

INTERVIEWEE: W. EVANS BUCHANAN

INTERVIEWER: DAVID G. MCCOMB

DATE: February 7, 1969

M: This is an interview with W. Evans Buchanan in his office in Rockville, Maryland, 820 Baltimore Road. The date is February 7, 1969; the time is 2:55 p.m.

First of all, to say something about your background. According to the information I have, you were born in Washington in 1917. Is that right?

B: Yes.

M: And educated at the University of Pennsylvania.

B: That's right.

M: Is that the Wharton School of Finance?

B: That's the Wharton School of Finance.

M: With a B.S. degree in 1940.

B: That is correct.

M: Then, also, according to the information I have, you began work with the W. E. Buchanan Company in 1940.

B: Well, it wasn't that name then. My father had a real estate and building business, and I started full time in the company that year. Prior to that time, I had worked during the summer with various construction crews...learning the business from the ground up...digging ditches.

M: Tough work. And you became president of this company when? 1960?

- B: Well, I went on my own about 1960, yes.
- M: Somewhere along the line you must have gotten some interest in politics. Did you?
- B: Yes, I have always been rather politically inclined...in high school and college...president of the student council sort of activity. Later, I considered running for the United States Senate, but President Kennedy chose current Senator Tydings rather than me. I picked the weak spot to run against a Republican, where I thought we might win, but alas, I was no more in the running then than I am today.
- M: Did you actively participate in the campaigning of the Democratic Party?
- B: Yes, I raised money. I was the financial chairman for the Democratic candidate who was the unsuccessful candidate for Congress twice from this area. One evening I raised \$38,000 at a party for him among builder friends. I raised money both for Mr. Johnson and Mr. Kennedy in the same manner.
- M: This would mean that you began raising money about 1960?
- B: Yes, or sooner.
- M: The '60 campaign?
- B: Yes.
- M: In '64 and '68 also?
- B: Right. And during the Republican years, too, we raised money. We weren't too successful.
- M: That's back in the days of Eisenhower?
- B: It was.
- M: Did you have any direct connection with John F. Kennedy?

B: No, I'd met him. I had been invited to the White House in my capacity as an officer of the National Association of Home Builders. And he appointed me, in 1962 or '63 to the advisory committee of the United Nations. Mr. Johnson appointed me to an advisory committee of A.I.D.

M: What was the purpose of this advisory committee?

B: It was an advisory committee to Mr. Gaud, and before him Mr. Bell, for Housing and Urban affairs that pertained to the loan guarantee program in South America. I made several trips to South America with Mr. Hardy the former FHA commissioner, Mr. Keith, former Urban renewal commissioner, and I were a special subcommittee along with the Executive director of the committee. We surveyed what had (been) accomplished. The authority that the committee had was most meaningful to the program, and our suggestions--98% of them--were followed, which was a great source of satisfaction.

M: Did you have any other connection with Lyndon Johnson during this period?

B: Yes, I was on his Tax-Industry Reduction Committee. He graciously invited us to the White House. I met Mr. Johnson in about 1958, when I was on the task force for the home builders to get the interest ceiling rate raised from 4 percent to 4-1/2 percent to ease the mortgage funds and make them available to builders. The mortgage money situation was stifling the industry. Mr. Johnson was then Majority Leader of the Senate, and we told him what Senators we had convinced and suggested that this was the proper

thing to do for the good of the economy. He suggested how we could use the Banking and Currency Committee of the Senate, and we followed his advice. We successfully lobbied, and he helped us. You could see Mr. Johnson working. He would put his arm around a Senator, convince him that this was the thing to do, and he was most successful. Of course, when we told him we had Senator so-and-so on our side, he relied on it, and when a Senator switched and he found out about it, that the Senator was of another opinion, naturally he was angry with our inability to hold him in our camp. Senator Gore, I remember especially.

M: You had an indication that Gore was going to be in your favor?

B: Yes.

M: And it turned out he wasn't?

B: That's right. I knew, socially, his legislative, executive and staff man, and I relied on his--

M: What did Lyndon Johnson say to you?

B: Oh, he got really mad. He said, "I thought you had this," you know, "[I thought] you had the votes." In fact, Gore got up and made a speech against it. But, anyway, other than that incident, he was pleased with what we did and it certainly served the industry well.

M: From your point of view, then, as a home builder, did Lyndon Johnson represent your interests adequately?

B: Oh, absolutely. Jimmy Burke from San Antonio was a personal friend of his. I knew Walter Jenkins, his assistant. In fact, our firm had done some remodeling work in Walter's house. When Mr. Johnson

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bought his house in Spring Valley, Walter called me and asked me if I would build a swimming pool for him and I said, "No." I suggested someone qualified for this job for him. Of course at that time, Senator Johnson's children were going to the National Cathedral School. And my three daughters were there also. In fact, Hope was a classmate of Luci's and Mrs. Johnson and my wife got together in school work and Girl Scout work. But we were not close friends.

M: Were you on any committees other than this one for A.I.D.?

B: The tax one--a temporary appointment--Yes, I was appointed on the Voluntary Home Mortgage Credit Board, but I believe Mr. Kennedy put me on that one. Probably because I was an officer in the Home Builders and lived in Washington, D. C.

M: Have you had much connection with the Federal National Mortgage Association?

B: No, I know the chairman very well. As well as the first chairman, Mr. Stanley Baughman, and I know many of the members of the Banking and Currency Committees of both the House and the Senate.

M: Have the changes in Fanny Mae helped your business any?

B: Nothing's helping it right now, plus our state, Maryland, has frozen the interest rate ceiling at 6-1/2 percent. It's a horrible mess.

M: What do you do about something like that?

B: Oh, only time will cure it. I sold my building business to Westinghouse. I'm selling land and packaging land and trying to get involved in low-income housing. I'm a consultant now for Urban America and some of these non-profit organizations that are

trying to house that segment of the population, for low and moderate income people that are left in the inner city.

M: In your fund-raising activity, did you ever have occasion to go to rallies with either John F. Kennedy or Lyndon Johnson?

B: To go to rallies with them?

M: Or meet them or have them come speak to any of your people?

B: No, I invited Mr. Humphrey to a rally in my backyard, one I mentioned earlier. Oh, yes, Bob Weaver, the Secretary of HUD, came plus other housing dignitaries. Majority Whip, Carl Albert, and the FHA Commissioner both came. I had mostly builders, whom I knew in my home when we were raising money for our candidate who lost. I think I did write to Mr. Johnson and suggest that he come, but he was unable to attend.

M: For the benefit of future historians, how do you go about raising money?

B: I wrote personal letters to the builders whom I knew.

M: These would be people in your area or region?

B: Yes. I'm talking about the set up for a local election. Then I told them we had a team. We followed it up by phone calls to come on a particular day, and we had some leaders like Mr. Weaver who spoke, he endorsed our candidate. I had a huge stuffed straw donkey that I had bought in Spain, and we had big dollar bills stuck all over him, and I had little boats floating around the swimming pool, (tried to sink the opponent by the weight). It made it easy or fun for the guests to part with their money. Then we started an auction bidding and raising the money, when you have a good party, you can extract money even from the unintentional.

Last October, unfortunately, the Democrats in this state were disorganized and Humphrey was going to speak at the Baltimore Pikesville Armory with only a three weeks time from the announcement and build-up at a \$100 a plate dinner. I was selected, along with several others, to contribute \$1,000 for ten tickets. Unfortunately, as soon as you started talking about it, people would run from you. So, finally the political scene changed about two weeks before the dinner. We had another meeting at night time, a boiler room tactic. We got on the telephone and each called a list of friends and sold the tickets. I sold, I think, sixteen that one night. The organizations were so pressed for money, I had collected for all but, I think, three tickets the night of the dinner. The State Chairman and the Chairman of the Central Committee were so pressed for money they collected hourly. I am told through some of my friends in Texas, the Democrats were also highly disorganized, and if they had had a better state organization, which we also wished we had had here, the story might have been different. In any event, Humphrey carried Maryland; Agnew didn't carry Maryland.

M: Well, what's the cause of the disorganization?

B: The voters thought they were on a loser--the Vietnam war--Johnson had abdicated, so to speak, and he sure wasn't helping Mr. Humphrey any at that time. He said nothing.

M: Why, I have heard that Lyndon Johnson was very poor in organizing the state political party.

B: I believe that is right.

M: Even the National Committee he was poor with. Is that correct?

B: Well, certainly locally. And it's the truth. The Democratic Party here in this region is split in three or four different factions, and it's a tough, tough deal to get any concerted effort. This is how Agnew got in office in the first place.

M: I have been told that one of Lyndon Johnson's great faults was his lack of organization on the state level. Would you concur with this?

B: I would at least when he was President. There was no liaison work done.

M: What could Lyndon Johnson or a President as such, do for state and local organizations to improve them?

B: Call a meeting and show up at least by special T.V. Have some rapport with the local establishment. Make us feel a part of his program--needed and wanted.

M: And this would help?

B: Another thing--we gave money. We raised money, on a local basis, for the over all pot. It would have been smart and it would have been gracious for some of us who worked so hard and enthusiastically to have received a letter of acknowledgment in some form.

M: Certainly a thank-you letter would make you feel better.

B: Sure. But I don't think the people that were running this thing --the staff people--were sensitive to local feelings. The Democratic Party has done an awful lot. There are terrific laws on the land, but the administration of them has been far from good. Look at the housing laws. You don't need any new housing laws. You've

got to fund what you have and then administer them. Another thing that hurt us--in the building industry--we talked about housing constructing housing nationally for low-income people. It simply wasn't true.

I think there are less than 40,000 all over the nation. Well, it would be announced that we had built 500,000 houses for low-income people. It simply wasn't true. The local FHA office didn't even know how to process the cases. Unfortunately, here again, I know Bob Weaver, and he was fighting the battle of intergration rather than turning his talent and energy toward being a real good housing administrator.

M: Well, now, does the breakdown come, then on the local level?

B: Yes, you've got the dead hand of the civil service killing you. No matter what they do--I don't care who the President is--he still can't get his own wishes acted upon on a local level if he doesn't get cooperation. You can't fire the administrative assistant, three or four layers down. The most Nixon can appoint is something like 2,000 people, I think it is. I saw a copy of the Green Book. So I think Mr. Johnson might have been more successful if he didn't have the war on his neck and could have turned his attention to the bad administration of the give-away programs--I mean, the Job Corps and Vista or Pride and the like.

M: Can you build low-cost housing? Is that technically feasible?

B: Well, here again you've got housing for low-income people. Right off the bat, you have to have what they call a prevailing wage, an unrealistic rate set by the Labor Department. If you are in an open shop town and the high government work union wage is going on the job--the project dollars don't go very far to produce housing for low-income families. The labor productivity doesn't produce the desired effects.

M: You mean, you find the productivity of the union member less than that of--

B: Absolutely. Not only that, we were further set back by the Supreme Court rules called "Pre-hung Door Case." They completely destroy all the modern technology that has gone into the building business. It is very difficult to even get the FHA to successfully process for the builders of the Modular Concept Product. I would say, sure, if you are using Federal monies and don't have to be in competition for the consumer dollar, like building a post office building--let the government say, "You've got to pay your carpenter \$50.00 an hour or whatever."

M: Now, if you had a free hand as a builder, you could build it with any wage scale you wanted, with any materials you wanted, so it was a reasonably good house, then can you build low-cost housing? For a low-income family, say \$4,000-\$3,000?

B: No, you cannot. You have to have a subsidy, such as in interest rates as the current law provides. But here again, you can't do what is feasible because the limits are so ridiculous. After all farmers for years have had price support plus subsidies for NOT

growing crops--airlines shipping--the mails have boosted and maintained the economies for many decades.

M: So, you can't really build low-income housing without subsidy?

B: That is correct. Also your local laws, and zoning laws, deter low-income housing. Many counties, in order to keep that family out of the community, downzone the land, make it more expensive to develop and build. Many of the people who administer the housing laws have no practical knowledge of the building business.

M: Is there any political recourse you have to such a situation? Can you lobby? Can you--

B: Well, you try. Many of the programs haven't been funded to sufficiently meet the goals and purpose of the legislation passed into law.

M: Well, since your connection with Lyndon Johnson in his administration has been rather limited, I'll end this interview by asking you if there is anything you wish to add that I haven't touched on.

B: The times that I had contact with Mr. Johnson were certainly pleasurable. It's just frustrating and infuriating trying to be in the building business with an unsympathetic administration--apparently it makes no difference who the President happens to be. I'm sorry, I couldn't add any earth-shattering facts to your books.

M: Well, I thank you for the time.

B: I'm amazed I was selected.

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By W. Evans Buchanan

to the

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W. Evans Buchanan

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