

LIFE WITH LYNDON IN THE GREAT SOCIETY, Vol. 1, No. 10

On March 25 Lyndon got a report from his main civil rights pacifier, Leroy Collins, about discrimination against Negroes by Lyndon's boys in Alabama. Collins reported that "fair employment and nondiscrimination do not appear to be applied to Federal agencies" in Selma. He mentioned, among other agencies, the Federal Bureau of Investigation.

The next day when Lyndon delivered his message about the KKK and the murder of Mrs. Liuzzo to a nationwide TV audience, who should be standing at his right hand but J. Edgar Hoover himself. In his statement Lyndon said: "I cannot express myself too strongly in praising Mr. Hoover and the men of the FBI for their prompt and expeditious and very excellent performance in handling this investigation. It is in keeping with the dedicated approach that this organization has shown throughout the turbulent era of civil rights controversies."

Lyndon, it seems, appreciates everything that sweet little old J. Edgar does, even if it is discriminatory. There is no record that Lyndon enquired of his top cop how many black faces were among those "dedicated" gumshoes who brought the Kluxers to bay. Nor did he, apparently, make any enquiry about why the Kluxers were brought in after the killing, and not before. One supposes that even such dedicated and efficient Dick Tracy's as the lily-white FBI agents must have had some reason to suspect the men they arrested, before the crime was committed, or they wouldn't have been able to put the arm on them so quickly, after the murder.

The Kluxers have been charged under a federal statute which the U.S. Courts have twice in the past year declared to be inapplicable in similar cases. So we might as well prepare for more of the elaborate excuses explaining why the Great Society can't make killing a crime in the South, when it's a black man or a civil rights worker who gets killed. This is known as the Rule-of-Law. There was a similar Rule-of-Law in Germany at one time.

Remember ?

The ability of Lyndon's Great Society to get along with racism, when there's profit involved, was made very clear

page two

during this past week. Owens-Corning Fiberglas Corp. announced it was investing \$1,400,000 in a new plant in South Africa. The announcement came from two Owens-Corning executives who flew into Johannesburg with what the South African Government called a "message of hope for South Africa."

The two executives were Lauris Norstad (former NATO commander who, when he headed that organization, provided U.S.-contributed arms to Portugal which were used to enforce the slave-labor laws in Portugal's African possessions, Angola and Mozambique) and Harold Boeschenstein.

Norstad said on his arrival: "We have full confidence in South Africa--not only we as individuals but the United States and the American people." Boeschenstein's contribution was: "Any boycott moves do not reflect the general opinion of the people of the United States nor of its businessmen. We have great appreciation of South Africa's importance as an ally and as an economic force in the free world."

Two questions arise: Is South Africa changing for the better, or is its racism getting worse? Do these two men speak for a significant body of businessmen in Lyndon's Great Society?

The first question is easily answered. On March 9th, the American and British Ambassadors to South Africa were publicly attacked by the South African Minister of the Interior because the two ambassadors had invited non-whites to embassy functions in Johannesburg. On March 26 the Washington Post reported that the multi-racial Progressive Party in South Africa had lost all 12 of the elections in which it had candidates; and that representatives of the racist Nationalist Party (the governing party) were elected for the first time in the "English" strongholds of Durban and Pietermaritzburg. Thus the racism of the South African Government is getting worse, not better.

The second question is also rather easily answered. Boeschenstein and Norstad were elected as chief executive officers of Owens-Corning by the directors of the corporation. In a formal sense the two represent the businessmen on that board. Who are they?

Deane W. Malott -- President Emeritus of Cornell University; director of General Mills, Inc.; director of Pitney-Bowes, Inc.; director of B.F. Goodrich, Inc.

Howard J. Morgens-- President of Proctor & Gamble; director of General Motors; director of Morgan Guaranty Trust Co.

H.C. Nolen -- Chairman of McKesson & Robbins; director of American Optical; director of B.F. Goodrich, Inc.; director of Bankers Trust Co.; director of International Paper.

page three

- L.W. Cabot -- President of Cabot Corporation; member of the Corporation, Massachusetts Institute of Technology; Trustee of Norwich University, Northeastern University, and Brookings Institution.
- John E. Bierwirth -- Chairman and President of National Distillers & Chemical Corp.; director of First National City Bank of N.Y.; director of Deering-Miliken; director of Colgate-Palmolive Corp.
- James M. Kemper -- Chairman, Commerce Trust Co. of Kansas City; trustee of Kansas City University.

Thus the men who are officially and formally represented by Boeschenstein and Norstad are clearly well-entrenched members of the elite of the Great Society's business community. A careful reading of the pedigrees listed above indicates that, if the other corporate connections of the Owens-Corning board were traced out, they would be intimately associated with the entire corporate elite of the U.S., not to mention the most prestigious universities in the country.

Boeschenstein and Norstad also serve other corporations in an official capacity, and, in some sense, can be said to be speaking for their associates in those other corporations. Boeschenstein is on the board of:

National Distillers and Chemical Corp.; American Electric Power Co. (whose president, Donald Cook, was Lyndon's first choice for Secretary of the Treasury); Dow Jones & Co. (publisher of the Wall Street Journal); International Paper Co.; Ohio Bell Telephone (subsidiary of American Telephone and Telegraph); Ford Motor Co. (whose president was an endorser of Lyndon in the 1964 campaign, and whose chairman, Henry Ford II, created a sensation by announcing for Lyndon early in the campaign).

Norstad is a director of United Airlines and of McKesson & Robbins.

The answer to the second question, then, is a resounding "yes." It was no idle boast when Norstad and Boeschenstein assured the racists of South Africa that they spoke for the American business community. Indeed, in the Great Society, the business community could hardly express other sentiments, considering that U.S. sales to South Africa in 1964 totalled nearly \$500 million. And considering that businessmen have always been ready to whip up a quick morality to justify any deal that will turn a profit.

It was somewhat presumptuous, however, for these two pillars of righteousness to state that they spoke for "the American people." That term customarily includes more than 20 million black Americans, whose experience with native American racism makes them rather ill-disposed

page four

toward South African racism.

This, of course, assumes that Norstad and Boeschstein consider Negroes "people." Many of their South African friends and admirers do not.

Lyndon says he does.

*

*

*

Lyndon's roving Ambassador Averill Harriman had some bad news for Tshombe this week. He told Tshombe that Lyndon had decided not to send anything but helicopters, trucks, bazookas and small arms to help Tschome suppress the Congolese people. Harriman further told Tshombe that the Great Society would not send more than 400 American "advisers" to help with the military efforts of the "International Uncle Tom."

We used to call them "advisers" in Vietnam, too, if you recall.

*

*

*

Another corporation has jumped on Lyndon's "profits from poverty" bandwagon. Packard-Bell Electronics Corporation, of Los Angeles, got a \$3,600,000 contract from Lyndon to operate a Job Corps program at Charleston, West Virginia.

Packard-Bell says it will train 300 young women in some of the basic service skills--food preparation, clerking in retail stores, laundry and dry cleaning work, electronic work, etc. This comes out to a cost of \$12,000 per young woman for the training. Maybe this high cost stems partially from the fact that Packard-Bell is in Los Angeles, and the young women are in Charleston, West Virginia. It looks like Lyndon could've found someone a little closer to do the job.

Of course if you want to be really difficult, you could suggest it would be better just to give each of the 300 young women \$12,000 in cash. Wouldn't that be the most direct way to relieve their poverty? But that wouldn't do anything for Packard-Bell's poverty, though, would it?

And Lyndon has already proved he's worried about Packard-Bell's poverty. We mentioned in the first of this series that Lyndon's Agency for International Development had given Neil Jacoby, Dean of the UCLA Graduate School of Business Administration, \$25,000 to do a story about how much U.S. aid has helped Chiang Kai Chek and his family and friends on the island of Formosa. Jacoby is an official of Packard-Bell.

When he finishes with the Chiang Kai Chek story, perhaps he'll do one on those 300 young West Virginia women his firm is going to lift

from poverty. He might even hire some of them to work in his company--since they'll be all trained and everything.

* * *

On March 22 twelve of the largest flour companies in the country were convicted of conspiring to increase the price of bread in the Great Society. These twelve companies control 65% of the flour that is produced and sold east of the Rocky Mountains. By conspiring to increase the price of flour, they undertook to raise the price of the bread that is made from the flour. Since bread is one of the staples of the daily diet, particularly among poor families, one might have supposed that Lyndon, concerned as he is about poverty, would have taken to the airwaves and roundly denounced the companies involved in the conspiracy, along with the individuals who run the companies. Of course he did not.

The reason he didn't should be clear from an examination of who these individuals are. General Mills, Inc., was one of the companies. We mentioned earlier Hubert's great friendship with the Bell brothers, Ford and Charles. Charles is Chairman and Ford is a director of General Mills. These are two fine chaps for the Great Liberal to be chumming around with, aren't they?

Thomas Crosby is another director of General Mills. He is a director of Northwest Bancorporation which controls 25% of the total bank deposits in Minnesota, and similar proportions of the deposits in surrounding states. Crosby evidences his concern for the poor and unfortunate by serving as chairman of the Community Chest Fund in his hometown. As a good American businessman, Crosby apparently understands the first principles of business--give to the poor with one hand, and take away with the other.

Another of these bread thieves is Stephen F. Keating, a former special agent for the FBI. He has risen from J. Edgar's tutelage to become executive vice-president of the Minneapolis-Honeywell Regulator Company, and a director of General Mills. What did this boy learn from J. Edgar, anyhow?

Gerald S. Kennedy, director of General Mills, is Chairman of the Trustees of the College of St. Theresa, a member of the advisory board of the Notre Dame University School of Business Administration, and a trustee of the Catholic Boys Home in Minneapolis. Kennedy's little experiment in monopoly has historical precedent which might interest him. The first monopoly on record occurred back in the 15th century when the then reigning Pope succeeded in monopolizing the world supply of alum.

Henry S. Kingman, of General Mills, is Chairman of the Farmer's and Mechanics Savings Bank of Minneapolis. He is a trustee of Amherst College.

R. Stanley Laing, General Mills director, is executive vice president and a director of National Cash Register Co. He is president and director of the Dayton, Ohio, Community Chest and a Trustee of the Family and Children's Service Association.

Deane W. Malott is listed above, along with his connections, as one of those businessmen Norstad and Boeschenstein were representing when they sang the praises of South African racism.

C.B. Thornton, a General Mills director, is chairman of Litton Industries, whose subsidiary, Ingalls Shipbuilding, is Mississippi's

largest employer. Thornton was a big money-raiser for Lyndon and Hubert on the West Coast. He is connected with a number of the top corporations in the nation, including the Western Bancorporation (the largest bankholding company) which controls 43% of the bank deposits in Oregon, and smaller percentages of the deposits in other Northwestern States. Thornton is also much concerned about the poor and unfortunate. He is on the board of governors of the Welfare Federation of Los Angeles, and on the board of directors of the American Cancer Society. He is a trustee of the University of Southern California.

The second largest of the companies which conspired to raise bread prices was the Pillsbury Co. Its chairman, Philip W. Pillsbury, is a director of the Continental Illinois National Bank and Trust Co. of Chicago, the country's eighth largest bank, and a director of the Family and Children's Service, a welfare agency. Another member of the Pillsbury family connected with the company is John Sargent Pillsbury, who is a director of Northwestern Bancorporation and a Trustee of St. Barnabas Hospital.

Paul S. Gero is president of the Pillsbury Co. He is a director of Northwestern Bancorporation, of Northwestern Bell Telephone (subsidiary of American Telephone and Telegraph), of Minneapolis-Honeywell Regulator Co., and a trustee of Iowa Wesleyan College.

Ernest C. Arbuckle, of Pillsbury, is Dean of the Graduate School of Business of Stanford University and a director of the Kern County Land Company, one of the largest farming operations in the world.

Other Pillsbury directors include Paul Christopherson who is a trustee of Carlton College; Rogers C.B. Morton, former congressman and a trustee of Washington College in Maryland; and Samuel N. Stevens, member of the board of visitors to the U. S. Military Academy at West Point.

The third largest of the conspirators was the International Milling Co. Its President, Atherton Bean, is chairman of the Board of the Federal Reserve Bank of the 9th District. He is chairman of the Trustees of Carlton College.

Another International director is Don G. Mitchell, also a director of Pepsi-Cola Co. and of American Motors Corp. He is a director of the Times-Mirror Co., publisher of the Los Angeles Times. C.B. Thornton, mentioned above, is also a Times-Mirror director.

Paul Wishart, of the International Board, is Chairman of Minneapolis-Honeywell Regulator Co., and a director of American Motors Corp.

These are just three of the largest conspiring companies. It isn't at all difficult to see how the conspirators could get together to map out the details of how they would raise the price of bread. The conferences could have been held in the board room of Minneapolis-Honeywell, on which all three flour companies are represented. Or, indeed, the plotting could have been done in the board room of the Federal Reserve Bank of the 9th District, since the President of International is Chairman of that bank, and the other two companies have directors on several banks which are members of the Federal Reserve System, and supposedly are

page seven

supervised in their banking operations by the Federal Reserve Bank.

These three companies were fined \$30,000 for their part in the conspiracy. That amount represents not more than 1/30th of what Lyndon pays each of them every year for storing surplus grain which belongs to the U.S. Government. In 1962, for example, Pillsbury got \$1,384,877 for grain storage, General Mills got \$1,245,985, and International got \$910,118.

The F.H. Peavey Co., which was mentioned some weeks ago as being connected with the Bell brothers of General Mills, was also one of the conspirators. Peavey gets around \$4,000,000 a year from Lyndon for storing grain. Peavey was fined only \$20,000 for its part in the conspiracy to raise bread prices.

The total fines levied against the twelve conspiring companies came to \$190,000. This sum amounts to a bit more than 1% of the fees these companies get every year from the U.S. taxpayers for storing grain. They really got their wrists slapped, didn't they ?

The most intriguing irony of this story, we've saved for last. One of the directors of General Mills is Walter B. Wriston, Executive Vice-president of First National City Bank of N.Y., and also a director of General Electric Corporation. As we mentioned recently, GE got a multi-million dollar poverty war contract from Lyndon not long ago.

Thus the director of a corporation which conspired to raise the price of one of the dietary staples of all the poverty-ridden, is also a director of a company which has a choice place in Lyndon's "profits from poverty" program.

*

*

*

Goodnight Lyndon--sleep well.

April 1, 1965
Jack Minnis