

COPY

GENERAL
N.L.R.

December 21, 1953

Dear Mr. Murchison:

Senator Johnson is in Texas at this time, but your note of December 15th will be called to his attention on his return to Washington next week. I know he will be interested in your comment that you see a similarity between his News Letter and the Texas Letter edited by Vance Johnson.

Please call on us if we can be of service to you here.

Sincerely,

Arthur C. Perry
Administrative Assistant to
Lyndon B. Johnson, USS

Mr. Clint W. Murchison
1201 Main Street
Dallas, Texas

acp/ba/aw

Clint W. Murchison
1201 Main Street
Dallas, Texas

December 15, 1953

RECEIVED

DEC 21 1953

Dear Lyndon:

Enclosed please find a copy of The Texas Letter. It reminds me of your news letter so much I thought it would be interesting to you.

Best regards,

Clint

Senator Lyndon B. Johnson
Washington, D. C.

THE **TEXAS** LETTER... A WEEKLY CONFIDENTIAL *Washington* REPORT TO TEXANS

EDITED BY VANCE JOHNSON

Washington, D. C.
December 12, 1953

Dear Fellow Texan:

Look for Congress to overrule Administration's new public power policy if it is not toned down drastically, and quickly. Groundwork for a lawmakers' revolt is being laid in expanding Senate Judiciary subcommittee inquiry.

Sparkplugs of the investigation are a New Dealing (on such matters) Republican, *Langer of North Dakota*, and a down-the-line New Dealer from 'way back, *Murray of Montana*. Questioning quickly could develop into a playback of the depression era utility investigations led by Representative Sam Rayburn, Texas.

Charges of "combines" between big power companies, of "brainwashing" propaganda, are being hurled by politically-potent rural co-ops. Langer says he's ready to provide a forum for more.

Heart of issue is an Interior Dep't rule requiring public power groups to estimate their needs 20 years in advance or see federally-produced power go to private utilities. Companies say long-term contracts are essential to sound use of U. S. power outside publicly-owned districts. Storm increases, nevertheless, because rural co-ops see in Interior policy a design to strangle them.

Extent of rural uneasiness is indicated by formation of super Southwest Power Cooperative, with co-op members in 4 states. (Truett Bailey of Cleburne is president.) Objective is to bid on federal, municipal and private power, wheel to co-ops, buy transmission lines, finance new construction and generators.

"We're forced to look for solution within the framework laid down by Eisenhower Administration," said Ed Thomas, Arkansas, at first Southwest meeting. "We'll buy anything they offer to sell."

One purpose of this move obviously is to dramatize the political issues involved, make it difficult for Interior to sell big blocks of power to utilities. Meanwhile, Missouri Basin Electric Consumers Ass'n plans to go to court in effort to prevent contracts, which it says will result in loss to the gov't.

In the face of this pressure, and the Langer Committee's preliminary inquiry, Interior already has started to back down. Two new "interpretations" of order declare private utilities will not automatically get 20-year contracts and that co-ops will have 6 months or more beyond January 1 to firm up estimates.

New Division for Texas

Army strength in Texas may go up next year despite the 10% over-all cut ordered by Defense Sec'y Wilson. Some towns with posts nearby may notice slight business dip but Killeen and others near Fort Hood may see a marked pick-up.

Early fall indications were that 1st Armored at Fort Hood, once planned as one of 2 full-strength divisions in U. S., would be skeletonized. Now tankers appear to have won argument with infantrymen and next fiscal year will get a second armored division—to join 1st at Hood. Both would be kept at about 80% of combat strength, with full equipment, ready to move out on short notice.

Trade Conflict Grows

Don't be surprised if crude oil price cuts, which seem inevitable at time of writing, force Administration to ask big oil companies to work out program for "voluntary" slash in volume of crude imports from overseas fields.

Sec'y McKay opposes gov't quotas on imports but has openly endorsed idea of voluntary plan. This would help meet outcry of Texas, other independents. Big firms, wary of antitrust laws, want assurances from Dep't of Justice too. Cut in domestic prices would bring renewed storm against imports, might compel Ike to take steps to get all gov't departments and oil companies together.

This illustrates terrific counter-pressures within Administration on whole issue of "trade not aid." Commerce Sec'y Weeks publicly advocates plan to rewrite tariffs on basis of U. S. wages, which means higher duties—this as protectionist as import quotas.

Ike was heartily applauded in Canadian parliament when he proposed high-level conference to work toward reduced trade barriers. But new restrictions on imports of oats, groundfish fillets, lead and zinc from Canada are in the works. Agriculture Dep't wants quotas on wool imports, maybe Canadian rye. So it goes all down the line—widening gulf between general views & potential deeds.

Story Behind Bermuda

Untold story from Bermuda conference is that U. S., Britain, France failed to reach agreement on basic issues important to long-term unity of West.

Our Bermuda correspondent reports Big Three discussed Red China, decided to eliminate subject in last communique because China is political dynamite here. They simply consented to continue disagreeing about recognition. Ike showed much caution in top-level private discussions with Churchill, Laniel. Made little notes so he would have record of talks to review with Secretary Dulles.

Churchill revealed he's about given up hope French will ever ratify treaty to create 6-nation European army including German divisions. Urged sharp changes in North Atlantic Treaty structure to accommodate German troops. Ike & Dulles rejected this as inadequate substitute for militarily united West Europe.

But French left conference *lacking Anglo-American pledge* they demand before treaty action—firm promise British, American troops will stay in Europe.

Cotton Dilemma

Texas farmers will be only partly in dark Tuesday when they vote on 1954 cotton quotas. They don't know how much they'll be allowed to plant, but they can be sure Congress won't let present 7,376,858-acre allotment stand.

Southern & western producer deadlock on formula for sharing extra acres may delay action for weeks. But for most it will come in time.

Only South Texas growers face big dilemma. They start planting the new crop in February and it will be practically impossible for the gov't to advise them in time how much they ought to plant. They'll just have to keep an ear to ground, make a guess—and hope Agriculture Dep't will feel compassion.

Sighted From Here:

Big State Dep't question is whether Henry Cabot Lodge will be moved into No. 2 spot when Gen. Walter Bedell Smith, Ike's wartime chief of staff, leaves next summer. Many believe Lodge, now U. S. delegate to U. N., is logical successor, ultimately, to Dulles and will be brought in so as to be "fully briefed."

More business, more jobs for Dallas are in prospect as result of move to divorce Chance Vought plant from United Aircraft Corp. United has kept it under wraps largely because its bigger subsidiary, Pratt-Whitney, sells to most other plane makers. On its own, Chance Vought can go out for commercial and Air Force contracts—not limit its efforts, as heretofore, to building planes for Navy.

Title of profile on Senator Daniel, due in January 2 Saturday Evening Post, may surprise many of his friends: "Case of the Bumptious Young Texan." Story is that Daniel was "quite bumptious" in college days.

Hard days appear ahead for cigaret makers. Sales have been slipping for months and are still going down. One factor doubtless is accumulating medical findings of relation between smoking and lung cancer. Tobaccomen angrily denounced this week's report by New York and Louisiana doctors as "only suggestive," not convincing. But next day, cigaret stocks hit a new low on the stock exchange.

Teacher shortage continues to plague nation's schools. Forty-five states need more teachers than they now have, says Nat'l Education Ass'n. Texas' shortage is placed at 1100. One factor is pay, which in Texas (as elsewhere) is lively political issue. Texas average of \$3375 a year is below 27 other states, less than average paid in all bordering states except Louisiana. Teacher qualifications, however, are high. Only 1 other state, Arizona, has fewer teachers in elementary grades with less than 4 years of college training. Thirteen states have fewer (but only slightly so) high school teachers without degrees.

Sec'y Benson bows to inevitable: Now tells audiences it's not his job to "decide" on farm programs. Merely to "survey" and "advise" Congress. This is old stuff. Administrations usually propose, as Benson will do, but then Farm Bloc in Congress takes over, goes its own merry way.

Cooler kitchens are promised by new automatic gas ignition devices being built into gas ranges by several manufacturers. One system uses single tiny gas pilot light, instead of 3 or 4 now on most gas stoves. Another uses a small electric igniter coil, which heats up and ignites gas when burner valves are opened.

Military has won another round in fight to keep commissaries open. This is real meaning of Defense Dep't announcement that while only 6 will be closed, 38 others, including Corpus Christi Navy base and Wolters Air Force Base, Mineral Wells, are to undergo "further study." Brass has persuaded Sec'y Wilson to hold off until services get another chance to convince Congress commissaries are important inducements to reenlistments. There's no present intention to close the other 38.

Sales brochure on Texas, other gov't-owned synthetic rubber plants will be ready by end of month. If you want on list, write Ferris B. Thomas, sec'y, Rubber Producing Facilities Disposal Commission, 811 Vermont Ave., N. W., Washington 25.

Note to Galveston: Fed'l Maritime Board examiner will report Tuesday or Wednesday on his findings in Port of Galveston protest that rates on shipment of bauxite from abroad discriminate against it and in favor of Mobile and New York.

Story of a Business

For down-to-earth appraisal of what's happened to business this year, and outlook for future, read quarterly review of John L. McCaffrey, president of International Harvester—a firm which has big stakes in Texas' well-being.

Harvester's August-September-October sales dropped \$65.5 million from preceding quarter. Faced with "excessive" inventories, it laid off workers, cut back production, started doing some work formerly farmed out to subcontractors. *But these weren't enough to offset higher costs* due to curtailed output, higher material prices and wage rates. Result: less net profit for the full year.

McCaffrey looks confidently ahead. Says rains in Southwest will improve sales, adds: "There is no saturation in the markets for any of our products. The financial situation of our customers is good. . . The year 1954 will see a spirited contest of competing sales and dealer organizations in a *highly-competitive buyers' market*. We will have our share of that market."

Labor Woos Farmers

Organized labor is stepping up its wooing of farmers—for vote-catching purposes—and there are signs the unions are getting their message across.

George Meany recently became first AFL president invited to address the National Grange. His theme: Farmers and wage earners are both workers. They are each other's best customers. If one takes a beating, so does the other.

CIO spokesmen showed up as pro-farmer witnesses at House Agriculture Committee grass-roots hearings. One got lusty midwestern cheer when he said: "We want the farmer to know we think he deserves 100% of parity—not just 90%."

Behind courtship is union realization that city congressmen frequently vote to help farmers, but their rural colleagues often vote against unions.

Last time there was serious effort to repeal Taft-Hartley southerners in Senate (including both Texans) voted 14-7 to block repeal, while Democrats outside South voted 19-1 for repeal. In House vote, southerners opposed repealer 64-33 (Texans split almost equally) while non-South Democrats voted for 91-1. But in '52 northern Democrats joined 14-7 in southern-supported Senate move increasing soil conservation funds. Northerners lined up same way in House.

Labor would like to get a quid pro quo from farm-state and farm-district senators and representatives. Unions are sure their political status will stay shaky unless they convince farmers that labor members are their friends. You can be certain they'll intensify courtship, knowing that if they can get farmer and labor voters together they will have biggest single bloc of power.

Cordially,

Vance Johnson

COPY

August 14, 1950.

Dear Clint:

Many thanks for your note of the 11th about your nephew Richard Ohrstrom. I, too, had a mighty nice letter from him the other day and hope I get a chance to meet his folks when they come down to see him.

I enjoyed the opportunity of knowing him better when we had lunch together the other day. He is a fine young man.

With best wishes, I am

Sincerely,

Lyndon B. Johnson.

Mr. Clint W. Murchison,
Dallas,
Texas.

in
corres

CLINT W. MURCHISON
DALLAS, TEXAS

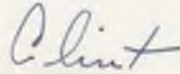
August 11th, 1950

Honorable Lyndon Johnson
United States Senate
Washington, D. C.

Dear Lyndon:

I had a very interesting letter from
Ric Ohrstrom. He thanked me for the job
you did for him. He was very appreciative
and I want you to know that I am also.

Sincerely,

A handwritten signature in blue ink that reads "Clint". The signature is written in a cursive, slightly stylized font.

C. W. Murchison

CLINT W. MURCHISON
DALLAS, TEXAS

January 24, 1950

File

Honorable Lyndon Johnson
United States Senate
Washington, D. C.

Dear Lyndon:

Thanks for your letter with reference to
the building in San Antonio. I was just
taking a shot in the dark.

With kindest personal regards, I am

Sincerely yours,


C. W. Murchison

COPY

March 11, 1953

Dear Clint:

Thanks for your note of the 9th.

Bob Anderson gave me the information the other day and I dropped our Fort Worth friend a little note. I am very sorry this had to happen to him. I have been concerned, however, for several weeks for fear it would happen to me after hearing all the ugly things he was saying about me.

If his health means more to him than my future, maybe doctor's orders will slow him down a bit.

Best regards and thanks for keeping me posted.

Sincerely,

Lyndon B. Johnson

Mr. Clint Murchison,
1201 Main Street,
Dallas, Texas.

lbj m

condolence

P. S. Enclosed is a copy of the note I wrote.

REC'D MAR 10 1953

CLINT W. MURCHISON
DALLAS, TEXAS

March 9, 1953

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

Dear Lyndon:

Our mutual friend in Fort Worth who is
a little miffed with you has had a heart
attack. They are keeping it very, very
confidential, so don't quote me and don't
repeat it please.

Sincerely,

Clint

CWM:VB

Syers

Pickle

and

Winn

A D V E R T I S I N G ■ P U B L I C R E L A T I O N S ■ A R T

1 4 1 4 L A V A C A ■ T E L E P H O N E 2 - 7 2 2 6 ■ A U S T I N , T E X A S

March 6, 1953

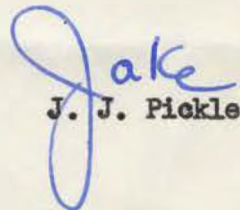
Senator Lyndon B. Johnson
Senate Office Building
Washington, D. C.

Dear Senator:

Buck tells me that Amon Carter had a heart attack two or three days ago, but that the papers will not release the story.

I'm sure you know this, but I wanted to pass the information on.

Sincerely yours,


J. J. Pickle

COPY

March 10, 1953

Dear Amon:

A very good mutual friend of ours, now on assignment in Washington, gave me some information the other day that I hope is wrong. He said you apparently have been going a little too hard and that the doctors have moved in and slowed you down. I can't really imagine your operating any way except at a fast clip, but if what our friend said is correct I hope you will relax a little and do just about what the men of medicine order you to do.

My own interest in this is pretty selfish, I have to admit. I expect to visit Fort Worth again one of these days -- and I hope it won't be long -- and when I do I certainly want to see Mister Fort Worth in his usual fine form.

In all seriousness, please take care of yourself. And when you feel like it, I'd certainly like to hear from you.

Sincerely

Lyndon B. Johnson

Mr. Amon G. Carter
1220 Broad
Fort Worth, Texas

bm dj
condolence

Selected Names
GENERAL

June 7, 1954

Dear Clint:

Thanks for sending me that chart. It's going to save me a lot of time considering the basic idea and will be extremely helpful.

I've already thought of coupling it with your plan to take acreage out of total production and I am having some serious study given to the whole matter. I, myself, am no economic expert, as you know, but I think I've got enough common sense to understand and judge once the whole thing is put together.

Best personal regards, and I hope you will send me any other thoughts that occur to you.

Sincerely yours,

Lyndon B. Johnson

Mr. Clint W. Murchison
1201 Main Street
Dallas, Texas
LBJ:GER:gr

*Return to Rudy
to do something
about it
LBJ*

VI
14

Rudy

Clint W. Murchison
1201 Main Street
Dallas, Texas

June 2, 1954

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

RECEIVED
JUN 4 1954

Dear Senator:

Enclosed please find the chart I promised you. This works out the relative price that an ounce of gold should sell for as against various commodities. You will note that the average is about \$82 per ounce.

You are worried about surpluses, and I believe your worries could be settled if you could work out a deal to take this gold and revalue it on a realistic basis and agree with various countries to sell it to them on a 25-year repayment plan whereby the United States government would either take some of their natural resources and/or gold at the price they paid for it in this manner. It would be impossible for them to default because all they would have to do is to put their people to work producing their natural resources to meet the requirement of the debt to the United States government.

Along with this they would agree, among other things, to allow us to import into their countries certain of our surpluses and buy certain of our surpluses. The hard money men will say that is more inflation, but if instead of trying to create a world price on gold of \$75 - \$80 an ounce they would stipulate they could only repay their debts at that price, I think in effect it would be a type of two-currency policy such as Dr. Schacht worked out in Germany.

If you will couple this with my plan (which I sent you) to take acreage out of total production, I believe you will have it solved forever and anon.

Sen. Lyndon B. Johnson

Page 2.

Since writing you about our over production of corn, wheat, et cetera, I have checked up and found out that only 40% of the production is created by the small farmer. The other 60% is created by the farm financiers. It is nothing more than we have in the oil business today -- PRORATION -- and certainly would not work a hardship on any individual because he would be getting in effect 10% on his investment, and nobody should shun that return.

Best regards,

Clint

CWM:VB

AMOUNT OF COMMODITIES ONE OUNCE OF GOLD BOUGHT IN CERTAIN YEARS SINCE 1914

	Gold Price	N.Y. Lead	E.St.Louis Zinc	FOB Ref.N.Y. Domestic Electrolytic Copper	Straits Tin N.Y.	N.Y. Silver	Bessemer Steel Billets Pittsburgh	Wheat #2 Ord. Hard K.C.	Coffee #4 Santos N.Y.	Raw Sugar N.Y.	Accra Cocoa N.Y.	Crude Oil Kas.-Okla. (Mid Cont. 33-33.9 grv.)	Crude Rubber N.Y.	Cotton 15/16" Mid. N.Y.
	Price (lb.)	Price (lb.)	Price (lb.)	Price (lb.)	Price (lb.)	Price (oz.)	Price (ton)	Price (bu.)	Price (lb.)	Price (lb.)	Price (lb.)	Price (bbl.)	Price (lb.)	Price (lb.)
	Cents	Cents	Cents	Cents	Cents	Cents			Cents	Cents	Cents		Cents	Cents
Average During 1914	\$20.67	3.87 534.1	5.11 404.5	13.31 155.3	35.70 57.9	54.81 37.7	\$20.08 1.03	\$1.00 20.7	11.5 179.7	.0387 534.1	8.00 159.0	\$.80 25.8	65.3 31.7	.1183 174.7
1920	20.67	8.08 255.8	7.77 266.0	17.50 118.1	50.36 41.0	100.9 20.5	57.79 .36	2.53 8.2	19.1 108.2	.1306 158.3	5.1 101.3	3.41 6.1	36.3 56.9	.3389 61.0
1921	20.67	4.55 454.3	4.67 442.6	12.65 163.4	30.00 68.9	62.65 33.0	34.60 .60	1.44 14.4	10.4 198.8	.0485 426.2	10.2 202.6	1.71 12.1	16.4 126.0	.1507 137.2
1932	20.67	3.18 650.0	2.88 717.7	5.67 364.5	22.01 93.9	27.89 74.1	26.25 .79	.53 39.0	10.9 189.6	.0293 705.4	9.3 222.2	.83 24.9	3.45 599.1	.0644 320.9
1935	35.00	4.06 862.1	4.33 808.3	8.76 399.5	50.39 69.5	64.27 54.4	27.31 1.28	.97 36.0	8.9 393.2	.0324 1080.2	7.8 448.7	.94 37.2	12.36 283.2	.1198 292.2
1939	35.00	5.05 693.1	5.11 684.9	11.07 316.2	50.18 69.7	39.08 89.6	34.00 1.03	.79 44.3	7.5 466.7	.0299 1170.5	4.9 714.2	.96 36.5	17.97 194.8	.0947 369.5
1946	35.00	8.11 431.6	8.73 400.9	13.92 251.4	54.58 64.1	80.15 43.7	38.64 .91	1.99 17.6	18.5 189.2	.0458 764.1	11.5 304.3	1.24 28.2	22.50 155.6	.3128 111.9
1949	35.00	15.36 227.9	12.14 288.3	19.36 180.8	99.32 35.2	71.93 48.7	52.03 .67	2.19 16.0	31.7 110.4	.0581 602.4	21.5 162.8	2.48 14.1	17.59 199.0	.3245 107.9
1950	35.00	13.30 263.2	13.87 252.3	21.46 163.1	95.56 36.6	74.17 47.2	53.25 .66	2.25 15.6	50.9 68.8	.0593 590.2	32.1 109.0	2.44 14.3	41.57 84.2	.3706 94.4
1951	35.00	17.49 200.1	18.00 194.4	24.37 143.6	128.31 27.3	89.37 39.2	56.00 .63	2.44 14.3	54.30 64.5	.0606 577.5	35.6 98.3	2.40 14.6	60.48 57.9	.4242 82.5
1952	35.00	16.47 212.5	16.22 215.8	24.37 143.6	120.47 29.1	84.94 41.2	57.13 .61	2.38 14.7	54.08 64.7	.0627 558.2	35.59 98.3	2.42 14.5	38.93 89.9	.8972 88.1
June 17, 1953	35.00	13.50 259.3	11.00 314.2	29 ³ / ₄ 117.6	92.00 38.0	85 ¹ / ₈ 41.1	62.00 .56	2.07 16.9	56.00 62.5	.0639 547.7	35.88 97.5	2.64 13.3	24.38 143.6	.3415 102.5

Price at which gold would have to sell in order to buy
as many units of commodities today as in 1939.

June 17, 1953	\$83.56	\$76.29	\$94.10	\$64.20	\$76.30	\$64.37	\$91.75	\$261.34	\$74.80	\$256.38	\$96.05	\$47.48	\$126.17
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June 17, 1953
Average

Straight	Ex Cocoa and Coffee
\$109.44	\$82.28

June 18, 1953

January 22, 1953

Dear Clint:

I am no expert on porcine genealogy but I'm as fond of sausage as Lil Abner is of Salome and the little pigs you sent me are certainly of the best.

I deeply appreciated the gift and it helped considerably to be able to trace the pedigree back to Pygmalion and thus be assured that it was one of the finest products of art.

With best personal wishes, I am

Sincerely,

Lyndon B. Johnson

Mr. Clint W. Murchison
1201 Main Street
Dallas, Texas

948
LBJ:GER:wdt

thank yous

Clint W. Murchison
1201 Main Street
Dallas, Texas

January 16, 1953

Dear Lyndon:

Poppa Pig and all the little pigs are going to attend the Inauguration this year for the first time in the history of my pig family. They are being given a personally conducted tour by Bob Thompson, who will leave a couple of little pigs with you while they are on their tour. I hope you enjoy them.

In case you think you are eating just an ordinary hog, I have extracted two pages from the PORCINE'S WHO'S WHO to help you trace their genealogy.

Sincerely,

Clint

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

December, 1943

MUSINGS AND MUTTERINGS OF A PRIGGISH PIG

Dear Folks:

We have now arrived at one of your so-called "White Christmases." (Quoting Li'l Abner in reverse: "It's so confoozin', but not amoozin'.") Maybe I am color blind.

This bloody carnage is nothing new in a pig's life, and you self-admitted higher form of animals should look back into our antiquity. We pigs trace our beginnings to Pygmalion who was given the breath of life and love by Aphrodite, and we well-bred pigs have been following her example ever and anon. The Chinese have taken their queues from us, which makes them such a peaceful and prolific people, and you may be sure this is no pig-tale, which reminds me that you men of many brain cells are the only animals who prey upon themselves. Methinks you should do more praying and less preying. My particular branch of the family is well-rooted in American traditions. We were here and inquisitive of life and love when the old Spanish Dons of the Inquisitional Period first set foot on Western soil. They called us javelinas (have a Lena, to you); so great, great grandpappy "had his Lena" and Lena had a lot. With many repetitions, here I am all scrambled up on your doorstep, notwithstanding the bureaucrats who have scrambled up everything into one great state of confusion.

On account of the fact that there ain't no "point" to my being on your doorstep this morning, I am operating under lend-lease this year and will have to be returned to the owner after the duration, all of which, including this letter, seems pretty "corny" to me, but "corny" am I, and I hope you have a Happy New Year and an Old Deal.

Prissy Pig

By Virginia and Clint

December 1944

Dear Friend:

In a separate package we are sending you some of our home-made sausage.

This is not the 50-50 sausage of the German butcher, who, when asked if he had any pork sausage, stated he had some 50-50, and, when further questioned, said that 50-50 meant one horse and one pig.

The main ingredient of this sausage is one pedigreed pig, whose genealogy extended directly back to the original hog of Hog Island, and whose lineage was not cluttered by even so much as one runt in his family ("runt" is to the hog family the same as skeletons in the closet and blots on the escutcheon, etc., are to us).

This was a snooty pig, and he always spelled his name with a capital "P". In fact, he was so snooty that when told to: "Root, hog, or die", he wouldn't even root - hence, the sausage.

Moral: If we all will do more rooting and less grunting we can anticipate a more Happy, Joyous and Prosperous New Year - so these are our Season's Greetings, and we hope you enjoy them.

Sincerely,

Virginia and Clint

United States Senate

MEMORANDUM

November 18, 1957

Dear Bob:

I am sure you have a
copy of the recent regulation now.
If not, here it is.

Let me know what has
developed.

Walter

Mr. Robert Thompson
c/o Mr. Clint Murchison
5307 East Mockingbird Lane
Dallas, Texas

Walter

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
Washington 25, D. C.

CTP

Properties and Installations

Wherry Housing
NOV 7 1957

MEMORANDUM FOR THE ASSISTANT SECRETARY OF THE ARMY (FM)
THE ASSISTANT SECRETARY OF THE NAVY (MATERIAL)
THE UNDER SECRETARY OF THE AIR FORCE

SUBJECT: Acquisition of Wherry Housing under Title IV of the Housing Amendments of 1955, as Amended.

- REFERENCE: (a) Title IV of the Housing Amendments of 1955, as amended by Public Law 1020, 84th Congress (70 Stat. 1091) and Public Law 104, 85th Congress (71 Stat. 294)
- (b) Department of Defense Directive 4165.29, dated October 23, 1956
- (c) Department of Defense-Federal Housing Administration Memorandum of Agreement, dated November 10, 1956
- (d) Department of Defense Instruction 4165.31, dated November 26, 1956
- (e) Memorandum from Deputy Assistant Secretary of Defense (Properties and Installations), dated March 15, 1957, Subject: Modifications in Procedures for the Acquisition of Wherry Housing

1. The purpose of this memorandum is to provide further guidance and to establish uniform appraisal criteria governing negotiations for and the acquisition of Wherry Housing Projects.

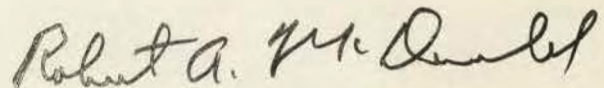
2. In order to insure that negotiations leading towards acquisition of Wherry housing projects are conducted on a uniform basis and that the acquisition price represents a realistic valuation of the property, it is the policy of the Department of Defense that all Wherry projects to be acquired shall first be appraised, either by personnel of the military departments, qualified to perform such appraisals, or by qualified independent appraisers.

3. For the purpose of insuring that a uniform approach shall be followed in obtaining appraisals, there is attached for the guidance of appraisers Appendix A to this memorandum, which is based upon standards and procedures generally recognized by the American Institute of Real Estate Appraisers and outlines the information customarily contained in reports of independent appraisers. All appraisals shall conform to these general standards and procedures.

4. For the purpose of determining the maximum price authorized by reference (a), the FHA's estimate of replacement cost as of the date of final endorsement of mortgage insurance will be reduced by an appropriate allowance. This allowance will include not only the estimated cost of repairs and replacements necessary to restore the property to sound physical condition, but will also include the amount of any excess mortgage proceeds received by the sponsor. The receipt by the sponsor of excess mortgage proceeds will be determined by examination of the actual construction costs as certified to FHA (except such excess mortgage proceeds as may represent allowable builder's fees and, where the builder performed architectural services, allowable architect's fees).

5. It is the policy of the Department of Defense that Wherry Housing projects shall be acquired by negotiation, if possible. If the Secretary of a military department is satisfied, as a result of one or more appraisals and other data available to him, that the value of the property is equal to or above the maximum determined in accordance with paragraph 4 hereof, he may direct the acquisition of a Wherry Housing project at such maximum price, if acceptable to the owner thereof. If the Secretary of the military department is not satisfied that the value of the property is equal to or above such maximum, then every reasonable effort shall be made by negotiation to acquire the property at a price which the Secretary believes to represent the value of the property. If these efforts fail, the matter shall be referred to the Department of Justice for condemnation, as required by reference (a).

6. To the extent that anything contained in this memorandum may be inconsistent with the provisions of reference (d) or (e), this memorandum shall govern. A revised Department of Defense Instruction will be issued at a later date incorporating these modifications.



Robert A. McDonald
Acting Assistant Secretary of Defense
(Properties and Installations)

APPENDIX A

The appraisal shall be made in conformity with the standards and procedures recognized in general appraisal practice as outlined by the American Institute of Real Estate Appraisers and other similar associations and applicable principles of law.

The estimate of fair market value, which is the purpose of this appraisal, shall be the estimate of "the cash price a willing and informed buyer who takes into consideration the existing mortgage structure would pay a willing and informed seller for transferring to the buyer his leasehold or fee estate with all its rights, privileges and limitations."

The appraisal report shall show all the steps by which the appraiser reached his conclusion as to fair market value and shall contain, but is not limited to:

I. BASIC CONSIDERATIONS

- a. Property description.
- b. Economy of region, economic background.
- c. History of the property.
- d. Operation experience and forecast, based on all available information.
- e. Statement of income and expense, actual and stabilized.

II. APPROACHES TO MARKET VALUE

- a. Value approach by capitalization of income showing the estimated economic life of the project, the rationalization of the interest rate selected, and other pertinent considerations.
- b. Value approach by present replacement cost less depreciation.
- c. Value approach by comparable market transactions.
- d. The analysis of all factors which influence the market value.
- e. Estimate of the value of lessor's interest (present value of anticipated rentals plus value of reversionary interest).
- f. Special conditions applicable to project.

III. Fair Market Value of the Sponsor's Outstanding Interest

IV. A summary of all important facts and conclusions, a discussion of the appraisal process and an analysis of the factors having a bearing upon the market value of the project.

V. VALUES OF DIFFERENT INTERESTS.

Project appraisal broken down to indicate value of:

1. Fee simple
2. Leasehold interest
3. Sponsor's outstanding interest subject to mortgage

CHP

October 2, 1957

Dear Bob:

Attached is a memorandum from our Washington office and a letter from the Air Force about Wherry Housing. It is a great deal more specific than we have had recently, particularly about Presque Isle.

Best regards.

Sincerely,

Walter Jenkins
Assistant to
Lyndon B. Johnson

Mr. Robert F. Thompson
c/o Mr. Clint Murchison
5307 East Mockingbird Lane
Dallas, Texas

WJ:ms

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

1206 (4-55)

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

NO. WDS. + CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			GOVERNMENT	

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

OFFICIAL BUSINESS - CHEAPEST DAY RATE

September 19, 1957

Mr. Arthur C. Perry
231 Senate Office Building
Washington, D. C.

RETELS. PLEASE GET INTERPRETATION AS TO WHAT AIR FORCE BELIEVES CONGRESS INTENTION WAS ~~WHEN IT SAID~~ "WHEN YOU BUILD CAPEHART YOU MUST ACQUIRE WHERRY." IN OTHER WORDS AT WHAT POINT IS WHERRY HOUSING REQUIRED. PLEASE CHECK ON STATUS OF ACQUISITION OF WHERRY HOUSING IN PRESQUE ISLE, MAINE. RE TELEGRAMS ON CLOSING HONDO FLYING FIELD BY ALL MEANS SUBMIT THEM TO DEPARTMENT.

WALTER JENKINS
ASSISTANT TO
LYNDON B. JOHNSON, USS

WJ:ma

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

TELEGRAM 241.

1201

SYMBOLS

DL = Day Letter

NL = Night Letter

IT = International Letter Telegram

W. F. MARSHALL, PRESIDENT

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

DB596 WM42

SNDO74 GOVT PD=SN WASHINGTON DC 16 520PME 1957 SEP 16 PM 5 42
WALTER JENKINS ASST TO SEN LYNDON B JOHNSON=
207 US COURTHOUSE AUSTIN TEX=

RE WHERRY HOUSING, LIMESTONE AND MOUNTAIN HOME. LAW
STATES WHEN YOU BUILD CAPEHART, YOU MUST ACQUIRE
WHERRY. IT DOES NOT STATE "WHEN OR BEFORE". NEGOTIATIONS
FOR PROCUREMENT OF WHERRY WERE INITIATED FOR BOTH
MOUNTAIN HOME AND LIMESTONE 17 DECEMBER 56. MONEY IS
AVAILABLE FOR COMPLETION OF NEGOTIATIONS IN FISCAL 58.
WHETHER IT IS ACCOMPLISHED OR NOT DEPENDS ON
NEGOTIATIONS=

ARTHUR C PERRY ADMN ASST TO LYNDON B JOHNSON=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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

SYMBOLS

DL = Day Letter

NL = Night Letter

LT = International Letter Telegram

(108)

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

1A144 AWM04

W SNDO09 GOVT PD=SN WASHINGTON DC 17 906AME=

WALTER JENKINS, ASST TO LYNDON B JOHNSON USS=

207 US COURTHOUSE AUSTIN TEX=

1957 SEP 17 AM 8 24

REYNOLDS CORRECTS WIRE RE WHERRY HOUSING TO READ:
MONEY IS AVAILABLE FOR COMPLETION OF MOUNTAIN HOME
NEGOTIATIONS IN FISCAL 58=

ARTHUR C PERRY ADMN ASST TO LYNDON B JOHNSON=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

*Memo
Put on WFO
desk*

MEMORANDUM

September 9, 1957

To: Mr. Robert F. Thompson

From: Clint Murchison, Jr.

The Housing Act of 1956 set up a procedure for the acquisition by the Government of the various Wherry Housing projects around the country. The Act made it mandatory that the Government acquire any such project located at a base where Capehart housing was built; and further, the Act was very explicit that it was the intent of Congress that all projects be acquired, whether or not Capeharts were built. This latter point has been repeatedly re-emphasized by the Congress. There was testimony delivered by the various departments of the Military to the effect that the acquisition of these units would result in savings to the Government of an extremely large amount, estimated to be in the neighborhood of \$100,000,000 per year.

The same Housing Act removed from the privately owned housing projects an exemption from local ad valorem taxes, which exemption they had theretofore enjoyed. In our case, this has resulted in an increase in expenditures, due to the assessment of these taxes, probably in the neighborhood of \$1,000,000 per year. Because we have assumed that the Government would expeditiously carry out the directives of Congress, we have not pressed for rental increases for which the imposition of these taxes entitles us. It has been our feeling, as well as the feeling of the Military, that the taxes assessed by the local communities are for services not rendered by these communities. In some instances, the added taxes would require a rental increase of as much as \$18.00 per tenant per month, which we feel is exorbitant and extremely unfair to our tenants. Therefore, until now, we have absorbed these extra costs

because we have felt they were of a temporary nature; however, we have now reached the point where we must either press for an equitable rent or we must request that the Military proceed with the acquisition of the units as they have been directed. Let me point out that the Congress has on repeated occasions strongly re-emphasized its intent that the Military acquire all projects with the greatest possible speed and that the Subcommittees involved have repeatedly expressed displeasure with the various departments of the Military for their inaction. The latest reason for this inaction is the economy drive by the Defense Department; however, I think it worthy of note that the expenditure of the \$50,000,000 revolving fund set up to acquire these units, which fund would be replenished by the rental receipts from tenants, would result, according to the testimony delivered by the Military before the Subcommittees of Congress, in an annual saving of at least several times the initial capital outlay. In addition, because of the ad valorem tax feature, the tenants would save \$8,000,000 to \$10,000,000 at no cost to the Government.

Because of their extremely bad re-enlistment problem and generally poor housing situation, the Air Force has made every effort to acquire these projects. It appears, however, that the Army and Navy, possibly due to a better housing situation to begin with, has not been too anxious; in any event, the Defense Department has, to date, blocked the program almost entirely. If the log jam is not soon removed, it will be imperative that a large number of rental increases be applied for. This will have an extremely disturbing effect at all bases involved, and is a step we are most reluctant to take. I am sure that the Air Force is sympathetic with our reasonable approach in this matter, but that they must also agree that we can't hold off forever and virtually permit the acquisition of our properties without compensation.

M:C

600 AF. Mountain Home, Ida - Lit Contract
Limestone

because we have felt they were of a temporary nature; however, we have now reached the point where we must either press for an equitable rent or we must request that the Military proceed with the acquisition of the units as they have been directed. Let me point out that the Congress has on repeated occasions strongly re-emphasized its intent that the Military acquire all projects with the greatest possible speed and that the Subcommittee in-quired have repeatedly expressed sympathy with the various departments of the Military for their position. The latest reason for this action is the economy drive by the Defense Department; however, I think it worthy to note that the expenditure of the \$20,000,000 revolving fund set up to acquire these units, which fund would be replenished by the rental receipts from tenants, would result, according to the testimony delivered by the Military before the Subcommittee of Congress, in an annual saving of at least several times the initial capital outlay. In addition, because of the no-rental tax feature, the tenants would save \$1,000,000 to \$10,000,000 at no cost to the Government.

Because of their extremely bad re-entertainment problem and generally poor housing situation, the Air Force has made every effort to acquire these projects. It appears, however, that the Army and Navy, possibly due to a better housing situation in their area, has not been too anxious, in any event, the Defense Department has, to date, blocked the program almost entirely. If the program is not soon removed, it will be imperative that a large number of rental houses be applied for. This will have an extremely disrupting effect on all bases involved, and as a step we are most reluctant to take. I am sure that the Air Force is sympathetic with our reasonable approach in this matter, but that they must also agree that we can't hold off forever and virtually permit the acquisition of our properties without compensation.

MEMORANDUM

Date October 1, 1957

TO: Walter

FROM: Arthur

SUBJECT:

The attached letter from General Kelly relates to your telegram to me about an interpretation of the intention of Congress respecting the acquisition of Wherry Housing projects. Also, your request for information on the status of acquisition of Wherry Housing in Presque Isle, Maine.

DEPARTMENT OF THE AIR FORCE
WASHINGTON

OFFICE OF THE SECRETARY

Dear Senator Johnson:

I refer to your inquiry concerning the Air Force program of acquiring Wherry housing projects.

Section 404 (b) of Public Law 1020, 85th Congress, provides that, "The Secretary of Defense or his designee shall...acquire (Wherry housing)...which is located at or near a military installation where the construction of housing (Title VIII Capehart-Rains) under the Armed Services Housing Mortgage Insurance Program has been approved by the Secretary". The Air Force practice has been to proceed with negotiation or condemnation action to acquire Wherry housing projects when the Secretary of Defense issues the Letter of Approval to the Secretary of the Air Force for the construction of Capehart-Rains housing which is located at or near an installation having Wherry housing.

The Department of Defense instruction on this matter provides that Wherry housing is considered at or near a military installation (having Capehart-Rains housing approved for construction) and a mandatory acquisition when within reasonable commuting distance. This instruction further provides that, "Negotiations for mandatory acquisition must not proceed beyond a date which will allow sufficient time for condemnation to be instituted and a Declaration of Taking filed, in order to assure acquisition of the Wherry housing prior to the date scheduled for initial occupancy of the Capehart-Rains units".

The Wherry project at Presque Isle Air Force Base, Maine, is now considered to be a mandatory acquisition by the Air Force as 114 Capehart-Rains units have been approved for construction at that base. Negotiations for the purchase of the sponsor's leasehold interest have been completed and it was anticipated that the project would be acquired 1 October 1957. However, Department of Defense officials have recently advised that they are in the process of rewriting the procedures for conducting negotiations. Therefore, the tentative date for the acquisition of the Presque Isle project is now scheduled for 1 November 1957. The final date of acquisition will depend upon the date of receipt and implementation of the Department of Defense revised procedures for conducting negotiations.

Sincerely yours,

JOE W. KELLY
Major General, USAF
Director, Legislative Liaison

Honorable Lyndon B. Johnson
United States Senate

XEROX FROM QUICK COPY

December 17, 1948.

Mr. T. F. Murchison,
Alamo National Bank Building,
San Antonio, Texas.

Dear Frank:

Clint has sent me a copy of his letter of the 9th to you. I had hoped that I might get over to San Antonio before I left and visit with you, but that seems to be out.

If there is any way that I could get delivery on some furniture, particularly a deep freeze, kitchen stove and a few similar items, delivered here in Washington at wholesale price, it would be helpful to me. Maybe Joe Stanton has some catalogues that I might pick some stuff from. If not, forget it, and I will go ahead and pay regular retail and probably double the price up here.

With best wishes, I am

Sincerely,

Lyndon B. Johnson.

cc
C. W. Murchison

Johnson personal - Furniture

8 00 AM MON DEC 13

December 9, 1948

Mr. T. F. Murchison
Alamo National Bank Building
San Antonio, Texas

Dear Frank:

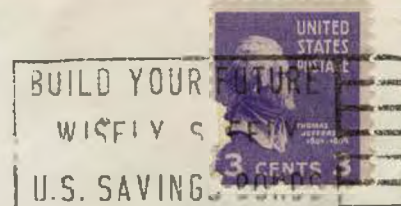
Senator Lyndon Johnson is going to be in San Antonio shortly with the view of buying furnishings for his house. I told him that I thought you handled practically everything but furniture and that there was a possibility that you could arrange to buy his furniture for him on a wholesale basis. I also told him that you could give him wholesale prices on everything he purchased. If you do not want to handle this as a new account, just charge his purchases to my account and I will collect from him.

He also stated that he needed some electrical equipment, so I would suggest that you give copies of this letter to both Mr. Brunner and Joe Stanton.

I told Lyndon to contact you direct at the Alamo Bank Building.

Regards,

C. W. Murchison



Honorable Lyndon Johnson
Austin, ~~Texas~~

504 Old House Office Bldg
Washington, D.C.

CLINT W. MURCHISON
DALLAS 5, TEXAS



COPY

April 1, 1949

Dear Clint:

I can hear you!

Please do give me your additional thinking on the R. F. C. picking up veterans loans. I'm very interested in going into the thing, so don't let Sir Sid sidetrack you before you have an opportunity to give me those two or three paragraphs you referred to in your second paragraph of your letter of March 29.

My warmest personal regards always.

Sincerely,

Lyndon B. Johnson

Honorable Clint W. Murchison
Dallas, Texas

jbc/ml

Corres. Murchison

P. S. I am certainly interested in your financial deal that will finance the government out of a depression. I'm even more interested if it will keep us from getting into one.

L.B.J.

CLINT W. MURCHISON
DALLAS, TEXAS

March 29th, 1949

Honorable Lyndon Johnson
United States Senate
Washington, D. C.

Dear Lyndon:

I had heard from Sir Sidney that you were incapacitated, and am glad to know that you are up and about again.

If you ever get serious about the RFC picking up Veteran loans, let me know, because I know two or three little paragraphs you can put into your bill that would make everybody, including the bankers, in favor of it - except the insurance companies and they don't control any votes.

For your general information, there are Fifty Four Billion Dollars in home loans outstanding at this time and if the average is \$7,000 per loan and each loan carries two votes, it seems to me like this is 14,000,000 votes. Can you hear me?

Sincerely,



C. W. Murchison

P.S. I have another little financial deal if you become interested in financing the U.S. Government out of a depression.

C.W.M.

COPY

March 22, 1949

Dear Clint:

I am laid up in the hospital for a few days for examination. I think I am having a recurrence of my kidney stone trouble, but I want to be sure.

They just brought me out your letter and I want to tell you how happy I was to hear from you. I take it when you and Senator Underwood were discussing politics that you got on a phase of it that both of you could agree on.

I was very interested in your suggestion about the RFC picking up Veteran loans. After I get back on my feet, if I have any time at all I am certainly going into the problem. Admittedly I don't know a lot about it now but it sounds like an excellent idea.

Sincerely

Lyndon B. Johnson

Honorable Clint W. Murchison
Dallas
Texas

jbc dj
corr.-murchison,

CLINT W. MURCHISON

DALLAS, TEXAS

March 18th, 1949

Honorable Lyndon Johnson
United States Senate
Washington, D. C.

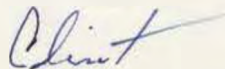
Dear Lyndon:

I want to personally thank you for the quick service you gave Senor Clark of Austin on the matter he presented to you over the telephone. It was, so to speak, no quicker said than done.

I had lunch yesterday with your contemporary, Senator A. S. Underwood of Texas. As usual, we discussed nothing but politics. I do not have any idea what your future aspirations and ambitions are, but it occurs to me that a Democrat could still be elected in 1952 and there is no need to keep a good horse under blankets forever. If your thinking trends in that direction, it seems to me that it is time for you to start moving. For instance, you could introduce a bill in the Senate authorizing the R.F.C. to pick up veterans loans which have had a 3-year experience on a 3 per cent net basis and, in my opinion, you would hit the front pages immediately and there is nothing unsound about it. The money changers have always gotten too much rent and that's where we need the price ceilings, not on housing. In my opinion, the insurance companies, which own most of these securities, would not give up 10 per cent of them.

With kindest personal regards, I am

Sincerely yours,



C. W. Murchison

COPY

February 9, 1949

Dear Clint:

Your letter was provocative and stimulating. Coming from one whom I know to be a born optimist, it concerns me greatly.

I quite agree with the conclusions you have reached about the necessity of keeping the boat from rocking. Although I share your view that we are living in a dangerous time, I do not share your opinion that it is the most dangerous that has ever confronted us. We are cushioned for some of the adjustments that must take place. We are seasoned and much more capable of meeting unforeseen eventualities than we were 15 years ago.

Practically all of us know now what many did not realize when I was a boy - that our system is not only the best, but must be preserved at all costs. Although there are some warnings on the horizon, I have no doubt but that we will come through and your optimism and good sound horse sense will again have its reward.

I thank you again for sending me a copy of your letter to Sam. I hope it won't be the first or the last time you write me.

Sincerely

Lyndon B. Johnson

Hon. Clint Murchison
Dallas
Texas

lbj dj
gen corr-murchison,clint w.

CLINT W. MURCHISON
DALLAS, TEXAS

February 9, 1949

FEB 8 P. 111

Dear Senator:

I am enclosing a copy of a letter written to our friend, Sam Rayburn. As you will see, this is a blind copy as I do not care for him to know that I am sending a copy to you.

Very sincerely yours,



C. W. Murchison

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

CLINT W. MURCHISON
DALLAS, TEXAS

February 9, 1949

The Honorable Sam Rayburn
The Speaker of The House of
Representatives
Washington, D. C.

My dear Mr. Speaker:

You probably learned to use the typewriter by practicing the age-old sentence, "Now is the time, etc....." I am merely changing it to say that now is the time to come to the aid of your country. I believe that we are entering the beginning of a period in the political history of the United States that is fraught with more dangers to the way of living to which you and I have been accustomed than in any other period of its noble history.

The economy of the United States can be likened to as simple a thing as a man and a cow and a feed barn--the feed barn representing the products of our natural resources, the cow representing labor and manufacturing industry, and the man representing capital and distribution, with the hope that there is a friendly veterinarian standing aside representing the United States government to see that the cow is fed the proper food and not too much of it, and that the cow does not kick over the bucket, and that the man does not hoard the milk for his own selfish use and benefit. If any of the above mentioned events occurred it would necessarily upset the complete operation of the entire function.

CLINT W. MURGHISON

DALLAS, TEXAS

The Honorable Sam Rayburn

Page 2.

It is needless to tell you that business is teetering and tottering at the present time. Past experience has taught all of us that we are an over-producing nation and within a very short time, in my opinion, we will have surpluses for practically every commodity as well as many manufactured surpluses.

I do not propose that the United States government be unfair with labor. I do not propose that they be unfair with the producers of natural resources and commodities. Neither do I propose that they be unfair to either large or small business. We currently have anti-trust laws to protect the weak against the strong. We currently have tax laws to properly distribute the wealth and exact funds for the purpose of allowing the government and all its political subdivisions to function and perform. In my opinion, any radical departure from the presently passed and functioning laws would probably upset our whole economic structure. I personally do not think that it would be any trouble whatever to balance the budget, nor do I think there would be any concern about endangering our present economy providing the government cooperated with all of industry and labor to pacify their differences and work out their problems of over production; but I do feel that it is paramount that a plan should be arrived at and promulgated immediately in order to forestall what certainly will happen in the very near future. The best way I know to promote communism in this country is either to tax business out of business so that we would have to set up a socialistic bureaucratic government, or to run us into a deep depression which in my opinion would cause some sort of a revolution.

CLINT W. MURCHISON
DALLAS, TEXAS

The Honorable Sam Rayburn
Page 3.

This is the first and probably the last time I will ever write an officer of our government, and I hope you will excuse it, but I feel that it is time for men to arise above their party and first show their allegiance to the United States.

Very sincerely yours,

C. W. Murchison

CWM:O

bcc: The Honorable Lyndon Johnson —
The United States Senate
Washington, D. C.

CROSS REFERENCE SHEET

Name or subject

*Selected Names -
Murchison*

SEE

Name or subject

*Care File -
Slater, Arval A.*

(See)
Date

Jan 3, 1955

Correspondence preceding

Filed

COPY

Heal

March 16, 1954

Dear Clint:

I was very glad to get your message of the 11th. I have looked into the matter of the Attorney General, and Everett Looney writes me today as follows:

"Today's mail brought me a letter from John Ben Shepperd in which, among other things, he says: 'Within the next few days I plan to formally file for re-election as Attorney General.' I have been seeing 'booger' men in the shadows."

I appreciate your kind words. Regards.

Sincerely

Lyndon B. Johnson

Honorable Clint W. Murchison
1201 Main Street
Dallas, Texas

wj dj

Clint W. Murchison
1201 Main Street
Dallas, Texas

March 11, 1954

RECEIVED

MAR 13 1954

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

Dear Lyndon:

Thanks for your letter. I am not Jack of the Bean
Stalk, so I cannot reach that stature; nevertheless, it
is pleasing to hear it.

I do want you to get the low down on John Ben Sheppard.
I believe he is trying to run against you. Also I think
you should check with Allan Shivers as to his position.

I think you are doing an excellent job and will be glad
to hear from you if there is any service I can be to you
in these parts.

Sincerely,

Clint

CWM:VB

GENERAL

March 22, 1954

Dear Price:

Clint Murchison recently sent me the enclosed Economic Letter from the First National Bank in Dallas, and asked that I forward it to you after I had finished reading it. I think you will find it as interesting as I did.

Best personal regards.

Sincerely yours,

Lyndon B. Johnson

**Honorable Price Daniel
U. S. Senate
Washington, D. C.**

LEJ:GER:gr

Murchison, Clint

October 29, 1957

Dear Bob:

I conveyed to Senator Johnson your very kind invitation to make a trip to the Bahamas. He was delighted by your thoughtfulness but asked me to tell you that he is just not going to be able to do it this year.

The Senator does look forward to seeing you at an early date and he will be in touch about it I am sure.

Best personal regards.

Sincerely,

Walter Jenkins

Mr. Robert Thompson
c/o Mr. Clint Murchison
5307 East Mochingbird Lane
Dallas, Texas

WJ:ms

LYNDON B. JOHNSON
TEXAS

STATE OFFICE:
207 U. S. Courthouse
Austin, Texas

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

Walter:

Thank him but we can't go. Hope to see him before we go back.

LBJ

MEMORANDUM

Date Oct. 11, 1957

TO *WPI* Senator Johnson
FROM *WJ* : Walter
SUBJECT : Call from Mr. Bob Thompson

Bob Thompson called from Sallas and said that he and
Clint, Jr. have an island in the Bahamas and would like
to take you and Mrs. Johnson down there for a few days
rest any time that you can go.

He says it is very nice and you would enjoy it.

Oct. 11, 1957

Senator Johnson

Walter

Call from Mr. Bob Thompson

Bob Thompson called from Sallas and said that he and
Clint, Jr. have an island in the Bahamas and would like
to take you and Mrs. Johnson down there for a few days
rest any time that you can go.

He says it is very nice and you would enjoy it.

GENERAL

COPY

March 31, 1954

Dear Clint:

After you sent me your very constructive suggestion about increasing the butterfat content of milk, I took the liberty of passing it on to Secretary Benson without identifying its author.

The attached reply over the signature of Assistant Secretary Ross Rizley has just reached me.

The Department doesn't seem to be overly enthused about the idea, but I thought you would like to see the reaction as well as the Department's statement concerning its efforts to encourage increased consumption of milk and milk products in all forms.

Best personal regards.

Sincerely,

Lyndon B. Johnson

Honorable Clint
1201 Main Street
Dallas, Texas

Murchison

wj;mf

RECEIVED

MAR 31 1954

STOP 209

March 24 1954

Honorable Lyndon B. Johnson
United States Senate

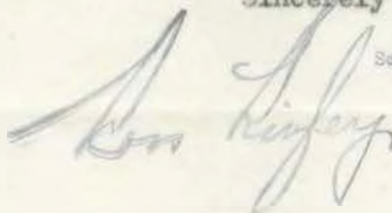
Dear Senator Johnson:

This is in reply to your communication of March 10 concerning a letter from a Texas businessman suggesting that the butterfat content of milk be increased as a solution to the butter problem.

The minimum butterfat content of bottled milk is subject to state and local, rather than Federal, laws and regulations. Available information indicates that most milk is above the legal minimum. Even if it were possible to change the numerous laws and regulations, there is no assurance that consumers would be willing to pay enough for milk of high butterfat content to improve returns to farmers.

Your constituent will be interested in the enclosed release of February 15, 1954, announcing that the dairy price support level will be reduced on April 1, 1954, to permit a general decrease in retail prices to encourage increased consumption of milk and its products in all forms. We also are considering carefully other possible plans for further increasing consumption and we appreciate having the benefit of all suggestions.

Sincerely yours,


Secretary's Records
(Signed)

Enclosure

Rose Risley
Assistant Secretary

COPY

March 10, 1954

Dear Clint:

Thanks very much for your note of March 2nd. I read with much interest your suggestion that milk contain not less than four per cent butterfat to be classified as Grade A. I am going to try to find out how the Department of Agriculture feels about that, and I will pass on to you any information I obtain.

Let me hear from you. Best regards to you from Lady Bird and me.

Sincerely,

Lyndon B. Johnson

Mr. Clint Murchison
1201 Main Street
Dallas, Texas
lbj/lm/cm

6-10-54
27-8-54

Clint W. Murchison
1201 Main Street
Dallas, Texas
March 2, 1954

RECEIVED

MAR 4 1954

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

Dear Lyndon:

I received the appraisal on the St. Lawrence Seaway project and do want to thank you for the trouble I have put you to. However, you confirmed my idea of the situation.

For your information, I told one of the Senators the other day that if the Agriculture Department could get the collaboration of such milk distributors as Carnation, Foremost, Borden, etc., and then have the government issue a statement to the effect that no distributor could classify his milk as Grade A unless it had a content of 4% butter fat, in my opinion this would straighten up the butter situation almost immediately. In fact, since the various states have allowed margarine to become available for distribution in their states, butter has become obsolete at 60¢ per pound; in my opinion it will not become competitive at more than 35¢ per pound.

Give my best regards to Lady Bird.

Sincerely,

Clint

CWM:VB

Asst
Coment
from Dept

Selected Names

CROSS REFERENCE SHEET

Name or subject

Selected Names -
Clint Murchison

SEE

Name or subject

Senate, U. S.
Censure of
Sen Joe McCarthy

Date

Nov 1954

Correspondence preceding

Filed

C MURCHISON
GENERAL
RR.

March 22, 1954

(oil)

Dear Clint:

I certainly appreciated your prompt reply to my letter, and your generous appraisal of my speech. The points that you make are excellent, and I will be certain to include them in my future remarks on the subject.

It is becoming increasingly obvious that the depletion question may become a major issue in this session of the Congress. The key committees are under the control of men from states where it is politically profitable to "fight the oil interests" and politically unprofitable to take a dispassionate look at facts. Furthermore, most of the influential columnists have been sold a real bill of goods on this issue, and just simply refuse to be unsold.

I think when it comes to a show-down, the majority of the members of Congress will refuse to be stampeded. But, it's going to take some work, and a lot of that work will have to be done among the people themselves, so that they will understand the basic realities.

Thanks very much for the farm letter sent out by the First National Bank in Dallas. I agree with you that it presents plenty of food for thought, and I am sending it on to Price Daniel.

Best regards.

Sincerely yours,

Lyndon B. Johnson

Mr. Clint W. Murchison
1201 Main Street
Dallas, Texas
LBJ:GER:gr

Rudy

Clint W. Murchison
1201 Main Street
Dallas, Texas
March 19, 1954

RECEIVED
MAR 20 1954

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

Dear Lyndon:

I have read a copy of your radio address and think it is extremely informative to the public. I do have three suggestions which may or may not be of value to you:

(1) Depletion in the oil business should be comparable to depreciation in industry in that all types of business operations are allowed depreciation because of obsolescence of the particular business. The range is from ten years to thirty to forty years dependent upon the type of business, buildings, equipment, etc. Depletion, of course, is based on the obsolescence of the oil well itself.

(2) It should be borne in mind also that from a nationalistic standpoint the Federal Government through the Bureau of Mines issues monthly directives to the various states indicating the amount of oil that each state could or should produce that particular month, which means that the individual oil operator is retaining his oil in the ground for the benefit of the national defense. That is of course a patriotic necessity which the oil man respects and recognizes.

(3) In the year 1952 the cost of discovering a new barrel of oil was \$2.34 per barrel. This cost is continuously

Hon. Lyndon Johnson

Page 2

rising, and if the depletion were taken away from the oil man he just simply could not explore for new oil.

Thanks for the advance copy of your address. I think it is excellent.

Best regards,

CWM:VB

Clint W. Murchison
1201 Main Street
Dallas, Texas

March 17, 1954

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

Dear Lyndon:

Enclosed is a farm letter sent out by the First National Bank in Dallas which I think is extremely interesting. After you have read it I would appreciate your sending it on to Price Daniel.

Sincerely,

Clint

CWM:VB

Rudy

Clint W. Murchison
1201 Main Street
Dallas, Texas
April 7, 1954

RECEIVED

APR 8 1954

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

Dear Lyndon:

Mr. Benson and Mr. Rizley apparently are more interested in the consumer than in the producer. Of course, I always thought the Secretary of Agriculture had agriculture's interest in mind. Best regards, at any rate.

Sincerely,

Clint

GENERAL

April 12, 1954

Dear Clint:

Like you, I have always thought that Mr. Benson and Mr. Rizley are sincere and able men. The only question before us is what course best serves the country.

The morning headlines indicate the possibility of a change in thinking on the part of the Administration -- possibly a one year extension of 90%, and reconsideration of the problem. I, myself, think it would be well to go into this thing at a time when emotions are cooler.

Best personal regards.

Sincerely yours,

Lyndon B. Johnson

Mr. Clint W. Murchison
1201 Main Street
Dallas, Texas
LBJ:GER:gr

X

Clint W. Murchison
1201 Main Street
Dallas, Texas

RECEIVED
MAY 11 1954
GENERAL

May 8, 1954

Dear Central Shareholder:

Many people have asked me about my interest and Sid Richardson's in the New York Central, and why we are backing Robert R. Young in the current contest for the railroad.

The answer is simple—and The Value Line Investment Survey, attached, tells the whole story.

When you read it, I am sure that you will agree with the stand we have taken.

Sincerely,

Clint W. Murchison

Murchison

"The Value Line" says:

"Fundamentally, the New York Central is a sick railroad."

"In our judgment, the challenging group headed by Mr. Robert R. Young, who are contending for control of the railroad, merit the support of stockholders."

". . . In managing the financial affairs of railroads on the verge of bankruptcy, or in desperate financial straits, like the Nickel Plate in the Thirties, the Pere Marquette and, more recently, the Missouri-Pacific, the achievements of Mr. Young and his associates have been little short of brilliant."

"The stockholders' need in the present circumstances, as we see it, is for the bolder group, who are not only willing to try new ways but willing to commit their own fortunes on the outcome."

"It is as true now as it ever was that where a man's treasure is, there will his heart be also."

THE VALUE LINE

INVESTMENT SURVEY

Fortnightly Commentary

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The VALUE LINE SURVEY BUILDING • 5 East 44th Street, New York 17, N. Y.

Vol. IX, No. 27

In Four Parts - Part II

May 3, 1954

The Case of The New York Central

We think that the New York Central under the presidency of Mr. William White is doing as well as any reasonable investor could expect it to do under traditional operating procedures and financial policies. However, the degree of improvement that Mr. White could be expected to bring about under traditional policies is not sufficient to reverse the long-persisting retrogressive trend of the stock. In our judgment, the challenging group headed by Mr. Robert R. Young, who are contending for control of the railroad, merit the support of stockholders. Their performance might fall short of their promise. But their promise is backed by \$7 million of their own money, which is more by far than backs the confidence of the present board.* The present board own, in the aggregate, 73,600 shares having a recent market value of \$1.8 million.

The challenging group—Mr. Young and his associates—have indicated a will to try radical solutions to the problem of New York Central, which the evidence indicates is not likely to be solved by ordinary methods. The challenging group are competent, daring financiers. Mr. White's group — that is, the present board, which is in opposition to the Young group—are

first-rate, responsible gentlemen, thoroughly accustomed to New York Central's difficulties. The stockholders' need in the present circumstances, as we see it, is for the bolder group, who are not only willing to try new ways but willing also to commit their own fortunes on the outcome. Stockholders might gain greatly by supporting the Young interests, we think, although their immediate risk might be somewhat increased.

• • •

The New York Central proxy fight typifies in many respects the widespread conflict between management and ownership interests in a capitalistic democracy. For that reason it has significance beyond the struggle for control of the New York Central railroad alone, important though that is.

With the widespread distribution of their stocks, many of the largest American corporations, if not most, have become separated from their ownership interest. The connecting link is usually the investment banker who distributed the stock to the public in the first place and who retains a moral responsibility, exercised through the board of directors, for seeing to it that the stockholders receive what the

* In addition, the Alleghany Corporation, controlled by Mr. Young and his associate, Mr. Kirby, through ownership of about 12% of Alleghany's stock, has an interest in 800,000 shares of New York Central stock. The interest here is somewhat equivocal. The stock is nominally owned by two gentlemen of Texas, Messrs. Murchison and Richardson, both reputedly men of great wealth. However most of the money that Messrs. Murchison and Richardson used to buy the 800,000 shares of New York Central stock from Chesapeake & Ohio (which in turn was formerly controlled by Robert Young) was money lent to them by the Alleghany Corporation, which agreed to buy back the stock at 25 if the Texans wished to dispose of it within a limited time. Hence, it would appear that Alleghany, and through Alleghany, Mr. Young and Mr. Kirby, have a larger ownership of New York Central stock

than appears on the record of their personal holdings. However, if the 800,000 shares are considered to belong to Messrs. Richardson and Murchison, as they nominally do, these gentlemen, who are also members of the Young group seeking control of the board of directors, add greatly to the interest that may be ascribed to that group in New York Central stock. If the 800,000 shares be added to the other holdings of Messrs. Young, Kirby and their associates, the total commitment of this group in New York Central stock comes to \$27 million (at a price of 25 for New York Central common). The total value of the stock in the names of all the present directors has a value at a price of 25 of \$1.8 million. The entire outstanding stock issue of New York Central, priced at \$25 a share, has a value of \$161 million.

The views expressed in The Value Line Survey are unprejudiced judgments. Factual material is not guaranteed but is obtained from sources believed to be reliable.

management might describe as "reasonable" or "adequate" dividends. The banker also, as a rule, retains some measure of control over certain profitable perquisites as, for example, deposits, insurance, patronage, underwriting and legal fees. The advantage to stockholders of having bank sponsorship is that the company's stockholders, who are often widely dispersed, are assured that there will always be somebody on the spot who is of high reputation and good character to manage, or find managers for, the business.

Every now and then, though, a minority group of stockholders will challenge the right of the traditional interests to direct their company's affairs. The mere fact that the minority group are stockholders is not of itself conclusive evidence that all stockholders would be better off if the company were operated by owners of the stock instead of by appointees of the bank that sold the stock. But there is little question that a stockholder who owns a majority of the shares has a right to control the management, even though in so doing he manages in the interest of other stockholders also. It is, therefore, not unreasonable to conclude that stockholders who are a minority have a sound claim to control of management if they are the most important minority and if there is no single group of stockholders who are an organized majority.

One knotty problem in resolving conflicts within the corporate family has been the difficulty of organizing stockholder opinion. Where interests conflict, as in the fight for control of the New York Central, objective analysis tends to give way to emotionalism. Charges and countercharges are hurled in the heat of battle, all of which make points but seldom even attempt to evaluate the evidence in its whole pattern. In the case of the New York Central, for example, we, as a Service, believe that neither side is all black or all white. But on the issues as we appraise them, it appears that the stockholders have a better chance to increase the value of their investment under the Young group than under the present board, and for reasons that are discussed below. In expressing this opinion, we are aware that The Value

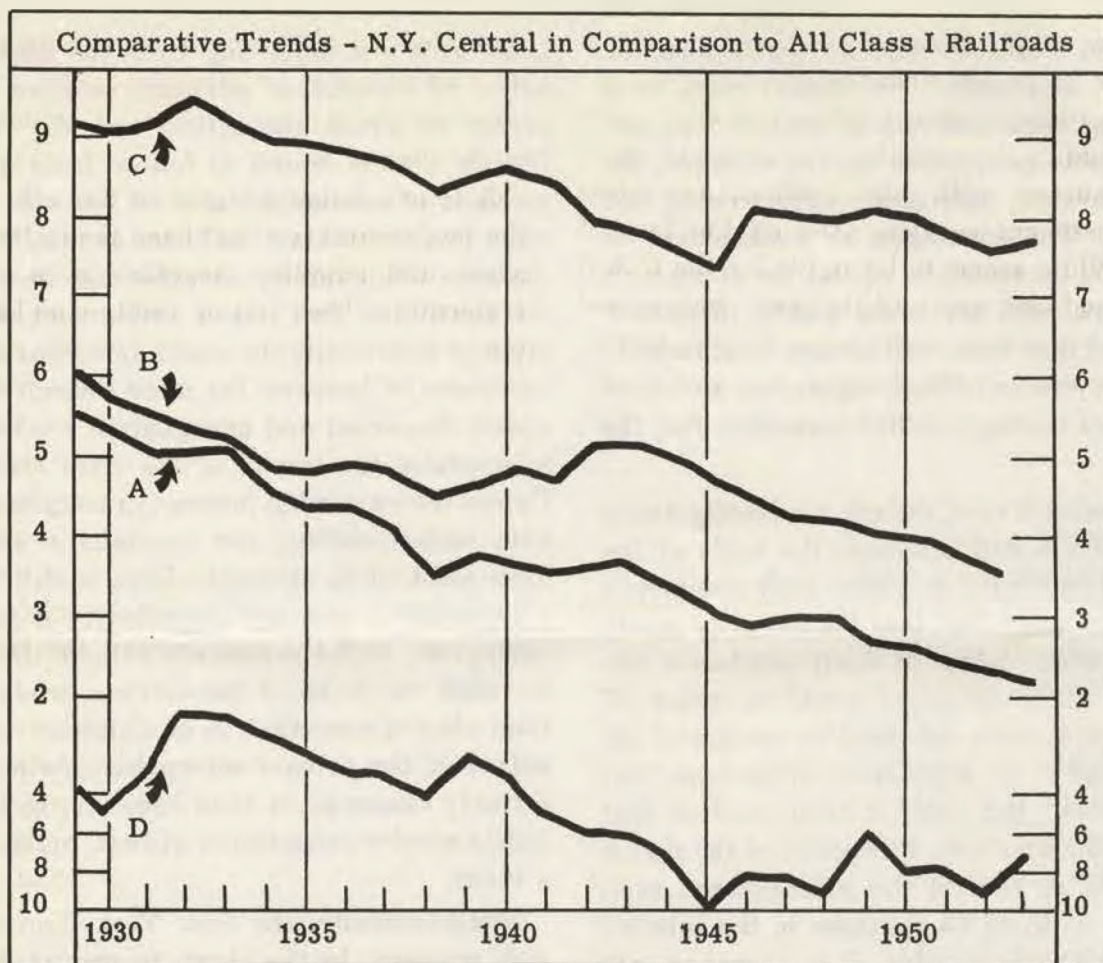
Line Survey is departing from the traditional policy of investment advisory services, which prefer to avoid contention and the loss of friends that is bound to follow from any expression of opinion in favor of one side or the other in a controversy as bitter as this. We take the step deliberately, nevertheless, because of the conviction that unless investment services attempt to evaluate the issues in corporate controversies, it becomes far more difficult for the widely dispersed and unorganized stockholders to appraise the merits of the rival claimants. Unless the ownership interest can express itself with understanding, our capitalistic economy loses much of its strength. Ours is still largely a competitive economy propelled by a spirit of enterprise. If the owners are without the means to judge the value of the services rendered by their elected executives in an objective way, the nature of the private enterprise subtly but inevitably changes. It then becomes, in time, a public service corporation at best, or, at worst, a booty.

Fundamentally, the New York Central is a sick railroad. In the chart on page 4, Line A shows how the Central's gross revenues have been declining since 1929 as a percentage of the Gross National Product. Note the persistence of the decline.

Line B shows how the Central's revenues have been losing ground as a percentage of the revenues of all transportation agencies in the United States (rail, truck, airline, shipping, pipeline) since 1929. Note that there has been no deceleration of this basically adverse trend.

Line C shows how the Central's revenues have been trending as a percentage of all railroad revenues in the U. S. A. Here there is evidence of a levelling out of the rate of loss in recent years, but no convincing sign of a reversal.

Line D shows the difference in points between the annual operating ratio of the New York Central and all the railroads since 1929. The operating ratio is a percentage of operating expense to gross revenues. If, for example, the Central's ratio happened to be 80% and the ratio of all railroads, 76%, the difference, which



is plotted here, would be a drop of 4 percentage points. Note that the general trend has been downward until recent years, when it was arrested but not reversed.

There are many reasons for these basically adverse trends.

The automobile and the airplane have made severe inroads into the passenger business of the railroads. Central, with an unusually high proportion of passenger traffic (22% of revenues in 1929 vs. 14% of Class I roads as a whole), has been especially hard hit. It has been left with a preponderance of the poorest type of passenger business (commutation service). Though many of the passengers are gone for good, the road must continue to maintain its costly terminal operations and its extensive branch line service. These problems are reflected in Central's wage ratio—the highest in the industry. The Central wage bill consumes 58% of gross revenues vs. 48% for Class I roads as a whole. As a consequence, the per-

sistent rise in wage rates for railroad employees during the postwar period has squeezed Central more than any other major carrier.

It must be stated at the outset that the blame for the basically adverse trends of this railroad, which are even more unfavorable than the trends characteristic of the railroad industry as a whole, cannot clearly be assigned to any one group of men or one set of policies. But it can be stated with virtual certainty that the trends are persistent and that they could be reversed only through bold and strenuous effort. It is clear that conventional operating procedures and conventional financial policies have not succeeded during the past 20 years in achieving anything more than an occasional and temporary reversal of the downward course of Central's revenues, earnings and dividends.

How could the adverse operating trends be reversed?

Mr. Young speaks of installing on the N. Y. Central Train X, a radically new lightweight

passenger train, designed to operate at considerably lower cost than the present type. Mr. White's group points out that Mr. Young, while at the head of Chesapeake & Ohio, achieved no notable success with other radical, new ideas about passenger service. And on the face of it, Mr. White seems to be right, for the C & O later abandoned many of its newly improvised passenger services. Some passenger equipment was sold; most of the services, such as the collect long distance telephone reservation service, were discontinued.

What we see in this experience is, first of all, a willingness on the part of Mr. Young to try something that might work. We see also a willingness and an ability to abandon a project when it proved impracticable, without severe loss. Here was at least evidence of enterprise. Furthermore, the whole truth of the matter must include the observation that the Chesapeake & Ohio is a coal carrier primarily, and a passenger line only very incidentally. What might have proven impracticable on the Chesapeake & Ohio could conceivably prove highly practical on the New York Central, where passenger traffic is important. (New York Central's passenger revenues are larger relative to its gross than any other trunkline railroad's in the U. S.) Finally, some weight should be given to the possibility that had other railroads followed the C & O in installing the new type of equipment, the operation, which required exchange of equipment among connecting roads, might have paid off. The most significant points, though, are, first, that Young tried something new and, second, that he pulled out without serious loss when he found that it didn't work. Most railroad men do not operate that way. They run on the tracks exclusively, and they prefer to go on the paths that others have traveled before them.

Another way to attempt a reversal of the unfavorable operating trend might be through a rearrangement of freight yards in the New York City area.

A third attempt might be through more aggressive efforts to abandon unprofitable branch lines. It is no easy matter for an ICC-

regulated railroad to give up the operation of an unprofitable branch line. The weight of bureaucratic inertia must be overcome as well as the danger of adverse public relations.

A fourth attempt might be through breaking the sentimental ties that band the railroad managers and suppliers together in a close-knit fraternity. Theirs is a tight, club-like circle into which outsiders rarely intrude. Competition of the cutthroat, vulgar sort is not countenanced. The right people buy the right kind of equipment from the right people at the right prices, and always have. That's the way the business is done. It makes for tranquility but works against progress. A little new blood might reactivate the native ingenuity of the engineers and the managers of the railroad.

Now, such hypothetical attempts as those sketched above are of only conjectural value. They might prove important in the aggregate. But it is also possible that they might turn out to be impracticable and they could, in that event, prove costly to the railroad that attempted the innovations.

It is possible that the Young group might make large and costly changes in the capital equipment of the New York Central that later would have to be reversed at considerable loss. But it seems improbable, first, because Mr. Young's experience on the Chesapeake & Ohio, Pere Marquette and Nickel Plate has been instructive; second, because he has shown that he is resourceful enough to pull out of improvisations that don't pan out without serious loss. It seems to us that the stockholders should take the risk of allowing these innovations to be attempted because if they succeed, the New York Central as an operating railroad might take a new lease on life, whereas if they fail, the loss probably could be kept within tolerable bounds. On the other hand, if the road continues to be operated under present conventional policies, we believe that even if Mr. White's great ability as an operator served to lower the operating ratio a couple of points or so for a time, the undertow that has dragged the road down for so many years would, in the end, prove too powerful. The risk from imprac-

licable improvisation that is inherent in Mr. Young's program appears to be more than offset by the almost certain decline that would come about, though more gradually, through perpetuation of conventional railroad operating policies.

In the final analysis, whether Mr. Young and his associates are as good railroad operators as Mr. White and his associates, or somewhat better or somewhat worse, is not the issue that will make or break the New York Central. A bold revision of the operating methods might make the railroad, but the chances of any quick, radical improvement in that department appear at present to be rather small. On the other hand, a bold program need not ruin the road either. In the end, another railroad executive of the ability of Mr. White—we even venture to hope that it might be Mr. White himself—could take over the operations of the New York Central as a railroad and leave Mr. Young free to attack what we believe is the critical issue in the case of New York Central—the exploitation of its real estate properties.

New York Central is different from most other railroads in that it is almost as much a real estate operation as it is a railroad operation.

Income from non-operating properties last year was around \$9 million—or \$1.40 a share (before tax). Properties in New York City are concentrated in the heart of Manhattan. Grand Central Terminal itself, covering 4 square blocks, is a powerful potentiality—a low building in a forest of skyscrapers. In the terminal area the Central also has such properties as the Waldorf-Astoria Hotel, the Biltmore Hotel, the Commodore Hotel, the Roosevelt Hotel, the Barclay Hotel, the Park Lane Hotel, the huge office building at 230 Park Avenue and various apartment houses along Park Avenue. In aggregate, these New York City realty holdings are carried at about \$50 million, although their actual value is estimated to be many times that. In addition, the Central owns land and buildings in cities along its route.

In the management of this vast real estate empire it appears that there may be unexploited

opportunities of tremendous potentiality. It is possible, as the present management (under Mr. White) contends, that the real estate potentialities are so restricted by legalistic conventions that no more could be done with the properties than has been done in the past. Perhaps this is the truth of the matter. But there is some evidence to indicate that a more aggressive and enterprising management could convert the real estate holdings into assets of greater value to the New York Central stockholders than they have been in the past, are now, or are likely to be as long as the present policies continue in force. For example, a huge super-structure might be erected over Grand Central Terminal. It would be the most valuable office space in New York City. Granted that this is a speculation. It might not succeed. Possibly the real estate ventures undertaken by the Young group, if they should gain control of the railroad, would fail. If that should happen, it seems to us that the railroad would be little worse off than it is now. On the other hand, if even a portion of the potentialities should be realized, the difference in terms of the stockholders' dividend expectancy might be tremendous.

At this point it is relevant to record that in managing the financial affairs of railroads on the verge of bankruptcy, or in desperate financial straits, like the Nickel Plate in the Thirties, the Pere Marquette and, more recently, the Missouri-Pacific, the achievements of Mr. Young and his associates have been little short of brilliant. The Missouri-Pacific stockholders, for example, would have been wiped out by now, had it not been for the active intervention of the enterprising Young ownership group (through Alleghany Corporation). It does not tax credulity to assume that men who have been able to salvage the common stock of the Missouri-Pacific; who have been able to salvage the Nickel Plate 6% notes, which sold for \$8.75 apiece in 1932 and six years later above \$100; who have been able to take what was apparently a bankrupt holding company, the Alleghany Corporation, and restore it to the point where its senior obligations sell at

par, could do something with the real estate of the New York Central Railroad. His group having invested a large share of their own large fortunes in the project, it may be concluded that they have an idea as to how they could proceed to make such readjustments in the real estate as would benefit the stock.

* * *

As far as railroading is concerned—apart from the real estate—the New York Central presents a far more difficult problem than did the Chesapeake & Ohio, the Nickel Plate, the Pere Marquette and the other railroads which Mr. Young took over through the Alleghany Corporation in the Thirties. On the other hand, the general economic and financial environment is today far more favorable to the New York Central than it was to the former Van Sweringen roads at the time of Mr. Young's accession to control.

It is everywhere recognized that great enterprise is required to start a new business and build it. Frequently it is overlooked that even greater enterprise and ability are required to salvage and revive an old and dying business. The railroad industry may fairly be described as being in a state of rapid obsolescence. Perhaps this is due in part to the restrictive regulations of the Interstate Commerce Commission, which make it difficult for railroad managements to meet competition on the spot and with the flexibility permitted to other transporters. Possibly, the difficulty may be traced to the stylized methods of operation and the smothering influence of long-entranced controlling interests divorced from ownership. Perhaps the "club" atmosphere in which railroad buyers and suppliers have lived and have operated for many years is partly responsible. All these factors may have some bearing on the matter. The one thing, though, that is certain is that this heavy weight of tradition, of orthodoxy, of old school ties and of steady loss of revenue to competing carriers can only be reversed by bold efforts and dauntless attack. Such efforts and the motivation that is required to prosecute them can only come, we judge, from a group of men who are heavily com-

mitted in terms of their own fortunes to the success of their efforts. It is as true now as it ever was that where a man's treasure is, there will his heart be also. If the treasure of the management is in the common stock, the common stock will have every effort made in its behalf. If the treasure of the men who run the railroad is elsewhere committed, even if their motivation be associated with the most lofty objectives of social service, public relations, civic welfare and the like, the probability is that the interests of the common stockholders will be subordinated, not by conspiracy or evil intent, but by sheer weight of circumstance. It is such a situation as this from which the stockholders of the New York Central would be rescued, we think, if the Young interests won control. That does not, of course, guarantee that the Young interests will succeed in increasing the value of the stockholders' investment. But it does mean that the stockholder has every reason to believe that a stronger effort will be made on his behalf than has characterized the management of his railroad in the past few decades, during which his property was under the control of men committed to the traditional policies and with the traditional motivation.

There is statistical support for the view that a strong ownership interest makes for a more successful managerial policy in the experience of a number of railroads.

To illustrate, Line A below graphs the superiority of the operating ratio of the Kansas City Southern over that of all Class I railroads. The arrow shows the time when owner-management took over (1940) and non-owner management went out. In the case of Kansas City Southern, the previous superiority vanished in the year following the change. But thereafter, the margin of superiority widened markedly and has held well above the best margin of superiority previously recorded.

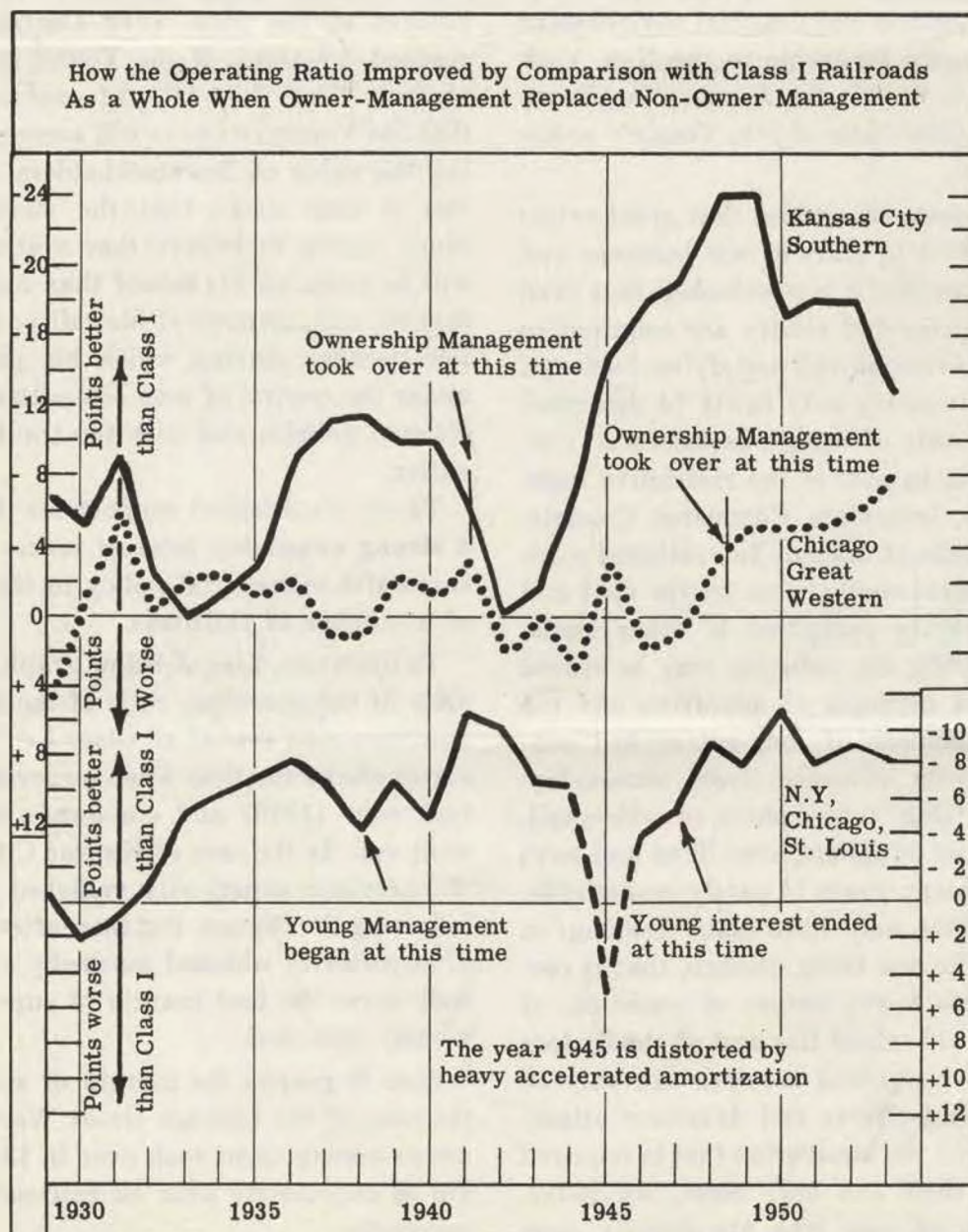
Line B graphs the margin of superiority in the case of the Chicago Great Western. When owner-management took over in 1948, the margin of superiority over all railroads improved markedly.

Line C graphs the margin of superiority in the operating ratio of the Nickel Plate over all Class I Railroads. When the Young interests took control they were able over the whole period to maintain or widen the margin of superiority except in the year 1945—when comparisons are distorted by accelerated amortization charges. The Young group moved out of the Nickel Plate situation in 1947 but the policies they established, generally speaking, remained in effect.

. . .

The Young group have an investment of \$7 million in N. Y. Central stock—or \$27 million

if the disputed 800,000 shares are included—versus \$1.8 million invested by the present board. The Young interests have promised a bold new attack on Central's old problems and their achievements with the former Van Sweringen rail empire have been impressive. Owner-management has in several notable instances succeeded in improving the position of other railroads relative to the industry in general. The risk of supplanting a tried, conventional management appears to be worth taking, because only a radical solution could reverse the long-persisting adverse trends that have characterized the New York Central's operations for several decades past.



COPY

December 12, 1950

Dear Clint:

I enjoyed and appreciated your letter of the 1st. I had two or three fine visits with Sid while he was here. I wish you could have been with us.

You could not possibly be more correct about the need for aiding the Spanish Government. As you know, the Senate took the lead in providing for a loan to Spain earlier this year. I am sure you will agree with me that there are only two great Governments and two great philosophies left in the world -- the United States and Russia. I want for us all the help and support we can get. I realize as you do that Spain can only take an anti-Communist position.

Thanks for reminding me of your letter of August 1st. You were far-sighted then, just as you are now.

With best personal regards, I am

Sincerely,

Lyndon B. Johnson.

Mr. Clint W. Murchison,
Dallas, Texas.

w Bj wj m
log - preparedness

CLINT W. MURCHISON

DALLAS, TEXAS

December 1, 1950

REC'D DEC 2 1950

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

Dear Lyndon:

Sid Richardson is going to see you the first of next week in Washington. I have told him that I have lined up all of the boys throughout the State to back the Governor against our senile Senator in the next senatorial campaign. Candidly, I have not talked with the Governor about this, and I know that you probably do not wish to go on record in your position. Therefore I would appreciate it if you would fully discuss this situation with Sid. He has suggested that maybe the Senator would resign. I think that would be much the cheaper route to go and that is for your consideration.

I have discussed this Korean-McArthur-State Department situation with over one hundred top leaders in Texas over the past sixty days. They are pretty sick at the attitude of the State Department and the President catering to communistic China on the one hand and sharpshooting at McArthur on the other. It seems to me that we are doing a pretty silly thing in dumping all of our arms and equipment in Western Europe where the communists can grab them, and still the State Department refuses to help Franco in Spain. We definitely know what position Franco must take in the event of a world conflagration, and we make no effort to help him.

CLINT W. MURCHISON

DALLAS, TEXAS

I do not pretend to be an armchair strategist, but I do know that the Pyrenees make a pretty good beachhead to stand behind. I personally am sick and tired of Connally parroting the State Department and all of their ideas.

I am enclosing a copy of a letter which I wrote to you several months ago. I think I am only one of many thousands of patriotic Americans who are willing to go down the line fighting against any representative of the U. S. government who in any manner condones communism or shows communistic sympathies.

Sincerely,



C. W. Murchison

CWM:O

CLINT W. MURCHISON

DALLAS, TEXAS

August 1st, 1950

Honorable Lyndon Johnson
United States Senate
Washington, D. C.

Dear Lyndon:

I hope that your health is good.

I think that the greatest scandal in America is going to come out of the investigation of the Army and Navy expenditures over the last three or four years. They admit themselves that Four to Five Million Dollars per years goes to putting leather in their chairs and paying their expense checks. Why don't you beat the crowd to the draw and introduce a bill requiring Certified Public Accountants to set up a system of accounting and auditing and have yearly independent public audits made of all major branches of the government.

Sincerely,

C. W. Murchison

P. S. If you voted for the Tydings bill, my face is red. I am figuring on spending about \$10,000 in Maryland trying to beat him.

COPY

United States Senate

MEMORANDUM

Geo says he can't
make a form
letter in this
that would apply
to individual letters,
but that as indi-
vidual letters
come in he
will be glad to
help draft replies
that may be as effective as
this one - Mary

COPY x

May 3, 1951

Dear Clint:

I have seldom ever been as touched as I was by your letter of the 26th. It expressed the very finest sentiments, and I shall never forget them.

I would not ask even that you or anyone else necessarily agree with my final decision, but I do wish everyone in Texas could share your confidence in my sincerity.

Lady Bird joins me in sending our very best regards.

Sincerely,

Lyndon B. Johnson

Mr. Clint W. Murchison
Dallas, Texas

lbj/wj/mhl
mac arthrthur removal

CLINT W. MURCHISON

DALLAS, TEXAS

April 26, 1951

REC'D APR 27 1951

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

Dear Lyndon:

Your letter slapped me right in the face!

I have never seen such simple sentences, so tersely stated, which broke away the conventional political patter and bared a man's soul to his deep and prayerful desire to do his duty above and beyond his obligations to any man, machine or his own personal ambitions. I know that as soon as you have brushed away the cobwebs of propaganda and biased thinking, your final actions will endure for the benefit of our future society long after our own usefulness has been erased by the ravages of time.

I can only say that the man has metamorphosed from a politician into a statesman in his thinking and actions, and his mind is still growing in the fertile soil of experience. I wish you would convey to Ladybird for me that I am very proud of her husband--

and her
and her
blackeyed peas.

Clint

Clint.

P. S. This letter does not commit me to agree with your final decision, but to commend the sincerity of your final decision.

COPY

April 20, 1951

Dear Clint:

You were never more right than when you said the task before us is a task for Hercules. As one man I don't try to claim the power of Hercules.

I am trying my best to think this whole thing through. Seeing and hearing MacArthur yesterday in his magnificent performance convinces me that it is more important than ever that the MacArthur movement not be allowed to "roll over the American people."

Frankly, I don't think I have got the answer figured out as yet. I don't think any one man does -- not even MacArthur. In whatever I do, I don't want to throw away such influence as I may have by attempting recklessly to do the impossible. The big trouble in Washington right now is that too many people are abusing the public faith by demanding the impossible and not trying to work out the feasible.

I like your ideas; I like the way you present them. I will try to do my best as I see it.

Sincerely

Lyndon B Johnson

Hon. Clint W. Murchison
Dallas
Texas

bb dj
mac arthur

Brunz *WJ*
CLINT W. MURCHISON
DALLAS, TEXAS

April 17, 1951

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

REC'D APR 18 1951

Dear Lyndon:

Whether you agree with me or not, I think you will concede my opinion that the American people feel more closely allied with the Japanese people than with any other foreign group. I think you will go along with me in the statement that this is an ideological war, and that the Communists are more fanatical in their religion than we are in ours, and that there has not been in the past nor will there be in the future any common meeting ground. Therefore, the die is cast for the death of one of the ideologies. We are now in the process of girding ourselves for a battle to the finish.

I am not attempting to get into the MacArthur-Truman dispute, but I am trying to say to you that it will be calamitous if we lose the Japanese people and such of the Chinese people who may be worth something to us. It goes without saying that with the disclosures of the R. F. C. hearing and the Kefauver Committee and certain others which are to be exposed in the future, together with the MacArthur incident, the Democratic Party is at the lowest ebb that it has been within the history of my time.

In answer to my wire suggesting that Eisenhower be brought back immediately, you state there

is nothing a Senator can do about it. You, coupled with several other Senators of the South (including Douglas of Illinois), have the destiny of the United States in your hands. If twelve or fourteen Senators went to the President and demanded of him that he bring Eisenhower back and give him a similar position to Wilson, giving him the assurance that he would be answerable only to the Congress, and that in the event he did not make this move they (the Senators) would join with the Republicans on impeachment proceedings, I would assure you that we would clean out the Aegean stables. It is truly a task for Hercules, but I believe Eisenhower can do it.

If you allow the MacArthur movement to roll over the American people, you are not only going to cause disunity among the people, but you are going to sink the Democratic Party into oblivion for the next twenty years. If you are a true Democrat you will undertake this task. It is time for guts, not gab.

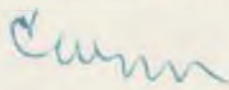
My sincere affection,



C. W. Murchison

CWM:O

R.S. a henchman of the Elder sent me word that if I opposed him he (henchman) would make it cost me 500 Grand. I want to make a loan, ~~in~~



GENERAL

COPY

July 12, 1954

Dear Clint:

I am glad to have your thoughts on the Judgeship.

I doubt that I will have anything to do with it, but knowing how you feel will be helpful if I do.

Best personal regards.

Sincerely

Lyndon B. Johnson

Mr. Clint W. Murchison
1201 Main Street
Dallas, Texas

wj dj

Clint W. Murchison

1201 Main Street

Dallas, Texas

July 9, 1954

RECEIVED
JUL 12 1954

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

Dear Lyndon:

Jack Porter, who as you know is the Republican National Committeeman, is backing a lawyer here named Alvin Lane for District Federal Judge. Alvin Lane is a partner of my brother-in-law. His judicial thinking is comparable to my oratory against that of Billy Graham. I am not trying to run down the man's character, but I do think that since this is an appointment for life that all of us should be very careful in the selection of a man for the job.

I have checked thoroughly, and I am not recommending just anybody without full investigation as to his character, ability, and honesty. I do recommend A. W. (Jess) Walker, Jr. I am sure that all of us would be proud to know that he occupies the position of Federal Judge in this district, and that his demeanor and deportment will be beyond compare. If you see fit to let the Eisenhower regime know this, I would appreciate it.

Sincerely,

clint

Clint W. Murchison
1201 Main Street
Dallas, Texas

murchison
GENERAL

RECEIVED

June 16, 1953

JUN 17 1953

7

The Honorable Lyndon Johnson **RECEIVED**
The United States Senate
Washington, D. C.

JUN 17 53

Dear Lyndon:

Thanks a lot for the copy of the Record
giving Price Daniel's speech. I think
it is smart ~~position~~.

Sincerely yours,

Clint

CWM:VB

June 4, 1948

Mr. Clint W. Murchison
Dallas, Texas

Dear Mr. Murchison:

Inasmuch as Congressman Johnson is in the hospital, I want to acknowledge your note of June 1st. Mr. Johnson forwarded you the report of the Subcommittee on Petroleum some time ago, but since apparently it was lost in the mails, I am attaching another copy.

I know Mr. Johnson would benefit by your comments and suggestions regarding the report. Your note will be brought to his attention at the earliest date possible.

Sincerely

Walter Jenkins
Assistant

Enclosure

wjg

wjg Armed Services Com

CLINT W. MURCHISON
DALLAS, TEXAS

June 1st, 1948

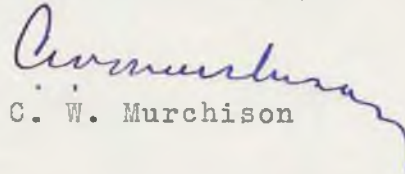
Honorable Lyndon B. Johnson
House of Representatives
Washington, D. C.

Dear Lyndon:

Thank you very much for sending your
sub-committee's report on petroleum.
I look forward to reading it with a
great deal of interest.

With kindest personal regards, I am

Sincerely yours,


C. W. Murchison

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J. C. WILLEVER
FIRST VICE-PRESIDENT

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ACCOUNTING INFORMATION
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Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

GENERAL

WANT A REPLY?

"Answer by WESTERN UNION"
or similar phrases may be
included without charge.

Washington, D. C.
November 10, 1954

Mr. Clin Murchison
Dallas
Texas

Thanks for your wire. You may be sure that I will weigh carefully every act and do what I think is best for my country in accordance with the Constitutional principles which we have both been taught to support and defend.

Lyndon B. Johnson, USS

Official Day Letter

lbj dj

CLASS OF SERVICE

This is a full-rate telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=Int'l Letter Telegram

VLT=Int'l Victory Ltr.

FX-1201

(105)

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WA351 PD=DALLAS TEX 9 247PMC=

HON LYNDON B JOHNSON=

US SENATE=

AS A FUTURE LEADER OF THE SENATE AND POSSIBLY THE NEXT
PRESIDENT OF THE UNITED STATES YOU SHOULD WEIGH
CAREFULLY YOUR POSITION ON THE CENSURE QUESTION. AS I
READ THE CONSTITUTION OF THE UNITED STATES THE GENERAL
SHOULD BE COURT MARTIALED AND THE PRESIDENT
REPRIMANDED. BEST REGARDS=

CLINT MURCHISON=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Segal
Boyer
attach file
noted
has
file

Clint W. Murchison
1201 Main Street
Dallas, Texas

June 22, 1954

GENERAL

RECEIVED

JUN 23 1954

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

Dear Lyndon:

Thanks a lot for the trouble you took in checking
up on the activity of the S.E.C. for me.

Best regards always.

Sincerely,

Clint

GENERAL

June 8, 1954

Dear Clint:

I have had a check made of the appropriation for the Securities and Exchange Commission and find that there has been no request of Congress for monies to conduct an investigation of investment companies. Of course, I cannot be sure of the intentions of the present Commissioners with respect to such a study, and it is always possible for them under the existing law to make this investigation.

The only indication that such activity by the Commission is planned is the reference in the report on Organization of Federal Executive Departments and Agencies, an excerpt from which you enclosed with your letter. The important thing is that Congress would have to act affirmatively to alter the Commission's present statutory authority to prevent them from engaging in such a study and I doubt that this could be done.

I certainly appreciate your calling this to my attention and I shall keep a watch on the Commission's activities in this respect. If you have any further suggestions I would certainly like to receive them. Best personal regards.

Sincerely,

Lyndon B. Johnson

Mr. Clint V. Murchison
1201 Main Street
Dallas, Texas

LBJ:GWS:MD

to Mr. Johnson
Gerry
Clint W. Murchison
1201 Main Street
Dallas, Texas

June 3, 1954

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

RECEIVED
JUN 4 1954

Dear Lyndon:

The law setting up the Investment Company Act of 1940 reads, as I recall, that they may investigate investment companies but that they are not obliged to do so. They have requested of Congress an appropriation for the purpose of making this investigation. Since Investors Diversified Service (I. D. S.) is probably the largest, it occurs to me that it will be the first they land on. We own a considerable interest in it, and I know it will keep the whole organization upset for a year at least and probably cost us more money than it will cost Congress. If Congress is trying to save money, the best way I know to do it is to refrain from spending it on such silly stuff as this. If there is anything you can do about it I surely would appreciate it.

Sincerely,

Clint

CWM:VB

Report on Organisation of Federal Executive Departments
and Agencies, March 15, 1954

Senate Report No. 14, Sub heading: Securities and Exchange Commission.

Following Section 9(j) is a paragraph* relative to a 12-point program proposed by the Securities and Exchange Commission as a goal for 1954, referring to section 14(b) of the Investment Company Act of 1940, which reads as follows:

"The Commission is authorized, at such times as it deems that any substantial further increase in size of investment companies creates any problem involving the protection of investors or the public interest, to make a study and investigation of the effects of size on the investment policy of investment companies and on security markets, on concentration of control of wealth and industry, and on companies in which investment companies are interested, and from time to time to report the results of its studies and investigations and its recommendations to the Congress."

*The Securities and Exchange Commission reported that it has adopted a 12 point program as a goal for 1954, which is designed to enforce the statutes as enacted, and to provide aggressive enforcement as a greater protection to investors and the public, but at the same time to relieve American industry of unnecessary and burdensome paperwork which serves no useful purpose. During the calendar year 1954, the Commission intends to direct its attention to (5) a study of investment companies as authorized by section 14(b) of the Investment Company Act of 1940,

GENERAL

May 28, 1954

Dear Clint:

I have discussed the very problem which you raise with a number of legal experts and it is an extremely difficult one. Thus far, no way has been found in which the Fifth Amendment can be suspended in certain types of cases without opening up the way for all sorts of abuses.

One proposal which is floating around the corridors of Congress will grant immunity for those who testified. Those who still refuse to testify under certain circumstances would then be liable to prosecution for contempt of Congress. The difficulty here, of course, is that it might afford a means through which people who should be prosecuted for serious offenses could escape any punishment whatsoever. All they would have to do would be to testify before a Congressional committee under a grant of immunity.

I agree with you that communists who are seeking to overthrow our freedoms should not be permitted to take advantage of those same freedoms to escape retribution. However, we have to walk very carefully lest we actually make things easier for them in our efforts to crack down.

We can take a certain amount of comfort in this thought. Eventually, we will find the way to do what should be done. Meanwhile, those who take refuge in the Fifth Amendment are pretty clearly labeled for all Americans and to that extent, their wings are clipped.

Best personal regards, Clint, and you can be sure that I will continue to give this matter serious thought.

Sincerely yours,

Lyndon B. Johnson

Mr. Clint W. Murchison
1201 Main Street
Dallas, Texas

LBJ:GER:gr

Rudy

Clint W. Murchison
1201 Main Street
Dallas, Texas
May 25, 1954

RECEIVED
MAY 26 1954

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

My dear Lyndon:

I am sure there are many bills in Congress to outlaw the communist party and to legalize wire tapping and to control the communists in many ways, but I do think that we should attempt to close the door of the Fifth Amendment to communists and not to the citizenship of the United States generally.

In other words, I think it has already been held that communism as such is an attempt to overthrow the government of the United States. Therefore, a member of the communist party would be indirectly a party to this attempt. The conclusion is that he would be a traitor.

I am making no attempt to try to write out a law, but I do say that it should be clearly and decisively written, and it is going to be one of the issues in this senatorial campaign. My advice to you is to get behind a law which in your opinion would be of service to the various governmental agencies of the United States which have to deal with these subversives.

Best regards,

Clint

~~CASE & PROJECT~~

COPY *Gene*

April 30, 1954

Dear Clint:

Thanks very much for your letter of April 27th.

I certainly appreciate your giving me the information about what is going on in the camp of the opposition. I am sorry to say not many people take the trouble to do this. It is information I need to know, and I hope you will continue to send me anything you dig up.

Please let me have your suggestions.

Best regards, as always.

Sincerely,

Lyndon B. Johnson

Mr. Clint W. Murchison
1201 Main Street
Dallas, Texas
lbj-bm-yb

Booth

Clint W. Murchison
1201 Main Street
Dallas, Texas
April 27, 1954

RECEIVED
APR 28 1954

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

Dear Lyndon:

I got a little low down on your opponent, Brother Dougherty.

He has really been pouring out the money for billboards.
He has worked up a deal with a Houston TV station to
do a 24-hour "talkathon" and I understand he is attempting
to do the same thing in Dallas, Fort Worth and San Antonio.

He went to the Texas Press and wanted to file an
announcement with all the country papers, but he made
a mistake and asked them to cut their price 10%, which
made them sore as the devil. I believe you could take
advantage of this by writing the boys a nice letter telling
them -- you know what.

Best regards,

clint

P. S. This information came out of the "Old Fox".

GENERAL

COPY

April 21, 1954

Dear Clint:

Your letter of April 13th certainly did not "burden" me at all. I have read it with sober interest.

I appreciate, of course, your approval of my own stand with respect to the Indo-China situation. I think the decisions to be made in regard to that situation will inevitably grow out of events, the nature of which cannot be foretold.

It would be impossible to exaggerate the seriousness of the problem. Your letter shows you realize that clearly enough. It is truly a sobering thought that, as you say, "four or five people have within their power the opportunity to destroy our civilization."

I will contribute whatever I can, Clint, to the effort to bring the Nation -- and the world -- through the crisis we face. Certainly I will never allow any partisan considerations to stand in the way of my cooperation with efforts toward this end.

Your comment about my candidacy for re-election give me strength and courage. Thank you, my friend.

Best regards.

Sincerely

Lyndon B. Johnson

Hon. Clint W. Murchison
1201 Main Street
Dallas, Texas

bm dj

57
Clint W. Murchison

1201 Main Street

Dallas, Texas

April 13, 1954

RECEIVED

APR 15 1954

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

Dear Lyndon:

I received your notice that you were going to make yourself available as a candidate for the United States Senate. It is needless to tell you that it is no surprise to me, but it is indeed gratifying to know that you have finally announced a definite decision.

The thing that really makes me proud of you, and which probably your constituency does not realize, is the momentous announcement you made that you would go along with Eisenhower and Dulles on their Indo China program. I am sure I can say that it is almost without precedent in a peace time political situation for the minority leader to forego the aspirations of his own political party and join with the opposition party in presenting a united front against the common enemy.

I am sure you know more about the inside situation than do I, but I have known for the past eight months from undisputed sources that the Russians jumped through the atomic bomb operation and started off with their hydrogen development. I am not giving lip service to McCarthy, but I could not help feeling all along that there was something drastically wrong with the political thinking of our Atomic Energy Commission. Now since it has come out in the open, I know that you are apprised of the awesomeness of the situation which confronts us.

This is the first time in the history of mankind that four or five people have within their power the opportunity to destroy our civilization. To me it is a terrible thing that the people cannot be awakened to this--that their living and thinking is not being disturbed by the terrible calamity which might come to us. I have tried in my feeble way to convince anybody who would listen to me that we had to use Chiang Kai-shek as a front man, and through all our resources back him in allowing him to create a foreign legion which should be comprised of Japanese, Germans and other Europeans, as well as the whole of the anti-communistic world, to build up a land army which could cope with and destroy Mao Tse-Tung.

I am no diplomat, but I know darn well that if Chiang Kai-shek could meet with Yoshida, and with the helpful persuasion of the United States on a guaranty of performance, Yoshida would surreptitiously approve an agreement giving the Chinese mainland back to Chiang and Manchuria to the Japanese. The main accomplishment, in my opinion, would be to force the Russians on a defensive and force them to fight a war with the same length of supply lines as the United States would have in either the Manchurian area or the European area. Certainly the Russians would not commit themselves to fight a war on the European front if we had a strong army attacking them on the Manchurian front.

Without a question I think we still have two things in our favor:

- (1) We have better equipment to deliver the bomb.
- (2) We still have far superior manufacturing ability.

It is awful to have to write a letter talking about killing ten or fifteen million people, but I cannot conceive of a situation existing where we continue to allow the Russians to build up their air power and their hydrogen power. Simply stated, to me it is a battle between God and the devil, and this might be the Armageddon.

I hope I have not burdened you too long with this heartfelt letter.

Best regards.

Sincerely,

clint

CWM:VB

GENERAL

April 7, 1954

Dear Clint:

Murchison

Both of your two letters arrived at the same time and I checked right away into the question of the tax bill.

The committee members tell me that there is no intention to make it retroactive to March 1 of this year. The March 1 date arises only because the House of Representatives had to put a date in when they were considering the legislation. Since it came out of the House Ways and Means Committee about March 1, that was what they used. But I have been assured that this is only tentative and that the final bill will be based upon realities of the time rather than the actions of the House.

There is little prospect of this measure receiving any action before June. I had a lengthy discussion with one of the more experienced members of the Senate Finance Committee yesterday and he tells me that the hearings alone will take several weeks. Apparently, there will be a lot of discussion.

I wish I could make a more definite prediction on the future of the measure but right now it's just impossible.

I certainly appreciate your opinion on the exemption proposition as I always give heavy weight to Clint Murchison's ideas. Since we can't hurry the legislative process on this

-2-

particular measure in any way, we will have plenty of time to go into it from all angles.

Best personal regards.

Sincerely,

Lyndon B. Johnson

Mr. Clint W. Murchison
1201 Main Street
Dallas, Texas

BM
LBJ:GER:md

*to Dr. J. Edgar
Rudy
LBJ says "fix it
up with the check"
WJ*

Clint W. Murchison
1201 Main Street
Dallas, Texas
April 5, 1954

RECEIVED
APR 7 1954

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

Dear Lyndon:

Here I am again.

Apparently they are totally revising the tax bill and trying to make it retroactive to March 1 of this year. God knows when it will finally be passed. I think they should be sporting enough to let us start trading under the new deal instead of taxing us for some trade we probably have made under the old bill. I do not believe this is making an unreasonable request.

Sincerely,

Clint

Rudy

Clint W. Murchison

1201 Main Street

Dallas, Texas

April 2, 1954

RECEIVED

APR 7 1954

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

Dear Lyndon:

Thanks for your letter.

While it can be argued that the \$100 exemption might further stimulate business, I think the better argument is that due to the extremely high cost of government the loss of this revenue would be more detrimental to the government financial structure than the stimulation it would give to business.

The real way to give business a shot in the arm is to dig out that gold in Kentucky and use it as a bargaining power for the various countries to buy some of our products in world trade.

My best regards.

Sincerely,

Clint

GENERAL

March 25, 1954

Dear Clint:

Of course, I know that yours is a patriotic move and not just an effort to help the Republican Party. In all my dealings with you, I have never at any time known you to come forward with anything that did not have sincere motivations.

Right now, I am giving very serious thought to the point that you make. Although I have yet to come to a definite conclusion, this idea has been presented to me, and I would like to have your thoughts on it.

It is argued that an increase in income tax exemptions at this time might be a valuable "shot in the arm" for our economy. In other words, it would increase purchasing power; put more people back to work; put our factories back on a higher production basis; and, therefore, increase payrolls and push more people up into the income tax paying brackets.

I am not a skilled and experienced economist, but I must confess that this idea has a great appeal to me. It came to me when I made a very serious effort to find out how many people would be eliminated from the tax rolls by raising the exemption \$100.00 per person, and discovered that there were as many estimates as there were economists. Everybody that I talked to admitted, frankly, that any figure would have to be accepted with a grain of salt simply because of the conceivable effects of increased tax exemptions on our economy.

Murchison

-2-

I agree with you that as many people as possible should share part of the tax burden. But if it can be done by boosting them into the higher income tax brackets, I would be very happy over the outcome.

As I said, this idea so far is only tentative with me, and I certainly would like to have your thoughts.

Best personal regards.

Sincerely yours,

Lyndon B. Johnson

Mr. Clint W. Murchison
1201 Main Street
Dallas, Texas
LBJ:GER:gr

Clint W. Murchison
1201 Main Street
Dallas, Texas

March 22, 1954

RECEIVED

MAR 23 1954

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

RECEIVED

MAR 23 1954

My dear Lyndon:

As a rule I have always figured that you know more about the business of passing new laws than I, and therefore have not tried to burden you with any of my own ideas. However, there is a situation existing there now which I believe will become a breeder to another trend toward socialism if the clear thinkers of our government do not realize the potential danger of relieving the smaller taxpayer of any burden of government whatever.

I am not concerned about the money the government might lose in raising the exemption \$100 per person, but I am seriously concerned by the fact that it will relieve many, many people of practically any tax burden. My opinion is that we must keep that group of people cognizant of our government debt and make them participate in the government debt to the extent that they always will be cautious and careful as to the people they seek to represent them in Congress.

We have some protection here in Texas on account of the poll tax, but in many states as you know there is no poll tax existent and for that reason various groups of this type of citizenship are more or less voted en masse because of the fact that they are swayed by demagogues who promise them they can live in this great country of ours without any contribution whatever to the burdens and costs of our government.

I know Senator George is mad on account of the fact that Eisenhower turned him down on his substitute to the

Bricker Amendment, but I believe this is so serious that level heads should try to prevail upon him to forget the party and his own feelings and let us try to steer this country away from any socialistic trends or Townsend plans.

I am going to send a copy of this letter to Price Daniel, Clinton Anderson and Dick Russell. I hope I can prevail on all of you to see eye to eye with me in that it is a patriotic move and not an attempt to help the Republican Party on my part.

My sincerest regards to you.

Sincerely,


CWM:VB

GENERAL

COPY

February 10, 1954

Dear Clint:

I checked into the Seattle matter but did not learn very much.

The hearings have been going on for almost nine months, and it appears that unless some agreements are reached they will go on for several more months.

I am told that the situation is a highly competitive one and a confused one. There is just no telling what the thinking of the fellows is, and I have tried but can't find out, since apparently they don't know themselves.

I wish I could be more helpful, but I don't know any way to be so on this one.

Best personal regards.

Sincerely,

Lyndon B. Johnson

Honorable Clint J. Murchison
1201 Main Street
Dallas, Texas

LBJ:WJ:mf

February 3, 1954

CWM:VB

GENERAL

Time, Murchison, and the depletion allowance

TIME magazine last week offered another example of the snide propaganda campaign of the left-wing press against the oil industry in general and the depletion allowance in particular.

An article about Clinton W. Murchison and other "Texas oil millionaires" reflects an attitude of suspicion and derision toward any man who has been able to make some money. It implies that any contact with oil results in an easy fortune, cavalier living, and sinister operations. And it deliberately plants the impression that all this is due to the producers' 27½ per cent depletion allowance, "the tax bonanza enjoyed by all oil men."

With such sneeringly used phrases as "big rich", "ocean of oil", "block-long Cadillac", "pirate's treasure", and "depletion-fed" the article suggests that oil men misuse great wealth which they acquired pretty much as a gift from the taxpayers because of this horrible, unconscionable depletion allowance.

Clint Murchison doesn't need us to defend him and he probably doesn't give a damn what people say about him. Actually very little of his fortune came from oil production to which the depletion allowance, just or unjust, applies. He made most of his money by smart trading and long chances, taking advantage of capital-gains and any other tax provision which offered a fair return on investment.

WHAT BURNS US UP, and what should be resented by everyone in the oil industry, is the insidious interlarding of references to the depletion allowance into an account of financial successes, personal idiosyncracies, and private philanthropies. What oil men or others choose to do with their earnings has no rational relationship to the source of income.

On its merits, the depletion allowance has withstood every frontal attack and is recognized as a proper incentive for investment in the development of a wasting asset. So now the jealous, the misinformed, and the detractors of private capital seem engaged in a campaign of subversion against it, employing sneers, ridicule, and invidious implication to picture the depletion allowance as the root of much actual or potential evil.

It's not the Murchisons and the "oil-rich Texans" who should defend the depletion allowance against such fifth-column tactics, but every person in the industry whose livelihood depends on maintaining a supply of oil at reasonable prices.

SO LONG AS ARTICLES like this one in Time go unchallenged and unrefuted, left-wing writers and politicians will find it popular and profitable to undermine the depletion allowance and any other means by which an investor has a chance of reaping a reward from a venture which develops resources and jobs and wealth for the nation.

Telefax

WESTERN UNION

Telefax

TAR DALLAS, TEXAS, DECEMBER 26, 1950 (CHG. MANN ASSOC.)

GOV. THOMAS E. DEWEY
ALBANY, NEW YORK

REC'D DEC 28 1950

I THINK YOU HAVE THE POLITICAL POWER TO DEMAND OF THE SENATE THAT THEY REQUEST GENERAL McARTHUR TO RETURN TO AMERICA FOR THE PURPOSE OF ALLOWING HIM TO EXPOSE THE INTRIGUE BETWEEN OUR STATE DEPARTMENT AND THE CHINESE COMMUNIST GOVERNMENT. DON'T YOU THINK THE PEOPLE OF AMERICA ARE ENTITLED TO A FULL DISCLOSURE OF ALL THE FACTS PERTAINING TO THIS SITUATION? I BELIEVE IT IS YOUR PATRIOTIC DUTY TO USE YOUR INFLUENCE TO THIS DIRECTION.

Copy for Lyndon Johnson ✓ CLINT MURCHISON

PLEASE OBSERVE FOLLOWING INSTRUCTIONS

Place special black paper under this blank. Write or type message plainly within border. Do not erase. Errors should be crossed out.

Place black sheet on telefax machine for transmission.

Telefax

WESTERN UNION

Telefax

TAR DALLAS, TEXAS, DECEMBER 26, 1950 (CHG. MANN ASSOC.)

SENATOR BOB TAFT
SENATE OFFICE BUILDING, WASHINGTON, D. C.

DON'T YOU THINK THE PEOPLE OF AMERICA ARE ENTITLED TO
HEAR GENERAL McARTHUR GIVE HIS TESTIMONY BEFORE THE
SENATE PERTAINING TO HIS EXPERIENCES WITH THE STATE
DEPARTMENT AND THE CHINESE COMMUNIST GOVERNMENT AND
CHIANG KAI-SHEK STOP I BELIEVE THE SENATE SHOULD BE
INFLUENCED TO BRING McARTHUR HOME FOR THIS TESTIMONY
STOP I BELIEVE YOUR SERVICES TO BE INVALUABLE IN
ATTEMPTING TO GET THE SENATE TO MAKE THIS REQUEST OF
McARTHUR.

Copy for Lyndon Johnson ✓ CLINT MURCHISON

PLEASE OBSERVE FOLLOWING INSTRUCTIONS

Place special black paper under this blank. Write or type message
plainly within border. Do not erase. Errors should be crossed out.
Place black sheet on telefax machine for transmission.

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WESTERN UNION

Telefax

TAR DALLAS, TEXAS, DEC. 26, 1950 (CHG. MANN ASSOCIATES)

SENATOR PAUL DOUGLAS
SENATE OFFICE BUILDING, WASHINGTON, D. C.

LET'S BRING McARTHUR HOME TO TESTIFY BEFORE THE SENATE
STOP IT MIGHT SERVE TO STRAIGHTEN OUT SOME OF THE
CONFUSION IN WASHINGTON BETWEEN THE TRULY PATRIOTIC
AMERICANS AND THE SO CALLED LIBERAL GROUP.

CLINT MURCHISON

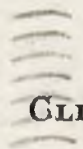
Copy for Lyndon Johnson ✓

PLEASE OBSERVE FOLLOWING INSTRUCTIONS

Place special black paper under this blank. Write or type message
plainly within border. Do not erase. Errors should be crossed out.
Place black sheet on telefax machine for transmission.



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



CLINT W. MURCHISON
DALLAS, TEXAS

COPY

December 20, 1950

Dear Clint:

You don't think any more of Eisenhower than I do. We need men of his strong courage and public confidence and I am doing everything I can to get them.

My speech to the Senate of last Tuesday will tell you how I feel about a lot of things. Knowing you, I believe you will agree with at least most of what I said. I wish you would read the speech through and give me the benefit of your counsel.

Sincerely,

Lyndon B. Johnson

Mr. Clint W. Murchison
1315 Pacific Building
Dallas, Texas

lbj:wj;gs
Leg Korea

CLINT W. MURCHISON
DALLAS, TEXAS

December 14, 1950

13/5

Pacific

Senator Lyndon B. Johnson
Washington, D. C.

Dear Lyndon:

As I look over the international and national scene, to me there appears to be conniving in the Far East, confusion in Europe, and chaos in Washington. Never in American history has leadership been so lacking as in these times of peril to the nation.

I am not giving you any new information when I tell you that the people of America have lost their confidence in our present Washington leadership. The thing that concerns me most at this time is that the next serious blunder we will make is to send Eisenhower to Europe. Eisenhower is the one man in the nation who has the confidence of Europe, the respect of both the Republicans and the Democrats in America, and is feared by the Russian hierarchy.

I just wonder if a stalwart Texan from the hill country would have the guts to break precedent and speak out from the Senate floor, asking all the nation to beseige their representatives with letters, telegrams and, if necessary, hitch hikes to Washington, demanding that their representatives place Eisenhower in such a position that he would only be responsible to the Senate of the United States. I know you will say that this is illegal--but so was the war of the Revolution, the Civil War, and the war of Texas against Mexico.

I think we should relegate our present
pen-and-paper expert to the role of playing
"Dickens" to his Pendergast, and let him edit
the "Pendergast Papers".

I hope you will indulge me, but I am very,
very serious.

Sincerely,

Clint

C. W. Murchison

CWM:O

COPY

August 13, 1951

Dear Clint:

Thanks for your note of August 4th. I have
read your memo from Mr. ^{Holman} ~~Heaman~~ Jenkins also.

I shall look into the matter and see what the
situation is. Thanks for calling it to my attention.

Best wishes.

Sincerely,

Lyndon B. Johnson

Mr. Clint W. Murchison,
1315 Pacific Avenue,
Dallas, Texas.

lbj m
leg - appropriations
subsidized shipping lines

RETURN TO SEN. JOHNSON'S
DESK FOR FURTHER ACTION

COPY

August 7, 1951

Dear Miss Orrick:

Your note, along with Mr. Murchison's note and the enclosed memorandum from Mr. Holman Jenkins to Mr. Murchison, have all been received during Senator Johnson's brief absence from the city.

Please tell Mr. Murchison that I am keeping this correspondence on his desk for him to see upon his return.

Sincerely,

Warren Woodward,
Assistant to Lyndon B. Johnson

Miss Ernestine Orrick,
Secretary to Mr. Murchison,
1315 Pacific Avenue,
Dallas, Texas.

in
log - appropriations
subsidized shipping lines

Handed for Sen Johnson

CLINT W. MURCHISON
DALLAS, TEXAS

August 4, 1951

ww
REC'D AUG 6 1951

Senator Lyndon Johnson
Washington, D. C.

Dear Senator Johnson:

After the enclosed letter from Mr. Murchison was written and during Mr. Murchison's absence from the office, one of his attorneys called to refer him to the editorial in the July 31 issue of the New York Journal of Commerce. I thought this might be of interest to you.

Yours very truly,

Ernestine Quick

Secretary to Mr. Murchison

CLINT W. MURCHISON
DALLAS, TEXAS

August 4, 1951

Senator Lyndon Johnson
Capitol
Washington, D. C.

Dear Lyndon:

The last paragraph on the enclosed
memorandum is for your information.

Sincerely,



Clint W. Murchison

C. W. M./T
Encl.

P. S. I own American Mails.

INTER-OFFICE CORRESPONDENCE

Date August 3, 1951

To Mr. Murchison From Holman Jenkins

Subject Appropriations Fight in Congress on the Subsidized Shipping Lines

(ONLY ONE SUBJECT TO BE CONTAINED ON THIS SHEET)

I talked with Jim and he said that although the matter does not immediately affect American Mail due to the government charter service, it could within the next six months become very vital to American Mail.

Jim got the impression that no immediate action was necessary, but after talking with New Orleans again their information straight from Washington is that in all probability it will come to a head next week and could come about as early as Monday or Tuesday, but probably it will be later on in the week.

The inside information, confidential and not to be quoted, is that Congressman Thomas is fronting for Waterman Shipping Company which operates out of Houston and other Gulf Coast ports. Thomas has threatened other House members with fighting their pet appropriations if they did not go along with him on this matter.

92 port authorities have contacted Washington and many Chambers of Commerce in port cities have; in a great many other respects a great deal of activity is going on. The concensus is that it will take personal pressure on Thomas, preferably from his local people in Houston. Do you have any suggestions as to what we can do insofar as the Houston area is concerned?

The information is that Lyndon Johnson is a leader in maritime affairs and should be contacted. The White House is particularly friendly to the subsidized lines but any help that could be gotten from the White House forces would carry a great deal of weight. Please advise what I should do.

March 6, 1946

Honorable Clint Murchison
Dallas
Texas

Dear Clint:

I had an enjoyable visit with Hick Majors, Lindsey and Jerry the other day. We thought of you and talked of you.

This note is just to remind you that I am as close as the telephone when there is any little thing I can do, and I am awaiting word from Hick about the 15th on the status of your son's plans.

While I am writing you I wanted to thank you for having the vision and courage to send us a good man to handle the Austin Transit Company. This fellow Hemby has done more good work for our community since he has been there than was done by the preceding President during his lifetime. I know I am conservative when I say at least a dozen outstanding persons have told me of Hemby's operations and we are mighty proud of him.

Of course I need not tell you how happy I was to know that you had also brought in Ed Clark and Everett Looney. They are good people and will do you a good job, and if there is any way I can help on the whole picture at any time, let me know.

Sincerely

Lyndon B. Johnson

Copy to

Hon. Hick Majors
Dallas
Texas

lbj dj
corr-murchison,clint

339 Munsey Building
October 29, 1940

PERSONAL

Mr. C. W. Murchison
First National Bank Building
Dallas, Texas

My dear Sir:

This will acknowledge receipt of your letter and the enclosure payable to the Democratic Congressional Campaign Committee.

This check is being turned over to the Committee and they in turn will use it in connection with the campaigns of Democratic candidates for Congress.

With appreciation for your interest, I am

Sincerely

lbj jed

Lyndon B. Johnson

ALOCO OIL COMPANY

FIRST NATIONAL BANK BUILDING

DALLAS, TEXAS

October 16, 1940

Congressman Linden B. Johnson
339 Munsey Building
Washington, D. C.

Dear Congressman Johnson:

We are enclosing herewith
check of the Aloco Oil Company for \$5,000.00,
payable to the Democratic Congressional Commit-
tee.

We would like for this money
to be expended in connection with the campaign
of Democratic candidates for Congress, as per
the list attached.

Sincerely yours,

Pauline L. Llynn
Cummins

See Home File

OCT 28 1958

CLINT W. MURCHISON
DALLAS, TEXAS

October 27, 1958

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



My dear Lyndon:

Thanks for your note. I do not think you are anti-American. I just think you voted with the anti-American crowd in this instance.

Sincerely,

Clint

CWM:VB

Selected Names

December 21, 1957

Murchison

Dear Clint:

As always you are a "can-do" man and I am fortunate to have such a good friend.

I rather expected that that was the situation with Dave McDonald. He has his problems as I have mine.

But I am never very much worried about problems as long as I have good friends like Clint Murchison.

Best regards.

Sincerely,

Lyndon B. Johnson

Mr. Clint Murchison
5307 East Mockingbird Lane
Dallas, Texas

LBJ/GER/ejl

RECEIVED
DEC 18 1957

Clint W. Murchison
5307 East Mockingbird Lane
Dallas, Texas

December 16, 1957

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

My dear Lyndon:

At your request through Bob Thompson I tried to contact David McDonald while you were at the Texas Hotel in Fort Worth. I was unable to do so, but I did send him a telegram and he called me the following day. From his enthusiastic reaction to your personality I am sure that you have used your usual talent in conveying to him your opinions of him. He further stated to me on the telephone that you should not pay any attention when he is acting as secretary of the convention of the CIO. He was then speaking as secretary, and not as David McDonald. I think you have sold your personality to him, and all you have to do is to use further the talents which you so nobly and ably employ.

Sincerely,

Clint

X

Selected Names

Clint W. Murchison
5307 East Mockingbird Lane
Dallas, Texas

July 27, 1956

RECEIVED
GENERAL
JUL 30 1956

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

Dear Senator Johnson:

I am forwarding your letter of July 21 on to Mr.
Murchison in California, and I am sure that you will
be hearing from him after he returns to his office in
September. I know he will appreciate having your
letter.

Sincerely yours,

Ernestine Van Buren
Ernestine Van Buren
Secretary to Mr. Murchison

GENERAL

July 21, 1956

Dear Clint:

Thank you very much for sending me the Dick West broadcast. I had seen the Riesel column and the editorial in the Dallas News but I didn't realize that they were taking to the air with the story.

For your own information, the Victor Riesel column had no foundation in fact and Riesel himself telephoned me a few days after it appeared to apologize. Apparently, he had written hastily on the basis of misinformation and he offered to print a retraction. However, I have always followed the rule that a retraction does more harm than the original story and I told him that I had no desire to see such a thing happen.

I strongly urged the Agriculture Department to look over the A. & M. site for the Animal Disease Center. But the Department picked Iowa State College. I wish there was something more I could do but apparently it just isn't possible.

As always, I find your judgment on the situation in Texas to be first rate. It was good to have your informed comments on the political situation and I hope you will keep in touch with me on any ideas that occur to you. I always welcome them.

Warmest regards,

Sincerely,

Lyndon B. Johnson

Mr. Clint W. Murchison
4307 East Mockingbird Lane
Dallas, Texas
LBJ:GER:bjs

Book

Clint W. Murchison
5307 East Mockingbird Lane
Dallas, Texas

RECEIVED
JUL 9 1956

June 25, 1956

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

My dear Lyndon:

Enclosed please find an address by the news commentator,
Dick West, who is an editorial writer for the DALLAS NEWS.
It may or may not have some value to you.

At any rate, in my opinion, Texas is looking first to you
and then to Eisenhower, as against Truman, Harriman,
Stevenson, Kefauver, or people of that ilk. I do not believe
anybody could defeat Eisenhower in Texas with Kefauver
or Stevenson, or even Harriman probably, with an aroused
conservative group fighting for Eisenhower--and that would
probably be the case should they get the nomination.

Best regards to you.

Sincerely,

Clint

ACP

P. S. The attached letter from Mr. Shuffler of Texas A. &
M. is forwarded for your information. I have prevailed
on both Dillon Anderson and Bob Anderson to lend their
assistance on the Animal Disease Center. Anything you
can do would be appreciated by the students of A. & M.
as well as the people of Texas, including me. CWM

R. HENDERSON SHUFFLER

COLLEGE STATION, TEXAS

June 21, 1956

Mr. Clint W. Murchison
5307 E. Mockenbird Lane
Dallas, Texas

Dear Mr. Murchison:

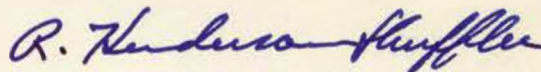
As usual you have come through in fine style
for old A. and M.

Your letter to Dillon Anderson should be very
helpful. He was on the campus in February and I had a
chance to show him around, so he will be pretty well up
to date on what we have here.

I hope Mr. Richardson has put in a plug too.
We need active support from Lyndon Johnson and Sam
Rayburn now. If we get on the list of four or five
schools to be visited, we will need to bring up all
the heavy artillery in Texas then.

Again my sincere thanks and those of the
institution.

Sincerely yours,



R. Henderson Shuffler

P. S. I am sorry my old cowboy painter friend Kelly
up and died on us before I could get you to-
gether. He was a man-and a horseman of the old
school.

GENERAL

March 15, 1956

Dear Clint:

I was so glad to have your note. It is always good to hear from you.

This has been a real week, what with the Farm Bill and one thing and another. But I guess I'd rather wear out than rust out, and when you're fighting for the things you believe in, it makes a difference.

I do hope that our paths cross soon, and I hope that when that happens we will have the leisure to really visit. My best wishes -- always.

Sincerely

Lyndon B. Johnson

Mr. Clint W. Murchison
5307 East Mockingbird Lane
Dallas, Texas

dj

Clint W. Murchison
5307 East Mockingbird Lane
Dallas, Texas

March 5, 1956

RECEIVED
MAR 6 1956

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

Dear Lyndon:

I have been out of town for about a month, and
I do appreciate your note of January 30.

From all information I hear, I will probably be
up to see you pretty soon testifying on the contributions.
I have nothing to hide and nothing to be ashamed of,
and I am looking forward to seeing you.

Sincerely,

Clint

CWM:VB

GENERAL

January 30, 1956

Dear Clint:

Thanks very much for writing and thanks, particularly, for the kind words concerning the gas bill and my health.

The prognosis on my health is favorable, and I hope it is the same with the gas bill. I'm feeling fine -- better than I have in years -- and we will start voting on the gas bill next Monday at 10:00 o'clock in the morning with a consent agreement to limit further debate on the bill to three hours and one hour for each amendment.

I'm also pleased to know that you were interested in the water problem appraisal. I hope it is of some help to you,

Let me hear from you more often, Clint. And when are you coming to see me?

All best wishes.

Sincerely

Lyndon B. Johnson

Mr. Clint W. Murchison
5307 East Mockingbird Lane
Dallas, Texas

m

Booth

RECEIVED
JAN 25 1956

Clint W. Murchison
5307 East Mockingbird Lane
Dallas, Texas

January 24, 1956

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

My dear Lyndon:

Thanks a lot for your appraisal of the Texas water problem. I am going to take it home and read it diligently.

I will get in touch with Ed Clark about his man Guyton.

Bob Thompson tells me you are doing a hell of a fine job on the gas bill and has nothing but complimentary things to say about your maneuverings and actions.

Best regards. I hope you will not work yourself too hard.

Sincerely,

Clint

CWM:VB

File

CLINT W. MURCHISON
DALLAS 5, TEXAS

March 19, 1946

Congressman L. B. Johnson
House of Representatives
Washington, D. C.

Dear Lyndon:

I want you to know how much I appreciate the trouble and effort you went to in helping me to solve some of my family problems. Don't hesitate to call on me if you need anything because I want to get even with you. I also want you to know how much I appreciate your appraisal of my man Hemby at Austin. Maybe we can make a "Johnson Campaigner" out of him.

Sincerely yours,

Clint

C. W. Murchison

CWM:HK

10 10 AM '46 MAR 22 '46

March 23, 1946.

Honorable Clint Murchison,
Dallas,
Texas.

Dear Clint:

It gave me great satisfaction to help
on the "family" matter.

Thanks much for your generous statements.

Hope to see you soon.

Sincerely,

Lyndon B. Johnson.

lbj m
corr - murchison, clint

42

Lt. Clinton W. Murchison, Jr.

Enlisted November 13, 1942.

Active Duty - July 1st, 1943

Serial #543494

File Jacket #045872 (Officers Number)

Duty

July 1st, 1943 to October 30th, 1944 - Duke University
Durham, North Carolina

November 1st, 1944 to January 2nd, 1945 - Parris Island,
South Carolina

January 3rd, 1945 to February 11, 1945 - Camp Lejeune,
North Carolina

February 12, 1945 to June 6, 1945 - Quantico, Virginia

Commissioned June 6, 1945

June 20, 1945 to October 3, 1945 - Field Artillery School
Quantico, Virginia

October 9, 1945 to February 19, 1946 - Marine Separation Center
Great Lakes, Illinois

To report 20 March 1946

*Marine Training and Placement Command
Camp Pendleton, California*

for duty with 6th Casual Officers Det.

*Suspense
Marine:
Murchison, Clinton Mar 14*



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON 25, D. C.

PROPERTIES AND INSTALLATIONS

OCT 17 1957

Dear Senator Johnson:

Reference is made to a telephone request from Mr. Glen Wilson of your office for current Department of Defense directives and instructions concerning the acquisition of Wherry housing projects. In accordance with this request we are inclosing two copies each of all of our basic instructions to the Military Departments.

Mr. Wilson specifically inquired about a new instruction which he understood had just been released, or was just about to be released. We do have in preparation at this time a new instruction entitled: "Uniform Procedures to be Employed in Negotiations for Acquisition of Wherry Projects." It is expected that this instruction will be released within a few days and we shall forward you copies of it as soon as it is available.

Sincerely yours,

(Signed) Robert A. McDonald

Inclosures (5)

1. DOD Directive
10/23/56
2. DOD Instruction
11/26/56
3. DOD Instruction
1/9/57
4. Memo to Mil Depts
3/15/57
5. Memo to Mil Depts
7/30/57

Robert A. McDonald
Acting Assistant Secretary of Defense
(Properties and Installations)

Honorable Lyndon Johnson

United States Senate

July 30, 1957

MEMORANDUM FOR THE ASSISTANT SECRETARY OF THE ARMY (ASA)
THE ASSISTANT SECRETARY OF THE NAVY (NAV)
THE UNDER SECRETARY OF THE AIR FORCE

SUBJECT: Changes in Method of Estimating Physical Depreciation for
Determining Formula Price for the Acquisition of Cherry Housing

Reference is made to memorandum from this office dated March 15, 1957, relating to modifications and procedures for the acquisition of Cherry housing. Paragraph 3 of this memorandum describes method of computing the estimated physical depreciation, as one of the factors used in determining the purchase price of Cherry housing, according to requirements of Public Law 1020, 84th Congress.

Public Law 104, 85th Congress, Section 504, modifies the criteria for determining the "allowance for physical depreciation." The pertinent language now contained in Public Law 104 substitutes the following: "appropriate allowance representing the estimated cost of repairs and replacements necessary to restore the property to sound physical condition." In this connection the following language is quoted from Title 7 of Conference Report No. 659 on the Housing Act of 1957:

"This word was included in the House bill to indicate that in determining whether a deduction should be made for needed maintenance items, only those items which are past due should be considered. For example, if a project normally needs painting every 2 years, a deduction shall be made if 2 years have elapsed since it was last painted, but not if only 1 year has elapsed. While the conferees agreed to this principle, they felt that the word 'immediately' might have broader implications, and accordingly deleted it in order to make sure that all costs of repairs and replacements needed to put the project in first-class condition will be included."

In conference with the intent of Section 504 of Public Law 104, 85th Congress, subparagraphs 1c, 3b, 3c, and 4b of the above noted OSD(RI) memorandum are hereby deleted. In addition, the word "immediately" is deleted from subparagraph 3a.

All future estimates for an allowance for physical depreciation to be used in determining the maximum formula price for procurement of Wherry housing shall be prepared on the basis of the new statute. As the above quotation from the Conference Report indicates, "all costs" incidental to putting the project in "first class condition" should be included.

Floyd S. Bryant

Floyd S. Bryant

cc: OASD(Compt) Mr Harry Poole
30839

cc: Signer
F&I
Subj
Reader
Chron

Prep:REFord(Draft)7-18-57
Rear:JHarrington/arp/7-19-57
OASD(F&I) 2C761 79762

F&I Log 8718 contd.

October 22, 1957

Wherry
Housing

Dear Bob:

Enclosed is a letter that Senator Johnson has received from the Office of the Assistant Secretary of Defense, together with attachments, concerning the acquisition of Wherry housing projects.

Just as soon as the new instruction, entitled "Uniform Procedures to be Employed in Negotiations for Acquisition of Wherry Projects" is released and we are furnished a copy, it will be sent to you immediately.

Best regards.

Sincerely,

Walter Jenkins
Assistant to
Lyndon B. Johnson

Mr. Robert F. Thompson
c/o Mr. Clint Murchison
5307 E. Mockingbird Lane
Dallas, Texas

WJ:ms



October 23, 1956
NUMBER 4165.29

OASD (P&I)

Department of Defense Directive

SUBJECT Acquisition of Wherry Family Housing Projects

Reference: (a) Section 404 of the Housing Amendments of 1955 (69 Stat. 652) as amended by Section 512 of the Housing Act of 1956 (70 Stat. 1111)
(b) DOD Directive 4165.21 dated September 7, 1955

Pursuant to the authority vested in the Secretary of Defense by Section 202(f) of the National Security Act of 1947, as amended, and Section 5 of Reorganization Plan No. 6 of 1953, the authority conferred on the Secretary of Defense by reference (a) is hereby delegated as set forth below:

I. DELEGATION OF AUTHORITY TO ASSISTANT SECRETARY OF DEFENSE (PROPERTIES AND INSTALLATIONS)

The Assistant Secretary of Defense (Properties and Installations) is delegated the authority to:

1. Review, and after coordination with the Assistant Secretary of Defense (Comptroller), approve recommendations by the Secretaries of the military departments for the acquisition, by purchase, donation, condemnation, or other means of transfer under reference (a), of any housing (including land and related property), financed with mortgages insured under the provisions of Title VIII of the National Housing Act as in effect prior to the enactment of the Housing Amendments of 1955.
2. Issue instructions for the guidance of the military departments in taking action necessary for negotiation and acquisition of such housing.

3. It is the policy of the Department of Defense that housing acquired under the authority of reference (a) shall be administered as public quarters. Exceptions to the application of this policy may be made with the approval of the Assistant Secretary of Defense (Properties and Installations) until such housing can be rehabilitated, altered, improved, or otherwise properly assigned as public quarters.
4. Perform such functions under reference (a) as are not otherwise specifically delegated to the Secretaries of the military departments; except functions to be performed by the Assistant Secretary of Defense (Comptroller) relating to establishment and administration of the working-capital fund provided for in subsections (g) and (h) of reference (a) and such other functions required by Title IV of the National Security Act to be performed by or under the supervision of the Assistant Secretary of Defense (Comptroller).

II. DELEGATION OF AUTHORITY TO THE MILITARY DEPARTMENTS

The Secretary of each military department, or his designee, is hereby delegated the authority to:

1. Negotiate for the acquisition of any housing (including land and related property), at or near military installations, financed with mortgages insured under the provisions of Title VIII of the National Housing Act as in effect prior to the enactment of the Housing Amendments of 1955; and, subject to the approval of the Assistant Secretary of Defense (Properties and Installations), acquire such housing by purchase, donation, condemnation, or other means of transfer.
2. Where such approved acquisition is being effected through condemnation proceedings which do not utilize the procedures under the Act of February 26, 1931 (46 Stat. 1421), pay, after final judgment of the court, or agree to pay in a lump sum or, in

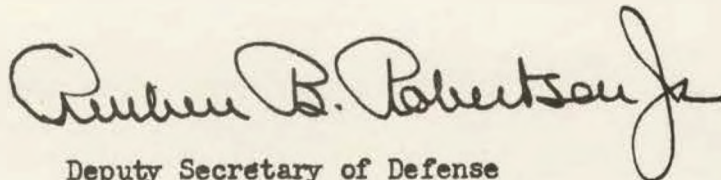
Oct 23, 56
4165.29

accordance with stipulations executed by the parties to the proceedings, over a period not exceeding five years, the difference between the outstanding principal obligation, plus accrued interest, and the price for the property fixed by the court.

3. Make arrangements with the mortgagee whereby such mortgagee will agree to release and waive all requirements of accruals for reserves for replacement, taxes, and hazard insurance provided for under the corporate charter and indenture agreement with respect to such housing, and execute a written agreement that the purposes for which such reserves and other funds were accrued will be carried out.

III. CANCELLATION OF PRIOR DELEGATION OF AUTHORITY

1. The authority delegated to the Assistant Secretary of Defense (Properties and Installations) under paragraph 3 of reference (b) is hereby cancelled.
2. The authority designated and delegated to the Secretaries of the military departments (or their respective designees) by paragraph 12 of reference (b) is hereby cancelled.



Deputy Secretary of Defense



NUMBER 4165.31
DATE November 26, 1956

Department of Defense Instruction ^{ASD(R&I)}

SUBJECT Acquisition of Wherry Act Housing under Title IV of the Housing Amendments of 1955, as amended by Public Law 1020, 84th Congress, (DD-P&I(BM)298) (DD-P&I(EX)42)

Reference: (a) Title IV of the Housing Amendments of 1955, as amended by Public Law 1020, 84th Congress (70 Stat. 1091)

(b) Department of Defense Directive 4165.29 dated October 23, 1956

(c) Department of Defense-Federal Housing Administration Memorandum of Agreement, dated November 10, 1956

I. PURPOSE AND AUTHORITY

- A. The purpose of this Instruction is to establish uniform procedures governing the negotiations for and the acquisition of Wherry housing projects in accordance with the provisions of references (a) and (b).
- B. Department of Defense Directive 5131.1, dated August 13, 1953, authorizes the Assistant Secretary of Defense (Properties and Installations) to obtain such reports and information from the military departments as are necessary to carry out his responsibilities. Authority for the issuance of this Instruction is contained in reference (b).

II. POLICY

The policy of the Department of Defense with respect to the implementation of Section 404 of reference (a) is reflected in Section I, 3, of reference (b). Exceptions (to the policy) which are referred to in reference (b) will be granted in accordance with further instructions to be issued at a later date.

III. PROCEDURES

- A. Section 404(b) of reference (a) requires the acquisition by purchase, donation, or other means of transfer or, if the parties cannot agree upon terms for acquisition by such means, by condemnation, of any housing constructed under the mortgage insurance provisions of Title VIII of the National Housing Act (as in effect prior to the enactment of the Housing Amendments of 1955), (hereafter referred to as "Wherry"), which is located at or near a military installation where the construction of

housing under the Armed Services Housing Mortgage Insurance Program, (hereafter referred to as "Capehart"), has been approved by the Assistant Secretary of Defense (Properties and Installations).

- B. Where acquisition of Wherry projects is mandatory under the provisions of Section 404(b) of reference (a), or becomes mandatory as a result of future approvals of Capehart projects, the military departments will proceed at once with negotiations for the acquisition of such Wherry projects, and upon receipt of the necessary approvals required herein, will acquire such projects. In event an approved Capehart project is cancelled for any reason prior to completion of construction, the need for the acquisition of the Wherry project will be reviewed by the military department concerned.
- C. Section 404(c) of reference (a) provides that acquisition must first be attempted through negotiation in all cases before resorting to condemnation. Action with regard to condemnation under this Act is further provided for in Section 404(c). Specific delegation of authority under this subsection to the military departments is provided for in Section II, 2, of reference (b).
- D. Section 404(a) of reference (a) authorizes acquisition of any land or any Wherry housing on a permissive basis. Consideration will be given to such permissive acquisition when both of the following conditions are satisfied:
 - 1. Certification by the Secretary of the military department that a continuing military requirement exists, insofar as foreseeable, which will assure substantially full occupancy in accordance with policy on utilization of acquired Wherry housing established in Section I, 3, of reference (b).
 - 2. Certification by the Secretary of the military department that for reasons of security, military necessity, or economy, or for any other reason, acquisition is considered to be in the best interest of the United States Government.

Certification as to the above shall be made to the Assistant Secretary of Defense (Properties and Installations) by the Secretary of the military department in each memorandum requesting approval for the acquisition of a Wherry project.

- E. To the extent that acquisition is proposed under this permissive authority, the military departments will proceed in the same manner as for mandatory projects, except that acquisition of the latter takes priority. This does not preclude concurrent

acquisition of as many permissive Wherry projects as are practicable within the capabilities of each military department, where such action does not interfere with the mandatory acquisitions. Within the category of permissive acquisition, consideration will be given to priority acquisition of those projects which the mortgagor has volunteered for sale.

- F. Acquisition of uncompleted Wherry housing will not be concluded until construction is completed. Preliminary negotiations may be carried out provided they do not affect, in any way, the orderly completion of construction.

IV. GENERAL

- A. In general, a Wherry housing project will be considered "at or near" a military installation, so as to require its acquisition pursuant to Section 404(b) of reference (a), when such project is within reasonable commuting distance of such installation according to commuting criteria established by the military department on the basis of the mission of the installation. Questions which may arise regarding the acquisition of specific projects will be resolved by the Office of the Assistant Secretary of Defense (Properties and Installations).
- B. The term "Related Property" used in subsection 404(a) of reference (a) shall be considered to be the nondwelling buildings, such as offices, storage areas, and other service buildings, necessary for the operation and administration of the Wherry project, which are under the mortgage. Property not carried under the mortgage for which there is a military requirement may also be purchased when funds are available for the purpose.
- C. Where a military department acquires a Wherry project, the purchase shall be made subject to the mortgage except that, when it can be clearly demonstrated to be in the better interest of the Government, the mortgage may be assumed. Acquisition of a project shall be accomplished by purchase of the mortgagor's equity; however the mortgagor's corporate stock may be purchased if it is determined to be in the best interest of the Government. Appropriate indemnity bond shall be provided by the seller where stock is acquired by purchase. Purchase of a corporation shall be made according to the formula, plus the value of the assets, less liabilities to be assumed. Where acquisition is by condemnation, only the mortgagor's

interest will be condemned, unless it becomes necessary or is more economical to acquire the corporation. Under condemnation, according to Section 404(c) of reference (a), arrangements may be made for the payment by the United States over a period of five years including interest at the rate of 4 per centum per annum. Where condemnation is to be instituted, generally it shall be in accordance with procedures under the Act of February 26, 1931 (46 Stat. 1421).

- D. Section 404(a) of reference (a) provides that the purchase price of Wherry housing shall not exceed the Federal Housing Commissioner's estimate of the replacement cost of such housing and related property (not including the value of any improvements installed or constructed with appropriated funds) as of the date of final endorsement for mortgage insurance, reduced by an appropriate allowance for physical depreciation. This section of the statute also requires that the advice of the Commissioner on this purchase price shall be obtained. Inasmuch as the Federal Housing Administration provides both the estimated replacement cost and the recorded amount of appropriated funds expended within this cost, advice of the Federal Housing Administration need be obtained only on the estimated physical depreciation. Section 404(a) of reference (a) also provides that the maximum price that can be paid for a project held by the Federal Housing Commissioner is the face value of the debentures (plus accrued interest thereon) which the Federal Housing Commissioner issued in acquiring such project.
- E. Alterations or improvements to meet standards of public quarters on acquired projects and/or such rehabilitation and repairs necessary to eliminate items of deferred maintenance shall be planned (and where practicable be accomplished) in one operation. Submission of financial plan and request for funds for this work for the approval of the Assistant Secretary of Defense (Comptroller) will be required (see Section VII). Rehabilitation work should be started as soon as possible after receipt of funds. Criteria for family housing that will be acceptable as public quarters will be developed and issued by the Assistant Secretary of Defense (Properties and Installations) in subsequent instructions. Until such criteria is issued, the military departments generally will provide for structural soundness and weather tightness, efficient operation of equipment and utilities, amenities normally provided for residential living appropriate to local conditions and the type of housing provided, including sufficient storage area, outdoor recreational areas for children, carports or garages in severe climates, and such other features considered necessary to the health, morale, and general welfare of the occupants. Provision should be made for reasonably adequate living space within the units according to family sizes; however the matter of adequacy of floor area shall not necessarily be governed by rank or rate or the allowance being forfeited by military personnel, but by requirements, layout, and general livability.

V. NEGOTIATIONS

- A. Reference (c) is a Memorandum of Agreement between the Assistant Secretary of Defense (Properties and Installations) and the Federal Housing Commissioner which provides for the coordinated action of both parties in the implementation of reference (a). This Agreement, as attachment (1), is a part of this Instruction.
- B. When negotiation for acquisition of a Wherry project is initiated, the military representative will advise the FHA Field Office Director for that area and shall obtain data, as enumerated in Article II, Section 1, of reference (c), required incident to negotiation, including any information necessary for use in evaluating physical depreciation or in obtaining appraisals. If the Wherry project is held by the Federal Housing Administration or by the mortgagee, negotiations shall be carried out by the military department with the Commissioner, Federal Housing Administration, as provided for in Article V, Section 6, of reference (c).
- C. Upon receipt of the requested information from the Field Office Director, the military representative will obtain an estimate of the physical depreciation according to the criteria outlined in Article VI of reference (c), and will arrange for a Fair Market Value appraisal of the mortgagor's outstanding interest in the property including "Related Property" and land if owned by the mortgagor. An appraisal also shall be obtained of land owned by a third party to be acquired with the buildings. A Fair Market Value appraisal is required as a basis for negotiating within the formula price, except where special circumstances justify alternative procedure. Where a project is recommended for approval by this office to the Armed Services Committees, it must be substantiated by an appraisal or some other satisfactory method of determining an appropriate price as a basis for negotiating the purchase within the formula. Where appraisals are made, the value obtained shall be reported on DD Form 1178. Where it is clearly indicated without an appraisal that condemnation is necessary for acquisition, request for approval for acquisition with attached DD Forms 1178 and 1179 should be sent to the Assistant Secretary of Defense (Properties and Installations) without the appraisal data in order to avoid delay. However, since an appraisal will be necessary in order to petition the Department of Justice to enter a condemnation suit, an appraisal should be ordered so as to be available on receipt of approval to condemn. The Field Office Director shall be advised of the estimated physical depreciation attributable to the project on DD Form 1179 (which requests advice of the Federal Housing Administration), as required under Section 404(a) of reference (a). Federal Housing Administration approval for the acquisition, as noted under Article II, Section 2, of reference (c), also shall be obtained

on DD Form 1179 at this time. As further stated under Article II, Section 2, of reference (c), the military representative, on receipt of this concurrence will determine an appropriate allowance for physical depreciation and will establish a maximum acquisition price in accordance with the formula provided in Section 404(a) of reference (a) and as noted in Section IV, D, herein. On determination of this maximum allowable purchase price and a base within the formula price for negotiation, the military representative shall enter into negotiations with the mortgagor, the mortgagee, and any other interested parties to the acquisition, at a price considered to be reasonable and equitable to both parties. Fair market value of the mortgagor's equity within the formula as well as the economic value of this outstanding interest to the military department shall be taken into consideration. The formula price also must be used in negotiating for the acquisition of the corporation as noted under Section IV, C, herein.

- D. Land underlying the project which is owned by the mortgagor shall be included in the negotiations and acquired at the same time as settlement is made for the buildings and other assets. Where land has been leased from a third party, separate negotiations and settlement shall be effected concurrently, when possible, with the acquisition of the Wherry project. Other outstanding interests such as easements, rights of way, etc., shall be acquired with the land.
- E. On the successful completion of negotiations for a project, a preliminary consent to substitution of the mortgagor shall be executed in accordance with Article III, Section 1, of reference (c).
- F. Action to be taken, when negotiations for purchase of a project have failed or agreement on price cannot be reached within a reasonable or requisite period of time, is described in Article III, Section 2, of reference (c). Negotiations for mandatory acquisition must not proceed beyond a date which will allow sufficient time for condemnation to be instituted and a declaration of taking filed, in order to assure acquisition by the date scheduled for initial occupancy of the Capehart units.
- G. Where the mortgagor and the military department have agreed by negotiation to the sale of the Wherry project at a price not in excess of the statutory limitation, an offer to sell at that price shall be executed by the mortgagor. This offer will contain the entire agreement and shall be in the form of, and subject to applicable requirements of, Government contracts. Acceptance by the military department for the United States shall not be accomplished until all necessary approvals have been obtained.

- H. Where acquisition is to be accomplished by condemnation following failure to reach an agreement to purchase through negotiation, the mortgagor and the mortgagee will be advised by letter of the intent of the military to enter into condemnation proceedings as soon as the necessary approvals and clearances for the acquisition are obtained.
- I. At the conclusion of negotiations, DD Form 1178, which is the basic information document, shall be completed as appropriate, and shall be submitted in triplicate as an attachment to the military department request to the Assistant Secretary of Defense (Properties and Installations) for approval of the acquisition, and a copy shall be sent to the Field Office Director for information. Also attached to the request will be three copies of executed DD Form 1179. The letter of request will contain all necessary certifications. At the same time, a financial plan and request for funds will be submitted for approval of the Assistant Secretary of Defense (Comptroller) (See Section VII). The data provided the Assistant Secretary of Defense (Properties and Installations) will be used in reporting to the Armed Services Committees under Section 419, Public Law 968, 84th Congress. Committee clearance must be received prior to purchase or condemnation, unless 180 days have elapsed subsequent to submission of the required reports. Where the acquisition of land is necessary, reporting to the Armed Services Committees under Title VI, Public Law 155, 82nd Congress, will be accomplished by the military departments according to established procedures.

VI. ACQUISITION

- A. On receipt of all necessary approvals, including authority for expenditure of funds according to DOD Instruction referred to under Section VII herein, the military will proceed to acquire the project by whatever method has been approved. Reference (b), Section II, 3, delegates the authority to the military departments for making agreements with the mortgagee regarding releases and waivers with respect to accruals for reserves for replacement, taxes, and hazard insurance. Article V, Section 1, of reference (c) provides for the execution of a final substitution of mortgagor document (FHA Form 2473). Article V, Section 5, of reference (c) requires that a copy of the settlement papers be furnished to the FHA Field Office Director prior to closing.
- B. Acquisition of projects which are held by the Federal Housing Administration will be effected by the military department through the Office of the Commissioner according to agreement

reached as a result of negotiations conducted as noted under Section V, B, herein. However, approval of the Assistant Secretary of Defense (Properties and Installations) and the Armed Services Committees will be required in the same manner as for other Wherry acquisition.

- C. It is desirable that acquisition of Wherry housing by negotiation and within the mandatory category be completed, or that condemnation proceedings be instituted for such housing prior to initial occupancy of Capehart housing. This policy will be waived only by the Secretary of the military department. Such waivers shall be reported by memorandum to the Assistant Secretary of Defense (Properties and Installations).

VII. FUNDING AND ACCOUNTING

Financial and accounting policies and procedures applicable to the acquisition of Wherry housing, including instructions for the preparation and submission of financial plans and requests for funds, will be issued by the Assistant Secretary of Defense (Comptroller).

VIII. PROGRESS REPORTS

Each military department will prepare bi-monthly progress reports on Wherry housing acquisition activities in accordance with the format attached (Attachment 4). Reports will be submitted in duplicate to the Office of the Assistant Secretary of Defense (Properties and Installations) not later than 25 days after the month-end to which the data relate. The first report will be as of January 31, 1957, and will be due not later than February 25, 1957.

IX. IMPLEMENTATION

The military departments will issue such orders, instructions, regulations, etc., as may be necessary to implement this instruction and will provide to the Assistant Secretary of Defense (Properties and Installations) six (6) copies of all such documents at the time of issuance.

X. REPORT CONTROL ACTION

Report Control Symbol DD-R&I(BM)298 has been assigned to the reporting requirement of Section VIII. All other reporting requirements of this Instruction have been assigned Report Exemption Symbol DD-R&I(EX)42.

Robert A. McDonald

4 Attachments

1. DoD-FHA Memo of Agreement
2. DD Form 1178
3. DD Form 1179
4. Progress Report Format

Robert A. McDonald
Acting Assistant Secretary of Defense
(Properties and Installations)

Nov 26, 56

MEMORANDUM OF AGREEMENT

ARTICLE I. INTRODUCTION

For the purpose of acquiring Wherry housing as authorized by the Act, the Assistant Secretary of Defense (Properties and Installations) and the Commissioner of the Federal Housing Administration hereby agree to the following requirements, interpretations, and procedures for the administration of the Act.

For the purpose of this Agreement, the following definitions shall apply:

a. Act - Section 404 of the Housing Amendments of 1955 (69 Stat. 635, P. L. 345, 84th Congress), as amended by Section 512 of the Housing Act of 1956 (70 Stat. 1111, P. L. 1020, 84th Congress).

b. Secretary - The Secretary of Defense or such other officials in the Office of the Secretary of Defense as may be designated.

c. Commissioner - The Commissioner or such other officials of the Federal Housing Administration as may be designated.

d. Military - The Secretary of the Departments of the Army, Navy, or Air Force, as the case may be, or such other officials in the respective departments as may be designated.

e. Director - The Field Office Director of the local Federal Housing Administration office in whose area the Wherry project is located.

f. Wherry Housing - Any housing financed with mortgages insured under the provisions of Title VIII of the National Housing Act as in effect prior to enactment of the Housing Amendments of 1955.

Both the Secretary and the Commissioner will expedite action in all interested offices and at all levels of their organizations relative to matters that are subject to this Agreement, and each will use every available means at his disposal to assure that the purposes of the Act are accomplished in accordance with the spirit and intent of the law.

This Agreement is made a part of Department of Defense Instruction entitled "Acquisition of Wherry Act Housing under Title IV of the Housing Amendments of 1955, as amended by Public Law 1020, 84th Congress", as Attachment (1), and is in further implementation of the Act and of Department of Defense Directive 4165.29 dated October 23, 1956.

Amendments to this Agreement may be proposed at any time by either party as experience dictates.

Nov 26, 56

ARTICLE II. PRE-NEGOTIATION

Section 1. In each instance, a written statement will be transmitted by the military to the Director advising him that consideration is being given to the acquisition of a specific Wherry housing project. Upon request by the military, the Director will furnish the following information as available from FHA records:

a. The estimated replacement cost of the project at the time of final endorsement of the mortgage or mortgages for mortgage insurance. The Director will specify the amount of appropriated funds which the FHA records indicate were expended for items included in such estimated replacement cost.

b. The principal amount of the mortgage or mortgages outstanding as of a specified date which shall be not more than sixty (60) days prior to the date of the Director's reply.

c. A true copy of the mortgage or mortgages and each modification thereof, whether recorded or in the nature of an informal consent to the waiver of any of the requirements thereof.

d. Other pertinent documentation which the military may request to determine the nature and scope of all outstanding interests in the project.

Section 2. Upon receipt of the information requested pursuant to Section 1 above, the military will provide for an appraisal to determine (a) the fair market value or its equivalent of the Mortgagor's outstanding interest in the project as explained under Section V, C, of the DOD Instruction, and (b) an estimate of the physical depreciation in accordance with the principles set forth in Article VI below. Based upon (b) of the foregoing sentence, the military will establish its estimate of the monetary value of the physical depreciation attributable to the project, and such estimate will be forwarded to the Director utilizing DD Form 1179, which requests the advice of the Director thereon. If required by the Director, all back-up data relating to this estimate will be furnished by the military. If the Director concurs in the estimated physical depreciation he will so indicate on DD Form 1179, and at the same time will execute his approval for the acquisition of the units shown, as required under Section 404(a) of the Act. If the Director does not concur in the estimated depreciation, the matter should be resolved with the military before approval for acquisition is given. The Director will return said form to the military and include thereon any advice, considered pertinent to the estimate, useful to the military. Thereafter, the military will finally determine an appropriate allowance for physical depreciation for purposes of establishing a maximum purchase price permissible under the formula contained in Section 404(a) of the Act. In addition, based upon the foregoing data, the military will establish an equitable negotiating price for the project which is not in excess of the maximum price allowed by the formula. Thereafter, the military will enter into negotiations with the Mortgagor, Mortgagee, and any other parties having an interest in the project for its acquisition.

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ARTICLE III. NEGOTIATION

Section 1. Where negotiations are successful, the military will obtain an executed offer from the Mortgagor to sell at a specified price, and the Mortgagor will obtain from the Mortgagee and the Federal Housing Administration preliminary consent to substitution of the Mortgagor on FHA Form 2473, sections A and B, regardless of whether purchase is to be made subject to the mortgage, or the mortgage is to be assumed.

Section 2. Where negotiations are unsuccessful and it has been determined that acquisition will be accomplished by condemnation, the military will advise the Mortgagor and the Mortgagee of the intention of the military to cause condemnation proceedings to be instituted. If acquisition is permissive, the military will determine whether it wishes to acquire by condemnation or not, and in the event it is decided not to condemn, the parties, including the Director, will be notified that efforts to acquire the project have been terminated.

ARTICLE IV. APPROVALS AND CLEARANCES

Section 1. At the conclusion of negotiations, the military will request the approval of the Assistant Secretary of Defense (Properties and Installations) for the acquisition, and a copy of DD Form 1178 for the project will be transmitted by the military to the Director for information. The Assistant Secretary of Defense (Properties and Installations) will report the proposed acquisition to the Committees on Armed Services of the Senate and House of Representatives in accordance with established procedures. On receipt of Committee clearances, a copy of the letters advising of such clearances will be furnished by the military to the Director, and to the Mortgagor and Mortgagee if required.

ARTICLE V. ACQUISITION

Section 1. Where, by negotiation, acquisition of the Mortgagor's outstanding interests in a project or acquisition of the Wherry corporation is to be effected, the offer to sell will be accepted by the military upon receipt of necessary approvals for acquisition. The Mortgagor, Mortgagee, and Director will be advised that settlement is to be effected, and the military will establish a closing date that is acceptable to the interested parties provided that the military shall not establish a closing date for the acquisition of a project constructed on privately owned land until the military has obtained the preliminary opinion of the Attorney General under Section 355 of the Revised Statutes, as amended. If required at closing, FHA Form 2473, sections C and D, will be executed by the military (purchaser) and Mortgagee, and shall then be forwarded to the Commissioner for execution of Section E.

Nov 26, 56

Section 2. If acquisition is mandatory, and the military has not successfully negotiated the purchase, the military will cause condemnation proceedings to be instituted to acquire the Mortgagor's interest or corporation as determined necessary.

Section 3. Where the corporation is being acquired, the military will also acquire the stock in the corporation held by the Commissioner.

Section 4. In the case of a permissive acquisition, if the military determines that it will not proceed with the acquisition of the project at any time after the Director has indicated his approval of such acquisition, the military will so notify the Director.

Section 5. The military will furnish the Director with a copy of the settlement papers for review prior to closing in order that the Director may satisfy himself that all legal requirements which concern the Federal Housing Administration are complied with.

Section 6. Acquisition of Wherry housing held by the Commissioner or the Mortgagee shall be subject to negotiation between the military and the Commissioner. The purchase price shall be determined as an amount equitable to both parties, but shall not be in excess of the face value of debentures (plus accrued interest thereon) which the Commissioner issued in acquiring such project.

ARTICLE VI. APPRAISALS

Section 1. For the purpose of establishing the monetary value attributable to the physical depreciation of any project in accordance with the requirements of the Act, the military and the Director shall apply the following criteria in the appraisal of a project or in reviewing such an appraisal:

a. The estimated cost of repairs and replacement immediately necessary to restore the property to sound physical condition, and

b. The estimated accrued deterioration of items requiring periodic maintenance, repair, and replacement in the future. (The amount and rate of accrual of the reserve for replacement may be used as a guide in arriving at an estimate to cover the replacement items to be included in (b)).

Inspection and evaluation of depreciation may be performed by qualified military department personnel or shall be obtained by contracting for the services of competent personnel outside the military departments. Fair market value appraisals shall be obtained by contract with independent commercial appraisers.

Nov 26, 56

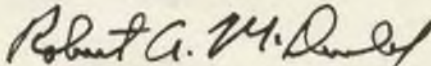
ARTICLE VII. PAYMENT

Section 1. The military will pay all costs incurred by the military incident to the acquisition of Wherry housing under the Act, and the Commissioner will pay all costs incurred by the Federal Housing Administration.

Section 2. The insurance premium on the mortgage will be subject to adjustment through agreement reached by the military, the Secretary, and the Commissioner on all Wherry projects acquired under the provisions of the Act.

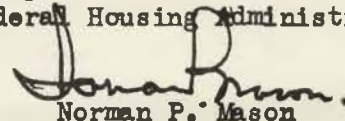
November 10, 1956

Accepted for the
Department of Defense:



Robert A. McDonald
Acting Assistant Secretary of Defense
(Properties and Installations)

Accepted for the
Federal Housing Administration:



Norman P. Mason
Federal Housing Commissioner

4165.31 (Att 2)
Nov 26, 56

REPORT ON REVIEW OF WHERRY PROJECTS FOR ACQUISITION PURPOSES						REPORT CONTROL SYMBOL		
SEE INSTRUCTIONS ON REVERSE SIDE BEFORE FILLING OUT FORM								
1. LOCATION			2. MILITARY SERVICE ☐ ARMY ☐ NAVY ☐ MARINE CORPS ☐ AIR FORCE		3. PROJECT DESIGNATION a. MILITARY ACQUISITION NO. b. FHA			
14. INSTALLATION SERVED						5. NUMBER OF UNITS		
4. MORTGAGOR'S NAME AND ADDRESS AND NAME OF WHERRY PROJECT								
PART I - PROJECT DATA								
6. DATE CONSTRUCTION COMPLETED		7. CONDITION (Check one) ☐ POOR ☐ FAIR ☐ GOOD		10. APPROXIMATE COST OF PROJECT NEW \$				
8. AREA (Check one) ☐ ADEQUATE ☐ INADEQUATE ☐ MARGINAL ☐ OTHER				11. APPROXIMATE AMOUNT OF OUTSTANDING MORTGAGE \$				
(Check one) 9. TAXES	a. BEING PAID		12. LAND		a. MORTGAGOR OWNED			
	b. LEVIED BUT NOT PAID				b. LEASED FROM GOVERNMENT			
	c. NOT LEVIED				c. LEASED FROM 3D PARTY			
	d. OTHER				d. INCLUDED IN MORTGAGE			
						e. OTHER		
PART II - NEGOTIATION								
13. ESTIMATED RE-PLACEMENT COST FROM FHA \$		14. ESTIMATED PHYSICAL DEPRECIATION \$		FILL IN WHERE ACQUISITION IS PROPOSED THROUGH PURCHASE OF EQUITY				
15. FORMULA COST PURCHASE OF CORPORATION \$		16. ASSETS OF CORPORATION \$		15. FORMULA COST \$		16. COST OF ADDITIONAL ASSETS TO BE PROCURED \$		
17. TOTAL COST NOT TO EXCEED \$		18. TOTAL COST NOT TO EXCEED (Acquisition through purchase of Corporation) \$						
22. NEGOTIATED PRICE a. PURCHASE OF EQUITY, \$ b. PURCHASE OF CORPORATION, \$				23. FHA FORM 2473 (Prelim) EXECUTED ☐ NO ☐ YES DATE		24. OFFER EXECUTED BY MORTGAGOR ☐ NO ☐ YES DATE		
25. ESTIMATED COST OF LAND FROM MORTGAGOR OR 3D PARTY, \$ a. COST INCLUDED IN ITEM 22 ☐ NO ☐ YES b. TOTAL ESTIMATED COST OF ACQUISITION INCLUDING LAND \$				26. FAIR MARKET VALUE APPRAISAL (If made) a. MORTGAGOR'S OUTSTANDING INTEREST \$ b. LAND \$				
27. ESTIMATED COST IF PROJECT IS TO BE ACQUIRED FROM FHA, \$ a. COST OF DEBENTURES (Plus Interest) \$		28. IS CONDEMNATION PROPOSED? ☐ NO ☐ YES a. MORTGAGOR'S EQUITY ☐ NO ☐ YES b. CORPORATION ☐ NO ☐ YES						
PART III - REQUIREMENTS DATA								
29. REQUIREMENTS (Units) MINIMUM GROSS MAXIMUM GROSS		30. EXISTING HOUSING ASSETS (Units) GOVT OWNED CAPEHART COMMUNITY SUPPORT TOTAL			31. APPROVAL REQUEST FOR (Units)		32. TOTAL CURRENT PROGRAMMING NUMBER OF UNITS % OF MAXIMUM GROSS REQUIREMENTS	
33. REMARKS								

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INSTRUCTIONS

(Fill in Items on the reverse side only where applicable to method of acquisition)

ITEM 1 - Location. Enter names of nearest City and State.

ITEM 1a - Installation Served. Enter name of Installation; if more than one Installation is served, enter name of principal one here, footnote and enter names of remaining Installation under Item 33.

ITEM 2 - Military Department. Enter an X in appropriate box denoting the Military Service responsible for development of the project.

ITEM 3 - Project Designation. Enter the project identification numbers assigned by the Military Department; and by FHA.

ITEM 4 - Sponsors Name and Address and Name of Wherry Project. Enter name and address of sponsor who holds Wherry Project. If held by Mortgagee or FHA, insert "Mortgagee" or "FHA". Also enter name by which Wherry Project or Corporation is identified.

ITEM 5 - Number of Units. Enter number of units in project being reported on. If separate mortgages, make separate report for each mortgage.

ITEMS 6 AND 7 - Self explanatory.

ITEM 8 - Area. Enter check in appropriate box which most nearly describes adequacy of overall floor areas as related to Public Quarters. If "Other" is checked, footnote and explain under Item 33.

ITEM 9 - Taxes. Check applicable box before Items a through d. Footnote d (if checked) and explain under Item 33.

ITEM 10 - Approximate Cost of Project New. This information should be available in files of Field Office Director, FHA. Appropriated fund cost is not to be included.

ITEM 11 - Approximate Amount of Outstanding Mortgage. Obtain from Mortgagee or FHA.

ITEM 12 - Land. Enter check in applicable box. Footnote "e" if checked, and explain under Item 33.

ITEM 13 - Estimated Replacement Cost from FHA. Enter FHA Field Office Director's estimate of replacement cost and related property (not including the value of any improvements installed or constructed with appropriated funds) as of the date of final endorsement for mortgage insurance.

ITEM 14 - Estimated Physical Depreciation. Enter here the amount determined by inspection or appraisal as the physical depreciation.

ITEM 15 - Formula Cost. This is the amount obtained by subtracting Item 14 from Item 13.

ITEM 16 - Cost of Additional Assets to be Procured. Enter

here the appraised value of realty and personalties not included in the mortgage which are being acquired with the project for its maintenance and operation.

ITEM 17 - Total Cost not to Exceed. Enter here the sum of Items 15 and 16.

ITEM 18 - Formula Cost, Purchase of Corporation. Cost obtained by formula. Corporate assets not under mortgage excluded.

ITEM 19 - Assets of Corporation. Enter here all assets of corporation excluded from Item 18 above.

ITEM 20 - Liabilities of Corporation. Enter here all liabilities of the corporation exclusive of the mortgage.

ITEM 21 - Total Cost not to Exceed (Acquisition through purchase of Corporation). Items 18 plus 19 minus 20.

ITEM 22 - Negotiated Price. Enter under (a) or (b) as applicable, the price agreed upon for acquisition through negotiation. The price under (a) shall not exceed that shown under Item 17. The price under (b) shall not exceed that shown under Item 21.

ITEMS 23 AND 24 - Self explanatory.

ITEM 25 - Estimated Cost of Land from Mortgagor or Third Party. This applies to land underlying the project which is owned by the Mortgagor or has been subleased from a third party and must be purchased. If appraisals have been obtained and are shown under Item 26, use this figure in obtaining the total required under 25 (b). Item 25 (a) is self explanatory.

ITEM 26 - Fair Market Value Appraisal. (a) will apply to the fair market value of the Mortgagor's equity plus additional assets to be acquired which are not under the mortgage. Under (b) show appraised value of land owned by Mortgagor or 3d party if appraisals have been obtained.

ITEM 27 - Estimated Cost if Project is to be Acquired from FHA. Enter here either the estimated cost at which acquisition is expected, or the negotiated price, and indicate which is applicable. Item 27 (a) is self explanatory.

ITEM 28 - Is Condemnation Proposed? Check whether or not condemnation is proposed, and whether the Mortgagor's equity or the corporation is to be acquired by this method.

ITEMS 29, 30, 31, AND 32 - These requirements will be determined in the same manner as are presently done for Capehart approvals. Where a Wherry project that is to be acquired consists of more than one mortgage, the Wherry units under other mortgages shall be shown under Item 30. Government Owned, while those under the mortgage being reported on will be shown under Item 31.

ITEM 33 - Remarks. Enter explanation of any unusual entries in Items 1 through 32, and enter any information considered pertinent or of interest to future negotiations. Attach a separate sheet where necessary to provide all remarks.

4165.31 (Att 3)
Nov 26, 56

**COORDINATION AND APPROVAL BY FEDERAL HOUSING ADMINISTRATION
OF ACQUISITION OF WHERRY HOUSING UNDER PUBLIC LAW 1020, 84TH CONGRESS**

REPORT CONTROL SYMBOL

1. INSTALLATION SERVED (Name and Location - City or Town and State)

2. NUMBER OF UNITS

4. NAME AND ADDRESS OF INDIVIDUAL OR FIRM MAKING THE EVALUATION IF BY OTHER THAN MILITARY

3. AGE OF UNITS

YEARS

MONTHS

5. ESTIMATED COST OF EVALUATION SERVICES IF BY OTHER THAN MILITARY

6. ESTIMATED PHYSICAL DEPRECIATION ATTRIBUTABLE TO PROJECT
(Provide supplementary information under Item 7 or by attachments to this form)

(a) COST OF IMMEDIATE REPAIRS

\$

(b) ACCRUED DEPRECIATION OF LIMITED LIFE COMPONENTS AND EQUIPMENT

TOTAL ESTIMATED DEPRECIATION

\$

7. REMARKS

8. THE ESTIMATED DEPRECIATION SHOWN IN ITEM 6 ABOVE HAS BEEN DETERMINED FROM PHYSICAL INSPECTION AND EVALUATION OF THIS PROJECT. ADVICE OF THE COMMISSIONER IS REQUESTED REGARDING THE APPROPRIATENESS OF THIS ALLOWANCE FOR PHYSICAL DEPRECIATION PURSUANT TO SECTION 512, PUBLIC LAW 1020, 84TH CONGRESS.

DATE

SIGNATURE (Military)

9(a). ☐ THE ABOVE ESTIMATE IS CONCURRED IN

(b). ☐ THE ABOVE ESTIMATE IS NOT CONCURRED IN FOR THE FOLLOWING REASONS:

DATE

SIGNATURE (Federal Housing Administrator)

10. (To be Executed if Item 9(a) is Checked)

ACQUISITION OF SUBJECT WHERRY UNITS, IN ACCORDANCE WITH THE PROVISIONS OF SECTION 512 (SUB-SECTION 404(a)), PUBLIC LAW 1020, 84TH CONGRESS, IS APPROVED.

DATE

SIGNATURE (Federal Housing Administration)

DD FORM 1179
1 OCT 56

4165.31 (Att 4)
Nov 26, 56

C 3 2 6 5 6



NUMBER 4165.33

DATE January 9, 1957

ASD (Comp)

Department of Defense Instruction

SUBJECT Financial and Accounting Policies and Procedures Applicable to Acquisition of Wherry Act Housing

- References:
- (a) Section 404 of the Housing Amendments of 1955 (69 Stat. 652) as amended by Section 512 of the Housing Act of 1956 (70 Stat. 1111)
 - (b) DOD Directive 4165.29, "Acquisition of Wherry Family Housing Projects"
 - (c) DOD Instruction 4165.31, "Acquisition of Wherry Act Housing Under Title IV of the Housing Amendments of 1955, as amended by Public Law 1020 of the 84th Congress"

I. PURPOSE AND AUTHORITY

The purpose of this Instruction is to establish uniform policies and procedures, to be observed in the Department of Defense, in financing and accounting for the acquisition (including mortgage payments) and alteration, improvement, rehabilitation and repair of Wherry Act Housing acquired pursuant to the authority of reference (a).

II. SCOPE AND APPLICABILITY

This Instruction applies to the Office of the Secretary of Defense, and the military departments in connection with financing and accounting for Wherry Act Housing acquired pursuant to reference (a), hereinafter referred to as "Wherry Housing."

III. FINANCING POLICIES

- A. As a general policy, the financing of acquisition of Wherry Housing shall be accomplished, to the maximum extent feasible, with funds obtained from unexpended balances of appropriations of military departments not carried to the surplus fund of the Treasury.
- B. Initially, these funds shall be used only to finance the acquisition costs of Wherry Housing, including the sponsor's equity in the project, mortgagor's corporate stock, or initial (not exceeding 12 months) amortization payments on the unpaid balances of outstanding mortgages and debentures, and other approved acquisition charges, including alterations, improvements, rehabilitation and repairs authorized in specific cases as provided in paragraph III. C. Amortization payments to be made shall exclude reserves for replacement, taxes and hazard insurance.

- C. Financing will be authorized within the limits of available funds, upon justification in individual cases, for such initial alterations, improvements, rehabilitation, or "repairs" as may be necessary to meet the criteria of paragraph IV. E., DoD Instruction 4165.31, "Acquisition of Wherry Act Housing Under Title IV, Housing Amendments of 1955, as Amended by P. L. 1020, 84th Congress". Subsequently, all recurring maintenance or repair costs shall be financed from appropriations for Operations and Maintenance.

IV. FUNDING

- A. Each Wherry project after approval for acquisition by the Assistant Secretary of Defense (Properties and Installations) will be furnished, with an annual funding program (Enclosure 3) to the Assistant Secretary of Defense (Comptroller) for annual funding approval. The annual funding program shall include the estimated annual revenues, total estimated cost of the acquisition; sponsor's equity and the mortgagor's corporate stock or the unpaid mortgage or debentures to be assumed, if any; annual requirements for payments on the mortgage or debenture; detailed description and justification of the estimated total cost of essential alterations, improvements, rehabilitation, or repairs, and any other costs payable from the revolving fund. In addition, a summary financial plan (Enclosure 4) for the military department as a whole shall be submitted which will include recommendations for transfer to the revolving fund, of specific amounts from the unexpended balances of appropriations not carried to the surplus fund of the Treasury. Recommended transfers need not be limited to the current program. Military departments will submit on an annual recurring basis or more often if necessary the required annual funding programs, and when required a revised summary financial plan.
- B. The approved annual funding program for which an apportionment has been obtained shall constitute an obligational limitation for each installation and shall be administered in accordance with the provisions of Department of Defense Directive 7200.1, "Administrative Control of Appropriations within the Department of Defense". An advice of allocation letter will be issued by the Office of the Secretary of Defense to the military departments within approved apportionments which will provide the necessary obligational authority for accomplishment of the approved annual funding program and for transferring the costs of abandoned projects.
- C. Transfers of unexpended balances of appropriations will be made to the Department of Defense revolving fund account by the applicable military department at the direction of the Office of the Secretary of Defense, in accordance with amounts authorized by the Assistant Secretary of Defense (Comptroller). These amounts shall be determined in the light of recommendations of the respective military departments submitted with their summary

financial plan. Transfers from the Department of Defense revolving fund account to the respective military department revolving fund transfer account (on the books of the Treasury) will be made, based upon the approved annual funding program, less the estimated revenues from quarters allowances and rentals.

- D. Revenues obtained from quarters allowances and rentals shall be automatically available for expenditure by the respective military departments for mortgage payments, and other approved costs, to the extent the use of revenues have been included in the annual funding program which has been approved by the Assistant Secretary of Defense (Comptroller) and have been allocated. The amount of revenues in excess of the amount included in the approved annual funding program and approved allocation, shall be subject to withdrawal by the Office of the Secretary of Defense.

V. ACCOUNTING REQUIREMENTS

- A. The following revolving fund account and transfer accounts have been established:

97X4297	Acquisition, Rehabilitation and Rental of Wherry Act Housing, Defense
21-97X4297	Acquisition, Rehabilitation and Rental of Wherry Act Housing, Defense (Transfer to Army)
17-97X4297	Acquisition, Rehabilitation and Rental of Wherry Act Housing, Defense (Transfer to Navy)
57-97X4297	Acquisition, Rehabilitation and Rental of Wherry Act Housing, Defense (Transfer to Air Force)

Military departments shall be responsible for accounting to the Office of the Secretary of Defense for receipts, disbursements and the balance under their respective transfer accounts. The Office of the Secretary of Defense will be responsible for accounting for such portion of the entire fund account as is not transferred to the military departments, and for reviewing the accounts of the military departments to ascertain that the accounts on the books of the Treasury reflect the results of the financial transactions reported by them.

- B. Each military department shall maintain a system of fund accounts for its revolving fund transfer account, accounting for

commitments, obligations, accrued expenditures and balance of funds available under the approved annual funding program for each installation. Supplemental property accounts shall also be maintained for the capital investment and mortgage outstanding. Cash receipts and expenditures shall be maintained in precise agreement with accounts current of disbursing officers and the monthly transactions recorded in the account of the Treasury for the departmental revolving fund transfer account. These accounts shall be so maintained as to facilitate preparation of the financial reports prescribed herein.

- C. Advance planning costs, such as the preparation of appraisals, feasibility studies, schematic drawings, skeleton specifications and cost estimates are properly chargeable to the programs of the military departments. When these costs have been incurred prior to the receipt of an approved annual funding program, they may be transferred upon receipt of such approved program on a reimbursable basis (transfer of funds) to the revolving fund transfer account and shall be charged to the approved annual funding program. When these costs have been incurred and an acquisition or an annual funding program is not approved, they may be transferred on a reimbursable basis to the revolving fund transfer account and shall be charged to an "abandoned projects" account. Charges to this account shall be made only with the advance approval of the Assistant Secretary of Defense (Comptroller).
- D. Revenues from quarters allowances, as earned, and rentals received from such housing shall be deposited to the revolving fund transfer account of the military department.
- E. Military departments shall establish a mortgage record which will show for each installation the status of the mortgage or debentures at all times and which will include as a minimum: complete identification of the individual document (mortgage or debentures), including special provisions, if any; the outstanding value of the mortgage (or debenture) at the time of acquisition; amounts applied on the unpaid principal; amounts of interest; and any other items included in the agreement.
- F. The Office of the Secretary of Defense will maintain accounts only of the unallocated portion of the unexpended balance of the parent fund on the books of the Treasury, and the status of total funds apportioned (in terms of allocations to the military departments). The accounts maintained in the Office of the Secretary of Defense will not duplicate those of the military departments with respect to transactions generated within the revolving fund transfer accounts maintained by the military departments.

VI. REPORTING

- A. A report shall be prepared on DD Form 1197 (Enclosure 1) and submitted in triplicate monthly to the Director, Budget and Finance Division, Office of the Secretary of Defense within 25 days after the close of each month, setting forth the status of the revolving fund transfer account at the end of the month and, for the month and year to date, a summary of total funds available and obligations incurred, and a summary of cash transactions.
- B. In addition, a report shall be prepared on DD Form 1198 (Enclosure 2) and submitted in triplicate quarterly to the same office within 30 days after the close of the quarter setting forth for each installation a summary of the capital investment, expenses, and obligations incurred in relation to the approved annual funding program. A summary of the data for all installations will be submitted and shall be in agreement with the corresponding data in enclosure 1.
- C. The Office of the Secretary of Defense will be responsible for consolidating budgets and reports of the military departments for the revolving fund as a whole, including requests for apportionments, status of appropriations (Standard Form 133), and other required reports. Form DD 690 will not be required for this program.
- D. The reporting requirements of Section VI. A. and Section VI. B. have been assigned Report Control Symbol DD-Comp(M)304 and Report Control Symbol DD-Comp(Q)305, respectively.

VII. EFFECTIVE DATE

This Instruction is effective immediately.

VIII. IMPLEMENTATION

This Instruction shall be implemented in each military department and in the Office of the Secretary of Defense. Copies of all implementing instructions shall be furnished to the Assistant Secretary of Defense (Comptroller) for approval within 30 days after the effective date of this Instruction.


W. J. McNeil
Assistant Secretary of Defense
(Comptroller)

Enclosures - 4

- 1. DD Form 1197
- 2. DD Form 1198
- 3. Format - Annual Funding Program 5
- 4. Format - Summary Financial Plan

4165.33 (Encl 1)
Jan 9, 57

DEPARTMENT OF DEFENSE ACQUISITION, REHABILITATION AND REPAIR OF WHERRY ACT HOUSING		REPORT CONTROL SYMBOL
SUBDIVISION (Name of Military Department)	SYMBOL	MONTH ENDING
SECTION I - STATUS OF REVOLVING FUND TRANSFER ACCOUNT		
	BALANCE	
1. UNDISBURSED BALANCE		
2. REVENUES RECEIVABLE		
3. ANTICIPATED REVENUES TO BE EARNED TO END OF FISCAL YEAR		
4. <u>TOTAL ASSETS</u>		
<u>UNLIQUIDATED OBLIGATIONS</u>		
5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES		
6. CONTRACTS AND ORDERS OUTSTANDING		
7. <u>TOTAL UNLIQUIDATED OBLIGATIONS</u>		
8. UNOBLIGATED BALANCE		
a. ALLOCATED		
b. NOT ALLOCATED		
9. MEMORANDUM: COMMITMENTS OUTSTANDING AGAINST UNOBLIGATED BALANCE		
SECTION II - SUMMARY OF FUNDS AVAILABLE AND OBLIGATIONS INCURRED		
	CURRENT MONTH	F.Y. TO DATE
10. UNOBLIGATED BALANCE BROUGHT FORWARD		
11. FUNDS TRANSFERRED BY OFFICE SEC DEF (less withdrawals)		
12. REVENUES RECEIVED		
13. INCREASE (+) OR DECREASE (-) IN REVENUES RECEIVABLE AND ANTICIPATED TO END OF FISCAL YEAR		
14. TOTAL AMOUNT AVAILABLE		
15. TOTAL APPROVED ANNUAL FUNDING PROGRAM		
16. BALANCE AVAILABLE FOR WITHDRAWAL BY OSD (Line 14 less line 15)		
<u>OBLIGATIONS INCURRED</u>		
17. ACCRUED EXPENDITURES, CAPITAL INVESTMENT		
18. ACCRUED EXPENDITURES, EXPENSES		
19. INCREASE (+) OR DECREASE (-) IN CONTRACTS AND ORDERS OUTSTANDING AND RESERVED FOR PAYMENTS ON MORTGAGE AND EQUITY		
20. <u>TOTAL OBLIGATIONS INCURRED</u>		
21. UNOBLIGATED BALANCE: (Line 14 less line 20)		
(a) ALLOCATED (Line 14 or 15 (whichever less) less line 20)		
(b) NOT ALLOCATED (Balance)		
SECTION III - SUMMARY OF CASH TRANSACTIONS		
22. UNDISBURSED BALANCE, BEGINNING OF PERIOD		
23. TRANSFERS OF FUNDS RECEIVED FROM OSD (Less withdrawals)		
24. REVENUES RECEIVED		
25. <u>TOTAL FUNDS AVAILABLE FOR DISBURSEMENT</u>		
26. DISBURSEMENTS		
27. <u>UNDISBURSED BALANCE, END OF PERIOD</u>		

4165.33 (Encl 2)
Jan 9, 57

STATUS OF APPROVED FUNDING PROGRAM WHERRY ACT HOUSING		REPORT CONTROL SYMBOL
DEPARTMENT	INSTALLATION	QUARTER ENDING
SECTION I - CAPITAL INVESTMENT		
	F. Y. TO DATE	TOTAL TO DATE
1. EQUITY ACQUIRED		
(a) INITIAL EQUITY ACQUIRED		
(b) PAYMENTS ON PRINCIPAL OF MORTGAGE ASSUMED		
2. OTHER ACQUISITION COSTS CAPITALIZED (<i>Describe on reverse side</i>)		
3. TOTAL ACQUISITION COST OF PROPERTY ACQUIRED		
4. ALTERATIONS, IMPROVEMENTS, REHABILITATION OR REPAIRS (<i>Capitalized</i>)		
5. TOTAL ACCRUED EXPENDITURES FOR ACQUISITION OF PROPERTY		
6. REMAINING PRINCIPAL SUM OF ASSUMED MORTGAGE		
7. REMAINING BALANCE ON PURCHASE OF EQUITY		
8. TOTAL COST OF PROPERTY ACQUIRED		
SECTION II - EXPENSES		
9. INTEREST ON MORTGAGE		
10. OTHER MORTGAGE EXPENSE		
11. OTHER PROJECT EXPENSE, IF ANY (<i>Describe on reverse side</i>)		
12. TOTAL EXPENSE		
SECTION III - APPROVED FUNDING PROGRAM AND OBLIGATIONS INCURRED		
13. APPROVED FUNDING PROGRAM		
(a) ACQUISITION COSTS		
(b) ALTERATIONS, IMPROVEMENTS, REHABILITATION AND REPAIRS		
(c) EXPENSE		
(d) TOTAL FUNDING PROGRAM		
14. OBLIGATIONS INCURRED		
(a) TOTAL ACCRUED EXPENDITURES (<i>Line 5 plus line 12</i>)		
(b) INCREASE (+) OR DECREASE (-) IN CONTRACTS AND ORDERS OUTSTANDING (<i>Including current year's installment on mortgage</i>)		
(c) TOTAL OBLIGATIONS INCURRED		
15. BALANCE AVAILABLE (<i>Line 13(d) less line 14(c)</i>)		

(Format)

4165.33 (Encl 3)
Jan 9, 57

ANNUAL FUNDING PROGRAM		DEPARTMENT OF DEFENSE ACQUISITION, REHABILITATION AND REPAIR OF WHERRY ACT HOUSING					
Department:		Date submitted:					
Installation:		Revision No.:					
No.	Item	Total Requirement	Annual Requirements				Remarks
			Prior years (to June 30, -actual)	Current Year (F.Y. 195)	Budget Year (F.Y. 195)	Future Years	
1.	Equity or Stock acquired						
2.	Mortgage or debenture (principal only)						
3.	Other acquisition costs:						

4.	Alterations, improvements, rehabilitation, repairs						
5.	Total cost of property						
6.	Interest and other expense						
7.	Total funding program						
8.	Less: Estimated quarters allowances and rentals						
9.	Balance of funds required						
10.	Previously approved						

Jan 9, 57

(Format)

DEPARTMENT OF DEFENSE ACQUISITION, REHABILITATION AND REPAIR OF WHERRY ACT HOUSING												
SUMMARY FINANCIAL PLAN												
Department: _____						Date: _____						
		: Prior Yrs (to Jun 30) :			: Current Year (F.Y.) :			: Budget Year (F.Y.) :				
		: Quarters :			: Quarters :			: Quarters :			: Future :	
Installations	Total	Total	Allow.	Net	Total	Allow.	Net	Total	Allow.	Net	Years	Remarks
	Program	Costs	and	Costs	Costs	and	Costs	Costs	and	Costs	Total	
			Rentals			Rentals			Rentals		Costs	
Installations:	:	:	:	:	:	:	:	:	:	:	:	:
(List each	:	:	:	:	:	:	:	:	:	:	:	:
installation	:	:	:	:	:	:	:	:	:	:	:	:
in alphabetic	:	:	:	:	:	:	:	:	:	:	:	:
order)	:	:	:	:	:	:	:	:	:	:	:	:
	:	:	:	:	:	:	:	:	:	:	:	:
Total for	:	:	:	:	:	:	:	:	:	:	:	:
Installations:	:	:	:	:	:	:	:	:	:	:	:	:
	:	:	:	:	:	:	:	:	:	:	:	:
Abandoned Pro-	:	:	:	:	:	:	:	:	:	:	:	:
jects (De-	:	:	:	:	:	:	:	:	:	:	:	:
tailed state-	:	:	:	:	:	:	:	:	:	:	:	:
ment attached)	:	:	:	:	:	:	:	:	:	:	:	:
	:	:	:	:	:	:	:	:	:	:	:	:
Total	:	:	:	:	:	:	:	:	:	:	:	:
Requirements	:	:	:	:	:	:	:	:	:	:	:	:
	:	:	:	:	:	:	:	:	:	:	:	:
Previously ap-	:	:	:	:	:	:	:	:	:	:	:	:
proved and	:	:	:	:	:	:	:	:	:	:	:	:
funded	:	:	:	:	:	:	:	:	:	:	:	:
	:	:	:	:	:	:	:	:	:	:	:	:
Additional	:	:	:	:	:	:	:	:	:	:	:	:
Requirements	:	:	:	:	:	:	:	:	:	:	:	:

Note: Attach a schedule showing by appropriation symbol and title, amounts of unexpended balances recommended for transfer to the Department of Defense Revolving Fund. Such amounts must equal, but need not be limited to, the total amount of funds required as shown in column 12.

ASSISTANT SECRETARY OF DEFENSE

Washington 25, D. C.

MAR 15 1957

Properties & Installations

MEMORANDUM FOR THE ASSISTANT SECRETARY OF THE ARMY (FM)
THE ASSISTANT SECRETARY OF THE NAVY (MATERIAL)
THE UNDER SECRETARY OF THE AIR FORCE

SUBJECT: Modifications in Procedures for the Acquisition
of Wherry Housing

Certain modifications to procedures for the acquisition of Wherry housing, outlined in DOD Instruction 4165.31 of November 26, 1956, are considered to be necessary to facilitate and expedite the overall program. The changes outlined herein are to be placed into effect immediately. A revised DOD Instruction incorporating these modifications will be issued at a later date.

The coordinated responsibilities of the Federal Housing Administration and the Military Departments with respect to these modified procedures for the acquisition of Wherry housing are as set forth below:

1. On receipt of advice from the Military in writing that consideration is being given to the acquisition of a specific Wherry project, the FHA Field Office Director will furnish the following information:
 - a. The estimated replacement cost of the project as of the date of final endorsement of the mortgage or mortgages for insurance. The Director will specify the amount of appropriated funds which the FHA records indicate were expended for items included in such estimated replacement cost.
 - b. The principal amount of the mortgage or mortgages outstanding as of a specified date as shown on the amortization schedule which shall be not more than sixty (60) days prior to the date of the Director's reply.
 - c. A true copy of the mortgage or mortgages and each modification thereof, whether recorded or in the nature of an informal consent to the waiver of any of the requirements thereof. (The original amount of the mortgage and date of final endorsement for insurance, as well as amount of mortgage payments, interest, term in years, and date payments began, shall be included.)

- d. Date of completion of construction of project.
 - e. Copy of FHA Form 2419 (Reserves for Replacement). This form will provide information on items and rate and amount which should be in the reserve computed as follows: The number of months since the first principal payment multiplied by the monthly allocation requirement, less authorized withdrawals, and without regard to any waivers or deferments.
 - f. Access to all inspection reports and supporting data in the Director's possession having any bearing on the physical condition of the project (including a copy of the inspection reports if desired, and any advice on known defects, delayed maintenance, and condition of mechanical equipment). (The information and advice furnished by the Director will be such information as is available from his files and he will not be required to have an up-to-date inspection of the project made or to prepare an estimate.)
 - g. Other pertinent documentation which the Military may request to determine the nature and scope of all outstanding interests in the project.
2. The Commissioner will furnish the following information to this office which will be passed on to the Military Departments to assist them in arriving at a formula price:
- a. Amount of builder's fee and architect's fee (separately) allowable under the project and the amount of each paid to the owner.
 - b. Excess mortgage proceeds
 - c. The project cost as reported by the builder (at time of completion). It will be indicated whether or not the builder and architect fees are included.

Builder and architect fees, whether or not claimed by the owner-builder are considered to be a part of the estimated replacement cost (as of the date of final endorsement for mortgage insurance). Where excess mortgage proceeds are known to exist, the amount of these proceeds will be reduced by the amount of the builder and architect fees not taken by the owner and any excess mortgage proceeds which remain will be the subject of negotiation. Where it can be conclusively proven that these profits or portions thereof accrued for reasons other than providing an inferior product, and thereby did not detract from the actual value of the project,

these profits may be allowed. Where not proven according to the above or where any doubt exists, the excess mortgage proceeds shall be deducted from the estimated replacement cost before establishing a formula price.

3. On receipt of the information to be supplied by the FHA Field Office Director (see 1 above) the Military shall obtain an estimate of the physical depreciation of the project in accordance with the following revised criteria:

- a. The estimated cost of repairs and replacements immediately necessary to restore the property to sound physical condition.

(Restoration to a sound physical condition means performance of past-due maintenance, and repair of any physical defects; such defects do not include design deficiencies which have appeared as of the current date. It is not intended that those structural items in sound condition, and normally having a physical life expectancy equal to or in excess of the economic life of the project, be included in the depreciation appraisal.) and

- b. The amount which should be reserved for such maintenance and repair items as have accrued to date, but which are not yet due for expenditure in the normal painting and decorating cycle.

(a and b above constitute a breakdown of subparagraph a of the November 10, 1956, Memorandum of Agreement.) and

- c. Accruals required to cover the cost of items requiring periodic replacement in the future, but prior to the end of the expected life of the building; these being items such as roof, heating system, appliances, etc.
- d. After negotiations are concluded with the owner regarding the appropriate amount to be deducted for depreciation and the information supplied by the Commissioner through this office (see 2 above) has been analyzed and taken into consideration in the estimated replacement costs, a determination shall be made as to the "formula price". This "formula price" shall then be offered to the owner as the price which the Military is willing to pay. If the owner does not agree to sell at this price, the Military will take whatever action is indicated. It will not be necessary to obtain a fair market value appraisal prior to establishing the formula price or entering negotiations with the owner. The need for a

fair market value appraisal will be left to the discretion of the Military; however, should such an appraisal be obtained, this office desires to be informed of the amount, and if the information is available at the time the request for approval of the acquisition is forwarded to this office, the information should be shown on DD Form 1178. This form shall be filled out where applicable to these modified procedures.

4. Supplementary information with respect to the foregoing modifications is provided below for clarification:
 - a. Inspection and evaluation of depreciation may be performed by qualified Military Department personnel or shall be obtained by contracting for the services of competent personnel outside the Military Departments. A sufficient number of each type of unit should be inspected, together with hallways, basements, laundry spaces, living spaces, and boiler rooms to permit a realistic determination of the "physical depreciation".
 - b. The information supplied for 3c above by the FHA Field Office Director shall be used as a guide in determining the physical depreciation of limited life items and the items shown on FHA Form 2419 shall be used as a basis for the appraisal. If the appraisal is reasonably close to the amount that should have accrued (less authorized expenditures) the amount furnished by the Director shall be used. If a large difference exists, the appraisal shall be analyzed, giving consideration to all pertinent factors, and agreement reached with the owner, where possible, through negotiation. When a deduction is made for physical depreciation under 3c above, the accrued reserves are retained by the owner. Should the owner not be permitted to retain such reserves, the amount under 3c above will not be deducted except where it exceeds that which should have accrued, and such reserve funds will become the property of the U.S. Government.
 - c. The FHA Field Office Director is not concerned, as was the case previously, with the appraisal or determination of an appropriate allowance for physical depreciation. The requirement for the Director's concurrence on DD Form 1179 is eliminated. Also, since the FHA Commissioner has stated that his execution of Section E of FHA Form 2473 (substitution of mortgagor document) will constitute his approval for the acquisition of the project, the need for using DD Form 1179 is entirely eliminated. Therefore, the Director will not be required to concur

in any findings as to the figures used by the Military in its computations, nor will the Director be requested to arbitrate the differences arising between the Military and those of the mortgagor.

5. Other than the above modifications as they affect DOD Instruction 4165.31, other procedures as previously outlined will not change. However, clarification has been requested regarding certain portions of the acquisition instructions. These are set forth below for information:
 - a. It is not possible to give financial consideration to improvements made to the project subsequent to final endorsements for mortgage insurance. Therefore these improvements to the property cannot be taken into account in establishing the "formula price". These items, if not chattels which can be removed by the owner, become part of the real estate and the owner cannot be reimbursed for them.
 - b. Related property not under the mortgage may be acquired but not at the expense of the revolving fund. Where acquired by the Military, the purchase of such items shall be according to normal procurement procedures.
 - c. A personal bond guarantying against any undisclosed liabilities is not acceptable when acquiring the corporation. The following will be required:
 - (1) Certification of the financial statement of the corporation by a certified public accountant.
 - (2) Surety bond against undisclosed liabilities of not less than \$50,000 for not less than 3 years from the date of acquisition.
 - d. A memorandum from this office to the Secretaries of the Military Departments dated February 7, 1957, clarifies the submission of the financial plan with respect to alterations, repairs, and conversions of Wherry projects for which acquisition is contemplated.

/s/ Robert A. McDonald

Robert A. McDonald
Deputy Assistant Secretary of Defense
(Properties and Installations)

CLINT W. MURCHISON
DALLAS, TEXAS

June 6, 1952

✓
JUN 8 1952

AIR MAIL

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

Dear Lyndon:

I have a good friend in New York, George Ohrstrom, who has a horse running in Ascot, England, on June 18, and he would like tickets for himself and his wife in the Royal Enclosure, which apparently can only be gotten through our Embassy in London.

I would personally appreciate your cabling our Ambassador (or get the State Department to do so) to see whether or not they can obtain these tickets for Mr. Ohrstrom. I would also appreciate your advising me if you have any luck in the matter so I in turn can advise Mr. Ohrstrom.

Mr. Ohrstrom will be staying at Claridges, London beginning the 11th day of June. I would certainly appreciate anything you can do to help him.

You made a mighty fine statement on the Supreme Court decision. I agree with you, and I am perfectly willing to call off the other friendly argument.

Sincerely,

Clint

CWM:VB

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10/10/10

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DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a full rate telegram	
FULL RATE TELEGRAM	
DAY LETTER	NIGHT LETTER

WESTERN UNION

1206

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

W. P. MARSHALL, PRESIDENT

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED

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

Washington, D. C.
June 9, 1952

Mr. Clint W. Murchison
Dallas, Texas

Reurlet. Have today cabled American Ambassador London in interest of Mr. and Mrs. George Chrstrom's request. State Department suggests you get in touch with Mr. Chrstrom and have him contact American Ambassador also. Don't know what the situation is but will let you know as soon as reply is received. Regards.

Lyndon B. Johnson, USS

Day Letter

Official Business

Charge to Lyndon B. Johnson, Personal Account

State - Chrstrom, George
(C W Murchison interested)

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a full rate telegram	
FULL RATE TELEGRAM	
DAY LETTER	NIGHT LETTER

WESTERN UNION

1206

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

W. P. MARSHALL, PRESIDENT

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED

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

Washington, D. C.
June 9, 1952

Honorable Walter S. Gifford
The American Ambassador
The American Embassy
London, England.

Mr. George Ohrstrom of New York has a horse running in Ascot, England, June 18th. Mr. and Mrs. Ohrstrom who will be at Claridges, London, after the 11th are very anxious for tickets in the Royal Enclosure. Will appreciate every consideration given their request.

Lyndon B. Johnson, USS

Cable Letter

official Business
~~Charge to Lyndon B. Johnson, Personal~~

lbj:gs - State - Ohrstrom, Geo
(Clint Murchison interested) *Return to Lyndon*

Memorandum - June 9, 1952

From: Glynn Stegall

I talked to Mrs. McMillan at Extension 4747 about this. She states that this is a matter over which the State Department has no authority. That Mr. Ohrstrom should take it up with the American Ambassador, Mr. Walter S. Gifford, in London. However, she states at this late date she doubts that anything can be done. But she believes the most effective thing we can do is to cable the American Ambassador and it would be well to give some of the background of Mr. Ohrstrom. She also suggests that we get in touch with Mr. Murchison and suggest that he get in touch with Mr. Ohrstrom and ask him to get in touch with the American Ambassador in London.

COPY

February 28, 1952

Dear Mr. Murchison:

It was nice of you to write as you did. Of course we were more than glad to do anything we could to be helpful on your passport matter in Senator Johnson's name.

With best wishes always, I am

Sincerely

Walter Jenkins, Assistant to
Lyndon B. Johnson, USS

Mr. Clint W. Murchison
Dallas
Texas

dj
state dept. -murchison,
clint w.

CLINT W. MURCHISON
DALLAS, TEXAS

February 26, 1952

Mr. Walter Jenkins
Administrative Assistant to
Senator Lyndon B. Johnson
United States Senate Building
Washington, D. C.

Dear Mr. Jenkins:

I do want you to know how much I
appreciate the expeditious manner in
which you and the State Department
handled our passports.

Sincerely,

Cwmurchison

CWM:O

COPY

February 20, 1952

Dear Mr. Murchison:

In the absence of Senator Johnson from the city I am taking the liberty to acknowledge the kind and thoughtful letter you wrote on February 18. I am sure you have by now received my telegram of yesterday afternoon stating that the passports have been issued.

I will certainly bring your letter to the attention of Senator Johnson upon his return to the office and know he will appreciate your taking time out to write him as you did.

With best wishes, I am

Sincerely,

Walter Jenkins, Administrative
Assistant to Lyndon B. Johnson

Mr. Clint W. Murchison
1315 Pacific
Dallas, Texas

ga/top
state - self

CLINT W. MURCHISON
DALLAS, TEXAS

February 18, 1952

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

Dear Lyndon:

Your good office has already produced results, as we have today received Virginia's passport. Thanks very much.

My man seems to be running in good shape down here.

Don't go out too far on a limb on your boy friend Kerr; however, I expect I am carrying coals to Newcastle with this advice.

Best regards.

Sincerely,

Clint

CWM:O

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a full rate telegram	
FULL RATE TELEGRAM	SERIAL
DAY LETTER	NIGHT LETTER

WESTERN UNION

Telefax *Telefax*

W. P. MARSHALL, PRESIDENT

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise this message will be sent at the full rate	
FULL RATE	DEFERRED
CODE	NIGHT LETTER

PLEASE DO NOT FOLD.

**TYPE OR WRITE MESSAGE PLAINLY WITHIN THE HEAVY LINE BORDER
USE DARK INK OR PENCIL**

Send the following message, subject to the terms of the Western Union Telegraph Company, which are hereby agreed to

CHECK	CHARGE TO THE ACCOUNT OF	DATE	TIME FILED
	GOVERNMENT	February 19, 1952	
TO Mr. Clint W. Murchison 1315 Pacific Dallas, Texas STATE DEPARTMENT ADVISES THAT PASSPORTS FOR YOU, MRS. MURCHISON AND THE OTHER THREE HAVE BEEN SENT TO YOU VIA SPECIAL DELIVERY REGISTERED MAIL. Walter Jenkins Administrative Assistant to Lyndon B. Johnson, USS Official Day Letter			

1241—(1-50)

gs/ndb
~~state~~—self

COPY

February 12, 1952

Dear Clint:

Thank you very much for your letter of February 11 with reference to your applications for passports to visit South America. I am immediately getting in touch with the proper officials of the Department of State and you may be sure I will do what I can to expedite action on them. As soon as some definite word is received I will let you know at once.

I am happy you gave me a chance to work with you on your request -- it is always a pleasure to hear from you.

With warm personal regards, I am

Sincerely,

Lyndon B. Johnson

Mr. Clint W. Murchison
1315 Pacific
Dallas, Texas

lbj/ga/top
state - self

return to g. s. for phone call

CLINT W. MURCHISON
DALLAS, TEXAS

February 11, 1952

REC'D FEB 12 1952

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

Dear Lyndon:

The following persons have made applications
for passports:

Mrs. Virginia Long Murchison
Mrs. Lucille Gannon Murchison
Clinton Williams Murchison
Don Beeler
Richard Duhe

These applications are made in contemplation
of a trip to South America about the 15th of
March. I hate to trouble you with this, but
you know how the routine is up there. If you
could put one of your secretaries on the job
and chase the applications through the State
Department I would appreciate it.

Sincerely,

Clint

CWM:O

P. S. Our boy Daniel is way out in front and
unless we have a freeze in July or a Republican
upsurge in November, he is your next colleague.
C.W.M.

Murchison

January 12, 1949

Dear Frank:

I am extremely grateful for your letter of January 7, and you may be sure that I will remember your thoughtful offer in the event our needs require it.

I am grateful for your expression of confidence and I hope I shall be able to justify it in the future.

Give Quint my regards.

Sincerely,

Lyndon B. Johnson

Mr. T. F. Murchison
Alamo National Building
San Antonio, Texas

C
vj/ml
Corres. Murchison, T. F.

T. F. MURCHISON

ALAMO NATIONAL BUILDING
SAN ANTONIO, TEXAS

January 7, 1949

JAN 8 P.M.

Hon. Lyndon B. Johnson
Senate House Bldg.
Washington, D. C.

Dear Lyndon:

We can deliver you in Washington any Philco product. You will save about 30 percent by getting this through us instead of from your local dealer. They handle refrigerators, radios, deep freezers, etc., and very shortly are bringing out a new electric stove.

When you look at this, please tell the local man that this will be a gift from A. B. Frank, as otherwise we could not deliver it out of our territory.

We do not handle furniture; however, the Blackstone Hotel in Fort Worth buys furniture wholesale, and if you could pick out and get the lot number of any furniture that you wanted, I am sure that we could get it through the hotel. On anything like sheets, towels or general household goods, if you would simply write us telling us what you want, we will send them to you.

I know you are going to do a great job up there, and I am wishing you my very best.

Sincerely,

Frank

T. F. Murchison

TFM:lm1

cc: C. W. Murchison

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a full rate telegram	
FULL RATE TELEGRAM	SERIAL
DAY LETTER	NIGHT LETTER

WESTERN UNION

JOSEPH L. EGAN, PRESIDENT

1206

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise this message will be sent at the full rate	
FULL RATE	DEFERRED
CODE	NIGHT LETTER

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED

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

WASHINGTON, D. C.
FEBRUARY 25, 1949

MR. CLINT MURCHISON
DALLAS
TEXAS

PASSPORT FOR MR. HOWARD REED WILL BE MAILED THIS AFTERNOON. LET ME KNOW IF FURTHER
ACTION REQUIRED.

LYNDON B. JOHNSON, USS

OFFICIAL BUSINESS
STRAIGHT MESSAGE PAID

RUSH RUSH RUSH RUSH

ww dj
state-reed,howard

United States Senate

MEMORANDUM

Mrs. Vaughn Hill -
Dallas - Mr. Clint Murchison

ranch in Mexico

Howard Victor Reed

app Box 926

Brownsville, Tex

app # W-130

urgency - Mex papers
to.

miss albino

4373

MEMORANDUM

John. Thompson Hill -
Dallas - Tex. City Mountain

about in Mexico
Harvard Western field
app. 1902
Amaravati, Tex
app. 1910
Sergeant - West papers

MESSAGE

To Wardle
Date 2-25 1949 Time 1:30 ^{A.M.}_{P.M.}

WHILE YOU WERE OUT

Miss Alvina

Address State 43 23

Phone No. _____

Called to See You	☐	Will Call Again	☐
Telephoned	☒	Please Call Him	☐

Message Why don't you stay
here when you ask
them to call you
in 30 minutes?

Taken by (over)

Howard Reed.
Application has been
received & passport
can be issued &
mailed out.

Approved	by	Special Agent	
Issued to you	by	Special Agent	

g'

Phone No.

Address

City

WHITE BOX MESSAGE

DATE

TIME

MESSAGE

1039
M
GENERAL

October 16, 1958

Dear Clint:

The first thing that greeted me when I
got to Washington was your letter of October 14.

At times we all make errors of judgment.
But I am never going to be silly enough to think
that you believe I would ever be anti-American.
When and if you have the time and inclination,
I'll be glad to tell you the whole story.

Sincerely,

Lyndon B. Johnson

Mr. Clint W. Murchison
5307 Mockingbird Lane
Dallas, Texas

LBJ:GER:wdt

LYNDON B. JOHNSON
TEXAS

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

October 16, 1958

Dear Clint:

I arrived last night to make a speech before the American Heart Association. The first thing that greeted me when I got to the office was your letter of October 14.

When I was a small boy, my father told me that a man's judgment is no better than his information. A list of votes at best is only partial information and sometimes half facts are worse than no facts at all.

When I return to Texas I will write you at length, explaining why my vote was necessary. I think when you know all of the facts you will revise some of your estimates.

Sincerely,

Lyndon B. Johnson

Mr. Clint W. Murchison
5307 Mockingbird Lane
Dallas, Texas

October 16, 1958

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Sincerely,

Lyndon B. Johnson

Mr. Clint W. Murchison
5307 Mockingbird Lane
Dallas, Texas

LBJ:GER:wdt

return file to GER

United States Senate

MEMORANDUM

10-10-58-

LPJ -

Here's a suggested
letter - I think
he deserves this
type letter -

Sam Houston

LYNDON B. JOHNSON
TEXAS

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

October 16, 1958

Dear Clint:

I arrived last night to make a speech before the American Heart Association here in Washington today.

The first thing that greeted me when I got to the office was your letter of October 14. I think you know me well enough to know that I am not ever going to line up with any element that is "anti-American". I haven't got the time this morning to go into detail and give you my side of the picture. But I will say that if you knew all the facts you wouldn't be "shocked".

You and I have been friends for a long time, and I would like to continue to have your friendship. If you think I "kicked Jenner in the pants", it would be considered mild in comparison to the "kicking in the pants" you gave me in your letter.

Seriously, Clint, when I get back home I will either write you in detail about my vote or tell you in person.

Sincerely,

Lyndon B. Johnson

Mr. Clint W. Murchison
5307 Mockingbird Lane
Dallas, Texas

COPY

October 16, 1958

Dear Clint:

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Sincerely,

Lyndon B. Johnson

Mr. Clint W. Murchison
5307 Mockingbird Lane
Dallas, Texas

LBJ:SHJ:mj

CLINT W. MURCHISON
DALLAS, TEXAS

OCT 15 1958

October 14, 1958

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

Dear Lyndon:

I got a list of the voters for and against the Jenner bill and find that you and Yarborough are voting right along with Humphrey, Church, Kefauver, et al, to the end that you defeated the bill.

It did not surprise me about Yarborough, because I knew he was pro-labor, pro-union, and pro-Yarborough; but I am a little bit shocked about you kicking Jenner in the pants and lining up with which I call the anti-American element.

Sincerely yours,

Clint

CWM:VB

gen

S

May 13, 1957

Dear Clint:

Thanks for your note of May 3rd.

I don't believe I am in a position to join in doing anything about selling Sid out of the oil business. But, so far as John Connally's concerned, I never have doubted his ability to do any job that came along.

He is tops.

Best regards.

Sincerely,

Lyndon B. Johnson

Mr. Clint W. Murchison
5307 East Mockingbird Lane
Dallas, Texas

LBJ:BM:mj

Booth

Clint W. Murchison
5307 East Mockingbird Lane
Dallas, Texas

May 3, 1957

RECEIVED
MAY 7 1957

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

My dear Lyndon:

I have read the Drew Pearson article on Yarborough with considerable interest. I do not know whether you are aware of the fact or not, but I did my damndest to keep Price from resigning, and of course had no luck.

My thinking is now to sell Sid Richardson out of the oil business and then get John Connally to run against Yarborough two years hence. I would appreciate your thinking on this.

Sincerely,

Clint

CWM:VB