INTERVIEW I

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INTERVIEWEE: JOHN E. BABCOCK

INTERVIEWER: Michael L. Gillette

PLACE: LBJ Library, Austin, Texas

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G: Let's begin, Mr. Babcock, by asking you to just briefly sketch your background.

B: Total background, not just related to LBJ? Okay.

G: Just basically. You're from Austin, is that correct?

f: Yes, I was born in Austin. My father was born in Austin. His father came to Austin during the construction of the state Capitol building with a man named Taylor. They were stonemasons. They were in that first go-around on the Capitol building where they both lost their shirts on the business before they brought in convict-type labor and so on. Taylor Slough, which is off of Lakeshore Drive in Austin, was where the Taylors lived at that time. A bit of history, immaterial possibly.

I'm a product of Austin public schools, the University [of Texas] class of 1934. I studied journalism and also government, minor on municipal government. In the middle of the Depression I was looking for the first good job I could find, and so I had applications out both in the newspaper area and in the government area. I had no luck in 1934, so I went back and spent some more time at U.T. on government work, but did find a part-time job. During the Depression, it was

than a full-time job if you were out of the university. So I worked for the International News Service, which is now UPI, under a fellow named Vann Kennedy, whom a lot of people in the LBJ family know. He now lives in Corpus Christi where he runs a television station.

That was in 1934, the last half of 1934, which is the time that the bills attempting to create the Authority were passing through the legislature. I did not attend all of the hearings at that time because I was in class part of the time, but I did sit in particularly the house hearings in late 1934 and was in the last session, the fourth called session, that passed out the bill. That was my first real relationship in any fashion with the Lower Colorado River Authority. At that time, that's where I first got to at least know who Alvin Wirtz was, because I saw him in action and got to know him as a reporter, to contact, through source relationship. I got to know Fritz Engelhard of Eagle Lake, who was a member of the legislature who was carrying the bill on the floor quite a bit. And also Welly Hopkins in Gonzales, who succeeded Wirtz in the state senate. They were good news sources on background and what was going on at that point in time.

I may digress a moment. It's interesting to bring things up to date. Later there was a man by the name of Sam K. Seymour from Columbus who served on the LCRA board for some thirty-six years. His wife was Welly Hopkins' sister and so stayed in some relationship with Welly for years after that as a result. A digression, for what it's worth.

G: When you saw Senator Wirtz in action, how would you describe him, in action?

B: Well, basically it was rare to see him out in front, unless he had to be out in front. I do recall him making a rather forceful speech before the house committee back when there were some problems developing. It's the same time that both Congressman [James] Buchanan and Congressman [Joseph] Mansfield appeared before that committee. He was able to marshal his facts and present them in a very concise but very telling way anyway. Away from public appearances, to me he was always very quiet, very genteel, but always had a good flow of the English language. He got, I would say, a bit piqued if not angry with me at one time on something I had written and he felt like it was not fair to the cause. But he never showed any real anger, he just sort of let me know it in very genteel terms. But by the time he left, you felt like you'd been sort of ripped apart, but you couldn't put your finger on what he had actually said. He was that type of man. I got to know him later in life and had a great deal of respect for his legal and maneuvering ability. I had a brother-in-law who had gotten himself into a contract--without naming names at this point--and he wanted somebody to help him break the contract. I got Wirtz to represent him, and he was going against a pretty tough lawyer on the other side, but he broke the contract, so he was that type of an individual also.

G: Do you recall what you had written that angered him?

B: Not at the moment I don't. You don't recall the cause so much as the effect sometimes in those type things. In fact, I more or less had forgotten about it until working on this history and going over some of the information about the testimony and people appearing before these committees that I was even reminded over it.

G: Who opposed the Wirtz and Buchanan forces in the legislature?

B: It was a sort of behind-the-scenes thing, but it was pretty obvious I think to all of us who were covering the hearings and I'm pretty sure it was equally obvious to Wirtz. I do recall asking him one time, and he said he wouldn't comment on that. But it was pretty apparent that the private electric utilities that were operating then in the area that the dams would be built, which are basically Texas utilities or Texas Power and Light Company, were really the brains behind the opposition. But I think the record shows pretty well that they used the West Texas Chamber of Commerce organization to really carry the ball for them on other issues, water rights, primarily water rights. The record shows pretty well in the development, toward the process of the bill getting passed, the effort between the Wirtz, et cetera group in Austin with the West Texas Chamber of Commerce, an effort to make peace with them to work it out, the so-called Beck Amendment that is Section 2-A--or was it Section 4-A of the act?--as it finally passed, which recognizes the water rights of municipalities. It was one of the big issues.

I think another thing that made it sort of obvious that it was coming from that area and that the Dallas delegation consistently

opposed the bill every time it went up in the legislature, as a bloc. A member of that, I assume you do recall or may have read, was Mrs. Sarah Hughes. From what I have [learned] in my investigations since that time, as near as I can tell, Mrs. Hughes was concerned on a moral issue rather than on a economic or political issue, particularly with regard to the possibility of a certain individual, Ralph Morrison in San Antonio, making a lot of money out of the receivership on the close of the [project].

G: What was Wirtz' relationship with Morrison during this phase? Were they competitors?

B: Not to my knowledge. They were working pretty well together on the matter. Of course, Wirtz was the receiver, and Morrison came up with the idea. Now, while I was in San Antonio I knew of him, I never had reason to have any interviews with him. You know, he was the one who built the St. Anthony Hotel. But to answer your question, I think they were collaborating from Wirtz' standpoint primarily to see if they could get the project going and salvage out the old dam that was there. However, I would say that, to be perfectly frank, I've always had a little bit of reservation about all of Wirtz' motives all through this time, how much of it was altruistic and how much of it was self-ish. I cannot point a finger at anybody being selfish, because I don't think altruistic people get the job done. It's people that have some personal gain or gain for some group who really get the job done better.

G: Do you think that Wirtz was primarily interested in cheap public

power, or do you think he was interested primarily in representing clients, utility [companies]?

B: I think Wirtz was interested in using public power as an effect rather than as a cause, if I can use that type of an allegory. What I mean is I think that he saw that that had a good appeal. He was not, based on what conversations and public statements that I've [seen], pro-public big electric utility-type things. He was pretty much opposed to them. On the other hand, he had worked pretty much hand in glove with the Insull people, who were certainly as big as you could get in that point in time.

G: And Morrison was certainly a--

B: He was a magnate, utility magnate also. I mean, I know he had places in Laredo and I think he had some stuff in Mexico as well. I don't know, I have not really sat down and analyzed in my mind the real answer to your question, but Wirtz, because he worked so much behind the scenes and because he was not always very communicative on things, you couldn't help at the time but have a question in your mind, as a reporter at least, just what is this guy's motives? It never did all really get laid out on the table during the time that I was there, at those days, and of course I was pretty young, too, at that time.

However as an individual and all, I always did like him personally a great deal. It was in later years that I knew him more and more that I had a great deal of regard for him.

G: Did his position crystallize later? Did it become more apparent what his ideology was or what his motives were?

B: Carrying the thought I had a while ago further, I think the back of my mind always was that I thought he kind of looked at himself as a king-maker because he had various people that he brought along and some developed and some didn't.

G: Who else did he sponsor other than Lyndon Johnson?

B: Well, of course, from the standpoint of relations with the Authority, he picked up Sim Gideon quite early because Gideon went to work for his law firm, Weinert's and Wirtz' firm in Seguin, when he was fresh out of law school at U.T., and he brought him along. I would say, and I think Gideon will agree, that he was another son for him, because he brought him to Austin with him when he came up here. He was the man that did all of the detailed legal work for the Authority. Beverly Randolph, [with] whom I think you may have had some conversation, who was Wirtz' secretary back in the Emery, Peck and Rockwood days and prior to that in the law firm, shares that view. She thinks that he saw Gideon as a man with promise but had him very close to him, very fond of him.

And to some degree, the same thing about Homer Thornberry, who also came along. He was in the law firm as a young lawyer in Austin. He brought him along and pretty well looked at him as having--Gideon, number one, he never had any political ambitions; number two, he never demonstrated the attributes that you need as a man going into active political life. Thornberry had a little different approach.

G: When were you first aware of Lyndon Johnson?

B: When he was in NYA.

G: Do you recall your first contact with him?

B: Johnson was always one to play up to the press, particularly the Austin media. At that time I was working on the Austin Dispatch and was city editor, and so therefore he [knew me], although the Dispatch was not a real strong newspaper in the Austin market but it still was another one. He was aware, and again, as I recall, I think I was first introduced to him by Wirtz. But he used to give parties in his home, the one on was it Shady Hollow? That's not quite the name of it.

G: Oh, Happy Hollow.

B: Happy Hollow. Incidentally, he and Gideon lived next door to each other when they were both young marrieds there out on Happy Hollow. But he used to have some parties there, and then on San Gabriel [San Pedro] he had a place. Maybe that was the first place. [I may have them] backwards, I'm not quite sure. I remember going to one particular big press party there.

G: Lived in Dr. [Robert] Montgomery's house.

B: Yes, that's what it was. That's where. I've forgotten which sequence that was and point of time.

B: Well, I believe it was maybe San Pedro first and then Happy Hollow. I think that's right.

What were your first impressions of LBJ?

B: You know, it's been so long ago and I've read so much and I've seen him so many times since that time, it's pretty hard to come out and say just what was your first impression. Certainly his dynamics were very obvious, even at that time, because he knew how to get across his

points to the press very well. He left the impression that here's a guy that's a wheeler and dealer and a goer and a goer, and he never slowed down.

The main relationships in those days I had with him was back in this NYA period. And of course the Authority was entering into some projects during that time. I was back in Austin with the Authority now in existence. Well, for example, what was the construction camp--? The contractor that built Inks Dam and also they built a camp that later became the place--well, the contracts were made with the Authority and the NYA to employ a school there, an NYA school, a construction school. They built a number of things, including the fish hatchery, which later--this happened right before he went into Congress, that type of activity. As a result, again in the newspaper business, you covered those events and the negotiations for them. At that time, the Authority's board of directors was wide open to the press, their meetings were, and welcomed. And later they got away from that and then back to it again now. But he was always inviting members of the press to go along with him to some type of thing that would get him good publicity. It also made a lot of good information for the press.

G: Were you aware of Mrs. Johnson when you were at the university?

B: Yes. She was in journalism school the same time I was, but I wouldn't say too pronouncedly, except I did know who she was. She was not that outward going. There were some others in that class that I was in, girls that were more outward going, particularly one old gal from up

in the Taylor area named Adeline Bubela [?], a big Czech gal and so on. She kept everybody pretty well keyed to her and her humor and so on. But I do recall her, and we've had some conversations years later in which she recalled being in school together. She was not active on the Daily Texan.

G: She wasn't?

B: Not around me particularly. Well, everybody took J12, which is a reporting class that worked on the Daily Texan, but some of us went on and became editors and got involved in campus politics and that type of thing.

In this connection have you talked with Joe Hornaday, by chance?

G: No. Where is he?

B: Here. Joe's had cancer of the throat; I'm not sure how he speaks. I haven't seen him lately. He was in that class and he may have known her better than I did at that time.

G: His father was a newspaperman.

B: His father and brother. His father was head of the journalism school at that time, as chairman, as they were called then, of the department. His brother Walter was a Dallas News correspondent for many years in Washington.

G: Yes.

B: Joe and I grew up together, but that's not pertinent to this. I mean, this is the reason why I think of him on some of that.

G: Now then you, in 1936, became a political reporter with the San Antonio Light. That was the Hearst paper down in San Antonio.

B: It was partially owned by the Hearsts. That never was a hundred per cent Hearst paper. The Diehl, D-I-E-H-L, family retained part of the interest in the paper and had control over, interestingly enough, the editorial policy; they had the right to not run the Hearst editorials that would come down by teletype or something.

G: In this connection, did you have any acquaintance with Maury Maverick?

B: Only as a congressman. He was congressman at that point in time. I got to know Maury--and I can bring dates back--when he had left the Congress and decided to run for mayor. One reason why I got to know him, and I'll have to digress a bit, but the city council or city commission--it was a mayor-commission form of government--split up politically among themselves, mainly over a problem with the tax commissioner in which the Light and I [?] sent his son and some other of their employees to the state penitentiary on some manipulations on equalization rolls, as they were called then, which had helped split up the council. They had previously run as a ticket, but in this case the mayor was all by himself, that was C. K. Quin. The tax commissioner was all by himself. The street commissioner and the water and sewage commissioner, and the parks commissioner ran as a ticket.

I was young, married and had a child, so the San Antonio Light was not paying magnificent salaries, so I was offered employment from the three commissioners to write their radio spots for them. About the same time, Maury entered the race. I had met him basically through J. C. Kellam, Jesse Kellam, in the NYA time period. And Maury asked me to write him some radio things; he was running against these

guys. Actually, he was running for mayor. So I had a lot of fun there for about three months writing radio speeches on one side and answers then on the other, but it never got out that I was handling both of them. That's where I got to know Maury pretty well was during that campaign.

So when the election was over, he had a lot of--well, I should digress again briefly. Back in, I forget the exact date, but it was coincidental to the Texas Centennial, San Antonio had had a bill passed that allowed cities--well, actually it was a constitutional amendment--cities over a hundred thousand population could levy an ad valorem tax up to ten cents on a hundred dollar valuation for municipal advertising purposes. San Antonio had gotten that passed, but that had not been levied. Maury decided he was going to levy that tax and get into an advertising program, in fact, had run on that basis, to build industry and tourism and so on. And he offered me the job. It was about three hundred dollars a month more than I was making on the Light, so I accepted it. It turned out that what he was really anxious to have was somebody promoting Maury Maverick as much as the city, which was understandable. Maury and I were good friends, had gotten to be good friends.

But there again, one day he called me up, one Saturday, and said, "I want you in the office at eight o'clock in the morning, Sunday, got a new project." By five o'clock that afternoon on a Sunday he had gotten hold of Kellam and he had the La Villita project all under way

with the NYA, that and gotten with the San Antonio Public Service Company and gotten the land that they owned into the hopper and so on.

G: Whose idea was that to restore La Villita, do you recall?

B: Of course, Maury always said it was his, but I suspected, and I can't call the name, but anyway, the architect that's pretty famous down there that worked that thing, and I can't call his name.

G: O'Neil Ford?

B: O'Neil Ford. I really think it was his. He planted the idea.

G: Why do you think that? Did you have any evidence that O'Neil Ford was a part--?

B: Well, only to the degree of interest he showed in it all the way through. He was not at the meeting that morning, that Sunday, but he was in everything else from then on. But Johnson got back involved in that, even though he was gone, but he and Maury were pretty good friends.

G: What did Johnson have to do with La Villita, do you recall?

B: I think only from the standpoint of helping funding from the NYA standpoint.

G: Let me ask you to talk about the political relationship between Maury Maverick and Lyndon Johnson.

B: Well again, I was pretty much on the sidelines there, I'd gotten out of the--well, back before I went to work for Maury, of course he was in Congress and I didn't see him that much. But one guy that everybody in San Antonio newspaperwise, particularly if you're dealing with political-type matters, stayed around a lot was Dan Quill, the postmaster.

It was through Dan I think I met Maury the first time. I haven't gone back and searched my memory on this; I'm really talking off the top of my head at the moment. But as I recall, the first time I saw Johnson and Maury together was at a gathering west of San Antonio--where in the heck was it? Anyway, it was a pretty good invitation political gathering, but I've forgotten exactly where it was. It was out west of town someplace.

G: Did Johnson help Maury in his campaigns?

B: I don't recall him appearing at all in the mayor's campaign. He didn't help him in his last campaign for Congress, you know, because he was defeated. But then I think that was strictly a local issue in that case.

G: Anything on Maury's corrupt practices indictment?

B: Not really. I don't recall any details on it.

G: I know Wirtz was one of the lawyers.

B: Right. Yes. Beyond that, I'd have to go back and do something to refresh my memory on that, but I just really don't have any recall.

G: Anything else on your San Antonio experiences relevant to--?

B: Most of my San Antonio experience was strictly related to the local political scene.

G: Okay. Anything on San Antonio's position in the whole development of the Lower Colorado River?

B: Well, San Antonio as such was really never too much involved. The power company there, San Antonio Public Service, was part of American Power and Traction, [which] was the holding company. The manager, or

the president of the subsidiary company, was quite active in local activities, and I'll think of his name in a minute. But I never did see him too much involved at all in the creation of the LCRA, either for or against.

G: How about anything on the Comal Steam Plant?

B: Well, that came along later. That was after the SEC ordered American Power and Traction to divest themselves of--well, see, the Public Service Company had electricity, gas, water--I take it back, not water, but transit. They told them there was a monopoly situation and they were to divest themselves of all or part of that. They decided then to go into municipal ownership and initially I think intended to retain the electric, but the package, the only way the city would handle it is take it all or none. Now, the city did not want to operate a power plant in another county. The Comal power plant was in Guadalupe County at New Braunfels. They offered it to the LCRA. Prior to that point in time the LCRA act had been amended, due to again the private utilities in the Dallas/North Texas area, to prohibit the Authority from having--originally it was an act prohibiting any steam generation, any thermal generation, and it was amended to allow it, but only within the ten counties of the district. So they thought there was no position to buy [the plant] and worked out a deal with the Guadalupe-Blanco River Authority that they would buy it and the Authority would lease it and operate it. Now that's a long story in itself, the legal complications in that, but Wirtz was extremely active in that.

G: What was Wirtz' role in that?

B: Well, Gideon was the general counsel at that point of time, but his law firm was hired to represent the Authority.

G: What did Wirtz effectively do in this situation?

B: Well, it was quite a maneuvering deal. I'll have to apologize, because I was trying to remember the man's name last night for another reason and now I've got a mental block. But the general counsel and general manager of the Guadalupe-Blanco River Authority was an attorney in San Marcos, and I'll think of his name one of these days.

G: Oh, Cape?

B: Yes, Ed Cape.

G: Ed Cape.

B: Edward Cape. Cape and Wirtz were pretty close, and between the two of them they developed a lot of attorneys' fees, but they worked out the deal. Now, there's a senate investigation on that matter, and I have not gotten to that point yet in developing the details on the history, so I've not reminded myself of what I know. And again, I was not in Austin during that time, not even in the newspaper business.

G: One of the criticisms of Wirtz I guess during this period was that he generated an awful lot, just a huge attorney's bill.

B: Right. Now he wasn't generating too much from the LCRA in those early days. In fact, the record will show that about the first year he really didn't get anything. But later it got up, and in 1936 he finally entered a pretty good contract whereby--though there again, he was getting a fee, but that fee covered the use of his law offices,

telephones, law books, clerks, an assistant, and so on. I say a pretty good fee, it was ten thousand dollars, which in those days was a pretty good fee. I wouldn't say that directly from LCRA until about I guess the GBRA time did he earn much in fees.

In 1947 there was an attorney general's ruling that a state agency such as LCRA cannot have a general counsel that was not on its payroll.

G: Was that something that was aimed at Wirtz, do you think?

B: I really haven't researched that out at all. That's about the time I came to work for the Authority this was going on. Gideon moved over full time, but Wirtz continued as retaining counsel, which was legal on the other route. I'll probably have more information on that as I get closer to that situation. There again was a very comprehensive legislative investigation on that whole deal. It was under the guise of the management of the Authority, that was the title of it. Incidentally, Ed Cape's son-in-law is alive.

G: Mr. Thornton, is that it?

B: Bob [J. R.] Thornton, yes. He was on the LCRA board. In fact, I've talked with him recently on some things.

I'm going to digress a moment. I was not aware, and I've not verified this at all, that Ray Lee's wife was the daughter of Will Burnet, the county judge--not the present Will Burnet, but the father, although she's the sister of Will Burnet who's now county judge of Hays County and president of the Pedernales Electric Co-op--until I read it in [Robert] Caro's book. I assume that's correct. I've

known Ray real well, as well as anybody in that whole group through the years, and I never knew her in that connection. But Thornton mentioned it to me the other day.

G: Well, Burnet I guess was an early supporter of Johnson in the first--

B: Yes, in his first campaign and everything. He's a different individual than his son, too; he was. They don't even resemble each other physically.

G: Now evidently in the mid-thirties there were a lot of lawsuits filed against the Authority by the private utility companies.

B: There was one big lawsuit that was filed in what is now the district court in Washington, D.C., which then was called the Supreme District Court of Washington, D.C., by the EBASCO [?]--the Electric Bond and Share Companies in Texas which are the Texas Utilities and Texas Electric Service, Community Public Service. [They] all filed a lawsuit against [Harold] Ickes, as secretary of interior and as administrator of the Public Works Administration, attacking the constitutionality of using federal funds to build power plants and hydroelectric plants.

G: It was really I guess a suit against the PWA as much as it was--

B: Yes. Well, it was against the LCRA and, along with that, TVA, its mommy in it, but it was really local Texas, although they did it through the holding company, really shooting at LCRA. And the effect of it was it was tying up their injunctions to file, which tied up the funds; the PWA couldn't issue any more funds, without which the LCRA was not able to proceed with their construction.

Now Wirtz represented the Authority all the way through on that. But I don't think that you'll find there again that he drew anything much more than expenses and a per diem, which was pretty lot--I'd have to go back and look at that. But to me--that would not be in today's dollars--it would be rather insignificant even in those days. I think it all added up, as near as I can tell, to something like fifty thousand dollars during that year. I won't disagree though with your statement that he took advantage of that to make some rather large [fees].

G: Well, the litigation, do you think that that actually slowed down the progress of the--?

B: No. The Attorney General--Bill McCraw was the [Texas] attorney general at that time--furnished two lawyers, and how much support they really gave, the record doesn't show. So I think it's logical to say it was Wirtz and his ability to maneuver and his knowledge of the law in working with the attorneys on the other side. Within a relatively short period of time, a couple of months, they had the first injunction dissolved, which was the one that was holding up the money that had already been designated. They did delay getting additional funds till later, but it finally steamed around along for about three and a half, four years. But in each case though it never really at any point in time gave a serious delay to the Authority's project. Because the various injunctions were dissolved.

Incidentally, there's a companion lawsuit--this is pertinent because Wirtz was quite active in it, too. This was Duke Power

Company v. Greenwood County of South Carolina, in which the legislature in South Carolina had passed enabling legislation to allow local governmental units to build power plants. They, too, had had an application with PWA. When that lawsuit was solved in late 1938, it opened the door to allow local municipalities that were served by Texas Power and Light Company, or Central Power and Light Company, or Texas Electric Services--it so happens a number of them were in that area--to then--well, they opened the door to allow the Authority to sell the idea of voting to establish their own electric systems and to pass bonds and sell the bonds to PWA. So I mean Wirtz was active in that suit also because of its impact on LCRA. Although LCRA was not party to the suit.

G: All of these suits were pending before the Supreme Court or on their way to the Supreme Court at the time Johnson ran in 1937.

B: Yes, they'd been filed, and the first injunction actually had been granted before Buchanan died.

G: Do you think that within the Tenth District there was a feeling that the Supreme Court might rule the PWA unconstitutional and thereby--or at least suspending of PWA funds, say, for the completion of these dams and thereby cancel out the project?

B: I've discussed that with Judge Tom Ferguson of Burnet--the name is familiar to you, I see--because Ferguson was on the board at the time the suits were filed, and of course he was back on several times after that, but he always remained pretty close to the Authority, both as county judge in Burnet County and as an attorney there. He definitely

felt like that that--I mean I asked him, to his knowledge, was that ever brought out at all during the campaign. He said Johnson to his memory--of course he didn't travel all over the district with him--never really made it an issue in any of the speeches he made. But underlying there was a lot of conversation among those supporting Johnson that were trying to get this guy up there to take over where Buchanan left off and just see if we can't get this project moving.

G: Well, I wonder if this tied into the Court-packing bill?

B: Yes, I think it very definitely did, although it never had gotten to the Supreme Court. Now, this was not the U.S. Supreme Court at this point, this was a court that called itself the Supreme Court of the Federal--

G: But the Duke Power case was decided by the Supreme Court.

B: Yes, that went to the Supreme Court, yes.

G: And a Court that had already overturned some New Deal legislation.

B: --overturned New Deal legislation, right. A good point.

There was other little litigation going on around on local district levels all along through this thing of one type or another, primarily dealing with the land matters, some things kind of carrying over from the Emery, Peck and Rockwood, Colorado Hydrocorporation, Colorado River Company and so on, that really had no great significance but it did keep Wirtz and his assistants a little bit busy throughout the early years. However, I find nothing in the record to indicate he got any more money from that than what the retainer was on, other than expenses. I've talked to Gideon on that subject and he

doesn't recall--of course, I must say and I've said this to Gideon's face, "I'm not always sure you're an unbiased reporter, Sim," because he was a great admirer, in fact it was like I say, he was more or less Mr. Wirtz' protege, so he tries to protect his memory.

Incidentally, I might digress a moment, this is something that has not really appeared in print before. I can only verify the story from the two principals who were involved in it. But back to the power companies and the Dallas delegation continually to oppose the passage of the bill creating the Authority. Ferguson relates the story, Tom Ferguson, who incidentally was no relation to the Governors Ferguson--and you may have heard it--that a fellow named Chris Dorbandt, who's still alive and lives--Christopher D-O-R-B-A-N-D-T--in Burnet, who was a close friend of Jim Ferguson and his supporter, they were concerned with the failure to get the bill out, that all the other avenues had been exhausted on getting Hamilton Dam finished. They cooked up the idea they'd go down and talk to Jim Ferguson and see what he could do to get the bill out.

As Tom relates the story, they called him and he said come on down. They went into the Capitol offices of Mrs. [Miriam] Ferguson and Jim was there, and they discussed the problem. Tom says that Jim Ferguson leaned back in his chair and thought a minute, said, "Mama, I got an idea. I think we can help these boys out and get that project through. Let me cogitate on it and I'll get back to you."

Well, as he relates the story, the Fergusons called--the Governor called, both of them present--the Dallas delegation in. I'm paraphrasing

but she was reported to have told them that Texas Centennial was coming up in 1936 and she was going to have the sole authority to designate which city would be the headquarters and there would be a lot of state funds expended. I know for a fact San Antonio and Dallas were competing because I'd been on the San Antonio side of the competing. She told them if they'd see that that bill got passed out she'd see Dallas would get the Centennial celebration. Ferguson swore this was true, and unbeknownst to him, I hunted down Dorbandt and asked him, "What did you all do up there in Burnet to get that Hamilton [Dam], that LCRA bill passed?" and he related the same darn story, almost, not verbatim but the same thoughts. So, near as I can tell, the story is verified, no way to ask the Fergusons. Although in digression I might say my wife was working for Governor Jim at that time in his business office downtown. But she doesn't know anything about it because it was politics, state things, she's worrying about his egg and butter business and not the [politics].

Incidentally, the whole delegation voted except Mrs. Hughes. She did not vote for that, the bill of record showed.

G: Anything on Johnson's 1937 campaign that we haven't talked about?

B: No. I had just had a baby and was just getting ready to go to work for Maury Maverick, and I'm really not near--of course other than--I know Maury was helping him, but beyond that I wasn't back in Austin or in the district enough to really [know].

The Senate campaign is a different matter. I got involved in that.

G: 1941?

B: Yes. Again, I was in the newspaper business, but I almost got fired from working for him, because I was working on the old Austin Tribune.

G: It seems to have been more common in those days for members of the press to sign on with campaigns.

B: Oh, yes. Yes. On that, this is way off of what we're talking about right at the moment, but you know Raymond Brooks was the Capitol man for the Austin American-Statesman, he's also an editorial writer. [He] was appointed to the [LCRA] board early, and of course [Charles] Marsh was friendly with Johnson, I think again through Wirtz initially, as I recall the conversation I've gotten from the people over on the paper. But a fellow named Gordon Fulcher was on the paper. Gordon at that point in time was city editor on the morning side, the American. Brooks got him involved pretty much into handling publicity for the LCRA in the early days, particularly when they got into sales, into selling these communities to join. But I've got a bunch of Gordon's old files, the LCRA files, but some of them are not on just LCRA. It's quite obvious that he had instructions to make Johnson look good on any writing that was done about him during the campaign and after his first years in Congress particularly.

G: Well, now, are you talking about the 1937 campaign?

B: I'm talking about the 1937 campaign, yes.

G: Really? Well, did the instructions come from Marsh?

B: That's the implication that I've gotten through the notes between Brooks and he. When it refers to the old man, in my experience in

newspapers or in business, you're really talking about the top man when you're talking about the old man, not [Louis] Goldberg, the business manager, or Charlie Green or somebody like that.

G: Yes.

Tape 2 of 3

G: You were talking about the litigation. Let's talk some more about the battle with the private utilities. Is there anything else in terms of the court battles that you feel is relevant?

B: No, I believe we've pretty well covered it in summary, except that this was an ongoing thing. In terms of the litigation, I have a memo that Wirtz wrote to the board summarizing all the work he'd done in the legal matter for the board up to the time that plants--well, it followed after [Clarence] McDonough became general manager. This was in the time that he was really arguing he wasn't getting paid or not and I think you might be interested in that.

G: Yes, I'd like to see it.

B: Unfortunately, a lot of those things that he did and others did were not dated. It's one of the big problems I had doing research, trying to put it in a point of time is kind of difficult sometimes.

G: The creation of the co-ops and the elections, the public power elections, where the cities decided to throw in with the public power, did you have any involvement in these or were you aware of--?

B: Only as a--again, part of the time I was a reporter, it was still going on. After I came with the Authority, Georgetown, Yoakum, Halletsville and Shiner joined the Authority, and there I was on a

little different [position], it was not quite an unbiased position because I was trying to help convince them to [join]. Well, they were not solicited to join. The ideas came from them. But they had fights within the community. But they were municipal already; they were not leaving a private power company.

G: It seems that the first elections came in areas where there was a good chance of passage, like Blanco was an early one I think.

B: Interestingly enough, I thought that, too, until I got to finding out what the first nine were, and some of them came from way down south. I thought, too, that the ones around the dam area that were close by would be the ones that came in first. But Kyle, for example, was one of the first eight that voted to come in. Gonzales.

G: I know that the vote in Gonzales was very close. Why do you think that was?

B: Central Power and Light. I lived in Gonzales for a while and I know the people down that way. I could see that. It really was not a real progressive community, they were sort of self-satisfied. They were still fighting the Texas Revolution, actually. Knowing, too, the men that were the Central Power and Light managers at that time and all the type of individuals they were, the personality, I could see, they're pretty much homegrown boys. Fellow named Carlos Smith, Carlos is still alive, barely. He was well thought of. He was manager. After the city bought out, he became a member of the city council. After he came back after World War II, he became manager for the city standpoint.

G: Anything else--?

B: His son lives here in Austin.

G: Really? Anything else on these elections? Power companies' attempts--?

B: Well now, back to Fulcher. I can't find a copy of these unfortunately; I haven't so far. They put out two editions of the Colorado Light, which was a newspaper. I can't find a copy of it so my memory may be bad, but my memory was that Johnson was quoted at length in a couple of those--they only put out two editions in support of it and both on the rural side as well as on the municipal side, but primarily on the rural side.

Speaking of the rural side, are you aware that E. Babe Smith is still alive and have you talked with him?

G: No, I haven't.

B: I've got his phone number and his address, not with me. He lives in San Marcos now. My former secretary at the LCRA grew up on a ranch that bordered with his ranch up in Lampasas County.

G: He did a lot of the work in --

B: I'm going to get to him. I've been putting it off until I got to that point. And then I'm going to put off one of these days and lose talking to him. Babe was very close to Johnson.

G: Anything else on Johnson's role in the elections?

B: No. No. His role was primarily, after an initial period of time in Congress, with Ickes and the PWA, particularly in regard to the various pending loan and grant applications. I mean, they were pending when he went up and then the problems on the change of the height of

the dam and so on and that financing. Of course all the problems related to the fact that it never was an authorized project and it's being built on nonfederal lands. Of course, Wirtz spent a lot of time in Washington. The minutes reflect that he spent a lot of time in Washington during those formative years.

G: Do you think it was primarily Wirtz who helped the Authority over these problems?

B: Yes, I think it was. I think Wirtz again knew how to use the people that would do him the most good, in the case of both Mansfield and Buchanan. Of course, Wirtz came from Colorado County and Mansfield had been all types of local official down there in the time that Wirtz was growing up. By that I mean anything from JP on up to judge and so on, county judge, district attorney and prosecuting attorney. So I mean he had a relationship there that carried over. Wirtz used anybody he could to get the job done, and that included Johnson.

G: Did you have an opportunity to observe their relationship during this period?

B: Yes and no. I wouldn't say on any type of regular basis. It would be primarily an event-related type basis or the appearance before the LCRA board type thing. I was covering for the papers the board back in the [beginning], the first board, and then when I came back and I was on the Tribune.

G: Let me ask you about the selection of a general manager.

B: The first or the second?

G: First. There seems to have been a lot of interest in appointing a Mr. [C. G.] Malott. He does seem to have had a lot of qualifications that may have been applicable at the time. Why do you think he was passed over?

B: Well, I've been examining that a bit because it's a good question that I couldn't find a ready answer till I started digging back into the files. Of course, he was Morrison's man. He was an electric utility operator, experiencewise. The inference is, the only thing I can draw from it and it's almost direct quotes, which I can't give you right now, but I've got it in the research I've done, that there was a feeling that he had not divorced himself from Morrison and that he was not going to be loyal to the aims and objectives of the board at that time. That first board didn't have too many Colorado River people on it, valley people on it. But the ones they did were pretty strong; [Roy] Fry and [Roy] Inks and [Thomas C.] Ferguson.

I talked to Ralph Yarborough on this, incidentally, and I haven't got much information. He does not recall. You go back and look at the record, and I'm not saying this critical of Ralph, but he didn't attend a whole lot of meetings. I don't think his heart was in the job. He'd been in the attorney general's office and here he was getting ten dollars per diem, no expenses, and he was out looking for good employment. Of course, he was appointed state district judge in Travis County and resigned from the board. So really he wasn't there the whole time. But he carries away the feeling that Malott was not for anybody but Malott and Morrison. He wasn't for the project. The

record shows pretty clearly in the minutes of those days that he was really crosswise with Fry and, well, members of the board that were real active in the board activities.

G: You mean Malott was?

B: Malott. And I did run across in the files in the Library here a couple of memos, really more memos than letters, from Wirtz to others, primarily to Ickes, that wanted Malott. It said, "I don't believe there's a chance that the majority of the board will take him."

G: How much influence did someone like Wirtz have over the early board?

B: Well, I think he had the influence by virtue of the fact that here is a man that knew most of the scores and who had been--well, he had done the type of things that needed to be done there for other people, that these poor guys that were named to the board who really didn't come from any skills that put them into those type positions, with the possible exception of Ferguson. I think, again, in his behind-the-scenes approach he probably, knowing how he worked, the way I've observed him work, would get with one or two of them and get them sold and they'd carry the ball in the board meeting. But I think he probably is the boss on it.

Put yourself in the position, as I tried to do, knowing some of them personally. Here are nine guys, one of them is a labor conciliator in Fort Worth who probably knew how to maneuver but knew nothing about the subject that he's working on. One of them was an insurance man, head of a Better Business Bureau or credit bureau in Abilene, C. R. Pennington, and I've got to take my hat off to him because he was

right in the big middle of the West Texas Chamber of Commerce and that type of situation. Fritz Engelhard, I knew Fritz real well personally. He was a rice farmer but quite a local politician and he knew his way around the legislature pretty well. He followed Wirtz pretty closely, because they'd been in the legislature together part of the time. Raymond Brooks I've talked about, I think he had pretty good judgment value, dealing as a reporter on things. But here are a bunch of guys that really didn't even know each other too well suddenly thrown in the hopper. Here they've got this big organization, this big problem, no organization. They can lean on the guy that's been helping put it together. So the early minutes show very clearly that it was Brooks and Engelhard and Fry that were really carrying the ball. The rest of them may have made motions, but that's sort of courtesy. And behind that it had to be somebody that knew his way around and knew how to handle things as well as Wirtz did that was really calling the signals. It doesn't show in the record, that's the trouble. The record is not good in those days, I mean, it's not a good record.

G: After the initial year or so, Johnson seems to have gotten displeased with the board.

B: I think he got displeased earlier on than that.

G: Really?

B: I have copied, it's in the files here, a letter he had written really taking them to task, "You came up here, you promised me you're going to go back, you're going to do a lot of work and come in and get all this stuff together for this next loan operation, you're going to be

out talking to these cities. And here it's some months gone by and I haven't heard a word from you"--this is almost the language--"I'm getting calls from the cities and I don't even know what you've talked to them about or what you're telling them, and Congress is about to adjourn and we're going to run out of time. Now, if we're going to get this money and we're going to get these things done, we've got to get going. Why don't you guys give me the courtesy to keep me informed of what you're doing?" I think there again I'm not so sure that--well, some of these people had been so close to Buchanan, they were probably not quite ready to accept Johnson.

G: Is this just speculation or do you have anything--?

B: I'm thinking primarily of those outside of the district.

G: But did any of them ever express this to you personally?

B: Engelhard at times would make derogatory statements about him, "Well, we've got that kid up there now taking a man's job," you know, that type of thing. I don't know how it was that Fritz and I got along so well, but even after he got completely away from things I'd still hear from him down at Eagle Lake or he'd come up and see me and so on.

G: Johnson seems to have really been disappointed with the board as time came on. It seems to have been one of his real problems.

B: I can understand it, because again I think that I've witnessed boards for thirty-seven years, so I can understand how everybody would get just disgusted with them, because they just don't--a board--the trouble was, they thought they were the Authority--which they were

legally, I mean it's the governing body--but they won't always move and do anything.

G: Do you think that this had anything to do with John Connally's being appointed to the board? Did Johnson or perhaps Wirtz push this?

B: Yes, I have a very definite feeling that was true, but I can't prove it.

G: Well, Bascom Giles is the one that appointed Connally.

B: Yes.

G: Bascom Giles' son went to West Point, I guess, one of the service academies. I just wonder if you think that this was a quid pro quo in order to get people more in tune with Johnson's thinking on the board. This was 1941. Had you ever heard anything to that effect?

B: No, except of course you know he was appointed from Blanco County. Didn't even live there, but that's where he was appointed from. That sounds to me like there was a make in the appointment, I mean it always did to me, that there was--I've always just assumed that Johnson was behind it, just from that, no other reason. Why would you pick a man and get him on a board? John had not gotten that active in anything except working for Johnson in political situations at that point in time, other than the time when he was in the University [of Texas].

G: How about Charles--was it Matula?

B: Yes.

G: Was he also an adversary of Johnson's?

B: Charlie Matula comes out of that Czech-Bohemian racial background in the town of Schulenberg. I never found Matula friendly with anybody.

He was, I would say, somewhat an obstructionist on a lot of things. Well, he was just against spending money for one thing. Now beyond that, about a relationship with Johnson, I don't know. I think you'll find that Carl White and Bill Arnold when they were on the board were closer to Johnson than anybody else other than the ones right through the local area.

G: White was from Port Arthur, wasn't he?

B: Port Arthur.

G: Now Coke Stevenson had a lot of appointments, I guess at least nine. My question is, did this create a temperament on the board that was anti-Johnson?

B: Well, I knew quite a few of his appointees, and I was attending--this was after I came with the Authority--a lot of the board meetings, and I don't recall anything that really would show that. The two that--well, he appointed a fellow named P. R. Hamill from Bay City, Matagorda County. P. R., his father was the man who was the driller on the Spindletop oil well and had moved over into Matagorda County. P. R. had one of these situations that you hear about sometimes. He was a banker, wealthy man, a very nice fellow. He thought he was having high blood pressure leading to a heart attack. Later it was found he was wearing too tight of collars. But his doctor advised him to get out of all outside activities and slow down, so he came up to see Stevenson and told him he had to resign from the board. Stevenson asked him who would he recommend? He recommended the president of the other bank, a fellow named J. C. Lewis. I've used that in industrial

development to point out what kind of town Bay City is. Here the bankers work so closely together they recommend one another to jobs. But anyway, both P. R. and Lewis--although Lewis was more conservative than him--were always very fond of Johnson. And Lewis spearheaded a project that I worked with Johnson on when he was Senate majority leader, on a barge channel down in that end of the river. But Mr. Jim was--they were both Stevenson appointees and they both were supporters, so I don't know, that's the only two that I can have any direct [knowledge of]. It could have been there was some enmity there that fed over, but I don't recall any of the others ever really reacting.

I think the main resentment that occurred in the board members that I saw is that even though they were having to get along with the federal government on the loans and grants, I think there was still a built-in resentment of federal people interfering with us.

G: They wanted the money, but they didn't want the strings.

B: Yes. Regardless. Although Buchanan was a little different, because you see, he'd gotten started back in 1915 working with the Colorado River Improvement Association, which really started the whole thing, even before Ickes ever got on the scene and Mansfield, too, was active in that. So they'd been working with these local people. And Johnson was a newcomer from that sense. And I do know that some of them did have some friendships through that association with Tom Miller as mayor and helping out on a lot of things. Walter Long here in town, who was Chamber [of Commerce] manager, was secretary of the association.

I think a lot of that may have carried over from that relationship in the past.

G: What was Miller's relationship with the Authority? Did he seem to be in sympathy with the Authority's policies?

B: Knowing Tom real well, I'd say that his relationship--he was selfish for the city of Austin, and his relationship was whatever he could get out of the Authority that was good for Austin. Beyond that he didn't have too much.

G: My impression from reading through the files is that Johnson seemed to differ with the board and with Miller on the rate structure, that Johnson favored lower rates.

B: Yes. Johnson liked the yardstick-for-power philosophy that [David] Lilienthal and others at TVA and so on had. I think part of that was--well, the problem with Miller on that was that if the LCRA went as low on those rates, he was forced to do the same thing in Austin. He was still looking at the prospect of what's going on still today, the transfers of large blocks of money to keep the tax rate low, spread it across. Tom always used the argument, which is still a valid argument, that all the tax-exempt properties in Austin, that they use electricity, so we'll tax them through the electric system. I never did have the feeling that Tom ever--he would use Johnson when it was to the city's advantages, but then after that there wasn't that much cordiality really there, from his standpoint. I didn't think he ever acted too warmly towards him. I've been in his office when he cussed him like everything.

G: Anything in particular that he disliked Johnson for?

B: Well, Miller wanted to be one that he controlled anybody that he had anything to do with, and he couldn't control Johnson for one thing. And of course he also had the feeling that Austin was the most of the votes and Johnson spent too much time on things throughout the district, too. Tom was a complex individual, really.

G: Do you think he ever considered running against Johnson when he was in the House?

B: I'm sure he did.

G: Did he ever talk to you about it?

B: Yes, he'd mention it, but I think that some of the money boys like E. H. Perry and others would not really dig deep on it. Yes, he had ambition of being more than the mayor of Austin. But he also though--you know, I don't know whether you know or not, I can't put a date with this but he had had a mental problem or psychological problem as a younger man and was actually out of circulation for a while. He always tried to keep that covered up, but there were some people that knew about it and they were always a little bit scared of him for what might happen if he gets under a lot of duress.

G: My impression is that he had some problems during the war with the OPA in which Johnson helped him. Are you aware of any of this?

B: Let's see. I should remember something of that.

B: I mean with hides.

B: Oh, that was his personal [business]. I was thinking of the city, yes. Yes, he did on that hide business, that's right, yes. Well, I

don't know that Tom and Wirtz were ever really close, but I think they respected each other and used each other's talents as much as they could.

G: Did you have a chance to observe the relationship between Johnson and George and Herman Brown?

B: No, I never saw them together.

G: Or A. J. Mackenzie.

B: Nothing at all on that. It's rather funny, too, because I knew Herman Brown personally pretty well. He courted his wife on the front porch of our house on Guadalupe Street where Dobie Center is now. We rented out rooms at the back and had an apartment. His wife stayed there while she was in the university one year.

G: Margaret [Root].

B: He used to come visit with her and had a swing up on a big porch on the front. I was I guess in high school about that time. I knew him just as a guy that was coming by seeing a girl, but you know, he always knew me by name ever after that.

G: That was before he became successful.

B: Yes. That was before he hooked in with the Roots at all, yes. Like I say, also when I was in the university, his nephew was in journalism school with me. Brown Booth is who I'm talking about. I don't know whether you've ever run into Brown or not. Have you heard of Brown Booth?

G: No.

B: Brown is his nephew. Brown was in journalism school the same time I was. He later became city editor of the Austin American and then went down, joined the Browns when they went into the shipbuilding business and later stayed with them. In fact, he stayed with them until he retired. But Brown was pretty active in helping--he was Herman's friend, not George's, they're both uncles, but I mean--he was pretty active with Herman Brown in those days on handling, behind the scenes, a lot of their publicity and stuff.

G: Is he still living, do you know?

B: Yes. He's got the Atlas Travel Agency in Houston. He's never there. He owns the thing. He's got a place out at Timpson and he spends a lot of time around there. My son will be up this weekend and he'll know where he is--he represents him--where you might find him. Be worth talking to Brown.

G: Yes.

B: As I recall it, he did get active in some of the Johnson campaigns.

G: Okay.

Now, anything else on Johnson and the lower rates?

B: It's my memory, and I have not researched this because I have not gotten that far, but it's my memory that he was responsible for getting the TVA people to come down and confer with the board on the TVA rates, rate structure. And the Authority did adopt them. [Julius A.] Krug was with TVA then and later became secretary of interior and Lilienthal and I remember Lilienthal being there then. I remember the board meeting which they had been to at that time.

G: Johnson also seems to have been more enthusiastic about soil conservation than the board at the time.

B: Yes. I was there then and got involved very definitely in that. Two things happened there, and I don't know why Lyndon went that way, instead of writing--well, let me say this, I don't think that Johnson and [Max] Starcke ever got on a good personal relationship. There seemed to be an arms' length situation there. Gideon handled the relationship more than Starcke did. And there are a number of incidents, unrelated to the soil conservation thing, actually related to PEC and what used to be called LCREC, the Bluebonnet, which is Lower Colorado River [Electric Cooperative], and the operating agreements there. That's where I think really the friction started between the board and Johnson.

G: Can I ask you to elaborate on that?

B: Yes. I don't want to forget the other question, but if you remember it. When they organized the Pedernales [Electric] Co-op, of course there was a lot of problems even getting it organized. I'm familiar with the story of Johnson's being able to sell that, because of the lack of the numbers of people along the lines problem. Because of all of that, Johnson was concerned that these farmers and ranchers out there would not have the ability to operate that facility. And of course the Authority had managed building their lines for them. Brown and Root built a lot of them and had a fellow named Lee McWilliams [?] on the LCRA payroll to supervise all that. And originally, what was Pedernales Co-op combined an area that includes what is also now the

Central Texas Electric Co-op at Fredericksburg; they were all one big [co-op], there was only one co-op. Of course then initially the attorneys and so on were all in Fredericksburg rather than Johnson City.

Johnson was concerned--and I'd heard him say this--that they're good men but they don't know how to run an electric utility. And so he convinced the board, and I've heard, and I can't put a name which one, but I remember the consensus of the board was this was shoved down our throat, [he] forced them to take on the management on fifty cents per customer fee. And the Authority was losing money on that basis and complained, and there was one meeting in which they agreed to increase the fee, but they continued to operate it on that fee basis until later. I can't put the dates with this, but I'm thinking this is after he had gotten to the Senate and was not working that closely with the co-op then. I may be wrong; I don't remember Homer Thornberry being involved in it. But later arrangements were made to get off of the fee basis to an incremental basis. But that did cause friction between the board and Johnson through that period, which started in about 1939 and ran on for some time.

G: How about Bluebonnet? Did that--?

B: Bluebonnet just went right along. They're a different group. They're conservative people down in that area. In fact, Bluebonnet never really--well, this is getting over to the point of really getting about somebody else. I don't want to get into a libel or slanderous

situation. But there was an attorney by the name of Alfred Petsch in Fredericksburg--

G: Colonel Petsch.

B: --who preceded A. W. Moursund as the counsel for the co-ops. And down in Giddings, there was Richard Spinn, who was the county judge, but he was also the attorney for the co-ops. And one thing that the LCRA board was always very disturbed about, and I'd, attending board meetings, hear conversation on this that how these attorneys were raping the people of those co-ops by exorbitant attorneys' fees, when the Authority was doing all the work anyway. Other than that there never was a whole lot of disturbance or any problems between the LCRA and the Bluebonnet Co-op as there was with the problems of the Hill Country. But I don't think, although it was in the Tenth District, most of it was, I don't recall Johnson ever having as much to say about the Bluebonnet as he was on the others.

G: Anything else on Johnson and Starcke, the friction there?

B: I really don't know why they didn't have a warmer relationship.

G: Could it have to do with Democratic politics? Did Starcke support people other than Johnson?

B: Well, of course, he wasn't in Austin at the first election. I really don't know where he stood on it. Starcke again, it may have been will, a clash of two strong individuals, [they] have different strengths but they're both still strong. Starcke was a complete egotist but not obnoxious in that fashion. He was more subtle. Starcke was for Starcke. Of course, he and Wirtz were very close. In fact, Wirtz was

responsible for him coming to the Authority. I think it was an ideal choice, there's no question about that, at the time. I don't think McDonough ever warmed up to Johnson either particularly. I don't know that McDonough ever warmed up to anybody really. He was just very much an executive and engineering type, and he wasn't a very friendly individual.

(Interruption)

G: We were talking about Johnson and his relationship with Max Starcke. Now you were going to go into the soil conservation thing.

B: Yes. Of course, the act of the Authority speaks to forestation and reforestation, that's the only reference it made to anything that would be related to soil conservation, other than flood control. Of course, the philosophy in agricultural areas that flood control starts at the highest point on the land and so on. But one reason that program was not met with open arms is that for some reason Johnson did not write Starcke, he wrote Grady Faubion, F-A-U-B-I-O-N, who was treasurer of the LCRA and made this whole proposal to Faubion. Faubion was from up in Llano County. He did come out of the ranching areas, but he had been treasurer for twenty, twenty-five years at that point in time, twenty years anyway.

That did not sit real well with Starcke or the board. If Johnson wanted to talk to the board, he wanted to talk at least to the general manager, not the treasurer. Plus the fact he held up--Johnson's letter or in his proposal--the San Jacinto River Authority as a good example of doing a soil conservation job. Well, the San Jacinto River

Authority consists of one county and is not in the electric business. That sort of said, well, don't use that as an example. Here we're a bigger organization and got more problems and all.

Now, a similar letter of course went I think to Ed Cape--I'm not sure whether it went to Ed or to--they didn't have a general manager at that time so it was bound to have gone to Ed--that the GBRA ought to do the same thing. Of course, the only money that GBRA had was the rent that the LCRA was paying on the Comal power plant. So they did have some funds. The board's inclination was first to say to heck with it. I'm not sure that it will show on the record anyplace. I remember at the board meetings there was quite a bit of anger about the thing, this trying to shove this thing down our throats. See, Wirtz was no longer general counsel and was not attending board meetings, and Gideon was of the legal opinion that forestation and reforestation did not mean soil conservation. So they sort of stalled on it for a while. He started turning in the screws, Johnson did, to get them into the thing. They responded, as I recall, and asked him to suggest what type of program, and he came back with a plan. Now, this I think is where really the problem developed is that--and I may have been partially responsible; I was involved in this deal. At least Starcke turned it over to me to try to get the [thing settled].

When we went out and hired Caesar [H. C.] Dutch Hohn as supervisor over it, he came up with some ideas we thought were better than Johnson's ideas. Now, Johnson's idea was to go out and buy a bunch of machinery and go out and do the work ourselves. We had two problems.

The Authority is restricted to do this work in the ten-county area, but the Authority was selling electricity in forty-one counties: in Washington County on the Brazos River and over on the Guadalupe River and on the Blanco River and so on. And the question was, should we use electric revenues derived from people out there where we're prohibited doing any work on their lands?

G: I see.

B: So that was the first problem that came up.

Secondly, there was a lot of opposition within the board to the thing at all, but certainly not to go out and spend a lot of money buying a lot of machinery and hire a bunch of operators to go out and do work for free on a bunch of farmers' farms. When Dutch Hohn came in, he thought--well, he had a philosophy that he had been carrying out himself for a long time--that in the federal agencies and in the state agencies and the agricultural field, there is enough free advice that if a farmer would follow all of it, he could turn his farm around and make a profitable operation out of it, both in preserving and making more fertile the soils and also doing other things. So we came up with the idea of a series of example farms, four per county, in which, with the leadership of the Authority, we pulled the federal and state agencies in, and they'd sit down and make a plan on this farm. The co-operator would have to agree to do all of that and he'd get all the machinery the Authority was buying for soil conservation work free on his operation. Along with it we set up soil conservation councils in each county, and rather than operating the machinery ourselves, the

Authority operating [them] itself, we turned the machinery over to the counties to operate. Now the councils were not a political agency; they were not in the county commissioner's court. They were people chosen by the farmers themselves in the counties, the rural people themselves, to represent them. And this is not what Johnson had in mind, and there is considerable correspondence back and forth, or at least correspondence from him, taking people to task for ignoring his plan.

G: Did he ever talk to you about it?

B: Yes. I was in Washington on something else one time in his office, and I got the Johnson chewing-out treatment pretty good. He said, "I've learned now that you all been blaming Dutch Hohn and it was all your ideas! I know darn good and well you're the guy that did that!"

G: Was he really mad at you about it?

B: Oh, I think he was upset, but I don't think he was mad. No, I mean it never did carry over. He got mad at me later when I turned him down going to work for him, too, one time, and I'd hear about that for a couple of years later. But anyway, I think we had a good program, and he later agreed in conversation that it was a better program than what he saw. But I've always told him, "I don't think that's your program. You've got some guy over at the Department of Agriculture to come up with that."

G: How did you determine whose farms would be the sample farms?

B: Well, number one, they had to be recent purchases. We wanted a virgin farm, not an old farm. I mean, one in each precinct in the county.

Two of them were to be young people just starting; they were going to be more receptive we thought. And the other two would be existing farmers. I've been very proud of the program, looking back on it, because I can still see a lot of people who were example farmers who have not only been good farmers but have taken on the responsibility within the communities. Wharton County, for example, one there, it so happens his grandson now works for the LCRA electrical engineering business. But they were just young marrieds. They were quite in debt on this farm, and they paid it off in five years. He managed this thing, went on and ran for county commissioner and was a county commissioner down there for years. That type of thing. But I think it proved that we were right. Frankly later, I mean this is years later, but Johnson still had it in his craw though that nobody did it the way he wanted it. But he later admitted that it was not a bad program. He never did say it was a good program, but that's personal conversations.

G: What was Johnson's role in getting the fish hatchery for Inks Dam, do you know?

B: Well, now this is strange, I've just been over the fish hatchery situation. I can't--I'm blank. I can't get back to now just exactly who kicked it off. I know what his role--the NYA built it. I don't have him identified as being the one in communications with the board of saying will you give some land to it. They wanted originally seventy acres--it dropped down to eleven acres--from the Authority. I'd have to go back and look. I'll check that point out if you like.

G: In the files, the thing that we see so much is Johnson spending a weekend out at the administration building at Lake Buchanan, getting a lot of his friends or supporters or postmasters from the district.

B: That was not built until after he was I guess into his second term. There again though I know he helped in getting approval out of Ickes to expend some PWA funds for the construction of that building. Of course it was built by the NYA. I've seen a little bit of the correspondence between Johnson and Starcke--it wasn't with Starcke, it was with the chairman of the board, who was Engelhard at that time--about the delight [?], the location they proposed to put it. That's just about all that's really said. But that indicated he was involved in it.

G: Do you recall anything of Johnson using that facility?

B: Yes. I mean, everybody, not everybody, but a lot of people did. For a long time it was not made available to the public. It was kept wholly as a--the label of the administration building was a complete misnomer; it was never used as offices in any fashion and pretty well restricted to the friends of the Authority that needed to have a gathering spot until later when it got involved in a Texas Legislature investigation on the thing, because some people had been turned down, a state representative, because somebody high ranking had it. It was the guy from Marble Falls named Tom Martin [?].

G: That's not the Tom Martin that was LBJ's cousin, was it?

B: No, no. No relation. He's a younger fellow that came along later. Didn't even come from there, I don't think.

G: Now, but I'm just wondering if Johnson's frequent stays there, meetings there, activities, trigger any memories?

B: Not really. It may if I get to thinking about it, but not offhand it doesn't.

Strange I can't think of the background on that fish hatchery, because I've just been over that recently.

(Interruption)

--co-ops, the rural electrification side. Johnson was very active in the--this was during the time that they were still trying to sign up people to pay their five dollars in and agree to be a customer--in developing through the REA administration in Washington what were known as electrical fairs. He took a great deal of interest in those, and there's quite a bit of correspondence in the files. There again I think Gordon Fulcher was the one who was really doing the PR-type thing. He was on an unofficial basis with LCRA to do this. He appeared at those quite a bit. There were I recall five held in the Bluebonnet, or LCREA, area and the PEC area, in which they demonstrated the uses of electric appliances and the benefits to the housewife and to the farmer and so on. All indication was that during that era he was in the district quite a bit trying to get the co-ops operating properly, or at least the members of the co-ops using the power properly. I remember writing stories of incidents where people would turn on their electric lights to see to light the--

B: Well, as I say, I don't know whether there's much more to add, except that the record shows that he spent a lot of time in the district during the time to help get the farmers to learn all the benefits of electricity through these electric fairs that were put on. People came down from Washington, REA administration, Department of Agriculture, home demonstration agent type people, but they were demonstrating cooking. I can recall--well, incidentally, I have copies of the press releases that Fulcher wrote on all those fairs that may be of interest to you. And some clippings from those days.

G: Would Johnson speak at these fairs?

B: I don't know whether he made them all, but most instances he did appear. As I say, I do have copies of the press releases that Fulcher prepared at that time, and I do have some clippings back to that era. I didn't know I was going to get involved in writing a history, but I inherited those files. I latched onto them because I was afraid somebody would throw them away.

(Interruption)

G: [Let me] ask you to elaborate on this.

B: That was Carpenter and Bill Lynch, William Lynch was vice president of the Texas Power and Light Company. John W. Carpenter and William Lynch and Joe Worsham, W-O-R-S-H-A-M, who's an attorney for it, and also present was--I've forgotten his initials--E. B., I believe, Neiswanger, N-E-I-S-W-A-N-G-E-R, he was president of Central Power and Light Company, who was a very mild man, but he really put together the Central Power and Light Company area. Of course, those were adversarial

meetings between the board and the utilities, and of course if you put yourself in the shape of the utilities, when they're sitting there looking at lost territory, naturally they were fighting for their existence and they really felt like that all the power from those dams should be going to their system and let them transmit and distribute it. They had the transmission. On the other hand, they had some one-lung diesel or oil engines out in some of these little towns and the electricity would go off about nine o'clock at night every night, so they really weren't rendering a service.

This is digressing, but Carpenter to his dying day never gave up the fact that the LCRA would fall off and he'd get it finally, and get Austin, because he wanted Austin along with it. In fact, they've got time, you know, they serve all the way down to Manor and Pflugerville area, still got Texas Power and Light Company lines. One time they had one down the river almost to the Austin dam. So I mean, this never quit.

That was quite a controversial--it was all arm's length negotiations, even more than arm's length.

G: Was the meeting in Austin?

B: Yes. At that time the board was meeting in the Littlefield Building. It was up on the same floor that Wirtz' offices were also, incidentally. There were other meetings, but Johnson was only at that one.

G: You remember him pounding on the table?

B: I remember it. I don't remember him telling them to go to hell or something of that nature. He probably did. I just remember him

saying, "We're just not going to do it that way. This board's just not going to do it that way. You guys are just too selfish. You don't care about the people," you know, that type of approach. "We're building this project to benefit the people, not benefit your stockholders."

G: Did they walk out on the meeting?

B: No, it just broke up. That was back again when Engelhard was chairman. He just sort of gaveled the meeting, said, "We're not getting anywhere," something to that effect and broke up the meeting. But it broke up on the basis, it was left on the basis the Authority would give them a letter setting forth its views on the matter. And I can't find a copy of that letter. I've looked for it here. It shows it's out here in our files.

G: The story goes that Wirtz took Johnson to task afterwards.

B: Yes. Was that in Booth Mooney's book?

G: Oh, it's in all--Johnson himself told the story many times, that Wirtz called him aside and said--

B: Said, "You don't treat people like"--"you don't get anywhere doing that." That I don't know. I mean, when the meeting breaks up, you saw a lot of conferences going on, but you don't know what is being said.

G: But Wirtz never talked to you about the occasion? Johnson never did?

B: No. My memory is right, because I've just recently reviewed that. I think it was about August 2, 1938.

G: 1938.

B: Yes. I mean, that was the meeting that I think it occurred. There were two meetings about three weeks apart.

End of Tape 3 of 3 and Interview I

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