmers For Kennedy-Johnson. That was his political background.

Mrs. DWYER. And do you believe that was the reason he was appointed?

Mr. MORRIS. I don't know.

Mrs. DWYER. Because of his political work in the campaign?

Mr. MORRIS. His appointment was too high level for me to know the background of it.

Mrs. DWYER. Did Godfrey go around Ralph on his own or with permission of the Under Secretary or Secretary and do this on his own?

Mr. MORRIS. I don't know, ma'am. Dr. Ralph's feeling was that the communication was direct in most instances, rather than through him.

Mrs. DWYER. If you were his confidential assistant, wouldn't you know that?

Mr. MORRIS. I wouldn't know all of the communications because I wasn't party to it, ma'am.

Mrs. DWYER. Let me get back to the credit card, Mr. Morris. Your reason for giving Estes' telephone credit card number to Ralph was to avoid leaving a record of the call in the Department. Yet Dr. Ralph testified before the subcommittee that he had a credit card of his own. Why didn't he use the credit card of his own?

Mr. MORRIS. I would assume because the credit card he had was an official Department credit card.

Mr. FOUNTAIN. I believe he testified—

Mr. MORRIS. I don't know that he had a personal credit card.

Mr. FOUNTAIN. I believe he said it was an official Department credit card.

Mr. MORRIS. I know he had an official Department credit card, and that would not be an official call. Regardless of the circumstances, had he in distress of the moment started to use it I would have advised him not to use an official credit card for that call.

Mr. DWYER. In other words, it was not a private credit card; it was an official Department of Agriculture card?

Mr. MORRIS. To my knowledge I don't know that he had a private credit card.

Mrs. DWYER. You indicated that you were very embarrassed when Mr. Estes tried to purchase the suit at Neiman-Marcus for Assistant Secretary Ralph. On the other hand, you seem to consider it perfectly proper for you to accept transportation money from Estes. In each case the value was approximately \$200. Since you both were Government officials and the gifts were proposed by a man with extensive interests in the Department which employed you, how could one situation be right and the other wrong?

Mr. MORRIS. The one would have been a gift that I would have accepted from Mr. Estes; the other was reimbursing me for the expenses of a trip which had no useful purpose to me, had no value to me. I went down there at Mr. Estes' request, and at Mr. Andersen's request. This was not beneficial to me. And just reimbursing me for the expenses of the trip was not in any way a gratuity in my judgment.

I felt I was entitled to reimbursement for a trip which did not serve any of my purposes.

Mrs. DWYER. What about the \$200 gift that he gave you and that was turned over to the National Democratic Committee? Should not that have been returned to him on the same basis of your argument?

Mr. MORRIS. I can't say, Mrs. Dwyer, whether it should or should not have been returned. I can only say that I discussed it with my superior, Dr. Ralph, and it was the decision that we would send them over to the national committee and give him the tickets and treat them as purchases of tickets.

The principal point being that we would not accept or receive anything ourselves.

Mrs. DWYER. Did you carry the checks over to the committee or did you mail them over? The money orders, I am talking about.

Mr. MORRIS. I either sent them over or took them over. I don't recall which I did. They went with a group of others. They weren't handled separately.

Mrs. DWYER. To get back to the famous Neiman-Marcus Department Store, I recall that Dr. Ralph testified that he tried on the suits and the alligator shoes but he had no intention of accepting them, but he didn't want to offend Mr. Estes because he was so influential and he just didn't feel he could offend him.

What would your explanation of that be?

Mr. MORRIS. I can't explain for Dr. Ralph. I know I knew Mr. Estes well enough that when he asked me to go into Neiman-Marcus earlier in the day, my best memory is that I would not even go up to the suit department; that he had a man show me these alligator shoes and I, as I remember, said something like, "I wouldn't wear \$135 shoes if I found them. I don't wear that kind of clothes, and I am not interested."

I can speak only for myself, that I would not even try on shoes or suits. I was not interested. I wouldn't let him or anyone else that I know buy me clothes or shoes or anything like that.

Mrs. DWYER. I have never been able to understand why Dr. Ralph was afraid of offending Mr. Estes. It certainly couldn't have been because of you, could it?

Mr. MORRIS. I can't speak for Dr. Ralph, ma'am. I don't know.

Mrs. DWYER. You were his confidential assistant. It seemed to me that you could have advised him not to have even tried on the suits.

Mr. MORRIS. My recollection is that I—I think as we were walking over, or someplace when we were going into Neiman-Marcus, I think—I hope Dr. Ralph will recall—that I did say something to him that, "You have to watch Billie. He has a tendency to try to spend money on you." I know I had in previous discussions with Dr. Ralph, or subsequent at some point, I know I told Dr. Ralph that Billie Sol had a tendency to throw around too much money.

Mr. DWYER. As his confidential assistant it just seems to me that you ought to have insisted that he not do this as Assistant Secretary of Agriculture.

Mr. MORRIS. All I could see that he was doing was trying on suits. I hoped he wouldn't accept any, and he said he didn't. I think I would have been presumptuous, with an Assistant Secretary, in public, to have, any more than when I worked for a Congressman, to have

embarrassed him by telling him what he should or should not do in front of a constituent or anybody else.

My background is, I am subservient. When people ask me what I did for Congressman Andersen, I say, "I carried his briefcase." I say the same thing about Dr. Ralph when they say, "What did you do?" I wouldn't presume in front of anybody to tell my superior what he should or should not do.

Mrs. DWYER. You said, to digress a bit, you said you sent yours and Ralph's money order to the national committee with a group of others. Did I hear you say that?

Mr. MORRIS. I think there were several others.

Mrs. DWYER. What other money orders?

Mr. MORRIS. Dr. Ralph had reserved a table for 10, and my recollection is that we collected those together, and that they all went together.

Mrs. DWYER. What were they? Money orders or checks or cash or what?

Mr. MORRIS. People's checks.

Mrs. DWYER. Do you recall whose checks they were?

Mr. MORRIS. No, ma'am.

Mrs. DWYER. Other than yours?

Mr. MORRIS. You could look in the program and find the seating arrangement at that table. I think they were the people at that table.

Mrs. DWYER. Did you collect the checks or were they brought to you?

Mr. MORRIS. They were collected by other people—

Mrs. DWYER. What other people?

Mr. MORRIS. I don't know who collected them around the Department, ma'am.

These were contributions that people made.

Mrs. DWYER. Did you receive them? Did they bring them to you so that you could take them over to the Democratic National Committee?

Mr. MORRIS. They came into the office by messenger, or somebody brought them in.

Mrs. DWYER. Do you know that it is a criminal offense to receive contributions on Federal property?

Mr. MORRIS. I wasn't receiving any contributions, myself. I was merely the messenger who—

Mrs. DWYER. Did you handle them? Did you physically take them?

Mr. MORRIS. They were in envelopes. As I recall, they were in envelopes, and just put together and sent over.

Mrs. DWYER. Did you know what they were? Did you know they were political checks for a campaign dinner?

Mr. MORRIS. What was? The anniversary—

Mrs. DWYER. For a political dinner.

Mr. MORRIS. I knew they were for that dinner.

Mrs. DWYER. You indicated yesterday, Mr. Morris, that neither you nor Dr. Ralph had much to do with cotton allotment problems. How do you explain, then, why you were invited to participate in the meeting that considered Mr. Estes' disputed cotton allotment transfers? Why should this particular meeting be an exception?

Mr. MORRIS. I don't recall, Mrs. Dwyer, ever participating in any meeting regarding Mr. Estes' cotton problem.

Mrs. DWYER. Did you ever discuss Mr. Estes' cotton allotment problems with Emery Jacobs?

Mr. MORRIS. If I did, it was very casual: "What is the situation? Has it been settled?" No detail, no discussion of any detail.

Mrs. DWYER. You talk to anybody in the Department, or on Capitol Hill or elsewhere?

Mr. MORRIS. I talked to Senator Yarborough. I called somebody in the Cotton Division to get a breakdown of the cotton acreage involved for Senator Yarborough's office. Possibly on two or three occasions I inquired, "Has this been settled yet? Has a settlement been worked out?" I never talked to anybody involved in the investigation; I don't recall ever any detailed discussions with anybody in the Department about the allotment.

I don't today know all of the details about that type of transfer; even with all I have read about it, I don't know all of the details of it. I don't understand all that I have read about it.

Mrs. DWYER. How long did you work for Emery Jacobs?

Mr. MORRIS. From March 1—about 3 months, I believe—March, April, May, I think I went to work for Dr. Ralph sometime in May or June.

Mrs. DWYER. After you moved to Dr. Ralph's office did you maintain any kind of regular association with Mr. Jacobs?

Mr. MORRIS. Yes, ma'am. He is a close personal friend.

Mrs. DWYER. When did you first learn that Mr. Jacobs knew Mr. Estes?

Mr. MORRIS. I think some time since the first of the year, one or the other mentioned that they knew the other. I think that is the first knowledge I had. I can't relate it to any date, so I don't want to be too specific. But some time in recent months was the first knowledge I had that Mr. Jacobs and Mr. Estes knew each other. And I don't recall who indicated it.

Mrs. DWYER. Were you ever present when the two were together?

Mr. MORRIS. I believe—I am not sure, Mrs. Dwyer, whether I ever saw them together. I am not certain. If I did, it would have been a very brief encounter, either in the corridor or someplace. I don't recall ever seeing the two.

Mrs. DWYER. But not in connection with the quota allotment?

Mr. MORRIS. No, ma'am, I don't recall any meeting together, to my knowledge, of Mr. Estes and Mr. Jacobs on cotton. I have no knowledge of such meeting.

Mrs. DWYER. During your first meeting with Mr. Estes in Texas you mentioned that the conversation was guarded and not political until Estes learned from Senator Yarborough that you were all right. When did you learn that Mr. Estes made that call?

Mr. MORRIS. Some months later, after we got to be good friends. He told me the story of it.

Mrs. DWYER. When did the conversation with Mr. Estes then become more political?

Mr. MORRIS. In his subsequent visits to Washington, as we become better acquainted.

Mrs. DWYER. Did he discuss with you at any time any important political friends he had, other than those in the Department of Agriculture?

Mr. MORRIS. I don't know what you mean by political friends.

Mrs. DWYER. High public officials in Washington that might be helpful to him?

Mr. MORRIS. Not other than Members of Congress and people like that he knew.

I don't recall any discussions of any governmental officials.

Mrs. DWYER. I want to ask you a question about your job assignment. I am still not clear on your job assignments in the Department. Do I understand that you did not occupy a table of organization position when you say you were detailed to Dr. Ralph's office?

Mr. MORRIS. No, ma'am. I was just on detail.

Mrs. DWYER. You were still being carried in the position on the payroll of Mr. Jacobs' office.

Mr. MORRIS. ASCS.

Mrs. DWYER. That is all for now.

Mr. FOUNTAIN. The committee will stand in recess long enough for us to answer a quorum call. I think we can probably finish without running late in to the afternoon.

(A short recess was taken.)

Mr. FOUNTAIN. Let the committee come to order.

Let the record show a quorum is present.

Mrs. Dwyer, are you through?

Mrs. DWYER. Yes, I am through, Mr. Chairman.

Mr. FOUNTAIN. Mr. Langen?

Mr. LANGEN. Mr. Chairman, before I start, I am wondering if I can get some dates straightened out. Maybe counsel can help me. I am not sure that I have these dates correct.

Was that the date that Dr. Ralph was told that he was fired? This gets to be the day when you conferred after his talking with the Secretary, the telephone calls and all that.

Mr. NAUGHTON. I think it was sometime in February that he was relieved as Assistant Secretary.

Mr. LANGEN. Can we identify that date? Do you know, Mr. Morris?

Mr. MORRIS. It was a Friday, mid-February. I think it was February 16. I am not sure, Congressman.

Mr. LANGEN. What were the dates when you and Congressman Andersen made the trip to Texas?

Mr. MORRIS. Sometime in the latter part of March, as I recall. I don't have the date, Congressman. I don't have any recollection of the date.

Mr. LANGEN. It was a weekend, wasn't it?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Would it have been the 23d, 24th, and 25th? March 24?

Mr. MORRIS. I don't recall which of those weekends it was. It was either that weekend or the previous weekend.

Mr. LANGEN. When was Mr. Estes arrested?

Mr. MORRIS. The following Thursday, I remember.

Mr. LANGEN. March 29.

Mr. MORRIS. I am not sure of those dates, but I think it was about Thursday following our trip down there.

Mr. LANGEN. I don't think anybody has been sure of it. That is why I have been trying to get it straightened out so that we got it in the record properly.

One further date, and I noted you made reference to your wife going on the payroll or being compensated for the column she wrote. When did this start?

Mr. MORRIS. She agreed to accept compensation late in January, to begin January 1.

Mr. LANGEN. I shall try to be very brief.

I believe yesterday when I concluded we were talking then about the letters that involved the moneys for the printing of a speech by Dr. Ralph?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. And a comparable contribution to Congressman Edmondson. Where I was getting to then was this: That this friendship that developed between your family and Mr. Estes, and I gather his family, which had existed for a period of some 13 months while all of this went on, it occurs to me that there was a substantial amount of money involved in this friendship one way or another which includes, to begin with, a hundred dollar hat; it includes these two contributions that I just referred to, it includes two money orders of \$100 apiece; it includes plane fare of a couple of hundred dollars; it includes a hotel room or two, and to say nothing about the credit card and the dress and some other minor items, plus, then, compensation to your wife for writing a column of \$500.

This, now, I believe totals to a figure of \$1,500 or more. And I gathered you said yesterday that you were trying to balance up the books here by making contributions or buying gifts for Mr. Estes so that this was going to level off. It just occurs to me that this gets either kind of an expensive or a profitable friendship. It will be expensive if you were going to try to reimburse or somehow or other compensate Mr. Estes for the extent to which his gratuities have been evidenced here. Did this ever occur to you?

Mr. MORRIS. No, sir.

Mr. LANGEN. It didn't occur to you—

Mr. MORRIS. No, sir, because these were not gratuities to me that you have enumerated.

Mr. LANGEN. They weren't?

Mr. MORRIS. No, sir.

Mr. LANGEN. The hat wasn't?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. The money orders weren't?

Mr. MORRIS. I did not accept them.

Mr. LANGEN. But they were sent to you? What you did with them is something else. He mailed them to you. So up to that point it had to be a gratuity. The same is true with the plane fare, and I will get to that a little later.

In view of all of these transactions, and I believe you stated yesterday that along in January there were a number of inquiries from Members of Congress and discussions with Department officials regarding the cotton allotments and so on, and there was some ques-

tion involved here which we since know developed into the report that was prepared by Mr. Miller and the discrepancies that go with that.

Now, when these people made these inquiries of you, did you mention to them, to the Members of Congress, as an example, these experiences that you had with Mr. Estes?

Mr. MORRIS. Did I mention to Members of Congress?

Mr. LANGEN. To Members of Congress?

Mr. MORRIS. My personal relationships?

Mr. LANGEN. Or to others in the Department?

Mr. MORRIS. I don't recall ever talking to a Congressman about Mr. Estes personally. I do believe that I have kept my superiors informed as completely as possible of any and such all significant relationships with Mr. Estes or any other advisory committee member.

Mr. LANGEN. The reason I ask this question is this, because I think the Members of Congress that made inquiry, or were concerned with the cotton allotments and so on, I think they would have been interested in knowing this. I think to them they would have been concerned about it, and I am wondering whether this information was conveyed to them.

Mr. MORRIS. I don't recall any discussion with any Member of Congress of Mr. Estes' personal affairs.

Mr. LANGEN. So that you didn't, then, upon their making inquiry, ever say to them that, "We have had this experience with hats, with suits, with shoes, with money orders, with all of these of Mr. Estes, and I think I would be a little careful in whatever consideration is given here."

This wasn't to your knowledge conveyed to them by you in any way?

Mr. MORRIS. No, sir; and I wouldn't presume to tell a Texas Congressman anything of that nature about one of his constituents.

Mr. LANGEN. Why not?

Mr. MORRIS. They know their constituents of their own knowledge.

Mr. LANGEN. Weren't they, however, seeking information from the Department of Agriculture concerning his activities, whatever they were, in the field of cotton allotment, grain storage, or whatever the case may be? And wouldn't it be the desire of the Department of Agriculture that they ought to be acquainted with what kind of a problem they were dealing with?

Mr. MORRIS. Congressman, you use a collective term. If you would ask me specifically about a Member of Congress, maybe I could be more responsive.

Mr. LANGEN. I don't want to pick on one of them. So we will take a Member of Congress, Congressman Rutherford, and I just pick this as one of them.

Mr. MORRIS. I don't recall any direct or specific discussion with Congressman Rutherford about Mr. Estes' cotton or any other problem. I don't recall Congressman Rutherford ever asking me to look into it, report to him, advise him on it, or discussing it with me in any specific way.

Mr. LANGEN. It seems to me that in your statement yesterday, possibly to Senator Yarborough, there was a reference to inquiries that they had made relative to the cotton allotments situation as far as Mr. Estes was concerned?

Mr. MORRIS. Senator Yarborough discussed it with me. He discussed what he knew of it, asked me what I knew of it. Between us I now know we knew very little about it. At the time he discussed it with me it was my understanding that he was a close personal friend of Mr. Estes, and I didn't know of anything I could contribute to Senator Yarborough regarding Mr. Estes.

Mr. LANGEN. Didn't you think it would have been of concern to him to have known about these experiences that you had with him?

Mr. MORRIS. Did it occur to me?

Mr. LANGEN. Yes.

Mr. MORRIS. No, sir.

Mr. LANGEN. Why not?

Mr. MORRIS. I can't tell you why something didn't occur to me, Congressman. This was last September. I believe it was in September that I talked to Senator Yarborough, and it is the only time that I recall ever talking to him.

Mr. LANGEN. And so they seemed that unimportant to you, is that the answer? I don't want to put words in your mouth. There has got to be some answer for why this wasn't brought up and discussed with those who were curious about it.

Mr. MORRIS. I would have considered it an impropriety for me to have said anything of that nature to Senator Yarborough about Mr. Estes.

Mr. LANGEN. Why is this?

Mr. MORRIS. Because it was something that was of no concern to me and I would not have expressed any concern about it to Senator Yarborough.

(See comment by Senator Ralph W. Yarborough, p. 146.)

Mr. LANGEN. Let me then ask you this: Then comes the time of Mr. Estes' arrest. How did you find out about his arrest?

Mr. MORRIS. I heard it on the car radio.

Mr. LANGEN. What happened following that?

Mr. MORRIS. I don't recall what happened. Nothing that I know of.

Mr. LANGEN. I mean with regard to yourself and your experience with the Department. You said something about this yesterday in that after his arrest somebody from the Department called at your place, telling you to be available, or so on. I am asking about the sequence of events following.

Mr. MORRIS. This was the weekend of April 14 and 15.

Mr. LANGEN. This was the weekend of April 14 and 15?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Between the time of his arrest and April 14 and 15, did you at that time, or in this period of time, have any further contacts with Mr. Estes or any of his associates? I am talking about his attorneys or whoever they may be.

Mr. MORRIS. I have had no contact with any of them since Congressman Andersen and I were down there for the weekend.

Mr. LANGEN. How about people in the Department of Agriculture during this time?

Mr. MORRIS. I worked there.

Mr. LANGEN. You worked there. Were there any discussions then with any of the members of the Department regarding Mr. Estes and the history—

Mr. MORRIS. Just the fact that he was arrested was all that I recall of our discussion.

Mr. LANGEN. When, then, did you become so concerned about the whole matter that you decided not to report to the Department even when asked to do so?

Mr. MORRIS. It was cumulative, Congressman. First, a very dear friend had been arrested. Secondly, another very close friend had been asked to resign, Mr. Jacobs.

Third, Dr. Ralph and I had been invited to appear at the Dallas hearing, court of inquiry I think they called it.

Fourth, Congressman Andersen had asked me not to voluntarily bring up the fact that we had been down there.

Fifth, in that interval Congressman Whitten had mentioned that Congressman Mahon was concerned that his name be brought into it because, as I gather, he had no relationships with Mr. Estes, had never interceded with him, but just knew him.

My best recollection is that Mr. Whitten said he had introduced him to him, and/or had invited him to dinner with him. Mr. Whitten said I trust you won't voluntarily say anything—this isn't a quote—say anything about Congressman Mahon inviting me to dinner with him or something, and I said, "Certainly I won't."

Then I learned I had been fired. And then finally, on advice of my counsel—

Mr. LANGEN. Were there any others that during this period of time asked you not to voluntarily make reference to their association with Estes or your own association with Estes, or whatever knowledge you had of these kinds of associations?

Mr. MORRIS. During the period between Mr. Estes' arrest and this weekend we are talking about—

Mr. LANGEN. From the time of Mr. Estes' arrest up to the present time. Include the whole area.

Mr. MORRIS. I was starting to answer your question, Congressman.

Mr. LANGEN. Fine.

Mr. MORRIS. I think it was the day that I saw Mr. Whitten. I was on the Hill on some mission, and while here I went by Senator Yarborough's office. This was a shocking thing, Mr. Estes' arrest, and I went by Senator Yarborough's office and saw Alex Dickie, his administrative assistant, and asked him what he knew about it. From our discussion I got the impression—he suggested first I not make any statements to the press, let all statements go out through the Department of Agriculture, because I think at that time I had had one call from a reporter in Texas, who had asked me about visiting Mr. Estes. He suggested that all such statements of the press should come out through the Department.

Again I don't recall the discussion any more than I can recall everything that was said here yesterday. But I gather from his discussion that they would appreciate it if I did not say anything about their discussions of Mr. Estes' problems.

Mr. LANGEN. Is this all?

Mr. MORRIS. These are all that I recall, Congressman.

Mr. LANGEN. Was there anyone in the Department, including the Secretary or the Under Secretary or Godfrey or any of the people that would have had a concern with grain storage, with cotton allotments, or any of the dealings that Mr. Estes had with the Department, did they, after his arrest, make any inquiry of you as to what you might have known about his activity, knowing that you had previously conveyed to them some concern in this matter, knowing, too, that you were rather friendly with the Estes family? It would seem that you would have been a logical source of inquiry.

Mr. MORRIS. No one in the Department asked me a thing, that I can recall, other than some casual conversation, no one asked me a thing until the Thursday afternoon—I think that would be April 13 was the first time anyone had asked me any questions about Mr. Estes in the Department, to my recollection. That was the first time I was asked any questions.

Mr. LANGEN. What did they ask you then?

Mr. MORRIS. This was a representative of the Department personnel office who came by and asked me some questions about the hat. I gave him the story of the hat. And about my trip down in September when I went out to the Fabens Cotton Festival.

Mr. LANGEN. And is that all?

Mr. MORRIS. That was all; yes, sir.

Mr. LANGEN. Does that then constitute the only inquiry that the Department has made of you since then?

Mr. MORRIS. No, sir.

Mr. LANGEN. What are the rest of them?

Mr. MORRIS. The following week—I will have to consult my counsel because my recollection of dates and times is not adequate—was it the following week?

Mr. STRICKLER. The following week, about Thursday.

Mr. MORRIS. About Thursday of the following week we submitted a statement to the Department. I went in to the Department and was extensively questioned by two, as I believe, investigators for the Department personnel, and I answered fully and completely under oath all of their questions.

Mr. LANGEN. You say you submitted a statement?

Mr. MORRIS. We submitted a statement.

We submitted, as I recall, a statement on the charges that had been made against me, and then I, as I recall it was an hour or more, answered questions by the Department investigators with no reservations, no evasions. I completely, fully, truthfully answered all their question under oath.

Mr. LANGEN. This statement then is a matter of record as far as the Department is concerned in their findings on their investigation?

Mr. MORRIS. I assume it is.

Mr. LANGEN. You also mentioned yesterday that this became a matter of grave concern to you along about this time, and this is when you felt you needed counsel and needed some advice as to your course of procedure and so on.

What was this big disturbing factor, remembering that constantly here you have said that there wasn't anything wrong with any of these, so I got a hat, so I tried to repay that with gifts and all of the other things were all in order, so why all the concern?

Mr. MORRIS. My concern, Congressman, as I reconstruct it, was not so much for myself as for other innocent people like myself who, by association—by that time it was apparent in the press that anyone who had been a friend or an acquaintance or an associate of Mr. Estes in any way would be damaged. My larger concern was for the innocent people I knew who had met him or known him. And the problem of what do you do in a situation like that, do you—I felt no guilt myself, but I had reached a point, how far do you go in not saying anything about—as I have been asked many questions here—about many people, what do you do? It was that problem within me that was a serious problem and reached the point where I felt I needed counsel as to what my proper course should be, because I couldn't decide it for myself.

Mr. LANGEN. The fact is rather this, is it not, that what occurred to you then is that all of these experiences that you had had, together with others that you knew about relating to the Department, took on an entirely different significance because you realized that all of them were going to come out in the open?

Mr. MORRIS. Is that a question?

Mr. LANGEN. Yes, it is.

Mr. MORRIS. I can't embrace that and say that was what was in my mind. I was in a state of confusion by that time, Congressman, as to what to do or what my responsibilities were.

Mr. LANGEN. Of course you had been given a responsibility by the Department in that they have instructed you to report and so on, had they not, that you failed to do?

Mr. MORRIS. I had received a letter instructing me to report Monday morning, at 9 o'clock.

Mr. LANGEN. And this was a part of your responsibility to the Department, was it not?

Mr. MORRIS. I felt I needed counsel, and I sought counsel at that hour, Monday morning.

Mr. LANGEN. In that regard—and this is what seems so odd to me—is the fact that you have repeatedly said that you had made mention of the hat and you had made mention of the money orders and all of this to the Department, and you had warned Mr. Estes, and you had had these opinions about his being this great benevolent person, and then all at once when he was arrested, and arrested because there were some fertilizer or ammonia storage tanks that were found not to exist, why then all the grave concern on your part relative to these transactions? They weren't related to the storage tanks, were they?

Mr. MORRIS. I had no concern in the storage tank transaction. That was my first knowledge of it when I read in the papers of his arrest.

Mr. LANGEN. You may wonder why we explore these things so thoroughly, and I get kind of tired of listening to it myself. We find as we go along that there are new items that come into the scene and we want the record to be right. A typical example of this was this morning when, but for the questioning of the chairman, the impression would have been left that your wife didn't receive any compensation for writing a column. But it then was exposed that she did at one period, \$592.

This is right, is it not?

Mr. MORRIS. Yes, sir, and that is in my statements to the Department, which I assume the committee has.

Mr. LANGEN. But you repeatedly stated here, on many times, that she received no compensation?

Mr. MORRIS. If I said that, Congressman, that was in error. As I recall, the question was related to the telephone credit card number, and at the time she was given the telephone credit card number she was not accepting or receiving compensation, and had not agreed to accept or receive compensation.

Mr. LANGEN. When did you get the credit card?

Mr. MORRIS. Sometime in early or mid-January.

Mr. LANGEN. Then of course you just said a moment or two ago that she also went on the payroll in January, mid-January, or thereabouts. Did both take place at the same time?

Mr. MORRIS. No, sir.

Mr. LANGEN. How was she notified that she would be put on the payroll?

Mr. MORRIS. The latter part of January Mr. Estes and a group of Texas people were up here for a dinner. And at that time all of the people told my wife how much they enjoyed the column. Then Mr. Estes said, "I cannot continue to let you write the column for the paper without compensation. You must accept proper compensation."

And she was by that time convinced and satisfied that it was a meritorious effort, that it was worthy of compensation, and with his admonition that he could not let her continue to do the work without compensation she agreed to accept fair, reasonable compensation and asked that he leave it up to his editor and publisher to determine the fair, reasonable compensation that such a column deserved.

Mr. LANGEN. Nothing wrong with that.

We have a quorum call, Mr. Chairman. I don't have more than I am sure, 10 or 15 minutes.

Mr. FOUNTAIN. If it is satisfactory to the witness, counsel and members of the committee, I would like to go, and come right back and get it over with.

The committee will take a temporary recess for the purpose of answering a quorum.

(A short recess was taken.)

Mr. FOUNTAIN. Let the committee come to order.

Let the record show that a quorum is present.

Mr. LANGEN?

Mr. LANGEN. I think we left off with your wife going on the payroll?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. This I gather was determined on the basis of the work she was doing, submitting a column every week, was it?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. And the pay was commensurate with the submission of that column?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Along with that comes also the question of the credit card calls. The calls that had been made prior to your getting the credit card, how did she or you make them?

Mr. MORRIS. I think I had one or two calls on my own telephone; I think Mrs. Morris had a telegram and call or something that she had made that she had paid for. I think that was what it constituted. It was just a few calls, but it was to him, he didn't want us being out of pocket for calls that were not for our benefit.

Mr. LANGEN. She was working in a congressional office, too, was she not?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. So that it wasn't convenient for her to make a call—

Mr. MORRIS. Oh, no, she wouldn't make a call like that on the Congressman's telephone.

Mr. LANGEN (continuing). Without some other arrangement so that it would have been hers or yours or some other manner?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Then when you had the advantage of the credit card, and I believe it was referred to before, did you find occasion to use it for this purpose?

Mr. MORRIS. I think we may have used it three or four times, to my knowledge.

Congressman, by way of explanation on calls, Mr. Estes, if he called, wouldn't always leave the call in. And my secretary or Alice, my wife, would tell me, "Billie Sol Estes called." And when you would call back there wouldn't be any call left in with an operator, and I don't like to call people collect, friend or otherwise. When you call back, Mr. Estes on his end would tell the operator, "Put this call on my bill."

Mr. LANGEN. Of course, I would have to say in response to that, that that isn't in my opinion a suitable arrangement for someone giving a credit card on that basis, because if somebody calls me or anybody else, and they don't leave a manner in which you can complete that call when you come to the phone, then I would have to say they will have to get along until they call again, and that is that.

If not, if they are going to call back, you are not 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.

Mr. LANGEN. It would seem like this might have been a logical request of his in line with the others he had made, that you had provided some assistance in whatever arrangements were necessary.

Mr. MORRIS. I had nothing to do with any arrangements on their social visits while they were here, Congressman.

Mr. LANGEN. One other real quick area that I don't believe was explored before. You mentioned a time or two some money that came to the office from the potato committee to buy a gift for Dr. Ralph?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. Was this a large amount of money?

Mr. MORRIS. I don't know how much money it was, Congressman. I was never told.

Mr. LANGEN. I understand that you made arrangements for it being returned?

Mr. MORRIS. No, sir.

Mr. LANGEN. Who made those arrangements?

Mr. MORRIS. Dr. Ralph.

Mr. LANGEN. How then were you acquainted with the fact?

Mr. MORRIS. I wrote the memorandum to the Secretary in which I incorporated, on Dr. Ralph's instructions, reference to the money the potato committee had left, and the disposition that was being made of it; namely, that he had instructed the girl to return it to the potato committee on their next meeting.

Mr. LANGEN. In the discussion of returning this money, as compared to the money orders which I believe were both covered in the same memorandum that can't be found, wouldn't it have seemed logical that both of those sources had been treated in the same manner and both of them sent back?

Mr. MORRIS. I believe they were, Congressman, because we returned to Mr. Estes three \$100 dinner tickets.

Mr. LANGEN. Though you didn't return them to Mr. Estes?

Mr. MORRIS. I did, personally.

Mr. LANGEN. You cashed them and spent them and bought dinner tickets with them. And you gave the dinner tickets to somebody. You didn't return the money orders.

If you had handled them in the same way you could also have bought tickets with the money, I gather, that you got from the potato committee, if that had been your decision. I realize it is a little different matter because this money came from a committee or something. But by the same token, you certainly could have bought tickets with that, too, if you had made that decision. It was in your possession.

Mr. MORRIS. It was not in my possession. I never saw the money from the potato committee, Congressman.

Mr. LANGEN. They weren't treated alike, were they?

Mr. MORRIS. Not precisely; no, sir. The end result was the same.

Mr. LANGEN. No, the end result was not the same, because the end result in the case of the money orders is that they were converted into \$100 dinner tickets. In the other case the money was returned to its source. This is not the same end result, is it?

Mr. MORRIS. From my standpoint the end result was the same. I did not receive or accept anything from anybody.

Mr. LANGEN. Just a minute. You didn't answer my question. Is that the same end result by your interpretation?

Mr. MORRIS. My objective was accomplished of not receiving anything.

Mr. LANGEN. Answer my question. Is that the same end result?

Mr. MORRIS. I considered it the same end result.

Mr. LANGEN. What happened to that money? You consider it the same?

Mr. MORRIS. Bear in mind, Congressman, I discussed with my official superior, who was Dr. Ralph, and the decision was made that this was the disposition to be made of it.

Mr. LANGEN. We are talking about the end result and I am going to insist on getting it clarified. Just why do you insist that it has the same end result?

Mr. MORRIS. Because we did not receive or accept or keep anything, and we returned to the people who gave, or left, or sent, we returned in one case; the secretary to whom the money was given, was instructed by Dr. Ralph to return it, and in the other case it was Dr. Ralph's judgment, and decision, the two of us, that the equivalent value, the dinner tickets, would be returned to Mr. Estes, who always bought a lot of dinner tickets.

Mr. LANGEN. Then I don't know why, if it is the same end result, then by your interpretation any money that would come into the Department in this manner, whatever its purpose, if you took it down and gave it to the Democratic Party or bought tickets, this would in all instances be the same kind of a transaction as sending them back the money. I would have to disagree with this completely. There is a big difference.

If you were to follow that interpretation, I suppose you could have taken the money, you could have bought a hat, or you could have bought anything and returned that and it would be the same result, but it isn't.

In connection with the trip that you made with Mr. Andersen, to Pecos, Tex., and I don't know that I recall the sequence of events as they started, but you had been invited by Mr. Estes to go along on this trip.

Mr. MORRIS. And Mr. Andersen had asked me to go along.

Mr. LANGEN. And Mr. Andersen had also asked you?

Mr. MORRIS. Yes.

Mr. LANGEN. How were the arrangements made with Mr. Estes for the visit on this particular time?

Mr. MORRIS. As I recall the sequence, I think Mr. Andersen talked to Mr. Estes. I know I talked to him. He called me or I called him. And in the course of these discussions he had said that he was not coming up any time soon, he would be delayed coming up this way, but he wanted us to come down there if we would.

Mr. Andersen wanted to go down and I was willing to go down. My purpose was to help Congressman Andersen.

Mr. LANGEN. So that your purpose in this instance was to help Mr. Andersen sell some stock in the coal mine?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. However, after the meeting with Mr. Estes—and I understand the transaction of the sale of stocks for which Mr. Andersen got the money, so that your mission was accomplished: Mr. Andersen went home but you didn't?

Mr. MORRIS. No, sir, I stayed over Sunday with the family, visiting.

Mr. LANGEN. And then you returned on Monday?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. And upon returning, Mr. Estes then indicated that he wanted to pay your transportation costs to and from?

Mr. MORRIS. Yes, sir.

Mr. LANGEN. How did you rationalize that he should pay for this trip?

Mr. MORRIS. Because he was a wealthy man, and Congressman Andersen was a poor man.

Mr. LANGEN. You thought he was a wealthy man. As a matter of fact, he had less money than either you or Mr. Andersen, in reality. The reason I ask that is because there are so many of these things that just don't make commonsense. Why should any man, rich or poor, spend \$200 to pay for this plane trip in order to buy some stock that there was a question of whether he wanted it in the first place? How do you explain that to yourself?

Mr. MORRIS. Congressman, I had been asked several times to come down and spend the weekend. I never did. I think I put in the record here today a letter where Mr. Estes asked my wife and I to come down and spend a weekend and talk about the newspaper. Mr. Estes and I talked a great deal about the newspaper while I was there. But the trip was of no value to me. It didn't serve any of my interests or purposes. And I feel very properly one or the other should have reimbursed me for the trip.

Mr. LANGEN. Wasn't it of some value to you if you discussed the matter of the newspaper articles which your wife was writing?

Mr. MORRIS. Not to me, sir.

Mr. LANGEN. To your family?

Mr. MORRIS. The discussion was of the operation of the newspaper as a whole. I don't recall any specific discussion of Mrs. Morris' contribution to the newspaper.

Mr. LANGEN. At this point, too, and remembering that this is right close to the time that Mr. Estes' "house of cards" kind of tumbled, it would be logical to anticipate that there was some discussion about what his future relations or probabilities were as far as the Department of Agriculture and grain storage and cotton allotments and the whole scene, would it not?

Mr. MORRIS. Not to me, sir.

Mr. LANGEN. Not to you?

Mr. MORRIS. I don't recall any discussion of any problems or anything, other than the newspapers and the funeral parlor. Most of our discussion when I was down that weekend with Mr. Estes was the family, that the family was together. I don't believe I spent any time privately with Mr. Estes. This was a family visit.

Mr. LANGEN. Of course this is family business, and all of us have a good many family associations and we visit and so on. But you don't very often find these kinds of family relationships that involve the amounts of money that are involved here, including plane fare.

If I am going to visit somebody, regardless of where he is—I haven't had any experience of anybody paying my plane fare to come and visit them.

This family thing wants to get in here, and this I have got to raise some question about, because there is obviously something more than just a mere social arrangement between families. There has got to be with this exchange of moneys back and forth. Isn't that right?

Mr. MORRIS. No, sir.

Mr. LANGEN. Do you have any other families that you visit with under these circumstances?

Mr. MORRIS. I don't know how you can relate these conditions and these circumstances, Congressman. I went down with Congressman Andersen at his request and at Mr. Estes' request. The purpose of the trip was Mr. Andersen wanted to interest Mr. Estes in further investment in the coal mine. The trip had no purpose in my behalf. I had no reason to go down, other than to go with Mr. Andersen in connection with discussing the coal mine. I felt properly, and I feel now properly, that I should have been reimbursed the expenses of the trip.

I believe, unless my recollection fails me, that Mr. Andersen offered to reimburse me, and Mr. Estes offered to reimburse me. I accepted reimbursement from Mr. Estes because, as I thought then, he was a tremendously wealthy man, and I knew Mr. Andersen was in a real tight financial situation.

Mr. Andersen reimbursed me for his ticket.

Mr. LANGEN. If this were the case why was it necessary, and I believe you testified yesterday to that effect, to discuss the trip with Dr. Ralph before you went?

Mr. MORRIS. Because I discussed with Dr. Ralph every significant relationship I had with any member of any advisory committee or anybody doing business with the Department.

Mr. LANGEN. But of course this, according to your own statement, had nothing to do with the Department whatsoever.

Mr. MORRIS. But this was an official of the Department.

Mr. LANGEN. It was made, I understand, on a Saturday and a Sunday when ordinarily you weren't working; ordinarily this shouldn't have been any concern of the Department, regardless of who it was. So why discuss it with Dr. Ralph?

Mr. MORRIS. Because my sense of propriety, Congressman, is that in any situation like that, as a Government employee, you acquaint your superior, discuss it with him. I told Dr. Ralph that Congressman Andersen had asked me to go down with him, that Mr. Estes wanted me to come down with him. Did he see anything wrong with it? What did he think? He said, "I see no objection if you do not go at Government expense and go on your own time." In other words, over the weekend.

Mr. LANGEN. Of course there is rather a peculiar sense of propriety here if it becomes so pronounced in this instance where here there was a mission that supposedly had no relation as compared to the others when you were officially there on the part of the Department and they paid your hotel rooms and bought hats and so on.

If your sense of propriety was so great in this instance then I am sure you ought to have raised it in the other instances in even a stronger

voice than you did this time. Did you also report to Dr. Ralph when you came back about the experience?

Mr. MORRIS. Yes, sir. As I recall, I—

Mr. LANGEN. Why was it necessary to report to him? It was none of his business.

Mr. MORRIS. What did your question relate to?

Mr. LANGEN. It relates to the trip to Estes' home with Congressman Andersen.

Mr. MORRIS. No, I don't think I discussed any of the details of that trip because they would not, the details, would not be Dr. Ralph's concern. They were Congressman Andersen's private affairs.

Mr. LANGEN. You just said you reported when you came back.

Mr. MORRIS. I thought you were referring—

Mr. LANGEN. Do you want to retract that?

Mr. MORRIS. Your earlier question related to hat, hotels. You asked a series of questions and I said "Yes" because I had, I believed in good conscience, reported everything to my superiors of any consequence in any relationship with Mr. Estes or any other advisory committee member or anyone else doing business with the Department.

It is a cardinal rule with me that when I work for any man, anything that should properly, or remotely, even, be reported to him, I do. And I have followed that scrupulously. That is why, before I went on a trip with a Member of Congress to visit an official of the Department, a member of the Advisory Committee, I would go in to Dr. Ralph and tell him about it and see if it was proper, if there was anything wrong with it. Dr. Ralph said, "I see nothing wrong with it, if it is private, if you are not going at Government expense and not going on Government time."

Mr. LANGEN. So that we can have the record straight, you didn't report when you came back?

Mr. MORRIS. There was nothing to report.

Mr. LANGEN. Did you report to him when Mr. Estes paid your hotel rooms in connection with the meeting at Dallas and so on?

Mr. MORRIS. Yes, sir. As I recall—

Mr. LANGEN. Those were all reported?

Mr. MORRIS. We checked out of the hotel at the same time. Although I can't recall specifics, I feel sure that I would have mentioned it to Dr. Ralph because it was policy to mention to my superiors—when I worked for Mr. Jacobs the first thing I did was to tell him about the hat, that a Texas millionaire had given me a hat. I had the hat on.

It was my purpose, always, to discuss with my superiors anything that was of any significance or consequence.

Mr. LANGEN. When you reported that he paid for your hotel room, did Dr. Ralph then indicate that his had also been paid?

Mr. MORRIS. I don't recall in that case. As a matter of fact, I don't specifically recall reporting to him except I assume, in keeping with my policy, that I did mention it.

(Mr. Morris subsequently advised the subcommittee that he searched his travel file and found his receipted bill and recalls other events which convinced him that he personally paid this hotel bill.)

Mr. LANGEN. I have no further questions, Mr. Chairman.

Mr. FOUNTAIN. Mr. Naughton?

Mr. NAUGHTON. Mr. Morris, with relationship to the transaction involving Mr. Estes paying for reprints of a speech by Dr. Ralph which had been placed in the Congressional Record by Congressman Hagen, was this done for Congressman Hagen's benefit?

Mr. MORRIS. No, sir, not in any way that I can see was it for his benefit.

Mr. NAUGHTON. Was it Congressman Hagen's idea that this should be done or did you talk with Congressman Hagen and was he willing to allow reprints to be made?

Mr. MORRIS. He was agreeable to reprint it.

Mr. NAUGHTON. Did he suggest the idea or did you approach him and ask him if it was all right?

Mr. MORRIS. Either I or Dr. Ralph asked him if it would be all right, and then I handled the details.

Mr. NAUGHTON. And he did not get any of the money that was paid for the printing, of course?

Mr. MORRIS. Oh, no, sir. As a matter of fact, there wasn't sufficient money and I paid the difference out of my pocket. It cost more money than—as you know, when you have a speech reprinted, when you get the bill it is almost always more than the estimate.

(See comment by Congressman Harlan Hagen, p. 144.)

Mr. NAUGHTON. On the trip which you and Congressman Andersen made to Pecos, you stopped at Plainview—

Mr. MORRIS. Yes, sir.

Mr. NAUGHTON (continuing). En route. And you indicated this was because of weather conditions. What conversations, if any, took place concerning the storage operations in Plainview?

Mr. MORRIS. As I recall, an explanation of the electronic equipment; it was the first time Congressman Andersen and I had ever seen a facility equipped as this one was. For example, they had a truck with electronic equipment in it that they could drive around and plug in to each big tank, and then they took us inside the tank and showed us the wires from top to bottom with instruments on them that would record in the truck the humidity, temperature, and so forth of the grain, and the equipment to move the grain from one tank to another.

It was quite an interesting sight because Congressman Andersen and I in the past had visited a number of storage facilities on committee trips and so forth, and this was an interesting tour of this big storage facility.

Mr. NAUGHTON. Was there any discussion whatsoever as to how grain was to be moved, how they were to obtain grain for storage or prevent grain in there from being moved out?

Mr. MORRIS. To my knowledge I don't recall any reference to programing of grain in and out or anything like that. My best recollection is that the whole discussion was of the facility. We were grounded there by weather. When we landed they had to call and get somebody to come out and pick us up, and there was nobody on duty at the storage facility, as I recall. I think the office, there was no one in, or there might have been, anyway, they had to call to get somebody to pick us up. We made about a 20- or 30-minute tour, I think, of the storage facility.

Mr. NAUGHTON. How long were you in Plainview altogether, would you estimate, between landing and takeoff?

Mr. MORRIS. It is difficult to recall. We landed, waited at the airport while somebody called and got somebody to come out and pick us up. The storage site was just across the highway, I believe, from the airport; drove over there and spent about 30 minutes, maybe, looking around it, came back.

The pilot was checking on the weather. We got the weather clearance that we could fly to Pecos and we got back into the plane and flew to Pecos.

Mr. FOUNTAIN. Mr. Morris, are you sure now that you have given the subcommittee a complete list of all money or other items which you or your wife have received from Mr. Estes?

Mr. MORRIS. My wife received money to buy a typewriter, which is still on order. She hasn't received it.

Mr. FOUNTAIN. She hasn't received it?

Mr. MORRIS. That is right.

Mr. FOUNTAIN. How much was that?

Mr. MORRIS. He gave her five \$100 bills, and when she checked on it it was \$400, and we gave him back one \$100 bill, and the typewriter is still on order.

Mr. FOUNTAIN. She has not yet received it?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. What is the status of the situation now that he is in his difficulty? Is she still writing for the paper?

Mr. MORRIS. No, sir. When this blew up, she quit sending the column.

Mr. FOUNTAIN. Has the order for the typewriter been canceled?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. Will she receive the typewriter when it does come?

Mr. MORRIS. I think she will, because she doesn't have a typewriter at home. We were using a borrowed portable. Back in the fall months, when she was not accepting compensation, he said he would send up a typewriter. And the next time he was up he said he hadn't sent it but he would send up a typewriter so she could have it at home. She worked on this at home.

In January he said, "It is too much trouble sending up a typewriter, I want you to buy one," and he would pay for it.

Mr. FOUNTAIN. Was \$400 the price of the typewriter?

Mr. MORRIS. Sir?

Mr. FOUNTAIN. Was \$400 the price of the typewriter?

Mr. MORRIS. Approximately.

Mr. FOUNTAIN. Was it under \$400 or above \$400?

Mr. MORRIS. I don't recall, Congressman, but my wife, that was her transaction. I know he left five \$100 bills and said, "Here, this will buy a typewriter." I think he had bought one like it, it was an IBM. When she checked she found it was \$400, and gave him back \$100.

Mr. FOUNTAIN. Did she deliver the \$100 to him in person or mail it to him?

Mr. MORRIS. I think I gave it to him.

Mr. FOUNTAIN. You gave it to him?

Mr. MORRIS. Yes, sir. I know it was returned to him.

Mr. FOUNTAIN. You did not appear at the court of inquiry in Texas?

Mr. MORRIS. No, sir.

Mr. FOUNTAIN. Were you invited to appear?

Mr. MORRIS. I was invited; yes, sir.

Mr. FOUNTAIN. Did you decline?

Mr. MORRIS. I took no action at all.

Mr. FOUNTAIN. Did you advise them that you were not going?

Mr. MORRIS. I did not know officially that I had been invited until my papers were, I think Dr. Ralph brought them back from the office, and in my papers was a telegram; this was a week or so later. That was the only official knowledge I had of it, although I think Dr. Ralph mentioned that he and I had been invited.

Mr. FOUNTAIN. Mr. Morris, before we leave, I want to give you this last opportunity to search your own conscience and your own mind for the purpose of making sure that you have been completely candid with this subcommittee.

As you know, the reason for having this committee meeting in executive session is to protect you and possibly any other persons from being publicly defamed, degraded or incriminated. It could be detrimental to you if future witnesses or evidence of a credible nature should contradict your testimony, or should reveal that you did not make a full disclosure when you had the opportunity.

It is quite possible that we have not asked all the specific questions dealing with some specific items which ought to be made a part of the record. But I believe we have asked questions which were broad enough to enable you to make a full disclosure of any and all relations which you have had with Mr. Estes and others.

I note a number of times, and naturally so, you have said, "Can I go off the record on this?" And I can understand that. But we haven't gone off the record. I want to ask you this question: Have you brought out all of the details in response to our questions which you would have given had we not been on the record?

Mr. MORRIS. I have had no purpose of evasion or anything at all in answering the questions that have been put to me, Congressman.

Mr. FOUNTAIN. So even though we have not gone off the record, and even though some of it may have been embarrassing to you—and none of us have control over that—even though you were on the record, you are saying here under oath that you have made a full disclosure of all of the information which this committee has requested in the questions which have been propounded to you by the members and the staff?

Mr. MORRIS. I believe I have answered fully and of course truthfully every question that has been asked. I think the record will show that where I did ask to go off the record, as I recall generally they referred to other people. I have no reservations about myself. I want the committee to know that.

Mr. FOUNTAIN. But when you referred to other people, have you made a full disclosure in response to our questions?

Mr. MORRIS. Insofar as I recall, I have, sir.

Mr. FOUNTAIN. Are there any other questions by members of the committee?

Mrs. DWYER. I have none.

Mr. LANGEN. I have none.

Mr. FOUNTAIN. Before we recess, I would like to ask each member of the staff (because we have some here who were in on the interrogation of Mr. Morris prior to this executive session) and the members of the committee, if anyone knows of any significant matter relevant to our inquiry concerning which this witness may have a personal knowledge which he or she believe has not been adequately covered—at least for the present time?

If you do, I would like for any one of you to ask the question.

Mr. NAUGHTON. Mr. Chairman, there may be some matters which may appear to be material as a result of further investigation, but as of this time to the best of my knowledge we have covered the significant areas.

Mr. FOUNTAIN. Phil, you were in on the original interrogation.

Mr. CARLSON. I concur in Mr. Naughton's statement.

Mr. WARBURTON. I concur.

Mr. FOUNTAIN. We may have to call you back, Mr. Morris. Of course we hope we won't.

Also I would like to say this: If upon further reflection there comes to your mind additional information which you think should be brought to the attention of this committee, in further response to the questions which we have propounded to you, and also having relation to the subject matter of our inquiry, you not only have the right to make it available, but the committee would appreciate your making it available.

Mr. STRICKLER. May I request, Mr. Chairman, to that end, that we be supplied a copy of the transcript so that we may check it for accuracy and to see if there is anything that has been overlooked?

Mr. FOUNTAIN. That will be done.

Mr. STRICKLER. Thank you, sir.

Mr. FOUNTAIN. I want to thank you for coming up. I appreciate your appearing voluntarily.

Mr. WARBURTON. Mr. Chairman?

Mr. FOUNTAIN. Mr. Warburton.

Mr. WARBURTON. May the record show that Mr. Morris' counsel counseled and advised him from time to time.

Mr. STRICKLER. Would the record also show that those times were extremely rare.

Mr. FOUNTAIN. I think that is probably true. However, I think Mr. Warburton simply wanted the record to show that his counsel was here in an advisory capacity. Mr. Morris has the right to consult his counsel during the course of questioning by members of the committee and staff.

Mr. STRICKLER. I don't want to act like a lawyer, Mr. Chairman. You stated you think that was true. Undoubtedly that applies to both the statement of Mr. Warburton and the statement of myself that the counsel had been extremely rare.

Mr. FOUNTAIN. Yes, I think so. That is my personal observation. I can't say what other members may see that I don't see. Counsel has had the right to advise his client.

Is there anything else?

If not, the subcommittee stands in recess, subject to the further call of the chairman.

(Thereupon, at 2:06 p.m., the subcommittee was adjourned.)

APPENDIX

COMMENTS OF HON. GEORGE H. MAHON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

I thank the committee for giving me the opportunity to review the William E. Morris testimony in the Billie Sol Estes case. Morris does not allege any impropriety on my part. Much of his testimony is irrelevant and of little consequence, but a number of his statements are erroneous and there are possible implications which are false and I would like to comment on some of them for the record.

It will be noted that the Morris testimony is very vague and inconclusive. He avoids making clear, direct, and positive statements. He deals principally in hearsay.

GENERAL COMMENTS

I have not been involved in any way with Billie Sol Estes. In a general way I have known, and known of, Estes since he became prominent in junior chamber of commerce work and church work several years ago. I have seen him a few times over the years in public places. I have not been associated with Estes in any private meeting of any kind at any time. At no time did he request a favor of me of any kind. He never contributed to any political campaign or offered to do anything of the kind. Insofar as I know, he never wrote me a letter. He never visited me in my office. He is not a resident of the district which I represent in Congress.

The only action I had ever taken with respect to Estes was to ask the Department of Agriculture to investigate stories of irregularities which had been brought to my attention. This was in December of 1961.

SPECIFIC COMMENTS

(1) The Morris testimony could be interpreted to imply or suggest that I made a statement last January, or a statement was made in my presence last January, in regard to the possibility of more Government grain for the Estes elevators.

Comment

I made no such statement, and I heard no one make such a statement. If it is implied—and I do not believe Morris means to do so—that I sought to help Estes, the implication is wholly false. On the contrary, on December 27, 1961, I reported to Mr. C. H. Moseley, head of the USDA grain program in Texas, that I had heard rumors of irregularities involving the Estes grain storage operations in west Texas, indicating that he was getting more than his fair share of the storage, etc.

I warned Mr. Moseley of the situation and asked for an investigation of the facts. My files in regard to this matter have been made available to the committee.

I sought to help no one get Government grain storage.

Estes came by my office a couple of times last January when I was not present, but I later met him in the street while walking from my office to the Capitol and we had a brief conversation which had nothing to do with any business problem of any kind. There could have been no reason to talk grain storage problems with Morris. He had nothing to do with grain storage in Texas or elsewhere.

(2) Morris states that I said or someone said in my presence that Estes had grain elevators in every county of the congressional district which I represent.

Comment

This is not correct. The records of the Department of Agriculture show that Estes had elevators in 5 counties of my 20-county district.

(3) Morris makes some fuzzy and inconclusive statement about a conversation which he says he had with Representative Whitten, of Mississippi. Someone might interpret the testimony to imply that I went to one or two dinners with Estes when Estes was in Washington last January, that I invited Mr. Whitten to go to a dinner with Estes; that I had a talk with Mr. Whitten, and that I was disturbed when Estes was arrested.

Comment

This is a lot of garbled nonsense. I did not go to any dinner with Estes or as his guest. I went to the big Democratic dinner at the Armory with about 5,000 other people but not with Estes or as his guest.

I bought my own \$100 ticket and about 14 other tickets were sold to my own constituents, some of whom sat with me at the dinner. I have provided the Fountain subcommittee with my canceled check for my ticket to the dinner, dated January 13, 1962.

I did not invite Mr. Whitten to go to a dinner at any time or place as the guest of Mr. Estes. Mr. Whitten will confirm this. I was not a guest of Estes; why would I ask other persons to be? The implication is absurd and false.

With respect to my talking to Mr. Whitten and whether or not I was disturbed the facts are as follows: I talked to Mr. Whitten, but not because I was disturbed. I had seen Estes converse at the Democratic dinner with Mr. Whitten. At a later date and prior to the arrest of Estes, I told Mr. Whitten that there were rumors of irregularity involving the Estes operations with the Government. I did this as a courtesy to Mr. Whitten, who would in no way knowingly be drawn into an association with anyone guilty of questionable conduct. Mr. Whitten lives in Mississippi and would not be expected to have heard the rumors which I had heard. At that time Estes had not been arrested and the big stories had not hit the headlines.

(4) Morris makes a reference to a conversation between me and Dr. Ralph, former Assistant Secretary of Agriculture, about a joke which Dr. Ralph was reported to have told in early 1961 at a farm banquet in Lubbock, Tex.

Comment

At the time the banquet was held Congress was in session and I was in Washington. Friends complained to me that the story Dr. Ralph told was not appropriate and asked me to report this incident to Secretary Freeman, which I did. I told the Secretary I had not heard the story, but that several USDA officials were at the banquet and that he could get the details. He thanked me. I later discussed the incident with Dr. Ralph, who took a very fairminded attitude in regard to the matter.

COMMENTS OF HON. HAROLD HAYES, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Earlier this year my name was brought into the record of the Texas proceedings relating to Billie Sol Estes conducted by Attorney General Will Wilson during the course of the Texas gubernatorial race. Certain newspaper accounts cast the implication that I had been the beneficiary of the political generosity of Mr. Estes with all of the infatuation flowing from such implication. The New York Herald-Tribune of May 2, 1962, made reference to two checks from Estes to me either directly or through others for ultimate disbursement to me. This information was allegedly secured from the records of Estes.

My reaction to these reports was one of bewilderment because I had no recollection of ever meeting Estes and a certain knowledge that neither he, nor anyone acting on his behalf, had ever asked me to be helpful to him nor had I performed any services for him. Further I could not recall having received anything of value from him or any of his agents.

As the story unfolded, however, it developed that I quite probably had received and cashed one check for \$220 of which he was the maker. An examination of the circumstances of this transaction dispels any unfavorable inference that I performed any services for Mr. Estes, political or otherwise, or that he performed any act of gratuity on my behalf or that I even knew him.

The circumstances are these. Last year on or about September 13 my administrative assistant, George Baker, advised me that William Morris, assistant to James Ralph, an Assistant Secretary of Agriculture, had been in my office and left a speech with Baker with the request that I have it printed in the appendix of the Congressional Record. The speech was a speech on farm policy which Dr. Ralph, a Californian, had delivered in August 1961 to a meeting of ASC committeemen in California. It was reported to me that Dr. Ralph wished to have the speech distributed as part of the Record and in addition wanted me to order reprints thereof in the amount of 25,000 copies for delivery to the Assistant Secretary.

I assumed that this request was made of me because I, too, am a Californian and the only California Democrat on the House Agriculture Committee. Further, I was acquainted with Dr. Ralph although he was not my candidate for the post in the Department which he had secured. In any event, Dr. Ralph, as a Californian, was the chief contact of California Congressmen and Senators in the Department of Agriculture. As a California Congressman with a large agricultural constituency, I could hardly refuse so patently reasonable a request.

On this basis I told my assistant to advise Assistant Secretary Ralph that I would put the speech in the Record and to order the reprints for delivery to him with the understanding that I would be reimbursed for whatever out-of-pocket expense I incurred in connection therewith. Thereafter, on September 19 I placed the speech in the Record and ordered 25,000 reprints thereof. On November 22, 1961, I paid the Public Printer the sum of \$231.08 with my personal check to cover the cost of printing.

In a conversation, subsequent to their original conversation of on or about September 13, Mr. Morris assured Mr. Baker that Dr. Ralph would reimburse me for my out-of-pocket expense. At no time, however, was Estes or any person outside the Department mentioned as connected with such reimbursement. (I have verified this with Mr. Baker.) I assumed that the Department had funds for such purposes or that Dr. Ralph would care for the expense out of his own pocket.

Subsequent to delivery of the reprints to Dr. Ralph, Mr. Baker notified Mr. Morris of my out-of-pocket cost of \$231.08 and Morris delivered to my office a check for \$220 and \$11.08 in cash. These were turned over to me. The name on the check meant nothing to me and I cannot to this day say from my own recollection that Mr. Estes was the maker of the check but on the basis of newspaper reports and other information received by me since the Estes blowup I assume he was. At the time Estes was a complete stranger to me, as he is to this day, and I had no reason to question Dr. Ralph's method of reimbursing me.

It is apparent that the foregoing transaction establishes no evil connection between me and Mr. Estes nor does it amount to any kind of a political payoff or any kind of a political gratuity. At all times in connection therewith I dealt solely with Dr. Ralph and had no reason to question his actions.

The newspaper references of May 2, 1962, to a second transmission of something of value from Billie Sol Estes to me were even more puzzling to me and it is only recently through the efforts of your committee that a clarification has occurred. Allegedly Estes had transmitted a second \$220 check to me through the treasurer of the Democratic National Committee. Allegedly the check was made payable to the treasurer with a notation that it was a political contribution on my account. At the time of this purported revelation I had never been notified by the national committee of any such donation and could think of no reason why one should be made. A search of the Democratic National Committee records revealed no evidence of such check and I had certainly never received it personally. I could only conclude that somewhere in his personal records Estes boasted of nonexistent political connections and donations. Your committee has, however, through your questioning of Mr. Morris clarified the whole matter and I am deeply grateful for your actions.

The testimony of Mr. Morris reveals that there was, in fact, no such second check. He testified that he had discussed the matter of the Ralph speech with Estes. As I read his testimony Morris discussed it on the basis of mimeographing it in the Department for distribution and Mr. Estes thought it deserved more dignified treatment and offered to pay for its printing. I, of course, had no knowledge of this background of the Ralph request of me until I read Mr. Morris' testimony.

Subsequently, according to his testimony, Morris wrote to Estes with reference to the Ralph speech printing stating, "I would suggest that you send me

a check in the amount of \$220 made payable to the treasurer of the Democratic National Committee indicating on the check that it is for Harlan Hagen, Member of Congress, if you care to do so. I will then take the check to the national committee and have them credit you with the contribution and issue a similar check to the Congressman to reimburse him for the printing cost." (Italics mine).

I wish to state that this transaction never materialized. I received only one check from Dr. Ralph through Mr. Morris for reimbursement without any knowledge of the relationships between Estes and Morris and Estes and Ralph or between Estes and anyone else.

STATEMENT OF CONGRESSMAN H. CARL ANDERSEN TO THE INTERGOVERNMENTAL RELATIONS SUBCOMMITTEE

I have reviewed the testimony given in executive session of the Intergovernmental Relations Subcommittee on June 29-30, 1962, by William E. Morris, a former USDA employee.

I find that this testimony verifies the fact that my trip to Pecos, Tex., on March 24, 1962, to see Mr. Billie Sol Estes, was strictly a personal business trip, over a weekend, and at my own expense.

The purpose of my trip was to interest Mr. Estes in purchasing additional stock in our family coal mine at Ravensdale, Wash., and he did purchase an additional 25 shares at that time. This transaction was one of several similar such transactions during the past 3 years with various persons.

At no time did Mr. Estes discuss with me any of his business affairs having anything whatsoever to do with the Federal Government.

At no time did Mr. Estes ask any favor of me whatsoever, nor did I request any of him.

(Signed) H. CARL ANDERSEN,
Member of Congress.

COMMENTS OF HON. RALPH W. YARBOROUGH, A U.S. SENATOR FROM THE STATE OF TEXAS

U.S. SENATE,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, D.C., August 9, 1962.

HON. J. H. FOUNTAINS,
Chairman, Subcommittee on Intergovernmental Relations, Committee on House Government Operations, 161 George Washington Inn, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your courtesy in forwarding to me the June 29-June 30, 1962, hearings of the Subcommittee on Intergovernmental Relations, in which Mr. William E. Morris mentioned my name, and for inquiring whether I desired to comment.

There are some instances where I can be of assistance to the committee by clarifying the record.

Mr. Morris, on page 128, says that the only time he ever talked to me was one time, which he says was in September 1961. He is correct in saying that he had had only one conversation with me in my life, but is mistaken as to the date, because the date was on July 19, 1961, as shown by my guest register on that date in my office. That is the only time I have ever had any discussion with him that extended beyond a simple greeting.

Mr. Morris said on page 41 that his conversation in my office concerned an inquiry I had made about cotton allotments. Mr. Morris is in error. I never heard of Mr. Estes' cotton allotment problems until January 1962, and never discussed it with Mr. Morris in 1961.

The statement that Mr. Morris makes on page 41 that I never called him is true; his contradictory statement on page 56 that I asked him to come to my office is erroneous. I never asked Mr. Morris at any time to come to my office. He came of his own accord one time in July 1961. I don't remember what he looked like and wouldn't know him if I met him today.

Mr. Estes never called me about Mr. Morris at any time.

Any calls I made to the Department of Agriculture seeking information about Mr. Estes' cotton problem were made in January 1962, or later.

Sincerely,

(Signed) RALPH W. YARBOROUGH.

OFFICE OF THE VICE PRESIDENT
WASHINGTON

Estes File

Mystery Develops On Low Price Set For Estes Assets

By CLIFF SHERRILL

New financial mystery has developed in the proposed sale of the Billie Sol Estes assets at a price ranging from \$18 million to \$21 million less than the invested value of the estate. The official report filed last Friday in U. S.

Tax Lien Filed Against Bean

The United States Internal Revenue Service today filed liens in the County clerk's office against Woodrow Bean and his wife for a total of \$41,341.90 covering income taxes, interest and penalties claimed due for the eight years 1953 to 1960, inclusive.

Announcement of the filing of the income tax liens was made by Robert J. Drawe Jr., collection manager for the Internal Revenue Service in El Paso. The liens were filed by R. L. Phinney, district Internal Revenue collector in Austin.

Lists Amounts

The official filing shows income taxes, interest and penalties assessed against Mr. and Mrs. Bean in the following amounts for the specified years: 1953, \$976.31; 1954, \$6810.81; 1955, \$6879.40; 1956, \$5835.20; 1957, \$7043.65; 1958, \$4627.97; 1959, \$4273.39; 1960, \$4875.17; Total, \$41,341.90.

Mr. Drawe said the announcement he made was announced simultaneously in Austin by District Collector Phinney.

He said the Government can seize and sell any property Mr. and Mrs. Bean own, and can seize and sell any equities they own in properties. He said if any property they own is sold by them, the Government can follow through and seize and sell the sold property from the new owner to satisfy the Government's claims.

Served As Judge

The effect of the liens, he said, is to encumber any property owned wholly or in part by Mr. and Mrs. Bean until the tax claims are paid.

Mr. Bean served as County Judge of El Paso from Jan. 1, 1953, until he resigned June 25. His resignation took effect when

(Continued on Page A-11, Col. 3)

District Court showed the value of Estes Brothers assets as \$21,104,644 on July 13.

The proposition recommended to Referee in Bankruptcy J. C. Brooke proposes to sell the Estes assets to a new company, American Grain Corp., organized and owned by Morris Jaffe of San Antonio and his associates, for

(Related News, Page A-2.)

the basic price of \$5.8 million, spread over five years for payment. It is estimated that this sum will be increased to \$8,750,000 by interest on the unpaid balances over the five years, and by \$1.75 million in hoped-for grain storage payments by the Federal Government.

There is a difference of \$21,104,644 between the basic offer of \$5.8 million and the invested value of the Estes assets. There is a difference of \$18,154,644 between the "hoped-for" offer of \$8.75 million and the invested value of the estate.

The value of the Estes assets was established by the nationally known firm of Ernst and Ernst, certified public accountants.

Filed Report

Estes Bankruptcy Trustee Harry Moore filed the report showing the value of the assets. He said it represents what the Ernst and Ernst firm found as the best figures available on what the Estes Brothers partnership invested in the assets involved in the bankruptcy. The firm reported Estes Brothers debts exceed \$16 million. Mr. Moore said an appraisal is being made or will be made that the appraised value will be many millions of dollars less than the invested value.

A full scale hearing is due tomorrow before Judge Brooke on the proposed sale of the Estes assets to Jaffe and associates through their new company, American Grain Corp.

The difference high in millions between the proposed sale price and the invested value of the

(Continued on Page A-11, Col. 1)

Tax Lien Filed Against Bean

(Continued from Page 1)

his successor, Judge Bob Schulte, was appointed by County Commissioners Court and took the oath of office a few days later.

Judge Bean was a candidate for the Democratic nomination for Texas Congressman-at-large when the Internal Revenue Service disclosed he had not filed income tax returns for eight years, beginning with 1953. He continued in the race, polled the highest vote of any candidate, and lost to Joe Pool of Dallas in the runoff election.

Indicted Bean

A Federal Grand Jury at Austin indicted Judge Bean on five misdemeanor counts charging failure to file income tax returns for five years, beginning with 1953. The years prior to that were outdated so far as criminal action went.

Judge Bean pleaded guilty to the five counts before Federal Judge Ben Rice in Austin. He was fined \$1000 on each count, a total of \$5000, and sentenced to five on-year terms, suspended on probation without supervision. He paid the \$5000 fine two days after he was sentenced.

Mr. Bean returned to the practice of law, with offices located in the El Paso National Bank Building.

Mystery Develops Over Estes Assets

(Continued from Page 1)

Estes assets is not the only new element of surprise that has entered the case.

Has Friend

By strange coincidence, it now is established that Mr. Jaffe is a close personal and political friend of Vice President Lyndon Johnson.

It also is established that Mr. Jaffe, president of Fed-Mart discount stores, employed Jerry Holleman shortly after Mr. Holleman resigned as Assistant Secretary of Labor at the same time he disclosed he had accepted a gift of \$1000 from Billie Sol Estes. Mr. Holleman still holds a responsible position in Mr. Jaffe's Fed-Mart organization.

Mr. Holleman announced shortly after the Estes scandal broke that Estes had offered to pay for the dinner Secretary of Labor Arthur Goldberg gave in honor of Vice President Johnson. Mr. Holleman announced that Mr. Goldberg declined the Estes offer, and paid for the dinner himself.

Jaffe Makes Bid

In a matter of days after that first announcement, Mr. Holleman announced he personally had accepted \$1000 from Estes to help pay the high cost of Holleman household living in Washington. Holleman's Government salary was \$20,000 a year.

After turning his resignation in to the Government, Mr. Holleman went to the Fed-Mart organization headed by Vice President Johnson's good friend, Mr. Jaffe. Secretary Goldberg, who was reported to have declined the Estes offer to pay for the Johnson dinner, is headed for one of the highest positions in the United States Government, associate justice of the U. S. Supreme Court.

Weeks passed after Holleman went to the Fed-Mart payroll. Then, by another strange coincidence, Mr. Jaffe made a bid for the Estes assets.

Two other offers were made for the Estes assets, but the Jaffe bid was considered best of the three offers, and is recommended for approval. Mr. Moore, first received and then named trustee of the Estes bankrupt estate, said today he believes the Jaffe offer is the best price that can be received for the Estes assets.

Not Concerned

Mr. Moore, whose integrity is beyond question, is not concerned with how Mr. Jaffe happened to bid on the Estes assets. Mr. Moore is concerned only with obtaining the best possible settlement for the Estes creditors. He said the appraised value of the Estes assets is certain to be far, far below the figures showing the total invested in the assets by Estes Brothers.

It is a known fact that Mr. Jaffe bid largely on equities, properties in which the Estes Brothers

partnership had made little or no down payment, and owed all or most of the purchase price. Much of the assets consists of notes and accounts receivable. Some persons listed as owing the Estes Brothers specified large sums say they owe nothing, and the notes can not be found.

Also, numerous properties for which the Estes partnership listed the purchase prices as, say in the \$100,000 range, now have brought up prospective buyers who are willing to pay about one-fourth of that. In short, indications are the Estes books carried numerous properties at inflated prices, to say the least.

To Decide

What can be considered as a reasonable price for the Estes assets as of now, under forced bankruptcy sale, is something the Referee in Bankruptcy must decide in the hearing schedule tomorrow.

That has nothing to do with rumors that are in circulation as to how Mr. Jaffe came into the Estes assets matter and the strange coincidences involving his friendship with Vice President Johnson, and his employment of Mr. Holleman after the latter left Government service when he said he accepted \$1000 from Billie Sol Estes following—and immediately following—the Goldberg dinner for which Estes wanted to pay.

The ability of the new company, American Grain Corp., to pay the \$5.8 million, or maybe \$8.75 million, over a five-year period for the Estes assets depends to a considerable extent on whether the grain elevators that go with the Estes assets are kept well filled with Government price-support grain.

Kept Elevator Filled

Billie Sol Estes, with strong Washington connections, kept the grain elevators well filled. His income from that source amounted to millions yearly.

The new question is: Can American Grain Corp. succeed in getting similar juicy grain storage contracts.

Rumors that have circulated in El Paso have had it that Mr. Jaffe expects to have these grain elevators reasonably well filled most of the time if he gets them in the Estes assets.

Another "If"

Another big "if" enters. Grain storage revenue will continue as a bonanza if the Government grain storage program continues. But the grain storage program already is exposed as a national scandal. There is strong probability Congress will do something about this.

If American Grain Corp. fails to make the Estes assets produce revenue sufficient to pay the agreed price of \$5.8 million or possibly \$8.75 million over a period of five years, then American Grain Corp. simply can't pay

under its agreed contract. It can go broke. There will be no recourse by creditors against Mr. Jaffe or other individuals. Corporations stand or fall on their own.

File *7 BS Estes*
JOHN BAGWELL CALL TO VICE PRESIDENT _ 4:30 pm August 16, 1962

B: Lyndon, this is John Bagwell. Say, after you talked to me I called Reston and Braestrup and told them that I had not talked to you.

VP: Well, McClellan just told one of our friends here that he understood I hadn't talked to anybody but you and the Secretary, and asked what was in the information and I appreciate very much your correcting the inaccuracy. But McClellan told one of the boys that he understood I'd spent four hours just cussing you out on account of your testimony.

B: Now, let me tell you what happened, Lyndon. I told O'Donnell this morning, and my goodness, if you can't tell O'Donnell I don't know who you can tell, that you had some concern about how that could happen and you had talked to me. Now do you suppose that's how this...

VP: Yea, sure, sure, definitely. You told him that that happened and now he's leaked it to the press you see, and so...

B: Well, I'll just deny it.

VP: Well, I think the best thing to say is that I asked you what you did and what the memorandum contained and what you told me and one was the tag slip and two,

B: Could you speak a little louder.

VP: One was the tag slip that was unsigned, a form tag slip, and second, was the reported conversation the Vice President had had, and that you said that was untrue and you thought it ought to be corrected and that you did correct it and that I asked for a copy of the memorandum and your statement so that I could have them for any comment that people asked me about. And that's all that happened and that is all that happened that I know anything about.

B: That's right, that's right.

VP: I'm not going to be critical of a man who corrects an untruth for me and tells the truth.

B: No, listen, I'll do anything in the world to protect you.

VP: I just say I'm not going to be critical of a man who corrects an untruth and gives the truth, you see?

B: Yeah.

VP: But these things are just , there're four or five of them, and everybody just calls and says "what are you doing calling down", and I haven't done it, I don't call and I don't know what happens. Why did you want to talk to O'Donnell? You know he. .

B: Well, I thought I should mention it to him because you see, he knew about it and I told him that you were wondering if he'd known about it and I told him that I had told you. I don't think O'Donnell protected you. Honest to heaven, I thought that was criminal.

VP: Well, what did O'Donnell say?

B: Well, he said the Chairman knew about it. Well, I said I still don't think it was right to . . . I said you weren't going to say a word about it , and he said "Oh yea, we were going to make mention of the fact that was the true statement," And I said well my goodness I had to speak up. I wasn't going to let that go in the record without a correction.

VP: Well, is this a fair summary of , I asked you what you testified to yesterday and you told me that you had testified on a memorandum for some time and when it was identified you asked to identify it and put it in the record that you. . . so you said that you did and you explained that the last, that point eight was incorrect and untrue

B: Right

VP And that you had understood that a mistake had been made because they referred to the office and not the man, and I asked for a copy of the memorandum and you supplied a copy of the memorandum and I wanted to know what you said so I could answer all the inquiries that I was getting about the inaccuracies.

B: Yeah, well, now that's. . .

VP: Is that a fair statment?

B: Of actually what happened and why don't I call Reston and Braestrup and tell them just that? Well, I'll them the story, the rumor was the reason was you'd called me and chewed me out, which simply wasn't true and that's what I was denying, that you had called me, and I'll repeat what you just told me.

VP: Well, I think the more you talk to them the more difficult it becomes. But I think in view of the fact that you've talked to Donnell or O'Donnell or whoever it is. .

B: It's that Don O'Donnell. . .

VP: I would make clear to O' Donnell that. . .

B: Why don't I call Donald?

VP: Well, I would do that and then I would, if you've, have you talked to both Reston and Braestrup?

B:: I talked to both of them, yeah.

VP: Then I would just say now I sent the memorandum but nobody chewed anybody up, as a matter of fact I don't think they would if somebody corrected it. I think the more you talk to them, I think it's very sad that you talked to Don O'Donnell and I think that if you call Reston and Braestrup, too, because you see it just makes a good deal out of something you see that oughtn't anything to be made out of.

B: I thought I ought to do that to protect you.

VP: Well, that doesn't though. That just...

B: Well, then, I'll call Don O'Donnell and I, you think I should call Reston?

VP: How long did we talk, ten minutes?

B: I'd say ten or fifteen minutes.

VP: All right, I'd make clear that I talked ten minutes and I told you that the reporters were calling me told you no one on the committee had told me anything and nobody in the office had told me anything what was in the memorandum and you told me what was in it and you told me how inaccurate it was and I had corrected it. There are two things inaccurate in that memorandum. I haven't read it, but the first one is that I requested assistance to Estes, the number one or plea for Estes or whatever it was. We just sent a plain tag slip. That's what it ought to have said.

B: Yeah, it said tag slip, that's right.

VP: That's what it should have said. And the next thing was that I talked to somebody, because I haven't. I don't want to, I'm not going to, nobody's ever talked to me

B: I know that.

VP: So I think I'd just say, "Donald, now, here are the facts. He talked to me about ten minutes and he wanted a copy of the memorandum and wanted to know the testimony because they were calling him and asking him and he didn't know. He hadn't talked to anybody in the Department and I told him it was an untruth and I had corrected it. It was a pure mistake and he wasn't mad at me because he wouldn't be mad at the man who was correcting an untruth."

B: That's right.

-4 -

VP: And I think I'd tell the others "Now, he did not say anything critical of me at all because.

B: the story which was untrue. That you hadn't called me and chewed me out at all. We did have a brief conversation and you wanted to know what happened and I could just repeat it, do you think that would be a good idea?

VP: Yes, yes.

B: OK, I'll call both of them.

VP: I think I'd just call Braestrup and I think that'll take care of it.

B: OK. Do you want me to call you back?

#

4040 - 52nd St., N. W.
3:00 p.m., Sunday

Estes File

4060 - 52nd St., N. W.
3:00 p.m., Sunday

OFFICE OF THE VICE PRESIDENT
WASHINGTON

Walter -

Three were
found in Dee's
desk.

Cij
77

7/10/62
X

POAGE ASKED ESTES DEALINGS BE KEPT, MEMO REVEALED

HOUSTON POST - page 14, section 1 - Felton West - August 16, 1962

A memo saying Representative Bob Poage, (D-Tex.) of Waco expressed the opinion last January that cotton allotment transfers in which Estes and others were involved "should not be disturbed".

The memo also revealed a telephone call by Vice President Lyndon B. Johnson's Administrative Assistant to the number two Agriculture official about the cotton allotment case.

The April 11 memo was from Agriculture Departments General Counsel, John Bagwell to Secretary of Agriculture Orville L. Freeman. Bagwell said its purpose was to prevent transpassing on the history and handling of the pooled cotton allotment transfers to Estes and about 12 other persons in West Texas and New Mexico.

Bagwell ruled it illegal last December 15th. On Dec. 22 the department ordered the allotments cancelled, but on January 6 Estes met with department officials and agriculture that the transfers should not be cancelled.

Subsequently the department rescinded his cancellation order and gave Estes and the ~~other~~ other allotment holders a chance to prove they should not be cancelled.

On January 31 the department presented a ^{release} ~~certified~~ certificate by which Estes and the others could prove that the land sales through which the allotments were obtained were bona fide. None of the allotments holders filed this certification and the allotments were subsequently cancelled in April after Estes arrest, March 29.

Bagwell said Under Secretary Murphy told him that Walter W. Jenkins, Johnson's Administrative Assistant -- not Johnson -- had discussed the matter with him.

Jenkins told the reporter he called Murphy last January and "without referring to any individual case of names" asked that the Vice President's office be supplied information on the decision reached as a result of the January 6th meeting.

Jenkins says the Vice President's office had received inquiries from 7 Texas citizens including Estes about the decision.

Jenkins said that about two weeks later after the Agriculture Department promised the new cales certification procedure January 31, the department furnished copies to him. He routinely transmiited these to Estes and the 6 other interested parties as he said.

Wm. Morris testimony --

Morris said he gathered from Estes that he knew the entire Texas delegation including the late Speaker Sam Rayburn and Vice President Lyndon B. Johnson. Rep. George H. Mahon (D-Tex) mentioned several times by Morris, as being friendly with Estes, commented at the end of the printed record " I have not been involved in any way with Billie Sol Estes" although he had , he said, " seen him a few times over the years in public places". He challenged several of Morris' statements.

MR. BAGWELL: Generally. We discussed it generally on the way to the White House.

THE CHAIRMAN: Was there after that, then, any time, intervening after that before the 11th, I believe it was, of April, when you had a conference with the Secretary, you and the Under Secretary, and discussed this thing?

MR. BAGWELL: I didn't get the exact question.

THE CHAIRMAN: In between that time when you mentioned it to him somewhat casually or discussed it generally, briefly, on your trip to the White House--well, let me ask it this way: When did you next discuss it with the Secretary?

MR. BAGWELL: The 10th of April.

THE CHAIRMAN: On the 10th of April?

MR. BAGWELL: Yes, sir. The reason I say that is I remember the Secretary asking me for a background memorandum and that was the date.

THE CHAIRMAN: With respect to the memorandum, you did prepare a memorandum.

I want to make the record so when this record is made no one can say that I did not ask about this or did not ask about that.

MR. BAGWELL: I am perfectly willing to answer any question, Senator.

THE CHAIRMAN: I know you are.

Mrs. McClendon was asking a question in this press

conference, immediately following what I just quoted. "Do you mean, Mr. Bagwell, that you can talk this whole complicated matter over between here and the White House?"

"Mr. Bagwell: Well, I had already. The Secretary knew, had been advised generally, of the allotment problem before, and he had a trip over and a trip back and continued our discussion after we got back. That was when the decision was made, and you have a copy of that reply."

MR. BAGWELL: That was the trip to the White House on the 11th and I had reference there to the earlier trip on the 23rd of March.

THE CHAIRMAN: That would explain it?

MR. BAGWELL: That is exactly right.

THE CHAIRMAN: Very well.

In this memorandum of April 11th, I present you a copy of it and ask you to identify it, please.

(The document was handed to the witness.)

MR. BAGWELL: Yes, sir, this is the memorandum.

THE CHAIRMAN: The title of it is--well, this memorandum may be made Exhibit 139.

(Document referred to marked

Exhibit 139 for reference.)

THE CHAIRMAN: The title of it is, "Transfers of Pooled Cotton Allotments Pursuant to Section 378 of the Agricultural Adjustment Act of 1938, as amended, to Land Sold by Billie Sol Estes and Other Persons."

MR. BAGWELL: The Secretary asked me for a background memorandum on the whole pooled allotment problem.

THE CHAIRMAN: When did he ask you for this?

MR. BAGWELL: The 10th, as I recall it.

THE CHAIRMAN: On the day before?

MR. BAGWELL: That is right. And you see, Mr. Rapp prepared this memorandum.

THE CHAIRMAN: Did he ask for your recommendations in connection with these allotments?

MR. BAGWELL: No, sir, he just asked for a background memorandum on it.

THE CHAIRMAN: Then you did give him recommendations?

MR. BAGWELL: I gave him some at the end, yes, sir.

Senator, I would like to correct an error in this memorandum.

THE CHAIRMAN: Yes, you may.

MR. BAGWELL: I told Mr. O'Donnell and his staff the other day that there was a statement in here that was due to an error in misunderstanding in our office, that the Vice President had discussed this with the Under Secretary. That is not true. It was the Vice President's office.

THE CHAIRMAN: Very well. That correction will be noted.

SENATOR MUNDT: Can you tell us who in the Vice President's office?

MR. BAGWELL: I understand Mr. Murphy told me Walter Jenkins, although you might want to ask Mr. Murphy. That was my understanding. I don't know what they talked about, other than this allotment problem.

SENATOR MUNDT: How did you learn about it?

MR. BAGWELL: Well, when this statement was--when we had this reference in there, I asked Mr. Murphy about it, and he said it wasn't the Vice President, it was the Vice President's office.

SENATOR MUNDT: Mr. Murphy told you originally that he had some contact?

MR. BAGWELL: I guess we misunderstood the office as opposed to the man. That was where the misunderstanding was.

THE CHAIRMAN: Let me proceed with this memorandum.

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Mult X
HOUSTON CHRONICLE - page 2, Section 1 - with picture of Morris

AGRICULTURE AIDE FALLS SHORT ^{IN} OF PROBE

by Wm. McKay --- doesn't mention Vice President or members of his staff.

The transcript of closed door session released by sub-committee including Morris ~~drop~~ dropping a number of congressional names but in the main the relationship he described were known or entirely innocent.

TDH: [unclear] (advised)
Basis of the rumors *was the statement by former* Robert Manual after he was discharged by the committee in June.

Manual indicated that Morris was prepared to testify that Estes had a list of Members of Congress to whom he sent Christmas gift checks.

But in the transcript released Wednesday, Morris said his only knowledge of any such list was a conversation in which Estes told him Morris' name had mistakenly been put on "the list."

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Morris said Estes made the remark after he had called the Texan to say he could not accept the check and that he had turned them over to the National Democratic Committee.

Morris did testify that Estes was acquainted with every member of the Texas delegation although he later amended this by noting that he could not attest to this by his own knowledge.

speculation
He ~~named~~ that representative George Mahon of Lubbock

In a statement attached to the transcript Mahon declared that Estes had elevators in only 5 of 20 counties in his district.

Mahon also denied hearing any statment that Estes could not ^{get} ~~make~~ enough grain and recalled that he had warned the department last December there were rumors that Estes was receiving too much grain.

Morris testified he had discussed Estes' cotton allotments with Senator Ralph Yarborough in September, 1961 at Yarborough's request. He stressed, however, that Yarborough made no improper request of him.

Yarborough said his guest register indicated the meeting with Morris took place in July 1961. He denied the subject of discussion could have been cotton allotments since he had no knowledge of Estes' allotment problem until January.

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

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 JAN. 25, 1961, INVOKED THE NAMES OF JOHNSON AND RAYBURN WHEN TRYING TO PRESSURE HIM.

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 RAYBURN AND JOHNSON.

LT1043AED 6/8

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

9/5/62

Walter:

Chuck said there was not too much to report from this morning's hearings. John Denison was quizzed about January 17, 1961, which was the first meeting with regard to the pool cotton allotments with Henry Marshall and a man named Allen, who was Area Director for the Agriculture Department . They spent an awfully long time on deeds, size of the strips, etc. They got as far as the trip where Estes and Denison came to Washington on October 16, 1961 and they stopped there. They will pick up from there this afternoon.

M/d

Chuck would like for you to arrange for him to be off of the door all day today. He does not want to go back after the hearing. His girl is leaving town until January and he wants to take her out to dinner and then to the plane at 9:00 P. M.

Murphy
2

Estes File

12:25

Walter:

Chuck did not have too much to report. He said that they did not meet until 10:45 this morning as John Cofer was meeting with them in Executive Session and it looks as though Estes will come up to testify.

He said that McClellan tried to get rough with Murphy, but Murphy was rough right back. He (Murphy) said that based on the information they had that ~~they should not have dropped~~ ~~dropped~~ Estes should not have been dropped from the Cotton Advisory Committee.

McClelland made the point this morning that considering everything they should not have fired Jacobs so quickly and that he thought it was ~~vick~~ vindictive.

McClellan asked if Murphy thought the Department of Agriculture was too big and unwieldy to handle.

Murphy thought it was miraculous that the Agriculture Department did as well as it did.

They go back into session at 2:00 P.M.

Walter

They go back into service at 3:00 P. M.

Subsequent trip as well as it is.

Subsequent trip is also important that the subsequent

subsequent trip was also very important to us.

Subsequent trip is also very important to us.

Subsequent trip is also very important.

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Subsequent trip is also very important to us.

Subsequent

12:30

7 Estes file

SUMMARY OF SENATE INVESTIGATING COMMITTEE HEARINGS THIS MORNING

There was nothing about LBJ in the hearings this morning. They are leading up to the dates, however, that we might be involved and Chuck wouldn't be surprised if something did not come out this afternoon. They will go back in session at 2:30.

They wanted to determine when the issue of cotton allotments became a problem with the Department and it was determined about March 1961 through a conversation he had with the Oklahoma State Chairman of the ASCS.

On July 5, 1961 an investigation of the pool cotton allotments began. The Texas State Office requested the investigation.

It was asked when Jacobs first met Estes. He said it was in 1955-~~56~~ in Austin. No relationship between 1955 and 1961 and then July 5, 1961 Estes and his attorney John Denison met Jacobs to protest about the cutback of cotton allotments.

On September 8, 1961 Under Secretary Murphy asked Mr. Jacobs to have a memorandum prepared about the Estes ~~loadings~~ activities. On October 1961 Tucker Wilson called Jacobs and told them Denison and Estes were in town. On October 19 Mr. Tucker came to see Jacobs before his meeting with Denison and Estes. Tucker said to Jacobs that Estes had made threats to him claiming that if the investigation did not stop and the cotton allotments were not returned to him, he was going to bring 30 or 40 people to Washington and start a publicity campaign to ruin the Secretary of Agriculture and the Administration. On that same day Estes and his attorney came to see Jacobs about this cotton allotment problem and the investigation. He wanted Jacobs to stop it. Jacobs said it could not be stopped. Estes did not repeat his threats to Jacobs. Jacobs said he told John Bagwell about these threats.

Chuck does not know who Tucker Wilson is--never could tell from any of the testimony who he was.

M/d

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 1958 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.

Washington, D. C., _____, 19____

Respectfully referred to

August 20, 1962

Mr. Jenkins:

This was among material
being screened from 1960
campaign -- congratulatory
telegram. It must have had
a robo acknowledgment.

Dorothy Territo

U. S. S.

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1201 (4-00)

SYMBOLS

DL = Day Letter

NL = Night Letter

LT = International Letter Telegram

The fil **DA160** in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination

D PKA015 PD=PECOS TEX 8 1048A CST=
:THE JOHNSON KENNEDY HEADQUARTERS=
AUSTIN TEX:

1960 NOV 8 AM 10 58
✓

:WE WILL CARRY TEXAS. WE ARE GOING TO WORK AND FIGHT TO
THE LAST MINUTE. I AM GRATEFUL TO YOU AND LADY BIRD
FOR THE GREAT FIGHT YOU ARE FIGHTING=

BILLIE SOL ESTES.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

- Q: Mr. Jenkins: We have found in Mr. Billy Sol Estes' files a letter which you wrote to him on February 2 sending him a letter from Mr. Emery E. Jacobs of the Agriculture Department. You told Mr. Estes that you would like to know his reaction "so that we can be guided accordingly."
- A: Mr. Estes came into my office in Washington. He told me he was interested in a decision that had something to do with the transfer of cotton allotments. He asked me if we could get him a copy of that decision. I called the Agriculture Department and was told that the decision had not yet been made. The decision was made a week or so later and as soon as it was, I mailed Mr. Estes a copy. All he received was a copy of the public document which he could have got merely by writing to the ASCS State Committee. This is a normal service which we perform for many people.
- Q: Then why did Mr. Estes take the trouble to go to you to get it?
- A: I probably got it a little quicker for him merely because Government Agencies which are on an eight hour day are a little slower in replying to such requests.
- Q: Were you "guided accordingly" according to Mr. Estes' reaction to the decisions?
- A: I never heard of it again. The only thing I did in this connection was to mail him a copy of the decision and he never came back to me--either in person or in writing--with any more requests.
- Q: Wasn't your language somewhat warm?
- A: Yes.
- Q: When did you first meet Mr. Estes?
- A: As far as I know in January of this year. I met him at a reception at the Vice President's house with about a hundred people present and I saw him the next day in my office.

- Q: Records are kept of the people that go in and out of your office. The records show that Mr. Estes was there in your office for at least three hours. What took you so long?
- A: It took the Department of Agriculture some time to find out just who was responsible for the decision and whether or not it had been made. Mr. Estes sat in my outside office for a large part of that period.
- Q: Did you ask the Department of Agriculture to act one way or the other on Mr. Estes' problem?
- A: It was not Mr. Estes' problem. It was a general problem involving acreage allotments. I had no interest in the matter other than performing a routine service and I made absolutely no recommendation to the Agriculture Department and did not mention Mr. Estes' name to them.
- Q: Mr. Jenkins: In 1953, telegrams were exchanged between Mr. Estes and the then Senator Johnson on Senate Bill S. 2106. The Vice President doesn't recall this exchange but told us that you would look up the matter and give us the facts.
- A: Yes, I have looked it up. Mr. Estes contacted us in some manner--the file doesn't show exactly how--and asked us about a bill introduced by Senator Kuchel, of California. It was a bill of great interest to the western part of Texas, New Mexico, Arizona, and California. We referred the correspondence to the Chairman of the Senate Agriculture Committee and informed Mr. Estes of the date that had been set for hearings. This bill was of great interest to western cotton producers. However, it was not passed and in fact did not even get out of the Committee.
- Q: Mr. Jenkins: In 1958, the Vice President sent two telegrams and a letter to Mr. Billy Sol Estes concerning the Labor Department's action on the Bracero problem. The Vice President doesn't recall these communications but said you would look up the matter and give us the facts. What are they?
- A: In April and May of 1958, there were some sessions in the Labor Department on the Bracero program. They were

attended by a number of people, including Mr. Perry from our office. The file indicates that we sent one telegram to Mr. Estes informing him that a session had been held, one book wire to Mr. Estes and Mr. Bob Sherrill, of Pecos, Texas informing them of another session, and a form letter in August which went to thirty one people advising them that a conclusion had been reached as to how the Bracero program would be handled. Mr. Estes was number twenty two on the list of thirty one people to whom the form letter was sent. This was a problem of great interest to all of the producers in the area.

Q: Mr. Jenkins: There seem to be a large number of letters in the files which have something to do with the Church of Christ in Tanganyika. What was involved?

A: I have checked through the files. Mr. Estes, as a leading member of the Church of Christ, was interested in securing the admission of the Church of Christ Missionaries to Tanganyika. We asked the State Department to look into this matter. It acted through the Embassy. The last letter in the file indicated that the State Department had not been successful as of December 1961 in securing the recognition of the Church of Christ as a Missionary Society in Tanganyika. It was quite normal for constituents interested in such matters to ask us to take up the problem with the proper Agency--which in this case was the State Department.

gifts

COPY

January 12, 1961

Dear Billie Sol:

The roses were lovely and they added just the touch we needed to the house during the holiday season.

Thanks for remembering us -- it's wonderful to have friends like you.

Best wishes.

Sincerely,

Lyndon B. Johnson

Mr. Billie Sol Estes
Box 1052
Pecos, Texas

LBJ:BDM:wdt

Gifts to VP

COPY

January 23, 1962

Dear Billie Sol:

Let me say again how wonderful it was of you to think of me at Christmas. Pecos has carved a niche for itself -- at least so far as I am concerned -- by the quality of its products.

Many, many thanks, my friend.

It was good to get a chance to see you this weekend and I'm so glad you could take the time to come out for a visit with Lady Bird and me.

Sincerely,



Lyndon B. Johnson

Mr. Billie Sol Estes
Pecos, Texas

LBJ:MMW:gw

GREETINGS AND BEST WISHES

RECIPIENT

Honorable Lyndon B. Johnson
Vice President, U. S. A.
Washington, D. C.

Lyndon B. Johnson
Thank you
M. L. Todd Co.

96904

PIECES

1

GIFT NO.

F O G

DESCRIPTION

25 # CANTALOUPE

DONOR

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

SHIPPED BY

M. L. TODD CO.
PECOS, TEXAS



SHIPPED BY

W. G. TODD CO.

6602, Texas
B. O. Box 1025
DOMOS 811116 201 East 62

1
WESCE

E O E
OBT NO

52 = CYNTHIA
DISCRIPTION

Washington, D. C.
Alice President, D. S. A.
Honorable Lyndon B. Johnson

RECEIVED



40304

CHEERINGS AND BEST WISHES

gifts

COPY

August 3, 1961

My dear Friend:

Pecos cantaloupes are the best
in the world and old friends of mine.
Home is a better place when some of those
Todd melons are around and I do thank
you for the box of them that came the other
day.

With warm good wishes, always,

Sincerely

Lyndon B. Johnson

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

LBJ:MJR

COPY

gifts

August 16, 1961

Dear Friend:

Summertime means a lots 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. Billy Sol Estes
Pecos, Texas

LBJ:JCSV

- Q: Mr. Vice President: How well have you known Billy Sol Estes?
- A: I can only recall one personal contact. It was in January of this year when he was in Washington and he was at my house at a reception attended by nearly a hundred other Texans. They were here for the Jefferson-Jackson Day Dinner. If there have been other contacts I do not recall them, but they would have been very casual.
- Q: Mr. Vice President: There are at least five letters in the files to Billy Sol Estes thanking him for cantaloupes and roses. How do you account for these?
- A: It is not at all unusual for people to send me a sample of a product for which their section is famous. On that same basis I have received oranges from the Lower Rio Grande, honey from Uvalde, onions from Raymondville. Even though part of the reason for sending me such things is probably advertising, I am always grateful for the thoughtfulness of the people who send them. Unless it is a substantial gift which seems to have some strings to it, and which is sent back, I always acknowledge such things with a friendly note, sometimes composed and written by a secretary.
- Q: Would the same thing be true of the letter you wrote Mr. Estes thanking him for his cooperation in connection with the broadcast of TV film clips and for the checks he sent helping pay for tapes for your weekly news-casts?
- A: I am not familiar with all of the details on how the film clips or the radio tapes were financed. These were public service programs and many people throughout the State chipped in small amounts to make these broadcasts available to the people of Texas. The details were handled by Cliff Carter and he will supply you with any information that you require.

- Q: Mr. Vice President: Are you going to fire Cliff Carter for his connections with Mr. Estes?
- A: Of course not. I haven't seen even a charge-- let alone evidence--that he did anything improper or granted Mr. Estes any favors--usual or unusual. I think Mr. Carter can give a satisfactory explanation for any questions that you have.
- Q: Mr. Vice President: How about your letter on - (braceros, campaign, Mattox, legislation, etc.) to Mr. Estes?
- A: I do not recall it off-hand, but my staff will look up the correspondence and give you all of the facts upon it. We do not keep a Billy Sol Estes file. Our correspondence is filed by subjectmatter and date. If you have any questions, give them to me and my staff will supply you with the answers. We get about 75,000 letters a year. Most of them are handled with a tag slip requesting the appropriate Department to consider the case on its merits. This requires quite a bit of filing, but I have no reason whatsoever for withholding any of the facts in this case.
- Q: Mr. Vice President, did Billy Sol Estes call you and ask you to stop the FBI investigation?
- A: No --and I never even heard of it until I read about it in the newspapers.
- Q: Was Mr. Billy Sol Estes a supporter of yours?
- A: I understand he supported the Democratic ticket. My campaign contributions and expenditures are a matter of public record, having been filed with either the Clerk of the House or the Secretary of the Senate every year that I have engaged in a campaign. I do not recall any contributions to my campaigns from Mr. Estes.

- Q: Mr. Vice President: We heard all about Cliff Carter and the Mattox thing, but how about the letter you wrote Billy Sol Estes on Mr. Mattox?
- A: Frankly, I was very much surprised to hear about the letter. I checked the files. I discovered that Mr. Estes had written me about Mr. Mattox and he received a form letter in reply. Our file indicates that the answer was a robotype letter which would have been written and signed without my knowledge simply because a general form was used which I had approved for all such recommendations. This form merely promised to put the recommendation in the hands of the people who make the decision and this my staff did.
- Q: Mr. Vice President: How about the very warm telegram you sent to the Publisher of Mr. Estes' newspaper last July?
- A: Congressman Rutherford asked us to send such a telegram and we did so. This is hardly unusual.
- Q: Mr. Vice President: The files show a rather warm letter to Mr. Estes for his support, dated November 19, 1960. How about it?
- A: Many people wrote in to us telling us how happy they were that the Democratic ticket had been elected and how much they had done to support the ticket. Naturally they received acknowledgements which frequently were warm. I have never known a candidate for office yet who would refuse to acknowledge such letters and it would be rather unusual if they were not warm. My staff handles thousands of such letters.

Q: Mr. Carter: Did you help Mr. Mattox get his job with the ASC Committee?

A: No. He was elected to the County Committee by the farmers of Reeves County in 1956 and has been re-elected every year since. That is not a Federal appointment. The farmers elected the County Committeemen by ballot.

(q) How about the letter ~~ESTES~~ wrote you?

(a) I acknowledged his letter, as well as a number of letters that were written to our office by people all over the country. In this particular case, I considered Mr. Estes' recommendation on Mr. Mattox with other members of our staff and we decided not to recommend Mr. Mattox to the White House. There was nothing against him so far as we knew. It was simply that he was not in the right geographic position for the State position. But whatever the situation, the fact remains that we did not recommend Mr. Mattox and he did not get the job.

(q) Why did you send a copy of Mr. Estes' letter to Larry O'Brien?

(a) As a matter of information. We sent virtually all such communications to Larry O'Brien at that time. But our recommendation for the position of State ASC Committeeman did not include Mr. Mattox and he did not get the job.

Q: What kind of favor did you do for Mr. Estes that led him to give you ten tickets to the Jefferson-Jackson Day Dinner in January?

A: No favor at all. I ran into Mr. Estes and he volunteered that he had some extra tickets and wanted to know whether or not I could use them. This is a fairly customary procedure at such dinners. He gave me the tickets and I used them so stenographers and other employees who could not afford a large contribution to the Democratic Party could still go to the dinner. It is well known that many people buy seats they don't need to such dinners simply because they want to contribute money to the Democratic Party.

- Q: Mr. Carter, how about the money that Mr. Estes paid for the radio tapes and the television film clips?
- A: I was in charge of coordinating the programs. There were about 200 people all over Texas who arranged for local radio or television stations to carry these tapes or clips as a public service. Mr. Estes was one of those. I don't think the Vice President even knew who was paying the money because the largest single sum that Mr. Estes put in at that time was \$13.00. Most of these payments were handled through the local radio station itself. These were solely weekly reports to Texas of the Washington scene and the then Senator Johnson's activities. The checks in each case were made out not to the Vice President but to the Senate Recording Studio. I frequently sent out notes thanking these people over the Vice President's signature.
- Q: Mr. Carter: We understand that you had something to do with a letter that the Vice President sent to Billy Sol Estes on December 7, 1961 thanking him for "the hand of help" which the Vice President heard about from Frank Moore. What are the facts?
- A: At this point, I can't recall. I believe that Frank Moore Was in Washington and told me there were a group of people that had been very helpful in Democratic Campaigns and who would appreciate a note of thanks from the Vice President. Frank Moore is a member of the State Democratic Executive Committee. I receive and handle so many such requests that it would be impossible for me to remember all of them.
- Q: Mr. Carter: Billy Sol Estes is quoted as having said he would call Lyndon Johnson or his office and get the FBI to stop the investigation. The Vice President says he did not call him. Did Mr. Estes call you?
- A: Yes, he did call me. He did not ask me to stop any investigation though.

(q) What did he ask you to do?

(a) He understood that he was being investigated by the Justice Department. He asked me to determine the status of the investigation and to call him back and let him know. I did not comply with his request.

(q) Did you call anybody in connection with the request?

(a) I did not act, but as a matter of curiosity I called Mr. Ramsey Clark in the Justice Department and asked him whether or not anything was going on. (I might add that Mr. Clark was in a division of the Justice Department that had nothing to do with the Billy Sol Estes investigation and I called him only because he was a friend.) Mr. Clark told me there was an investigation and I dropped it at that because I figured it was the Justice Department's business and that I had no business even informing Mr. Estes that an investigation was under way. Nobody to my knowledge asked the Justice Department to stop any investigation and I think that fact was rather well borne out by Mr. Estes' arrest.

Q: Mr. Carter: Your name keeps bobbing up in this investigation. How long have you known Mr. Estes and when did you first meet him?

A: I guess it was in 1958 when I was living in Bryan. I met him through a Church of Christ minister who was very enthusiastic about an inspiration^{al} speech Mr. Estes had just made to some College students at Texas A & M. About a year later Mr. Estes joined a friend of mine when we were having lunch at a cafe in Pecos. I have seen him maybe three or four times since then, exchanged a few letters and talked to him over the telephone two or three times.

Q: Have you ever done Mr. Estes any favors whatsoever?

A: Aside from receiving his letter recommending Mr. Mattox for the State ASC Committee and considering it, along with many other names, no--absolutely none. I guess that wasn't much of a favor since Mr. Mattox did not get the job.

Q: Mr. Carter: The files show that in January of this year you exchanged some correspondence with Mr. A. B. Foster of the Billy Sol Estes Enterprise concerning the transfer of cotton allotments from land condemned by the law of eminent domain. Apparently the Vice President wrote a letter on January 31 to the Secretary of Agriculture asking that something be done about this matter. How did you get involved in this?

A: The first thing I would like to straighten out is that the Vice President wrote a letter to the Secretary of Agriculture. He did not. What happened was that Mr. Foster wrote me asking me to look into some aspects of the transfer of cotton acreage under the law of eminent domain. I wrote Mr. Foster and told him I would call the situation "to the attention of the proper authorities" and would be in touch with him when I received a reply. What I actually did was to use a printed form--a tag slip-- on which we typed the date January 31, 1961. This tag slip was not even signed and the name of the Vice President was typed on the form. The slip merely asked that the letter be given such consideration "as the communication herewith submitted may warrant." The Agriculture Department replied with an explanation of the law, over Secretary Freeman's signature, and the letter was transmitted to Mr. Foster. This is the kind of transaction which takes place in our office 600 or 700 times a week. We have printed slips or form that make it clear that we are merely asking for a report. No letter went to the Department of Agriculture out of our office.

It is not often that I am in accord with anything published by the New York Herald Tribune - but I am with them on the inclosed article relative to your very , very dear friend, billy sol estes. We want the facts, johnson.

F Estes

I was in Texas helping Democratic Candidates.

Mr. Moore, a member of the State Democratic Executive Committee, volunteered to be of financial assistance. I was unaware--and I am still unaware--of the original source of his contribution to me. I used it in traveling around the State and helping candidates in Wichita Falls and San Antonio.

Q: Did you report it?

A: No, I was not a candidate for office and not required to report it.

Q: How about the letter over the Vice President's signature to Estes?

A: After the campaigns were over, Mr. Moore requested that letters be sent to a list of people he said had been particularly helpful to the Democratic Party. I dictated letters to them over the Vice President's signature and they were signed in the office. One of these went to Mr. Estes. I had no particular reason to connect the request for these letters with the money I had received in the campaign.

Q: How do you account for the notation on the face of the check?

A: I have no way of accounting for that notation. You will have to ask the man who made it.

Let Facts Speak On Estes Case

(FROM THE NEW YORK HERALD TRIBUNE)

When Orville Freeman dismissed former Assistant Secretary of Agriculture James T. Ralph he must have regretted having said that the Billie Sol Estes mess had been "ballooned all out of proportion to its importance." And he must have also regretted his naive statement that the Texas tycoon has been treated just like any other cotton-growing entrepreneur despite favors showered on Federal officials.

In short, the facts of the Estes scandal are catching up with Mr. Freeman. His sacking of a high official is admission enough that there is more, much more, to get excited about than the Secretary of Agriculture was willing to admit at his recent press conference.

Notable in this week's developments has been the tendency for political cloud banks to blur the facts. In place of any show of Presidential anger over what's been going on was warm Presidential praise for Mr. Freeman: "No one speaks for American agriculture today with more confidence or authority than Secretary Freeman, who is entrusted with the important and difficult task of guiding our agriculture into the new economy of abundance which its own productivity has created."

On the Republican side and, we submit, more to the point, were the remarks by Sen. John G. Tower of Texas who called for Mr. Freeman's resignation because "demonstrated indifference, unconcern and defensive attitudes toward scandals already uncovered . . . have definitely destroyed confidence in the Agriculture Department."

Poking through the polemics of those who are at least in part politically motivated, the facts are that four government officials have either resigned or been dismissed in the wake of state and Federal indictments for fraud against Estes.

Besides Dr. Ralph the departed include

William E. Morris, a former Ralph assistant; Emery E. Jacobs, deputy administrator of the Stabilization and Conservation Service; and Jerry R. Holleman, an Assistant Secretary of Labor.

What damages public confidence the most is the make-believe attitude of Administration officials who insist that money given by, or favors granted by Estes can be completely divorced from the possibility of favoritism in return. With consummate impudence Mr. Holleman said his receipt of \$1,000 from Estes was "a personal matter," a statement we would like to think is incompatible with the moral standards of the Kennedy administration.

In an equally inexplicable performance, Sen. Ralph Yarborough of Texas admits receiving \$1,700 from Estes as a contribution to his radio programming expenses. He too wants us to believe "there were no strings attached to these contributions." Technically, of course, we are sure he is right, but once again there is the question of moral obligation that should not be ignored.

Congressional investigators are in action, and sooner or later all the ramifications of this can-of-worms corruption will be brought into the sunlight. But in view of the fact that four officials have already fallen or been shoved from their desks, and in view of the diaphanous nature of their excuses and explanations, the public has a right to expect less of a defensive and more of an aggressive attitude from the Administration.

Let the facts decide whether Mr. Freeman merits the Presidential blessing bestowed upon him. Let the facts decide whether the Estes balloon is bloated with nothing but political hot air.

This is precisely what will happen if Sen. John L. McClellan, who will start hearings shortly, lives up to his reputation as a fearless investigator.

Any one who says the late Henry Marshall shot himself in the stomach 6 times with a .22 rifle is a not. He could have shot himself once - maybe twice - but not 6 times. Who, among your friends, were trying to get rid of Henry Marshall, Johnson.

Grand Jury to Probe Death of U.S. Official

BRYAN, Tex. (AP)—A grand jury will look into the mysterious death of an Agriculture Department agent who had been investigating Billie Sol Estes' dealings in cotton allotments.

Dist. Atty. Bryan Russ ordered the probe Friday "to clear the cloud connecting this with the Billie Sol Estes case—if there is any connection."

The jury will meet at nearby Franklin, Tex., Monday.

The death was that of Henry Marshall, shot June 3, 1961, on his farm near Franklin. Local authorities said he died perhaps five hours after he fired five bullets into his abdomen from a .22 caliber, bolt-action rifle.

Meanwhile, Sen. Ralph Yarborough, D-Tex., disclosed in Washington that only five months ago he received suggestions of a move to draft Estes to run for governor of Texas. Yarborough said he discouraged the move.

And in Houston, an Immigration and Naturalization Service officer said that airline and shipping companies are being notified they will be penalized if they give Estes passage out of the country.

The Houston Post quoted James L. Hennessey, executive assistant to the commissioner of immigration and naturalization, as saying in Washington that the order went to every port in the nation for relay to transportation firms.

How much did you get out of the estes
deals, johnson. You are not above it,
so do not come declering that your hands
are clean 2 - just about as clean as
Castro's.



Robert S. Allen & Paul Scott:

Was 'Washington Project' Behind Estes' Grain Storage Bonanza?

WA S H. ALLEN INGTON —

Congressional investigators digging into Billie Sol Estes' mysterious \$245,000 "Washington Project" are uncovering significant clues indicating it may have financed his spectacular rise within a few years as a large-scale operator drawing millions of dollars from the government for storing surplus grain.

The free-wheeling young Texan zoomed from virtually scratch in 1959 in this highly profitable field to ninth largest grain storage operator in the country in 1961.

From evidence so far uncovered, it has been determined that during these few years millions of bushels of government-owned surplus grain were inexplicably shifted from wholly adequate storage facilities in the Midwest, chiefly in Nebraska, Iowa and Kansas, to Texas warehouses controlled by Estes.

Details of the extent and cost of these singular transactions are still incomplete.

But a revealing illustration of Estes' remarkable success in this business is the following: In 1959, when he started storing grain, he received \$776,810 from the government for warehousing grain shipped from Kansas to Texas. In 1961, this relatively

modest sum soared to \$3,419,000—and possibly a lot more.

On the basis of what congressional probes have so far ascertained, they have reached two conclusions:

These strange grain storage shifting operations cost taxpayers "many, many" millions of dollars; they were largely the key-stone of Estes' maze of other get-rich-quick financial machinations.

OLD, OLD STORY — Shifting the storage of large quantities of surplus grain at heavy public expense is nothing new in the Agriculture Department.

Representative Fountain's investigating committee has a voluminous record of such transactions. One probe brought to light that the Agriculture Department spent more than \$27 million to ship grain to the Pacific Coast for storage, although ample empty government bins were available in the Midwest where these surplus commodities were grown.

Following are details of this astonishing affair as recorded in the official files of the Fountain committee:

● More than half of these tens of millions of bushels of grain sorghum and corn, already stored in government-owned facilities in the Midwest at a cost of 5 cents a bushel, were shipped to

California and Washington State to be stored at a charge of 16½ cents a bushel in private warehouses, such as skating rinks, old office buildings and other converted structures.

● Transporting this government-owned grain across half the country cost an average of 50 cents a bushel — approximately double what it would have cost to build new storage facilities in the Midwest.

● Of some 18 million bushels of corn the Department shipped in 1955 to the West Coast for storage from Minnesota, Iowa, North and South Dakota, much of this grain spoiled and "had to be sold at a substantial discount."

Two Agriculture officials — Roland Ballou, then Assistant Deputy Administrator for Operations of the Commodity Stabilization Service, and Clarence Palmby, former Association Administrator of the agency — were grilled by Representative Fountain and James Naughton, committee counsel, regarding these extraordinary transactions.

Neither Palmby nor Ballou could remember why these millions of bushels of grain sorghum and corn were shipped to the Pacific Coast for storage, at a cost of \$27 million, when ample government facilities were available in the Midwest.



lyndon b. johnson,
Office of Vice President,
WASHINGTON, D.C.



PEYTON FORD
JESS LARSON
ALBERT H. GREENE
MICHAEL J. HORAN
DAVID M. PHELAN

LAW OFFICES
FORD, LARSON, GREENE AND HORAN
1000 CONNECTICUT AVENUE
WASHINGTON 6, D. C.

CABLE ADDRESS "FOLAR"
NATIONAL 8-0050
—
IN ASSOCIATION WITH
J. HOWARD McGRATH

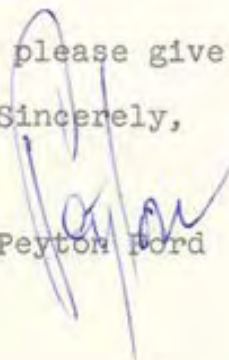
June 6, 1962

Mr. Cliff Carter
Room 5121
New Senate Office Building
Washington, D. C.

Dear Cliff:

When you receive this, please give me a call.

Sincerely,


Peyton Ford

PF:bt
Enclosure

Washington, D. C.
May 25, 1962

I, Jerry R. Holleman, being duly sworn, make the following free and voluntary statement to Rudolph D. Gerbits and Eugene W. Whitman, who here identified themselves to me as special agents of the Federal Bureau of Investigation. I have been advised that I do not have to make a statement, that I have the right to consult an attorney and that any statement I do make can be used against me in a court of law.

I am forty-two years of age, having been born on December 26, 1919 at Arlie, Texas. I presently reside at 624 Delashmutt Circle, Falls Church, Virginia.

I was appointed to the position of Assistant Secretary of Labor for Manpower and Training in January 1961 and began serving in this position on January 23, 1961. I resigned from this position on May 11, 1962 because of a \$1,000 gift I received in January, 1962 from Billie Sol Estes and I realized that this gift would be misunderstood and would be embarrassing to me personally.

I recall that I first met Estes about June, 1952 at a political rally in Austin, Texas. I do not recall anything significant about this meeting as there was a lot of people in attendance at the rally. Shortly after this time I was a member of the Executive Board and a member of the Steering Committee of the Democratic Advisory Council of Texas. I had contact with numerous supporters of the Democratic Party in my position with the Council and Estes was one of these supporters.

I recall meeting Estes from time to time at various area and State meetings in connection with my work on the Council. I recall seeing Estes at the May, 1956 Democratic State Convention but do not

XEROX FROM QUICK COPY

recall seeing Estes at the September, 1956 convention. I can recall all of the specific occasions that I met Estes during this time but knew that he was a regular contributor to the Democratic Party.

During this period, I was Executive Secretary of the State Federation of Labor, AFL, from November 1953 until August, 1957 and President of the Texas State AFL-CIO from August 1957 until January, 1961.

The Democratic Advisory Council of Texas was succeeded by the Democrats of Texas about February, 1957 and I became a member of the Executive Board and the Steering Committee of this new organization. I also saw Estes on occasion after the Democrats of Texas was formed and knew Estes as a contributor to the Democrats of Texas until sometime in 1958-59.

Following the 1960 Presidential election, my family and I arrived in Washington, D. C. on January 20, 1961. On that date, I learned that Estes was staying at the Sheraton Park Hotel and my wife and I decided to call Estes. I do not recall how I learned that Estes was at the Sheraton Park. When I called Estes he asked my wife and I to come to a party before the Inaugural Ball. My wife and I attended this party and spent a portion of the evening at the Estes party before going to the Inaugural Ball.

I recall that there was many people at the Estes party and that many of these people were unknown to me. There was approximately forty to sixty people present at the Estes party. Besides Estes and his wife, I can only recall John C. White, Agricultural Commissioner of Texas, and his wife, being present.

After the Estes party, my wife and I went to the Inaugural Ball but did not sit with Estes. To the best of my knowledge, I received tickets to the Inaugural Ball while I was still in Texas. I do not recall paying for these tickets nor do I know if anyone paid for them or if they were free.

On January 22, 1961, Estes attended church services at my church and I recall visiting with him briefly after church.

Sometime during June, 1961, I learned that Estes was in Washington, D. C. I do not remember how I learned he was in Washington, D. C. Upon learning that Estes was in Washington, D.C., I phoned him and asked him if he had any extra tickets for the President's Birthday Party. Tickets to this party sold for \$100., each. Estes informed me that he had some extra tickets at which time I asked him for five of these tickets. Estes consented to give me these tickets which were to be used by Mrs. M. D. Scott, my mother-in-law, Mr. and Mrs. John McCully, friends of mine, and Mr. and Mrs. Ray Chester, pastor of my church in Washington, D. C. I informed Estes that the Chester's would be the recipients of two of the tickets.

I did not sit with Estes at the above party and had only limited contact with Estes ^{at} the party.

I wish to state at this time that I do not regard the above request of Estes to be improper or unusual even though at the time I was Assistant Secretary of Labor.

My next contact with Estes was during June, 1961, when Estes attended Sunday School at my church. It is my wife's recollection that after the services, Estes invited my wife and I to the Water Gate Inn for a luncheon. We attended this luncheon along with twenty or twenty-four other people. The only people in attendance at this luncheon I recall knowing were Estes and his wife, and the Chesters, Senator Ralph W. Yarborough and his wife, and Mr. and Mrs. Stone, an employee of Estes from Plainview, Texas. I believe there were six or seven associates of Estes and their wives also present. I do not recall their names.

It is my recollection that the general topic of discussion during the luncheon was essentially political. I assume Estes paid for the luncheon, however, I did not actually see him pay.

I do not recall any further contact with Estes until the Saturday before Thanksgiving Day, 1961. It was on this occasion that I saw Estes at the funeral of Speaker Sam Rayburn in Bonham, Texas. I saw Estes at the church after parking my car some distance away and after the church services, my family and I rode with Estes in his car to the grave site service. After this service, Estes drove us to my car.

During the car ride, Estes offered to fly me and my family in his private airplane from Fort Worth, Texas to Altus, Oklahoma, which is near the home of my mother-in-law. I accepted this offer and was flown to Altus, Oklahoma by Estes' pilot. No other persons were in the plane except the pilot and my family.

My next contact with Estes was on January 6, 1962, at which time Estes called me at my residence and informed me he was in town. It was during this phone conversation that I told Estes that Secretary of Labor Goldberg was planning a party in honor of Vice President Johnson on January 12 or 14, 1962. I asked Estes if he would be willing to help defray the cost of this party. I mentioned no amount to him but he indicated that he would be happy to help to defray the cost. This is all I can recall of the conversation except that I did make a luncheon engagement with Estes for January 8, 1962.

Either on January 7 or 8, 1962, while in conference with Secretary Goldberg, I was advised by Secretary Goldberg that he would personally pay the expenses that would be incurred for the Vice President's party. I had never told the Secretary of Labor that I would or had contacted anyone with regard to helping defray the cost of this party.

In prior discussions with Secretary Goldberg and others regarding this party, I mentioned to the Secretary that the guest list was getting large and that the cost of this party would be high. Secretary Goldberg never indicated that he would welcome financial

assistance for this party but his lack of comment regarding this financing of the party led me to assume that he might welcome some help in this regard. I would like to state that no one suggested that I contact Billie Sol Estes or any other person to request financial help for this party.

With regard to my luncheon engagement with Estes on January 8, 1962, this luncheon took place at the National Capital Democratic Club in the Sheraton-Carlton Hotel. I met Estes in the lobby of the hotel. During the luncheon, I told Estes that Secretary Goldberg advised that he, Goldberg, would pay for the entire cost of the Vice President's party and that it would not be necessary for Estes to make any contribution for this party.

During this luncheon my conversations with Estes related mostly to church matters and politics. I recall advising Estes that I had a hard time selling my house in Texas and had suffered a great deal of expense in upkeep of the property before I finally sold it. From this discussion, we somehow got into a discussion of my financial plight and at this point Estes offered me a gift of \$2,000. I declined this offer, however, he then offered me a gift of \$1,000, which I accepted. He asked me if I wanted the money in cash and I told him that I would prefer a check. Estes prepared a check for \$1,000. for me at this luncheon, which I accepted as an outright gift and later deposited this check in my checking account at the American Security and Trust Company in Washington, D. C.

I did not think this was an improper act on my part because Estes is a close personal friend of mine. It is common knowledge that Estes has built churches, given money to churches and other organizations and has helped many people in this manner. I wish to state that it is not unusual for members of our church to help out one another financially or otherwise as was the case with Estes and myself. I further wish to state that there were no strings attached to this

gift whatsoever. Prior to this gift and subsequent to this gift, Estes has never asked me to intercede for him or contact anyone at the Department of Labor or any other government agency or any member of the Congress of the United States.

My next contact with Estes was during the week of January 21, 1962 as best I can recall, when the National Farm Labor User's Association was having their convention in Washington, D. C. As best I can recall, Estes was in my office on two occasions as a member of the Texas delegation of this Association. Estes was not the spokesman for this group during the two conferences I had with the Texas delegation. The delegation and I discussed the problems regarding the use of Mexican farm laborers, but no decisions were made by me or my office during these conferences. Subsequent to these meetings, action was taken on the Mexican farm labor problems by me and the Department of Labor which was contrary to the interests of Estes and other farm users of Mexican labor.

During February, 1962, Al Misler, Assistant Solicitor, Lee Williams, Special Assistant to Director, Bureau of Employment Security, both of the Department of Labor, and myself, attended public hearings in Midland, Texas relative to the use of Mexican farm laborers. During these hearings, I saw Estes, who was one of approximately 1500 individuals who attended the hearings. I attended a luncheon during these hearings in the presence of Estes and approximately forty to forty-five other persons. I was invited to this luncheon by J. B. Kirklin, Manager of the Association. I do not know who paid for this luncheon but assume it was paid for by the Association.

I had no knowledge of any problems Estes may have had with the United States Department of Agriculture and no knowledge of any business he may have conducted with the Department of Agriculture until read this in the newspaper recently.

I also recall that about January 17 or 18, 1962 my wife and I were invited to a party by Estes at the Sheraton-Park Hotel in Washington, D. C. There was about 70 or 75 people in attendance at this party, most of whom were members of the Farm User's Association.

There was no other people from the Department of Labor present. I do recall that Congressman Rutherford and Senator Yarborough were present at the party. My wife and I left the party early and I had no private visit with Estes on this occasion.

I also recall that on January 22 or 23, 1962, my wife and I had Estes for dinner at my home. The persons present at this dinner besides Estes were Henry S. Brown, President of Texas AFL-CIO, Mr. and Mrs. John Holton and my pastor and his wife, Mr. and Mrs. Ray Chester. Mr. John Holton was the former legislative aide to Speaker Sam Rayburn and is now an aide to Speaker McCormack. The discussion during this dinner was mostly concerning church matters.

At no time have I or any member of my family received any other thing of value from Mr. Estes, his family, his associates or business operations. It is my recollection that I have never had any written correspondence with Mr. Estes since my coming to Washington. Mr. Estes has never requested me to make a contact in his behalf and I have never made a contact in his behalf nor interceded in his behalf with any government agency or member of Congress.

I have read the foregoing statement consisting of this and fourteen other pages and it is true and correct to the best of my knowledge. I have initialed each prior page and all corrections made by me.

/s/ Jerry R. Holleman

Subscribed to and sworn to before
me ~~this~~ on May 25, 1962 at Washington, D.C.

Eugene W. Whitwam, ~~Sgt~~ Special Agent, Federal Bureau of Investigation
witnessed;

Rudolph D. Gerbitz, Special Agent, Federal Bureau of Investigation

NEED FROM QUIT

~~CONFIDENTIAL~~

MEMORANDUM

Basically, the proportions of the Estes case nationally are wholly artificial and undeserved. What justifies the national interest -- and supports the present overemphasis by the press -- is not just the assumption of political involvements but is rather the fact that Billie Sol himself is so greatly overblown in the image of the press and public.

He is commonly identified by the most complimentary terminology: i.e., "businessman," "financier," "boy wonder," etc. Each of these terms of identification magnifies the story into something it is not. Estes is none of these things -- he is demonstrably stupid; his only magic was thievery and fraud; and to regard him as a financier is as erroneous as to regard a bank robber as a capitalist.

Scandal stories of this kind consistently feed on glamorizing small caliber culprits into persons of magnitude, importance and even respectability. Under Truman such was the case for Johnny Maragon and a number of the other small fry at RPC. Likewise, under Eisenhower, Goldfine -- although he had accomplished some substantial success -- was magnified out of proportion. Numerous other examples could be cited.

The point is that political Administrations often allow themselves to be unduly embarrassed by refraining from calling crooks "crooks" or peanut operators "peanut operators." It is my belief -- and my suggestion -- that much of the steam could be taken out of the Estes affair if in effect a spokesman for the Administration -- at the highest levels -- would "read him out of the human race."

To put this in the proper perspective, Billie Sol operated a highly refined holdup gang. He got his money from financial institutions with paper rather than guns -- but the comparison is exact. Niceties of the law aside, his actions were those of a criminal -- not those of a reputable, proved and established businessman who might be classified as at least a gentlemanly crook.

I think these points are overlooked:

1. Estes' schemes had no possibility of succeeding. If he had bought all the influence available in Washington -- or if Washington had conferred virtually every pertinent favor upon his operations -- the venture still would have been foredoomed.

2. His pricing policy on ammonia and his discount policy on the tank paper prove that he had neither the sense of a businessman nor the sense of a mentally deficient criminal. He was simply not the bright, sharp, almost successful operator portrayed in the popular image.
3. It was an essential part of his criminality to conceal his purpose behind a facade of religion. He has left hundreds of his fellow churchmen -- who were taken by him on this basis alone -- facing lifelong ruin. (Of course, the culpability of the churchmen themselves is considerable, since even those who refused to be a party to his schemes failed to take action against him.)
4. What collapsed was the element of his operations which had nothing to do with the Government -- i.e., his selling of nonexistent tanks. The only way in which this could have been suspected or detected would have required a surmise equivalent to assuming that a car dealer registering new car sales at the courthouse and meeting the monthly installments on the purchase notes was in effect selling nonexistent cars. It is unreasonable to expect individuals or the Government to have had such suspicions.

Other points could be listed. It is perhaps sufficient to make the final point that Estes has not enjoyed the trust, respect or confidence of the reputable business or political community in the area of his principal operations. Most successful men knew long ago that something was wrong with his operations and would not touch him.

As a result of the image given Estes by the national press at present, everybody touched by him appears to be a coconspirator when in truth and in fact all of them were victims of a criminal operation. Until a deliberate effort is made to downgrade Estes, this aspect will continue to contribute to trouble for the Administration.

I would strongly suggest that the weekly press conference be used for a display of contempt for the man so that it is unmistakably clear that there is no basis, need or desire for the Administration to shelter and protect him. It is not enough merely to announce that all resources of the Government are being marshalled to investigate or "get to the bottom" of his operations. This

kind of announcement only carries with it the implication that he had a more substantial, more important and more successful operation than actually was the case and that he was a more substantial operator than the facts demonstrate. If a Presidential display of anger -- as distinguished from irritation -- and contempt could be expressed, the whole thing would deflate to proper proportions.

Nobody has yet suggested that Estes was a criminal or even that he was a "con" man. In fact his reputation is far greater now nationally -- and he is being exalted to a much higher level nationally -- than ever he attained among those who knew him best. Estes is thriving on all this because he is a man of very modest intellectual capacity, who is consumed mainly by ego. Deflate him -- turn the tide of public opinion into contempt rather than the present awe -- and, I think, the entire case will shortly take on an entirely different perspective. Estes does not rate with the Insults of history -- or even with the Goldfines. He is probably not even the equivalent of a BenJack Cage. His is simply a small-bore burglar who stole from both neighbors and national corporations. His case placed in proper perspective is a case for the police reporters, not a case for the serious national columnists and editorialists.

WEATHER

Today: Sunny and warm.

Tomorrow: Fair with seasonable temperatures.

TEMPERATURE RANGE
Yesterday 52-75; Today 50-71.

HUMIDITY
8 p.m. Yesterday 42%; Today 60-70.

Reports and Maps—Page 32

NEW YORK

Herald Tribune



THE CITY

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MONDAY, MAY 7, 1962

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10c in areas 50 miles from New
York City except on Long Island

FIVE CENTS

Monday, May 7, 1962

IN THE NEWS THIS MORNING

[FROM THE HERALD TRIBUNE'S OWN WORLD-WIDE SOURCES.]
FULL COVERAGE OF ALL IMPORTANT EVENTS IN THIS EDITION

PIC A—

[Laos. Attacking from the direction of the Communist Chinese border, Red-led Laotian rebels drove out a 5,000-man Royal government garrison, captured the defense bastion of Nam Tha, two miles from China. Among those fleeing what may be a Communist Chinese invasion were 12 members of a U. S. military advisory group who got away by helicopter. Despite this latest ceasefire violation by the Reds, the consensus in Washington was that the Kennedy administration would stand fast on its policy of advocating a new coalition government taking in the Communists and asserted neutrals.

THE NATION—

[Tests. For the first time, the U. S. launched and exploded a nuclear missile from a Polaris submarine in the Pacific. It was the fifth of the new series of U. S. atmospheric nuclear tests, was the first missile-carried warhead to be exploded by the U. S. The Polaris warhead has been reported to have a destructive force equal to 100,000 tons of TNT.

[Challenge. United Auto Workers boss Walter Reuther rejected the Kennedy administration's formula for holding wage increases within the range of productivity gains. He said that was all right for the long-run, but

K's Nightmare—The High Cost of Cold War

By Marguerite Higgins
A Staff Correspondent

WASHINGTON.

The Soviet Union, at the steep and climbing costs for rocketry and weaponry today and in the future, is quite likely to price itself out of the competition of the cold war.

It won't happen tomorrow or next year. But it could happen, top Administration planners believe, within three to five years. This assessment has been strengthened by fresh information on the economic troubles besetting the Soviet economy.

Taken into account, too, have been ad-

missions by Soviet Premier Nikita S. Khrushchev that skyrocketing prices to keep a super power in business confronts him with agonizing alternatives: Waging an all-out arms race or fulfilling his hoped-for economic objectives. Russian economic strength is stretched taut, what with the additional burden of far-flung economic commitments of aid to non-Communist nations.

Why wasn't Russia confronted with the same difficult choice before? Because, the experts say, the price of new space and nuclear endeavors has only recently jumped at such a swift—and often unexpected—rate.

American defense planners used to be dismayed when a new weapons system cost twice as much as an old one. Nowadays, a new weapons system often costs five times more than its predecessor, and this steep rise is going to accelerate. Defense experts shudder when they project costs five years ahead on scientific discoveries available today.

The New Frontier feels that Russia cannot keep up the pace without finding in a year or two, perhaps sooner, that this will impose new sacrifices on the Russian people. Even with new sacrifices, the Russians can't win

More on NIGHTMARE—P. 21

Laos Ceasefire Broken by Reds— U. S. Still Hopes for Neutral Peace

SAINTHOOD FOR BLESSED MARTIN

THE WAR FRONT in southeast Asia was becoming dangerously unhinged and threat-

ers bombed
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Brazilian state.

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Belinsky pitched
s Saturday night,
1958, when Hoyt
Belinsky was once
by manager Paul
again sometime."

Gardner	13
Hyams	13
Joseph Kaselow	32
David Lawrence	21
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al Estate	32
nd Smith	24
ciety	16
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HIGHLIGHTS—PAGE 17

were among the worshippers.
One hundred and fifty Negro
Protestants were included
among 350 American Negro
pilgrims who came here for the
event.

The crowd, symbolically, in-
cluded pilgrims of the major
races of mankind, here from
five continents and almost 50
nations to honor St. Martin.
Pilgrims from Ireland, who have
special devotion to the new
saint, knelt with 1,200 Catho-
lics from Peru as the sixteenth
century Martin was elevated
to sainthood.

At the most solemn moment
of the canonization ceremony,
Pope John announced: "We
decree and nominate the
Blessed Martin de Porres to
be a saint...." A fanfare of
More on SAINTHOOD—P 2



This panel depicting Martino De Porres ascending to heaven was hung yesterday in St. Peter's Basilica during the canonization ceremony.

Herald Tribune—UPI

The UAW Vs. Kennedy 'Formula'

WAGE POLICY

By Joel Seldin
A Staff Correspondent

ATLANTIC CITY.

The United Auto Workers
served notice yesterday it will
challenge President Kennedy's
insistence on restraint in wage
demands. The President is to
address the UAW convention
tomorrow.

Walter P. Reuther, who fre-
quently adopts the role of
labor's theoretician, spelled out
the arguments for the growing
list of unions dissatisfied with
the Administration's wage pol-
icy. This dissatisfaction has
gained momentum since an ad-
visory board last week proposed
that an increase for non-oper-
ating railroad workers should
match the increase in the steel
industry's wage settlement.

A resolution, proposed to the
UAW convention, said the union
would be guided in future
negotiations not by the Admin-
istration's request for voluntary
restraint, but by the union's
determination that wages must
increase faster than productiv-
ity if the economy is to prosper.
The President has asked that wage increases be
kept within the limits of pro-
ductivity to prevent inflation.

In a report to the convention.
More on UAW—P 11

NEW ORLEANS STORY—SECOND IN A SERIES

See Robert S. Bird's
Article on Page 13

How Billie Sol Paid On 'Official' Junkets

By Earl Mazo

National Political Correspondent

PACOS, Texas.

William P. Mattox, a Reeves County Agricultural official who
describes himself as a "staunch supporter and admirer" of Vice-
President Johnson, revealed in an interview that while visiting
in Washington with Billie Sol Estes, last January, he met
with Department of Agriculture officials to "clarify" aspects of
the cotton allotment transfer
regulations which Estes was
accused of flouting on a grand
scale.

Estes had already been fined
\$48,000 on one charge of ma-
nipulating the cotton planting
regulations, and last January
the Department of Agriculture
had not yet officially acted on
the bigger infractions, which

involved penalties of between
\$500,000 and \$600,000.

Mr. Mattox, whose county
agricultural stabilization com-
mittee had approved both of
Estes' controversial and poten-
tially profitable transfers of the
cotton allotments, said he flew
to the nation's capital with
More on BILLIE SOL—P 6

'U.S. Plays Roulette In Space'

By United Press International

LONDON.

One of Britain's top scien-
tists yesterday said U. S. plans
to explode nuclear weapons
500 miles up in space are "huge
gamblers" that could deal a
"sledge-hammer blow" to the
earth's surroundings.

The charge was made by
Prof. Sir Bernard Lovell, di-
rector of Britain's Jodrell bank
radio-telescope station, in an
article in the Sunday Observer.

In the article headlined
"American roulette 500 miles
up," Sir Bernard said the
blasts could well disrupt the
radiation belts around earth
for up to a decade.

"The proposals to make nu-
clear explosions in space arise,"
he said, "from a small
group of military scientists,
unknown and unidentified to
the world at large, who have
persuaded their masters to
make a series of huge gambles
under the guise of defensive
necessity."

"On the scale of the cosmos
they are dealing with fireworks.
Nevertheless, the earth is so
minute on the cosmic scale and
its environment is controlled by
the delicate balance of such
great natural forces that one
must view with dismay a po-
tential interference with these

More on SPACE—P 10

First A-Test of Polaris

By United Press International

WASHINGTON

The United States launched
and fired a nuclear warhead
from a Polaris submarine in the
Pacific yesterday.

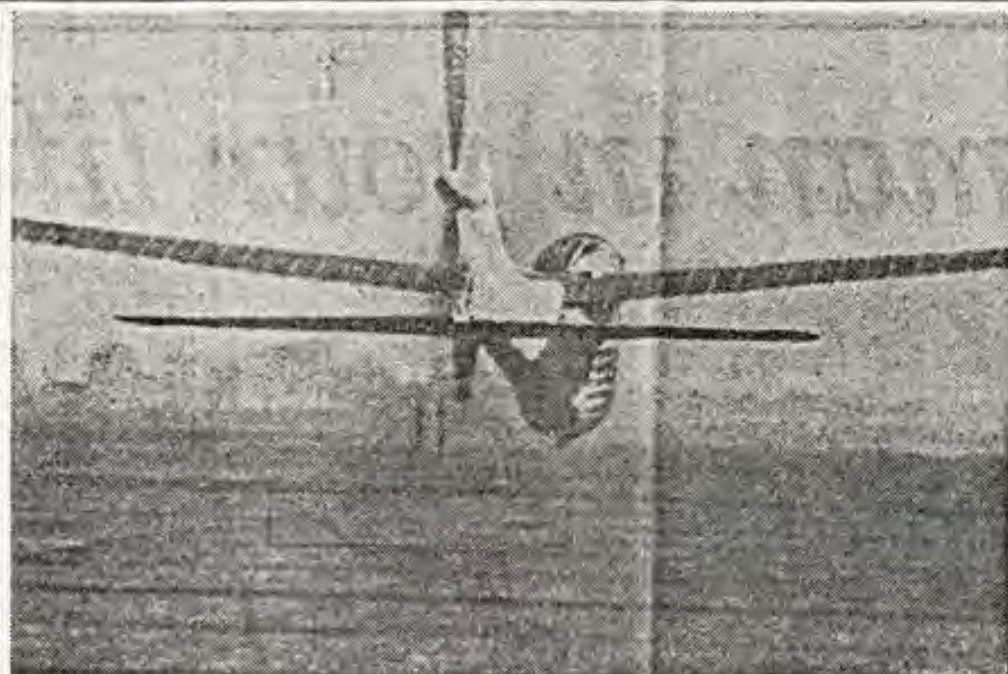
The Atomic Energy Commis-
sion and the Defense Depart-
ment, in a joint announcement,
said the test using a Polaris
missile was conducted in the
Christmas Island test range. It
was the fifth of the new series
of U. S. atmospheric nuclear
tests.

The announcement said the
warhead was set off at about
7:45 p.m. EDT. The size of the
detonation was not given.

Today's shot was the first
missile-carried nuclear explo-
sion to be conducted by the
United States.

It has been reported previ-
ously that the Polaris warhead
has a destructive force equal
to 500,000 tons of TNT.

The missile in its current
version has a range of 1,200
miles.



Associated Press

Here is the "Puffin," the plane that flew more than a half-mile in England recently. John C. Wimpenny designed, piloted and POWERED this revolutionary aircraft. His pedaling operates a pusher propeller, at rear, and the 110-pound craft flies like a bird.

Billie Sol

(Continued from page one)

Estes the week of January 14 and stayed at the Sheraton Park Hotel, all at Estes' expense.

The Pecos official declared there was nothing wrong with any of his activities in connection with Estes, the West Texas wheeler-dealer from Pecos whose indictment a month ago on fraud and forgery charges has caused a national political scandal.

During a three-hour interview in Pecos, Mr. Mattox insisted his session with officials in Washington was "solely to clarify to the Department what we had had done between the county committee and the state" in approving the transfer of cotton allotments from Georgia, Oklahoma, and East Texas to the Pecos area in West Texas.

The Department of Agriculture has investigated, he continued, and has given him and his county committee a "clean bill of health."

As a guest in Washington of the wealthy, open-handed Billie Sol Estes, Mr. Mattox said he rubbed shoulders and swapped toasts with important Democrats at several dinner parties and social functions.

He was in the Estes party at the Kennedy administration's first anniversary celebration on Jan. 20, a Democratic fund-raising dinner for which Estes brought between \$3,000 and \$8,000 worth of tickets.

Mr. Mattox said he also attended a private dinner at the Sheraton Park on Jan. 18 where Billie Sol and Mrs. Estes entertained their special Washington friends.

Mr. Mattox did not elaborate on the week's entertainment, but an account in the Pecos Daily News, a newspaper owned by Estes, noted that the wind-up affair was at Vice-President Johnson's home.

Mrs. A. B. Foster, whose husband is office manager of the Billie Sol enterprises in Pecos, said in an interview for the hometown paper:

"Completing the round of entertainment was a tea Sunday afternoon in the Johnson home, a three-story house for-

been obligated to verify the truth of cotton allotment transfer affidavits and forms by which Estes' 1960 allotment of 2444.7 acres soared spectacularly in 1961, to 5823.4 acres. This involves more than a million dollars in potential income for Estes.

Mr. Mattox admitted he and others in Pecos were suspicious of the Estes' operations but felt the Stabilization Committee could "not be judge and jury." That responsibility rested in Washington, he said.

The interview was requested by Mr. Mattox to "straighten out" an assertion by Attorney Wilson last week that Vice-President Johnson's office had gotten Mr. Mattox appointed to a job at the state

level on Estes' recommendation.

Mr. Mattox said he was elected to the three-man county committee, and charged that Mr. Wilson had used him as a "whipping boy" in an unsuccessful campaign to get the Democratic nod to run for governor.

Mr. Mattox said Estes' recommendation to Vice-President Johnson was one of several, none of which Mr. Mattox sought. The job—membership on the Texas state stabilization committee—went to someone else, and Mr. Mattox stated he agreed "with the Vice-President's action and remains one of Johnson's staunch supporters and admirers."

19 Nations Invite Ships at '64 Fair

By Robert S. Burns
Gov. Rockefeller has invited 19 nations to participate in a sailing ship regatta in the Port of New York in the summer of 1964 as one of the many attractions for visitors to the World's Fair, it was announced yesterday.

One of the ships Mr. Rockefeller hopes to attract to the first rendezvous of tall ships in American waters in modern times is scheduled to sail up the Narrows this morning. She is the three-masted, square-rigged West German Navy training ship Gorch Fock.

The Gorch Fock arrived here Friday afternoon on a goodwill visit to the port. She was anchored in Gravesend Bay over the week end. Capt. Wolfgang Ehrhardt, her master, said he hoped to make part of the trip to Pier 86, Hudson River and W. 46th St., under sail. He will sail for Kiel on May 14.

Com. John S. Baylis, USCG (retired), chairman of the committee for "Operation Sail, 1964," and the countries in-

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"Alt being of this ment i eration that t sail m seames world honor of sail to prom will."

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Invit

ALL WET

Never — with your jaunty Bond raincoat on deck. Big choice. Small prices. All typically Bond at 15 convenient Metropolitan Bond stores.



ALL TWA flights

bill of health." As a guest in Washington of the wealthy, open-handed Billie Sol Estes, Mr. Mattox said he rubbed shoulders and swapped toasts with important Democrats at several dinner parties and social functions.

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Mrs. A. B. Foster, whose husband is office manager of the Billie Sol enterprises in Pecos, said in an interview for the hometown paper:

"Completing the round of entertainment was a tea Sunday afternoon in the Johnson home, a three-story house formerly belonging to Perle Mesta. Present at the tea were about 40 persons in addition to our group of ten."

She said the Vice-President wore "sports clothes and a yellow scarf around his neck" and the Johnsons personally showed their fellow-Texans around the house.

Mr. Mattox in an interview here Friday said the Washington trip was the only one he had ever taken with Estes.

"I want to get disconnected from Estes," he said. "I have never been close to him at all, although personally I like him."

Furthermore, the Pecos official said he and his county agricultural committee had not



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A 5-Year Plan For Part-Time Adult Students

A new program for adults who want a non-specialized graduate education will be offered at the Johns Hopkins University of Baltimore under a \$47,600 grant from the Carengie Corp. of New York.

The foundation announced yesterday that the university would offer nine one-year seminars in the humanities, social science and natural sciences. Those who complete the program within five years will receive a Master of Liberal Arts degree.

In other grants yesterday, the foundation sought to expand the teaching of Chinese in the United States. One, for \$31,150, went to Seton Hall University to assist 15 elementary schools in the New York-New Jersey area in Chinese courses. San Francisco State College received \$125,000 for a similar project in San Francisco high schools.

The foundation also announced grants of \$57,000 to Columbia University for a study of the development of democracy by Charles Frankel, professor of philosophy; \$35,000 to the American Universities Field Staff for preparation of a book on the role of education in the development of Latin America, and \$75,000 to the American Academy of Arts and Sciences to expand knowledge of European developments in the United States.

GENERAL

COPY

April 27, 1954

Dear Friend:

Your note of April 21st gives me great strength and courage.

I am happy, of course, to be assured of your support in my campaign for re-election.

I know you will help in every way possible. I am grateful.

Kindest regards.

Yours sincerely,

Lyndon B. Johnson

Mr. Billie Sol Estes
1514 Country Club Dr

Beaumont, Texas

lbjpbm-yb

Re-election File

• STATE •
COMMITTEE CHAIRMEN

AGRICULTURE

BILLY SOL ESTES
1514 Country Club Drive, Pecos

AMERICANISM

JERRY SANDERS
Box 474, Levelland

AWARDS

JACK RYND
1604 Hawthorne, Houston

CHRISTMAS ACTIVITIES

DOUG GUTHRIE
3511 Bosque Blvd., Waco

CIVIC IMPROVEMENT AND
FIRE PREVENTION

JAMES A. SCOTT
2418 Jomar, San Angelo

EXTENSION

KNOX T. BEAVERS
211 Gresham, Baytown

FINE ARTS

DAVE HARGIS
2207 Norwood Drive, Orange

INTERNATIONAL RELATIONS

SIDNEY LEE
2500 South Erway, Dallas

INTER-CLUB RELATIONS

DICK DALTON
2670 Burton, Fort Worth

LEADERSHIP TRAINING

CHARLES K. ALEXANDER
2401 Guadalupe, San Angelo

MEMBERSHIP & PERSONNEL

JAMES H. HOWARD
511 East Lamar, Palestine

NATIONAL SECURITY

ROBERT D. COLLINS
400 East 2nd, Austin

PROFIT MAKING

TOM INASINETTE
Box 941, Harlingen

PUBLIC AFFAIRS AND
LEGISLATION

R. J. "Skeet" WALTON
Baker Hotel, Mineral Wells

PUBLICATIONS

BILL SUDA
3701 Buffalo Drive, Houston

PUBLIC RELATIONS

CLIFF HORTON
Box 9417, Fort Worth

PUBLIC HEALTH

ROBERT L. HUNT
531 Sunnyside Drive, Tyler

RELIGIOUS ACTIVITIES

TOM DYE
123 Commerce Street, Dallas

SAFETY

CHARLES REHN
Box 3088, Austin

SPORTS

EVERETT BAKER
3309 Robertson, Houston

TRADE PROMOTION

BUDDY GRAY
1602 9th Street, Ballinger

YOUTH ACTIVITIES

ARNOLD BARNES
504-10 Interurban Bldg., Dallas

TEXAS JUNIOR CHAMBER OF COMMERCE

OFFICE OF THE STATE COMMITTEE CHAIRMAN

RECEIVED
APR 20 1954

April 21, 1954

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

Dear Mr. Johnson,

I think you have done a good job for Texas and our country and I am going to support you 100% for reelection. If I can be of any service to you in any way, please let me know.

Yours very truly,

Billie Sol Estes

"TEXAS JAYCEES GET THE JOB DONE"

COPY

October 20, 1956

Dear Billy Sol and Mrs. Estes:

From a heart filled with gratitude I want to thank you for your support of the dinner at Abilene the other night. You not only helped the Democratic Party, but your act was the symbol of your loyalty and devotion to a cause so very important to our people.

It was a great pleasure to be in Abilene, and I will always be grateful to you for the help you gave our Party at such an important time.

Sincerely,

Lyndon B. Johnson

Mr. and Mrs. Billy Sol Estes
Pecos, Texas

GER:mj

MIDWEST GRAIN SHIPPED BY U. S. TO ESTES' BINS

Granaries Looted for Texan, Dirksen Says

BY WILLARD EDWARDS
(Chicago Tribune Press Service)

Washington, May 8—Midwest granaries were looted by the government to send millions of bushels of grain to the Texas storehouses of Billie Sol Estes, Sen. Dirksen (R., Ill.) reported today.

As a result, grain was being shipped to Texas from as far away as Kansas, Dirksen said, leaving midwest granaries depleted to 25 per cent of capacity or lower. Because of overhead costs, including insurance, a granary operator begins losing money when capacity sinks below 25 per cent.

Estes, the west Texas land, grain, cotton, and fertilizer dealer who has been indicted for fraud, had 6,300,000 bushels in government grains in storage in July, 1959.

Reaches 54,000,000 Bu.

Dirksen's report said this increased to 16,900,000 bushels in 1960, to 34,300,000 in 1961, and reached 54,000,000 bushels on April 3, 1962.

The total capacity of the United Elevator company controlled by Estes was 54,000,000 bushels. He had another 33,000,000 bushel capacity in additional granaries.

Secretary of Agriculture Orville L. Freeman said yesterday there was no evidence that Estes had received special favors from his department.

Dirksen reported to a meeting of Senate Republicans who are demanding a full scale investigation of the Estes scandal. The figures on grain shortage shed interesting light, he remarked, on whether "favoritism" was shown to Estes.

The government pays for storage of surplus crops piled up under farm programs. Complaints have been received from granary operators in Illinois and other midwestern states, Dirksen said, that they are suffering losses because of elevators depleted by shipments to Texas.

Press for Investigation

In both House and Senate, demands were heard again today for a congressional investigation of the agriculture department practices. Dirksen said he hoped a preliminary study being conducted by the investigating committee of Sen. John L. McClellan (D., Ark.) would develop into a full-fledged inquiry.

McClellan said he hoped to announce in another week what course his committee will pursue. He has a staff of investigators in Texas.

Former President Eisenhower, who is coming to Washington, Thursday to hold a press conference after meeting with

Stone Watchman



Imprisoned by cage-like fence, massive pre-Inca stone figure keeps vigil near Tihuanaca in Bolivia. (UPI Photo)

INDONESIANS TO GET MORE RUSSIAN ARMS

MOSCOW, May 8—The Soviet Union today agreed to give Indonesia more arms to fight the Dutch in West New Guinea and reasserted its sympathy with the Indonesian campaign to add the territory to its sprawling islands.

Soviet policy was outlined by Alexei Kosygin, a first deputy premier, in a brief speech at a reception for a group of Indonesian visitors. The agreement on arms was confirmed in a speech by Foreign Minister Subandrio of Indonesia.

(In Canberra, where he is attending a meeting of members of the Australian-New Zealand-

United States pact, Secretary of State Dean Rusk expressed concern at the soviet buildup of arms in Indonesia. He said the United States wants the dispute settled peaceably.)

Won't Say How Much

Neither Kosygin nor Indonesian officials would indicate how much aid is being given or what types of arms are being supplied.

There was speculation that some sort of seat craft will be included by the Russians to move invasion forces to New Guinea.

Ganis Hrisono, Indonesian spokesman, when asked if the equipment would include rockets, said "we already have rockets." He said these were in earlier shipments. He said no Russian military mission would accompany the weapons.

There were indications from western sources that the Indonesians were a little disappointed at the amount of the

material, but none into the open.

Nikita There

Premier Nikita spent nearly two the delegation, as said the talk was

At the reception attended by a la diplomats and so Kosygin said:

"Indonesia has to find means to get but Holland answer objections and prove clear to all that it are directed by it reasserting southeast Asia. To use New Guinea board against Indonesia a base of aggression

Downstate M

Princeton, Ill., 2 Henry Jettindonk, Carmel, Ill., was truck-car collision way 41 three miles here today.



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Former President Eisenhower, who is coming to Washington, Thursday to hold a press conference after meeting with Republican leaders, will undoubtedly be asked to comment on the agriculture department disclosures, Dirksen said.

Ike is also expected to discuss spending, inflation, and foreign affairs, Dirksen said.

EX-ATTORNEY GETS 90 DAYS IN TAX FRAUD

William K. Bertling, former attorney who had offices at 111 W. Washington st., was sentenced to 90 days in the county jail yesterday by Judge Thaddeus V. Adesko in County court for defrauding the state of inheritance taxes.

The sentence is to be served concurrently with a 90 day contempt sentence imposed April 16 by Judge Robert J. Dunne of Probate court in connection with another estate matter.

The sentence yesterday involved the estate of Edward R. McCaffrey, roofing contractor who died Aug. 17, 1955, at age 77. In the tax return, Bertling listed McCaffrey's wife as his widow, thus reducing the amount of tax claimed due. It was alleged Bertling pocketed the improper savings.

THREE BOATS IN AUCTION BY POLICE TODAY

Three dinghys will be among the stolen and unclaimed articles auctioned at 11 a. m. today by the Chicago police department at 321 W. Lake st.

Besides the dinghys, the sale will include air conditioners, power lawn mowers, table model radios, cameras, television sets, golf clubs, hand and power tools, records and record players, jewelry, luggage, statues, and clothing.

Money from the sale will be donated to the Patrolman's Annuity and Pension fund. Items are sold in the condition they are in for cash or certified check.

Do FALSE TEETH Rock, Slide or Slip?

FASTTEETH, an improved powder to be sprinkled on upper or lower plates, holds false teeth more firmly in place. Do not slide, slip or rock. No gummy, gooey, pasty taste or feeling. FASTTEETH is alkaline (non-acid). Does not sour Cheeks "plate odor breath". Get FASTTEETH at drug counters everywhere.



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MIDWEST GRAIN SHIPPED BY U.S. TO ESTES' BINS

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Transferred from Agriculture On

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material, but none of this came into the open.

Nikita There 2 Hours

Premier Nikita Khrushchev spent nearly two hours with the delegation, and Subandrio said the talk was satisfactory.

At the reception, which was attended by a large body of diplomats and Soviet officers, Kosygin said:

"Indonesia has tried by peaceful means to get a settlement, but Holland answered with rejections and provocations. It is clear to all that the measures are directed by the Dutch to reasserting colonialism in southeast Asia. They want to use New Guinea as a springboard against Indonesia and as a base of aggressive blocs."

Downstate Man Dies

Princeton, Ill., May 8 (UPI)—Henry Juttindonk, 60, Mount Carmel, Ill., was killed in a truck-car collision on U.S. highway 41 three miles north of here today.

U. of C. Pharmacology Unit Passes Milestone

The department of pharmacology of the University of Chicago will celebrate granting of its 100th advanced degree at a luncheon Monday in the Quadrangle club, 1155 E. 57th st. The recipient, Dr. John E. Kasik, 35, of 5555 S. Kenwood av., formerly will receive his doctorate at a convocation in June.

Café de Paris

French cuisine.
Famous for Duckling
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Now you can try home linen service for one week, free of cost or obligation.

Here is a laundry service that furnishes you the linen. You buy anything. Linens-of-the-Week supplies you with percale sheets, pillowcases, towels, washcloths, etc. All you pay is the weekly service charge.

Look what you get! Fresh linen each week—top quality beautifully laundered. You pay one charge—the service charge. This includes the cost of supplying and laundering the linen.

And the total cost is 30% less than laundry rates! So you can lose. You get the linen and the cost is less than if you sent your laundry to the laundry.

With Linens-of-the-Week supplying the linen, a family of four can have complete linen service (even percale) for just \$1.55 weekly. 15 pieces in all, including sheets, pillowcases, bath towels, hand towels and washcloths.

Call Dickens 2-3700 and find out how you can arrange for this sensational new service, and for our free trial offer.

You'll laugh at the poems and gags . . . you'll be entertained by the epigrams and philosophy found in "A Line o' Type o' Two" every weekday exclusively in the Chicago Tribune. Be sure to read it.

Fair Enough

By WESTBROOK PEGLER



ODESSA — A Democratic Teapot Dome is bubbling with the deep ominous rumble of a volcano in the western plains of Vice President Lyndon Johnson's domain. Will Wilson, the Texas Attorney General, has ventured an opinion that when the full effect of the financial fantasies of Billie Sol Estes has been felt, the whole economy of the West Texas realm of cotton, grain and Federal farm subsidies will be shaken. However, Mr. Wilson is campaigning for the Democratic nomination for governor and it may be that his judgment is affected by his immediate political aspiration.

Billy Sol Estes is a native of these plains who operated out of Pecos, a useful but small town of 11,000. He is 37, wears dark-rimmed spectacles which impart owl-like solemnity to a naturally grave countenance, and is noted for his religious activity as a lay preacher. He has never taken a drink but he has taken many chumps. He was until recently regarded as a familiar and trusted henchman of Lyndon Johnson, and that was not mere name-dropping either, because there is factual evidence to prove their intimacy. Moreover, Estes could not resist the temptation to start a daily newspaper in Pecos and on that great occasion the paper published on page one a facsimile of a telegram from "The White House," Washington, signed "John F. Kennedy." This telegram was addressed to Preston A. Hawks, the publisher of Billie Sol's paper, which is called the Pecos Daily News. It read as follows:

"De Wa316 Government D—The White House, Washington, D. C., Dec. 26, 5:45 P. Preston A. Hawks, publisher the Pecos Daily News, Pecos, Tex.

"Congressman Rutherford has told me that the first edition of the Pecos Daily News will be published on August first. I am sure that your newspaper will play a constructive role in serving the public in Reeves County and in all Southwestern Texas. I want to take this opportunity to congratulate you and wish you all success in this new venture. John F. Kennedy."

Lyndon Johnson sent a similar message, "government paid," in his official capacity, signed with his title "Vice President of the United States." It was addressed to Preston Hawks and it said:

"Congratulations on the birth of the Pecos Daily News. May it always speak fearlessly for the people it serves and inspire new respect for the freedom and power of the press. By using that freedom with courage and wielding that power with responsibility the Pecos Daily News can open a new, important chapter of growth and achievement for this vast and important region of the Lone Star

State, unafraid to dream of horizons unlimited and unafraid to fight for the progress that will make these dreams come true. Lyndon B. Johnson, Vice President of the United States."

There were similar telegrams, though not as flowery as Johnson's from Ralph Yerborough, a hearty "liberal" of the Roosevelt-Truman-Kennedy doctrine, now the senior Texas Senator, and a letter from J. T. Rutherford, known by the nicknames of "Slick," the Congressman for the district in which Estes lives and has his business headquarters in a building built for that purpose. However, Estes' financial promotions extend to many other Texas counties and other states and he has conducted political activities in Washington. He bought two tables at \$1,000 each for each of two Democratic party ceremonies, the first anniversary dinner of Kennedy's Presidency and another dinner to raise money to lift the mortgage on the party which remained after the 1960 campaign. That made \$4,000 for the dream of horizons unlimited on those occasions alone.

Congressman Rutherford is now barnstorming the district in the style sometimes called "whirlwind," emitting oratory, pointing with pride and condemning with scorn. If he is embarrassed by his old friend's untimely arrest by the FBI under an indictment charging him with interstate transportation of fraudulent securities, he has given no sign. His telegram, celebrating the creation of this glorious palladium of the people's liberties was addressed to Mr. Hawks, the publisher. It read as follows:

"I think you and my friend, Billy Sol Estes, have gathered together one of the finest newspaper staffs I have ever seen under one roof. The press has a Billie function to perform for our security and I have always believed in impartial reporting of the news so the people may have the facts and I consider this to be one of the most important functions of the publishing industry."

By some malfunction, not one word was published in the News impartially reporting Estes' paraphrase of the Mississippi Bubble and the Ponzi case until the facts had been exploded by Oscar Griffin, 28, the editor of the semi-weekly Independent and Enterprise, which is published two doors away from the News. This paper was founded in 1887 and its files go back to 1911. It is "conservative." Its owners are a physician, a dentist and an accountant. Estes calls them "Birchites," but they all deny that they belong to the John Birch Society, which is very strong in Texas, however.

XEROX FROM QUICK COPY

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DOMESTIC SERVICE	
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DAY LETTER	
NIGHT LETTER	

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\$
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WESTERN UNION TELEGRAM

1211 (4-55)

W. P. 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	

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			U. S. SENATE	

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

PUBLIC ACTIVITIES
GREETINGS

OFFICIAL BUSINESS
NIGHT LETTER - Cheapest Rate
JULY 25, 1961

Mr. Preston A. Hawks, Publisher
The Pecos Daily News
Pecos, Texas

CONGRATULATIONS ON THE BIRTH OF THE PECOS DAILY NEWS.
MAY IT ALWAYS SPEAK FEARLESSLY FOR THE PEOPLE IT SERVES
AND INSPIRE NEW RESPECT FOR THE FREEDOM AND POWER OF
THE PRESS. BY USING THAT FREEDOM WITH COURAGE AND WIELDING
THAT POWER WITH RESPONSIBILITY, THE PECOS NEWS CAN OPEN
A NEW CHAPTER OF GROWTH AND ACHIEVEMENT FOR THIS VAST
AND IMPORTANT REGION OF THE LONE STAR STATE, UNAFRAID
TO DREAM OF HORIZONS UNLIMITED AND UNAFRAID TO FIGHT FOR
THE PROGRESS THAT WILL MAKE THOSE DREAMS COME TRUE.

LYNDON B. JOHNSON
Vice President of the United States

LBJ-RFS-Bn

J. T. RUTHERFORD
CONGRESSMAN
16TH DISTRICT, TEXAS

ADDRESS
ROOM 1315
HOUSE OFFICE BUILDING
WASHINGTON 25, D.C.

Congress of the United States

House of Representatives

Washington, D. C.

July 20, 1961

Carter

*-cc'd to Rutherford 7/21
OK ✓*

The Vice President of
The United States,
U. S. Senate Office Bldg.,
Washington 25, D. C.

Dear Lyndon:

The first edition of the Pecos Daily News, a regional newspaper, will be issued on July 30. I have been advised that its President, Mr. Billy Sol Estes and its publisher, Mr. Preston A. Hawks, would be highly honored to receive a telegram from you which might be reproduced in its first edition. Such a communication may be addressed as follows:

Mr. Preston A. Hawks, Publisher
The Pecos Daily News
Pecos, Texas

Your cooperation in this matter will be greatly appreciated.

Sincerely,

J. T. Rutherford

a Pro-Demo. Paper too!

S.L.G.



The Vice President of
the United States,
U. S. Capitol Building,
Washington 25, D. C.

Your London:

The first edition of the Peace Daily News, a
regional newspaper, will be issued on July 30. I have
been advised that the President, Mr. Billy Cox, and
and the publisher, Mr. Preston A. Baker, would be likely
to receive a telegram from you which might be
reprinted in the first edition. Such a communication
may be addressed as follows:

Mr. Preston A. Baker, Publisher
The Peace Daily News
P.O. Box 1000
London, England

Your cooperation in this matter will be greatly
appreciated.

7-1-69

A 920-22 mo. 949 mo. 200!
21.6

Gift to

GENERAL

August 19, 1958

Dear Friend:

Thanks so much for sending me the delicious Pecos Cantaloupes. They arrived today and I am really looking forward to having some for breakfast tomorrow.

Trying to keep my weight down always presents a problem, but cantaloupes are high on the recommended list, so I am doubly grateful.

It means a lot to me to know that you were thoughtful enough to send this gift to me and I will always appreciate your kindness.

With regards and best wishes, I am

Sincerely,

Lyndon B. Johnson

Mr. Billie Sol Estes
Box 1052
Pecos, Texas

EROX FROM QUICK COPY

LEJ:AT

gifts

September 3, 1959

Dear Friend:

If you know 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 B. Johnson

Mr. Billy Sol Estes
Pecos, Texas

LEJ:MMW

EROX FROM QUICK COPY

OFFICE OF THE VICE PRESIDENT
WASHINGTON

Edwin Fisher

Walter,

The attached is per your
request at the staff meeting
for information about the
Reeves County man at the
1956 and 1960 conventions.

CCC

5.11.62.

For the State Democratic Convention held in Fort Worth, Texas, September, 1956, he was an alternate in the Reeves County Delegation.

Reeves County voted with Jim Sewell at that Convention in opposition to the Johnson-Daniel motion regarding the seating of the El Paso County Delegation.

At the State Democratic Convention in Austin, Texas in June, 1960, he was a Delegate from Reeves County. Reeves County voted against the Alex Dickie motion.

Although he was an Alternate Delegate and a Delegate, as listed above, there are no records to show whether or not he actually attended these conventions.

An item of interest is reflected in the fact that that he headed the list of inaugural invitations as submitted by Senator Yarborough.

M. Hughes

SEPTEMBER 20, 1962

To: The Secretary

From: General Counsel

Subject: Billie Sol Estes - Jaffe proposal to purchase assets
of bankrupt's estate from Trustee

On August 22 and August 31, 1962, we summarized an agreement between the Trustee in Bankruptcy of Billie Sol Estes and Mr. Morris Jaffe for the sale of most of the Estes assets to the American Grain Corporation, as well as a proposed stipulation which contained a compromise agreement between Commercial Solvents Corporation and the Trustee for settlement of the claim of Commercial Solvents. We had understood at the time we received these documents that they had been agreed to by the parties and would be filed with the court in substantially the same form as they had been submitted to us.

On September 14, 1962, the Department of Justice advised us that the documents actually filed in the bankruptcy proceedings differed materially from those which had been previously presented to the Government. Major changes had been made in the stipulation between Commercial Solvents and the Trustee. Modifications were also apparent in the agreement for the sale of the Estes assets.

Even now we do not have the Exhibits which are referred to in the stipulation although a number of them can be identified from the description contained therein.

The principal changes over those previously discussed are the following:

1. In the proposal which had been applied to us earlier it appeared that the assignment of Uniform Grain Storage Agreement earnings held by Commercial Solvents was to be transferred to the Trustee with other liens and encumbrances held by Commercial Solvents. In return Commercial Solvents' claim was to be allowed by the Trustee in the amount of \$3.7 million as an unsecured claim against the Estes estate. The stipulation as filed, however, provides that Commercial Solvents will

retain the assignment of the Uniform Grain Storage Agreement earnings and that Solvents shall take all action, including legal action as Solvents and Trustee may deem appropriate, to "recover the greatest sum reasonably possible" under the assignment. Any such amount as may be recovered by Commercial Solvents, however, will be paid to the Trustee for disbursement by the Trustee to Solvents and other creditors as provided in the stipulation and as more fully discussed below.

In lieu of the liens, assignments, security instruments, etc. (other than the assignment of Uniform Grain Storage Agreement earnings) which the stipulation requires Solvents to transfer to the Trustee, Solvents is given a continuing general lien for about \$5.7 million on the proceeds of sale of those assets which Jaffe is obligated to dispose of under the terms of his purchase contract with the Trustee and upon all other funds and property excluded from the sale of Estes' assets to the American Grain Corporation and upon such other property as may be acquired by the Trustee after the stipulation is entered into.

2. Under the stipulation which we received from the Trustee for preliminary review, Solvents would not be entitled to share in any funds realized by the Trustee after it received the full amount of its unsecured claim, as compromised, in the amount of \$3.7 million. In the revised stipulation, Solvents' claim, represented to be \$5.7 million, is not reduced. However, as a practical matter, it appears unlikely that there will be sufficient assets for Solvents to realize substantially more than the \$3.7 million provided for in the stipulation which we first received.

All moneys received by the Trustee from Jaffe and all moneys paid by Commodity Credit Corporation to Solvents under the assignment (except for certain deductions provided for in paragraph 2 of Exhibit C of which no copy has been supplied) are to be distributed by the Trustee, one-third to Solvents and two-thirds to unsecured creditors until the Trustee has paid the lesser of either the full amount of allowed claims or \$5 million to unsecured creditors. Payment of the balance of such funds shall then be made only to Solvents until Solvents has received \$3.7 million. Thereafter, any remaining collections, which are unlikely to be in any substantial amount,

shall be distributed one-third to Solvents and two-thirds to unsecured creditors until Solvents has been paid \$5.7 million.

An alternative formula for distribution is contained in the revised stipulation which would apply only if there are priority claims (such as allowed claims of the Government not collected by setoff) which cannot be satisfied from those assets which are being retained by the Trustee and, therefore, must be paid from proceeds which would otherwise be distributed to Solvents and unsecured creditors. Under this alternative formula, Solvents, in the initial stages of distribution, would receive a greater share of the proceeds remaining after payment of such priority claims than under the general formula. In later stages of distribution, the share to be paid to unsecured creditors would increase so that, if sufficient funds are available, the ultimate result under the alternative formula would be substantially the same as under the general formula.

The revised stipulation also gives Solvents the right, with the Trustee, to approve or disapprove sales of any "substantial" assets which Jaffe may make under his agreement with the Trustee.

At the present time the hearing on the Trustee's petition is scheduled for September 19, 1962. We have requested the Department of Justice to arrange with the Assistant United States Attorney at El Paso to obtain more time from the Court for consideration of the revised stipulation and sales contract. If the Court refuses to grant the Government more time to review these proposals, we have suggested to the Department of Justice that the United States Attorney object to them for the record in order to preserve such rights as the Government may have to appeal from any orders which the Court may make if it is concluded, after analysis, that an appeal is warranted.

In the final analysis, the stipulation between the Trustee and Commercial Solvents and the Jaffe sales agreement do not affect the existing rights and obligations of Commodity Credit Corporation and the Department of Agriculture. The purchase price to be paid by Jaffe is a fixed amount and is not dependent upon any earnings which he may receive under the Uniform Grain Storage Agreement, if he is approved for such an Agreement. The amount of warehouse charges to be paid by Commodity Credit Corporation are governed by the terms of the Uniform Grain Storage Agreement, and whatever rights of setoff Commodity Credit Corporation now has for the

recovery of claims of the Government would not be impaired by the stipulation or by the sales agreement. Moreover, any amounts payable by Commodity Credit Corporation which might be applied directly to claims of creditors of Estes would cease to accrue on the date that Jaffe assumed operation of the warehouses under a Uniform Grain Storage Agreement and would thereafter be payable to Jaffe as the new operator of the facilities. The matters of whether Jaffe should be approved for a Uniform Grain Storage Agreement and, if so, whether the present accelerated loadout of the warehouse facilities should be continued under Jaffe's operation are to be determined by the independent judgment of the Government. No commitment is expressed or implied as to what decision will be made by the Government in these respects.

JOHN C. BAGWELL

cc:

F.N. Curley, D/J, HOLC Bldg.
 Alfred Herbelin, R/A, Temple
 C.H. Moseley, Dir., Dallas ASCS Commodity Office
 Dept. of Justice (2)
 Thomas R. Hughes ✓
 John P. Duncan
 Fiscal Division, ASCS
 General Counsel (3)
 Roland Bellou, ASCS
 E. A. Jaenke, ASCS
 Mr. Pickard

JAHarris:lmb 9-19-62

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

United States Senate

MEMORANDUM

3/22

Walter -

attached is
our ASC list &
the 5 ths from
Congressmen supporting
it.

Cliff
77

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 endorsement and to inform you that it is being referred to the Department of Agriculture.

Sincerely,

Laurance F. O'Brien
Special Assistant
to the President

Mr. Billie Sol Estes
Box 1052
Pecos, Texas

AGRICULTURE DEPT.

ack
tr
BILLIE SOL ESTES ENTERPRISES

BOX 1052
PECOS, TEXAS

December 12, 1960

255
SW Area

Received by Director, Southwest Area Comm. Stabilization Serv.
MAY 4 1961
<i>Electricity</i>

2A
Agriculture

Mr. Cliff Carter
207 U. S. Court House
Austin, Texas

Dear Mr. Carter:

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. *re*

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

Respectfully referred
for consideration.

Larry Haines
Special Assistant
to the President

-cc akl 12/27

*No reply received
John H. B.*

Bill Mattox 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 Mattox 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:

XEROX FROM QUICK COPY

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.

CONFIRMATIONS

A.S.C.

TEXAS STATE A S C COMMITTEE

James E. Goad

Rosebud, Texas - cotton - *Pouque*

Frank Moore

(Geo Mahon) Plainview, Texas - grain, grain sorghum, wheat

Weber Pool

(Geo H. Young) Sinton, Texas - grain, grain sorghum, farmer

John Gayle, Jr.

(Thompson) West Columbia, Texas - rice grower

R. T. Price

(Lange) 704 Inwood, Bryan, Texas - farmer, rancher

*sent to Montes 3/17/61
ccc*

*- ccc thd to Mike M - 3/17
+ sent to Mike by messenger.*

COBY

Texas State HSC Committee

7

Lester Cranek ✓	Garwood, Texas - Rice
J. Donald Wooten	Crosbyton, Texas - Cotton + wheat man
William P. Mattox ✓	Pecos, Texas - Cotton
✓** - James E. Goad	Rosebud, Texas - Long Boyce's man - cotton
Curtis L. Edwards ?	Panhandle, Texas, wheat

C. H. DeVaney ✓	Coahoma, Texas
R. W. Herrin ?	Haskell, Texas

✓** Frank Moore - Plainview, Texas - grain, grain sorghums, wheat

Dept of Agriculture

Commodity Stabilization Service

✓** - Webber Pool, Sinton - grain, grain sorghum, farmer

Cliff Carter

50 or under

- Fred Mercer, agent, ^{Buscob's} Sinton - Cotton + rancher
- Ross Parker, ^{Homer's} Hallsville - rancher + farmer
- Lins Reese, ^{Seco's} Pecos, Ft. Stockton - Cotton
- ✓** - John Gayle, Jr, Brazoria, West Columbia - rice grower
- Shelton Hoppard, ^{Leagan} Falls - Cotton, ranching
- Ellis Taylor, ^{Betham} - farmer, ranch
- ** - A. B. Richardson, Floresville - peanut, ranch
- ✓** - L. T. Price, 704 Inwood, Bryan - farmer, rancher

CLARK W. THOMPSON
9TH DISTRICT, TEXAS

MEMBER:
COMMITTEE ON AGRICULTURE

CHAIRMAN:
SUBCOMMITTEES ON
RICE
FAMILY FARMS

Carter

Congress of the United States
House of Representatives
Washington, D. C.

18 March 1961

The Honorable Lyndon B. Johnson,
The Vice President of the United States,
The Capitol,
Washington 25, D. C.

Dear Lyndon:

In response to your inquiry as to whether or not John Gayle of West Columbia would be an agreeable member of the State ASC Committee, I am glad to say that he would. I think it is essential that we have a member from the Rice Belt.

John is a rice farmer and cattle man. He knows not only his own line of farming, but also the problems of the other agricultural activities of the area.

To the best of my knowledge, he has always supported the Democratic ticket. He comes well recommended to me.

With kindest regards,

Sincerely yours,

Clark W. Thompson.

cwt/jtb

Congress of the United States
House of Representatives
Washington, D. C.

March 17, 1961

Dear Lyndon:

Mr. Weber Pool of Sinton, Texas, is being considered for appointment as a Member of the Texas Agricultural Stabilization Committee.

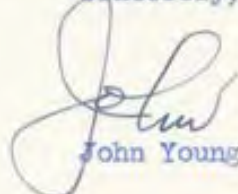
Mr. Pool is a constituent of mine, and is a lifelong Democrat who has worked tirelessly in the interests of the principles of the Democratic Party. Mr. Pool was very active in the last November election campaign and contributed substantially to the overwhelming victory which we were able to secure in my Congressional District. He is a person of good character and recognized ability in the field of Agriculture.

I believe his appointment to this post would be a great credit to you, to the Administration, and to the State of Texas.

It is with pleasure that I unreservedly recommend Mr. Weber Pool for appointment to the Texas Agricultural Stabilization Committee.

With warm personal regards, I am

Sincerely,



John Young

Honorable Lyndon Johnson
Vice President of the United States
Washington 25, D. C.

W. R. POAGE
CONGRESSMAN
11TH TEXAS DISTRICT

VICE-CHAIRMAN
COMMITTEE ON AGRICULTURE

Congress of the United States
House of Representatives
Washington, D.C.

March 18, 1961

FILE REFERENCE: ASC

STAFF
MR. LACEY C. SHARP
MISS RUTH O. LAIR
MRS. C. H. PATTIE
MRS. WELDA MAE NORRIS

TEXAS OFFICE
205 FEDERAL BUILDING
WACO
MRS. ERA O. STEWART

MAR 21 1961

The Honorable Lyndon B. Johnson
The Vice President
Washington 25, D. C.

Dear Lyndon:

While I talked to you some time ago about my friend, Jim Goad of Rosebud, Texas, it has occurred to me that you should have a letter on this matter. Those of us in Central Texas would like to see Jim on the State ASC Committee.

He is a good Democrat; he is a good farmer. We believe that he could very properly and very helpfully represent both the agriculture interests and the interests of the Democratic Party, if named. His appointment would be highly pleasing to me, and I feel sure to the Democrats of Central Texas.

Incidentally, he is originally from Bell County, although he now lives in Falls County, and he has Byron Skelton's endorsement.

With all good wishes, I am

Your friend,

Bob Poage
W. R. Poage, Congressman.

WRP:p

U.S. GOVERNMENT
PRINTING OFFICE
WASHINGTON, D.C. 20540

U.S. GOVERNMENT
PRINTING OFFICE
WASHINGTON, D.C. 20540

U.S. GOVERNMENT
PRINTING OFFICE
WASHINGTON, D.C. 20540

Department of the Interior
Bureau of Land Management
Washington, D.C.

March 21, 1961



The Honorable Lyndon B. Johnson
The Vice President
Washington 25, D.C.

Dear Mr. President:

While I talked to you some time ago, I am sure you are aware of the fact that I have been very busy with the many responsibilities of the Vice Presidency. I have been very busy with the many responsibilities of the Vice Presidency. I have been very busy with the many responsibilities of the Vice Presidency.

It is a great honor to be a part of the Johnson family. I am very proud to be a part of the Johnson family. I am very proud to be a part of the Johnson family. I am very proud to be a part of the Johnson family.

Very truly yours,
W. A. Rorer, Jr., Secretary

Very truly yours, I am

Very truly yours,

W. A. Rorer, Jr., Secretary

W. A. Rorer, Jr., Secretary

House of Representatives, U.S.
PUBLIC DOCUMENT
FREE

Dear Lyndon:

As you know, Frank Moore is a prominent and outstanding Democrat. He contributed tremendously of his time and energy in the campaign last year and through the years has been a Democratic leader in the State.

Sincerely,

George Mahon
George Mahon

Congress of the United States
House of Representatives
Washington, D. C.

March 18, 1961

Honorable Lyndon B. Johnson
The Vice President of the United States
The Capitol
Washington, D. C.

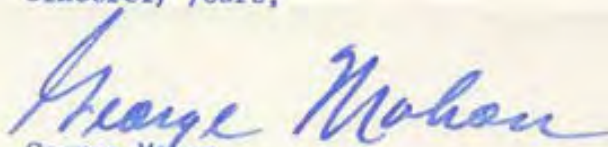
Dear Mr. Vice President:

As I understand it, Frank Moore of Plainview is being considered for membership on the State ASC Committee in Texas. Two months ago I wrote a letter to Secretary of Agriculture, Orville Freeman, strongly recommending Mr. Moore for this position. He is an outstanding farmer and farm leader and, in my opinion, is highly acceptable for this position.

As you will recall, I have talked with you about Frank Moore and this position upon several occasions.

Please let me know if I can be helpful in connection with this matter in any way.

Sincerely yours,


George Mahon

OLIN E. TEAGUE
SIXTH DISTRICT OF TEXAS

WASHINGTON ADDRESS:
SUITE 101, HOUSE OFFICE BLDG.

COUNTIES:
BRAZOS ELLIS
FREESTONE HILL
HOOD JOHNSON
LEON LIMESTONE
NAVARRO ROBERTSON
SOMERVELL

COMMITTEES:
VETERANS' AFFAIRS
SCIENCE AND ASTRONAUTICS

Congress of the United States
House of Representatives

Washington, D. C.

17 March 1961

Honorable Lyndon Johnson
Vice President of the United States
Washington, D.C.

Dear Mr. Vice President:

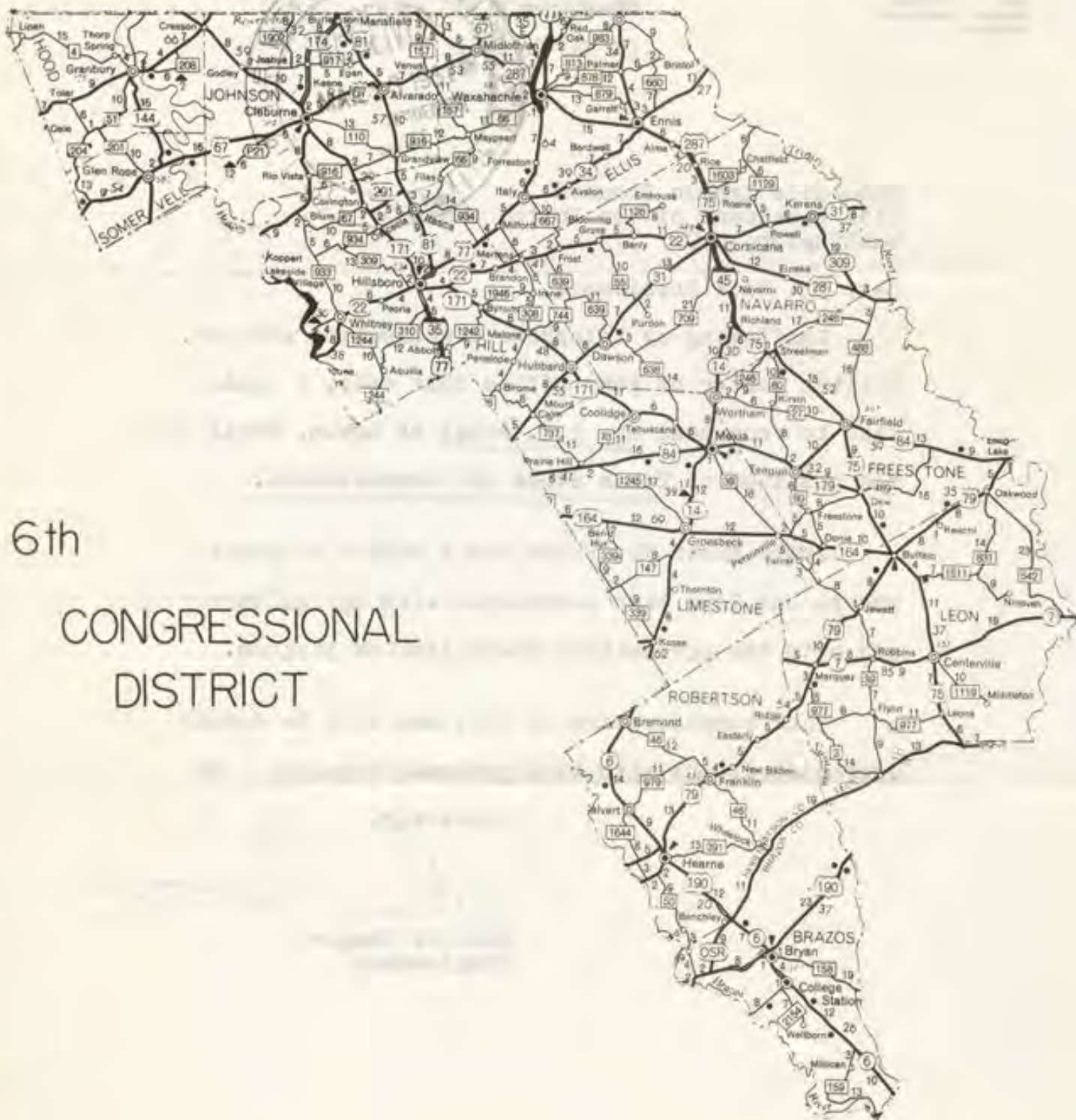
Confirming my telephone conversation with Mr.
Clifton Carter of your office this date, I would
like to recommend Mr. R.T. Price of Bryan, Texas for
the position of Texas State ASC Committeeman.

I have known Mr. Price for a number of years
and he has long been associated with agriculture
and with the Agriculture Stabilization program.

Your consideration of this man will be deeply
appreciated, and with kind personal regards, I am

Sincerely,


Olin E. Teague
Congressman



6th

CONGRESSIONAL
DISTRICT

CONFIRMATIONS

Mattox

COPY

December 29, 1960

Hon. Woodrow Bean
County Judge
County of El Paso
El Paso, Texas

Dear Woodrow:

I want to thank you for your good letters and their recommendations.

I do not know whether I will be consulted about appointments, but I do want Senator Kennedy and his people to have your recommendations. This, I am telling them of your suggestions. 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

COUNTY OF EL PASO

EL PASO, TEXAS

WOODROW BEAN
COUNTY JUDGE

December 19, 1960

Vice President Elect Lyndon B. Johnson
Senate Office Building
Washington, D.C.

Dear Lyndon:

I am taking this opportunity to recommend Bill Mattox as being exceptionally well qualified for the position of State A.S.C. Committeeman.

Mr. Mattox is one of the most prominent farmers in this entire area. He has always been a very active Democrat and has contributed greatly to the Democratic majorities in El Paso County, as well as in Reeves County where he now resides.

I am enclosing, for your information, a brief resume of his background, and I am sure that Mr. Mattox will give devoted loyal service if appointed to the State A.S.C. Committee. I have known Mr. Mattox for a good many years and I know from my own personal acquaintance that he will be able to do a real job for the people in this position.

With best wishes for a Happy Holiday Season,
I am

Sincerely yours,

Woodrow Bean

WOODROW BEAN, County Judge
El Paso County, Texas

WB:rg

Enclosures as stated.

Bill Mattox 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 Officers' 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 Mattox 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 Chapter of
Committee for three years;
Director of West Texas Chapter of Committee for five
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Southwest agricultural economy. He is qualified and deserving of the
office of being a member of the State A.S.C. Committee.

COUNTY OF EL PASO

EL PASO, TEXAS

WOODROW BEAN
COUNTY JUDGE

December 16, 1960

Vice President-Elect Lyndon B. Johnson
Senate Office Building
Washington, D.C.

Dear Lyndon:

Welcome W. Wilson, Regional Director
for the Office of Civil and Defense Mobilization,
with offices in Denton, Texas, has been highly
recommended by many of my friends here for appoint-
ment as National Director for Civil Defense.

I have had numerous contacts with Mr. Wilson
and have found him to be not only very interested in
the Civil Defense Program, but a very efficient and
dedicated man in his field. As I understand it, this
is a Presidential appointment, and I would certainly
appreciate your bringing this recommendation to the
attention of President-Elect Kennedy.

Anything that you may be able to do for
Mr. Wilson will certainly be appreciated by me.

With best wishes, I am

Sincerely yours,

Woodrow Bean
WOODROW BEAN

WB:rg

COUNTY OF EL PASO

EL PASO, TEXAS



WOODROW BEAN
COUNTY CLERK

Vice President-Elect Lyndon B. Johnson
Senate Office Building
Washington, D.C.

Dear Lyndon:

Welcome W. Wilson, Regional Director
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dedicated man in his field. As I understand it, this
is a Presidential appointment, and I would certainly
appreciate your bringing this recommendation to the
attention of President-Elect Kennedy.

Anything that you may be able to do for
Mr. Wilson will certainly be appreciated by me.

With best wishes, I am

Sincerely yours,

WOODROW BEAN

WBR

April 16, 1962

MEMORANDUM

To: The President
The White House

From: Orville L. Freeman
Secretary of Agriculture

Subject: Weekly Report

I. Legislation.

Again, thank you for your help in calling. Your contact with George Grant was most persuasive. He attempted to get released from a claimed commitment in South Carolina. It was our considered judgment that your call would be conclusive, but allegedly the man he hoped to reach couldn't be contacted. Grant has promised to try to get free during the Easter recess. It was a great disappointment that having lined up four of the Southern Democrats we couldn't get one of the remaining four so that the bill, which had been passed on favorably by the House Committee section by section, could be voted out in toto. Once it was clear that Grant would not vote, Cooley felt it too dangerous to try and continue holding Committee sessions prior to the recess in light of the resentment, irritation and high emotion in the Committee and hence recessed until following Easter.

At any time during the last week one man could have made the difference. Pat Abitt of Virginia misled us into thinking that once filings closed on Wednesday night with no opposition he would vote. I was in his office at 8:00 o'clock Thursday morning, but he refused to move. He is, of course, Harry Byrd's nephew. His position is generally anti-Administration, and when as a last resort I pushed him real hard, it came down to the race question and antagonism towards the Administration in some of his heavily colored districts.

In the Senate, Jim Eastland and Spencer Hollars combined with Bill Proxmire to finally vote out a rather freakish wheat proposal submitting to referendum choice the voluntary wheat program in effect this year or the certificate plan which we have recommended. The voluntary feed grain program in effect this year was extended. Here again there was a very close margin. Olin Johnston from South Carolina voted wrong in the morning -- we got him straightened out by afternoon, and then Milt Young, who had made a clear cut commitment to some co-op groups, changed his vote and went the other way. Proxmire has been consistently bad, disengaging to Wisconsin farmers at every opportunity. It is ironic that the final vote by Proxmire was cast through the medium of

an unlimited proxy and by none other than Jim Eastland. Jim Eastland is also responsible for Tom Abernethy's unwillingness to vote, having merely dropped the word a few places in Mississippi that our bill was such that they would be forced "to sleep with niggers and wouldn't be allowed to raise enough corn to feed a mule." The first refers to the land adjustment program with its recreation features and the second to the feed grain program despite the fact that anyone could produce up to 25 acres of his former base, and we even went so far as to accept production up to 10 acres by anyone. Eastland of course fronts for the Cotton Council and in this respect is carrying forward the general line of "no program" which reflects the domination of the Cotton Council by the Farm Bureau. Programs that can place the big cotton growers in a more advantageous position are of course different! It is ironic that these forces, the Farm Bureau and Cotton Council, are able to exert substantial pressure on Southern Dixiecrats with a sectional selfish appeal, while friends of the Administration from organizations reflecting the smaller farmers in the South fight hard for the program on an unselfish basis because of its national significance thinking in broad national rather than narrow sectional terms. It is the medium and small farm operators who vote democratic.

I have reviewed with Ellender the feasibility of spending the bill voted out of the Senate Committee on the Floor. Ellender is willing and anxious to lead the fight to restore the Administration bill on wheat and feed grains. We are now hard at work organizing support. We are also organizing nation-wide a strong drive including soil conservation and wildlife and general conservation groups, as well as farm groups, to contact every single Senator and Representative who returns to his home district during the Easter Recess. As soon as Congress convenes we expect to be prepared to move in both the House and Senate.

I am now having carefully staffed in terms of both economic, political and cost consequences four alternative lines of action that might be taken should we be unable to marshal the political support to get the farm bill through. I will want to review these alternatives with you this week so that I will have clear direction in the event that rapid adjustments must be made when the legislative issue is again joined. I would hope for the opportunity to spend at least a half hour on this with you sometime Thursday or Friday of this week.

II. Emergency Feed Grain Program.

There has been a great deal of speculation as to whether the emergency feed grain program paying farmers not to use their acres, but rather to set some aside for conservation purposes, has stimulated additional fertilizer use on remaining acres. We have recently completed a study on this which would suggest that the program did not have that effect. Instead the increased use of fertilizer in general was caused more by underlying forces rather

than by the feed grain program. Certain areas surveyed showed increased use of fertilizer where there had been a heavy feed grain sign-up. In others, the sign-up areas actually lagged behind. Also, the total use of plant nutrients for farmers who had signed up was less in 1961 than in 1960, while the opposite was true of the nonparticipating farmer.

III. Birmingham, Alabama.

This is to report that the County Commissioners at Birmingham tell us they have sufficient funds to finance food distribution through September, the end of their fiscal year. Therefore, the action of the City in withdrawing its support because of racial overtones during the political campaign will not cut off the program. If there are any further developments we will immediately inform you. In the meantime food commodities are available and they will continue to be distributed.

IV. Communist China and Wheat.

Enclosed is a memorandum forwarded to me by Willard Cochrane which was, as you will note, unsolicited but represents some viewpoints which might be of interest. If you wish me to comment in connection with this I'll be happy to do so. In the meantime, it is passed on to you for information purposes. Obviously many people involved in the producing, handling and selling of wheat urge that we should sell to Red China, at least so long as our allies are doing so. The political factors are of course another matter.

V. Billy Sol Estes.

Billy Sol Estes is a Texas promoter and financier who has been very aggressive in recent years and on occasion has been active in support of various candidates for public office, frequently Democrats. He has extensive agricultural holdings, including grain storage.

Billy Sol Estes has now been indicted for criminal fraud (nothing to do with the Department of Agriculture) in Texas and the present attorney general there, running for governor, has called public hearings and is presently, for all practical purposes, running against Estes. The Department has had dealings with Estes for many years and all of his dealings with the Department have come under very close scrutiny. So far we have audited his grain dealings and found all in good order.

For some six months now we have been investigating a very complicated matter involving the transfer of cotton allotments when the land on which allotments had been held has been condemned. Under such circumstances the prior owner can transfer the allotment out of the State. Prior to this Administration certain attorneys, some highly reputable, developed

a system whereby a number of cotton planters sought to transfer acreage through the medium of a lease and buy back arrangements which actually amounted to a subterfuge whereby an alleged land sale was made and in this fashion the allotment actually sold. This was done in a number of places and by a number of people, including Billy Sol Estes, contrary to the Department's instructions, but apparently on the advice of a commodity specialist in the Texas office, now dead, and, therefore unable to verify whether he issued such instructions.

In any event, in 1961 some acreage was planted under arrangements that were clearly a subterfuge. This we discovered in July and we have been carefully investigating the whole matter and have so far as 1962 acreage is concerned finally worked out a system whereby bona fide cotton farmers seeking to transfer their allotments according to law would be permitted to do so and protected in their rights if they actually did buy new land, but all subterfuges would be determined and transfer allotments denied in such cases.

This has been a complicated matter with a great deal of correspondence and some strong differences of opinion for some of the cases are marginal in nature. Now, of course, anything to do with Billy Sol Estes has become and will be front page news. Estes was appointed to our Department Cotton Advisory Committee (purely advisory) in July, 1961. Subsequent to this the fact that he held some cotton allotments that might have been improperly transferred came to light. We did not remove him from the Committee pending the completion of the investigation. He has now resigned.

Last week in Texas it was disclosed that Red Jacobs, one of our Deputy Administrators in the ASCS, had bought several \$245 suits in Texas while in the company of Billy Sol Estes. Red Jacobs assured me he paid for those suits himself, but we agreed it was advisable for him to resign and to appear as an individual in Texas to testify under oath and clarify this matter. Red Jacobs has resigned.

There also have been some indications that other Department employees at one time or another might have had some contacts, social or otherwise, with Billy Sol Estes and all of these reports are being carefully checked. I have always made it clear first as Governor of Minnesota and then as Secretary of Agriculture that by necessity the rule in public life must be that "one must not only be pure, but also look pure". Accordingly anyone who has acted indiscreetly will necessarily be dealt with harshly. So far there is no reason to believe that anything of a serious nature has taken place, but I am personally distressed that innuendo stories could even be written. We are keeping close contact with the press and are making available all information for there is nothing to hide. If the press is accurately informed we hope to at least cut down the speculation and innuendo.

5--The President

Unfortunately the press wants sensational disclosures not accurate facts, but so far here in Washington at least we have managed to tone them down. Attached hereto you will find a copy of a statement outlining in detail the sequence of events in regard to pooled cotton allotments. This statement has been used to give the press a background briefing so that they would have a clear picture of what had taken place. It is too detailed to call for your attention, but you or your staff might want to have it on file in the event of questions.

It is likely that Attorney General Wilson of Texas will continue to invite anyone in the Federal Government who was ever seen with Estes to Texas from now until election day and there is little we can do but send 'em down there at least until his requests become preposterous.

Attachments

OLFreeman:rbv

(98)
21
OFFICE OF
THE SECRETARY OF AGRICULTURE

May 16, 1962

FOR: Walter Jenkins

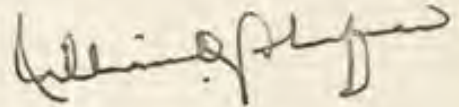
FROM: Tom Hughes

UNITED STATES GOVERNMENT

Memorandum

TO : Horace D. Godfrey, Administrator, ASCS

DATE: May 3, 1962

FROM : William O. Shofner, Executive Secretary,
Advisory Committee on CottonSUBJECT: Comments by Billie Sol Estes gleaned from notes of meetings of the
Advisory Committee on Cotton

This brief memorandum is to inform you of specific comments, proposals, or suggestions made by Billie Sol Estes, as revealed by informal notes taken at Committee meetings.

1. Meeting of September 19-20, 1961.

a. In a discussion of the size of the cotton carryover considered to be desirable, Billie Sol Estes said that a minimum carryover of 7.5 million bales should be provided.

b. In a discussion of the acreage allotment for the 1962 crop, it was moved by Mr. Stratton, seconded by Mr. Estes, that the Committee recommend to the Secretary the establishment of a national allotment for 1962 of 19.0 million acres--this would represent an increase of about 2.8 percent over the allotment for 1961. After considerable discussion the motion was carried 11-2, with 2 abstaining.

2. Meeting of February 12 and 13, 1962.

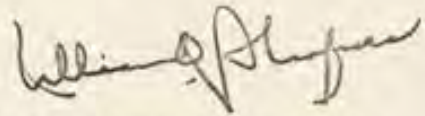
As indicated in another memorandum dealing with this meeting, Billie Sol Estes submitted to the Committee a "Combination Blended Price-Trade Incentive Plan" developed by George Pfeiffenberger. (Mr. Pfeiffenberger later moved, seconded by Mr. Mauldin, that this plan be recommended for study and analysis both to a special subcommittee (of the Advisory Committee on Cotton), and to the Department. The plan was considered by the subcommittee, but rejected because it did not meet the criteria under which the subcommittee was working--a principal objection was that the plan would be far too costly.

UNITED STATES GOVERNMENT

Memorandum

TO : Horace D. Godfrey, Administrator, ASCS

DATE: May 3, 1962

FROM : William O. Shofner, Executive Secretary,
Advisory Committee on CottonSUBJECT: Discussions and actions taken at meetings of the Advisory Committee
on Cotton, and subcommittee meetings, in relation to Billie Sol Estes

Billie Sol Estes' name first appears in records of the Advisory Committee on Cotton available to us on a list of "New Members Added As Of July 11, 1961," along with the names of Eugene Butler, Dallas, Texas, and Rudolph Miller, El Centro, California. Since July 11, 1961, the Committee has met four times, on July 17 and 18, 1961; September 19 and 20, 1961; November 20-22, 1961; and February 12 and 13, 1962. In addition two subcommittees were appointed by the full Committee. The first of these, appointed at the July 1961 meeting, included Billie Sol Estes as a member; we understand this subcommittee held two meetings outside of Washington prior to submitting its report to the full Committee at the September 1961 meeting; detailed records of the meeting are not available to us however. The second subcommittee was appointed at the November 1961 meeting of the Committee. This subcommittee which did not include Billie Sol Estes also met twice. A chronology of discussions and actions associated with these meetings follows.

Committee meeting of July 17 and 18, 1961, held at USDA in Washington, D.C.
Billie Sol Estes attended.

Discussion and actions taken:

1. Agreed that income of cotton producers must be increased.
2. Pointed out that the cotton industry cannot enjoy the "greatest prosperity" unless all segments within it prosper.

3. Recognized the necessity for protection of domestic textile manufacturers and processors against uncontrolled imports including picker-lap and manufactured products.

4. Recognized the need to keep cotton competitive with synthetics, and stated that future cotton programs should be aimed at a growing industry and expanded consumption; the maintenance of stable production and price policies could best accomplish this.

5. Recognized the need to hold export markets, and conduct export policy so that it would lend stability to world supply and price.

6. Took the position that cotton carryover should approximate not less than 45 percent of annual disappearance in order to maintain normal working stocks, and in the interest of national security.

7. Recognized the need to correlate the price support program with the export subsidy program.

8. Noted that "acreage transfer legislation approved in August 1959" has been highly beneficial and should be preserved.

9. Stated that cotton programs should provide for marketing through normal trade channels, but should not preclude the use of a government program to assure orderly marketing for maximum net income to producers.

10. Urged further emphasis on both basic and applied research pointing at reducing production costs and improving income.

11. Urged that USDA intensify technical assistance efforts aimed at improving cotton spinning qualities.

12. Authorized the chairman to establish a subcommittee to undertake detailed study of several plans as to future cotton programs. Subcommittee members were: Hilton Bracey (Missouri), Chairman; Frederic H. Heidelberg (North Carolina); James Y. Camp (California); Billie Sol Estes (Texas);

B. F. Smith (Mississippi); F. M. Rhodes (New York); R. Dave Hall (North Carolina). The subcommittee was instructed to submit its report at the next Committee meeting.

13. The Committee discussed, but did not act upon, the following matters:

- a. Desirability of changing the loan base from "average of the crop" to M-7/8", M-1", or other standard.
- b. When government stocks are low, should CCC buy?
- c. What should be done about various proposals embracing some form of payment limitation? What are alternatives?
- d. Should further revisions be made in present legislation affecting allotment transfers?
- e. Agreed that the 1962 allotment level should be discussed later when more information is available.

Subcommittee meeting chaired by Hilton Bracey. Detailed records are not available to us, but it is understood this subcommittee met twice (in Memphis and Dallas) before meeting on September 18, 1961, in Washington, D. C., to complete its report for the full Committee meeting taking place the following two days.

The subcommittee's report, discussed at the September 19-20 meeting of the full Committee, summarized the cotton situation, outlined objectives of a sound program, and presented three plans for the Committee's consideration--a "Trade Incentive Plan," an "Equalization Payment Program Combined with a Choice Program," and a "Purchase and Loan Program."

Committee meeting of September 19 and 20, 1961, held at USDA in Washington, D. C. Billie Sol Estes attended.

Discussion and actions taken:

1. Discussed the report of the subcommittee, Hilton Bracey, Chairman, embodying the three approaches referred to above.
2. Adopted unanimously the introductory statement of the subcommittee reading as follows:

"Domestic Market: There is no way under existing legislation for cotton to meet its major competition (price wise) in the domestic markets without sacrificing the income of cotton producers. If the price support level is set low enough for cotton to meet its competition in the domestic market, a great majority of cotton producers would be forced out of business. If the price support level is set high enough to sustain farm income, cotton is automatically out of competition with synthetic fibers for certain major end uses.

"Cotton consumption in the United States dropped in 1960-61 to 8.3 million bales, the lowest level since 1948-49 with the exception of the 1957-58 marketing year when the serious textile depression occurred. During the period 1951-1960 total U. S. population has increased by about 17 percent (26.3 million), and domestic consumption of manmade fibers has increased by 21 percent.

"Export Market: Existing legislation and the necessity for maintaining farm income require that an export subsidy or its equivalent be maintained to allow our cotton to meet the competition of foreign growths and competing fibers in world markets. The export program, while absolutely essential for the protection of producers and the entire U. S. Cotton Industry under

existing legislation, aggravates the problems of American textile mills already competing with cheap foreign labor and lower manufacturing costs by making raw cotton available to foreign manufacturers at prices considerably lower than the domestic support price. Imports of manufactured cotton products have increased from 222,000 bales (raw cotton equivalent) in 1956 to 525,000 bales in 1960. The necessary continuation of the present price differential between the domestic price support level and export sales will continue to contribute to the need for protection against the importation of large quantities of foreign textiles into this country.

"In passing legislation in 1956 providing for an export program to maintain a fair share of the world market for U. S. cotton, Congress recognized the fact that farmers in this country could not buy production goods and services on a protected market and sell their cotton at a world price and stay in business. Congress also recognized that our Government had promoted cotton production in many parts of the world under the various foreign aid programs and that U. S. cotton producers had been required to make the downward supply adjustment for the entire world.

"Acreage: Some additional means should be developed to allow individual farmers to participate in acreage adjustment programs according to their individual needs and conditions.

"Summary: Under existing legislation, and even with the high level of technology prevailing on the farms which produce most of our cotton, it is necessary that the price support level be kept at the current level if the income of cotton producers is to be maintained. The downward trend in cotton farm income was arrested with the setting of the 1961 support level at 82 percent of parity.

"The need for improving the income of cotton producers, which we recognize is related to fully adequate supplies and more competitive prices, is the paramount consideration in any cotton program, and it is obvious that some means in addition to the current price support loan must be employed if cotton is to meet its competition in the domestic market without reducing the income of the producer. It is also evident that a movement toward a one-price system is desirable in order to avoid discrimination against American cotton mills, the largest and most reliable market for our cotton.

"The cost of cotton programs is important not just because of the dollars involved, but also from the standpoint of benefits accruing to the total economy. It would be much easier to justify the cost of a program to protect the income of cotton producers if effective pricing policies were aimed at expanding markets for cotton, both at home and abroad.

"The present cotton program is costing the taxpayers between 300 million and 400 million dollars per year. The export program has proven to be highly effective in maintaining the world market for U. S. cotton, however the overall cotton program is not accomplishing the main objectives of a sound cotton program, because:

"A. It has not provided a fair and equitable income for cotton producers.

"B. It has not allowed cotton to maintain its rightful share of the total domestic fiber market.

"C. It has not allowed farmers to gear their production to the most efficient use of land, labor and equipment.

"D. It has resulted in a large portion of program funds going to people in related segments of the cotton trade rather than to the cotton producer for which it was intended.

"E. It has aggravated the problems of American textile mills, the largest and most reliable market for U. S. cotton."

3. Agreed unanimously to recommend to the Secretary for further consideration and study the "Trade Incentive Plan"; requested the Chairman to report that committee members look with more favor on the Trade Incentive approach than on any other plan analyzed and discussed. Basic provisions of this plan are:

a. Maintain acreage allotments at no less than present level at the outset.

b. Establish price support loan at about the present level, with producers to pay carrying charges and interest while cotton is in loan.

c. Establish a "Trade Incentive" (i.e., a payment or subsidy) to shippers or mills at the discretion of the Secretary, on both foreign and domestic cotton, payable in PIK certificates redeemable in cash in 60 days.

d. Establish a formula to decrease the trade incentive as consumption and acreage expand.

e. Recognize the need for equitable acreage allotment distribution, and the necessity to give U. S. mills relief from excessive imports of textiles, but include these items in separate legislation from the basic price support plan.

4. Passed unanimously the following recommendation:

"We feel that National Security requirements, the need for maintaining farm income, and the assurance of adequate supplies of working stocks of desirable cotton qualities make it imperative that the National Cotton Acreage allotment and price support level for the 1962 crop be maintained at a level of not less than that in effect for the present 1961 season. (The price support level by committee agreement refers to "dollar and cents" support price rather than to a percentage of parity.)"

After

5. ~~Extensive~~/lengthy discussion, concluded it was wise to stand on the committee's previous recommendation of "a carryover not less than 45 percent of annual estimated disappearance." Approved, although not unanimously, the "Choice Plan" approach for submission to the Secretary for further study and consideration.

6. Expressed its concern about ramifications of the barter program for cotton.

7. Recommended that the Secretary take steps to see that cotton is wrapped in tare-weight bagging, and that the Department give preference in their export program next year to full weight, adequate bagging.

8. Recommended to the Secretary that the Department take action to encourage the use of new cotton bagging now getting attention in the High Plains area.

9. Requested that the Department furnish the committee an analysis of the differential between export and American mill prices of cotton.

10. Deferred until later any consideration regarding changing the base for price support from "average of the crop."

Committee Meeting of November 20-22, 1961, Held in USDA in Washington D. C.

Billy Sol Estes attended.

Discussion and Actions taken:

1. Discussed in detail the following alternative programs:

- a. Limited Purchase Plan. This would encompass an increase to 19 million acres in the national acreage allotment from the statutory minimum of 16 million acres. The entire cotton crop would be supported by nonrecourse loan at 30 cents per pound, crop average. Producers would have the option of reducing planted acreage by 20 percent below their allotment and thus qualify for sale to CCC of their cotton production at 2.5 cents per pound above loan rate. Acreage diverted from cotton would be put in soil conserving crops or left idle.
 - b. Diversion Payment Plan. Involves an increase in the national acreage allotment of 20 percent to 19.2 million acres from the statutory minimum of 16 million acres. Cotton production would be supported by nonrecourse loan at 30 cents per pound, crop average. Producers would have the choice of diverting from 15 to 25 percent of their acreage allotment from cotton production, thus entitling them to receive payments at the rate of 30 cents per pound on one-third of the normal production of the diverted acreage (i.e., 10 cents per pound times normal production of diverted acreage). Payments would be limited to an acreage not exceeding 50 percent of the acreage planted to cotton. Diverted acreage must be put to soil conserving crops or left idle to qualify for payment.
 - c. Trade Incentive Plan. The national acreage allotment would remain at 18.1 million acres with price support through nonrecourse loans at 32 cents per pound, crop average. At this support price level the export subsidy would remain at 8.5 cents per pound, and a domestic mill subsidy (trade incentive) of 6.5 cents per pound would be established--the cotton products export subsidy thus would be 2 cents per pound.
- A second set of assumptions for this plan would continue the allotment at 18.1 million acres, with price support at 30 cents per pound, crop average, export subsidy of 6.5 cents per pound, a domestic mill subsidy of 4.5 cents per pound--with a cotton products export subsidy of 2 cents per pound.
- d. Domestic Allotment Plan. This approach involves several alternatives which were discussed, under which each cotton producer would be given a quota covering an allotment equivalent to his historic fair share of annual domestic consumption, and would be guaranteed a specified support price or return, ranging from 100 percent of parity downward, on the domestic quota. Additional cotton within specified limitations could be grown with returns reflecting world cotton prices.

e. Programs Involving Producer Choices. This approach embodies other choice programs in addition to the limited purchase and the diversion payment plans--for example, programs such as the "A & B Program" in effect for 1959 and 1960 cotton crops.

f. Continuation of the Present Program with Price Support At
 (a) the 1961 crop level, 31.88 cents per pound, "crop average," (33.04 cents, middling 1"), and (b) 30 cents per pound, crop average, with a downward adjustment in the export subsidy rate from 8.5 cents to 6.5 cents per pound.

2. Recommended that the Department permit skip-row planting of cotton in any pattern fitting the cultural practices on the farm, provided the planting pattern is uniform throughout an entire field.

3. Recommended that the Department "speed up release and reapportionment by any administrative means."

In considering this provision the Committee discussed authority available to Secretary ^{under} ~~for~~ present legislation of placing some limitation on percentage of cropland on a farm that might be planted to cotton or of requiring some percentage of land in conserving crops. It was agreed that no recommendation should be made to the Secretary about this matter; that it was a matter of concern to certain areas.

4. Question: With the announced cotton allotment of 18.1 million acres for 1962 what would be the "minimum safe support price in cents per pound for M-1?" Results of the informal poll:
 29 cents - none; 30 cents - none; 31 cents - 12; 32 cents - 2;
 33 cents - 13. (27 votes cast)

5. Supported position of the Department in establishing cotton acreage allotments at a level which approximately equates production and disappearance, taking account of present size of cotton carryover.

6. Generally looked with disfavor upon the "soil bank approach" for any cotton program.

7. Felt that if the limited purchase plan should come to be seriously considered, a person taking the reduction route to establish eligibility for a higher support price, would be ineligible for allocation of reapportioned cotton acreage under release and reapportionment provisions, Did not so express ~~it~~self about other plans discussed.

8. Favored, as a general rule, a CCC resale price equivalent to 115 percent of the price support loan level, in connection with sales for unrestricted use.

9. Programs which had been discussed were divided into the following three general classifications, with specific programs or program provisions as shown below, for purposes of taking an informal poll. Each person was asked to vote three times in respect to the nine proposals described (as an example if preferred, a member could record all three votes under "1" below, voting one each for sub-programs (a), (b), and (c)), Program descriptions and results of poll follow:

<u>Program Description</u>	<u>Favorable Vote</u>
(1) Present program (a) Price support @ 33.04¢ M-1"	12
(b) Price support @ 32.04¢ M-1"	4
(c) Price support @ 31.04¢ M-1"	10
(2) "Choice" programs (a) Diversion Payment Plan	4
(b) Limited Purchase Plan	6
(c) "A & B Plan" (as for 1959-1960)	5
(3) "No Choice" programs (a) Domestic Allotment Plan	8
(b) Trade Incentive Plan	11
(c) High support for 10 bales, lower support for balance of larger allotment	9

Following the above poll, members were asked to vote for their preference among the three classifications shown above.

Results of the informal poll were:

- (1) In favor of present program: 13
- (2) In favor of a "choice" program: 10
- (3) In favor of a "no choice" program: 1

Looking then at the category of "choice programs, members were asked for their views on the following points with the number so favoring shown:

- (1) A low initial allotment with the choice of added acreage at a lower price: 6
- (2) A higher initial allotment with the choice of less acreage at a higher price: 15
- (3) How would you compensate those who would choose less acreage at a higher price: (a) By a limited bale purchase: None favored this. (b) By purchasing production at the higher price: 14. (c) By making a conservation payment: 3.

10. Approved the following motion on vote of 16 to 8:

"The Committee fully appreciates the heavy pressure that has been put upon the Secretary to reduce the cost of farm programs, including the program for cotton. In hearty sympathy with his problem, we shall continue to seek a program for cotton that will either give producers more net income at the same cost to the Government or the same income at a lower cost. It would, however, respectfully call attention to the fact that the present Administration is firmly committed to a farm program that will increase farm income. Therefore, we strongly urge the Secretary to exert his best efforts to maintain the present cotton program with the 1961 Support level until something better has been developed."

11. Approved unanimously the following motion, representing the report of a small subcommittee (Dr. Sayre, Chairman; Mr. Godley; Mr. Rhodes; and Mr. Brooks).

"Continued stabilization of farm incomes in cotton growing areas of the United States and full utilization of cotton as

an earner of dollars abroad to improve our balance of payment position will require the maximum utilization of Public Law 480 funds, export-import bank loans, aid funds, the continued use of credit sales for export, and bold use of sales promotion efforts and added research for further market expansion of cotton products."

12. Authorized the chairman to establish such subcommittees as required, including one to work with the Department on legislative proposals which could be considered by the Congress next year, such legislative proposals to apply to the 1963 and subsequent crops of cotton.

After the meeting concluded the committee chairman, Alexander Nunn, established an eight man subcommittee to continue work on legislative proposals which could be considered by Congress in 1962, to apply to the 1963 and subsequent cotton crops. The legislative subcommittee was chaired by B. E. Smith (Mississippi). Other members were Harry Baker (California); D. W. Brooks (Georgia); James Y. Camp (California); Frederick Heidleberg (North Carolina); Wilmer Smith (Texas); Albert L. Story (Missouri); and Jesse Stratton (Oklahoma).

Legislative Subcommittee Meetings of December 4 and 5, 1961,
held at the U.S. Department of Agriculture in Washington, D. C.

The subcommittee discussed alternative plans presented at the last Committee meeting, following which it took certain actions and drew certain conclusions described in the attached report.

Committee Meetings of February 12 and 13, 1962, held at the
U. S. Department of Agriculture in Washington, D.C.

Billie Sol Estes attended. Discussion, and actions taken:

1. By resolution, recommended that quality differentials for the 1962 crop cotton price support program be established through use of premiums and discounts in the fourteen designated spot markets, in the same manner as that heretofore followed. (Motion by Parker, seconded by Wilmer Smith. Approved unanimously.)
2. By resolution, recommended that the export subsidy rate beginning August 1, 1962, be established at 8.5 cents per pound, and that announcement of this be made as soon as possible. (Motion by Cortright, seconded by Stoneham. Approved unanimously.)
3. By resolution, recommended that the Committee take no position at this time on the extension of 1961 crop loans, but that the Committee consider this matter at a later date nearer July 31, when the picture is clearer. (Motion by Baker, seconded by Jackson. Approved 19-1).
4. Took the position, but without voting at this point (see item 9), that an early announcement of the payment-in-kind program should be made.
5. Without formal vote, asked the Department to consider 30 days, rather than 60 days, as the minimum time payment-in-kind certificates must be outstanding before they are payable in cash--if this can be done, in consideration or public relations. (Proposed by Jackson)
6. By resolution (three opposed), recommended to the subcommittee (B. F. Smith, Chairman) and to the Department for study and analysis, a combination blended price-trade incentive plan which the Committee had discussed. It was understood the subcommittee would meet as soon as practicable after the meeting of the full Committee, but within about two weeks. Wording of the plan, as referred to the subcommittee, was as follows:
 - a. A basic allotment of 17 million acres.

- b. Choice A: Basic allotment at present price support.
- c. Choice B: Basic allotment plus 20 percent, with an 8.5 cent per pound marketing fee.
- d. Continue export subsidy at 8.5 cents per pound.
- e. Marketing fee collections, plus CCC funds would be used to provide adequate domestic trade incentive to be truly competitive.
- f. Reduce trade incentive when possible, as consumption and acreage expand.

7. Referred, without vote, a draft cotton bill dated February 12, 1962, to the subcommittee (B. F. Smith, Chairman) for further examination, study, and action. Called the subcommittee's attention specifically to six "points of concern," relating to various aspects of the draft bill, as follows:

- a. Voids the current minimum national allotment provision.
- b. Minimum price is too low for basic allotment growers.
- c. Farm income from cotton would be lower.
- d. Use of marketing fees should be limited to export and mill incentives.
- e. Marketing fees should be due upon sale, or upon obtaining nonrecourse price support loan.
- f. Acreage increase should be limited to that needed for increased offtake.

8. Moved unanimously that the report of the subcommittee, B. F. Smith, Chairman, which met on December 4 and 5, 1961, be filed as part of the Committee records.

9. Approved the report of the subcommittee headed by Brooks, reading as follows: "The Committee unanimously recommends that the premiums and discounts in the 14 designated spot markets be used, as during the past 20 years, to establish the quality differentials for the 1962 crop price support program. This will result in higher loan rates for the lower qualities and slightly lower loan values for the higher qualities. The average price support to producers will be the

same as for the 1961 crop."

"The Committee further urges that an early announcement be made of the 1962-63 'payment in kind' export program, with a continuation of the subsidy at 8½ cents per pound.:

10. Reconsidered its position on barter through approval of the following resolution prepared by a subcommittee of Stoneham and Sayre: "In a reconsideration of the use of barter transactions, the Committee unanimously recommends that they be entered into only when they will add to total offtake, and in such ways as not to impede sales through other approaches, as the result of disruptive effects of bartered supplies upon the price structure."

Informal minutes of this meeting of the Committee indicate that, during the discussion of various approaches to the cotton problem, Billie Sol Estes submitted to the Committee a "Combination Blended Price-Trade Incentive Plan" developed by George Pfeiffenberger. (Mr. Pfeiffenberger later moved, seconded by Mr. Mauldin, that this plan be recommended for study and analysis both to a special subcommittee (of the Advisory Committee on Cotton), and to the Department.

Main features of the plan are:

- a. A basic allotment of 17 million acres.
- b. Choice A: Basic allotment at present price support.
- c. Choice B: Basic allotment plus 20 percent, with an 8.5 cent per pound marketing feed.
- d. Continue export subsidy at 8.5 cents per pound.
- e. Marketing fee collections, plus CCC funds would be used to provide adequate domestic trade incentive to be truly competitive.
- f. Reduce trade incentive when possible, as consumption and acreage expand.

The Subcommittee Meetings of February 28, March 1 and 2, 1962,
held at the U.S. Department of Agriculture in Washington, D.C.

Two members of the subcommittee, A. L. Story and Jesse G. Stratton, were not available to serve, and were replaced by Hilton Bracey (Missouri) and John V. Stiles (Texas).

The subcommittee's time was divided about equally between a discussion of the "blended price plan" and "export market plan."

The subcommittee concluded that it appeared evident to them that additional and alternative approaches as to cotton price support and acreage allotments are desirable in order to preserve acreage and strengthen markets for cotton farmers and to reduce program costs to the Government. In view of this, and taking account of principal criteria for a program as described by the President in his Farm Program Message, the subcommittee suggested the blended price plan for consideration. The subcommittee pointed out that this plan does not answer all of the problems involved, including full competition with man-made fibers on the domestic market; nevertheless, the subcommittee considered that this plan moved in the direction of strengthening the present program.

The subcommittee also discussed an export market plan but concluded that it would not be submitted to the Department for possible legislative consideration.

The subcommittee also discussed, in a limited way, the problems of production research on cotton.

A description of these plans and the subcommittee's discussion is included in the attached report of this meeting.

REPORT
OF
THE SUBCOMMITTEE OF THE ADVISORY COMMITTEE ON COTTON
MEETING IN WASHINGTON, D. C.
(December 4 and 5, 1961)

The following were present for various periods of time:

MEMBERS OF THE SUBCOMMITTEE

B. F. Smith, Chairman
Harry S. Baker
D. W. Brooks
James Y. Camp
Frederic H. Heidelberg
Wilmer Smith
A. L. Story
Jesse G. Stratton
Alexander Nunn, ex officio

MEMBERS OF THE U.S. DEPARTMENT OF AGRICULTURE

Charles S. Murphy, Under Secretary
John Bagwell, General Counsel
Neil Johnson, OGC
William O. Shofner, Deputy Director, Price
Division, ASCS
Joseph Moss, Director, Cotton Division, ASCS
Ralph Raper, Deputy Director, Cotton
Division, ASCS
Frank Lowenstein, ERS
James Donald, ERS

OTHERS PRESENT:

Harry Caldwell, Chairman, NAAC
George W. Pfeifferberger (to discuss cotton bagging)

The subcommittee considered the alternative plans presented at the last meeting of the Cotton Advisory Committee. After extended discussions, the group reached the following conclusions:

If changes are necessary in the current program to prevent the loss of markets and acreage for cotton farmers of the United States and to reduce program costs, we recommend:

1. That this be accomplished, if possible, by a gradual reduction in the price support level over a period of years.
2. If broader changes are deemed necessary to accomplish these objectives, we recommend consideration of the following "choice approaches" listed in order of preference.

A. Blended Price Plan.

- (1) A basic allotment of 16 million acres (plus 310,000 acre national reserve) distributed to growers as provided under current law.

- (2) A price support level of 33.04 cents per pound, M-1" average location, for growers who choose to plant within the allotment provided in (1).
- (3) Growers who elect to plant more acreage would have the choice of increasing their acreage by a percentage, at the discretion of the Secretary, up to a maximum of 30 percent of their basic allotment. Acreage increases under this provision would not count as history for purposes of determining future allotments.
- (4) Growers electing extra acreage under (3), would pay a marketing fee equal in value to the farm normal yield times the acreage grown above the basic allotment times the current cotton export subsidy rate. Marketing fees so collected would be used to help maintain and expand cotton markets. For example, these funds could be used to reduce the price of cotton for all uses, both domestic and export. Once a producer has paid his marketing fee, his entire cotton production would be eligible for price support at 33.04 cents per pound.

Examples of "blended prices" assuming price support at 33.04 cents per pound, M-1", and an $8\frac{1}{2}$ cents per pound export subsidy:

Percentage of increase above basic allotment	"Blended price" cents per pound
5	32.64
10	32.27
15	31.93
20	31.62
25	31.34
30	31.08

- (5) The release and reapportionment provisions would remain in effect for all growers.
- (6) The Secretary would retain about the same degree of latitude under this program with respect to the size of the basic acreage allotment and the price support level as under the present program.

B. Two Price Plan.

- (1) A basic allotment of 16 million acres (plus 310,000 acre national reserve) distributed to growers as provided under current law.
- (2) A price support level of 33.50 cents per pound, M-1" average location, for growers who choose to plant within the allotment provided in (1). (Presumably, the price support would be provided by CCC purchase.)

- (3) Growers who elect to plant more acreage would have the choice of increasing their acreage by a percentage, at the discretion of the Secretary, up to a maximum of 25 percent of their basic allotment. Acreage increases under this provision would not count as history for purposes of determining future allotments.
- (4) Growers electing extra acreage under (3) would be eligible for price support through CCC loan at 30 cents per pound, M-1" average location.
- (5) The release and reapportionment provisions would remain in effect for all growers.
- (6) Maintain 115 percent CCC sales price for old crop cotton for unrestricted use.
- (7) Current crop cotton acquired by CCC under (2) would be sold for unrestricted use by CCC at not less than 105 percent of the price support loan level of 30 cents per pound, M-1", as provided in (4).
- (8) Methods should be developed to have cotton acquired under (2) flow immediately through normal channels of trade.
- (9) The Secretary would retain about the same degree of latitude under this program with respect to the size of the basic acreage allotment and the price support level as under the present program.

The subcommittee also offered the following recommendations passed by unanimous action:

1. Cotton Bagging. The subcommittee recommends that the Department explore the possibility of utilizing Section 32 funds in promoting the use of cotton as a bagging material for cotton bales.
2. P.L. 480. In view of commitments of the United States to help alleviate the deficiencies in underdeveloped nations and other critical areas by supplying essential foods and fiber including cotton and cottonseed products, recognition should be given to the fact that the P.L. 480 program is a foreign aid tool through which the abundance of this Nation can be effectively channeled into areas of need. The subcommittee urged that the cost of P.L. 480 programs be charged to foreign aid and not to agriculture, to the extent that foreign aid programs are being served.
3. Export Program. The subcommittee reemphasized the importance of the export program on a fully competitive basis, as directed by present law, in maintaining a fair share of the world market for U. S. cotton, and in permitting U. S. cotton farmers to share equitably in increased cotton consumption abroad.

4. Barter. The subcommittee felt that the use of barter is a very antiquated method of transacting business as between peoples and countries. Therefore the subcommittee looked with disfavor upon this method of doing business as far as cotton is concerned, and expressed the belief that barter as a means of trade should only be used as a very extreme measure under unusual conditions.

Respectfully submitted,

A handwritten signature in cursive script, reading "B. F. Smith". The signature is written in dark ink and is positioned above the printed name.

B. F. Smith, Subcommittee Chairman

REPORT
OF
THE SUBCOMMITTEE OF THE ADVISORY COMMITTEE ON COTTON
MEETING IN WASHINGTON, D. C.
(February 28, March 1 and 2)

The following were present:

MEMBERS OF THE SUBCOMMITTEE

B. F. Smith, Chairman
Harry S. Baker
D. W. Brooks
James Y. Camp
Frederic H. Heidelberg
Wilmer Smith
Hilton Bracey
John V. Stiles

MEMBERS OF THE U.S. DEPARTMENT OF AGRICULTURE

Charles S. Murphy, Under Secretary
Paul Rapp, OGC
William O. Shofner, Deputy Director, Price
Division, ASCS
Joseph Moss, Director, Cotton Division, ASCS
Ralph Raper, Deputy Director, Cotton
Division, ASCS
James Donald, ERS
James Ward, Information Division, ASCS

The subcommittee continued its work with the Department in considering possible legislation in line with instruction from the full Committee.

It appeared evident to the subcommittee that additional and alternative approaches as to cotton price support and acreage allotments are desirable in order to preserve acreage and strengthen markets for cotton farmers, and to reduce program costs to the Government.

Principal criteria for program development described by the President in his Farm Message to Congress embodied the following needs:

1. Maintain farm income
2. Lower costs to Government
3. Make cotton more competitive with man-made fibers
4. Maintain and expand exports

Recognition was given by the subcommittee to wide variation in land capability, technology, farming conditions, availability of allotted acreage, and other factors prevailing across the Belt. These varying conditions, the subcommittee concluded, indicate the need for a cotton program that will permit some greater degree of flexibility in acreage and price for the individual farmer.

In view of these conclusions and within the boundaries of the criteria described by the President, the following approach is suggested for consideration. The subcommittee recognizes that this plan does not answer all of the problems involved, including full competition with man-made fibers on the domestic market, however the recommendation is considered by the subcommittee as moving in the direction of strengthening the present program.

General provisions of the subcommittee's recommendations are:

Blended Price Plan, to supplement present cotton legislative provisions.

In the event the Secretary determines the need for a national marketing quota which would make available a national acreage allotment in excess of (a) 17.0 million acres (excluding the national acreage reserve for minimum farm allotments of 310,000 acres) in establishing the marketing quota for the initial year following enactment of this provision, or (b) 16.0 million acres (excluding the national acreage reserve for minimum farm allotments of 310,000 acres) for any year subsequent to such initial year, he may authorize a program embodying the following major provisions.

a. Provide for an increase of up to 20 percent in the initial year and up to 30 percent in subsequent years at the discretion of the producer, of the "regular farm acreage allotment" determined for each farm, such increased acreage constituting the "export market acreage" for the farm.

b. Determine the regular farm acreage allotment for each farm by distributing to producers in accordance with present law, a national allotment calculated from the national marketing quota adjusted by estimated production on the estimated export market acreage.

c. The national acreage allotment determined by the Secretary could not be less than (a) 17.0 million acres (excluding the national acreage reserve for minimum farm allotments of 310,000 acres) in establishing the national marketing quota for the initial year following enactment of this provision, and (b) 16.0 million acres (excluding the national acreage reserve for minimum farm allotments of 310,000 acres) for any year subsequent to such initial year.

d. Growers electing to produce cotton on export market acreage for the farm would pay a marketing fee on such production, with the amount of the fee calculated at the cotton export subsidy rate in effect for the marketing year. Upon payment of the fee this cotton production would be eligible for price support at the rate in effect.

e. Marketing fees so collected could be used to help maintain and expand both domestic and foreign cotton markets.

f. Release and reapportionment provisions would continue to operate as at present, applicable to the regular farm acreage allotment.

g. Export market acreage would not count as history for purposes of determining future allotments.

The "blended price plan" derives its name from the fact that producer returns from cotton would constitute a "blend," in effect, of two average prices they would receive for portions of their crop. For example, assuming price support of cotton produced on the regular farm acreage allotment at 32.47 cents per pound M-1" (the level in effect for 1962 production), and 8.5 cents per pound export subsidy, blended prices would average the following for increases above regular allotments as shown:

<u>Percentage of increase above regular farm allotment</u>	<u>Average "blended price" cents per pound</u>
5	32.07
10	31.70
15	31.36
20	31.05
25	30.77
30	30.51

A draft bill dated March 2, 1962, constituting a reworking of bill language previously studied by the full Committee, and reflecting the program above described, is attached as part of this report.

The subcommittee also studied, on the basis of direction from the full Committee, the combination blended price-trade incentive plan the outlines of which, as developed by the full Committee, were as follows:

- a. A basic allotment of 17 million acres.
- b. Choice A: Basic allotment at present price support.
- c. Choice B: Basic allotment plus 20 percent, with an 8.5 cent per pound marketing fee.
- d. Continue export subsidy at 8.5 cents per pound.
- e. Marketing fee collections, plus CCC funds, would be used to provide adequate domestic trade incentive to be truly competitive.
- f. Reduce trade incentive when possible, as consumption and acreage expand.

A detailed comparison of this plan in the light of present legislation was made--such comparison including an examination of figures as to total supply, offtake, CCC activity, and expenditures required to finance operations over a two-year period. On the basis of this study the subcommittee concluded that cost factors associated with the plan were incompatible with criteria for program development under which the subcommittee was working.

The subcommittee also discussed an export market plan, however it was decided that this plan would not be submitted to the Department for possible legislative consideration. Details of this plan, which also would be supplementary to present provisions of law, are as follows:

Export Market Plan.

In the event the Secretary determines the need for a national marketing quota which would make available a national acreage allotment in excess of (a) 17.0 million acres (excluding the national acreage reserve for minimum farm allotments of 310,000 acres) in establishing the marketing quota for the initial year following enactment of this provision, or (b) 16.0 million acres (excluding the national acreage reserve for minimum farm allotments of 310,000 acres) for any year subsequent to such initial year, he may authorize a program embodying the following major provisions.

a. Determine the national marketing quota, and determine and distribute the national acreage allotment to producers as provided under current law. The resulting farm acreage allotment would constitute the "regular farm acreage allotment."

b. Provide for an increase of up to 30 percent at the discretion of the producer, of the regular farm acreage allotment determined for each farm, the production from such increased acreage constituting "supplemental export cotton."

c. Growers electing to produce supplemental export cotton would be required to export such cotton, or an equivalent poundage, or arrange for its export, without benefit of the export subsidy, and within a reasonable period of time as determined by the Department. Producer returns for this cotton thus would reflect world market prices.

d. Cotton not so exported within the time limitation would be subject to an appropriate penalty as determined by the Department. The producer of such cotton would be liable for payment of the penalty. Payment of the penalty, however, would not relieve the producer of the continuing obligation to export the cotton, or otherwise dispose of it in channels other than domestic consumption channels.

e. Methods and procedures would be developed to provide for and facilitate the movement of supplemental export cotton through normal channels of trade.

f. The determination of the amount of supplemental export cotton for any producer would be made on a basis identical to that now followed in determining the farm marketing excess. An exception would be provided however to cover the handling of small quantities of supplemental export cotton--perhaps limited to farms for which the acreage planted in excess of the regular farm acreage allotment was not more than 1.0 acre.

In such situations the producer could satisfy his obligation through payment of a marketing fee on the supplemental export cotton calculated at the export subsidy rate then in effect. Having met this requirement the producer would be free to dispose of the cotton in any manner he chose, and such cotton would be eligible for price support.

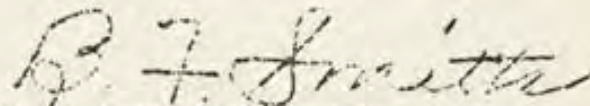
g. Release and reapportionment provisions would continue to operate as at present, applicable to the regular farm acreage allotment.

h. Acreage devoted to the production of supplemental export cotton would not count as history for purposes of determining future allotments.

i. Supplemental export cotton would not be included in the estimate of exports for purposes of determining the national marketing quota.

The subcommittee also discussed, in a limited way, the problem of production research on cotton. A motion was made and passed pointing out the urgent need for additional emphasis on cotton production research, aimed at reducing production costs and assisting in making cotton more competitive.

Respectfully submitted,

A handwritten signature in cursive script, reading "B. F. Smith". The signature is written in dark ink and is positioned above the printed name.

B. F. Smith, Subcommittee Chairman



DEPARTMENT OF STATE
WASHINGTON

CASE FILE (A-Z)

Church of Christ
sent 12/24/61
December 19, 1961

Dear Mr. Vice President:

We wrote to you on November 9, 1961, in regard to the action the Embassy in Dar es Salaam had taken on behalf of the Churches of Christ in Tanganyika. We mentioned that the Embassy had, as a result of its inquiries, advised Mr. Eldred L. Echols, an American missionary of the Churches of Christ, that he should request the Prime Minister's Office to put before the Tanganyika Cabinet the question of recognizing the Churches of Christ as a missionary society.

The Embassy has now informed the Department that Mr. Echols has decided not to press his application for recognition at this time, but to wait until the next missionary of the Churches of Christ enters Tanganyika. At that time the Cabinet will be requested to grant recognition to the individual congregation sponsoring the missionary. Mr. Echols states that this would provide a more practical test of the Government's policy, as he himself is already registered as a permanent resident of Tanganyika.

In view of Mr. Echols' decision, the Embassy believes it has done all it can at this time on behalf of the Churches of Christ. When application for recognition is made, the Embassy will provide whatever assistance is appropriate.

We will be pleased of course to write to you again, and let you know of any significant developments in this matter.

Sincerely yours,

Frederick G. Dutton
Assistant Secretary

The Vice President,
United States Senate.

Church of Christ

November 15, 1961

Dear Friend:

Following up my letter to you of September 27 concerning the recognition of the Churches of Christ in Tanganyika, I am sending along to you another report I have received through the State Department people.

I will keep you posted as developments as they occur.

With warm personal regards, I am

Sincerely,

Lyndon B. Johnson

Mr. Billie Sol Estes
P. O. Box 1052
Pecos, Texas
LBJ:GS:lc



DEPARTMENT OF STATE
WASHINGTON

November 9, 1961

Dear Mr. Vice President:

We wrote to you on September 25, 1961, in reply to your letter about the recognition of the Churches of Christ in Tanganyika. We mentioned that the Department had requested a report on this problem from the Consulate General in Dar-es-Salaam.

The Consulate General communicated with the Tanganyika Ministry of Education and with Mr. Eldred L. Echols, an American citizen who has a congregation of the Churches of Christ near Mbeya in Tanganyika. (As far as the Consulate General can learn this is the only congregation in Tanganyika involving an American citizen; the other Churches of Christ are exclusively African.) The Consulate General's inquiries indicate that for a person to be classified as a missionary under Tanganyika's Immigration Ordinance, he must be recognized as a missionary by the Ministry of Education. The Ministry of Education, in turn, can recognize a person as a missionary only if the church involved, in this case the Churches of Christ, is approved as a missionary body by the cabinet of Tanganyika. The Consulate General has, therefore, suggested to Mr. Echols that he request the Permanent Secretary to the Prime Minister's Office to put before the Cabinet the question of recognizing the Churches of Christ or a particular congregation of the Churches of Christ as a missionary society. If the Churches of Christ were so recognized, it would appear that Mr. Echols could then obtain recognition of himself as a missionary by the Ministry of Education and classification as a missionary under the Immigration Ordinance.

The Consulate General is continuing to follow this question and will report any new developments to the Department. We will write to you again when additional information is received from the Consulate General.

Sincerely yours,

John S. Hoghland 2d
Acting Assistant Secretary
for Congressional Relations

The Vice President,
United States Senate.

Church of Christ

COPY

September 27, 1961

Dear Friend:

I am sure you will want to see the attached letter I have received from the Assistant Secretary of State with further reference to the recognition of the Churches of Christ in Tanganyika.

As soon as a report from the Consulate General reaches here I will write you again.

Sincerely,

Lyndon B. Johnson

Mr. Billie Sol Estes
P. O. Box 1052
Pecos, Texas
LBJ:SS:rm



DEPARTMENT OF STATE
WASHINGTON

September 25, 1961

Dear Mr. Vice President:

I have your letter of September 15 regarding recognition of the Churches of Christ in Tanganyika.

The Department learned earlier this month that the Church of Christ was having difficulty in getting official recognition in Tanganyika. Accordingly, the Department requested a full report on the problem from the Consulate General in Dar-es-Salaam.

The Church of Christ urges that the Department press for recognition of its church before Tanganyika becomes independent of British rule in December. Tanganyika, however, has had full autonomy since May 1, 1961, and the question of recognition therefore no longer falls within the competence of the British Government.

I shall write to you again as soon as the Department has a report from the Consulate General.

Sincerely yours,

For the Secretary of State:

Brooks Hays
Assistant Secretary

The Vice President,

United States Senate.

Church of Christ

COPY

September 15, 1961

Dear Friend:

I have just completed a careful reading of your note discussing the situation of the Churches of Christ in Tanganyika, asking that more recognition be given to this Church by that country.

I am bringing this matter to the attention of the proper people here and asking for a full report on it. The moment some word is available, I will write you more fully.

With all good wishes, I am,

Sincerely,

Lyndon B. Johnson

Mr. Billie Sol Estes
Post Office Box 1052
Pecos, Texas
LBJ:GS:dlc

Tagged to: The Honorable Brooks Hays
.. Assistant Secretary
Department of State
Washington 25, D. C.

For report

OFFICE OF THE VICE PRESIDENT
WASHINGTON

Disposition completed
on this category.

No reason to have
kept this.

Bruce

COPY

LEG-AGRI

June 25, 1953

My dear Friend:

I was pleased to bring your views concerning S. 2106 to the attention of the Chairman of the Senate Committee on Agriculture and Forestry. Attached is a reply from him, stating that hearings on S. 2106 have been tentatively scheduled for Tuesday and Wednesday of next week.

With very best wishes, I am,

Sincerely,

Lyndon B. Johnson

Mr. Billie Sol Estes
State Chairman
Agriculture and Conservation Committee
Texas Junior Chamber of Commerce
Pecos, Texas

lbj:gs

COPY

Government

12:05 PM

June 23, 1953

Billie Sol Estes, State Chairman
Agriculture and Conservation Committee
Texas Junior Chamber of Commerce
Pecos, Texas

Retel: Thank you for benefit of your views. Am submitting your recommendation
to Committee now considering bill.

Lyndon B. Johnson, USS

Official Business
Cheapest Day Rate

lbj/acp/aw

S. 2106 was referred to Department of Agriculture for report.

Contin

PENDING CALLS - 5/31/62 - P. M.

UnderSecy Murphy, c 111 x 6158 (12:25)

Art Fogelman - DE 2-1213 (1:00)

Bill Parker, Greenville, Texas - Op 60 - GL 5-6414
(1:10)

Booth Mooney - EX 3-2040 (1:45)

Mrs. Eig. United Jewish Appeals - EM 2-5462
(Home: OL 6-7088) re Mrs. Johnson's appearing
as honor guest at luncheon at Indian Springs
Country Club on June 18th. Sent invitation but
they haven't heard. (2:10)

~~Mr. Feldman - White House~~ (2:30)

Ray Roberts - heard that Jesse Kellam's son-in-
law died - would like a call. (2:35)

February 5, 1959

Dear Billy Sol:

Cliff Carter has told me of your fine cooperation in connection with the broadcast of my TV film clips over the state. I am most appreciative.

Thank you and my best wishes to you. I hope you will never hesitate to call on me if I can be of service.

Sincerely

Lyndon B. Johnson

Mr. Billy Sol Estes
2213 S. Eddy
Pecos, Texas

LBJ:CCC:rw

XEROX FROM QUICK COPY

Monday, May 21

To VP Johnson

From Paul Bolton

Re: Holleman Statements

This morning I checked the Austin American & Statesman at the public library (They did not have the Fort Worth & Houston newspapers, and will have to look elsewhere for them tomorrow)

The Austin American, Dated Sept. 12, 1956, used a UPI story which said in part:

"....Liberal leader Jerry Holleman, executive secretary of the State Federation of Labor, charged a Rayburn-Johnson deal with Governor-elect Price Daniel that did not include the hard core loyalists.

"We're always going to fight for the ~~xxxx~~ real democrats of Texas," he said bitterly. "You can feed them on defeat, but you can never feed them on betrayal."

These were hard words to use on figures of such magnitude as Rayburn and Johnson, but Rayburn refused to comment for publication on what Holleman said. Both emphasized that they are democrats without prefix or suffix, and said, "We want to elect a committee loyal to the Democratic party."

**

In a story dated Sept. 14, Holleman and Schmidt issued a statement in which they accused Daniel of "the most open, blatant and rank stealing of votes ever seen in Texas," at the conventio/n.

(more later as I can find it)

Paul Bolton



P. O. BOX 1155 AUSTIN, TEXAS



AIRMAIL SPECIAL

Vice President Lyndon B. Johnson,

Capitol Building,

Washington, D.C.

AIR MAIL
Special Delivery

5121



LYNDON B. JOHNSON
TEXAS

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

Dear

Production and postage charges on the
Senator's radio reports for _____
were _____.

If you will, please, at your earliest
convenience, remit to me your check for the
amount above drawn in favor of the Senate
Recording Studio. Remittance here, 207 U. S.
Courthouse, Austin, Texas, is for the purpose
of consolidating and transmitting to Washing-
ton checks from over the State.

With kindest personal regards and best
wishes, I remain,

Sincerely yours,

Clifton C. Carter
Assistant to
Lyndon B. Johnson

REMIT TO 207 U. S. COURTHOUSE, AUSTIN.

COPY

May 23, 1962

MEMORANDUM:

TO: THE FILES

FROM: Walter Jenkins

Agents McCluskey and Cook, Washington District Office of the FBI, came to see me today. Mr. McCluskey did all of the talking. He first explained to me that I did not have to make any statement, but that if I was to make one, anything I might say could be used against me. I told him I was happy to furnish any information I might have that could be helpful. He then asked if I had objection to be put under oath and I told him not at all.

After administering the oath, he asked me if I had ever met Billie Sol Estes. I told him that I had. He asked me to recall for him the occasions on which I had met him. I told him so far as I could remember, I met him only on the occasion of his visit to Washington in January of this year. I told him it was conceivable I might have met him at some Convention or big meeting, but that I did not believe I had and the only memory I had of meeting him was when he was here in January. He asked me on what occasions I met him during his January visit. I told him I met him very briefly at the Democratic Dinner on the night of January 20 when I extended to him and all other Texans I could find an invitation to come by the Vice President's house for coffee on the following afternoon. I told him I next met him at the Vice President's house on the afternoon of Sunday, January 21. He asked what conversation I had with him at that time and I told him only a brief social conversation except for a request on his part to come by to see me at the office the following day, which I readily agreed to have him do. He asked me if Estes did come by the following day and I told him that he did. He asked me to relate as best as I could remember Estes' conversation. I told him that Estes told me that he had previously met with the Department of Agriculture concerning a decision of the Department which was under consideration and that the Department was going to make a decision in the near future.

COPY
(2)

I told McCluskey that Estes requested that he be furnished a copy of that decision when it was made by the Department of Agriculture and was available to others. I told McCluskey we had received additional inquiries from other people concerned with the same decision and that he would be happy to try to obtain a copy of the decision whenever it was available for general release. Mr. McCluskey asked me if I did make any effort to obtain a copy of the decision and if so in what fashion. I told him I called Mr. Charles Murphy, Under Secretary of Agriculture, and asked if such a decision was pending and that upon being told that it was pending, I requested that a copy be furnished me when completed. I told Mr. McCluskey that I was almost certain that I had not used the name of any interested person since a number of people had expressed interest to us in the matter. I also told Mr. McCluskey that I did not make any recommendation concerning the decision to be reached nor did I have any discussion with Mr. Murphy on the merits. I told him in the first place I was not familiar with the merits, but in the second place I would not have made any recommendation because it is against our policy.

Mr. McCluskey then asked me if I was furnished a copy of the decision and I told him several days subsequently I was sent this public document. He asked me what I did with it and I told him that I sent a copy to Estes and that we forwarded other copies to the other Texans who had inquired about the decision. He asked me if I had talked to any other Government Agency about Estes and I told him I was sure I had not done so. He asked me if that was the extent of my contact with Estes and I told him it was. He asked me if Estes had offered me any gift or anything similar and I told him he had not. He said "well, that is about it."

The entire conversation lasted less than fifteen minutes.

COPY

May 23, 1962

MEMORANDUM:

TO: THE FILES

FROM: Walter Jenkins

Agents McCluskey and Cook, Washington District Office of the FBI, came to see me today. Mr. McCluskey did all of the talking. He first explained to me that I did not have to make any statement, but that if I was to make one, anything I might say could be used against me. I told him I was happy to furnish any information I might have that could be helpful. He then asked if I had objection to be put under oath and I told him not at all.

After administering the oath, he asked me if I had ever met Billie Sol Estes. I told him that I had. He asked me to recall for him the occasions on which I had met him. I told him so far as I could remember, I met him only on the occasion of his visit to Washington in January of this year. I told him it was conceivable I might have met him at some Convention or big meeting, but that I did not believe I had and the only memory I had of meeting him was when he was here in January. He asked me on what occasions I met him during his January visit. I told him I met him very briefly at the Democratic Dinner on the night of January 20 when I extended to him and all other Texans I could find an invitation to come by the Vice President's house for coffee on the following afternoon. I told him I next met him at the Vice President's house on the afternoon of Sunday, January 21. He asked what conversation I had with him at that time and I told him only a brief social conversation except for a request on his part to come by to see me at the office the following day, which I readily agreed to have him do. He asked me if Estes did come by the following day and I told him that he did. He asked me to relate as best as I could remember Estes' conversation. I told him that Estes told me that he had previously met with the Department of Agriculture concerning a decision of the Department which was under consideration and that the Department was going to make a decision in the near future.

COPY

I told McCluskey that Estes requested that he be furnished a copy of that decision when it was made by the Department of Agriculture and was available to others. I told McCluskey we had received additional inquiries from other people concerned with the same decision and that ~~he~~ would be happy to try to obtain a copy of the decision whenever it was available for general release. Mr. McCluskey asked me if I did make any effort to obtain a copy of the decision and if so in what fashion. I told him I called Mr. Charles Murphy, Under Secretary of Agriculture, and asked if such a decision was pending and that upon being told that it was pending, I requested that a copy be furnished me when completed. I told Mr. McCluskey that I was almost certain that I had not used the name of any interested person since a number of people had expressed interest to us in the matter. I also told Mr. McCluskey that I did not make any recommendation concerning the decision to be reached nor did I have any discussion with Mr. Murphy on the merits. I told him in the first place I was not familiar with the merits, but in the second place I would not have made any recommendation because it is against our policy.

Mr. McCluskey then asked me if I was furnished a copy of the decision and I told him several days subsequently I was sent this public document. He asked me what I did with it and I told him that I sent a copy to Estes and that we forwarded other copies to the other Texans who had inquired about the decision. He asked me if I had talked to any other Government Agency about Estes and I told him I was sure I had not done so. He asked me if that was the extent of my contact with Estes and I told him it was. He asked me if Estes had offered me any gift or anything similar and I told him he had not. He said "well, that is about it."

The entire conversation lasted less than fifteen minutes.

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 1958 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.

Estes File

For Mr.
Johnson
from
Bugsy

~~C O N F I D E N T I A L~~

MEMORANDUM

Basically, the proportions of the Estes case nationally are wholly artificial and undeserved. What justifies the national interest -- and supports the present overemphasis by the press -- is not just the assumption of political involvements but is rather the fact that Billie Sol himself is so greatly overblown in the image of the press and public.

He is commonly identified by the most complimentary terminology: i.e., "businessman," "financier," "boy wonder," etc. Each of these terms of identification magnifies the story into something it is not. Estes is none of these things -- he is demonstrably stupid; his only magic was thievery and fraud; and to regard him as a financier is as erroneous as to regard a bank robber as a capitalist.

Scandal stories of this kind consistently feed on glamorizing small caliber culprits into persons of magnitude, importance and even respectability. Under Truman such was the case for Johnny Maragon and a number of the other small fry at RFC. Likewise, under Eisenhower, Goldfine -- although he had accomplished some substantial success -- was magnified out of proportion. Numerous other examples could be cited.

The point is that political Administrations often allow themselves to be unduly embarrassed by refraining from calling crooks "crooks" or peanut operators "peanut operators." It is my belief -- and my suggestion -- that much of the steam could be taken out of the Estes affair if in effect a spokesman for the Administration -- at the highest levels -- would "read him out of the human race."

To put this in the proper perspective, Billie Sol operated a highly refined holdup gang. He got his money from financial institutions with paper rather than guns -- but the comparison is exact. Niceties of the law aside, his actions were those of a criminal -- not those of a reputable, proved and established businessman who might be classified as at least a gentlemanly crook.

I think these points are overlooked:

1. Estes' schemes had no possibility of succeeding. If he had bought all the influence available in Washington -- or if Washington had conferred virtually every pertinent favor upon his operations -- the venture still would have been foredoomed.

2. His pricing policy on ammonia and his discount policy on the tank paper prove that he had neither the sense of a businessman nor the sense of a mentally deficient criminal. He was simply not the bright, sharp, almost successful operator portrayed in the popular image.
3. It was an essential part of his criminality to conceal his purpose behind a facade of religion. He has left hundreds of his fellow churchmen -- who were taken by him on this basis alone -- facing lifelong ruin. (Of course, the culpability of the churchmen themselves is considerable, since even those who refused to be a party to his schemes failed to take action against him.)
4. What collapsed was the element of his operations which had nothing to do with the Government -- i.e., his selling of nonexistent tanks. The only way in which this could have been suspected or detected would have required a surmise equivalent to assuming that a car dealer registering new car sales at the courthouse and meeting the monthly installments on the purchase notes was in effect selling nonexistent cars. It is unreasonable to expect individuals or the Government to have had such suspicions.

Other points could be listed. It is perhaps sufficient to make the final point that Estes has not enjoyed the trust, respect or confidence of the reputable business or political community in the area of his principal operations. Most successful men knew long ago that something was wrong with his operations and would not touch him.

As a result of the image given Estes by the national press at present, everybody touched by him appears to be a coconspirator when in truth and in fact all of them were victims of a criminal operation. Until a deliberate effort is made to downgrade Estes, this aspect will continue to contribute to trouble for the Administration.

I would strongly suggest that the weekly press conference be used for a display of contempt for the man so that it is unmistakably clear that there is no basis, need or desire for the Administration to shelter and protect him. It is not enough merely to announce that all resources of the Government are being marshalled to investigate or "get to the bottom" of his operations. This

kind of announcement only carries with it the implication that he had a more substantial, more important and more successful operation than actually was the case and that he was a more substantial operator than the facts demonstrate. If a Presidential display of anger -- as distinguished from irritation -- and contempt could be expressed, the whole thing would deflate to proper proportions.

Nobody has yet suggested that Estes was a criminal or even that he was a "con" man. In fact his reputation is far greater now nationally -- and he is being exalted to a much higher level nationally -- than ever he attained among those who knew him best. Estes is thriving on all this because he is a man of very modest intellectual capacity, who is consumed mainly by ego. Deflate him -- turn the tide of public opinion into contempt rather than the present awe -- and, I think, the entire case will shortly take on an entirely different perspective. Estes does not rate with the Insuls of history -- or even with the Goldfines. He is probably not even the equivalent of a BenJack Cage. His is simply a small-bore burglar who stole from both neighbors and national corporations. His case placed in proper perspective is a case for the police reporters, not a case for the serious national columnists and editorialists.

CASE & PROJECT

May 1, 1958

Mitchell
Hand

MEMORANDUM:

TO: Senator Johnson
FROM: Lloyd Hand
RE: Pecos Labor Problem

Cliff Carter called last night (11:00 P. M.) strongly urging that you attend the conference this morning between Secretary Mitchell and representatives of the Texas farmers to urge his consideration of their problem which stems from the minimum wage ceiling imposed by Secretary Mitchell.

Cliff states Yarborough will be present and the farmers in that area with whom Cliff has been talking the past two days are desperately concerned. He has visited Plainview, Ralls and other areas and states the problem is not confined to just the Pecos area.

I explained the delicacy of this problem. Cliff's judgment is to favor the growers and users over organized labor, if necessary. He states as an example Billy Sol Estes, in whom we are very interested. He has 26,000 acres of crops and stands to lose \$250,000 if labor is not available for harvesting. Two farmers, L. D. McNeel and W. J. Worsham, are en-route to D. C. for this meeting. Others are already here. Cliff called from Bill Jackson's home in Lubbock.

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

\$
\$
E

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1211 (4-55)

CASE &

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

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			OB LYNDON B. JOHNSON	

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

CHEAPEST DAY RATE

BOOK WIRE

MAY 1938

met
[Signature]

Mr. Bob Sherrill
Trans Pecos Cotton Assn.
Pecos, Texas

Mr. Billy Sol Estes
Pecos, Texas

SECRETARY LABOR MET WITH US AGAIN THIS MORNING.
SOLE ISSUE NOW IS MINIMUM WAGE. AFTER FURTHER
DISCUSSIONS, SECRETARY SUGGESTED HE AND HIS AS-
SOCIATES WOULD ANALYZE THE DIFFERENCES AND MEET
WITH US AGAIN TOMORROW AFTERNOON, AT WHICH TIME
HE IS HOPEFUL OF AN AGREEMENT. AM URGING MERITS
OF OUR POSITION AND IMPORTANCE AND URGENCY OF
PROBLEM TO OUR AREA. WILL CONTINUE TO WORK FOR
SOLUTION AND KEEP IN MIND YOUR INTEREST. REGARDS.
LYNDON B. JOHNSON

LBJ:ACP:JW

CASE & PROJECT

*Mexican
Labor*

OB LYNDON B. JOHNSON

CHEAPEST DAY RATE

APRIL 28, 1958

Mr. Billy Sol Estes
Pecos, Texas

REPRESENTATIVES OF MEXICAN LABOR USERS AND
SECRETARY OF LABOR MITCHELL HAVE JUST COM-
PLETED TWO HOUR SESSION ON BRACERO PROBLEMS,
INCLUDING MINIMUM WAGE ISSUE. J. B. KIRKLAND OF
PECOS WAS PRESENT, ALSO MY ADMINISTRATIVE
ASSISTANT, ARTHUR PERRY. SECRETARY GIVES ASSUR-
ANCE PROBLEM WILL BE FURTHER REVIEWED AND THAT
THERE IS NO DISPOSITION TO IMPOSE UNWORKABLE
SYSTEM. AM HOPEFUL SATISFACTORY SOLUTION CAN BE
WORKED OUT.

LYNDON B. JOHNSON, USS

LEB,ACP:jw

XEROX FROM QUICK COPY

LYNDON B. JOHNSON
TEXAS

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

August 11, 1958

Dear Friend:

Recalling your interest in the bracero program, and particularly the wage formula, I am sending you a letter from the Secretary of Labor, together with a memorandum indicating the conclusions reached between the Department and the advisory group of growers.

Again, let me assure you of my continuing desire to be helpful in the settlement of this problem. I shall continue to keep in touch with all developments and keep in mind your interest.

Sincerely,

Lyndon B. Johnson

~~Mr. C. B. Smith~~
~~Trans. Sec. of Labor~~
~~Rec. Sec. of Labor~~

SEE ATTACHED LIST OF NAMES THAT THIS LETTER WAS
WRITTEN TO.

LBJ:ACP:jw

tMr. J. Dean, Jr.
General Manager, Lazy K Ranch
Helotes, Texas

Mr. Stanley B. Crockett, President
Lower Rio Grande Valley Chamber of Commerce
Weslaco, Texas

Mr. Dan Seitz
421 East Gore
Pharr, Texas

Mr. Cecil Morris
Gonzales Production Credit Association
P. O. Box 98
Gonzales, Texas

Mr. H. L. Dent, Secretary
Chamber of Commerce
Hale Center, Texas

Mr. William P. Sauer
Box 516
Van Horn, Texas

Mr. J. H. West, President
Texas Farm Bureau
Bishop, Texas

Mr. Steve U. Sredanovich
P. O. Box 215
Dell City, Texas

Mr. C. H. Langford
Bandera, Texas

Mr. Doyle L. Ziler
P. O. Box 127
Dell City, Texas

Mr. R. A. Boyd, President
Lubbock County Farm Bureau
Lubbock, Texas

~~XXXXXXXXXX~~
Mr. Bill Thomason
Bryan, Texas

Mr. Coye Heard
Route 1
Anton, Texas

Mr. W. O. Stephens
Route 1
Sunray, Texas

Approved by
State of Texas
Superintendent of
Insurance

Mr. B. J. Holland
Plainview, Texas

Mr. Dee W. Martin
Route 3
Plainview, Texas

Mr. Lance Sears
1211 East 13th Street
Sweetwater, Texas

Mr. L. W. Phillips
Muleshoe, Texas
M

Mr. Bob Jacobs
Muleshoe, Texas

Mr. Read Wipprecht
P. O. Box 4167
College Station, Texas

Mr. D. E. Denney
P. O. Box 85
Wolfe City, Texas

~~Mr. Bob Sherrill~~
~~Trans-Pecos Cotton Association~~
~~Pecos, Texas~~

Mr. Billy Sol Estes
Pecos, Texas

Mr. F. B. Godinez, Jr.
~~Pharr, Texas~~
Pharr, Texas

Mr. O. H. Pattillo, President
Kleberg County Farm Bureau
Kingsville, Texas

Honorable Van N. Culpepper
801 Quince Street
McAllen, Texas

Mr. Cecil Phillips
Gail Route
Big Spring, Texas

Mr. George W. Baker
821 B. C.
McAllen, Texas

Mr. John F. Harris
Box 476
Crystal City, Texas

Mr. Ernest Williams, Executive Secretary
Texas Sheep and Goat Raisers Association
P. O. Box 1486
San Angelo, Texas

Mr. Joe W. Pacheck
Plaza Drug Store
233 Earl Garrett Street
Kerrville, Texas

Mr. Bob Sherrill, Manager
Trans-Pecos Cotton Association, Inc.
Pecos, Texas

United States Senate

MEMORANDUM

Arthur

talk to Lloyd and youall work out something
there

LBJ

United States Senate

MEMORANDUM

5/1/9:30

Lloyd says that J. B. Kirkland
and another man are in Walters
office now about the same matter.

a

W. B. Kirkland
J. B. Kirkland

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

\$
S
E

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

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

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			OB LYNDON B. JOHNSON	

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APRIL 28 1958

[Handwritten signature]

Mr. Billy Sol Estes
Pecos, Texas

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INCLUDING MINIMUM WAGE ISSUE. J. B. KIRKLAND OF
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ANCE PROBLEM WILL BE FURTHER REVIEWED AND THAT
THERE IS NO DISPOSITION TO IMPOSE UNWORKABLE
SYSTEM. AM HOPEFUL SATISFACTORY SOLUTION CAN BE
WORKED OUT.

LYNDON B. JOHNSON, USS

LBV:ACP:jw

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

January 3, 1961

////

Dear ////:

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 have liked.

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, I am

Sincerely,

Lyndon B. Johnson

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

January 6, 1961

Dear :

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

COPY OF INCOMING LETTER FOR FILES

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

January 6, 1961

Dear Friend:

Thank you for writing to me and offering your
services to the new Administration.

I do not know whether I will be consulted about
appointments, but I do want Senator Kennedy and
his people to have your generous offer. Thus,
I am glad to tell them of your interest. 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

May 31, 1962

MEMORANDUM:

At 9:30 this morning, Deke DeLoach came by to see me, at my request. I had called him on Friday, May 25, and requested the meeting. At that time I offered to do it that day or Saturday, May 26. He suggested we do it Monday, May 28 at 3:00 P. M. On Monday morning he called and said he was being sent to Omaha on a rush trip and wanted to postpone the meeting until Thursday, May 31. I offered to see him on Monday before his plane left, but he stated he had to go to the Doctor to have his foot worked on and could not do it that day.

When Mr. DeLoach came to the office, he brought with him Mr. McCloskey and Mr. Cook. Mr. McCloskey and Mr. Cook remained in the outside office. I told DeLoach that at the request of the Vice President 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 McCloskey and Cook earlier.
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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 in a receiving line at his home on the one occasion which had already been described. I told DeLoach that the Vice President 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 some very limited contacts with Estes which consisted pretty much of the following:

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Walter Jenkins

at the request of the Vice President
May 31, 1962

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At May request
I had called
him on Friday
May 15 + he
requested the
meeting at
that time I offered
to do it that
day or Saturday
May 16. He
suggested we
do it Monday
May 28 at
3pm. on
Monday morning
he called and
said he was
being sent to
Omaha on a
business trip +
wanted to postpone
the meeting till
there, May 31.
I offered to
see him on
Monday before his plane left but he stated he had to go
to the doctor to have his foot worked on + could not do it that day.

(2)

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(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~~ ^{March} ~~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. *the tapes were for something*

June 1, 1962

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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.

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A: Ten.

Q: You already had your tickets?

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

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Q: In February you received another call?

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A: No.

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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?

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May 31, 1962

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- (1) The transmittal of a public document on cotton acreage allotments, as already reported by me to McCloskey and Cook earlier.
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(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, two in February and 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 we were investigating him 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 DeLoach Cliff did not call Estes back.

(4) Estes was one of many people who paid small amounts for tapes of public service non-political broadcasts by the then Senator Johnson. Out of four years he had provided the tapes for something like 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.

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Johnson Sent 'Dear Billie' Letter in '60

Special to The New York Times.
WASHINGTON, May 28 —

Vice President Johnson wrote a "Dear Billie" letter to Billie Sol Estes before he took office.

The letter, dated Dec. 25, 1960, when Mr. Johnson was vice-president-elect, was in response to a letter from Mr. Estes recommending another Texan for a political appointment in Texas.

Mr. Estes recommended W. P. Mattox, who was not appointed to the Texas State Agricultural Stabilization and Conservation Committee, a Federal group that supervises farm price support programs in the state.

Charles Boatner, an aide to Mr. Johnson, described the letter as a "form letter" that went out over Mr. Johnson's signature. He said the same letter went out in "thousands" after Mr. Johnson was elected, in answer to many requests for appointments.

He said the letter was the same type of letter that another Johnson aide, Cliff Carter, had sent himself to Mr. Estes at about the same time. Mr. Carter has said that he was answering a request from Mr. Estes regarding Mr. Mattox. The Carter letter was made public in the board of inquiry hearings conducted in Texas by State Attorney General Will Wilson on Mr. Estes' operations.

The Vice President's letter read as follows:

"Dear Billie:
"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 decisions 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."

Mr. Boatner said: "You will note that the letter does not name any one." He went on that this indicated that it was a form letter.

Vice President Johnson has told friends privately that he had never had any dealings or communications with Mr. Estes. Mr. Boatner said that Mr. Johnson did not personally sign or know about the letter to Mr. Estes until today, when it was found in the Johnson files here.

Mr. Johnson also has said privately that he met Mr. Estes only once. That occasion, he has said, was last January, following the Democratic \$100-a-plate dinner here to celebrate the first anniversary of President Kennedy's inauguration.

At the dinner, held in the District of Columbia Armory, typewritten slips were passed around to all Texan present inviting them to the Johnson home for a coffee reception the following Sunday afternoon.

The number of persons who turned up was estimated at between 100 and 150. It was at this reception, the Vice President has said, that he met Mr. Estes and also Mr. Mattox.

The Vice President is known to have had a brief conversation with Mr. Estes. When the Estes case broke, the Vice President said he wouldn't know Mr. Estes if he saw him again.

It was learned at the Department of Agriculture that, when Mr. Estes' empire collapsed, Mr. Johnson telephoned the Department of Agriculture, presumably to Secretary Freeman.

He is said to have told Mr. Freeman that he had never heard of Mr. Estes except on the one occasion at his home. He is also understood to have said that if the Department of Agriculture had checked with him, Mr. Estes would not have been appointed to the department's

National Cotton Advisory Committee.

Mr. Estes was named to the advisory committee in July, 1961, at the time the department opened an investigation into his disputed Federal cotton allotments. He was reappointed in November, 1961.

These appointments have brought Republican charges that Mr. Estes received favorable treatment from the department, whose general counsel later ruled that the allotments were illegal because of the land deals through which Mr. Estes got them.

Last month the department levied penalties totaling \$554,162 on Mr. Estes for the illegal allotments.

Charles E. Murphy, Under Secretary of Agriculture, acknowledged recently that he was responsible for naming Mr. Estes to the advisory committee.

Mr. Murphy said Mr. Estes had been endorsed by Senator Ralph W. Yarborough, Democrat of Texas. Senator Yarborough has acknowledged that he received campaign contributions from Mr. Estes in the past, including \$1,700 to help finance tape recordings made by the Senator in Washington for broadcast over Texas radio stations.

Mr. Mattox did not get the job on the Texas state committee because Mr. Johnson recommended other Texans who were selected. It was also said at the Department of Agriculture that Mr. Johnson actively opposed Mr. Mattox because of commitments to other cotton interests and that he had accepted the recommendations of Texans who opposed Mr. Mattox.

Mr. Boatner was asked whether the Vice President had written another letter when Mr. Mattox failed to land the state committee post. Mr. Boatner said: "No."

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