

The Texas Observer

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AUSTIN LOBBYISTS AT WORK III.

(This is the Observer's third special issue on the Austin lobbyists and influence in the capital. The first one appeared in 1955, the second in 1957.—Ed.)

Austin

Lobbying in the state capital has become more sophisticated since the uninhibited merriments of the early 1950's, but it is still fundamentally the same. If, as Atty. Gen. Waggoner Carr wrote last month in a review of the 1957 lobby control law, "The only manner in which a person is permitted to attempt to influence the vote on any legislation is by appeal to reason," many Austin lobbyists must be construing reason to include gratitude, pleasure, camaraderie, and a sense of obligation. "It's the subtle soft-sell," says Rep. Honore Ligarde, Laredo. "It's so vague — like the wind," says Sen. Franklin Spears, San Antonio: "It's ever-present, it's always there. You feel it, but you can't put your finger on it many times." The three B's of the early fifties, "Bourbon, Blondes, and Beefsteak," have been refined to exclude the blondes, and not since 1957, when a representative was caught getting a \$5,000 bribe, has that fourth B been a subject of public concern, but Texas legislators this year still find themselves enveloped by pressures and blandishments difficult to perceive and almost impossible to keep free of.

The legislators' most fundamental commitments are made, implicitly or explicitly, in the spring and summer-time of the even-numbered years. The reporting of campaign contributions in Texas is not strict, precise, or complete. Committees can be created to protect the identity of donors; politicians know as a practical matter that they can fail to report contributions with little or no risk. One Austin trade association executive believes

that some politicians make money on campaigns; whether this is true or not, money in elections profoundly shapes the legislatures that convene in the odd-numbered years.

A senator says that "In the Senate, I think it generally works on the basis of the support you had before you came to Austin. On these special interest bills, quite often a member lines up. On a question like the truck load limit, he commits himself beforehand. This is true on labor, oil and gas—a lot of things."

Of course many members refuse to accept strings explicitly attached to contributions. A representative says, "It seems to me that where lobbyists operate most effectively is in the campaigns. The die is cast on most of these things before the members ever get to Austin. The key is recruiting candidates—the best thing is to get a man who leans your way in the first place. That's the whole basis of lobbying. . . . It's not necessarily corrupt. A lobby group will utilize local contacts to do that sort of thing. It's the business community generally now in Texas that has those local contacts. Labor doesn't have them except in certain districts."

After an election, a winner can be approached by lobbyists offering to pay off campaign debts still outstanding. One legislator tells of such an episode after his unexpected victory last spring. A well known lobbyist for interests theretofore indifferent to his candidacy apologized for his belated appearance, but his offer to pay some bills was turned down in this instance.

Some members of the legislature take the position that they owe certain votes to certain groups almost as a matter of fair play. Lobbyists write many of the laws. When a senator was asked if a bill he was sponsoring agreed with a certain group's wishes, he answered, "Well, if it's any dif-

ferent, it's because a typographical error was made." Other members find such approaches to political reality objectionable.

Paid \$4,800 a year, most legislators regard their public service as part-time work. It is natural that election to office enhances a legislator's earning power, yet lucrative arrangements that may or may not be attempts to buy his political influence raise questions the legislature in this state has not yet faced.

About 20 of the 31 senators and about 61 of the 150 legislators are lawyers, which is to say that four out of every nine legislators can receive "retainer fees," permanent fees on a year-round basis, from any of a variety of economic interests. The Observer has asked legislators, in a questionnaire on lobbying and influence, for their estimates of what portion of the lawyers in the legislature are paid retainer fees by "a party interested in legislation." The average of the estimates ventured was 33% of the lawyers in the House and 49% of the lawyers in the Senate.

More than half of the 45 respondents, however, did not answer the question, many saying they just don't know. "This is a rather difficult question," replied Rep. Maurice Pipkin, Brownsville, "as very often retainers are paid incidental to legislation."

No one knows the extent to which retainer fees influence the Texas legislature, because no one has an open record of such fees, yet it is obvious that legislator-lawyers are hired on occasion because of their political position. Even one senator who is not a lawyer says that a business group sought to put him on a retainer, thinking him a lawyer.

It is a good lobbyist's business to know a lot about legislators personally and politically. The Observer has stumbled upon a good example of the kind of research in which trade

groups engage on legislators' backgrounds, friends, contacts, and even their wives' friends. A dentist in Galveston received a questionnaire from his association about Sen. A. R. (Babe) Schwartz, Galveston. Apparently his association wanted the dentist to fill out the form. Misunderstanding, the dentist sent the form to Schwartz with a request that he fill it out. Hopping mad, Schwartz showed it to the Observer.

The form is devised to apply to any part of the country (it begins, "Dental division: NE—NW—SE—SW—") and to members of the Texas legislature or the congress. It asks for this information:

"Name and address of personal dentist"; "name and address of personal physician"; "names and addresses of personal friends or relatives in health professions"; "names and addresses of contacts for legislator's wife"; "ability and availability as a speaker before dental groups"; "campaign promises on health legislation"; "component dental society area (counties represented)"; "contacts: dentists and/or other important friends"; and "voting records."

Equipped with this kind of information, smart lobbyists can generate politically painful pressure on key legislators from the right people in their home districts. A hundred letters, telephone calls, or telegrams from substantial constituents can be expected to dispose a politician to vote the way he is urged to vote, especially if the communications are both personal and pertinent. A senator who prefers not to be named calls this kind of lobbying "the clever application of clever pressure" and says it is far more effective than any other kind.

The lobbyists' main work, the presentation of information and argument on legislation as it affects their interests, is carried on before committees, in writing, and in discussions. Some of the active Austin lobbyists are advocates in this strict sense and do not go in for the more colorful methods of influencing legislators.

Lobbyists work year-round, calling legislators for dinner, a fishing trip, a duck hunt. Every legislator in Austin knows that come Christmastime, he will receive presents from people he may never have

heard of—but will likely hear from again in due time.

Every Texas legislator is given a family movie pass by the council of motion picture operators, good in almost any theater in Texas; by asking, he can get extra passes for friends and office workers. Greyhound and Continental bus lines give legislators free bus passes, good for rides anywhere in Texas. A representative says he also got bus passes for his family by indicating he wanted them. The railroads do not give passes. A legislator who handled some pro-railroad legislation recalls that after the legislation was out of the way, a railroad lobbyist gave him free train tickets for a journey he and his family were preparing to make.

Legislators told the Observer that they received these Christmas gifts from lobbyists:

A transistor radio, from Jimmy Phillips, lobbyist for Dow Chemical; a desk radio with pen staff, from E. M. Stevens, Great Western Loan & Trust, San Antonio; a package of imported liquor and food—excellent Scotch, bourbon, and rum, and a Danish ham and some cheeses, valued at between \$25 and \$50—from Searcy Bracewell, lobbyist for oyster shell interests; jellies, jams, and marmalades; an artificial floral arrangement ("It's the wives who are often the beneficiaries—it's the wife who gets you to go to that nice man's party"); a gift booklet, giving the legislator who writes off for it his choice of one of about ten gifts, ranging from a set of glasses to an ash-

tray, from Homer Leonard of the Texas brewers' institute; an ashtray, from Tom Pinckney of the firefighters; fine cheese from George Clark of the dairy interests ("My family said it was damn good," says a senator; "I never ate any of it, I was dieting"); and a subscription to the Reader's Digest, from Bailey Jones and Will Ehrle, Lone Star Gas lobbyists (about which gift a senator exclaimed in exasperation to his wife: "Well, hell, how do you return a subscription to the Reader's Digest?").

Members are extended courtesies at private clubs. The Club Caravan this session has been used frequently by the small lenders. The Engineers' Club is the labor lobbyists' lunch club. A senator—specifying, of course, that his name was not to be used—said, "I have had sort of a standing invitation [from lobbyist John Terrell] to take advantage of the hospitality of the homebuilders at the Deck Club. George Clark of the dairy people says, Look, if you want to entertain at the Austin Club, I've left standing word there, you can use my credit card anytime. I feel sure," the senator says, "plenty of other members are confronted with this."

Most members are given free passes to college and university athletic events and to city facilities they may want to use. All of them get a free pass to the city of Austin's recreational facilities.

Beer and whiskey are available in

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The Observer solicits articles, essays, and creative work of the shorter forms having to do in various ways with this area. The pay depends; at present it is token. Please enclose return postage. Unsigned articles are the editor's.

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quantities limited more by the legislator's staying power than by niggardliness among the lobbyists. The beer group provide kegs and cases for parties on request, the whiskey people send out the hooch required for various occasions, and many other lobbyists, such as Ted Reed of the hard liquor people and Sherman Miles of labor, also provide booze. When the beer interests' D. H. Buchanan spoke briefly to a legislative luncheon of San Antonio college students (to give them a glimpse of "a real live lobbyist"), he gaged around that the real reason he was there was because he'd donated the beer.

A senator who dropped out of public life, then returned, noticed that a lobbyist who had sent him a Christmas tie when he was in office failed to send him one when he was not, but then sent him one again when he returned to public life. The senator bugged the lobbyist about this, telling him, "I thought you were giving me those ties because we were such close personal buddies."

Another senator led the reporter to his clothes closet and showed him two haberdasher's coathangers that had just arrived; he thumbed through three plastic briefcases he'd been given.

GIFTS FOR THE LEADERS is also a part of the legislative tradition in Austin. "Speaker's day" in the House and "governor for a day" in the Senate for the presidents pro-tempore have been practiced for years.

According to Clifton McClesky's *The Government and Politics of Texas* (Little, Brown, 1963), speaker's day began more or less innocently in the early 1930's when House members took up a collection to buy Speaker Coke Stevenson a saddle. Gradually participation was expanded to include House employees; then the lobby assumed a large part of the burden.

In previous issues the Observer has reported \$50 assessments against the professional lobbyists for this event. In 1961, speaker's day for James Turman yielded him gifts estimated to cost \$2,100 wholesale and close to \$5,000 retail — a sewing machine, hunting rifle, diamond watch, large credenza, sterling silver, a TV set,

and many other items (Obs. May 20, '61).

One of the governor for a day events from the past may serve to characterize them. In 1961, Sen. Bruce Reagan, Corpus Christi, was governor for a day as the Senate's president pro tem (the governor and lieutenant governor contriving or feigning absence from the state). Reagan received "a portable television set, a five-piece set of luggage, a large framed portrait of his wife, a hand-tooled leather belt with an engraved buckle, a gold wrist watch, a sterling silver coffee urn, tray, and 22 cups, and a 1961 Oldsmobile Super 88 station wagon" (Obs. Oct. 6, '61).

Wednesday of last week, Speaker Byron Tunnell and family were showered with their speaker's day presents. Tunnell's right hand man, W. S. Heatly, Paducah, presided. However, this year there was no across-the-board assessment against the lobbyists. Funds are reported to have been raised from selected lobbyists to supplement the contributions from House members and employees, but some lobbyists were not approached.

This year's affair was dignified by the presence of nine former House speakers—Robert Lee Bobbitt, San Antonio; W. S. Barron, Bryan; Leonard, Austin; Price Daniel, Austin; Claude Gilmer, Rock Springs; Reuben Senterfitt, San Saba; Jim Lindsey, Texarkana; Carr, Lubbock; and James Turman, Gober. Perhaps this was an attempt to insulate the affair against criticism by surrounding it with some of its former beneficiaries.

Here are the presents, the representatives who tendered them, and the donors as they were described on the speaker's platform:

A yellow dress and white shoes, for one of the Tunnells' daughters (Rep. Myra Banfield, Houston, for the House); a charm bracelet for another daughter (Rep. Bill Parsley, Lubbock, for the House); a silver tea service (Rep. David Crews, Conroe, for members of the House); a set of golf clubs (Rep. Bob Hughes, Dallas, for members of the House); a silver cake service (Rep. Wayne Gibbens, Breckenridge, for contingent expense employees); a sterling silver carving set (Rep. Pipkin, for the House); a coffee table (Rep. George Cook, Odessa, for the enrolling and engraving section);

a silver gravy boat (Rep. Terry Townsend, Brady, for the sergeant-at-arms and doorkeeper); a silver steak platter with a tree well (Rep. Jack Woods, Waco, for the calendar clerks); a gravy ladle (Rep. Ray McNutt, El Paso, for the secretaries' department and pool); a silver spoon (Rep. Henry Grover, Houston, for the journal clerks and mailing room); two sets of tie clips and cuff links (Rep. Joe Cannon, Mexia, for the pages); a piece of luggage (Rep. John Allen, Longview, for the committee clerks); a silver vegetable bowl (Rep. Will Smith, Beaumont, for the porters); a telephone lamp (Rep. H. G. Wells, Tulia, for the telephone girls); overnight bags for the daughters (Rep. Roger Thurmond, Del Rio, and Rep. Dick Cory, Victoria, for the House); pencils, an eraser, and a pencil sharpener (presented and given by a page, Greg Rossen); a toy gun (Rep. Donald Shipley, Houston, apparently for himself); a fine rifle with telescopic sight (Rep. Ben Barnes, DeLeon, for the House); a white tie (Rep. John Alaniz, San Antonio, from whom he did not say); a green tie (Rep. George Cowden, Waco, for Baylor University); a football (Crews—it was a practice football the members had used in a game); a color TV set (Allen, for "the people of Kilgore"); a summer suit (Allen, for "the people of Longview"); a Longine watch (Rep. Dudley Mann, El Paso, for the members of the House); and a scroll attesting to the speaker's "dignity, impartiality, courage, and outstanding integrity" (Rep. Jerry Butler, Kenedy, from all the members).

Thanking everyone, Tunnell said, "I don't know quite when I have quite been so overwhelmed by the generosity of the House, the outsiders, the employees. . . . I sincerely appreciate this whole day." He was given a standing ovation. Heatly told him, "That which we did today was done from the depths of our hearts. We recognize you, Mr. Speaker, truly as our leader."

Tunnell has another big day ahead of him next Saturday—"Tunnell Day" in Tyler. Earlier this week the Senate's president pro tem, Martin Dies of Lufkin, was honored by friends in his district and Austin. The word was out among the lobbyists in advance, however, that Dies would not stand for any lobbyists' contributions. Dies takes pride in the fact that the lobbyists "pretty much leave me alone."



SHARPLY UPON noon-time adjournment each legislative day, the doors of the House and Senate chambers burst inward, and the lobbyists quickly fan out onto the carpeted floors in search of lunch-time companionship, shaking hands, joking, laughing, patting backs, or standing off to one side alertly, surveying the scene and the prospects.

"Let's go have a bowl of soup . . ." and what is the legislator to say? Some plead previous engagements; some say they have too much to do; many go. Nor do the lobbyists miss bets for contacts at the breakfast tables, nor in the evenings; sun-up to bedtime they feed and entertain, befriend and befavor, inform and advise. It must be wearisome work.

Lo, the laden tables:

Judge E. L. Foster, Phillips Petroleum lobbyist, entertains the Senate on Mondays with drinks, a lavish buffet, and cigars and cigarettes at the Driskill Hotel. He also gave a party for secretaries to the legislators this session.

Once a week Homer Leonard and his associates serve catfish and mountain oysters and throw in, as though they needed a third specialty, butter-milk. They have a Senate day, and groups from the House take turns. Periodically the beer lobby also entertains legislators and their ladies on Lake Austin.

One invitation for one of the Senate lunches reads:

"TO THE SENATE: You are invited to a catfish luncheon in the East Room (Mezzanine floor) Austin Hotel, at 12 noon, on Wednesday, January 23. [Signed] ROGERS SUMMERS BUCHANAN LEONARD" — that is, Johnnie B. Rogers, Burke Summers, Buchanan, and Leonard.

Bailey Jones, one of the four Austin lobbyists for Lone Star Gas, holds court, as he has for years, at a "breakfast table" in the Austin Hotel coffee shop, where legislators can stop by and have breakfast with him. The east and west Texas chambers of commerce sponsor frequent legislative breakfasts.

Members sometimes appear to be hosts of social events that are paid for by lobbyists. Although the Observer does not know this to have been the case in every event now to be cited, there is a strong presumption that it was, because such is the Austin custom. Sen. William Moore, Bryan, gave a quail lunch. Sen. Roy Harrington, Port Arthur, gave a shrimp lunch, the shrimp provided by local sports clubs. ("A salt water senator who couldn't come up with his raw product for a party isn't worth his salt," Sen. Schwartz says.) Sen. and Mrs. Culp Krueger, El Campo, and former House Speaker and Mrs. Turman jointly invited legislators to a reception and open house at the Club Caravan honoring Lt. Gov. Preston Smith and Speaker of the House Tunnell, "sponsored by the management of Villa Capri and Club Caravan." Rep. Howard Green, Fort Worth, sent out invitations to a dinner given by the Texas taxicab assn. Lt. Gov. Smith had the Senate to lunch at the Driskill (all 31 of the senators attended, and no one else).

Among the more interesting evening parties so far this session:

Preston Mangum of Lone Star Gas and Claude Gilmer of the Texas telephone assn. gave a dinner for the Senate state affairs committee at the Austin country club. At the same club, Mobil's Hugh Stewart, Humble's Claude Wild, and Texas mid-continent oil & gas assn.'s Bill Abington entertained the Senate at a dinner-dance.

Oilman Frank Wood, a member of the game and fish cmsn., had the senators (and of course their ladies) to a quail-and-champagne dinner at Green Pastures, with a dance afterwards. He gave the senators Case pocket knives and their ladies little orchids, and he told them he didn't want anything but good government.

Other banquets and receptions have been given for legislators this session by—for example—the Texas farm bureau; Bayshore rod, reel, & gun club ("Cultured oysters from Texas oyster growers' assn."); Texas motor transportation assn.; Texas A.F.L.-C.I.O.; Texas real estate assn.; Austin city council, chamber of commerce, and "our four downtown banks"—a champagne party; Texas assn. of broadcasters; firefighters; sportsmen's clubs of Texas ("our first wild game dinner," possibly in imitation of Dorsey Wier's events at the Montagu hotel in Houston); Texas manufacturers' assn.; Texas assn. of mutual insurance agents; Texas assn. of insurance agents; Texas automobile dealers' assn.; associated general contractors; league of women voters; Texas landowners' protective assn.; and San Antonio chamber of commerce (a "tamalada," boycotted by Reps. Rudy Esquivel, Jake Johnson, and John Alaniz because it was not fully integrated).

Generally legislation is not discussed during the evening banquets. Inviting members of the Senate and House insurance committees to cocktails and dinner, the Texas assn. of insurance agents promised, "Legislation will not be discussed, as we only want to take this opportunity to meet and visit with you." The associated general contractors last week entertained the legislature, having assured

them in advance that the purpose of the dinner was "merely to provide an opportunity for our members to become better acquainted with their state legislators."

There is something symbolically impoverished about the Texas committee on migrant farm workers' attempt to lobby for its legislation within this heady Austin milieu—an invitation for lunch to exactly three senators and seven representatives who the committee thought were already favorable to legislation to help the migrants.

JUNKETING has been minimal this session. Moncrief Oil Co.'s 35-passenger airplane transported the governor, lieutenant governor, judges of the state supreme court, and senators from Austin to Fort Worth for a gridiron dinner. A Brown and Root plane reportedly flew legislators to Dallas for the dinner honoring Sen. George Parkhouse, Dallas. Sen. H. J. Blanchard, Lubbock, says that the Lubbock chamber of commerce paid for the members' jaunt to his city to receive a report on the study of state parks conducted at Texas Tech. Sens. Don Kennard, Fort Worth, and Spears and Rep. Malcolm MacGregor, El Paso, flew to a political event in Midland in San Antonio businessman Morris Jaffe's plane.

House Speaker Tunnell and some members of the House from the Panhandle flew to Amarillo March 2; Tunnell spoke that night at the Amarillo Jaycees' annual bosses' night banquet. On his arrival at the airport, Tunnell was interviewed by KFDD-TV's assistant news editor, Paul Young. After some questions, this exchange occurred:

Young: "Mr. Speaker, the delegation that arrived in the Panhandle today arrived by a Phillips Oil Co. plane. Now, this is not unusual—it's done both on a national scale as well as the state scale. However, I pose this question—is it in best propriety for representatives to travel in this manner? Would it not be better perhaps to travel by commercial airliner?"

Tunnell: "It might be better, yes. A little less convenient, perhaps—[pause]—it's a long walk up—that's for sure."

Young: "Are funds available for such use—that is, state funds?"

Tunnell: "Oh no — [pause] — no, no."

Young: "Thank you, Mr. Speaker." Some who saw this broadcast have indicated that had KFDD-TV been telecasting in color, Tunnell's face would have come through a pea green.

Young was correct: junkets with business interests paying the bills are commonplace in Texas. They go on all the time, year round. The annual Washington birthday celebration in Laredo has been the source of many stories of business-sponsored recreation. In 1959, for instance, senators and higher officials flew to Laredo in a DC-3 Texas Eastern Transmission Corp. plane and a Lockheed 18 Texas Eastern plane. The railroads gave legislators from south and central Texas free rides to the state Democratic convention in El Paso last year. Temple Lumber Co. holds a deer hunt for legislators annually at Boggy Slough in east Texas. It's all so common and casual, a funny thing happened last December in the Senate chamber. Five officials of the tax assessors-collectors of Texas had just completed their presentations before the election law study committee. The chamber was crowded, but as the delegation prepared to leave, the chairman, John R. Winters of Palo Pinto county, the president of the tax-assessors' association, called out to the chairman of the election committee, Sen. Tom Creighton, Mineral Wells, "Thank you very much, senator. If you come home, I'll take you deer hunting in the morning." The senator seemed to redden a little.

Pearce Johnson, Austin attorney, represents various interests that have been seeking more than \$3 million in state funds for a screwworm eradication program. These interests are the Texas screwworm eradication committee, Texas and southwestern cattle raisers' assn., and Texas sheep and goat raisers' assn. Johnson & Baker, Johnson's law firm, has provided legislators a Valley junket to the screwworm eradication plant—a junket complete with pleasure side trips for those who wanted them—and has presented each state legislator with a lapel pin, showing in relief a common housefly. Some legislators wear these pins. A senator who made the Valley junket remembers with some distaste that the guests down there were given plastic weights containing maggots in different stages of development.

Legislators responding to the Observer's questionnaire mentioned, as lobbyist approaches and techniques, these kinds, in this frequency: meals, parties, and entertainment; appeals to reason; generating pressure from people in home districts; passes and "gifts of odds and ends"; pressure; "offers of campaign contributions"; and individual members mentioned "promise of retainer — (refused)," threats, help in research and bill drafting, letters, "the good guy approach," and junkets.

Most effective, said most of the members, are appeals to reason and communications from home district people. Some members indicated that pressure, threats, and meals and entertainment were ineffective with them.

THEY SORTA kill you with kindness, and it's a very subtle sort of thing," says a senator who came to Austin this year determined not to go along with these customs. "There have been no overt moves made toward me. But I find myself hating to vote for or against a bill because so and so's been so nice to me! It worries me—I wonder how often we find ourselves voting against our better judgment because of this.

"This lobbyist comes in and invites my secretaries to lunch with him and the boss. They come to me delighted. So what do I do? I go along to the club, and we have a nice time. You just gradually get a little bit involved. You just can't do this—say I'm not gonna go. I always remind myself, they're not *buying* anything. But you find you're exposing yourself, and getting a bit involved. It's sort of insidious, and it's a studied thing with them. It would be naive to think otherwise.

"I have one such experience every day or so. I've said over and over again, they've not bought me. But it's a constant thing, killin' you with kindness! It's hard to be aloof. I had sort of resolved to be. Finally, I said, well what the hell? It's a chance to meet the boys you're working with. Usually it is a little something."

One of the most interesting freshmen members of the House is Dick Morgan, the Republican from Dallas. He has, in effect, cut the lobbyists; as a result he has a reputation among them as a spoilsport.

"I adopted the policy the day I was elected," he says, "that I would not accept one thing from the lobby. I

appreciate the need for the lobby, but I don't see why they have to buy my lunch."

After his election, he says, he was besieged with invitations from people he did not know who said, "We just want to get to *know* you." He shunned all such social occasions. Last Christmas, the presents began arriving—a box of grapefruit from E. B. Germany of Lone Star Steel; a ham; a case of Dr. Peppers from the Dr. Pepper people; a can of black eyed peas from someone; the beer people's gift catalogue; a notepad with plastic cover from the Texas truckers' assn. Whatever he could not return, Morgan sent to the Salvation Army.

—Except. "Three weeks ago, somebody sent me 100 pine seedings, and by the time I got home, my mother had planted them. I had to write and thank 'em for them. Then some lawyer sent that paperweight with a screwworm inside—I couldn't resist it."

Morgan says that when he realized that gift-giving and wining and dining were the rule for Texas politicians, "I was disgusted." He is a manufacturer's representative, a salesman, but says he never gave a gift to a prospective customer in his life.

"The word in the lobby now is that Morgan is an aloof s.o.b.," Morgan says. "I think it's a pretty severe indictment of what's been going on. During my campaign, a representative of an association that has a bill it wants passed said he wanted to talk to me about the legislation, and give me a campaign contribution. The man was *shocked* that I turned down his money. Absolutely *shocked*."

"I have had to unbend a little, because when these delegations throw a banquet, it's inevitably bankrolled by a lobbyist. I figure you've got to get to know the members you're working with. I went to the A.F.L.-C.I.O. and the T.M.A. receptions. I go to the large meetings where no specific legislation is involved. I went to a party that ostensibly [Rep.] Ben Atwell [Dallas] threw. There were so many lobbyists around I couldn't make my way through 'em. One morning I was told the Dallas delegation was meeting. There were three insurance lobbyists there, and some Dallas members. The purpose was for the lobby to get us to breakfast. I ate breakfast.

From Who to Clark to Elkins to . . .

In a 1961 series on lobbying, Allen Duckworth, political editor of the Dallas News, wrote:

"Old pros in Austin will tell you that one of the most powerful men in influencing certain legislation in Austin is James A. Elkins, venerable Houston attorney, of the highly respected law firm of Vinson, Elkins, Weems and Searls. Judge Elkins is chairman of the board of the First City National Bank of Houston. Searls is identified with Gulf Oil.

"You won't find Judge Elkins prowling the halls of the state capitol. He isn't registered as a lobbyist. The

Elkins firm retains a great Austin law firm of Clark, Thomas, Harris, Denius, and Winters. Big man on legislation is Edward Clark, the senior partner. He usually stands aloof from physical contact with the capitol building, didn't register this year as a lobbyist, and didn't file an expense account for 'direct communication' with members. Clark has his contacts on capitol hill. They look out for numerous interests, such as banks, insurance, utilities. His messengers call in information which Clark sometimes relays to those over the state who can effectively 'explain' things to their legislators."

"I work better with a man at arm's length. I think I'm here to try as objectively as I can to vote my judgment. I want to avoid as much as possible having my decisions shaded by friendship with a man. There's enough of that subconsciously. I'm questioning no man's motive. I do not feel that if he buys my lunch he thinks he's buying my vote. I know myself that it could tend maybe to influence me."

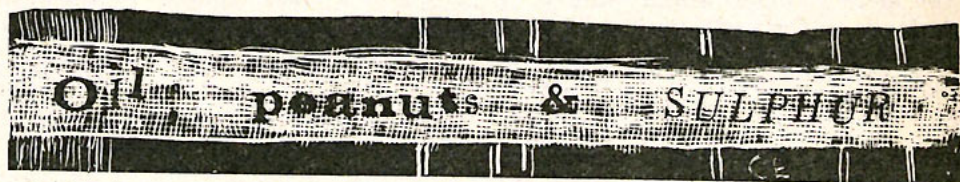
Morgan says he cannot deny making a point about the Republicans. Republican politicians, he says, are supported by a party; conservative Democrats are not. "All the Democratic party does is preside over a primary, then each nominee goes elsewhere for his funds, and as a result he *does* get obligated. The Republican party gave me \$3,000; my largest contribution apart from that was \$100. I suppose I am obligated to the party; but principle-wise. As a result, I con-

sider the Republican party the party of the people, and the Democratic party now the party of special interests."

In a different way, Representative Pipkin, the senior representative from the Valley, adopts a similar stance toward the lobby.

"In my six terms in the legislature I have eaten a number of meals with various lobbyists," Pipkin says. "I have recently ceased from this practice, not because I feel it is wrong, but simply because I do not have the time to spend a long lunch hour. . . . I have also been invited to attend various interim session deer hunts, duck hunts, and outings of a similar nature, which invitations I do not accept simply because I am not interested."

"I do feel that an aggressive member could solicit and receive valuable favors, and that perhaps many of them do," Pipkin says.



EVEN for the Texas legislature, an extraordinary quantity of special interest legislation has been thrust into the lawmaking processes this session. Perhaps it piled up behind the protracted deadlocks over the general sales tax, during which business interests had to be sensitive to avoid engendering legislators' hostilities on tangential issues. Whatever the reason, this has been a session

during which specific economic interests have campaigned for narrow-gauge legislation specifically profiting them.

There are many fascinating examples—fascinating in themselves, and as they illuminate how the legislative process works in Austin.

The major oil companies and large oil-drilling tract owners have an in-

calculable financial stake in H.B. 510, introduced by Rep. Wayne Gibbens of Breckenridge. This bill would let the railroad commission force owners of small tracts to consent to these tracts' "pooling" with large adjacent tracts. Any oil extracted from the "pooled" tracts would then be pro-rated among the various owners. Small tract owners could not do as they now do—drill on their own tracts for the oil they are permitted to produce under present regulations.

Early in 1961, "C.E.D.O.T.," the committee for equitable development of Texas oil and gas resources, was formed. The 85 members of the executive committee represent 85 companies and individuals in oil production. Independents are in a majority; yet majors are amply represented, and many of the independents are associated with the majors financially, as through production farm-outs.

The chairman is C. W. Alcorn, formerly president of the Texas mid-continent oil and gas association (a majors' organization) and an independent with associations into Tidewater Oil. One of the vice-chairmen, Jake Hamon, was formerly chairman of the American petroleum institute, and another, Fred Shield, was formerly president of the independent petroleum association of America, a group with such substantial supporters as Phillips and Continental. Generally, C.E.D.O.T. is made up of oilmen either working for the major oil companies or on amiable terms with them.

C.E.D.O.T. maintains that "the small tract problem" occurs "when an oil or gas well is drilled on a tract substantially smaller than the standard drilling tract in a particular field. The most common inequity is that of drainage to the small-tract well from adjoining acreage. In most instances the small-tract well may be classified as *unnecessary.*" [C.E.D.O.T.'s italics]

Obviously small tract owners do not agree, and H.B. 510 has caused the nearest approach to civil war in the House team. Rep. Allen, Longview, chairman of the state affairs committee, says the small landowners in east Texas are up in arms. Tunnell has come under pressure from such landowners in his home district. However, the bill has been reported out of the oil and gas committee favorably.

During a hearing on the bill, Reps. Amando Canales, San Diego, and George Hinson, Mineola, gave Alcorn a going-over about C.E.D.O.T.'s finances. Hinson insisted the legislators be given a financial report showing "just where you are getting your voluntary contributions." Alcorn did not produce such a report; he said, "We have nothing to hide."

The fact has come to the Observer's attention that C.E.D.O.T.'s statement of policy for H.B. 510 has been distributed by Mobil Oil Co., a division of Socony Mobil Oil Co., Inc., as a pamphlet under the title, "7 reasons why Texas needs a pooling law." The pamphlet was enclosed with royalty payments from Mobil. Mobil advises its royalty recipients to write C.E.D.O.T. for further information.

Lobbyist for C.E.D.O.T. is Weldon Hart, close associate of ex-Gov. Allan Shivers. The word now is that C.E.D.O.T. will press for a House vote on H.B. 510, but opponents suspect that this is a stratagem to pressure members to commit themselves pro or con, thus equipping C.E.D.O.T. with information the oil interests need in determining whom to support and oppose in the 1964 elections. There is no doubt, of course, that if C.E.D.O.T. gets the votes to pass the bill, it will press for the vote.

BILL MURRAY, the resigned railroad commission chairman, in effect publicly opposed H.B. 510 early this year, stating in Miami, Fla., that the commission "will substantially eliminate small tract drilling in the future even without a compulsory pooling statute in Texas." Approached by a group from C.E.D.O.T. who wanted him to keep quiet on the subject, Murray instead repeated his position in Abilene. Murray thus multiplied his enemies (he had already made plenty of them during the slant-hole investigations last year). Since forced pooling, as well as the rest of the spectrum of oil and gas regulation, comes within the purview of the railroad commission, Murray's resignation after publicity about his oil ventures in the Dallas News removed him effectively as an opponent of H.B. 510. Whether this was causal, a consequence, or both, the Observer does not at this point venture to say.

On the other hand, commissioner Ben Ramsey stated in Victoria late in April that total oil and gas conservation and the elimination of unnecessary wells would be good for the

oil industry. This position is not likely to displease the interests advocating H.B. 510.

The defense of Murray by Johnny Mitchell, president of the Texas independent producers and royalty owners' assn., may be related to Murray's position against H. B. 510. On April 24, Mitchell wrote a critic of his defense of Murray and released the letter to the press. In the April 24 letter he said:

... I think there is a good reason to doubt the assumption that persons embittered over the slant-hole matter are actually as responsible for this attack [on Murray] as some undoubtedly would like to believe.

I think that singling out Bill Murray for repudiation, if indeed it was a power play, is more likely to be traced to others who in recent months have increasingly disapproved of Murray's independence of judgment and determination to go ahead with some badly-needed conservation changes regardless of whose important toes he had to step on. To evaluate this possibility, it's necessary to look at the wide range of issues on which he was asserting leadership. . . . For your information, we're attempting just such an analysis right now.

T.I.P.R.O., however, is divided over H.B. 510. Former presidents of the independents have testified for it; the current T.I.P.R.O. Reporter contains a pro-and-con debate on the subject. The "independents vs. majors" distinction is an artificial one in fact; if there is a division in the oil industry on such questions as H.B. 510, it separates producers concerned about competition in the oil business from producers who favor industry solidarity and cooperation.

For instance, many consider H. L. Hunt, twice a billionaire and one of the richest men in the world, an independent oilman, yet, on April 10, under the letterhead of H.L. Hunt's Hunt Oil Co. of Dallas, W. H. Hunt wrote a Texas legislator, (who shared the letter with the Observer,) that H.B. 510 would be good legislation. W. H. Hunt's letter concluded: "You must pass House Bill 510."

A state official, Land Cmsr. Jerry Sadler, in March accepted chairmanship of a committee against forced pooling. It was unusual from the first for a person elected by the state's voters to accept such a position, but Sadler promptly made it even more unusual. Using state employees, his official letterhead and stationery, and the state land office stamp machine and postage, he mailed, to the land office's official list of 26,600 veterans, a letter in which he opposed

the forced pooling bill. At a tempestuous inquiry into the matter by the House subcommittee then considering H.B. 510, Sadler defied criticism of his conduct and said he had, that morning at 5 a.m., paid back to the state the cost of the stationery and postage, and that he expected to be reimbursed for this cost by the pooling committee of which he is chairman. So far nothing further has come of the matter.

One other oil bill threatens to develop into a wrangle, H.B. 206, passed by the House and by the Senate oil and gas committee. T.I.P.R.O.'s Mitchell has charged that it authorizes pipeline companies to take selectively, from favored wells, "five times" current allowables. Wrote Mitchell to Lt. Gov. Smith:

The astonishing success of this measure so far serves as a remarkable if ominous testimonial to the determination and effectiveness of what one major producing company executive has called 'a powerful pipeline-utility lobby,' which he said 'virtually slipped the bill through the House' without its true significance being recognized. . . . We have no plans to launch a major opposition lobby to counter the effective tactics of this intrastate gas pipeline company.

The state has not heard this kind of anti-lobbyist rhetoric since Gov. Price Daniel was fighting for a natural gas pipeline tax and against the general sales tax. Gov. John Connally has not been heard from on oil and gas legislation this session.

Rep. Charles Wilson, Trinity, has introduced a bill which would require that three-fourths of the oil refined in Texas come from Texas stocks of oil. This has provoked both angry debate in House committee, (lobbyists for majors contending the bill is unconstitutional,) and fundamental inquiry into the majors' growing share of declining Texas oil production.

ORDINARILY, "the peanut bill," jocularly so-called, would have attracted little or no attention. Among the members it has attracted a lot, however, because the lobbyists' fee involved is not peanuts and one of the lobbyists for it is Bob Bullock, a former law partner of Speaker Tunnell.

Certain lobbyists have been thought generally to have had especially good relations with powerful legislative leaders in past sessions. For instance, Ed Clark, the Austin "King Bee" lobbyist, had ready access to Lt. Gov. Ben Ramsey during the years of

Ramsey's mailed-fist rule of the Texas Senate. Claude Gilmer, telephone lobbyist, was thought very powerful during the tenure of Reuben Senterfitt as speaker. (Senterfitt lobbies now for two Texas electric utilities.) Joe James, then with West Texas Utilities, was very influential during West Texan Waggoner Carr's years as speaker. From the talk in the legislature, Bullock has an analogous influence this session.

Bullock does not strike one personally as the backstage kingpin, however. He presents himself as a beneficiary of Tunnell's friendship — rather as a younger brother. In fact, he told the Observer last week that Tunnell "has been like a brother to me. A very fine brother."

Bullock and Tunnell became friends as fellow House members. Bullock resigned the House late in 1959, practiced law in Harlingen until March, 1960, and had been out of a job about three weeks, he says, when Tunnell called him and offered him a law partnership in Tyler. Bullock says Tunnell signed over to him half of everything Tunnell owned.

In March of last year, Bullock withdrew from his partnership with Tunnell and settled in Austin as lobbyist and association executive for the Texas automobile dealers' assn. Meanwhile, Tunnell has become speaker of the House. Two bills in which the auto association is interested, relating to license plates and revision of records, have passed into law this session. Bullock has also lobbied for a group of half a dozen men interested in the repeal of a law stigmatizing pool halls as public nuisances. This bill zipped through the House and Senate, and Gov. Connally has signed it into law.

Interest was stirred in Bullock's role in "the peanut bill" when it was reported that Rep. Ben Barnes, DeLeon, sponsor of the legislation, and Rep. Gibbens were present and spoke at a meeting of interests supporting the legislation at which Bullock was also present and spoke. Barnes is chairman of Tunnell's rules committee. The Observer has ascertained that Barnes, Gibbens, Bullock, and lobbyist Ben Sudderth of Comanche were present at a Feb. 7 meeting of the Texas federation of agricultural commodities to discuss the legislation in question.

Bullock says he and Sudderth ran into Barnes and Gibbens on the mezzanine of the Commodore Perry hotel

prior to the meeting there. Ross Wilson of Gorman, secretary of the federation, told the Observer that Sudderth had called in Bullock. Barnes told the Observer that he and Gibbens were invited to the meeting by Wilson.

"We came at different times," Barnes says, alluding to the legislators as distinct from the lobbyists. "I saw Bullock and Sudderth down at the lobby," he says. "I didn't know Bullock and Sudderth were going to be there. We [Gibbens and Barnes] didn't talk about Bullock and Sudderth [at the meeting]. When we got up to leave, they asked me what I thought of Bullock. They [Bullock and Sudderth] were right there. I said, 'He's a nice fella,' and that's all I said. Sudderth and Bullock may have walked out with us."

Barnes says that when the four, Barnes, Gibbens, Bullock, and Sudderth, were outside the meeting, neither the legislation nor the lobbyists' employment was discussed. Bullock and Sudderth returned to the meeting, at which point, Bullock told the Observer, "I quoted 'em a fee." A spokesman for the association, attorney Sidney Reagan of Dallas, an S.M.U. professor and economic adviser and general counsel to the Southwestern peanut shellers' assn., which is supporting the legislation, indicated that the fee Bullock cited (presumably for both himself and Sudderth) was \$12,500.

Asked why the association had needed a lobbyist in addition to Sudderth, a former representative who lives in Comanche, Reagan replied, "We needed someone that was physically in Austin."

Bullock says Barnes and Gibbens were not present during Bullock's talk, in which the fee was mentioned; Reagan agrees this was the case. Barnes comes from peanut country; he sponsored legislation similar to this session's bill in 1961.

The legislation would permit growers of different agricultural commodities to set up research and marketing committees financed by assessments against members of the commodity associations. Assessments would be returnable to members who objected to the program.

Bullock says a letter-writing campaign was started for the legislation in the district of Rep. Jim Cotten, Weatherford, among other districts, and that when Cotten became indig-

nant about this, Bullock contacted Sudderth and the campaign was cut off. Bullock says Cotten, chairman of the constitutional amendments committee, told him he objected to anyone being hired to lobby without representing the interests hiring him full-time.

Bullock says that he turned down one group who tried to hire him—a group seeking passage of a bill for a new court. "I told 'em they don't need a lobbyist," Bullock says. "If I was out to just make money, I would'a taken that."

The Observer has a copy of a document that purports to be an account of the Feb. 7 meeting. Another copy of this document was seen circulating among representatives during a hearing on the commodities proposal last week. The Observer showed its copy of the document to Reagan, who consulted the association secretary, Wilson, and said they were befuddled about it and could not vouch for its authenticity. The Observer read it to Barnes, who said that "with a few interpretations and corrections, that thing is essentially correct." However, it is unsigned, and we have not relied upon it in this account.

THE HIRING of another lobbyist, W. T. Oliver of Port Neches, to boost a bill exempting anhydrous ammonia trailers from a requirement that they have special brakes provoked charges this session.

The bill was handled in 1961 by Reps. Grainger McIlhany, Wheeler, and H. G. Wells, Tulia, and Sen. Andy Rogers, Childress. It passed in a breeze; but Gov. Daniel, believing that very large trailers should not be so exempted, vetoed it. In the closing days of the session, a bill acceptable to the governor was passed with almost no opposition. After the session it was discovered it had been faultily drafted, and it went by the board. There was no real opposition in the legislature in 1961, and no one hired a lobbyist.

The anhydrous ammonia association of Texas decided it *did* need a lobbyist to pass this bill in 1963. Why? There was a conversation at the Deck Club, involving powerful figures in the House, Mike Crowe, the president of the association, and Oliver; but what was said is not known. Crowe, at this point, is keeping his own counsel.

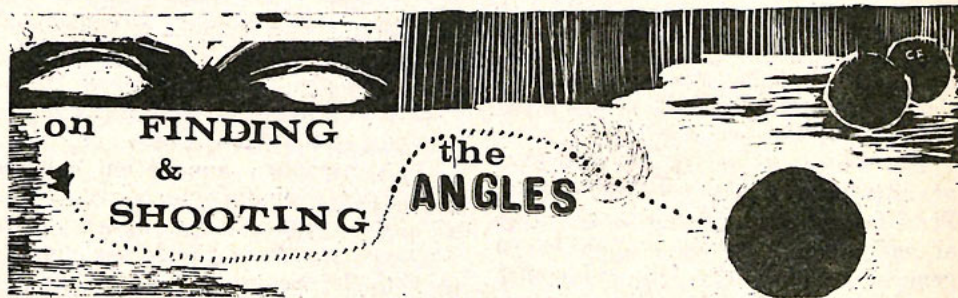
Oliver was hired. Wells, McIlhany, and Rogers thereupon refused to sponsor the bill any longer. "I refused to handle it," Sen. Rogers says, "because a lobbyist was hired and Crowe told me that they *must* hire one or they would not get it out of committee." Says Wells: "I did not handle the bill, because there was a lobbyist hired, and there were behind the scenes things that made me leery."

The sponsors were Rep. Dick Slack, Pecos, and Sen. H. J. "Doc" Blanchard, Lubbock. Slack says there was nothing to be leery about. Blanchard says he talked over the matter with Oliver and the legislators who dropped the bill and concluded there was "not a damn thing to it." He says he understood that the original House sponsors withdrew because they were not on the speaker's team this session.

The dispute almost surfaced in House debate on the bill. Rep. Hugh

Parmer, Fort Worth, blurted out, on March 27, "This is an anhydrous ammonia bill, and there's a scandal behind this bill that makes Billy Sol Estes look like nothing." Rep. Glenn Kothmann, San Antonio, asked Parmer, "Could you acquaint me with the scandal?" Parmer started to say something, but Speaker Tunnell interrupted him, saying, "Yes, sir, why don't y'all get over here and talk about it while we vote on this bill?" That ended that. Parmer's attempt to stall the bill got only 17 votes. Last week Connally signed it into law.

A scurrilous anonymous letter, signed "Ed," was mailed to members on this subject. The Dallas News of April 2 recited some of its contents. It was turned over to the department of public safety, and Rep. Barnes told the Observer late last week that its author had been traced down. The Observer has not relied on this letter in this account.



SINCE business values dominate the legislature without serious challenge this session, the game has been a relatively simple one, finding and shooting the angles.

This looked like a good session to repeal the corporation franchise tax. However, Gov. Connally said at a press conference he wasn't willing to go for higher college tuition at the same time the corporation tax was dropped. The tax bill that was worked out, and which is about to be adopted without substantial change, satisfies both business and Connally by an ingenious stratagem. The franchise tax is extended for one year, instead of two. Since it is a "temporary" tax, this means that it will automatically expire in 1964. The chairman of the House revenue and tax committee, Rep. Ben Atwell, explaining the bill to the House, said quite candidly, "It's reasonable to presume that when the tax expires next year, the legislature will not be in session to re-enact it."

In addition to \$11 million in "new revenue" from the franchise tax ex-

tension, the tax bill this session will raise \$22 million in new money from sales tax changes, mainly by abolishing the up-to-\$10 clothing exemption and raising the car sales tax. This package was agreed on in a conference in Connally's office attended by Connally, Lt. Gov. Smith, Tunnell, Atwell, and officials of the state comptroller's office.

For about ten years, the sulphur lobbyists have been working patiently to lower their state taxes. The competitive situation has changed, and Texas sulphur is having a hard time competing with Louisiana and Mexican sulphur. Hub Caven and Benner Dowe of Texas Gulf Sulphur and Obel McAllister of Jefferson Lake Sulphur Co. do not go in for lobbying pyrotechnics—the blasts, gifts, and pressure—they simply stay at their jobs, and this year, the sulphur tax was reduced, costing the state treasury \$1,898,000 in the next two years, the comptroller says.

When the sulphur cut passed the House no one asked for a record vote. It came up for a vote in the Senate

suddenly one day, and Sen. George Moffett, Chillicothe, said, "I think we better have a roll call, Mr. President." Sen. Bill Moore, Bryan, exclaimed, "Oh, no!" and shouted something else. The lieutenant governor called for a voice vote, and the reduction was approved. The scene lasted about forty seconds. The bill is now law.

"This was the payoff of long-term, consistent good relations with legislators," says Sen. Schwartz of Galveston. "First, they had a legitimate, reasonable argument. But more than that, this has been done to perfection: maintaining none but the best relation between a lobby and the members. Nonaggressively, constantly but without offense, they have worked on becoming close personal acquaintances of the members. This really pays off.

"There's nothing improper about it. I voted for 'em consistently," says Schwartz, a liberal who comes from a sulphur exporting district.

State banks have been liable for franchise taxes that national banks have not had to pay. This was the session to remove this inequity, too, and it has been done. The comptroller says the state's 1963-65 revenue loss will be \$1,909,000.

Through their lobbyist, Walter Koch, Texas bankers have admitted this year that they would like to have the privilege of being regulated by the small loan regulation bill. The constitutional interest limit of 10% presumably would continue to apply to them otherwise, whereas the pending bill would authorize rates of between 15% and 32% or so on loans between \$1,500 and \$100. The House decided against explicitly including the banks, 61-60. Presumably the conference committee could put the banks under the law; sooner or later, a subsequent session of the legislature could.

The "small-small lenders'" angle this session has been a barge through the center of the line. They ask, in effect: legalize what we have been doing. The House bill, its sponsor, Rep. Woods, granted, would legalize 480% on a \$19 loan for a short period. The Senate's maximum rate was \$1,040%. Presumably the conference committee will compromise these two maximum rates. Rep. Joe Cannon, Mexia, called the bill "a Robin Hood act in reverse"; in rejoinder Woods said, "If you want the small, small lender to stay in business, this is a reasonable bill."

Vernon Lemens wins some sort of award this session for the most un-

usual approach to an adversary. As head of the Texas finance institute, Lemens is the principal lobbyist for the small-small lenders. The institute's nemesis is the committee to prevent unreasonable interest rates, whose spokesmen have been advocating a 36% limit on small-small loans.

Lemens acknowledges that he telephoned, long distance, an expert on the enemy committee. A former state senator, Lemens identified himself as Senator Lemens; apparently the receiver of the call did not know who Senator Lemens was. Lemens asked the expert for a lot of information about the effective interest rates in the then-pending small loan bill, and the committee member obliged. Asked by the Observer if Lemens offered the committee member a fee for his services, Lemens responded: "I didn't think he should have to work for nothing."

Lemens says he asked the expert to send him a fuller analysis of the rates, but never heard from him. Jocosely, Lemens says, "I regard that as the failure of a consideration."

HERE ARE other samples of this session's concerns:

The municipal annexation debates have been a shelter underneath which subdividers and homebuilders have struggled to score points. As the bill passed the Senate last week, it not only prohibits cities from annexing more than 10% of their area a year and requires deannexation if they do not provide unspecified services within three years; it also permits cities to contract with industries to guarantee them they will not be annexed or taxed for a period of time, a proviso sought by the Texas manufacturers' assn. and the oil, gas, and chemical lobbies.

The legislature passed Houston Rep. Paul Floyd's bill to establish a water authority for the Clear Lake area around the site of the manned spacecraft center. Last Thursday Mayor Lewis Cutrer of Houston made an emergency trip to Austin to ask Connally to veto it if necessary. It appears from the mayor's charges that the district, which would consist of 12,000 acres that are part of a 15,000 acre industrial tract developed by Humble Oil, is about to be given authority to issue bonds to pay for construction costs normally paid by the developers. "The developers could pick up more than \$22 million under this bill," Cutrer charged, simply by

spending bond money, financed by the taxpayers, for the developers' costs on storm sewers, for example.

Legislation of this kind can sound innocuous, yet have rattling effects. For instance, Sen. Moore and Rep. Atwell are sponsoring a bill to cut the annual license fee for people selling fireworks from \$2 to \$1 and move up the deadline for paying the fee from July 1 to February 1. Representative Cotten says that moving the deadline up would create a monopoly; he explains that it does not occur to most kids who sell fireworks to register until shortly before July 4. Rep. Bill Hollowell, Grand Saline, says the measure is "one of the biggest special interest bills we've ever voted on"; he quotes the comptroller that it would cost the state \$32,700 a year in fees. (It has not passed so far.)

Sen Culp Krueger, El Campo, is carrying a revised version of the "oyster shell bill" passed by the House. It was backed by Parker Brothers and Haden, the Houston oyster shell dredging companies represented by Searcy Bracewell. It set the price of shell at 15 cents a cubic yard and required the state to give dredgers a permit to work reefs unless it was shown that this would adversely affect fish life. The seafood institute of the state is opposed. Krueger proposes to leave the price of the shell open to negotiation. On the other hand, Rep. Bob Eckhardt, Houston, has a bill to close all bays to commercial netting. It is supported by sports fishermen, but vigorously opposed by the seafood institute, which has hired a Houston public relations man, Bud Meyers, to oppose it.

Contractors won an eye-opening victory in the Senate last week with passage of a bill by Sen. Louis Crump, San Saba, to limit the liability of contractors, providers of building materials, and workmen for injuries suffered after the delivery of premises to owners. Sen. Dies construes this bill to mean that if you buy a house one day and the roof falls in on you the next, the contractor is not liable.

The Senate has given preliminary passage to a measure permitting game wardens to make arrests without warrants for trespass on private property. Sen. Charles Herring, Austin, charges the bill is backed by "a few people who want the state to pay for some fence riders." Sen. Dies says big land owners in his district want to

prevent trespassing hunters from shooting their livestock by giving game wardens the arrest powers.

And the Senate has passed several "funeral bills." One requires 90% of the money for pre-need funeral sales to be kept in a trust fund. The funeral directors support this bill, as they do not sell much pre-need insurance and want to hamper those who do. The Senate has also moved to tighten the licensing law for funeral directors, which of course makes it harder to become a funeral director and therefore profits presently practicing morticians.

Border tile and brick interests are backing a bill to prohibit the use of brick or tile which would not withstand 2,500 pounds of pressure a square inch. This measure is aimed at Mexican brick and tile. It is opposed by contractors who use the Mexican materials.

Insurance companies have sponsored an increase in the minimum automobile liability insurance requirements of state law. The House passed, 100-47, a measure doubling these requirements. Rep. Cotten charged that day that the bill would cause an increase of \$14 million in Texas insurance premiums. "This is a special interest bill for the insurance companies," Cotten said. Robert Fairchild, Center, denied this. "I can go back home and tell my people that I voted to stiffen the motor vehicle safety responsibility act," he said.

As usual, truck and railroad interests are fighting over bills. The chief wrangle is occasioned by the bill sponsored by Rep. Dick Cory, Victoria, to

extend the legal length of auto-hauling trucks from 50 to 60 feet. Reps. Townsend and Fairchild propose to tighten restrictions on trucks exempt from certain regulation. Rep. Crews and Sen. Spears propose a new office in the railroad commission to license specialized hot-shot truck service to carry film and other express goods.

Cosmetologists want hairdressers to be required to be able to read and write English. This provision appears to be aimed, not mainly at Latin-American hairdressers, but at a group of hairdressers in Houston who have been brought from Europe. State law requires hairdressers to go to school 1,000 hours to get their license. The bill pending, by Rep. Ben Jarvis, Ty-

ler, would increase this to 1,500 hours.

The state real estate bill of the current session tends to make real estate dealing more nearly a closed shop by requiring that a real estate salesman, to qualify for his license, work for a real estate broker for one year or get thirty semester hours' college credit in real estate.

"We have left the principle of regulation to protect the public, and it's snowballed into legislation to protect the interest being regulated," Spears says. "Senator Parkhouse introduced a bill regulating banks and said all the banks are for it. This is supposed to be the reason we should vote for it. But this is the antithesis of the reason we ought to be for it."



LOBBYISTS are not limited, in their work, to the legislature; often they exert influence through the state agencies. A vivid example is afforded by the Texas education agency's report on private trade and correspondence schools.

Such schools are not now regulated by the state. Abuses have been reported in some instances. In 1961 the legislature ordered the education agency to study the schools "to determine what abuses exist and how to provide effective regulation of such schools and their solicitors" and "to report its findings and recommendations" this year.

Under the supervision of Howard A. Bergquist, the agency inventoried 2,454 private schools operating in

Texas and 174 correspondence schools headquartered in other states. The Texas assn. of commercial colleges went on record with the agency in opposition to state regulation of such schools. Behind the scenes, within the T.E.A., the battle over the report was joined.

Bergquist prepared a fact-packed 148-page report, complete with findings and conclusions. These latter included statements that some of the schools are unstable and impermanent; some of their advertising practices are deceptive and unfair competitively; half the schools have no requirements or standards for owners who run them; misuse of such words as "approved" and "accredited" is widespread over the state; there are indications that in some of the schools, educational purposes "are subservient to the profit motive." Salesmen for enrollment in these schools—concluded the draft report—high pressure prospects while passing themselves off as counselors or the like. Sometimes students do not know what they are getting into. Many of the schools meet highest standards, the report showed.

When the T.E.A. finally, in February, sent its report to the legislature, the draft's 148 pages had been cut down to 25 pages, and the findings and recommendations had been ripped

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out entirely. The draft was laced with critical conclusions; the final report is a dry, bureaucratic document.

Sen. Spears, sponsor of state regulatory legislation for the private schools, went to the agency and demanded and got a copy of the 148-page report. Then, on March 22, he sent J. W. Edgar, commissioner of education, a letter asking 30 questions about the shortened final report, such as why it omitted the draft's determinations of what abuses exist and how to provide effective regulation and the findings and recommendations the legislature had told the agency to provide, and why "the original report material [was] reduced in size by 83%."

Acting on information that Bergquist had been pulled off the study in the final stages and replaced by a person more acceptable to private trade school interests, Spears also asked Edgar why the rough-draft report had been "turned over to another individual—relatively unfamiliar with all the study findings—for

sharp reduction and wholesale elimination of original content?"

The agency is still studying these questions. Meanwhile, the regulatory legislation languishes.

A CERTAIN CONFUSION of public and private values seems to be proceeding apace in other quarters. Questions have been raised this session about the activities of persons in government as they bring their influence to bear upon governmental processes.

Land Cmsr. Sadler's use of state employees, facilities, and mailing lists to oppose H.B. 510 has been discussed. Gratuities from municipalities to legislators have been mentioned. In this context one might inquire why Homer Garrison, Jr., director of the Texas department of public safety, presents each legislator with an "official identification" card, enclosed in plastic, on the back of which it is noted that

the card was "Not printed at state expense."

Early this session Rep. Charles Wilson, Trinity, charged that Frank Driskill, \$11,000-a-year employee of Congressman John Dowdy, Athens, had been lobbying legislators trying to get Angelina county cut out of Dowdy's district. Angelina county is the home of Benton Musselwhite, who opposed Dowdy for congress and may again. Driskill did indeed register as a lobbyist in Austin, representing "himself," but when he learned of Wilson's charges he denied "asking" legislators for anything or lobbying for his own or Dowdy's interests.

Rep. Charles Whitfield, Houston, has a bill to prohibit lobbying by state officials on a bill after it has been heard in committee. This proposal has reached the House calendar with a favorable report.

Political subdivisions have been
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drawn into the lobbying process. Mayor Lewis Cutrer of Houston has been a host of the Harris county delegation at breakfast. Tax funds from member cities that support the Texas league of municipalities also, therefore, support its paid lobbyist, Steve Matthews, and its influence in favor of legislation to permit city sales taxes to be levied. The county judges and commissioners have one of the most potent lobbies going.

The governor, of course, lobbies for his program and is lobbied with himself by every conceivable interest. No one has to register when he lobbies with the governor; all that is shut off from public view. Occasionally it becomes known that the governor's office has had a hand in drafting this or that piece of legislation. For instance, Sen. George Parkhouse, Dallas, dropped mention that a member of Connally's staff helped research and draft the Senate's loan regulation bill. Sen. Bruce Reagan, Corpus Christi, was sponsoring a revision of the savings and loan association law and was delivered the governor's of-

office's substitute for his bill five minutes before a committee hearing. Since Reagan did not know what was in it, it was explained by the only person around, apparently, who did, Clint Small, Jr., representing the Texas savings and loan assn. Recently Connally received 70 top Texas labor leaders, led by Hank Brown, the state labor president, and heard their requests for liberal and pro-labor legislation. He said to labor's leaders that he favors permanent voter registration, but that Tunnell has 108 of the 150 members with him, and permanent registration probably won't pass. He told labor he would act as a brakeman on the unemployment compensation bills designed to make it harder to get compensation, three of which have passed both houses. The governor showed up at a T.M.A. meeting and told assembled businessmen that it had been understood that they would not try to meet all new revenue needs on the sales tax this session if the tax was levied in 1961, as it then was.

LEGISLATORS themselves have come in for criticism because of the ways they have used their influence.

Rep. Heatly, who is the chairman of the House appropriations com-

mittee and Tunnell's leading floor spokesman, appeared as an attorney for American Canal Co. in its successful bid for a water permit from the Texas water commission. Associated with Heatly in this case was Frank Erwin, a close ally of Connally's and the governor's most recent appointee to the University of Texas board of regents. Former Gov. Price Daniel headed the attorneys on the other side of the dispute. H. Mewhinney commented in the Houston Post:

Nobody is contending that the members [of the commission] can be influenced to the tiniest degree by the fact that Daniel gave them their jobs and Heatly has considerable control over their money.

It is well known of course that the Texas water commissioners are utterly indifferent to such mundane and practical considerations as who appointed them and who controls their money.

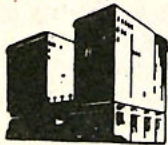
Legislators need not be lawyers to become involved in such situations. Rep. Ray McNutt, El Paso, has worked vigorously among his colleagues on behalf of a bill to levy a state tax on gasoline imported from Mexico by measuring the gas in a car's tank when it leaves the U.S. and when it returns to the U.S. and taxing any increase. McNutt operates an independent gasoline distributorship in El Paso. He did refrain from voting when the bill passed the House, but he acknowledges that "I certainly supported the bill."

The Observer asked McNutt if he thought there was merit to the idea that members with financial interests in legislation refrain from advocating it to their colleagues. "How do I know I'd benefit?" he replied. "If it passed, I'm not guaranteed nothing. . . . If you had a rule like that, what about all these guys running around here? I get asked 20 or 30 times a day, 'I gotta have your vote, I gotta have your vote.' It's campaign money—it's special interest money — it's some-

(Concluded on Page 16)



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KOUNTZE, COUNTY SEAT OF HARDIN COUNTY, TEXAS

THURSDAY, APRIL 18, 1963

PHONE CHESTNUT 6-3414



John Connally proposes that the sales tax be extended to clothing under \$10. The governor has just signed a bonanza bill for the big sulphur companies giving them a juicy tax reduction that will amount to at least \$1 million a year. Anyone who proposes to extend the sales tax to clothing under \$10 at the same time he signs a bill to reduce the tax rate on the giant sulphur companies just ain't no Democrat. He may call himself a Democrat; he may have been elected on the Democratic ticket. He may even control the Democratic party. But this kind of tax philosophy is as repugnant to the whole tradition of the Democratic party as the party of the people, as the Ku Klux Klan is to the NAACP.

You just can't walk in the spirit of Democracy, in the tradition of government for all the people, represented by Hogg and Allred, and sign a bill to reduce taxes on sulphur and raise them on clothing. John Connally is no more of a Democrat than the Pope is a Moslem.

The Tax Report column in the April 3 issue of the Wall Street Journal says that "Pennsylvania Gov. Scranton seeks a half-percentage point boost in the state's tax . . ." He also wants the levy extended to currently-exempt clothing. Directly under this item the Wall Street Journal reports, "In Texas, Democratic Gov. Connally wants to eliminate a present exemption, under the state's two per cent sales tax, of clothing sales under \$10." We shouldn't be surprised at all that Gov. Scranton of Pennsylvania and Gov. Connally of Texas both advocate the

same kind of tax program. They are both essentially Modern Republican types. They both speak for the financial and industrial power structure in their states. Both represent government of, by, and for big business. Both walk in the tradition of Alexander Hamilton, Mark Hanna, Tom Dewey, and everyone who has ever represented the best interests of the special interests.

There's only one difference. In two-party Pennsylvania, Gov. Scranton admits he's a Republican, is elected Republican, and has no influence in the Democratic party. In one-party Texas, John Connally advocates a Republican tax program, is elected a Democrat, says he's a Democrat, and controls the Democratic party. What's more a lot of folks actually believe that he's a Democrat. He would be thrown out of the Democratic party in every state in the Union except in the poll tax states of the south.

Hank Brown, president of the Texas AFL-CIO which represent 300,000 members, writes John Connally a letter and begs him to support the state Democratic platform and push for some progressive legislation. If there were any progressive planks in the platform of the Texas Democratic party John Connally only put them there to con the real Democrats because he desperately needed their votes to beat Cox last November. He has no more intention of pushing anything really significant in the way of progressive legislation than the president of Baylor has of leasing part of the campus to a distillery or allowing his drama department to stage "Tobacco Road."

John Connally is the most capable Shivercrat Texas has had in the governorship since Shivers (Daniel wasn't a very capable Shivercrat; that's why they got rid of him, but looking back on Daniel now, Price was a great governor compared with Connally). Connally combines Shivers' ability to run state government for the sole benefit of the corporations with Lyndon Johnson's capacity for duplicity. Speaking of duplicity, double dealing, and playing both sides of the street, what do you think of a governor

who appoints a Negro preacher to the Board of Corrections to sew up the Negro vote, and a lobbyist, Shivercrat, and Eisenhower supporter to the Board of Regents of the University of Texas?

Remember John Connally's campaign talk about how much he was going to do for higher education? What he did do was recommend slightly less for state colleges and universities than was recommended by P. Daniel and that was a paltry sum. Yet, the La. Enterprise gave that as the big reason for its support of Connally in the campaign, that and Connally's promise to "unify" Texas. Well, Connally has managed to unify the legislature and the lobbyists and the corporations against the people, as witness the reduction in sulphur taxes.

One of these days, and it could be in 1964, the Po' folks, that grand coalition which Andrew Jackson and Franklin Roosevelt put together to drive the money changers out of the temple in Washington, are going to reclaim the Texas Democratic party; it's their party; it's the party of the people. It doesn't belong to John Connally and Lyndon Johnson and Preston Smith and the Dallas banks, the power companies and the corporations. They've been running it for years, but the people are slowly but surely catching on, and they came within 25,000 votes of catching on to John Connally. They are going to take back control of the party in Texas and drive the Republicans now in control and their allies right into the GOP where the Good Lord and Nature intended them to be. . . .

Mr. Connally may think he is fooling the people by having not a word to say on the controversial issues before the legislature, but we know he is governor and we know that he could speak up and should speak up.

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thing, I don't know what. If we had a rule like that, we'd have to throw out the whole membership. . . . a mighty big portion of it."

Sen. Jim Bates, Edinburg, says that his law firm has a retainer from an Edinburg bank, but that he supported the bill to have abandoned bank accounts escheat to the state, contrary to the bank's wishes. On the other hand, Bates says, he is retained by a creamery and once voted in a way favorable to the creamery's interests. Bates' point is that a lawyer can vote his conscience whether it contravenes or coincides with his client's interest.

Rep. Maurice Pipkin's law firm, says the Brownsville legislator, has for many years represented a shrimp fishing co-op, and Pipkin has introduced legislation which, generally speaking, would be beneficial to his firm indirectly; but his firm received nothing whatever for his legislative services. Pipkin himself is not on legislative retainer.

Rep. Don Gladden, Fort Worth, who has represented small-small lenders under attack on usury charges, generally votes for 36% ceilings on loan sharks. Sen. Frank Owen, El Paso, who obtained continuances in such cases for 13 defendants in 1961, appeared to be opposed to any loan shark regulatory legislation this session, favoring the 10 per cent constitutional interest ceiling.

Sen. Chick Kazen, Laredo, has adopted the position that he will never take any retainer and will represent only interests in his geographical area. If he senses that someone is seeking his political influence through legal work, the senator says, he turns down the work.

Sen. Parkhouse sat down at the Senate press table one day and began talking about the one thirty-thousandth of a Dallas bank he owns through a small stock ownership. He said he does not think this stock has

"colored my thinking" on bank legislation, much of which he has sponsored.

The practice of hiring legislators and then using the fact that they have been hired to force judges to grant delays in trials during sessions of the legislature has attracted much public notice. Reps. Joe Chapman, Sulphur Springs, and Robert Fairchild, Center, have been hired in slant-hole cases, and continuances granted in the cases. Sen. Bates has obtained continuances in the Houston probate court scandals.

One senator says that offers of fees he has received for continuances have entailed smaller sums of money than would have been offered had the prospective clients intended that he do legal work. "They say it's for a continuance, and there's nothing else involved," says this senator. He makes a practice of taking such cases only if it is agreed that he will be "the leading attorney."

Sen. Spears has been employed as defense counsel against an action by the state insurance liquidator seeking a permanent injunction to prohibit three insurance companies from doing business. In this case Atty. Gen. Carr has filed a motion in Austin district court challenging the constitutionality of the statute requiring the courts to grant continuances in cases in which legislators have been hired.

Spears says he is a working lawyer in this case. "I will not take a retainer to get a continuance," he says. "I've been offered as much as \$10,000 just to file in a continuance for a number of companies"—small loan companies when they were under attack by Atty. Gen. Will Wilson. Spears refused the offer.

Dist. Judge Herman Jones agreed with Carr last week, ruling that the continuance law violates the separation of the legislative and judicial branches of government.

Reps. Bob Eckhardt, Houston, Travis Peeler, Corpus Christi, and Jim Nugent, Kerrville, have introduced an amendment to the code of ethics law of 1957 to define "conflict of interest" more explicitly, to prohibit legislators' appearances before state agencies at times when the legislators are in positions to influence or vote on legislation or appropriations affecting the agencies, and to protect contenders in disputes before state agencies from outside - the - record communications from one side or another. Rep. Gene Hendryx, Alpine, wants the revision

extended to prohibit legislators on retainers from fostering legislation on behalf of their clients. Rep. Henry Grover, Houston, proposed consideration of a stringent Massachusetts code of ethics for state officials. Late last week a House committee delayed action on the revision, 9-7.

During a hearing on the revisions, Reps. J. Collier Adams, Lubbock, and Eckhardt engaged in an interesting colloquy.

Adams said he had called the insurance board about a license for a constituent of his who was also a legal client of his, but that of course he did not receive a fee for the inquiry. Eckhardt thought there would be nothing wrong inquiring about what had happened to the application for the license. Adams rejoined that it was influence his client had wanted him to exert by making the call.

Adams suggested prohibiting a member with a financial interest in a bill from working the floor for it or handling it in subcommittee. He said that on "this gasoline bill," (in which McNutt was interested,) a member "got very emotional" about it but might have been required to "sit down and leave us alone." Eckhardt took the position, however, that the member in question probably knew more personally about the matter than anyone else, and that his explanations "are not going to wrongly convince a person who is not personally involved," so that the prohibition against his voting was enough.

Eckhardt suggested that disclosure of sources of income by legislators might be desirable; he said he did not see how anyone in his middle years could serve in the legislature without outside income. Adams suggested alternately the disclosure of net worth.

Adams observed that from time to time Eckhardt had represented some labor unions and wondered if it would be a conflict for him to vote, say, on a right to work law. It would depend, Eckhardt said, on whom he represented at that time. "In situations of this kind, you have to simply use your judgment," he said.

Allen, chairman of state affairs, said that he hopes a revision of the code can be passed. He said the time has arrived in Texas again when the people are having serious doubts about the state government and that the law needs to be made tougher and clearer against conflicts of interest.

R.D.