INTERVIEW III

DATE: March 21, 1987

INTERVIEWEE: DONALD THOMAS

INTERVIEWER: Michael L. Gillette

PLACE: Mr. Thomas' residence, Austin, Texas

Tape 1 of 1, Side 1

T: My greatest fear today is that I will be repeating myself. I guess you can--I don't know whether you do any editing on this or not. If not, I'll just go ahead and repeat myself.

As I told you, I wanted to do a short session today focusing on the broadcast activities of the Johnson family. We have suffered continual abuse by misrepresentations as to the broadcast activities, how they came about and what developed from them.

Of course, the first venture of the family into broadcasting was a year or so before my time. That's when they bought Austin Broadcasting Company, which was the licensee of what became KTBC. KTBC--TBC stood for Texas Broadcasting Corporation, which came into existence subsequent to World War II. I don't remember what the call letters were originally. Maybe they were KTBC. As I say, that was before my time. And as I told you in our session the other day, the original corporation--which had been owned 100 per cent by Mrs. Johnson, purchased with her separate funds, and I think that that fact has been universally established and accepted by all, critics and others--the corporation was dissolved in order to avoid--I think the principal purpose was to avoid the excess profits tax that taxed 85 per cent, I believe, of the profits

of a corporation whereas individual enterprise was taxed at a much lower rate. The company was operating as an individual ownership when I first started representing the company, which would have been sometime in 1944. And as I told you the other day, I was not the lead attorney then representing the Johnson family in those years prior to 1955. There were others. Senator [Alvin] Wirtz, of course, was probably the man whom President Johnson had the most confidence in of all of his associates throughout all of his political career.

G: Was Wirtz knowledgeable in this field of broadcasting?

T: No, no, not at all. Nor did he act as an active lawyer. He did not act as a lawyer for the President. He was more of an adviser to the President. But he, of course, was a senior partner in what was then one of the largest law firms in Austin, if not the largest. There was Powell, Wirtz, Rauhut and Gideon; Sim Gideon was a young member of the firm at that time. They also had a young lawyer in there, I don't think he ever did anything for the Johnson family, named George Leonard. But Morgan Hunter was one of their lawyers who I think did some work for the Johnsons. And John Connally became a member of that law firm for a time, and John did some law work.

So starting in 1944 most of my representation, as I told you the other day, was to read [speeches] and confer with candidates in order to avoid any exposure to an action for libel or slander. After the war and again when I was not that much of a factor, the desire was to restore ownership to the corporate entity. Now this was pretty well necessary in order to protect Mrs. Johnson with respect to her separate ownership and to protect her separate property.

The radio station was transferred to Texas Broadcasting Corporation in 1947. Texas Broadcasting Corporation was incorporated on, I believe, June 2 of 1947 and the transfer was approved by the FCC at a date that I think that I can establish here. The application to transfer the license was filed on June 10, 1947, about a week after the organization of the corporation.

I talked to you the other day about the vision of the Johnson family, and I've got to say that this was a shared vision. I don't intend to take away from Mrs. Johnson or her very active role in the planning of the company business, nor her attention to it, because certainly, as far as the family was concerned when the children were young, our principal pipeline to the Johnson family was through Mrs. Johnson, because the Senator and Congressman Johnson was fully occupied with other duties. And as a matter of fact, we had in those days meetings no more often than every six months of our board of directors.

I talked about the vision, though, and one evidence of it that I would like to record was the early recognition that someday, even though there were few radios that could receive FM signals, the company applied for and was granted its FM license on April 10, 1947. Few people can remember FM radio as of that day, and of course it was not immediately built, but that's when they were granted the license. The records would establish when we actually went on the air, and I haven't explored that, but I can find it.

G: Was it sometime in that decade, do you know?

T: Yes, indeed. And for a long time we satellite-programmed it, just had a simulcast of the same thing that was on AM was on FM in order to make it

a viable operation. I would say that we were the first successful FM station here, and we still occupy a very high position in the FM broadcast segment of the local market.

G: Let me just ask you if you recall who made the decision to apply for that license and if the decision was based on the view that someday FM would be popular, or--?

T: Certainly. Obviously, that decision was made within that period of time, April 10, 1947--I would say that the decision had to have been made probably in 1946 to get all of the engineering and application file off, which would be a public record. I would think that that decision was a joint decision of President and Mrs. Johnson and Mr. Kellam. Again, it's in a time period in which although I was a lawyer for the family, my activities were not of the scope that they subsequently were.

G: But that's not something they talked about in later years, that they reflected on as being a critical turning point or something like that.

T: No, I wouldn't think so, because you had the intervention of television, which was of course the most successful of all of the operations. We frequently are charged with having used political influence in the operation of the radio station. I would just like to make the point that there were few times, if any, prior to our entry into the television business when our KTBC radio was the leading radio station in this town, actually. I think KNOW with an inferior signal--actually in the early days there KNOW didn't get outside of town, hardly--and it was the leading station here for most of those years. KVET came along probably in about 1947 or 1948 and it always commanded a good audience. At one time it had a news broadcast, Stuart Long, at ten o'clock at night that

was a very aggressive program.

G: I don't want to disrupt your train of thought--

T: Go ahead, because I'm not very articulate this morning.

G: --but let me just ask you about two things that occurred before you were really a central figure but maybe you've heard them talk about over the years. One was this, getting CBS affiliation, and the other was the expansion of the strength of the signal and the hours, so that they could broadcast--

T: You talking about radio?

G: Yes, in the--

T: Well, the expansion was just a development in the technology and I think that in theory, at least, directional broadcasting was known. The technology of directional broadcasting no doubt existed perhaps even at the time of the acquisition of the property, but certainly within a very few years after that, and that very simply was development of a multi-tower array in your transmission of your signal, so that rather than transmitting a radial pattern where you were just in the center of a circle, so to speak, you could create a coverage, say a cloverleaf-type coverage, which we did. We actually had a cloverleaf-type coverage, and the effect as you came toward the tower, well, then you were creating a null, or no signal, out there. I mean between the leaves of the cloverleaf, you had a very weak signal. Well, when that was first designed Austin had not grown to the northwest to the extent that it has today, with the result that that null or weak signal came right over the most prosperous part of town, where in West Austin at 3506 Cherry Lane, where I lived for ten years, after dark you got a very poor signal. So I

think that there was no inside information. I think it was just something that developed and was of general application.

The CBS affiliation, I would say, probably followed as far as radio is concerned the development of the new pattern--or maybe even before that time. I don't remember whether we went to five thousand watts daytime and night twenty-four hours. I don't know just when that happened. I was not a party to it. I could find those facts. But I think that when you got five thousand watts full time, then you carried a signal to certain areas where no other CBS signal was available. Now, I never heard anybody raise any issue about CBS affiliation for radio. There was an issue raised and when we get to KANG, the Waco station, I think I should speak on that subject.

G: The only question about CBS is that it was an important step for them. Those affiliations were very coveted and the fact that they were able to get that no doubt helped the success of the business, and I just wondered--

T: You mean on which business?

G: On the radio.

T: Radio.

G: I just wondered what you think that the key to obtaining that affiliation was.

T: You had the superior facility--

G: Is that right?

T: --in the market. Nobody else had five thousand watts.

G: How about being able to broadcast at night? Now, this did require an FCC--

T: It's just a question of the frequency. Again, the only restriction on night broadcasting was that your signals carry better at night, and if you are broadcasting a radio pattern, well, you're going to interfere, your signals are going to butt heads with more distant signals and the people in between would get nothing. Same thing applies to television. There are people who could speak better on the technology than I can. I just say that I never even heard that this was any issue ever raised by anyone about us getting CBS radio affiliation. ABC and Mutual were in the market. NBC was on WOAI San Antonio, fifty thousand watts, twenty-four hours.

G: No, I'm not presenting it as an issue. I'm just saying that this is something that has been cited as an accomplishment in the development of the station because it did enhance the successfulness of the business.

T: Well, what I started [to say], I didn't finish my point. I think that the question of full-time operation was really a part of the technical issue, and if you could carry your signal--we went to a lower power at night and still do. We're five thousand daytime, one thousand night--five thousand watts. So at thirty minutes after sundown we cut our power and still cover areas that would not otherwise be reached by CBS network unless you got it from Shreveport, Louisiana or maybe Dallas, some distant signal might come in. I just never knew that that was anything more than a routine, normal business practice, and I didn't know that the network affiliation issue was ever raised anywhere except with respect to KANG.

G: I'm not suggesting that it was an issue so much as it was an accomplishment in terms of the station's development.

T: Let me just say that we have always, to the complete disregard of cost, tried to be technically superior, and I would say that our relationships in Austin, with CBS, were a product of a continuing effort to have the best signal, the best operation. Not making the most money, certainly.

Getting back to the newborn Texas Broadcasting Corporation, as I said, it was chartered on June 2, 1947. And in connection with the application for transfer, there was a pro forma balance sheet which was a necessary part of an application transfer. And it gives some insight into the scope of operation as it appeared prior to incorporation. These pro forma balance sheets showed that after, I guess, four years more or less of operation, the company was projected to have $28,460 in cash, $1,850 of accounts receivable, other assets which included some receivables from employees and things. I didn't list those. That was a total of $9,467. And fixed assets, building, equipment, of $95,330. Or total assets of $169,966. On the liability side, there was notes payable of $28,501, accounts payable of about $3,300, and debentures outstanding are $113,115, and capital stock, $25,000, which was four hundred shares of voting, Class A, and there was a hundred shares of non-voting, so it totaled five hundred shares were authorized and they were owned by Mrs. Johnson, except for two qualifying shares to Sam Plyler and Jesse Kellam to qualify them as directors. In the first place, let me say that at another point where it was not identified in the minutes specifically, it appears that the $28,501 was owed in part, at least, to Aunt Effie Pattillo.

At a later point in the minutes, at the time of the acquisition by the corporation of the Ranch, it was indicated that there was only

$80,000 of the $113,000 debentures that had been actually issued. I note that $80,000 since Mrs. Johnson was the sole owner of the Texas Broadcasting Corporation, and I mentioned the other day the debentures to represent the President's share of the community funds as had been generating in the period when it was being operated as an individual enterprise. And I at a later point had indicated that only $80,000 of those debentures had been issued up to that time, the time of the acquisition of the LBJ Ranch. So it looks to me as though what we have here is a corporation which had assets that went into it of $169,000, so I would say it looks likely to me that the $80,000 that were issued to the President back then were to represent about a half of these assets that were going back in.

The next significant thing that I see--I've reviewed these minutes--is June 27, 1949, where a resolution was adopted: "Be it resolved that the Vice President and General Manager Mr. Kellam take such steps as are necessary to expedite and facilitate television broadcasting by the corporation." So that's the birth of that decision. The study started then, in 1949. And I like to point out that I don't know how many stations were broadcasting in Texas in 1949. I know that by the time we went on the air, there was only maybe six, and maybe five of them were losing big money. I think there was one profitable station that always said, "We went through some losing months, but no losing years."

G: Do you know where the idea for going with a TV station came from in this case?

T: Whether it was here--let's see, we're talking about June 27, 1949. I will tell you a story that I have heard from a party to it. And as I

told you the other day, we expanded television only to rescue friends. I won't say that was the only purpose, but an incident of our entry into any expansion of our broadcasting involved going to the help of friends, or involved helping solve problems of friends. I'm not saying that we're out there looking for somebody to help, but the story I want to tell you is--and I got it from Ted Taylor himself and I have had it confirmed by President Johnson--the occasion was that the President was in Amarillo for a political gathering, which would make me believe it was in the 1948 campaign. Ted Taylor was our very good friend--I didn't know him at that time, but I'm saying collectively--to the family, Ted Taylor, O. L. "Ted" Taylor, was a good friend. He had been a partner with Gene Howe and Tru Snowden in very successful newspaper and radio operations all over Texas and elsewhere.

And Ted Taylor had had a national representation agency, which is really just a national sales tool, facility, and had actually represented our station. While the President was there in Amarillo for political purposes, whether they were fundraising or not I don't know, he had called Ted aside and said, "Ted, I want you to sell our radio station. What do you think about a certain price? Do you think it will bring this price?" The price I remember was $400,000, but I wouldn't stand by that figure. Ted said, "Lyndon, you're unduly concerned. Don't sell your radio station. Go into television. Just go ahead and get in there, because," he said, "television is going to be the new game, even though everybody's losing their ass now, they'll recover it when they sell their property, if they have to sell, or they can ride it out. Don't you sell it. I want to strongly advise you, go ahead and go

into television. Now, if you make the decision that you want to sell it, or if you are still of the opinion that you want to sell it and that you want $400,000 for it, it's sold. I'll take it."

And I wonder as I go through these minutes and see that 1949 kind of weak, faltering decision, "Let's study it and see what we can do about getting into it," I wonder if that was not the genesis of the idea or of the effort or the movement to get in it. The idea had to be there all along. But you've got to realize that in those days all radio broadcasters were extremely concerned, as were theaters and magazine publishers. All these things suffered a real impact from television.

G: Why do you think LBJ was considering selling the station in 1948?

T: Fear that that which had been profitable would no longer be profitable, which a lot of them did sell, or a lot of them who stayed in suffered severe depreciation in the value.

G: Yes. He seems to have had a pattern of being apprehensive when he thought the Republicans might be coming to power. That's just--

T: That could have been. I don't know what was in--I say I was not that close at that time.

G: You don't perceive a tendency in his thinking that when he knew there was going to be a change of administrations, or felt that the Republicans might well assume the presidency, that the economy was not as likely to--

T: Well, I don't know how many people he's told this to, but he has said this to me many times, he said, "There are some mighty good people and mighty smart people in the Republican Party, but Don, they can't run the country, they just can't run the country."

(Laughter)

Just like he doesn't know how to drive. But I've heard him say that with all sincerity and with great respect for the Republicans. I mean, he got along with them.

G: But did this enter into his business thinking at all, do you think, over the years?

T: Well, I don't know. I wouldn't want to say either way on that. I don't know what his basis for thinking they couldn't run the country was.

G: But you didn't have to prevent him from wanting to liquidate everything during one of these times?

T: No, no.

G: That's a good story. Do you think it also has any bearing on his attraction for gadgets? Television was very much a gadget at the time.

T: Well, any gadget was--he was a gadget man.

I think he was genuinely afraid. In the first place, this involved borrowing a lot of money, to go into television. And they did; I think they borrowed all of the money.

G: When the decision was made to go forward with the television idea, was it fairly unanimous among the people involved? Jesse Kellam, Mrs. Johnson?

T: Oh, yes. I think there was no question about it. And I always marveled at their ability to put this station on the air, get it going with people who had no experience really, just people within the radio staff and some people that were hired that were coming out of the university [of Texas] school of communications, people like Fred Nobles, Elmo Brown--

G: Yes. What about the decision on UHF versus VHF? Do you recall how that decision was made?

T: I would imagine that that decision was made--and now I'm speculating--after employment and consultation with Earl Cullum's engineering firm in Dallas. They were *the* engineers in the nation.

I have as a part of another story that I frequently tell--I for many years carried in my wallet a clipping out of the ***Wall Street Journal*** which reminisced, I will say, about the difficulty of decision of people entering a television business as to whether they went for UHF or VHF signals. I don't know whether that's something that you have developed with other interviews or not.

G: Not really.

T: The difficulties of that decision.

G: I gather it really was a toss-up at one point before the manufactured televisions--

T: It was a real toss-up. On the side of VHF was the fact that the television set was cheaper, by about thirty dollars as I remember it. And people never point out that the law prohibiting the interstate shipment of television sets incapable of receiving UHF was passed at a time when we were on the threshold of having UHF competition right here in Austin.

G: What was the purpose of the law?

T: To make the UHF spectrum a viable spectrum. They gave up that they could ever sell the country on rabbit ears. The difficulty of the decision, according to that article--and I lost it when my pocket was picked. I lost that wallet and I don't remember when. I said a number of years. I want to say probably two or three years. The problem was, in the first place, there was always a movement to assign all the VHF signals east of the Mississippi and take all of the UHF and allocate

them to the states west of the Mississippi, which is just opposite of the way it should have been because we have to carry our signals to a longer distance west of the Mississippi, and the VH signal is a longer-range signal. Also, other than that and the thing that of course mitigated against that, was that the VH had been the earliest stations to go on the air and to take those VHF signals away from your major population centers, after they had been in business that long and people had sets that couldn't receive UHF, would have brought about near revolution. Also, the military had always expressed a strong desire to have the total VHF spectrum reserved for military use in missiles and electronics and so forth, far beyond anything that I could explain to you, but all of that was in that article, and there was a hard call which way you would go. Now, two applications for the UHF signal, frequencies, two frequencies were filed before the KTBC application for the only VHF signal was filed. One of them was by--and I'm sure somebody's told you this--they were all granted the same day. There was no other applicant for Channel 7. The only applicant was Texas Broadcasting Corporation. The Johnsons didn't have the money, the liquidity in hand to put the station on the air and have adequate operating capital without borrowing.

Pete [H. H.] Coffield, who was one of the wealthiest men in Central Texas, of Rockdale, was granted one of those UHF permits the same day that KTBC was granted. He never built it. Why? The reason rich people are rich is that when they look out there in the world and they see five or six or seven businesses operating and five or six are losing very substantial amounts of money, they don't go running in there.

Tape 1 of 1, Side 2

T: So what did the Johnsons start talking about when they started studying television? Let's study along with that color telecasting. Hell, that was just somebody's dream at that time. Later on they passed resolutions that Mr. Kellam be directed to notify RCA of our extreme disappointment that they had been unable to bring forth proper broadcasting equipment, which was a very expensive proposition. But that's reflected in these early minutes. And incidentally, we were the first.

G: Is that right?

T: Certainly the first here in Austin.

G: Do you have any recollections of when the station actually went on the air for the first time with the television? Wasn't that a football--?

T: Yes, it was an A&M football game.

G: Let me ask you to describe anything you can about the background of the event itself going on the air.

T: It was just the regular annual A&M football game, and we were going on the air. I don't know whether it was planned that way or not, but at any rate, that's when they went on the air.

G: Was it difficult, do you think, to get permission to telecast that game?

T: We didn't do the origination of it, no. No, it wouldn't be hard at all to get the right to carry that game in this market. Nowhere in the world would there be greater interest in it. But it was terrible weather. We had snow, we had lots of snow.

G: But someone else originated it and you just carried it.

T: We just carried it, yes. We wouldn't have been equipped or capable of originating it. We didn't have the remote equipment to have broadcast it.

By now, I'm pretty well on board, along with--not on the inside of the family so much as I was within the business.

G: Was there a different staff for the television station than there was for the radio station, or did people work double duty?

T: People worked both ways.

G: Tell me, let's say the station went on the air in what--1952, was that right?

T: I think so.

G: Let me ask you to, just basically to the extent that you remember, tell about the personnel that you had and who did what.

T: I may miss it, because some of them could have come on a few months later. We had Fred "Fingers" Nobles, who became subsequently--had a high position in the Voice of America; I don't know where Fred is now. But a very able guy and a real character.

G: How so?

T: Oh, screaming at people and--and we had--

G: What did he do?

T: He was a director. Cactus Pryor, of course, was our head personality and on-the-air man. Elmo Brown came on during that era. Uncle Jay Hodgson was there at that time. Dan Love, who was subsequently--he left us to go to work for KTRH, I guess it was, in Houston, and I've always heard that it was a close call as to whether CBS would hire Dan Rather or Dan Love. But Dan Love certainly had network potential. The problems were--he had personal problems that caused him to come back to Austin. Jimmy Morris was an on-the-air man, should have been a minister and actually subsequently became a missionary to South America, and now

I guess he still represents the REAs, their association. A great, good man. I can't think.

G: Did Paul Bolton do any TV [inaudible]?

T: Paul was there from the beginning. Paul was a news director, he was a shareholder, one of the early outsiders to have an interest in the company.

G: Why was that? How did someone like Paul Bolton have an ownership?

T: He was trusted.

G: Is that right?

T: That was the main thing. Johnson and Mrs. Johnson, both of them, of course I think that they did agree, I think they did discuss things. And they had a great reluctance to having the stock in hands where it could be just scattered out into the world among people that they didn't know. And you know, the fewer people you've got involved, the less chance you have to have trouble.

(Interruption)

G: Why didn't they just retain all the stock themselves? Why did they--?

T: They virtually did. They had out of five hundred shares, I believe--I can confirm this but I don't guess the numbers are ever that significant. I think Jesse had maybe seventeen shares. Maybe Paul had ten shares originally. And O. P. Bobbit had seven shares. All of which could be reclaimed, recalled, by vote of three people, which included Walter Jenkins, and Walter had seven shares, or maybe he had ten shares. I don't know but that was about the time of television. Let those ownerships in. Subsequently I got in for a share. That was in about 1955. He considered when he put one of those shares of stock to you

that he'd really announced your arrival. A. W. had a share, and Art Vickland.

G: Who?

T: Art Vickland.

G: I've never heard of him.

T: He was the bookkeeper, the controller. I always felt that the reason he got a share was The Man's mighty snug about people knowing what the business was doing. Before this thing's over, just for the pure hell of it, I'm going to go back and I'm going to give you the numbers of the profit after tax of these entities. The profit after tax will be radio and television after television came because they were both under the same corporation. I mean, this sort of thing, you know, if you wanted to blow it out of all proportion, you can do it, if you want to try to nail somebody.

I'll tell you one story in case I forget it, or maybe I've already told it. Have I told you about the time I went to Bryan on a lawsuit to interview a witness and I came back to Caldwell? Caldwell's on the road, and there's a little old restaurant there, or was at that time, at the intersection. And just before you go under the interstate, where throughout the year, being a driver, doing most of my traveling by automobile, I had a hundred places where I never passed, I'd stop and do something. So we stopped at this place, I believe it was Roy Moore that was with me, and we stopped there to get a cup of coffee. And this was the middle of the afternoon, nobody much in the place. And this man behind the counter served us our coffee and said, "Where you fellows from?" I said, "Austin." He said, "Well, do you know that crooked son

of a bitch Lyndon Johnson?" I said, "I know Mr. Johnson. I don't describe it the way you do, but I wonder what in the world makes you make such a statement, what you base that on." He said, "Well, didn't you read in the paper? He sold that television station down there in the Valley and he made a million dollars." Just, you know, like he had done something really bad. And that was KRGV.

My answer to that has always been at the end, "If my time is worth ten cents an hour and if Jesse Kellam's time's worth twenty-five cents an hour, we lost money." But that will come when we get to the KRGV story. But you can take something like that, and they did try to make political hay out of it; it was well publicized, as the details of the sale were public record. Truth of the matter is we didn't make any money. The truth of the matter is the way we handled the acquisition, we had several hundred thousands of canceled loans made. Part of what appeared in the filings with the FCC to be a million dollars profit. Well, we didn't get credit for the debt we'd charged off or the expenses we had incurred.

G: I see. Did you also have to put a lot into the station before you sold?

T: Since this issue is raised by your question, I will describe our relationship with Ted Taylor and our operation at KRGV at an earlier point than I had planned. I will perhaps return to it later, and I may have already touched on it.

The truth of it is that Ted Taylor was an old and dear friend of the Johnsons and a person whom LBJ credited with encouraging the family to go into television. I know I have talked about this before because I made reference to Tru Snowden's name, but I will, at the risk of being

too repetitive, set out two salient points: Ted Taylor had gotten himself over-extended and was having difficulty in keeping KRGV radio and KRGV television on the air. He had been involved in a very expensive hearing before the FCC pertaining to the TV permit for Wichita, Kansas, where he once owned a radio station. He came to the Johnsons soliciting their help and their investment in his Rio Grande Valley operations of KRGV-TV at Weslaco. Both of these operations were then losing money at a rate that Ted could not afford. After we, meaning Jesse Kellam and I, had studied the operation, we recommended to Mrs. Johnson that we not get involved in the radio operation but that we could probably pull the television operation out of the red within a reasonable time. Ted Taylor wanted to stay in the game and it was his suggestion that we buy a half interest in KRGV-TV, which was a separate corporation, lend him money, several hundred thousand, as I remember it, and take an option equal to half of the value of the radio station and take an option to acquire the half interest at that price at a future date, which I believe was no more than eighteen months. Upon the expiration of that period of time, we were still operating in the red in both ventures, radio and television, so we decided not to exercise our option, as we did not believe the radio property was worth what he wanted. After some negotiation, the price of the half interest in the radio was renegotiated and we acquired half interest in the radio and the television corporation. Not long before we sold KRGV Television, Inc., and the combined television-radio operations, Ted despaired of fighting the game longer and sold all of his interest to us and we in turn dissolved the television corporation and took the permits and the assets into Texas

Broadcasting Company. We took them in at the depreciated book value and forgave all the debt. Texas Broadcasting then provided additional funds for the continued operation of the Weslaco properties.

There is no way I could determine how much money we actually lost on this venture, as some of it resulted from operating losses that we assumed. I can only say that whatever J. Evetts Haley might have dreamed up in his effort at political assassination, we certainly never mistreated Ted Taylor. He retired from the operation because he had a better opportunity; he was a superb salesman and he first started brokering radio and TV properties, got into brokering newspaper properties, and died a wealthy man. We carried him on our payroll to the date of his death and covered his insurance, health and life, during that period at our cost. I actually became his lawyer in the last years of his life, and we had mutual respect and friendship. I never heard him crying a tear about his failure in the Valley. I think his pride was hurt somewhat that he had involved the Johnsons in an enterprise that was costly to all of us.

G: But his [Haley's] proof that he cites was that you sold the station later on for so much more than--

T: Well, we didn't. The answer to that is we didn't.

G: Okay. Before we leave the subject of the staff, you've talked about the air personalities. Let me ask you to talk about the people that sold ads for you.

T: Of course through the years there were quite a few changes in the sales personalities. The first sales manager that I remember was Sam Plyler, who was with us in the early radio days and was not, I believe, on board

when we went into television. The senior salesman was Oscar Price Bobbitt, the President's bother-in-law. He was an extremely able salesman and sales manager. He worked a lot with our national reps as well as their regional offices and was an outstanding success, well liked by everyone, extremely hard-working. I would suggest that his number one assistant was Charles Howell, who is still living. Charley was, I believe, radio sales manager during the television years. He was working for the station when I became so actively involved and continued with the company up until the TV station was sold to Times-Mirror. On account of his talents, Times-Mirror made him a very attractive offer for him to stay with KTBC-TV. We really regretted losing him. However, he did not apparently meet the specifications that Times-Mirror imposed because he was not with them more than perhaps a year, and I believe filed a lawsuit against them alleging that they had breached the contract by terminating him when they did. We were glad to get him back and he came back to KLBJ and worked as a salesman very effectively until his age and health would not permit him to drive. We then put him in charge of collections of current radio accounts. As in everything he ever did, Charley was very able and continued with us until he had no desire to have any duties whatsoever. He is still a good friend of the Johnsons and of mine.

Ozzie Osborne was another sales person who spent his career with us and whose son has cast his lot as a salesman for our KLBJ radio operation.

Gus Stewart was a TV salesman who was virtually without a peer, he was so good. He stayed with TV and is still there and still doing a good job.

Bob Meacham--he sold both radio and television very successfully, was a very loyal, dedicated employee who spent his whole career with us and who retired on account of failing health. He died shortly after he retired.

I want to talk about our profit-sharing plan sometime during this thing, too, at considerable length.

G: Did you have the same salesmen selling time on both television and radio?

T: For a time we did. Then it became departmentalized.

Gus Stewart, later on.

G: I think you once told me a story about Jimmy Connally, was that his name?

T: What story? Because I don't know a Jimmy Connally. If he was an announcer--(Laughter)

G: Jim Nunby?

T: N-U-N-B-Y, I think. Do you want that story?

G: Yes, that's a good story.

T: Jim Nunby was a very good announcer. Unfortunately, he had a very pronounced Adam's apple, and when he was doing his job the way he did it, so careful in his diction and everything, his Adam's apple kind of did a St. Vitus' dance. And LBJ didn't like him, didn't like to watch him, and he said, "Jesse, that Nunby, he looks like a corset salesman. Fire him." Well, of course, Jesse knew the President, just as I knew him and those of us who stayed around always knew him. Sometimes he'd give you a direct order and the worst thing you could do would be to carry out that order, because he didn't really mean it. He'd say, "Get

rid of that so-and-so. He looks like a corset salesman." Well, the end of the story is that--and he'd get back to Jesse again and Jesse carried a pad of counter checks in his inside coat pocket, American National Bank counter checks, which he used as note pads. And the President would say, "Fire that guy. He just ought not to be on our station. Get rid of him." And Jesse would take out his pad of checks and he'd make a note, "Fire Jim Nunby." And the President would come back and he'd say it again, "Fire Jim Nunby." And Jesse would say, "Yes, sir, Mr. Senator. Yes, sir, Senator," or "Yes, sir, Mr. Vice President," or "Yes, sir," whoever it was--he never was around when the President was president. The net of it was that finally Jim Nunby resigned to go to work for Maidenform as a salesman!

(Laughter)

G: Do you want to talk about the Waco deal? Are you ready to do that, or you want to--

T: What time is it?

G: It is eight-thirty.

T: There's going to be somebody here in the next fifteen or twenty minutes.

G: Okay. I wanted to ask you about the ownership of that Convair and the circumstances of the accident in 1961 that you--

T: I'll tell you a little more. I'll embellish that story with other stories within the same thing. I told you that we bought the Convair, borrowed a hundred per cent of the money at the American National Bank.

G: You didn't tell me this before.

T: I didn't?

G: No.

T: Well, the President had to have an airplane to campaign in. All of them did. And he never wanted to flaunt his wealth, or matter of fact, he'd rather kind of hide it. So the decision was made to buy this airplane to form a partnership which operated as Texas Aircraft Rentals. The two partners were Donald S. Thomas and Warren Woodward, and we were the record owners of the airplane during the campaign, and charged prevailing rates. There was a standard out there in the industry for the rental of those Convairs, which were a dog on the market at that time; they were right in the--I'm not much of an airplane buff, but at any rate they had gone out of service pretty much as first-line carriers, but good airplanes.

G: Who did you buy it from?

T: American Airlines, who had a covey of them for sale. I didn't handle the purchase. I think Woody was involved. He knew some of the people up there. Mr. [Raymond] Buck was the lawyer for the airline and was a very good friend of ours, political and personal. At any rate, we wanted, whenever press people were checking up on who does this airplane belong to that this candidate is using, they'd find it belonged to Texas Aircraft Rentals. And that went along fine till after the campaign was over and we decided to transfer, to get out of the partnership and to sell this plane to Brazos-Tenth Street Company, and Brazos-Tenth Street Company acquired the plane from Texas Aircraft Rentals.

G: Why did you do that?

T: In the first place, I think Woody was gone, and in the second place we had no need for that airplane, no desire to keep it, and wanted to sell it. So the best place to sell it would be to sell it out of the Brazos-Tenth.

G: Rather than just--you couldn't just sell it out of the Texas Airplane Rentals.

T: There was some reason why we didn't want Woody involved at that point, and I don't know what it was, or maybe Woody didn't want to be involved at that point. Maybe Woody was no longer with us or was thinking about leaving. He did go, I think, to American Airlines. I wouldn't want to express a reason why it was more convenient to handle it through Brazos-Tenth Street. So that decision was made. About a week or two--do you know what month that airplane crashed?

G: I think it was--wasn't it February 1961, I believe.

T: Somewhere in that neighborhood, I would guess.

G: Late February.

T: Any rate, we decided to transfer the airplane and there was a company in San Antonio that serviced airplanes. It was owned by Mr. [H. B. "Pat"] Zachry. I don't remember the name of the company. It was the Beechcraft dealer over there. And that's more our class airplane, you know, a Beechcraft, as far as any company business. We had no need for the Convair, so it was not--and it wouldn't have brought any more than we'd paid for it. I would hope that it would bring that much. It wasn't a staggering amount of money, couple of hundred thousand dollars, as I remember it.

So the story I want to tell you is about two or three weeks before that plane crashed Mrs. Johnson and Neva West went to Dallas shopping. I don't know whether this could have been around Christmas season or what. LBJ and A. W. probably went over to Wesley's house, [his] ranch up there in the Hill Country, to play dominoes while they were waiting

for the girls to get there for dinner. Harold Teague was flying them in our airplane, which was a Beechcraft. He called in on the intercom and said, "Fog's too thick. I can't get in," or the ceiling was too low. "I can't get in, so I am going to take Mrs. Johnson and Mrs. West back to Austin." Wesley said, "Aw, hell, he ain't got any goddamn guts. That's what's wrong with your pilot." He said, "Big Deal [Wesley West's pilot] will bring them in. I'll send Big Deal to get them." And the President had to argue with Wesley in his own inimitable way without it appearing to be an argument. "Oh, no, what you going to do now, Wesley, you going to have to send Big Deal up there," being his pilot. He said, "He's going to have to go to Austin and when he gets up there, I don't know whether he's going to be able to land or not. And then he's going to finally get our ladies and he's going to come back out here and he's going to find the same thing, that he's going back. And by the time we fiddle around here, if we just have a car to bring them out right now, we'd be better off." So he finally sold Wesley on leaving Big Deal out of the deal. And Wesley said, "Well, you know what Big Deal does. Hell, he just gets there right down on the river. He just gets down there real low. Them ceilings don't bother him at all. He just flies the river."

Well, I saw the President a day or two later maybe. He told me this story about what had happened. He said, "Don, I want all of you to remember, I want you all talk to Harold Teague," our pilot, "and tell him how damn proud I was of him that he wouldn't take a chance with the life of Lady Bird and Neva and that he under dangerous conditions went back and withstood the embarrassment." Apparently Wesley had said some

of this over the intercom to Harold, that he would get Big Deal to come there. He just commissioned us, this was our job, we got to tell him, 'cause he damn sure doesn't want him taking chances.

So we get this plane over to this San Antonio Beechcraft dealer and to help us with the transfer papers. So I'm over there to sign documents. Harold's over there, probably flew me over, and I guess Jesse was with me, I don't know who. Certainly LBJ wasn't. But Harold was there, and I said, "Harold, The Man not only told me but he told me to tell everybody that would be in communication with you how extremely proud and happy he was that you showed the good judgment you did the other night involving Neva and Lady Bird." And Harold said, "I don't take any chances. You just go tell the President. It's my ass, too." So the truth of the matter is that I had the transfer in my pocket. It had not been filed. We thought we had thirty days to file the transfer.

G: Now, this is from the rental firm to Brazos-Tenth?

T: Yes. And by that time I'm acting as the rental company all by myself.

So the next thing--what I'm saying is we were told that we didn't have to file that thing for thirty days. So actually the airplane was probably, could have been still registered in the Texas Aircraft Rental. I don't think it was. I think--you know, I went ahead and filed that thing and of course we collected our insurance. I was scared to death the insurance--it turned out that you didn't have that thirty days. I'm a little hazy right in there about the registration of the plane, but there never was any question about it. It was paid off to the Brazos-Tenth Street Company, which in turn paid off its note.

G: Do you have any knowledge of the circumstances of the crash?

T: I was in Dallas. Woody's the one that called me and told me that the plane was overdue at the Ranch. The story was they were going back to Washington the next morning, as I remember, and there was no reason for Harold to come out that night. The President and others were riding around on the Ranch and they had some conversation with him on the radio. And he decided on his own to come on out and spend the night [inaudible]. I think the President said, "Now, Harold, it looks to me like it's closing in out here." See, this is all secondhand with me; this is just what I was told at the time. And Harold said, "Oh, I think I can come on out and make it." At any rate, it was his decision to come out and spend the night and then take off in the morning. And he had this new pilot on board with him, just the two of them.

G: Yes. So the plane was not at all in Zachry's name or the name of his company?

T: I don't think so. I had the transfer in hand. But I know I was concerned that the insurance company might raise the issue that the plane was illegal in that the transfer application had not been filed, but they did not make a point of that.

End of Tape 1 of 1 and Interview III

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DONALD S. THOMAS

In accordance with the provisions of Chapter 21 of Title 44, United States Code, and subject to the terms and conditions hereinafter set forth, I, Donald S. Thomas, of Austin, Texas, do hereby give, donate and convey to the United States of America all my rights, title and interest in the tape recordings and transcripts of the personal interviews conducted on Feburary 3, 1980 in Acapulco, Mexico, and March 13, March 21, and March 23, 1987 in Austin, Texas, prepared for deposit in the Lyndon Baines Johnson Library.

This assignment is subject to the following terms and conditions:

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