

INTERVIEW I

DATE: July 7, 1969

INTERVIEWEE: EVERETT MATTSON

INTERVIEWER: DAVID McCOMB

PLACE: Mr. Mattson's office as executive vice president, Lomas and Nettleton West, Inc., 201 Main Street, Houston, Texas

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Mc: Mr. Mattson, first of all, I would like to know something about you and your background. Where were you born, when, where did you get your education?

M: I was born in Balaton, Minnesota, in 1916. I went to grade school, high school in Balaton; had two years at Saint Olaf College in Northfield, Minnesota, [and I] graduated from the University of Minnesota.

Mc: When was that?

M: 1938.

Mc: 1938 when you graduated?

M: Yes.

Mc: What did you major in?

M: Economics. Business.

Mc: Economics. Now, coming out at the end of a Depression cycle--

M: That's right.

Mc: --what did you do then?

M: I worked. I went to work for the state banking department in Minnesota from 1938 until the end of 1940. 1941, April, I went into the Navy Air Corps and was a pilot until October, 1945.

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Mc: What theater did you serve in?

M: I was an instructor in Corpus Christi for about a year and a half. Then I went to the Atlantic Fleet and was in Puerto Rico and down in that area until 1943, when I went to the Pacific Fleet. I was on islands, primarily in the Philippines.

Mc: Then after the war what did you do?

M: After the war I joined T. J. Bettis Company in October of 1945, and I've been with them until Lomas and Nettleton Company purchased the Bettis Company in 1968.

Mc: Yes. Now T. J. Bettis Company is of course in Houston.

M: Yes.

Mc: Why did you happen to come to Houston? What was your connection? How did you make the connection between the Navy and Houston?

M: I was in Corpus Christi, Texas, for about fifteen months, and I married a Texas girl. I liked Texas very much and really wanted to settle here, was able to get located in Houston immediately after the war, and I've loved it ever since.

Mc: When did you first get interested in politics?

M: My first interest in politics was in Minnesota about 1938. I worked in the state Senate session in 1938 and have had an interest ever since.

Mc: What kind of work did you do in Minnesota, in the state session?

M: In the state session, I was a clerk to one of the senators in the beginning, then was assistant to the president of the Senate.

Mc: Then when you came to Houston did your interest in politics revive

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after the war?

M: Yes, it did. Yes, it did.

Mc: What did you first do in regard to politics in Texas? Did you get in one of the campaigns, or something like that?

M: In 1948 one of my friends from Minnesota asked me to work, to do something in a precinct committee for Harold Stassen. Harold Stassen had been elected governor when I was in Minnesota, and I started working then for a little while for him. That's what started my work in politics in Texas.

Mc: Now Lyndon Johnson was running for state [United States] senator in 1948. Did you have any connection with that?

M: I did not.

Mc: When did you first get connections with Lyndon Johnson then?

M: My first real connection was in 1959. I went to Washington and worked on some legislation that affected our industry. I spent a great part of 1959 in Washington.

Mc: What legislation was that?

M: This was legislation that affected the mortgage banking industry, in that the Internal Revenue rules that the purchase of Fanny May stock had to be capitalized, and as a result a loss had to be taken at a capital loss. This we did not think was right, and legislation was introduced which changed this Internal Revenue ruling to make it an ordinary loss instead of a capital loss.

Mc: Yes. Lyndon Johnson was majority leader at the time.

M: At that time, yes.

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Mc: Did you contact him when you went to Washington for help in this?

M: Yes, as our state [U.S.] senator, and a number of our state representatives, congressmen.

Mc: Was he helpful to you?

M: He agreed, after going over the bill with his staff and with the people in the tax committee, when the bill came over to the Senate that he would help us with it, yes.

Mc: Do you have any impressions of Lyndon Johnson at that period in time when you first met him? What did you think about him?

M: He was a dynamic person and the hardest working man I'd ever seen. In addition to that he had a staff that seemed to work twenty-four hours a day.

Mc: So you couldn't complain about that?

M: Couldn't complain at all about it.

Mc: Well now, shortly after that then Lyndon Johnson made a drive for the presidency.

M: That's right.

Mc: Did you get involved in that campaign at all?

M: Yes, I did. Spending my time in Washington, I got to know a number of those on his staff and others in the Democratic Party, and I volunteered to do what I could. I worked prior to the convention in Los Angeles, and my wife and myself spent about two weeks during the convention in his behalf in Los Angeles.

Mc: What kind of work did you do?

M: First I was assigned more or less to see what I could do by helping

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in Alabama, getting that delegation to stay with us and yield to Speaker Rayburn, who might nominate President Johnson at that convention. At Los Angeles we did anything that was necessary, meeting people, driving them around, messenger, what have you.

Mc: Was that a fairly frantic convention out there?

M: Yes, it was. It was frantic all right.

Mc: Did you have any trouble with the Alabama delegation?

M: No, the Alabama delegation was friendly to President Johnson. However, the Governor and a few of the delegates had committed themselves to Kennedy, although the majority of the delegation was for President Johnson.

Mc: I've heard that the people from the Texas delegation were rather surprised by the organization of the Kennedy people. I've gotten the impression that Kennedy pretty well had that sewed up before the Texas people ever arrived. Do you have any comment about that?

M: The Kennedy organization was highly organized. When I said before it was frantic, probably that isn't the proper word. It was frustrating out there, working and knowing, really knowing, that the Kennedy organization was so solid it was hard to break it. In fact, as you got by yourself and started looking around, you knew we were fighting nearly a hopeless case.

Mc: Did you get the impression that every time you made a contact the Kennedy people had been there before you?

M: They were there before us and afterwards.

Mc: Then the convention progressed. Were you surprised that Lyndon

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Johnson took the vice presidential slot?

M: Yes and no. My immediate reaction was of surprise, probably because of the, oh, you might say the infighting or the spirit that was going on. But shortly after the convention and in analyzing it a little, it was not such a surprise.

Mc: Where were you when the announcement was made that Johnson would take the vice presidential position? Do you recall? Were you at the convention hall?

M: I was not at the convention hall. The Johnson headquarters or open headquarters, was on the second floor of the Biltmore, and I believe I was there at the time.

Mc: So the announcement was made, and you and other people were rather surprised by it?

M: Yes, I would say the whole delegation and all the people there were rather surprised at the time. Yes.

Mc: Well, after you had a chance to think about it for a while, did you think that Johnson had made the correct choice or not?

M: Yes, I did.

Mc: Why was that?

M: I think that he helped the party to win. There was no question about that it was his being on the ticket that made the Democratic Party successful in 1960, as far as I was concerned. And I think it was the proper thing.

Mc: Then afterwards I assume you came back to Houston.

M: That's right.

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Mc: Did you work in the 1960 campaign?

M: Yes, I did.

Mc: And what did you do?

M: I got out the vote, raised the money and talked, and whatever was necessary to do.

Mc: Where were the campaign headquarters, by the way? Do you recall, in Houston?

M: No, I can't think. I didn't work out of the headquarters.

Mc: I see. You helped raise money. Now that's a subject that there's not much written about. How do you go about raising money? Do you just go out and contact people personally?

M: Just contact people and ask them to help.

Mc: To give what they can and that sort of thing?

M: That's right.

Mc: Did you contact only your friends, or is there some organization to to this? How does it operate?

M: Mostly friends, yes.

Mc: I would guess that the campaign manager would sort of organize this and say, "All right, Mr. Mattson, will you please contact these people that you know?"

M: That I know, yes. Or it happened some I didn't know, but mostly those that I did know.

Mc: This would all be done on a personal basis?

M: On a personal basis, yes.

Mc: You wouldn't write them a letter or anything?

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M: No.

Mc: Did you give any speeches?

M: No, I did not.

Mc: You say you helped get out the vote. How do you go about doing that?

M: Oh, everybody I talked to I'd say, "Get out and vote."

Mc: "Be sure and vote for Lyndon Johnson."

M: That's right.

Mc: And John Kennedy.

M: That's right, "Let's get with it."

Mc: Well, then did you have a celebration when you won?

M: Oh, I guess so. Yes, we did, I guess.

Mc: Did you have any connection then with Vice President Johnson? Did you see him any after the election?

M: Yes, I saw him in groups and at his home shortly after he was elected Vice President with a group of Texas bankers and others.

Mc: Did you talk with him?

M: Only in a group.

Mc: I understand that Lyndon Johnson when he's working with a group like that is very effective.

M: Very effective, yes.

Mc: Can you explain to me why?

M: I always thought the friendliness and sincerity of the man is the thing that made him effective in a group.

Mc: Does he lose that when he comes on television, do you think?

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M: Yes, he would never seem to me as comfortable on television as he was with a smaller group. He seemed to be more relaxed, and to me much more effective, in smaller groups than on national television.

Mc: Did you have anything to do with that Texas tour on which John Kennedy got killed in Dallas?

M: Nothing other than to assist where I was needed, and I didn't do too much. I was preparing to go to Austin to the final dinner when I got the word that Kennedy was assassinated. I was not in the city when he was in Houston; I was away on business, and I couldn't attend that dinner. But I was invited and was going to Austin for the final dinner.

Mc: Did you have any contact then with President Johnson after that, immediately after the assassination?

M: No, I did not.

Mc: Did you get involved in the 1964 campaign?

M: Yes, in the same way.

Mc: Same sort of thing?

M: Same sort of thing, yes.

Mc: Fund raising and getting out the vote and meeting people?

M: Attending the convention.

Mc: You attended the convention?

M: Yes.

Mc: Was that convention fairly well cut-and-dried?

M: I would say so.

Mc: There wasn't much doubt what was going to happen?

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M: No, absolutely none.

Mc: Was there any doubt about the vice presidential position?

M: I think there was for a while, but not any doubt after the President announced his choice.

Mc: Then after the election in 1964, did you have any contact with Lyndon Johnson? Did you ever go up to the White House for dinner, or did you meet him?

M: No, no. I didn't ever go for dinner. I was not that close. I was at the White House a few times, talked to some of the staff members.

Mc: For what purpose?

M: Primarily the reason I was there a few times was in the housing bill and matters regarding the housing industry.

Mc: You may be in a position to make some comment about the developments in Fanny May. It's recently become an independent organization.

M: That's correct.

Mc: Now, from your point of view, from the business that you're in, is this good or bad?

M: It is very good.

Mc: Why?

M: Let me go back. The act that made Fanny May private was also part of the whole Housing Act of 1966, which I think was, you might say, somewhat bipartisan, was bipartisan, but I feel was the finest housing act we had in my time. The industry and many, many of us in the industry and in government felt that there should be a private housing sector, and that Fanny May would take care of the

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private housing, unsubsidized more or less housing program; that the Ginny May would be the vehicle to take care of the social housing, and working together it would make a fine secondary market. It's proven to be such a secondary market, particularly at this time when interest rates are high and the private money is pretty scarce.

Mc: Is it the kind of organization that helps your business a great deal?

M: Yes, yes. It's useful in trying to level off the changes in the money market. Over the years that I've been in business Fanny May, even when it was not private as it is now but it was very similar to it, at times was a big purchaser of mortgages. Then it would go for a time when it was not, and the private sector would buy the mortgage from Fanny May. So it leveled the ups and downs in the money supply, and it's done a very good, very fine thing for the whole housing industry which we are a part of.

Mc: Has the management of Fanny May been to your satisfaction?

M: We've been very fortunate for many years in having real top management in Fanny May. The manager prior to the present president was a dedicated government official and was cited by the President as being one of the outstanding men, and all of the industry felt the same. The present president, Mr. Lapin, has done an outstanding job. I don't know of any part of the whole industry that would criticize him in any way.

Mc: Fanny May, as I recall, initiated some kind of program selling futures, or something of that nature, in a sort of a pool.

M: Oh, those were the certificates of participation, CPs.

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Mc: Yes. Now, was that sort of activity useful to you?

M: No, not as an industry. It was more useful to the government than it was to we in the industry, and probably indirectly to us. It took the securities that the federal government had in the Farmers Home Administration, the Veterans Administration, various direct lending programs, and put it in packages. Fanny May sold these to the private sector, and then pooled the mortgages. Now, there was some help to the mortgage industry, in that when these homes were sold in the pool, they were locked up for ten years. [They] were not previous to that.

Mc: But that was an activity more helpful to the government than it was to your industry?

M: Probably more helpful to the Treasury than to the rest of us.

Mc: I see. Well, back to Lyndon Johnson then. Were you ever consulted about appointments of people, or were you ever appointed to any committees of the government yourself?

M: Yes. Yes, I was consulted indirectly on some appointments. I never felt that that was my job. However, there are some agencies in the housing industry that we're vitally interested in, in having good people, and I was asked a number of times on some of these appointments if I thought they were fine people. That's all I was interested in, that they were good administrators.

Mc: Was it John Macy's office that usually contacted you for this, or were you called by the President's staff?

M: Oh, usually by his staff.

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Mc: They would call you up and say, "What do you think about this man?"

M: That's right.

Mc: "That man?"

M: In a few instances, yes.

Mc: This is a subject that again is something that's rather vague, but apparently Johnson liked to consult his friends about appointments. He would consult a number of them, and on a more or less casual basis. This is the way he worked with you?

M: That's right.

Mc: Did he always take your advice?

M: I don't know if he took my advice, or maybe collectively he did, because it seemed that it would always work out fairly well. I agree with you, I think he never took one person's idea. He talked to a number of people before he made up his mind.

Mc: Did he consult with you on a regular basis?

M: No.

Mc: Just every now and then?

M: That's right, and it was from his staff.

Mc: Who was it on his staff that usually talked to you? Do you recall?

M: Oh, Jake Jacobsen, Marvin Watson, Mike, Cliff Carter.

Mc: Were you ever appointed to any special committees or anything of that nature?

M: Yes, in 1967 I was appointed to a task force on housing. Let me get my time right here. It was 1965, task force on housing. It went through 1965 and all of 1966.

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Mc: Was this during the formation of the Department of Housing and Urban Development?

M: Yes. The task force's name was Suburbia. We were discussing the whole task force on suburban living and downtown, how it tied into the central city, transportation and many features of the housing bill.

Mc: How were you informed about your appointment to this task force? Did somebody just call you up and say, "Would you do this?"

M: Yes. As I recall, [they] asked if I would serve on it from the White House, and I can't remember who it was.

Mc: It was from the White House staff?

M: Yes. Then I said I would, and then it came from the secretary of HUD, making the appointment, asking me about it--I guess both ways.

Mc: Well, then did you have to work in Washington for a while?

M: Yes, we worked in Washington. Usually we would arrive Thursday night and work Thursday night, Friday and all day Saturday. So it was more or less two or three days on weekends.

Mc: That would ruin your golf game for you, wouldn't it?

M: All week.

Mc: Did you think that the White House staff was as hard working as the Majority Leader's staff, that earlier period?

M: Oh, in the early period of Johnson's presidency I don't think it slowed down. It probably speeded up a little bit. I don't know how they did it. It seemed like it was a little more relaxed towards the end, but the first couple years, three years, it didn't seem to

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change any, just the staff was probably a little larger.

Mc: Yes. While working on this task force, were you working pretty hard then? Ten hours a day? Twelve hours a day?

M: Oh, yes. We would come in and start Thursday to dinner maybe at six o'clock and keep on until twelve. Then we'd start for breakfast practically on Saturday and work all day and eat right where we were working.

Mc: Did you have much contact with Robert Wood?

M: Yes, Bob Wood worked with us some, and I got to meet him a number of times; yes, a very capable person.

Mc: And how about Robert Weaver? Did you watch him?

M: Yes, yes.

Mc: Do you have any impressions about Robert Weaver, either on this task force or as secretary of HUD?

M: On the task force, he assigned the running of the task force to his deputy, Charles Haar. Charles Haar was a real hard worker. He's the one that put the drive in the task force without any question.

Mc: Did you have much contact with Weaver as secretary?

M: Yes.

Mc: Do you have any impressions about him as secretary of HUD? Could he have been better?

M: I'd say yes. Only I think he was very capable. I think he had a great grasp of the needs of the housing. My only [criticism], if it is criticism, would be that administratively he was to me one of the weak members of the Cabinet in that respect.

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Mc: Yes.

M: It took him a long time to get things done.

Mc: There has been this criticism of HUD, that it is very slow moving.

M: That is correct.

Mc: And from your position you observed this same thing?

M: Yes. We had we thought a fine program. We probably pushed the program too fast for HUD. They did not keep up as far as I'm concerned with the programs. You might say they pushed programs faster than they executed them.

Mc: Then the task force made its report to Lyndon Johnson. Did you have anything to do with that, or did Robert Wood just turn it over? What happened?

M: Oh, it was just turned over. It was confidential. The written report didn't get to him in final form until, oh, the end of last year. I know many of the papers and conclusions were sent up to the White House periodically, so he was kept informed. But the final report was not until late.

Mc: Now this bringing in of outsiders, nongovernment people to work on national problems, such as this task force operation was, did you feel that this was effective?

M: Yes, I did. It could be more effective than possibly it was. I can't say of all the task forces.

Mc: I mean, were you frustrated in getting your ideas through, or did you think this was an effective way to get ideas across?

M: No. If you didn't get your ideas through completely, I think you

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made a lot of progress. The nature of the government being so large, that unless you bring in people from industry I would be afraid that much of the legislation and regulations would be made on more or less of a theoretical basis instead of on a practical basis. My first impression of the task force: I was afraid that the people who would run it, who had to be from government, were going to us what to do and that was it. But that was not the case. They took our suggestions, and though they were mellowed in with a lot of others, yes, I think it was quite effective.

Mc: So it's a useful tool for the government?

M: Very useful. I just think that we could get into a more of a bureaucratic, if you want to call it, government, unless there are people from the outside who will devote some time. I would say three or four days at a time instead of years at a time, because I'm afraid you'd fall into the same category. I think it's very useful.

Mc: Were you assigned to any other government committees?

M: Yes. I was appointed. I am on the advisory committee of the Federal National Mortgage Association, and I'm one of the incorporators and board members appointed by the President, confirmed by the Senate, of the National Corporation for Housing Partnerships.

Mc: Did the President contact you about this?

M: Yes.

Mc: Did he contact you personally?

M: No.

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Mc: Again this is White House staff people.

M: That's right.

Mc: You agreed to do it, and the name was sent up.

M: Yes.

Mc: Was there any difficulty with the Senate?

M: No, none whatsoever.

Mc: It just went through?

M: That's right.

Mc: Then did you have a swearing-in ceremony of any kind?

M: Yes, we had one in the Partnership somewhere. I can't remember who swore us in legally, but that was our first meeting.

Mc: Have you had any other contacts with Lyndon Johnson?

M: Nothing since, no.

It might be of interest to you that all of us who were appointed by Johnson offered to resign to President Nixon, and he asked us all to stay on. So the committee that President Johnson, or directors he'd appointed, President Nixon asked to stay on. Just yesterday, or the other day, he appointed a final member to this National Partnership.

Mc: Well, then in this sort of work it must be a fairly nonpolitical attitude.

M: Yes. Oh, yes. This is, yes.

Mc: Now since you've been in this industry, do you have any impressions about the general movement of housing legislation during the Johnson period? Has it been outstanding, or has it been useful, or has it

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been dissatisfactory in any way--the housing bills, the whole movement in this area?

M: The housing bill of 1966 I think was probably the finest piece of housing legislation we've had.

Mc: Yes. Has it been administered properly?

M: It has been slow in getting regulations moving forward, but part of it has been in the lack of funds that have been appropriated. This housing bill in my meaning is a bill that puts private enterprise and government working as a partnership for the first time. The private sector has to take a large part in it, and the government is providing some subsidies for the buyers and the tenants of these apartments and homes. Private enterprise is building them and manning them and running them different from public housing. It was, as I say, sponsored by a Democratic administration; however, men like Senator Percy and Senator Tower are familiar with it and helped pass this legislation. Some of these things were their ideas, which was fine. So I agree that there's some, [but] I think President Johnson was the one who pushed such legislation. He brought it to a head. He's been very interested in housing.

Mc: Could he have done more, do you think?

M: No, I don't think he could have done more under the circumstances. I don't know what more he could have done. We had the war to contend with, and you've just got to take one at a time. But we've got tools to do it with now. If the situation changes that our defense spendings could be reduced, we could pick it up on the social side.

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We've got the tools to do it with.

Mc: I see. Let me conclude with an open-ended question. Is there anything that I should have asked you about that I didn't? Any statement that you wish to make?

M: No, I think that's all.

Mc: Well, then I thank you for your time.

M: You're welcome.

[End of Tape 1 of 1 and Interview I]

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