INTERVIEWEE: Wright Patman (Side #1)

INTERVIEWER: Joe B. Frantz

DATE : August 11, 1972

F: This is an interview with Congressman Wright Patman in his office at 2328 Sam Rayburn Building, Washington, D.C., on August 11, 1972. The interviewer is Joe B. Frantz.

P: Lyndon Johnson was a perfect representative for the people of Texas as a congressman, which is a representative in the House of Representatives in the Congress, and as a United States Senator from Texas and as President of the United States. It can be documented on one issue. Civil rights of course was very unpopular in Texas generally and of course things began to change. While he was a congressman from a district in Texas, he voted against every civil rights bill because it was known that the people he represented were against civil rights and he was a true representative in voting against every bill. And then when he became a United States Senator, the situation changed. Texas was about half and half at that time on civil rights, so his votes were divided a lot, sometimes yes and sometimes no; and somewhat of a balance because of the State division. But when he became President of the United States it was obviously a civil rights country and he felt in honor bound to go the limits of civil rights, and he went further on civil rights than any other President.

Now I wasn't for him on this particular issue because my district is entirely different. I couldn't be reelected if I were to go all-out like Lyndon did.

F: Your district represents a certain amount of Arkansas and Louisiana attitudes that have sort of slipped over into Texas.

P: Yes, it does. And settled principally by people from Mississippi and Alabama and Georgia and Arkansas and Louisiana.

F: Like the Patmans.

P: That's right.

F: Did you ever discuss this civil rights problem with Mr. Johnson?

P: No, I didn't because he knew how I'd have to stand and I knew how he'd have to stand, so there was no point in discussing it.

F: I rather gather in his early congressional days--of course we all know the famous advice his father gave him to "vote for the people like Wright Patman does."

P: He carried him to the train--his father did--when he was elected there at Austin. He told us there in front of the Capitol. When he put him on the train, he said, "Now in case of doubt--" Here's what Lyndon autographed, "To Wright Patman. When in doubt how to vote, vote with Wright. My daddy. Lyndon Johnson." And that's what he told him. And of course his father, Sam E. Johnson was the best man I ever knew. I didn't know him until January 1921 when I was a member of the legislature from Cass County and we were assigned the same desk--you know, two to a desk, right at the back of the hall. I had a very pleasant relationship with Sam Johnson. He was an able person. He was not a highly educated man, anything like that, but he was a rancher and farmer and realtor. And of course he had to scratch to make a living for a big family.

And Lyndon made it plain to his dad, said, "Now, you let me get my own education." And of course his father did, that was a matter of necessity.

F: I know the boy was around some, but did you see much of him in those days?

P: The first day we met I didn't see him, but the second or third day that the legislature was in session Lyndon came in and he was six feet tall and twelve years old. I've known him ever since. He was not working there in the legislature, but little Homer Thornberry was a page and he was half as tall as Lyndon and the same age.

F: Still is.

P: Yes. So they became very close friends. We all did. Homer and me and Lyndon and all of them. Of course Lyndon is a very loyal friend. He's one of the most loyal friends I ever had. In his dealings with other people I witnessed the fact that he was a loyal friend with his real friends. He never let them down.

F: What was Sam Ealy like as a man and as a legislator?

P: Sam Ealy Johnson?

F: Yes.

P: He was a good man and he was highly respected by his people and the members of the legislature. When he said something it was that way, no mealy-mouth business, no ifs, ands, or buts.

F: Did he have his district pretty solidly behind him?

P: Yes, he did. He could have been there, I think, as long as he wanted to. He and I were on some issues together. In the beginning of my service a resolution was read one morning by the reading clerk who had this big old voice, you could hear him all over Austin almost, reading without the benefit of a public address system. And he said: "Be it resolved that tonight after the House adjourns that the Reverend So-and-So of Atlanta, Georgia, will be permitted to address the people who are assembled in this hall with our permission on a matter that is of great concern in the country, of public interest." In other words, he'd have the privileges of the hall.

I said, "Mr. Speaker, I didn't hear all that resolution. Would you have it repeated, please?" He had it reread, and I said, "I'm opposed to that resolution. I happen to be a Baptist myself, and that doesn't influence me on the gentleman who is a prominent Baptist preacher from Atlanta, Georgia. But the difference between me and the preacher is that he is a Ku-Kluxer and I'm not a Ku-Kluxer. I'm against Ku Klux and I don't want him to have this hall."

Sam Johnson took my side too. We had a few talks around and members came to our desk and we organized a little opposition to it there and beat it. He was up ready to speak. That's when the Ku Klux issue started in the legislature of Texas.

F: That's when Earl Mayfield's--

P: Oh yes. And they threw bricks on my little home down there on 6th Street. I had a wife and two sons, little kids. Bill wasn't even born then. They'd throw bricks up on the house at night. Once they burst a window in the car and one time they cut a tire, did little old things like that to just express annoyance and displeasure in what I was doing. And they'd call at odd hours of the night to give me the devil and say they were going to kill me if I didn't stop that jumping on the best people in the world, the Ku Klux. And of course I paid no attention to it and went ahead.

And so that issue was one of the most prominent issues in the State at that time.

F: I realize it's a long time back but as far as you know, was the Ku Klux issue an issue out in Sam Ealy Johnson's district?

P: I don't know. If it was, it was against them because they had a lots of German people there, and ethnic groups, and naturally they were all against the Ku Klux, and should have been. I introduced a bill making

it a penitentiary offense for two or more persons to go in disguise and do bodily harm to another. You know the hoods those fellows wore and trying cases in the swamps at night and administering punishment and things like that.

F: I came out of Weatherford, and I remember it must have been about 1922--I was just a kid but it made a real impression on me--we were at Sunday night service at the First Baptist Church. And of course the only entertainment you had in Weatherford was going to church all day Sunday and Wednesday night and any other time that anything that was going on but they stopped the service right in the middle of the service and the Ku Klux Klan came down in kind of a "V." The altar had aisles coming from either side on a slant and they just filled that whole thing. Of course I don't remember the message, but I can see now those white robes standing there. They just took over the church service and evidently--

P: They had that means of publicity, and they'd always give the preacher usually some donation, $50 or $100 or $25, something like that, as kind of an entree and to cultivate good will. And some of the preachers fell for them, not on merit but just on the public relations that they were demonstrating.

F: Probably some of their best members.

P: That's right, very true.

F: Were farm-to-market roads much of an issue in those days?

P: No.

F: A little early for that, wasn't it?

P: I was in Mr. Rayburn's office when he was Speaker one Saturday afternoon, and Bill Robinson of Utah, who was chairman of the Committee on Roads and Highways, came in--John Holden brought him in, his secretary,

you know--and said that Mr. Robinson wanted to talk to Mr. Rayburn about the bill that they had just reported out. A big highway bill. Mr. Rayburn said, "Bill, what's in that proposal for a farm-to-market road?"

He said, "Well, we don't have anything written in there specifically, but the agencies in distributing and allocating the money can take that into consideration and make it anything that they feel like is justified." He went ahead and made a little stump speech for that, and the only way they could do it.

Mr. Rayburn said, "Well, I feel very strongly about that. I want you to take that bill back and bring out at least 30 percent of that money to go to farm-to-market roads."

Bill Robinson said, "Well, I'll do my best on it." He went back and in a few days he reported to Mr. Rayburn that he had an agreement out of them; that if we bring the bill up, the committee would support an amendment to make it 30 percent. That's come through throughout that time.

That was a little later than the time we're talking about now.

F: Right.

P: The farm-to-market roads, they were beginning to talk about them but not do anything about them. You see, the Highway Commission had just been formed with Robert Hubbard as chairman, and they were not too active at that time, except kind of a good roads movement deal.

F: They were just getting organized.

P: That's right.

F: I've done a little research in that and I know as late as 1921 when they built that Highway 75 from Dallas to Galveston, they still had in there a restriction that there could be no stumps over six inches high.

P: There's a plaque there near where Mr. Rayburn taught his first school in Fannin County. I was over there with him one time. I was up there when he had opposition every time to help him if I could, just do the pigtailing and things like that. It was a pleasure because I thought a lot of Mr. Rayburn, he was one of the grandest men I ever knew. And near this school where Mr. Rayburn used to teach and taught his first school, there was a plaque and it had this language on it: "This is where the Republic of Texas commenced the highway through the State of Texas, commencing here with a provision that the highway must be at least 30 feet wide and no stumps allowed higher than 12 inches." It's on the plaque. I had a photograph taken of it and I gave it to Jake Pickle. He happened to be at a highway meeting in Austin the next day at the Highway department and he read that off. That excited quite a bit of interest, they'd never heard of it, you know.

F: You and Mr. Sam must have seen things pretty nearly alike, your districts are so similar and next door.

P: Yes. And now then I have Fannin County. The legislature put Fannin County in my district. I'm very happy over it.

F: Did you keep up with young Mr. Johnson in the intervening time between when you left the legislature--?

P: Yes, I watched him every move he made, that was given notice and attention.

F: When he came up here with Congressman Kleberg--

P: I remember it very well. In fact, the first time I knew he was with Dick Kleberg they had an American Legion convention at Corpus Christi. I was the speaker at the convention. When I first got down there Lyndon looked me up and said he represented Kleberg and he said, "I want to take some of you out on a boat and show you a good time." I rounded up some of the fellows and we went out with Lyndon on the boat.

F: He was an organizer then.

P: Oh, boy, he was an organizer, right quick! And so I worked with him on the roads--the farm-to-market. That was all discussed in the legislature, discussing better roads for Texas all the time for a hundred years.

The questions of farm-to-market roads and electricity were being talked more than anything else. Lyndon, second only to Mr. Rayburn, was very prominent and helpful and effective in those two great programs--farm-to-market roads and rural electrification. It wasn't long after that until we had both farm-to-market roads and rural electricity. And then a person could build a home out on a little farm-to-market road, and he would have every accommodation that you could get at the Waldorf-Astoria Hotel in New York. You could have a radio, you could have lights, you could have refrigeration, and you could have everything that they had in the Waldorf-Astoria with a good highway, a good road right in front of your house, with delivery service for newspapers and everything else. In addition to that, of course, one living there would have the benefit of the Waldorf-Astoria tenants because they would have a place to park and free air to breathe.

F: And at a little less price per night.

P: That's right.

F: As late as 1940 I drove from Galveston back to Austin, the first time I had ever done that, and the only towns are towns like Columbus and LaGrange, Smithville, Bastrop. It was the darkest night, it wasn't too late--I left Galveston about dark and got in before midnight--and no lights. I had the feeling that this must be just completely lonely country. Now you go through there it's just daylight the whole time.

P: Oh, sure. Two of the greatest things for Texas were the highway system, along with farm -to-market roads, and of course rural electrification.

And the utilities in my section of the country like TP&L, were very cooperative with rural electrification. Mr. Carpenter and Bill Lynch were the ones who were running it at that time, and the REA had no problem with Texas Power and Light because they assumed an attitude of public interest and helped the people greatly. They cooperated with them in getting rural electrification and didn't run any spite lines like some of them did.

F: After Lyndon Johnson came up here with Congressman Kleberg, did he ever call on you or keep in touch?

P: Yes, I'd see him occasionally. My secretary then was Russell Chaney, who unfortunately wanted to be postmaster. I let him go to school and get to be a lawyer here on my payroll while working for me. Then he wanted to be postmaster of Sulphur Springs. I said, "Now, Russell, if you want to do that, I'll do it. I'll put you down there, but I thought you were doing pretty well here and I thought eventually you'd go out practicing law and do much better." But he wanted to go back to Sulphur Springs and I made him postmaster there. Unfortunately, he got his money mixed up with the government's a few times, and they filed charges against him and were about to send him to the penitentiary. I told them, "I'll get rid of him. He'll either resign or I'll just have him put out because the charges are serious and I can't condone it, but I don't want him sent to the penitentiary for it because he has been a good citizen and I think it would be the right thing to let him go if he gets out." And they did that. But he never did forgive me because he said that I could have saved his job and got him out too. Of course I wouldn't have tried to do that.

F: You saved his hide.

P: Yes. And he's still down there at Sulphur Springs. I never hear from

him at all. When I'm around there he's somewhere else, you know.

F: Were he and Lyndon friendly in those days?

P: They were friendly. Lyndon used him to help him organize the Secretaries Association here on the Hill, just the House of Representatives. That's the first association of its kind that was organized, and it shows too that he was always on the job doing somethings, organizing, getting people working with him to get good things done.

F: I presume Congressman Kleberg was glad to see him sort of taking this kind of leadership.

P: Oh, yes. Dick was a peculiar kind of a fellow in many ways, but a very able man. He wrote on a typewriter himself. He'd write a two-page letter, single-spaced, and never use a period or a comma or semicolon or anything from the first to the last, yet it made good sense. You could read it and understand it. But he was a hard worker and a very sincere person. Dick Kleberg was a great man.

F: Did he seem to take pride in what his young secretary was doing?

P: Yes, he did. He took pride in Lyndon and of course not only recognized but endorsed what he was doing. It didn't bother Dick a bit.

F: Did you have any role at all in young Johnson going with the NYA?

P: No, except maybe I was probably conferred with by people with the administration. I was close to Mr. Roosevelt at that time, you know, in fact all during the time he was in office. I'm sure that we must have discussed it. But I've always just tried for Lyndon, you know, I was for Lyndon. Anything that was for Lyndon I was for it. And of course I knew about it.

I started a weekly letter 42 years ago, and that was about the time that he was made National Youth Administrator for Texas. Lyndon gave me the information as to what they proposed to do in helping boys

and girls get an education. The way it was, they were to apply to certain people in certain regions for an opportunity to go to school of their choice, if possible, and aid would be granted if possible. And having all that information I put it in a weekly letter, and I said, "I urge every boy and girl who is qualified to immediately get in touch with your office," and I had the offices listed in our district, "and make application at once and get recommendations from good people giving you a good name, etc." And by reason of that our district had more beneficiaries of NYA in the beginning than any other district in the State because I was on the job through Lyndon. He gave me the information and I pumped it. It helped so many kids. I have letters every day about how "we went to college for reason of the NYA" etc.

F: My roommate in those days, who is now a Weatherford lawyer and was once an FBI agent, was an NYA student.

P: There are lots of them over the country. And Lyndon did a wonderful job. I was so proud of him, he did a wonderful job.

F: Did he get much notice up here in those days? Was Aubrey Williams aware of what he was up to?

P: He didn't get as much recognition in the top round of the people up here.

F: Well, Texas is a long ways off and the state director is just one of forty-eight.

P: But he was recognized as much as any state NYA administrator would be recognized.

F: Did you have a feeling in those days you'd see him back up here in Congress?

P: I had an idea that he was very ambitious. He manifested that in all of his dealings; that he was going forward every chance. One time

when there was a vacancy in the Senate, it was really a time when I could have probably been elected to the Senate. Mr. Rayburn said so, and Mr. Rayburn was for me.

F: That was in 1941.

P: Yes. Lyndon wanted to run. Mr. Rayburn and I discussed it. I said, "Now, I would like to go to the Senate, I could do more over there, but I'm getting a good start in the House." I'd gotten a bill through, you know, to pay the veterans their justly deserved certificates, which on its own was a pretty big thing. When three and a half million veterans one day are notified to go to the nearest bank and pick up the money they're entitled to, which is $1,015 each, average, that's pretty big--$3,700,000,000, June 15th. Go over there and pick it up.

That was done. Of course I knew that I could do more in the Senate, but I told Mr. Rayburn, "Lyndon can be financed (it takes a lot of money for the Senate), Brown and Root, C. R. Smith." You know C. R. Smith?

F: Yes, we've interviewed him.

P: He's a great man. He was out at the Wolf Trap last night. We were out there, it's in the morning paper, in the Post.

F: They had this folk opera out there.

P: Yes. And two of the most prominent people in connection with it were born in Texarkana.

F: I was going to say this Scott Joplin came out of there.

P: He was born there. And this black, Harmon, I believe that's his name, I'm not sure, I met him years ago is a good Negro lawyer here--he was out there. He's attorney for Wolf Trap. Liz Shouse is of course sponsor out there, and Mrs. Jewett Shouse is the sister of Edward Filine the Boston merchant who started the credit unions. He came to see me

with Senator Sheppard when I was just a young congressman. The Senator and Filine came to see me to get me interested in the credit union. I was sold on it, and I got the bill--Senator Sheppard got it through the Senate and I got it through the House. That was in 1934. Today there are 23,000 credit unions in the United States and 25,000,000 members with over $20,000,000,000 in assets. It has several times as many members as all the other financial institutions in the United States, and I predict that one of these days it will be the greatest bulwark of strength that the United States government will have in financial institutions.

F: Of course it has gone beyond that. I've seen it in Latin America where in some of these villages they have started credit unions.

P: It's a great thing. And savings and loans. And when you're for cooperatives like credit unions and savings and loans, you're fighting communism. You see, the Communists won't let two or more people get together to talk about anything in the way of getting something up and helping people. And when the Soviets helped Castro get charge of Cuba, the first thing they made him do was to get rid of every cooperative like the credit union, savings and loans, but they did it the hard way. They had traders to go in there and join and bust it up and take the proceeds. Instead of liquidating it like it honestly could have been done, give every fellow his part, a few of the Communist racketeers went in and busted them up and took the money.

So the credit unions are doing a great work, and so great that they're becoming powerful in many directions that are always good. You have practically no dishonesty among them, and they do things so well for their neighbors and their friends, under the circumstances just the very best.

F: Of course what you can't gauge is the effect they've had on regular commercial banks because I remember, and you certainly must remember, the rather hard rigid attitude of so many banks, particularly toward young borrowers and investors--

P: They wouldn't give them any chance at all, they wouldn't venture. At the same time the government was giving them up to 2.4 percent deduction on every loan that they made. When the Lockheed case was up before my committee I proved that every one of those twenty-four banks had gotten more than a billion dollars the last few years in tax savings because of this 2.4 percent deduction law. And one of the members asked the fellow who was speaking for the twenty-four banks, "Why don't you use part of that billion dollars for this two hundred and fifty million dollars you want from Congress?" "Oh, well, we're saving that for a rainy day."

Another member piped up and said, "Don't you think that we're in a hurricane now and it's a good time to do it?"

Generally we couldn't do without the banks, they have served a good purpose, both in war and peace. And they've served it in a way that we couldn't have done without them, but they have been guilty--the bigger ones. The bigger they got the worse they got. Somehow or other, human nature, they can't resist temptation. The big banks seem like they can resist anything but temptation, and they get to doing things that are just disastrous to the people. You take, for instance, the RFC--Reconstruction and Finance Corporation. I was on the floor of the House when Herbert Hoover sent up a message mimeographed, saying, "We must have a Reconstruction Finance Corporation for the banks, railroads, and insurance companies." LaGuardia of New York, the mayor, he had one of them and he came down the aisle and said: "Mr. Speaker,

this only helps the banks, railroads, and insurance companies and we ought to help all the people."

But of course we passed it, glad to, because the banks had all these frozen assets like savings and loan paper--building and loans then, that's what they were called--and all kinds of frozen assets. Now if they had an RFC to unfreeze it, it would start the country back again. It was understandable and I voted for it for the banks, railroads, and insurance companies. But the first opportunity, Mr. Roosevelt made it apply to all people who had a worthy project that was in the public interest and couldn't get financing locally at reasonable rates. He said go to the RFC and get it.

You know when World War II started they needed lots of steel, and the only steel we had we got it through Soo [Sault Sainte Marie] Canal and the Great Lakes, bring down the raw ore from up there. The Germans knew that and they were making arrangements to destroy the Soo Canal; that would put us out of the steel making business for eighteen months. With the help of Dallas bankers we went to New York to a big bank that could have made a $75,000,000 loan just like a peanut loan, and we couldn't get any attention from them at all, although the Dallas banks offered to put up many millions of dollars to start it. They almost laughed at us. Of course they had a deal that they never wanted a steel plant down there. It would cause them to have to sell their steel $14 less per ton to meet competition with the company there that didn't have to pay these long freight rates. They'd had this monopoly for nearly a hundred years.

Well, we couldn't get a loan through a big insurance company or a big bank because they had interlocking directorates, and they wouldn't think about putting another steel company down there.

I went to see Mr. Roosevelt and he got Mr. Jones and they gave us a public hearing in the biggest auditorium in Washington and invited the steel companies and everybody else. We had two days and two nights there fighting that thing out. We got a $75,000,000 loan, we built that steel plant, and twenty years from the time it started operating, making steel, it had paid in the aggregate more than $75,000,000 in federal income taxes; the men whose jobs were generated by reason of that loan had paid more than $75,000,000 federal income taxes; and the government had its money back with interest through the RFC.

Of course that was a wonderful thing. Mr. Rayburn helped on that one, Lyndon Johnson helped on it. In fact Lyndon--and I say "Lyndon" because I've just been used to doing that--I mean LBJ, President Johnson--

F: It's a habit of fifty years.

P: Yes, I happen to have a knife there that he gave me one time that I use here every day. He is one of the most thoughtful fellows in the world. Of course he was benefited greatly like I was by having the counsel and friendship of Mr. Rayburn. Mr. Rayburn is missed more here. I'm sure I can put Lyndon Johnson in that category too. He and Lyndon are missed more in Washington, D.C. than any two men to ever serve here in the United States Congress.

F: I used to wonder when Johnson was President what it would have been like if he had had people like himself and Sam Rayburn at the helm of each House.

P: That's right.

F: Because sometimes you saw some real faltering there when a stronger leadership could have held some things in line.

P: Oh yes. But Lyndon was a strong leader, and he was the youngest Majority

Leader ever selected in the United States Senate. Mr Rayburn was the youngest Speaker of the House from Texas who had ever been elected. They started out young, each one of them.

F: What was Congressman Buchanan like?

P: Buck was a good fellow. He wasn't aggressive, he wasn't offensive. He was a nice fellow, easy to get along with, and reasonable, but he was not a hard worker. He read detective stories a lot. You'd often go in his office and you'd find on his desk a lot of detective stories, things like that. One time when they had a Ku Klux parade in Austin, all of them had caps and gowns on marching up in front of the Austin Hotel, one of the fellows screamed out, "There's Buck, there's Buck." Buck had about a size 6 shoe, and there never was a man--

F: Could pick his feet out.

P: Even with the hood, his shoes--they all picked Buck out right quick because he had such small feet. Of course he denied being a Ku Kluxer, everybody denied being a Ku Kluxer that was one, but they laughed at Buck as long as he lived about that. He got to be chairman of the Appropriations Committee. He was a very fair, honest person, and nobody could say anything bad about Buchanan.

F: Was there a great deal of interest up here in Washington on Lyndon Johnson's first race for Congress?

P: Yes, there was. And of course the ballot box episode contributed to the interest.

F: You're thinking about the Senate race against Coke Stevenson. I was thinking about when he ran for Congressman Buchanan's old seat.

P: No, there wasn't much at that time because Lyndon wasn't known except as secretary to Kleberg. He wasn't known too much then. Of course there was interest like there would be in any other race where a person

holding a high position had passed away and somebody was going to succeed him, and everybody wanted to know who was going to succeed him of course.

F: When Congressman Johnson decided to run for the Senate against Pappy O'Daniel in 1941, did he talk with you?

P: Oh yes, we discussed it. In fact, there's a room over here at the Capitol known as the Board of Education. Have you ever been to that room?

F: I've never been in that room.

P: I'll take you over there. When Mr. Rayburn came in as Majority Leader [Speaker] he had that room. Mr. Garner had had the room, but he didn't use it to let friends visit. He and his wife lived in it, did their cooking there, and everything. When Mr. Rayburn came in as Majority Leader [Speaker], he fixed it up as a place to meet in the evening, and the first two keys he gave to me and to Lyndon. Then for a long time nobody else had keys to that place. Later on I think maybe McCormack or somebody like that might have let other people have their keys, but Lyndon and I've had those keys ever since and we have access to it. I use the room now. I have committees on the Senate side that I'm chairman of, joint committees, and I have meetings and it's necessary that I have a room up there. So it's always with the Speaker, whoever is Speaker, like now Carl Albert, but he never uses the room, seldom ever goes in it, but I use it all the time for a meeting place of friends and have lunch and things like that.

F: On these Board of Education meetings, did they just sort of develop?

P: They sort of developed. Say, Truman would some in--that's when Truman was President--he'd come over about 5 o'clock in the evening and just go down there. Mr. Rayburn would probably be there about that time, and

maybe Lyndon would come in and I would come in, maybe Fred Vinson would come in; then maybe one or two of the Supreme Court and leaders on the Senate side and maybe one or two from the White House. We'd just discuss anything and a lot of issues were settled there and no leaks at all, never!

F: No one came unless he was invited.

P: Oh no, never!

F: It wasn't a case where Senator X or Congressman So-and-So wants to get in the group--.

P: That's right. In fact, I wouldn't think about carrying anybody there unless I checked with Mr. Rayburn first to make sure that it was acceptable, and Lyndon I know did the same thing.

F: Was there a very free flow or did Mr. Sam tend to dominate it?

P: No, it was a very free flow, Mr. Rayburn never did dominate the meetings. He was aggressive all right, when there was something up that he should speak on and be heard on, but he was not a dominating kind of a person.

F: Was it all sort of low key in the sense that no one raised his voice at someone else?

P: It was low key and there never was anything offensive.

F: Just trying to work things out?

P: Oh sure. If somebody brought up something that was not received they'd back off, and maybe have another approach or forget about it, but there was nothing offensive about the meetings at all. Of course the report got out that we were bringing in young members and brainwashing them and getting them to vote with the Democrats or something like that, but there was nothing like that at all.

F: Was there a fair spectrum of opinion there, or was it pretty much like-minded?

P: No. There were differences of opinion that you'd find in nearly every meeting. And no meeting was arranged for any particular purpose, it just kind of fell together. In fact, we were in a recess and Mr. Rayburn was the only one there from the House and Mr. Truman was over there from the Senate--he was Vice President--and the telephone rang and Mr. Rayburn was sitting at the desk like this, answered it, says, "It's for you, Harry."

Harry was sitting on a davenport over here and he had just handed the receiver over. They told him, "This is the White House. Please come to the White House at once, without notice if you can, and without letting anyone know any facts about your coming. It's necessary that you come now."

He said, "I'll be right down." And he went on down, and he found out that Mr. Roosevelt had passed away. That was April 12, 1945. He called Mr. Rayburn back there at the room, and he told him, "I want you to come down. It's very necessary that you come down at once."

Mr. Rayburn jumped in the car and went down there and swore Mr. Truman in.

So he was sitting there in that room when he got the first word of it.

F: But none of you had any real inkling--?

P: We were on vacation.

F: I see, just the two of them there.

P: Just the two of them were there. April 12, 1945.

F: Congressman Johnson never was really in Vice President Garner's camp, was he?

P: There was a little estrangement there. You know, Mr. Garner was from Red River County, Clarksville. And at the age of 21 when he got his

license to practice law, the doctors discovered that he had lung trouble and the poor fellow had to pull up his roots and go to Southwest Texas--everybody went to Southwest Texas.

F: Didn't exactly shorten his life, did it?

P: No. He went down to Uvalde to practice law, and it happened that he became acquainted with the county judge's daughter, the only daughter, and the county judge was a very wealthy man. He married this daughter. Then I think he ran for county judge and was elected. Then he ran for Congress and he was elected. Mr. Garner, I've heard him say more than once that he wasn't congressman long until he owned interest in every bank in that congressional district. He owned some interest before he went in. And then the bankers were the most influential people in every town, and that way he was secure in his place, no problem. Some people called him selfish, I could see some liberal attitudes in his pronouncements.

F: Kind of a mixture.

P: Sort of a mixture. But he wasn't what you'd call a liberal, generous fellow. At the same time he was a thrifty fellow, he said. One time a fellow said that Garner said that "me and my wife and my son and his wife, we four and no more." They're always quoting Garner to symbolize his closeness. But there's a lot to be said in favor of Garner. He was a very knowledgeable man and had good judgment and he was conservative, and he boasted about that, and at that time he should have been conservative. If the country had been more conservative along his lines, maybe it would have been better off.

But the reason he didn't like me, you see, I had just been elected and I defeated Mr. Eugene Black, who had been a congressman fourteen years. When I came here Garner just thought I was a socialist or a

communist or an IWW or something or I couldn't have beat Black. Of course we had a very clean campaign as far as I was concerned. Every speech I made I said, "I'm running against a very fine Christian gentleman who has represented this district fourteen years. The only difference between us is that he believes one way on economic matters and I believe another way. For instance, I'm for old age pensions." I was the first man to be elected from the South or West that had in my platform for old age pensions. "And I'm for paying the veterans of World War I their debt that Congress says is due them, and that's the principal difference between us." And I beat him eight out of the eleven counties. That's rather substantial and I had to have something besides just demagoguery or something like that to do it.

But the truth was--you know, Eugene Black and John Garner were born at Blossom Prairie, south of Blossom in Lamar County, not far from the Red River County line. They were close friends, their families were, and Black was a very reactionary man, he was more than a conservative. And he was not active for the district at all. When I would be speaking up at some little place like Detroit, Texas, I'd say, "I see a couple of distinguished gentlemen from Clarksville, Texas, who've been following me around. I see them over there behind that big tree, peeking around, and I'm making a proposition now. Whoever heard of the Black bill in Congress, something that helped the people? If there's somebody that ever heard of that bill during those fourteen years, hold up your hand, I want to know. What? Nobody holding up their hands? What about the two fellows who've been following me? They're not holding up their hands either?" They changed men.

F: Good crowd catcher.

P: And so I made the campaign speeches all over the district. In fact

one fellow said up there at Brashear in Hopkins County--I was on my way up to Sulphur Springs and there were three fellows sitting around a little fire and every time you'd see two or more people you were ready to make a speech. You wanted to get acquainted. And they were waiting for school to close, they were going to have a big dinner there. I went over and introduced myself, and they kind of like a dead fish's tail shook hands with me. I tried to provoke conversation and couldn't do it. Finally I said, "Well, I think I'm going on up to Sulphur Springs. I'm running for Congress, I hope you remember that, and I hope you'll vote for me on July 24." Election day. "Have you heard anything about me running for Congress around here?" One of them hadn't looked at me at all. He just sat chewing tobacco and spitting on the fire every now and then. Looked up and said: "Yeah, heard them laughing about it around here." And that's fact, I'm sure he had.

People would say to me: "Now, son, you don't have a chance this time but you're making a good race. You keep on running and you'll be elected to Congress one of these days." I said, "Well, I'm going to tell you the t uth. I have a good law practice, I have a good law firm, and I'm making a living and I believe I can see a good living in the future, and I'm trying to find out what I'm going to do. If I get elected to Congress I'm going to try to stay there as long as I can and be so useful that the people will elect me. But if I'm not, I'll never run for another office. I'm going to practice law, because I'm not going to be in and out of the public."

That was my commitment all the way through, no question about it.

But Mr. Garner didn't like me because I ran against Black. You see, when I came here Black was on the Banking and Currency Committee. And traditionally if a Democrat beats a Democrat or a Republican beats

a Republican, on a committee he has first chance for that vacancy. But Mr. Garner kept me off that committee, and it resulted in eight years. I'd have been chairman twenty years before I was had it not been for the fact that I was kept off that committee. Of course Mr. Garner had his rights, but we never did see eye-to-eye on things. They didn't like me because I was for the Veterans Bill and it kind of put them on the spot, but I passed that bill in the House four times without going through a committee by an unusual method--by putting a petition on the Speaker's desk and if a third of the members at first, 145, signed that petition, it was brought up automatically. I could bring it up and have a vote on it. In order for a member to sign the petition, it wasn't just somebody passing it around. He had to go up there to the Speaker when the Speaker was presiding, the House was in order with a quorum present, and ask to sign the petition and have to sign it then. In other words, it was restricted so that you could hardly get them, but I was getting close to 145 and the leaders met and changed the rules to require 218, and I got them. I passed that bill in both houses and over the President's veto, and I thought it was a pretty good accomplishment and very much in the public interest; it put money out at a time when everybody was starving for money.

F: This bonus bill incidentally, while we're on that, had been coming up since the end of the first World War and had been regularly vetoed.

P: Yes.

F: Was there just that much change in sentiment, or did you really have to work that hard at it to get the votes to override it?

P: I worked at it. I organized the country. I even got up a book showing what each county would get if it was paid, and every chamber of commerce--"we need that money," you know. "We ought to have it."

That's one of the first books that I got up, and I made speeches all over the nation. I'd go in with the Veterans of Foreign Wars, the American Legion, any veterans' organization where they had a big crowd, I'd go speak to them.

F: You just built a fire.

P: Built a fire, and it was so great that they couldn't stop it, that's all.

F: I remember the struggle to get that past the President.

P: Had to pass a veto, and we passed it. The first time we didn't. In 1935 we lacked eight votes. We passed it in the House over the veto, but in the Senate it lacked eight votes. But the next year it passed easily over his veto. And that was a great thing, I thought, and everybody thought at the time. But Mr. Herbert Hoover appointed Mr. Black on the Board of Tax Appeals, and you know, he served more than forty years, and I think, from what I hear, is in good health. He has never forgiven me for defeating him, and I never said a bad word against him at all, never. But he just felt like nobody could beat him.

F: You hurt his pride, among other things.

P: Yes, I hurt his pride, I guess. I didn't deliberately do it.

F: Back in 1941 did you and Congressman Johnson sort of get an understanding that if one ran for the Senate the other one wouldn't?

P: No, we didn't have that understanding at all. I couldn't afford to run, I wanted Lyndon if I couldn't run, and Mr. Rayburn would too, but Mr. Rayburn was for me. He wouldn't be for anybody else unless it was all right with me. That's when I talked it over with him, and I told him, "Now, I think I've got a future in the House and I don't have the money to run for it in 254 counties in Texas. I don't have the potential of a good organization with funds to support it. Lyndon has, and he's an organizer and he has contacts, he knows people as well."

F: Of course with twelve years behind you in Congress you're getting in the upper echelons of seniority.

P: You mean like it is now?

F: No, I mean by 1941 you already had a pretty fair seniority.

P: That's right, I had been there twelve years then, that was in 1928.

F: So that would have made considerable difference. This is off Johnson a minute, but how did you and Joe Robinson get together on the Robinson-Patman bill?

P: The Four States Grocery Company was in Texarkana on the Arkansas side, and he's the one that got me interested in the Robinson-Patman proposal. He said, "Now the wholesaler, if I order a carload of merchandise I get a little lower price because it's a carload. If I order ten carloads it's just ten times that. We know what it is. Why can't we have it so that when these big manufacturers and sellers sell to a local merchant, if he buys a carload he gets the maximum discount? And then anything above that, it's just so much a carload."

I took that germ of an idea and brought it back up here and talked to different people about it and I brought in a bill that's the greatest innovation that we've ever had in business. Used to, when a big man would put in a store next to a little man in a little town or a big one and drive him out of business with unfair trade practices, lower prices and things like that, when it was not justified, then the little fellow was just crushed and he had nothing to do. If somebody brought a suit it was the state or the federal government to punish the big guy, but the little guy got nothing. But in this bill we had a novel provision; that anyone who by unfair trade practices unfairly destroyed the business of another or harmed the little guy, the big fellow could be held accountable in damages. And if he received a judgment by the jury or

the court, the law was you had to increase it three times. So if he got a million dollars for the loss of his business by unfair practices of the big fellow, he got three million dollars.

And now then, Alioto, the mayor of San Francisco, made millions of dollars that way in a law firm that was protecting these little fellows. He told me in his office, "I wouldn't be mayor right here now were it not for the Robinson-Patman Act." And there are firms all over the United States now that will take those cases, and it helps the little man, it helps the state, it helps the nation because it really enforces the fair practice laws and protects the little guy who has nobody to help him. But under this law he can hire his own lawyer and go into court himself, file a suit, and if he gets a judgment, he gets three times as much, all court costs, lawyer fees, everything else paid. You see, it's really the greatest innovation in business in connection with the buyer and the seller and the unfair practices of one hurting the other.

F: Did you have much opportunity to educate Congressman Johnson on economic matters?

P: We talked about it a lot. Lyndon was very good on that, very good. In fact, he was a fair man in every way.

F: You had the feeling that he had a good grasp of economics?

P: And he'd grasp it quickly too. He wasn't a slow thinker, he was a fast thinker.

F: Did he buy your fight against the spread of the chain stores, which is what I cut my teeth on?

P: I don't know that Lyndon took much interest in that. That was really before he had gotten into real prominence up here, you know. I came very close to getting a bill through that would have stopped the chains

in their tracks, that they couldn't have over fifty stores in the United States. And I went to the Texas legislature and made a speech and got them to adopt the chain store principle, and the highest tax in the United States was imposed against extra outlets. I don't know whether it has been repealed or not, they've been trying to repeal it ever since, or moderate it.

F: The last time I checked it was still there, and it went up in a high gradation factor between if a license for one store is against a license for two against a license for fifteen etc.

P: But that principle was written into the State law in Texas, and the highest in the nation for a State.

F: When World War II was over you've got that problem of getting back to something like a peacetime economy and you were one of the pushers for some sort of full employment program.

P: Certainly. I was author of the Full Employment Bill, and it became a law, and the Joint Economic Committee was organized under it and I've been chairman every other Congress. We created a precedent there. You know, before that when a senator got to be chairman of a joint committee between the House and Senate, he stayed chairman as long as he was in the Senate. And when we had our first meeting and Mr. Taft in 1946 was going to be the temporary chairman just that short time before 1947, I tried to have an understanding--it took several meetings to do it--that we'd have in our rules of the committee that the chairmanship would alternate. One Congress, one from the Senate; next Congress, one from the House. Go back and forth. We got it adopted. We took it away from the Senate that way.

And then the Atomic Energy had a similar situation and the senators wouldn't agree at all. They had a strike about six months,

they couldn't organize a committee. But now then every one of these joint committees are doing what we set up in the Joint Economic Committee.

At the same time the Council of Economic Advisers was established in the Full Employment Act. The Full Employment Act has meant a lot to this country.

F: Did Congressman Johnson, as far as you can remember, play any active role in this Full Employment Act?

P: I don't remember that he did. He hadn't blossomed out like he did later on.

F: When it became obvious that Pappy O'Daniel wasn't going to run for reelection in 1948 did you consider at all running for the Senate at that time?

P: Yes, but I always came to the conclusion that I was not equipped to run for the Senate; that I had the issues right and everything, but I didn't have the financing to back up a race that would cost hundreds of thousands of dollars.

F: And of course you're getting more valuable all the time.

P: Yes, but at the same time my value was respected by just the plain people of the country, but the big bankers and big businessmen didn't look with favor upon what I was doing every time and I'd have their opposition. At least I wouldn't have their help.

F: Did you know Coke Stevenson very well?

P: Yes, I knew Coke.

F: Was there any attempt to get endorsement from congressmen for either Johnson or for Stevenson in that contest?

P: I don't remember. Of course I was for Lyndon always, but public endorsements--I was never given in that direction. I didn't feel like it

was one candidate's duty to endorse other candidates. I felt like it was not expected of them and probably they would be criticized if they did. I didn't go in for endorsing other candidates when I was running myself.

F: Did you have any idea in those years that you might be looking at a future President?

P: Of course it would not have been a surprise to me if somebody had said it. I'd have said, "Well, he surely has the ability and the sincere desire to be of service to the people if he were their President."

F: Did you work very closely with Congressman Johnson on these REA projects?

P: Yes, I did. And he organized the first one in Texas.

F: I know you took good care of your own district.

P: Oh sure, you bet your life! I organized at one time the Bowie-Cass and that was the biggest one in the country. But Lyndon got up the best one.

F: Pedernales?

P: Oh yes.

F: When Johnson went to the Senate, did you continue to see him?

P: Oh, yes, we'd meet over here at this room, not every day but--.

F: After he became first Minority Leader and then Majority Leader, he still had time to drop in?

P: Certainly he did.

F: Did he discuss with the board his civil rights activities in the late 1950's?

P: No, very seldom was civil rights mentioned. You see, that was such an explosive subject that you couldn't very well discuss that without raising your voice.

F: It's hard to talk calmly about that. He also was innovative in the space program.

P: Yes he was.

F: Did he discuss that with the board?

P: Oftentimes that was discussed. Lyndon was very much interested in the space program. In fact, he could see just as far down the road and around the curves and over the hills as any man I ever knew.

F: He had the idea then that the country had hold of something in this space?

P: You bet your life. He recognized it right quick.

F: Did he ever talk to you about his relationship with either Adlai Stevenson or Estes Kefauver in those years?

P: We talked about Estes. Estes was a special friend of mine, and Estes was on my committee on small business when he first came to Congress, and so was John Sparkman and so was Scoop Jackson. We talked about Estes Kefauver a lot. He thought a lot of Estes Kefauver. Of course at that time he was not around here, he was running for office, and we were not seeing him as much. But he was an admirer of Estes Kefauver, I know he was.

F: On this economic joint committee, your Senate counterpart most of the time was Paul Douglass.

P: Yes.

F: Now Douglass, I gather, was sort of a loner.

P: He was. Douglass fell out with me when I first became chairman. In a statement I made over there I said, "The banks have the best franchise of any entity in the world that I ever heard of. Of course they have got to serve the public interest and you've got to have good bankers that will serve the public interest, but they have the most valuable

franchise any group ever had in a civilized country. For instance, banks can manufacture money. They can create money just like a counterfeiter except a counterfeiter goes to the penitentiary if he creates money and the banks create it legitimately. I'm all for it. I'm not fussing about it. I'm not attacking it. I'm for it, because that enables people to have a sufficient medium of exchange to do business. I'm all for it, but it's manufacturing money."

Douglass went, "Oh, no, you're mistaken, banks can't manufacture money; they can't create money. That's other people's money--deposits, deposits!"

I said, "Well, Senator, I just beg to differ with you. We just happen to have a difference of opinion." Ten years later he apologized to me in a crowd just like we had at that time, saying that he was mistaken about that. Over the years, although I'm not an economist and he is recognized and he has the reputation of being an economist, that I had brought that out, that he disputed me about and he had found out later, serving with me for ten years, that I was right and he was wrong. He said it just that way. Now it takes a great man to do that, doesn't it?

F: It certainly does.

He and Johnson were never close, but did they have a sort of mutual respect?

P: Yes, they did. They had a mutual respect. I wouldn't say it was an estrangement or anything like that, but they just didn't hit it off together like some people do when they become close, fast friends, although Johnson had great respect for Douglass and Douglass had great respect for him.

F: Did you work with Johnson much in the 1950's on trying to keep the

economy on a reasonable level during the Eisenhower years?

P: I tried to, but when the war clouds were hovering over the United States and all the world in 1937, Mr. Roosevelt got the Federal Reserve Board to meet with him--Marriner? Eccles was chairman. And Marriner Eccles was a capitalist, a very rich man but a very fine, fair man, good public servant. They had a discussion, "it looks like we're going to be in a war, we've got to arrange now to keep interest rates down. If we don't, if we win the war, we'll probably have difficulty paying for it, with high interest. We must establish a policy of having long-term government bonds very low so that we don't have to pay so much that it will be a crushing burden for the people if we win the war."

And so they had that understanding. And Marriner Stoddard Eccles, that was repulsive to him. He didn't like it at all. But he said in view of the problem he had to admit that it was good. They agreed on 2-1/2 percent interest, long-term government bonds. That would fix other interest rates too, you know. The Federal Reserve could fix the interest rate at any amount that they wanted to and keep it there, nobody doubted that. And so they started then in 1937 and for fourteen years until 1951 the interest rates on long-term government bonds had never gone beyond 2-1/2 percent, always below. Fourteen years! Now that was during the second World War, then the Korean war, and then we had inflation, we had deflation, we had unemployment, we had everything nearly, but yet the interest rates were kept under 2-1/2 percent. And the people liked it because if they had some money they could put it in government bonds and get it back the very minute they wanted it. They didn't have to wait until it matured or anything else. They could get their money in and out as they wanted it. That was a good place

for them to keep idle funds, and then if a good chance came along in the private enterprise system to take it out and invest it, they'd do it. So it worked well. And if it hadn't been for that, we'd have been ruined.

In 1955, the darkest year of World War II, I was one of a group that got up the Bill of Rights to take care of the economy after the war was over. Everybody was saying, "After this war and fifteen million men come back we're going to have the worst depression in all history."

F: It's the history of our post-war periods.

P: And then they would say, "Name me one major country in the world that had a major war that didn't have a major depression," and you couldn't name one. But we took that on, and we got up these laws in 1944 in the darkest year--we didn't know whether we were going to win or not, but we were preparing for it, and we did win. And then Truman paid off $29 billion dollars of the national debt before he went out because of the low interest rate. Then we let these boys go to school at government expense, including their families, and paid their expenses and we had more Ph.D.'s and fine educated citizens than we ever had before. We didn't have any unemployment problems. If a veteran wanted to borrow money to buy a home he could do it at low rates. If he wanted to borrow money to go into business he could do it at low rates. And by low interest rates we took care of the post-war and didn't have a depression. It's the first time in all history.

Now then, when Eisenhower came in, you know William McChesney Martin always wanted higher interest rates. Well, he maneuvered himself in there in the Treasury while John Schneider was in the hospital. He got to working with the Federal Reserve in order to raise interest

rates and some kind of an accord--that accord business was a fake. You can't have an accord unless the President agrees to it because he fixes the rates on all long-term government bonds, and he didn't agree to it. Instead, when he found out what they were doing, they were about to take off limits on bonds--interest rates--he called them into his office and he called them names. He said, "You will be denounced as traitors to the country if you do that." He used awful language. "You've got change that or I'm going to tell the people the truth about it, and it's going to ruin every damned one of you." And they changed it. They took an about-face on it. Martin maneuvered himself in as head of the Federal Reserve Board, but he had promised Truman that he would never let the rates go up as long as he was President. That obligated him to keep the rates at 2-1/2 percent until after Truman went out, which he did. He did it religiously.

Now there's one little rate that shows a little difference there the last year, but that's due to the fact that in the so-called accord which was never effective and never actually consummated, they'd had 2-7/8 percent long-term bonds instead of 2-1/2, but those bonds were long-term, and if you wanted your money you'd have to exchange them for short-term obligations. You'd lose some money in doing that. Then you'd sell the short-terms and lose some money. So if you got your money, you'd get less than 2-1/2 percent interest. But that little shade in there is the only thing that ever caused any increase until Truman went out, and it was not an effective increase.

Then they began to increase the interest rates just a little. And as they did, of course it caused a little hard times like in May 1953. We almost had a depression, just increasing the interest rates. After Mr. Eisenhower came in Humphrey, the Secretary of the Treasury,

had two bond issues. The first one sold for 2-3/8 percent; the second one sold for 2-1/2 percent. And then he just arbitrarily fixed the rate at 3-1/4 percent to offer a billion dollars worth of bonds--he didn't need the money, he had more than that in the Treasury--for the sole purpose of increasing interest rates. And of course that began to increase, and it has increased ever since.

When Nixon went in, he had six increases of interest rates in six months to the highest rate in the history of this world--8-1/2 percent. That was terrible. I have the rates from clear on back, I keep them. If the Republicans had kept the interest rates when Eisenhower went in like they had for fourteen years--you know, if they can keep it for fourteen years that way in the rough times we had, they can keep it any time--we would be over five hundred billion dollars better off than we are now. The Martin interest rate increase cost this country, up until the time he went out, four hundred ninety-seven billion and five hundred million dollars. I've got documentation on that.

F: Where did he get his clout with Johnson?

P: I don't know except he was raised with the Federal Reserve spoon in his mouth. You know, his father organized the Federal Reserve in St. Louis. He just always worked with the big money people, you know.

F: He seemed to be able to get--I know Johnson sometimes inveighed against the Federal Reserve, but it seems to me that Martin really was very influential with him.

P: Here's what happened. The only time I ever wrote Lyndon a mean letter was when he cow-towed to the Federal Reserve on December 6, 1965 at Johnson City. I was in Denver, Colorado. I was making a speech there to some bankers, and this came out. It sure did floor me. They were supposed to go down there and discuss with him, they hadn't seen his

budget--they didn't know what he was recommending, and he thought that they were coming down there to discuss with him what he had in mind so they could determine whether or not they ought to raise interest rates at all. But when they got there, they said, "We didn't come down to discuss it with you, we came down to tell you that we've raised interest rates." That was a very embarrassing thing to Johnson, but he didn't stand up and hit them on the nose with his fist or say just exactly what he ought to have said at that time, and he didn't do much about it.

But there are only two Presidents--Truman of course stopped them; and Eisenhower, in answer to a question Sarah McClendon asked him, said: "Oh, I don't know anything about the monetary system. That's up to the Federal Reserve. They run that, I have nothing to do with it as President." Of course that was ignorance. The President has all to do with it. The Federal Reserve Act was passed just like any other law, and nothing was said about any independence. It's to be executed by the President under the Constitution of the United States. The Constitution is very plain on that. The Congress makes the laws, the Executive enforces them, and they have just let the Federal Reserve get by.

Today the Federal Reserve has seventy billion dollars of bonds in a New York Federal Reserve bank that they bought with money that was printed over here at the Government Printing Office that didn't cost the "Fed" one penny. They took that seventy billion dollars and bought seventy billion dollars worth of bonds over a period of years and now then they're collecting four billion dollars a year interest on those bonds that didn't cost them a penny. And you know, you can't get members to say a word about that! They're afraid of the big banks. The banks have built-in intimidation, built-in intimidation against

every member of Congress and against every member of the legislatures of the fifty States.

F: They might dry up your money sources.

P: Of course they'd ruin themselves first.

F: I rather gather from Johnson's Senate record that he was not in any sense a tight money man.

P: Oh no, he was a Populist type, he said a number of times. You know, when they called me a Populist I thanked them for the compliment. A Populist is a man of the people, and I'm glad to be known, just like Lyndon said, "I vote with the people."

F: Did you ever talk to Johnson about bringing the Federal Reserve under stricter control?

P: Yes. And he appointed his Council of Economic Advisers to confer with me and said, "Go in that room in there and talk this thing out." They went in there and we talked it out all one afternoon and got nowhere. I didn't expect to because they're already like a bunch of billy goats--if you're going to vote for the uplifting of tails, they've already voted.

Then I told him that we didn't get anywhere and he made them go back with me and we spent a day on it and got nowhere, because when people are adamant in their position there's no future in talking to them.

On this seventy billion dollars, that's a case of the government's money--seventy billion dollars of printed money that you have part of it in your pocket and I have part in my pocket now maybe, so all over the nation that seventy billion dollars is out. Also, the bonds are out. They're not cancelled. So that's double inflation. That's part of the cause of our troubles today on inflation.

F: You did a sterling work in trying to head off the development of these conglomerates and high level mergers, etc. Did you get any particular support from President Johnson on that?

P: No, I don't think he ever got interested in it. I don't know that I ever talked to him about that particular problem because I knew that he had lots of friends that were probably in that business, and I didn't want to bring up something that might be in conflict with some of his principal supporters. Of course Johnson was clean, he was honest and honorable and sincere and a great public interest man, and no man was more loyal to his country and his family and his friends than Lyndon Johnson.

F: Did you ever discuss the foundations' problem with him?

P: Yes, and he said "go after them." He said, "If they're good, they have a place in the world; if they're bad, get after them." About bad foundations, there's one little story. There was a bad foundation just spending its money for everything. A group of fellows went to them and said, "Say, we want to find out who invented the mini-skirt. If you'll put up a half-million dollars, we'll go around over the world and find out for you. You're spending money every way, let us spend some of it." So they got their money and made the trip and came back and said, "Well, we didn't find out who invented the mini-skirt, but we believe it was invented in Germany. If you let us have another half-million dollars, we'll go over there a year and we'll come back and we'll not only know who invented it, but what his name is, if it's possible to get it." So they got the money and went over there and spent the year and came back and said, "Well, we found out who invented the mini-skirt." "What's his name? What's his name?" One of them said, "Well, his name was See More Heinie!"

So his attitude, I think, was very much like mine. There are good foundations and there are bad foundations, and the bad foundations were just using it as a vehicle to save taxes and let somebody else pay their taxes while we're all against that, and there's lots of it going on.

F: He never did try to work out any particular legislation with you?

P: No. One time there was a fellow from Mississippi here. You know, you get confused and bewildered and everything else around here as a member of Congress, and you hear these bad things that are going on, and you just get to where you feel like you ought to jump out the window or something. To end it all would be a fine thing. But this fellow's name was Percy Quinn from Mississippi, and he would get in that depressed condition now and then, he'd get up on the floor of the House and say, "Mr. Speaker, there's a lot of sons-of-bitchery going on around here." So he had it down about right.

Some people say that being in Congress is kind of like playing poker with a gang of thieves. You can't turn your head to spit for fear they'll cheat you, and so you have to be on the alert. But generally they're fine people, and Lyndon is representative of the fine statesmanship that we have had over the years. He'll go down in history as a great President.

F: Did you go to the 1960 convention in Los Angeles?

P: Yes, I was there.

F: Did you hold forth much hope that Johnson would get the nomination?

P: I was hoping he would, but I couldn't see a real good chance for it.

F: It seemed pretty well sewed up to you?

P: But I was out there to help him, I was out there ten days, and when it finally got down to he didn't have the votes, Jack Kennedy was very

friendly toward him and I knew Jack Kennedy well. Mr. Rayburn was holding it up, he didn't want Lyndon to be Vice President. My suite was right around the corner from his, and Price Daniel came to see me and said, "Now, you go see Sam Rayburn. He's stopping this thing, and I don't believe he should do it and I don't believe if he thinks it over he will do it."

So I went around there and he was in his bathroom in his shorts shaving. I went right on in and said, "Now, listen. We've been spending ten days out here and we've been working for the one you wanted, Lyndon Johnson, and we couldn't get it done. The vice presidency is right next to the President. No man in the world has ever turned down the vice presidency if it's offered to him by someone who's able to deliver. People just don't do that, and we can't afford to have Lyndon turn it down. It's too good a thing for our State and all of his who have worked for him."

I didn't convince him, I'm sure, but others did.

F: Did you talk to Johnson personally about this?

P: No, I didn't. I talked to Mr. Rayburn and to Price Daniel, but I didn't talk to Lyndon about it.

F: Daniel was leaning toward having him take it?

P: Oh sure he was.

F: Sam was the green stump in this.

P: He might have been holding out for a different purpose, I don't know. But anyway he came over and we got it done and of course the results were good.

F: Did you get the feeling that Johnson did make the difference in the campaign as far as Kennedy's getting elected was concerned?

P: He was helpful, he sure was. I don't think Kennedy would have gotten it so well.

When we got everything settled there, he said, "Now what can I do for you?" I'd never asked him for anything. I said, "Well, Mr. President, all I want you to do for me is to make one speech at Texarkana, Texas. And I want you to make that speech on religion. You're a Catholic and I'm a Baptist. But what you say about it is pleasing to the people I represent."

He said, "All right." Larry O'Brien was there, had something to do with the agenda and getting up speeches. And he said, "Come on, Larry, Let's get this thing fixed, let's fix a date." And they finally fixed September 13.

He came in there and we had 103,000 people in a 50,000 population.

F: Good Lord, they must have come all the way from Depart.

P: You bet your life. Well, four states merge there, you know. Detroit, Paris, a lot of people from--

F: Broken Bow.

P: Yes, Broken Bow. Carl Albert was there. You know, my district joins his.

F: Were you with Johnson any during the campaign?

P: No, I wasn't with him. He was out on big-time deals. I never went out too much if I could help it because I had things to do for my own district, things I was working on, and I felt like it was better for me to work on something that I knew something about.

F: Did you see much of him during those vice presidential years?

P: Yes, I saw him as frequently, I guess as could be expected, over at the room here.

F: Did he seem as restless as was indicated in the position, and did he seem to understand the subordinate role of the vice presidency?

P: You bet your life, and he was far ahead of any of the rest of us. As

I said, he can look down the road a little farther and he can see around the curves and over the hills.

F: There never was any question of his loyalty to Kennedy?

P: Oh, no, never.

F: Where were you at the time of the assassination?

P: Mrs. Patman and I, my first wife, were out at the Friendship Airport near Baltimore to get the plane that would get us there about an hour before Kennedy got there. I was delayed because I was selling tickets to the banquet down there for November 22. They were a hundred and five hundred dollars apiece.

F: The one in Austin.

P: Yes. And so I was delayed getting some of that rounded up. We were getting off in time, but the danged fog came in and stopped us. We didn't get there until an hour after it was over--I mean, an hour or two after the shooting.

F: You were in the air when it happened?

P: Yes, that's right. And they didn't tell us a darned thing. Yet we found out later that they knew it--the pilot and the navigator--but they didn't tell a thing to the packed plane.

F: So you landed in Dallas not knowing any of this had happened?

P: Not knowing a thing about it.

F: How did you find out in Dallas?

P: Some general came in there and inquired for me. He came on back and said, "This is very confidential for this plane purpose, but the President has just been assassinated. I just had to tell you about it."

F: This is on the plane?

P: Yes. "There's no way to break it to you easily. It has just happened." That's the first we knew of it. Of course when we got out, everybody

knew it. And Bill Patman, my son, who was state senator, he was in the third car back. He was up close, I think they'd probably let him have my place.

F: What did you do then?

P: There was nothing to do. No use in going to Austin. We came on back to Texarkana. There was no banquet to go to.

F: You just came back and watched TV like everybody else.

P: Yes. I've always done one thing that nobody knew much about, and that was I've contributed as much money to the Democratic party every year since I've been there and raised as much as any member of Congress. People in the know would tell you that if it's necessary, but I'm not bragging about it because I'm just doing my duty. The first year I was here I helped raise money for the dinner, and every dinner they've had and everything they've had I've been in on it, and in a substantial way. More money than I'd even like to be known because I put up so little of it compared to what other people put up.

F: When did you first hear from Lyndon Johnson then as President? Did he call you later or tell you to come down or what?

P: We were always mixing around, you know. In fact, that picture right yonder on the wall is Hubert Humphrey and Lyndon, and that's me on the right over there. That's a typical meeting with the President. He had six people, a write-up about six of them that his staff considered would be qualified to be on the Federal Reserve Board if there was a vacancy, and he read off himself to Hubert Humphrey and me the qualifications and sort of the biography of each one. He got down and he read the last one.

(end of Side 1)

INTERVIEWEE: Wright Patman (Side #2)

INTERVIEWER: Joe B. Frantz

DATE: August 11, 1972

P: I have here a picture on my wall. Here is the President, here is the Vice President, Hubert Humphrey, and then here I am. That's in the White House. We were called down there--

F: "To Wright Patman, the keeper of our currency, March 1966." That's good.

P: We were called down there to protest the people who were recommended to fill a vacancy on the Federal Reserve Board. And after the President personally read over the qualifications of each one of the six who had been recommended to him, and either one being qualified to fill the place, he read the last one and he turned to me, as I was right to his left, and he said, "Which one of these are you for?" I guess he did that because I had been more of a critic of the Federal Reserve than anybody else. I said, "Well, I'm for the last one." Hubert Humphrey said, "I'm for him too, I'm exactly the same way." It was [Andrew] Brimmer, the Negro. He's the only black on there you know. And I knew all the others and Hubert Humphrey did too, and we were not going to take any of them. We couldn't make a mistake taking Brimmer because he couldn't be as bad as either one of the others from our viewpoint, and so Brimmer got the place and I think he has made a good Federal Reserve Board member--at least I've been impressed with his aggressiveness and he's usually on the right side.

F: Did the President ever talk to you about his problem with the Federal Reserve?

P: We never discussed that about December 1965 because that was so

unpleasant to me that it just wasn't very pleasant to talk about. I let him know in a letter what I thought about it, and what I thought the President should do. And he'd always answer promptly any communication I sent him. But he is a man of strong convictions, and you didn't sway him easily.

F: He didn't take your letter personally?

P: Oh, no, he wouldn't do that because he knew that, as devoted as I am to both him and Lady Bird, I wouldn't say anything that is personal. In fact Lady Bird was reared a few miles south of where Patman's Switch was, where I was reared, and the same little short line railroad. You know she was a Taylor.

F: What was your involvement with the building of this particular Rayburn building?

P: I was not involved at all except Mr. Rayburn often discussed it. I walked with him a lot. There's a circle over there in front of the Capitol that's exactly one-third of a mile around, and we'd walk that. If we walked three times, we'd walked a mile. If we wanted to walk it six times, which we seldom did, it would be two miles. But we walked a little every day, at least the weather was good; of course in rainy weather, real cold, or real hot, you couldn't do it so well. But he was a great walker and I was too. I walked to the Capitol at least two-thirds of the time, one way or the other. I live at Columbia Plaza, just this side of the Watergate, and it's two and a half miles, and I walk two and a half miles every day that I can.

F: You look awfully fit.

P: I think it helps me out. Of course I'm as old as the hills.

F: Hardly that.

P: I've always had my age in every library in the nation, you know, all

these books carry the exact age--the exact birth--I've never held it back. I'm proud of it.

F: In 1965 you urged a probe of the Federal Services Finance Company which makes loans to veterans.

P: Oh sure. I thought that was going the wrong direction and I kind of washed my hands of it because I couldn't have any influence. You see, another committee was handling it and I didn't have any control over it. I blasted it and said it needed better supervision.

F: Did you get the feeling that--

P: That it was going to be abused.

F: That your work on abuses of foundations was pretty well responsible for the Internal Revenue Service taking a little closer look at--?

P: Foundations? Of course. In that 1969 act the only thing that was done to foundations in the way of tax and anything else was on my recommendation, nobody else recommended it.

F: Had you been aware for some time before the story broke about the CIA's involvement with the foundations?

P: Just heard about it. I never did go into the CIA. That came up when I was interrogating Douglas Dillon on foundations, something about that.

F: How did that happen to come out? Just dropped into the testimony?

P: There was just something mentioned about it, it was not such that we should stop everything and go into it. It was foundations in New York that were funneling money to the CIA.

F: We had some in Texas too, I think.

P: Yes, we had it brought out in testimony--what we had--but we didn't specialize on just that.

F: Right. Did you think Johnson was going to run again in 1968?

P: Yes, I did. In fact, I was at NBC to comment on his speech that night. I'll bet there was an acre there, a couple of hundred people, you could see through his last--. The fellows to interview me were right there, I was there, and when he mentioned that he wasn't going to run, everybody dropped their pencils and I've never seen such a disappointed looking crowd in my life. When they interrogated me, I was at a loss for words but I managed to say something that they said was all right under the circumstances.

F: I think that was one night when the professional commentators actually--they didn't earn their money that night.

P: No, they didn't.

F: Usually they've got so much to say, but they all looked just kind of slack-jawed.

P: That's right. I don't think anybody but Lady Bird knew that. I don't think he would have willfully withheld it from me; if I had been around close he maybe would have whispered something, but I doubt it because he was determined to keep it a secret. You know, if two or more people know anything on Capitol Hill in the Capitol City of Washington, it's no longer a secret. If two or more people know it. That's a rule.

F: You were prepared to support him in 1968?

P: Oh, sure. He would have been elected. He could have easily been elected.

F: Did you ever talk with him about the war situation?

P: Yes, in the course of conversations with other people. His views are well known about it.

F: No particular insights other than what's already known.

P: No, that's right.

F: Did you talk to him about its effect on the economy?

P: Oh, yes, but of course the war comes first and you've got to win that regardless of cost. You can't stand back on cost on war.

F: Within your own district did you get the feeling, which has been my feeling, that Johnson had considerably more support on the war than you would tend to think, and that the most vocal people were the anti-war people?

P: Yes I had that feeling.

F: So you don't think that that would have brought him down?

P: No, it wouldn't. In fact, it gave a lot of people confidence. They wanted the President to be a hawk, take care of the country.

F: You never became involved in the big civil rights program or drives, but you always seem to have been very much in sympathy with the blacks' drive for decent housing and for credit.

P: That's right. You see, the blacks never opposed me. I never voted for civil rights, I couldn't vote for civil rights and be a member of Congress in that district. I had to be realistic about it. I couldn't serve them on other things, I just had that the issue. So the blacks never blamed me for it because I was their friend. I'm one fellow who helped them on lower interest rates and better housing and better opportunities and job opportunities. I'd make sure that they got the same help as other people under the same and like circumstances and not discriminated against. I've always wanted to help them get jobs and give them opportunity, and they've realized that. They've never opposed me as blacks, not one time, and I've been in twenty-seven elections. I was two terms in the legislature and two terms as district attorney and twenty-three terms as congressman--twenty-seven elections and never had a defeat and never had a run-off. So I feel like the people have been mighty good to me.

F: And vice versa.

P: Well, I try to be good to them.

F: I don't want to get into current politics because that's not part of our subject, but I am curious about one thing, and that is one of the arguments that the Republicans ran on in 1968 was the inflationary nature of the Democrats under Johnson.

P: That's right.

F: Do you think that the Republicans really have deflated the economy since?

P: They have inflated it. I predict that at the end of four years of Mr. Nixon the aggregate deficit for those four years will be $175,000,000,000, many times more than it has ever been in the history of this country. And any man who would cause us to have a deficit of $175,000,000,000 in four years time, I don't think is qualified to run the country.

F: How do you explain this in light of an increased unemployment rate?

P: It's just something that you can't just put your finger on everything, but if you have that much money spent you'd normally think that people would have jobs, wouldn't you?

F: Yes. Let's put it back on the Johnson level. Did you have a feeling that in general Johnson had sound views toward the national economy?

P: Yes, I think he did because he wanted to have a balanced budget if possible. He wanted the government to operate in a way that it would be safe and sound. Of course that's the only way you can be a good President, I think, or a good member of Congress, is to be for sound financing and at the same time protect the people against extortion. You know, I've had a lot to say about interest rates because interest rates is about the biggest item in our cost of living, yet they're not

mentioned in the cost of living. I've been after them for years to put it in there. We pay $150,000,000,000 a year interest rates in this country. That's a big item.

F: That'll keep you broke.

P: You bet your life it will. And people are paying up to 36 percent interest right now in broad daylight all over the nation, and laws enacted by the state legislatures enable them to do it legally. We don't have a national interest rate. I think maybe we should consider a national interest rate because the States have practically destroyed their usury laws. People don't have adequate protection against usury in the States, in the States generally. And it's costing too much money for people to finance their homes. You take a $20,000 home under the present circumstances. They pay twice as much interest over a period of time as the home costs them. They pay about $60,000 for that home by the time it's paid for--$40,000 interest, $20,000 for the home. Now you know that's too much! And that's going on in other financing.

We had an RFC one time from 1932 to 1953. When Mr. Eisenhower came in the first thing they did was get rid of the RFC. Now that RFC had generated $41,000,000,000 in credit with only $500,000,000 capital from the Treasury. During that time it had saved this country. It kept schools open. It kept businesses open. It had saved millions of people who would have gone broke otherwise. We need an establishment like that for the people's protection. If they can't get financing, they can go to their RFC and get it under good reasonable terms and conditions. Like the Lone Star Steel loan. That would never have been possible. And there are thousands of places in America today just as sound as that Lone Star Steel if they had available capital at

reasonable rates, which they don't have. So there are lots of things like that that can be done. But when the RFC was repealed--the big Wall Street banks, every big loan directly goes through one of those banks, if it's a great big loan--and immediately after the RFC was repealed and they had no competition for big loans, they not only raised the interest rates immediately but they began to require people to keep more money in the banks free-of-charge, what's know as compensating balances. And they they began to require a part of the action.

Suppose you would go in there with a housing complex that cost $5,000,000 that you'd worked on a year and spent everything you had on it to get up, and you had it ready for the banker to make the loan for it. He looks it over and he says, "Yes, I see you've got a pretty good thing for yourself here for the next thirty or forty years; you get so much a year out of this, out of what's paid in. We think we ought to have part of that because you can't do it unless you get the money, and if you get the money from us we want part of what you're getting." They immediately take part of the action.

Then the latest thing is, they'll tell you at the end of ten years "you've got to give it all to us." That's going on right here in the United States of America while the sun's shining, in broad daylight, and people--that's an awful imposition on them. It's just not right to discourage people to work and get up projects and be faced with a situation like that, and charge an extortionate rate of interest, and excessive rate of interest, usurious interests. People need protection against that. It's all right to pay reasonable rates of interest, nobody objects to it, but it's not right for them to pay excessive and extortionate and usurious interest rates. And that's what I'm against.

F: To sum up, you can't outguess the future, but what do you think history

is going to think about Lyndon Johnson's Administration?

P: I think Lyndon will look mighty good when the histories of his careers are written up. I think he will look good in comparison with any President.

F: Other than just a long relationship with a fine lady, did you have any official relationship with any of Lady Bird's beautification projects or anything like that?

P: I was always for them, I voted for every darned one of them. And when she was not getting all the support from everybody, she got mine because I think Lady Bird was as fine a woman as ever graced that White House. She got up a good book, The Living White House. Do you have one of them? I'm going to give you one of them.

F: Good.

P: The Living White House. She did more to help beautify America and to do the good and the beautiful and the true in this world, as much as any woman who ever lived. And she was so sincere and dedicated about it. No one ever fell out with Lady Bird if they knew Lady Bird, because she was always doing what was good for the poor, as well as the rich, and taking care of the country that should be protected to give people an environmental quality. She has fought for the environmental quality before it was ever known and appraised.

F: Right. Thank you, Mr. Congressman.

GENERAL SERVICES ADMINISTRATION
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Gift of Personal Statement

By Wright Patman

to the

Lyndon Baines Johnson Library

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