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Interview with  
Senator Ralph Hall  
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Oral History Collection

Ralph Hall

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Dr. Marcello: This is Ron Marcello interviewing Senator Ralph Hall of the Texas State Legislature. I'm interviewing Senator Hall in his office in Rockwall, Texas, on Saturday, January 17, 1970. I am interviewing Senator Hall in order to get his reminiscences and impressions of the recently concluded regular and special sessions of the Texas Legislature.

Senator Hall, even during the regular session, of course, money matters were one of the primary concerns of the Legislature. Now one of the first controversies which arose was the question of a one-year versus a two-year budget. What was your stand on this issue?

Senator Hall: Well, I voted for the one-year budget. I truly think under the circumstances that at the time we voted that that was the best for Texas. I think any time you can delay a \$300,000,000 amount of taxes, you're saving that amount for that particular length of time.

Marcello: In other words, you were agreeing primarily with Lieutenant Governor Barnes' stand, that is, opposed to any new taxes.

Hall: Yes, and it was the stand that had been made earlier by Governor John Connally, and actually a stand that had been condoned by then Lieutenant Governor Smith. I think the Legislature and the people of Texas got caught in a political squeeze, actually, more than a battle of theories.

Marcello: What did you think of Governor Smith's original tax proposal?

Hall: Well, I thought a lot of it amounted almost to an abdication of the duties of governor's office. I think he merely carried out his constitutional duty of recommending to the Legislature a tax proposal, a set of proposals. I think that's about the only part of his duty that he complied with along that line. His recommendations were absolutely terrible. Most of them, three of them, were declared unconstitutional by the attorney general, and the fourth, as you well remember, was a recommendation that you add on to the ticket for violators on the highways of this state. And really, you know, the purpose of a traffic ticket is for punishment and

not as a revenue measure. I think it almost pointed up his total lack of fiscal knowledge of the tax structure of this state. And I like Governor Preston Smith.

**Marcello:** Isn't it true that one of his proposals couldn't get a sponsor in the House?

**Hall:** Yes, I think he shopped around for a sponsor on all his proposals.

**Marcello:** Do you think that his proposal for a tax on the chemical industry was politically motivated? I think that was one of the taxes he called for, was it not?

**Hall:** Yes, I don't really remember specifics. I remember the incident. Actually, the chemical people had generally, basically supported Governor Smith. Now this proposal, you know, was the proposal to place them in the category of like industries, and so far as I know, it had never been placed in the history of the United States or in any of the fifty states.

**Marcello:** Is there anything else that you would care to say about the governor's budget proposals or any particular activities that concerned you with regard to the budget proposals at that time in the regular session?

**Hall:** I should have softened my previous remarks about Governor Smith by saying that I believe he made a recommendation

knowing full well that it would not be followed, but to give the two houses something to start working on. I expect more than that out of a governor. I disagreed with Governor Connally's recommendations, but they did have some background. Really, as you go down the recommendations of Governor Smith and his original message to the joint session, it was just almost bordering on being pathetic.

Marcello: Moving on to another area, what was your opinion of the social welfare legislation which was passed in the regular session of the 61st Legislature?

Hall: Well, I'd want you to be a little more specific. I think that we made great strides in that field, and with more to come.

Marcello: Were you satisfied with what was accomplished, for example, the increases in the state minimum wage law?

Hall: Yes, I voted for it. I had voted for it previously and as a matter of fact, it went to the Labor Committee in the Senate. There were five of us on the Labor Committee, two staunch conservatives who would not vote for an increase in the minimum wage on any circumstances and two liberals who would vote for it no matter what it was increased to. I had the swing

vote on that. I caught a lot of flak from a lot of my so-called conservative friends for voting a minimum wage. But I don't want anyone working for me that's making less than the amount prescribed in that bill, and I don't really understand anyone else who does.

**Marcello:** Were you also concerned with the law which was passed governing worker's compensation?

**Hall:** Yes. There again, I'm an employer. I'm president of Texas Aluminum Company, the largest independent producer of aircraft aluminum in the United States, and we employ a lot of people. However, I know that the Workmen's Compensation Act was written a long time ago under different circumstances and is now totally inadequate, and it was proposed by more liberal elements of the Senate. I sent up an amendment to increase the weekly pay by about \$12 or \$15 over what they proposed. And because they had such a hard, firm agreement between the insurance companies, the corporations and the labor unions to go with that bill and not to change from that bill under any circumstances, they voted down on three occasions increased amounts for labor who had no representative down there, to the detriment, I think, of the workers of this state. I believe that business,

the industrial people of this state, want to pay their injured employees more than the amount set by this bill, which, I think, is \$52 or \$58 a week, and had been \$35 a week for years and years. I proposed, I think, \$75 or \$80 a week--something that a man with a wife and child could live on, pretty good. But it was defeated. I think we'll come back with it next time and get it up to where it should be.

Marcello: Moving on to another area then, you were rather instrumental in the passage of a bill to establish a branch for the University of Texas at Dallas. Would you like to tell us some of the interplay that went on with regard to that particular bill?

Hall: Yes. In the first place . . .

Marcello: First of all, let me ask you this question, if I may interrupt. Why did you propose it to begin with?

Hall: Well, I didn't propose it to begin with. That's what I was about to go into. Actually, I have in my senatorial district TWU, North Texas State University, and East Texas State University. None of the three were very enthusiastic about creating the University of Texas at Dallas, as you well know, being on the North Texas State staff. This bill was introduced in

the House, and there were various reports out of the House as to whether or not it would succeed. I had taken the position that I would work with the three presidents of these institutions in my district, and that I did. We had many meetings during the course with the bill.

As you well know, matters relating to legislation change not from day to day, but from hour to hour. I was on the scene. I knew what was taking place. I knew how many votes the bill had in the Senate. I had an idea as to what it was going to do in the House, but I awaited the House action on this particular bill. It roared out of the House with very few dissenting votes, and when it got to the Senate, I had walked the floor of the Senate almost hourly for the three days prior to the time it arrived there. There were never over two, three, or four votes against the bill in the exact form that it came in the Senate.

Now I discussed that at length with Dr. Kamerick, Dr. Guinn, and Dr. Halliday. We pursued our tactics together. I have never told anyone I would not vote for a University of Texas at Dallas, but I also had told these three gentlemen that whatever I did would



be by joint agreement of the four of us. We all four agreed that it would be better if the bill was coming over for me to handle it as the Senate sponsor and thereby control some of it. Dr. Guinn drew up an amendment that Dr. Kamerick read and Dr. Halliday improved upon, both Dr. Kamerick and Dr. Halliday did. They gave it to me and said, "If you can get the Dallas people to accept this amendment, we can live with the bill." I took the amendment and sat down across the table from Dallas Chamber of Commerce, the Dallas delegation from the Dallas Civic League. Knowing full well that the bill was going to pass in the form it was in, without the amendment, I agreed with them that I would carry the bill if they would accept this amendment. They took the amendment, they worked on it and studied it for maybe a couple of hours. When I came back they said they were willing to take the amendment as given.

I picked up the bill and carried it. Now I caught an awful lot of flak from the Denton Record Chronicle, and perhaps I should have kept in close contact with the writers there and told them what I was doing. But I really felt that I was carrying out my obligations

by talking to the presidents of the institutions. And while you do definitely owe the press the duty or the courtesy of keeping them informed of what you're doing, sometimes things move so fast that you just have to pull your hat down over your ears and ride it out. Now I do not say that I would not have voted for the University of Texas at Dallas had my three presidents been opposed to it totally and completely and unequivocally, because I might have. But I would not have carried it as a sponsor. I carried it as a sponsor in order to give them some say in the final outcome of the bill. And, as it turned out, it was good that I did.

**Marcello:** In other words, the bill in its final form was acceptable to the three presidents involved.

**Hall:** I would not say they were enthusiastic about it, but it was more acceptable than the bill as it was originally introduced. And the bill was going to pass in the form that it was originally introduced.

**Marcello:** While we're still in the field of education, were you in favor of most of the other bills to establish institutions in other parts of the state. For example, I'm referring now to four-year colleges in the Midland-Odessa area, one at Corpus Christi, one at San Antonio.

Hall: Yes, it's very hard for me to refuse to give an affirmative vote for the establishment of colleges and universities in the face of the great demand that's been projected through the ages. And with us each year turning away a number of students, not only out-of-state students but in-state students, and with my firm belief that education is the answer to the dilemma that we find ourselves in, I'm not a good candidate to turn down a vote on the creation of an institution, whether it's the University of Texas at Dallas or a third institution at Denton.

Marcello: Also in the field of education, I assume that you are probably satisfied with the pay increase that the Legislature voted public school teachers in the past year.

Hall: Yes, I co-sponsored it. I sponsored for the past two or three sessions the teacher's sick leave bill. Governor Connally had vetoed it both times that I passed it. This last session I asked Senator Murray Watson to carry it and let me co-sign it with him because I appeared to be a jinx to the teacher.

You know, even when I criticize Governor Smith, I realize that he has a lot of good assets. He has

a lot of attributes that I respect and admire. Among them is the support for higher education and teachers, both. He signed the bill, and it was enacted into law. I'm speaking not only of teacher's pay raise but sick leave and some other additional needs.

I think now we've only scratched the surface of the needs, education wise. I think it's the big field for opportunity and for the state to accept its responsibility, and in accepting its responsibility education wise, we're going to preclude a lot of other problems with an educated populace that we might escape the severity of.

**Marcello:** Before we move on to the special session of the Legislature, I just might ask you if there are any other pieces of legislation which you either sponsored or opposed that you would like to have in the record at this time?

**Hall:** Oh, I proposed the bill to create a narcotics pool of 100 officers for city or school districts or any entity to call on or tap in a time of immediate need. I think it should have been passed into law. I passed it out of the Senate, but I think it died in the House. The Appropriations Committee felt that they should

appropriate the money for it rather than me appropriating it by a statute. I had to put \$500,000 in there for the wherewithal of 100 additional men. For example, the pop festival at Lewisville was attended by maybe four, five, or six communists, maybe ten dope peddlers, about a hundred true music lovers, and about 98,000 good people that were just inquisitive about what was taking place out there. By that I mean I'm not really upset about the festival because as the problems in our universities are caused by one-half of 1 per cent or one-tenth of 1 per cent. Everyone who was at the Lewisville pop festival was not a narcotics addict nor a dope peddler or anything like that. They were just curious and most of them youngsters who were attracted there by this, that, or the other. But if we'd have had this pool of 100 narcotics officers, we could have reached the few that are the instruments by which some of the youngsters across the state are obtaining heroin and marijuana and other items that we have obligations to offer safeguards for. I think we might have broken the narcotics traffic in the northeast Texas area if we'd had my 100 agents. But we didn't have them, and I understand that they did quite a good job of apprehending with what we had.

Marcello: What do you feel is the primary reason for the House either letting that motion ride or rejecting it? Was it a matter of providing the money for the 100 agents?

Hall: Yes, and a matter of time. We were in a tax fight then. The lieutenant governor was fighting the governor, and the governor was fighting the lieutenant governor, and everybody was fighting both of them. The speaker was concerned about beer under the sales tax and how to raise an amount of money that would satisfy the needs of the state. We just got lost in the tax shuffle. I'll come back with it, and I think it will probably pass.

I could tell you one other bill that I passed out of the Senate and it died in the House. This was a bill to increase the severity of the punishment for the disturbance of church services. Now you know the background on the matter, I think, in New York City, where reparations were demanded in open church services. I think the fine in Texas for that is maybe \$100 and three days in jail or both. If we're going to have someone stand up and demand . . . you know, maybe reparations are in order, but the church

is not the place to make your demands. If he's going to disturb congregations . . . I set the fine, I think, in my bill at . . . it seems like six months in jail-- up to that--and \$1,000 fine and make it worth his time if he chooses to obtain publicity in that matter. This bill passed the Senate. I had twenty-three co-sponsors, and it roared right out of the Senate. It got lost in the shuffle in the House.

Marcello: Just a couple of other questions which have come to mind with regard to the regular session. You mentioned the fact that there were some strained relations between the governor and the lieutenant governor over the revenue bill and on other financial matters. Do you think some of this was politically motivated? At that particular time, do you think, for example, that Governor Smith thought that Barnes did have his eye on the governorship the next time around?

Hall: I don't think there's any question about it. And I think that while Governor Smith was worried about Governor Barnes, Governor Barnes was worried about Governor Smith. I think they both had about the same attitude toward one another. It's a shame that you can't go to Austin and take care of your own job and

not worry about where you're going while you're legislating. But that's a political fact of life, and it's not just peculiar only to Governor Smith and Governor Barnes. The same thing occurred when Governor Connally was governor and Preston was lieutenant governor. The same thing occurred when Price Daniel was governor and Ben Ramsey was lieutenant governor. I think Price finally appointed Ben to the Railroad Commission. It's hard to look ahead with a steady eye when you're looking back all the time for somebody that's going to try to head you off. Most senators think their House members are going to run against them for the Senate. Most county judges think one of their commissioners is going to run against them for county judge. It's not just relegated to the states. President Johnson could probably give you some ideas about that. I look for Spiro Agnew to be curtailed considerably in the future because he's getting to be a rather popular fellow across the United States. Maybe the historical jettisoning of vice-presidents might take place again.

**Marcello:** One final question. Again this refers to something that you said earlier or mentioned earlier on the same



subject. I think there was some legislation also passed during the regular session with regard to curbing campus disturbances. Do you think that adequate legislation was passed? What is your opinion of these disturbances which have been taking place on the campuses in Texas in particular?

Hall: Oh, I have some peculiar opinions about that, and it would take all day to go into them. I voted for the Disturbance Act. I'm not sure it's adequate. But I think the attention that such a disturbance needs is an overall pursuit of better educational facilities, equal opportunities for all the students and . . . and those who seek to get into our institutions, and some understanding among the people who man the bastions of the institutions and the members of the Legislature that furnish the money for them. I'm not personally awed nor over-concerned about the disturbances on the campuses. I have strong feelings against a fellow like Professor Larry Caroline. I think he does more harm to the cause he purports to espouse than any other 100 men that I've ever known. But, on the other hand, take the tree incident down at the University of Texas. The youngsters that were there were not all wrong in

what they were trying to do. They were just a little wrong in the way they went about it. But they might not have been up in those trees if they'd had a voice on the board of regents. If I ran for governor of this state, part of my program would be to give the president of the student body of each institution a voting and a discussing position on the board of regents of that institution. I think it's a medium through which the student body could find expression, and perhaps that's all they want.

**Marcello:** It would probably also serve as a measure or as a pulse for the other members of the boards of regents also.

**Hall:** Why, sure! I think the salvation of this state and this country rests right on the shoulders of these youngsters that are doing their own thinking. Most of them are good, clear, straight-thinkers. You have a few who are off, but we've had them forever. Of the twelve people Jesus Christ picked, one of them was Judas. So you can't expect all of our youngsters to be 100 per cent good students that do just exactly what their fathers and mothers and their instructors tell them to do. It's not that day and time anymore.

Marcello: Senator Hall, you've mentioned that there was something else you wanted to get into this record with regard to the University of Texas at Dallas. Would you care to discuss it at this time?

Hall: Yes, I wanted to bring out that things did change hourly and that I was unable to stay in touch with newspapers, to wit, the Denton Record Chronicle (chuckle), during the changes. I was in a position of obtaining an editorial a day, almost, from the Denton Record Chronicle, and I could not answer them for fear of jeopardizing the financial pursuits of the three institutions. Some of the facts of life that Mr. Appleton, who was writing most of the articles, apparently, did not take into consideration was that we were in the process of trying to appropriate money for North Texas, East Texas, and TWU, that the chairman of the Tax Committee in the House was Representative Atwell of Dallas, that all fifteen members of the Dallas delegation were adamant about creating a University of Texas at Dallas, and that the passing or enacting of legislation is not a one-man show. It's a cooperative matter, and you have to adjust almost hourly. It's impossible to explain your adjustments and your actions to a newspaperman. I was more interested, actually, and still

am more interested, in building the three institutions in my district, getting funds for their enlargement and for their growth and their other programs, than I was defeating the University of Texas at Dallas Bill. I think, for the sake of the record, that I took an awful lot of heat from the Denton Record Chronicle that could have been answered; that my institutions are better off by me standing the heat and no answer being given. It's just my belief that in the long run, that if you try to do that that you really think's best for your district, your institutions, and for your state, you can ill-afford to worry about one cranky newspaper writer. He feels very strongly that our district needs a new senator, and I feel very strongly that the Denton Record Chronicle needs a new manager.

Marcello: Okay (chuckle) moving on to the special session of the Legislature, just for the record of the North Texas Oral History Collection--and I realize this is public knowledge, but we'd like it in our record anyhow-- what necessitated the convening of that special session?

Hall: Differences of opinion and supposed differences of theory. We met down there in January with the solemn

knowledge that we had a tax bill to write. We had the governor's proposals that were totally unacceptable. We then worked out a one-year bill which took most of the time. This involves hearings with presidents and the business managers and the trustees of almost every institution in Texas, of all the boards and the commissions; and the professional staffs would come before a subcommittee in each house, present their needs, their recommendations. Questions and answers would follow, and then this five-man subcommittee in the Senate and a similar committee in the House get together, write their recommendations. It's compiled in a book that's six or seven hundred pages in duration, and this takes time. This time was all expended toward an annual bill, a one-year bill. The Governor knew this. He commented about it daily in the papers that he was not for it--that he was opposed to it. He'd not been enthusiastic about the one-year bill under Governor Connally, but he signed it. As the president of the Senate he gavelled it through, and we had no reason to expect, other than that we'd only get his criticism, that he would not veto a one-year bill. We wrote a one-year bill that would not require an

addition in taxes. After reading it and carrying it around with him for X-number of days, he vetoed it. From that stage one, we didn't have time to write a decent two-year bill and to do it in a responsible manner. The special session belongs totally to the governor.

Marcello: Now, also, am I correct in that I believe \$90,000,000 was added to the size of the budget between February and July when the special session met?

Hall: I'm not sure of the amounts, but a substantial amount was added.

Marcello: What items were responsible for this addition or this increase in the size of the budget? Do you recall that?

Hall: No, I really don't. I recollect that there were some additions. I wouldn't know about the increase in the cost of buildings, of salary increases, and other things that are very necessary for a progressive state, except that I'd say that a general increment in cost would total at least half of it.

Marcello: Well, several legislators felt that this increase in the budget can only be met by an increase in the state sales tax. They said it was impossible to raise the \$350,000,000 by any other means. What was your position on this particular matter at that time?

Hall: I personally did not want to increase the sales tax this time. I voted for it, but I voted several times in the early stages of voting against increasing the sales tax.

Marcello: What was your reasoning for this?

Hall: Well, I would broaden the base of it in some instances. But, frankly, when you increase the sales tax, and you increase it past the point of acceptance by the people, then you've expended one source of taxation that the alternative to is the state income tax. I wanted to put that off as far as possible--put it down the line as many years as possible. I still feel that we would've probably been better off to have excluded some exemptions to the sales tax. But he fought that battle down there, and everybody got cut up rather badly. You learn from that and I have a different opinion now than what I had when I went into that tax session. I think anyone else who wants to be responsive would have a different opinion about matters such as tax on groceries and some of the other items. I went into the session hoping that we would not have to increase the sales tax, and we would not have needed to increase the sales tax if we had not had the two-year budget.

Marcello: What were some of the exemptions that you had in mind under the sales tax?

Hall: Well, I think you start with all of them. When I ran for office the first time for the Senate, I ran on the basis of a 1 per cent sales tax across the board. When this vote on groceries came up, this was the first opportunity that I'd ever had to carry out my campaign promise, and that on which I got elected in 1963, to exclude all exemptions.

Those exemptions, of course, would have been on beer and liquor. Certainly liquor and beer should be under the sales tax. Now the fight got down to the point where . . . it appeared to be conservative-liberal. It was not that at all. It was a fight between those of us who felt that if we were going to remove any exemptions that we had to first remove the exemptions on alcoholic beverages. The speaker of the House is a fine man, but he's from the beer country. He's a German boy. He's honest and he says to himself and to his people, "Groceries include beer." He would never agree to bring beer under the sales tax unless groceries were there.

So we made our move in the Senate. Fifteen of us agreed to vote to put groceries under the sales tax



which would then force their hand over there on beer and liquor. Never at any time did I fully believe that groceries would wind up under the sales tax.

Marcello: Before you get into this particular discussion, let's go back just a little bit. You mentioned, of course, that one of the targets under an increased sales tax were alcoholic beverages.

Hall: Right.

Marcello: So far as I know, the brewing industry was opposed to the inclusion of beer and alcoholic beverages under the sales tax. And, of course, the lobbyist for the industry was Homer Leonard. What do you know about his activities during this special session with regard to his fight against the inclusion of alcoholic beverages under the sales tax?

Hall: Homer came in for a lot of conversation on the floor of both Houses and in the newspapers. I know Homer Leonard. I don't suppose I've ever voted with him one time since I've been in the Senate. But he's representing his profession. He's doing what he's hired to do. If he ever talked to me or spoke to me one time during the entire tax session about anything, I don't recollect it. He knew that I would not

vote with him. I'm not just an avowed dry, you know. I know what a cocktail tastes like, and I want to be sensible and responsible in those areas. But I think it's a luxury, and I think before you get some poor old boy and bring repairs on his automobile . . . the wealthy people buy new automobiles. They don't repair their automobiles. But before you bring auto repairs in under the sales tax, before you bring services as laundry and dry-cleaning and things like that and other services, I think you ought to completely expend all efforts to tax the vices and the things that are harmful to you--beer and liquor, cigarettes, items like that. That's the basis of my vote, and Homer knew my feelings, and for that reason he never did talk to me. But I think he overly pursued his efforts in behalf of the Texas brewers, to their detriment.

Marcello: What sort of pressure could a person such as Leonard bring upon various legislators?

Hall: Well, in a beer county . . . and there are some of these counties that are strongly beer oriented . . .

Marcello: Like Mutscher's.

Hall: Yes. He can bring tremendous pressure on them. They are a great money support, I'm told, in an election campaign.

**Marcello:** I assume, then, that the relationship between Speaker Mutscher and Leonard is a rather close one.

**Hall:** Oh, yes, I don't think there's any question about that. Speaker Mutscher doesn't deny that. Homer Leonard is a man of principle. He's a fellow that I just differ with in his protection of the brewers, the Texas Brewers Association. I think he projected himself into it too much, not only to his company and to his profession, but to the detriment of Gus Mutscher. I think he hurt Gus during this session. Gus is a good, down-to-earth, dedicated, honest, German beer country representative.

**Marcello:** How do you think he hurt Gus Mutscher?

**Hall:** Oh, I think he hurt Gus in his state-wide ambitions. I think Gus is the type fellow that would make a good lieutenant governor or governor. I think that the press stating that Gus supposedly is being controlled by Homer Leonard, which is not the situation, was very damaging to Gus.

**Marcello:** Some people in the press have also prophesied, I guess you could say, that Mutscher will replace Leonard eventually as the chief lobbyist for the brewing industry.

Hall: Well, there surely must be some reward for a fellow that took as much kicking around as Gus Mutscher took during that session. Ben Barnes is just getting his reward. He's been taken into the divorce courts and is in the process of having his ambitions thwarted.

Marcello: What was Smith's position with regard to the tax on beer and liquor?

Hall: Oh, I think Governor Smith favored taxing beer and liquor. He also favored taxing groceries.

Marcello: Let me ask you this because I'm not exactly clear on it. Now, of course, we do have state excise taxes on alcoholic beverages.

Hall: Yes.

Marcello: Would the beer industry rather have had the excise taxes increased, or did they just simply want things to stay as they are? In other words, which was the lesser of the evils so far as they were concerned?

Hall: Well, they wanted the status quo because just as I feel that once you use up all the sales tax you're going into a state income tax, they feel that once you increase and pull them under the sales tax then you look again at their excise tax when you're looking for more money.

To point out that some of the liberals who feel that they filibustered and defeated the tax on groceries, you know, and went back and made great speeches. They rode in on white horses as if they were the conquerers. They didn't really know what was going on. If they were so great, the hard, cold facts are that we passed a bad tax, a tax on groceries, against their wishes. They failed in the Senate, totally. After the people became aware of what was taking place, the House then was faced with bringing beer and liquor under the sales tax or pass a grocery tax. Now the hard, cold facts are that we now have passed a tax bill. Beer and liquor is under the sales tax. Groceries are not. So I let history decide whether or not our tactics were correct or theirs were.

**Marcello:** Now the beer vote, of course, first surfaced . . . I think it was on August 13th that the Senate voted by a seventeen to fourteen vote to put beer and whiskey under the sales tax. The House rejected this first Senate bill, did they not? What was their compromise? What was their alternative, that is, the House conferees?

**Hall:** Oh, I really don't know. You know, your position changed each day because they started out feeling that

they'd never agree to beer and liquor coming under the sales tax. But the leadership has so much to do in both bodies with the bill that's finally written, and the conferees are appointed by the leadership, so the conferees reflect the day-to-day attitude of the leadership. The leadership can stand just so much heat. Gus Mutscher finally felt the heavy fire and the white heat of the people of this state in that they wanted beer and liquor under the sales tax.

Marcello: In the meantime, attention focused on the inclusion of food under the sales tax. We have referred somewhat to that particular issue. Can you relate any of the--I guess you could say--behind-the-scenes maneuvering which led certain senators and Barnes to propose inclusion of food under the sales tax. I think Senator Tom Creighton of Mineral Wells had quite a bit to do with bringing up the proposal. Is that correct?

Hall: Yes, Creighton was generally the spokesman for Governor Smith's program. Creighton had made a run at it on different occasions for the sales tax on groceries. Most of the time we pushed them back. But remember the day that groceries was injected into the picture

was after the one-year battle, after the efforts to bring beer and liquor under, after the wrangling in the newspapers, after the folding of arms against one another in the two bodies. It was almost a desperation play. But it was also coupled with some cool calculation and some deliberation on the parts of many of us in the back rooms of the Senate. I advised them that the tax on groceries would never pass and could never pass, that I hated very much to vote for it, but if it could be coupled with a proposal in the appropriations bill to increase those on old-age assistance by 5 per cent the first year and one per cent a year for the next four years, that would more than take care of whatever they'd pay out for groceries and for people on state pensions, and coupled also with tax exemptions for people who made \$5,000 or less, that I could go with it. That's the thing that was never publicized. The papers just didn't get that because it never did come to pass. The bills that don't pass do not hurt you. We knew groceries was not going to pass unless we also had this other in the appropriations bill. The groceries tax was killed and did not pass so we had no reason to come along

and follow it up in the appropriations bill with some exemptions for the poor of this state. But yet the liberals and the labor union representatives were shouting that they were going to protect the people. They didn't even really know what was taking place.

Marcello: Well, Barnes, obviously, must have known the political repercussions of supporting the grocery tax. Why do you think he did so? Was he by this time getting desperate for any sort of a revenue measure or . . .

Hall: Yes. We were in the middle of the second of the called session, you see.

Marcello: Right.

Hall: And Barnes knew that we had to have a bill and that almost any bill that met the responsibilities was better than no bill. He was sold on the fact that this was the way to smoke the House out, and by then it was a chess game. You shouldn't have to war-game with the state's business like that, but Barnes was fairly knowledgeable of the consequences of it. But we all agreed. Barnes gave me his solemn pledge that he would support this exemption for low income people in this state. We would have cured it with that, had it passed. You operate on the maxim and the theory down



there that the bills that do not pass don't hurt you. That remains to be seen.

**Marcello:** What was Mutscher's original reaction to this grocery tax proposal?

**Hall:** Mutscher was for it and said he could pass it in the House.

**Marcello:** I assume that's one of the reasons Barnes was also in favor of it--because he had received the assurances from Mutscher that it would pass.

**Hall:** Yes. And assurances from the governor that he would give it his support.

**Marcello:** I think it's also interesting to note that Senator Strong, who is a liberal and perhaps a long-time foe of an increased sales tax favored the food tax, did he not?

**Hall:** Strong was in on the tactics. He's a very intelligent man. He knew what was taking place, and he knew what we were doing. He helped formulate the tactics.

There's one other item that should be brought into attention at this time, and that is that with a tax on groceries--and, by the way, I would not vote again to put a tax on groceries because I have carried out my original campaign pledge and I've heard from

the people. The people in my district don't want a tax on groceries. But with a tax on groceries, additional income to the cities under the sales tax would have allowed them to cut their city tax rate and give the people who have always paid their taxes some relief. I had, I think, a memo from the mayor of Dallas that 15 per cent or 20 per cent or 22 per cent tax increase that the city of Dallas was about to put into effect could be either cancelled or cut in two if we gave them this groceries under the sales tax. It read rather poorly in the reportings of it across the state. But actually, in the long run . . . and one day we'll probably have a tax on groceries. They have it in many states in this union.

**Marcello:** Now at the same time, I might also point out, there was another revenue bill being kicked around. Was there not a proposal by Senator Charles Wilson of Lufkin that would have added new business taxes?

**Hall:** Yes. His was what they called a two-step franchise tax. His would have put a tax of, I believe, 25 per cent on all goods created or--what's the word for it--created or put together in this state, fabricated in this state, and shipped out-of-state. Now that's when I came into the scene on the . . .

Marcello: On the destination . . .

Hall: . . . on the destination tax. I knew that that was a deterrent to industry and a deterrent to building and inducing people from outside the borders to come into Texas to build. It was hard not only on industry but hard on the working man who has to have a place to toil and to work. So I went to work then on studying the franchise tax. I worked with it out here in the industry and as a lawyer all these years. But very few people really realize and understand the intricacies of the franchise tax of this state.

Marcello: Now before we get ahead too far, if I may interrupt here, obviously when the grocery tax was proposed, the liberals, of course, came out in opposition to it. Now they were led primarily by Senator Mauzy of Dallas. Am I correct in that assumption? He led the stall and delay or the filibustering tactics. Just exactly what sort of tactics did they use to delay the vote on the food tax?

Hall: Oh, they filibustered. That's the only tactic they had. Senator Mauzy very capably filibustered the bill. Senator McKool filibustered it. Senator Schwartz filibustered it. Several others filibustered the bill.

Marcello: Now this happened over a weekend, did it not, and it  
. . .

Hall: Oh, I . . .

Marcello: What I'm leading up to here is, didn't Speaker Mutscher adjourn the House. Eventually, of course, the filibuster was broken and the Senate did pass the food tax bill. Is that correct?

Hall: That's correct.

Marcello: All right, then it was time, of course, for it to go to the House.

Hall: To the House.

Marcello: But in the meantime--and I think this was on a weekend--Mutscher had adjourned the House, and this gave the anti-grocery tax forces a whole weekend to muster public opinion against the tax.

Hall: Yes, and if they had not mustered the public opinion against it, probably a motion to reconsider would have been made in the Senate. Really, as you reflect back on it, it appears that by their delaying tactics that they defeated the grocery tax. It's just not so. I'm a fan of Senator Mauzy's. If that helps him in his bid for re-election, I'm in favor of him using it. But it's not consistent with the hard, cold facts of what happened down there.

Marcello: What was Governor Smith's stand on the food tax?  
Would he have passed it? Or would he have signed it  
had it passed both Houses?

Hall: We only had his word for it.

Marcello: Also, on the subject of this food tax, now, of course,  
you voted for it. As you've mentioned previously, you  
did hear some political repercussions as a result of  
that. How do you think that it will affect you in  
your coming campaign? Do you think that this particular  
issue will be brought up again?

Hall: Oh, I'm sure it will be. It depends on who my opposition  
is. You know, times change so much. Who would have  
thought that a person from my district, at one time  
rurally dominated, could have voted for a minimum wage  
and lived? Who would have thought that being from the  
dry area that I am, that I could have voted to submit  
to the people a constitutional amendment on changing  
the liquor laws? I think times change, and I expect  
that one day in desperation the state will pass a bill  
that excludes all the exemptions--farm equipment to  
groceries and everything. The one exemption that I'm  
so concerned with retaining is the exemption on medicines  
and things because you have only a small percentage of

people that are burdened from the cradle to the grave with a need for medicines. I think it should always be exempted. I'm not so concerned about the grocery exemption if we pass along with it relief for the low income people. I've even considered variations to it about groceries in excess of \$25 or \$10. Pensioners buy their groceries two and three dollars at a time. That might be the answer to it. A lot of people want a tax on rent. That sounds cruel at first blush, but then when you analyze it, we have a lot of wealthy people living in high rise apartments. There's no tax, no money derived. Perhaps we ought to set a tax on rents of flats or apartments of \$250 a month or more, you see. But we're in a constant state of change in this state and in this nation, and a vote this year on something that didn't pass probably can't defeat you in an election two years from now when the times have changed.

Marcello: Did Barnes play an active roll in trying to get the Senate to pass this grocery tax?

Hall: Yes, yes. There's no question about that.

Marcello: What sort of tactics did he resort to?

Hall: Well, the same as any other leader would resort to-- discussion and running checks almost hourly on where

you stood and how your vote was. But there again, despite Barnes' statement toward the end of the session that he had not been for the grocery tax, which was humorous to most of us, he knew the overall program. If the grocery tax had gone into effect, I have an idea that all exemptions would have gone, and we would have cut the sales tax from 3 1/2 per cent to perhaps 2 per cent.

Marcello: By this time, there had been controversy over the beer tax, there have been controversy over the food tax. And it was around this time that you started to formulate your compromise solution.

Hall: Yes.

Marcello: Could you tell us exactly how you went about formulating that particular solution? What was the background involved in it?

Hall: Well, first, I'll tell you that it was about a twenty-three hour a day job. And the first thing I did, I called Pete Mitchell, International Accountants, who actually represent us out here at Texas Aluminum. I brought the very foremost analyst on franchise taxes to Austin. I called on Jim McGrew of the Research League, who's a very knowledgeable gentleman. I said,

"Let's start all over and let's just begin from the word 'go' and search the tax annals and see if there isn't some answer to the dilemma we're in to preclude having to accept Senator Wilson's two-step franchise tax which was punishing to business and punishing to growth in this state."

Marcello: I might also add that by this time the Legislature was into its second thirty-day special session. Am I correct?

Hall: Yes. Senator Wilson probably had the votes to pass his bill. So some words had been spoken about the destination tax, and Jim McGrew had first mentioned it. He said we could go into the destination feature of the franchise tax, but you could never pass that. So I remember that statement, and that statement was made two weeks before we really wrote the destination tax. I had my people come down, and I started all over like I knew nothing about franchise tax and studied and read memos and had information given me by the expert, Pete Mitchell, here in Dallas and then talked again to McGrew and asked him to go over the destination feature, the change in allocation of the franchise tax. He went over it, and by that time it



was Friday, I believe. I was flying back and forth to my business here. Of course, he explained to me what the destination tax was, and its change in the allocation of the franchise tax, which taxed all goods or any part of another company's goods that ships into this state. That sounded very desirable, and I asked him why he thought we could not pass it. Well, they've had a lot of difficulty passing it in the other states, and at that time he indicated that only one or two other states had it. Well, I said, "All right then, let's all go home over the weekend and try to come back with something." By that time I was more or less sent the word of taking over the rewriting of the tax bill.

When I got back, here on my desk, I picked up a bill from Lockheed in Georgia. It was from the state comptroller of Georgia, and he was billing our company for X-number of dollars. I don't know how much. I believe it was Lockheed, I'm almost positive of that. It had on there the formula involved in the calculating of the destination tax. Then I knew at least one other state did actually have the destination feature in the franchise tax. I got back and ran a tax check on it

on Sunday afternoon in the library at the Capitol and found twenty-eight states had a destination feature in their franchise tax. We got the comptroller to certify what it would bring in--at that time we were looking for \$75,000,000--and he told me it would bring in \$82,000,000. So I felt then, that we were on the free. We went to work on it and put it together and sold it.

**Marcello:** It passed the Senate. Then there was a little bit of foot-dragging in the House, was there not? Mutscher didn't come out in favor of it right away, did he?

**Hall:** Mutscher and I spent five hours writing the wording on it the night before it got to the House. We totally agreed on everything. But he had a few fellows that he'd appointed who had their own program they wanted to pass, and they were disgusted by this time that they weren't able to. So they weren't just going to accept another tax just like that overnight. So they dragged their feet two, three, or four days, and we finally passed it. They made a few changes. When they'd make the changes, I'd send the changes to the comptroller of public accounts and ask him, "How much would this extract from the \$82,000,000 figure you've

given me?" And he would write back, "None." So we took their changes. They involved something that allowed them a face-saving deal on the tax on groceries. You know, it's an after-burner effect of the fight that had gone on a week or ten days before.

Marcello: And this, of course, in essence, put an end to the special session. Is that correct?

Hall: Yes.

Marcello: I've just one other question with regard to that special session. What responsibility must Preston Smith bear for this impasse over the revenue bill?

Hall: Oh, I think all of us have to bear responsibility. He actually wielded the pen that vetoed the one-year bill. You never really know whether we should have gone up there en masse, stood outside the governor's office, and said, "Governor, are you going to veto it or are you going to sign it if we pass it?" Then with the newspaper people and everything there, he would've had to tell us one way or the other. He feels that he was telling us all along that he was going to veto it by telling us he was not for it. And we felt that he was not going to veto it because he didn't tell us that he would veto it if we passed it. So

it's a matter of, really, who knows. History might bear Preston Smith to be completely correct in his approach to taxation in this state.

**Marcello:** I have a few general questions to ask you before we wrap up. How much credit do you give to the so-called "taxpayers' revolt," which people have been speaking about throughout the country? Do you think there's such a thing as a "taxpayers' revolt" in Texas?

**Hall:** I think there's one that's gone on since the Stamp Act that we fought that war over a hundred years or so ago. I don't give any credence to it. Actually, on the groceries tax I had about twenty letters. Now I had 13,000 letters against beer and liquor. I had about twenty letters, but there were a lot of newspaper articles, you see. Now we've got 10,000,000 people in this state. I could say, "Well, twenty people are opposed to a grocery tax and 9,999,999 are for it." But you don't legislate that way. I don't legislate in panic, and no newspaper or no little hothanded group can come down there and panic me into anything because I don't have to have the job.

**Marcello:** How close was the Senate in the recent session to passing a state income tax? Now you have made some reference to a state income tax.

Hall: They were never close. They got a few votes on it one time but I think some of those votes would have flaked off if they thought they were really going to pass one. Some of them were voting for the record.

Marcello: Do you foresee a state income tax in the near future?

Hall: Well, you judge the future by looking at the past. Other states, once they've used all their other tax avenues, resort to it. I think it's only logical and sensible to say that we have a state income tax in our future in the next five years.

Marcello: Senator Hall, how do you think all the bickering which was obviously so prevalent in the Sixty-first Legislature will affect the stature of the Legislature among the voters?

Hall: It always hurts. It never fails to hurt because people are prone to criticize a person in politics, and it's good because we put ourselves in glass bowls, you know, saying we're the smartest and we're the greatest and we should be the one to go down. It's the system that's always been. Of course, these people run down politicians. They forget that George Washington, Abraham Lincoln, and all the other great bulwarks and bedrocks upon which this country was built were first politicians before they got to be legend. I accept

that criticism, and a lot of it's justified. But we're only human. My vote on groceries was not the only mistake I ever made in the Senate. It wasn't my first and it won't be my last. So you just have to kind of balance out. A baseball player is considered great if he bats .300, you know, Well, a legislator can't bat 1.000.

Marcello: Do you think the failure of the voters to approve the referendum calling for increased legislative salaries was indicative of their disenchantment with the legislators?

Hall: Oh, yes, I don't think there's any question about it. And, by the way, I was the only vote in the Senate against that increase. I knew the timing was wrong. In industry a man does his job, and then he gets a salary increase. We failed in our job down there this last session by not doing it in the time allotted.

Marcello: Do you also think that the rejection of the constitutional amendment calling for annual sessions of the Legislature was indicative of voter disenchantment, or were there some other reasons there?

Hall: I think it's indicative of the strength of the lobby. Lobbies don't want you down there. They're the ones

who get taxed. They led a fight against it. There was no one, really, pushing for it. So it failed. I think we need annual sessions. I think if a five and ten cent store has to have meetings of their clerks and their accountants once a month, if my little industry out here which has about \$25,000,000 or \$30,000,000 in sales a year has to meet weekly . . . and they're waiting for me out there right now for a sales meeting. We have quarterly meetings. We have our board meetings--stated board meetings. Then we don't have enough meetings on a \$25,000,000 or \$30,000,000 corporation. This state's a \$6,000,000,000 corporation. How many meetings do we need? One every two years? I think it just (chuckle) borders on being ridiculous. I really think you need to pay state senators and state representatives \$20,000-\$25,000 a year, keep them in session the year-round, and preclude their having any other job.

Marcello: I have a few opinions to ask you now. How would you assess Ben Barnes' first year as lieutenant governor?

Hall: I think he had a very successful first year. He passed the bills that he had assured people in his platform that he would try to pass. I assess him as having a successful first year.

**Marcello:** How would you assess Preston Smith's first year as governor?

**Hall:** Well, Preston also would almost have to be considered as successful in his pursuits as governor because he opposed annual budgeting and he prevailed. It took a veto to prevail, but he prevailed. He'd always supported public school teachers and raises for them, and he recommended such to the Legislature. He prevailed. I think on the big items that Governor Smith will look back on his program as having been successful. I think both Governor Smith and Ben Barnes were also successful in alienating a lot of the people against the Establishment and those that were in office at that time because they got us a lot of bad ink in the newspapers of this state with their own bickering.

**Marcello:** Let's talk a little bit about Ben Barnes again. Why do you think he decided--now I'm speaking of his decision a few weeks ago--why do you think he decided to run again for lieutenant governor rather than pursue some other political goal?

**Hall:** I think Ben knew at that time something that you and I both know today, and that is that his marriage had been the victim of a political tragedy, that the die



was cast then and that he did not want to be running for public office in between trips to the courthouse.

**Marcello:** Do you think he could have defeated Preston Smith had he chosen to run against Smith?

**Hall:** Yes, I surely do.

**Marcello:** Suppose he would have decided to run for the United States Senate. Do you think he could have beaten Ralph Yarborough?

**Hall:** I don't think there's any question. I think he could have taken them both on and beat them both in one race. He's a very popular young man. He could make an excellent speech. He had the support of liberals and conservatives and he was well financed. I think Barnes, without the marital problems that he has now, probably would have gone on as one of the most successful politicians and statesmen in the history of this state.

**Marcello:** In other words, you feel that his marital difficulties are really going to have repercussions in a state such as Texas?

**Hall:** No, I really don't. But I think his attitude toward them will have repercussions. I think he failed to run for political advancement because of his own attitude toward divorce. I don't believe the people

. . . I think there'll be a few who'll separate his ability to serve. You know, a divorce is not a surgeon's knife that takes away from you your experience and your ability to serve people nor your desire to serve them. I think Barnes' attitude kept him from being United States Senator or governor of this state.

**Marcello:** Something else which has come up with regard to Barnes. Let's suppose that he had run against Ralph Yarborough and that he had defeated him. This would have meant that Barnes would have probably gone to Washington as a southern senator who had defeated one of the few liberal southern senators in Congress. Would Barnes have had very much influence, let's say, in national party matters as a result of this since, of course, the eastern liberal establishment does have quite a bit of control over the Democratic party?

**Hall:** I think that that's only a crutch that a lot of people used in urging him not to run. Once you're elected, you're the senator, you know.

**Marcello:** Yes.

**Hall:** You have the ability to discuss certain issues. The eastern liberals might have loved Barnes. He was

younger, more vigorous; his mind was politically more formative than Senator Yarborough's. He might have either gone up there and been a Taft-Tower conservative, or he might have gone up there and been one of the most flamboyant liberals that ever entered the United States Senate. I think that the eastern liberals would have gotten along with him. I don't lend any credence to the fact that you're going to hurt yourself by beating someone. I think that they would have accepted him because he would have had a vote in the United States Senate. And that's what they count on. That's what the name of the game up there is--how many votes you can get. I think that's a poor argument against him running for the United States Senate. I personally preferred for him to run for governor of this state rather than go for the Senate, though.

Marcello: Why?

Hall: Oh, I thought the state needed the dynamic leadership that he could afford it. Our problems here are problems in the colleges and universities, and the age of youngsters from twenty-one to thirty-one, and he could relate to them better than anyone else.

Marcello: This brings us to another question. Where does Ralph Hall go from here?

Hall: Well, I don't really know. I think the next ten days or two weeks will have a lot to do with that determination. I would just as soon wait and see to where I'll know just what takes place. I may run for governor. If I do, I'll have to go into the courts and remove a constitutional prohibition against running if you were in the Legislature that voted to increase the benefits of the governor's office. This last Legislature increased Governor Smith's salary. If I run, I'll have to go in and file suit and get the Supreme Court to set that aside. I think that can be done. I think it's also likely that Governor Smith between now and February 2 will change his mind about the state race, particularly the governor's race. I think it's highly possible.

Marcello: Why do you think that Governor Smith will change his mind?

Hall: No, not Governor Barnes.

Marcello: Oh, Governor Barnes.

Hall: Did I say Governor Smith?

Marcello: I thought you did.

Hall: No, I meant Governor Barnes. No, I don't think Governor Smith will change his mind. I think he's going to run.

I think he's highly vulnerable, and the most vulnerable second-term governor in the history of this state. I don't think he's in touch with the youngsters. I don't think he's in touch with the needs. I just think that someone this time can defeat him.

**Marcello:** Just one final question then before closing this. How would you assess then the performance of the 61st Legislature? Did it make a good record? I'm sure no legislator would say that it made as good a record as he would have liked to have seen it make.

**Hall:** Well, I guess it depends on how you look at it. But I think that we accepted the challenge of education this last session by taking a step in the right direction. We appropriated more money to expend for the upgrading of institutions and for the overall care of the people of this state and giving equal opportunity to them, creating schools, universities, human relations committees, and many other things that are very necessary. It cost a lot of money. We met the responsibility, also, for furnishing that money rather than cutting the appropriations and taking two or three steps backwards. I think we picked a helluva course and charted a helluva poor course to where we got, but I think we got there.

Oral History Collection

Senator Ralph Hall

Interviewer: Dr. Ronald E. Marcello

Place of Interview: Denton, Texas

Date: July 2, 1971

Dr. Marcello: This is Ron Marcello interviewing Senator Ralph Hall for the North Texas State University Oral History Collection. The interview is taking place on July 2, 1971, in Denton, Texas. I'm interviewing Senator Hall in order to get his reminiscences and impressions and experiences while he was a member of the regular and first special session of the 62nd Texas Legislature. Senator Hall, the first thing that I want to talk about--and I'm going to take a topical approach here-- is the subject of revenue. Now, I guess you might say that one of the first bombshells that the legislators were hit with with regard to revenue was Governor Smith's proposal to finance state government through deficit spending. What was your initial reaction to that proposal by the governor?

Senator Hall: Well, I think it was about the same as was the reaction of 90 per cent of the Legislature, that we were not ready to resort to deficit spending and follow the

pattern of the federal government until we had exhausted all the remedies or the alternatives to it.

**Marcello:** Now apparently he had more or less sprung this idea on the Legislature without any prior warning. Who do you think was advising him along these lines?

Apparently the plan didn't get very far. The House didn't even discuss it very long before they rejected it, and, of course, it never got to the Senate. Who do you think, perhaps, was advising him along these lines?

**Hall:** Well, you know, a regular comment when a car's driving recklessly down the road is, "Is anyone driving?" I think a good comment here would be is anyone advising him because Governor Smith's tax recommendations have never been mature recommendations. I recollect him proposing a tax on traffic tickets--a \$10 tax on traffic tickets--which, you know, has been an age-old punitive measure rather than a tax revenue measure. And I think that epitomizes his general approach to taxation as something that is out of the ordinary or something that he thinks would be politically attractive. But I think he missed the boat when he suggested to the people of Texas, particularly at this time, that they engage in wholesale deficit financing.

Marcello: Now, of course, then later on he proposed an alternative to this deficit financing plan. And, of course, among other things, it called for an increase in the state sales tax and also for an increase in the tuition rate at the state supported institutions. Just how much further can we raise the state sales tax, or do you think it's just about reached its limit?

Hall: I'm not sure what the national average is, but it can hit the national average without doing a lot of violence. I think we've missed the ball in some ways on the sales tax by not providing some relief for people in the low income brackets. The main complaint that I get about the sales tax is that it's regressive for people with low incomes, welfare recipients, and others who have to spend the money for the necessities. I think that the sales tax, like the state income tax, could go on up to greater percentages than we now have if we'd provide for a rebate or for some exceptions for those to whom the tax truly is regressive, even in the form of additional money to the pensioners or the retired teachers or retired state employees, in the form of maybe 100 per cent of the rebate of the tax which is a surprisingly low figure as budgets go today. And I



think that may be the course that the state would take in the next couple or three years. I voted, I think two or three years ago for a broad across-the-board tax on the sales tax, including the tax on groceries. And, of course, we got a lot of bad press out of that. When I got home my wife required me to sleep by myself and eat out for about three weeks, and my mother quit asking me down for Sunday dinner (chuckle). But really our plan, as put together then, provided for some relief for those with incomes of \$5,000 or under. That was the necessary second step to a grocery tax. But although we passed the grocery tax through the Senate, it died in the House. The second step was never made public so far as I know by any of the public figures, but it was surely agreed between Governor Barnes and others that we would have some relief for those either in the form of increased pay for the pensioners or welfare people and the retired people. I've got the figures on how many there are and what it would cost to have them at that time. But that was a step we didn't get, and I suppose we were so busy trying to dodge the spears at the time that we just said, "Well, what the hell. It's a dead tax now. And I've taken a position that was a

political mistake, and won't be made again." I ran on the basis of an across-the-board sales tax, and I felt constrained to vote for the grocery tax because I'd been elected on that theory in my district. I think I've not probably expiated all obligations as regards to that race back in 1963 and do not believe that the people are interested in a tax on groceries in this state. They want us to look to other measures.

**Marcello:** How about the so called "sin taxes?" Do you feel that perhaps they have been taxed as much as they possibly can be taxed; or do you think we can still increase the taxes on those? Of course, I'm referring now to taxes on alcoholic beverages, cigarettes, other tobacco products.

**Hall:** No, I think they can still stand more tax. There are industries in this state, and what you try to do is compare them with the taxes in the states around us with whom they have to compete. And also, you compare them with the other leading states of the fifty-- California, Michigan, New York, and Texas . . . I think there's five or six of the major industrial states, and Texas is considered one of them. And you want to crank that into the computer, too, and try to

get some reasonable tax, not by taxing them out of existence though many recommend that. But actually we have to take a logical approach to it that they are here to stay and that they should be treated as an industry.

**Marcello:** Of course, perhaps the most controversial measure concerning revenue that came up in the Senate session was the inclusion of a--at that time--corporate income tax or a corporate profits tax. I've been corrected on this by several legislators depending upon whether they are for or against it. Some say it should be called a corporate income tax and others a corporate profits tax. Now just exactly how did you feel about the inclusion of this corporate income tax or profits tax?

**Hall:** Well, I voted against the corporate income tax. It's a state income tax, and you can't chocolate coat it and call it anything else. And if you judge the future by the past, which I think we have to do, personal income taxes have always followed on the heels of a corporate income tax. We have a lot of problems about ecology, law and order, liquor-by-the-drink, and all the others, and they're all very important. But to me,

the most important issue is what type economic flavor or atmosphere are we going to have in Texas in order to entice industry because the problem on the average Texan's mind is, "Whether or not I'm going to have a job tomorrow to retire my mortgage, to educate my children, and to make my refrigerator payments and my car payments." Now this is mainstream Texas, and with Boeing in Seattle practically a graveyard, Lockheed in it's death throes, the Ford Motor Company moving out of Texas, many, many small businesses closing, I think we have to pay a great deal of attention to enticing and retaining industry and a good industrial climate in this state to where people can worry less about the open and closed shop and worry about the empty shop. I've seen an exodus of industry out of states that brought into their scheme of taxation an income tax, either personal or corporate.

Marcello: How close do you think Texas is to getting a corporate income tax? What I mean by this is that many knowledgeable people say that it's simply a matter of time until it does come in Texas. Is this your feeling also?

Hall: Well, I think if you're going on my yardstick of judging the future by the past, that you have to say

that we're maybe, again, three to five years away from it, and we may be three months away from it. We may have it when the governor calls the session again because it lost in the Texas Senate by one vote this last session. That's not to say that the state came within a vote of passing a corporate income tax because it didn't. That was just one skirmish on the floor of the Senate. It had to have navigated a final passage; it had to have navigated the House hearings; it had to have navigated the joint committees, the conference committees; and then it had to have been either accepted or rejected again by each body. So it was a long way from passage. I don't believe Texas is ready yet for a corporate income tax nor a state individual income tax.

**Marcello:** Apparently, as you mentioned, there was a very, very close vote in the Senate on the corporate income tax. Obviously, there must have been quite a bit of legislative infighting and maneuvering and so on among the enemies and the friends of the corporate profits tax. Was there any of this infighting which you can remember, or maneuvering and so on, that you think ought to be a part of the public record? Were you

ever approached by, let's say, the proponents of the state corporate income tax. I'm referring now to perhaps Mr. Schwartz or Mr. Mauzy, who I think were perhaps the prime backers of it.

Hall: No. I don't believe either one of them ever talked to me about it. You had groups, particularly from labor unions, that it was one of their projects this time. The question they continuously asked me is, "Could you vote for a corporate income tax?" And my answer was, "I sure as hell can't." I can vote for anything I decide to because when I got elected to Austin I received no votes from the Texas Manufacturers Association, which is a conservative element, and no votes from the labor unions which is to the left. So I went to Austin fairly free to do, you know, as I felt like I should do. My answer was that I could, but I intended to vote for a corporate income tax as a last alternative. And I didn't think that we were faced with that at this time.

Marcello: What do you know about the activities of Mr. Sealy of Midland. Now apparently he was one of the leading foes of the corporate income tax just as he had been one of the proponents of the state sales tax some years before.

Hall: Yes, he headed an organization. I'm not sure of the name of the organization--Taxpayers, Inc., or something like that. I heard Mr. Sealy make a presentation before the State Affairs Committee. And I'm sure that his group at one time or another came around to talk to me to discuss the effect on industry and the obtaining of industry in Texas that the corporate income tax would have. They also pointed up that of the sales tax that business--and, you know, there was a hue and cry, and justly so, to divide the taxation between the private sector and the business sector--he pointed up with facts and figures of the sales tax that the business pays about 43 or 45 per cent of that. So I don't know hardly how you write a tax that . . . unless you're going to single out and say we're going to tax, you know, patent leather shoes. And then anything that comes in that category just tax the hide off of it. How you can write a tax bill that hits any particular person or segment . . . I think taxes hit everyone. I don't know how you shield from the lowest income to the highest income from taxation. It hits them all. They pass it on. It's a passed on thing to the consumer. I think, overall, while you have

to satisfy the needs of a state and to continue to pursue the healthy growth from the standpoint of education and all the other facts that you have to take into consideration, that yet, you have to consider the overall climate of urging people to move out of labor-troubled Detroit and smokey Pittsburgh and crowded New York to come to our areas. And we have to have something to offer them. One of the bundle of sticks that you offer them is a favorable industrial climate.

**Marcello:** Now I do know, for example, that the proponents of the corporate income tax did organize and meet from time to time to plan strategy. Did the opponents of the Corporate income tax meet similarly?

**Hall:** Not to my knowledge. I didn't meet with them if they did. But you need to keep in mind that I'm considered a moderate in Austin, and I was never really included in the far right there, the ultra-conservative, and I doubt seriously if anyone knew for sure how I was going to vote on the corporate income tax until it came up.

**Marcello:** Okay, let's move on to another topic then. I think you would agree that one of the clouds, I suppose you



could call it, which hung over the entire legislative session or sessions, including the special session, was the stock-fraud allegations or the so-called Sharpstown case. Just what effects, first of all, did the revelation of that case have upon the day to day, daily business of the Legislature. Could you detect any sort of a difference, let's say, as opposed to previous sessions in which you had participated?

Hall: I really don't know. I know we had a different session this time to any of the other sessions I've attended in that it was a working session. We started to work with eighteen-hour days the second and third week of the session. Heretofore, we've never worked that type day until the last, I'd say, ten days of the session. And this was the busiest session. I think it's brought about by the growth of the state and by the needs of the state, by the awareness of certain groups that their presence could be felt if they come to Austin. And we've been telling people, you know, "Let us know what you want. Let us hear from you. Write to us," and all that. Let me tell you something they did this time . . . and they came down. I'm not sure that the cloud that evolved over the state because of the stock-fraud situation . . . I'm not positive of the full effect

it had on it, but I think it made us ever aware of the fact that people of this state were looking at us. The press and the television and the radio media were reporting it, and I think it brought about some good legislation, including--and I'm sure you'll get into it later--my ethics bill.

Marcello: I'm essentially leading up to it pretty shortly here, but what are your own observations with regard to the stock-fraud scandal? Maybe that's rather a very general question.

Hall: No. I don't mind answering it. And I'm not a Preston Smith man. I think you well know that. I tried to run against him a couple of years ago. And there's a minor constitutional provision--a chunk of dead wood in the constitution--that precluded it. But I think that there's a lot more noise there than there is trauma. And I think it's unfortunate that Governor Smith and Speaker Mutscher and others who bought and sold in the market of insurance stock have to pay the price now to remind the rest of us that we are in a goldfish bowl and that we do owe a degree above and beyond that of ordinary citizens in our daily transactions. And I am not able to bring myself to believe

that Governor Smith fiendishly and heinously under the cover of darkness looked both ways and wore a black coat and dagger, you know, to get out and sell his influence. I think he got reckless, and I think he just . . . . And I know that he was in and out of the market at all times with Dr. Baum. And I think that it takes this, you know, every twenty-five or thirty years in state government to remind us that we do have a code that's above and beyond. I think these fellows are paying that price. As far as criminal liability, I've not seen any proof of anyone being bought, you know, or entering into an agreement to pass legislation in return for X dollars. And that's, you know, that's the offense. That's the major proof that they're going to have to have. Even in the civil case, they go on what we call a preponderance of the evidence. I doubt seriously if they'll win their civil case against these fellows. The criminal case requires proof beyond a reasonable doubt, so I doubt seriously if the state ever wins or the Feds ever win a criminal case against them. What they are winning is the political case, and I think it's a necessary victory in behalf of the people.

Marcello: In other words, you think more than anything else then that this was more or less an unwise move on the part of the officials involved--nothing illegal, perhaps, not even anything unethical, but simply an unwise move, I guess might be the best way of putting it. In other words, what I'm getting at here is suppose somebody came up to you and offered you this stock tip and at the same time offered to loan you a couple hundred thousand dollars without any collateral. As a businessman, would you perhaps think twice before you accepted this offer?

Hall: I think the circumstances would mean a lot. And let me in deference to Governor Smith and Speaker Mutscher say that at this time I wouldn't. I'd look very closely at it and would shy away from it, but two years ago or three years ago if someone would tell me--and I play in the stock market a lot--that XYZ stock was about to merge with ABC stock and it had to drive them up, and you've helped us on a lot of things, and we want to give you a tip. Why sure . . . I might not have borrowed their money to have bought the stock or taken their money interest free. I would have known there was something wrong with that. But I don't recollect

that their loan was interest free. I think they just made them a legitimate low interest loan, and they put the stock up as collateral. But my answer is at this time I wouldn't do it. At that time, I would probably have bought some of the stock if I'd known about it. And I'm terribly glad that I didn't know about it. I was not exactly in with Governor Smith and Speaker Mutscher at that time. You know, Mutscher was a sure candidate for lieutenant governor, and I'd tried to run Smith, so they weren't calling me with any degree of regularity to tell me that they had any good stock tips.

**Marcello:** On this same subject, do you remember anything about the banking legislation in which Mr. Sharp was very much interested? These were the banking bills that went through the Legislature a couple of years ago.

**Hall:** Yes. I don't remember the specific bill word for word, but I remember making an inquiry as to what does the bill do. And I was told that the bill provided for an increase in the amount of insurance on deposits, that the government was behind the times, that the F.D.I.C. was increased to \$20,000 back X number of years ago, and that many depositors had more than \$20,000

now, and that this was a legitimate way of insuring additional deposits and was not mandatory but just made it available to people who wanted additional insurance. And if that's the situation--and I've rebriefed the bill--I think that's all the bill did. Different minds differ on what it did, but it was not a bad bill. And it had already been handled in the House. And that's one thing. In the late hours of the session, your floor report . . . this went through a committee of which I was chairman in the Senate. And Senator Connally, Senator Word and I, I believe, floor reported it at the request of, I think, Senator Strong or Senator Wilson. I don't remember who was handling it, but I asked the usual question that I ask if we've floor reported hundreds of other bills--well, maybe not hundreds, but forty or fifty--"Is there any opposition to it?" "No." "Well, what does it do? Is it a local bill?" "No." "State-wide application?" "Yes." "Well, exactly what does it do?" And I got a thumbnail sketch of what it did, and it sounded fine. And we floor reported it, and the Senate voted on it. I was under the impression at the time that there had been a

hearing on the Senate bill in the Banking Committee and that it had been approved by the Senate earlier. I'm not sure now as to whether or not that's a fact. At any rate, it passed out of the House without a dissenting vote, I believe.

Marcello: Well, had you ever received any arguments pro or con about the bill from the banking interests throughout the state?

Hall: None at all. I'd attended as a guest of State Banker's Association, I believe, a meeting over in Arlington earlier--oh, six months earlier, prior to the session, or maybe three months prior to the time the session started--and I remember some floor discussion there and complaints about the F.D.I.C. from the Banking Association. But I'm unable to put the two together. You know, when something like this comes up you reflect back through your memory as to what you've ever heard about it, and I remember very definitely complaints from the floor and in debate there about treatment that some of the state banks were getting at the hands of the F.D.I.C.--maybe high-handedness. I'm not sure what it was. At any rate, there were a few irate bankers there. And whether there's any connection

with that to this I just don't know. No one had ever talked to me about the bill. Waggoner Carr, who's been a good friend of mine for a long time, didn't talk to me, but Waggoner at that time was considered a candidate for lieutenant governor. You know, I was looking at everybody as a candidate at that time. By the way, this investigation did narrow the field down considerably (chuckle).

But we had an altercation on the floor of the Senate between Senator Strong and Senator Patman, and I believe it had to do with this bill. And Senator Patman was not opposed to the bill but was opposed to Senator Strong. About this same time, we had been discussing congressional redistricting, and Strong was at least helping us write a congressional redistricting bill. Patman was extremely interested in it because his father is one of the outstanding congressmen. Patman had kept in daily touch with me about the bill, and I was inclined--and always have been--to preserve Mr. Patman's district and not to legislate him or redistrict him out of the national Congress. And that's the reason I was fairly close to the situation, and I was lining up support to run



for lieutenant governor. I wanted Senator Patman for me. I wanted Senator Strong for me, and I wanted my friends to all be compatible. That day I found out that Patman and Strong had some questions or problems, and Patman questions every bill. You know, he's just a bill reader, which is good. He read this bill and he just made some questions--propounded some questions--to Strong about it. And Strong, who was then author of the bill, I believe, said something to the words of, "Well, you kill my bill, and I'll look after your dad in Congressional redistricting." And Patman cleared off a little place in the Senate there and threw himself kind of a little legislative fit, so to speak, and made a personal privilege speech, I believe, against Senator Strong and said his statements were unmanly. That's the main thing I remember him saying. And I was working at trying to get the two together and told Strong that he was completely wrong in threatening to take care of Senator Patman's father. That was no way to do it, and I told Patman that Strong was a great man and that he just overreacted to his questions and that they ought to shake hands and forget it. Senator Patman read the bill. If there's anything wrong with the bill let us know it.

They settled their problems, I believe, by Strong dropping the bill and Senator Wilson picking up the bill as a sponsor. I think that was Patman's requirement to allow the bill to pass, not because he thought it was a bad bill, but because he thought it had a bad sponsor. That's the only opposition that the banking bill had in the Senate, and it was a personality situation and not on the basic features of the bill itself. It was all forgotten. Strong, I believe, made an apology from his chair in the Senate, and we went on about our business never really knowing or realizing that a bill had been able to wind its way through the Senate that would later find its way in the headlines.

**Marcello:** Now apparently, if we can believe the newspapers, Ex-governor Shivers had quite a bit to do with influencing Governor Smith to veto the bill. Do you know anything about this?

**Hall:** No. I really don't. Shivers' part in this is something that I think still remains to come out. He had at one time owned National Bankers Life and sold it. Osorio had worked for him. He is an ex-governor and I think a fellow that Governor Smith had a great deal of

admiration for. And what his real part in it is, I just don't know. I've never heard him say, and Governor Shivers is a good friend of mine. I've not really talked to him very much about this.

**Marcello:** One of the aftermaths of the stock-fraud allegations was, of course, the cry for some sort of ethics legislation in the Legislature. And, of course, you were the sponsor of one of these ethics bills and the one which ultimately was passed into law. Why did you decide to sponsor the ethics legislation? Was there any special reason?

**Hall:** Actually this didn't give rise to the ethics legislation. The ethics bill that I . . .

**Marcello:** In previous sessions there was, of course, somebody always proposing some sort of ethics legislation. Let me put it to you this way. There were many more people in favor of ethics legislation after the allegations had broken.

**Hall:** Yes. I always think about a bill Senator Parkhouse introduced back during his lifetime in the Senate that grew out of people removing detour signs from the end of the road. Two children had to get killed--two

teenagers had to get killed--in Dallas before they introduced a bill making it a felony to remove a dead end sign, you know, from the end of the road. And it seems that people have to get hurt before legislation comes about. We had to lose 5,000 people at Pearl Harbor before we got interested in fighting the Japanese. They had to sink the Lusitania before we went into another war. So I think any reform or any movement to do better either in your personal life or in the life of the Legislature follows some type of catastrophe or distasteful situation. So it's logical to think that the Legislature is more interested in ethics now after they've had their nose bloodied in the newspapers of this state. The true facts are that I introduced ethics legislation back in, I think, '68 and '70 and almost passed a fairly good bill about four sessions ago. But the bill I brought to the Senate this time was drawn up two or three weeks before the session started. I drew most of the main bills that I introduced early in order to have time to work on the other things that come up as the session goes into effect. It was really almost startling to me to find that a lot of things that I'd drawn only about

two or three weeks before the session started really hit the governor in the mouth and the speaker in the mouth. The bill I introduced was not passed, and the bill we have on the books now is not a real good ethics bill. As a matter of fact, it's the strongest bill I could get from the House members involved. And, if you remember, my ethics bill had two major thrusts. The one was to prevent members of the Legislature from practicing before the boards. That prevents the influence peddling before the Banking Commission, the Insurance Commission, and others.

Marcello: This would refer primarily to what are called the lawyer-legislators? Is that correct?

Hall: That's right. Yes. And I'd go so far as to provide that a lawyer could not practice before any of the boards for pay or just representing his people, but that's taking it a little far. I certainly would agree to take out legislative continuance that lawyers have-- either that, or require them to try the law suits themselves when they're tried. You know, that prevents a peddling of legislative continuancy, which is a distasteful thing and makes the Bar look bad. But that was one thrust to provide that the legislator

could not practice before the boards, and, of course, the other thrust was the full financial disclosure involving the filing of your income tax, involving your financial statement that you file with banks, and sources of income, amounts of income. And I think only through this can you really get to the heart of who's keeping a legislator. And I know members of the Legislature, I know members of the Senate, that so far as I know do not have an occupation or a job. They live well beyond \$4,800 a year, which is the income we have. Someone has to be keeping them. And I think the bill I introduced would point it up. And even if you didn't have any punishment provisions in it . . . mine had a two to ten year prison sentence and a \$10,000 fine. But if you take those out and just had, you know, that they'd be excluded from the Legislature, I think the people themselves, once this is brought to their attention--and the press would bring it to their attention--that Senator Joe Blow here receives . . . he's on \$1,000 a month from the Dry Town Distillery. It may be legitimate. He may be mixing mash for them over there, but chances are he's selling them influence. I think the revelation in

black and white under some penalty that would require you to print the facts that the people demand this, that the people are going to demand it more and more. And it's going to be a great part of my campaign for lieutenant governor. I intend to pass a good strong ethics bill if I get elected lieutenant governor.

**Marcello:** Who were some of the main opponents to your ethics bill in the Senate?

**Hall:** Well, of course, you know, at that time everyone was for ethics. And I took a lot of personal abuse from those who said that, "You're just trying to ride the crest." And, "Why make us report? We make a living before the boards." Senator Charles Herring was one. He's of a law firm in Austin. He practices before the boards. He's in and before the boards all the time. He even has a law partner who is a lobbyist-- a registered lobbyist, Dick Craig. And I really don't agree with this. I like Senator Herring. He's a friend of mine, but I just don't agree that he can serve two masters. Of course, he was one of the very violent members who were opposed to an ethics bill that provided that legislators couldn't peddle their influence before the boards. Frankly, Senator Connally,

one of my very close friends, was opposed to it. He sent up the amendment that brought all elected officials under the ethics when really the people were interested in the members of the Legislature and their problems at that time. They weren't worried about the constable of Precinct 3 what he was doing. And I think they really and truly thought they'd killed the bill when they sent that amendment up, or they thought I wouldn't carry it any further.

When they put that amendment on, I did . . . let's see, I'm not sure if that's the amendment that caused me to lay it on the table subject to call. Or was it the amendment that allowed law firms to practice but prevented legislators from practicing before the boards. I believe that was the one that caused me to lay the bill on the table subject to call. I did that because at that time momentum had gathered, and the fellows were getting a little braver and a little braver about voting against ethics. And I thought that I'd better give them a week to read the headlines, and I made sure that the media had the knowledge of who was trying to kill the bill and who was trying to help. And I got just a fist full of editorials from



the various papers and made them available to the members of the House and Senate and then went out and came in again with it. And I finally passed Senate Bill 86, which was a good strong bill as it was passed. But it hit the House. It was referred to a committee, and that's where it still is. They passed their own bill then. They had some provisions that you can't practice before the boards when the Legislature's in session, and that if you do practice before the board, you have to do three things: You have to give your name, you have to tell what your position is, and tell what your fee is. Well, you know, most everybody knew their names and it was obvious that they were members of the House or Senate, and the fees down there are fairly uniform on what it takes to get a bank charter, and this, that, and the other. So really they sent us nothing.

So I gathered up the House Bill, substituted Senate Bill 86 for the House Bill, and sent it back to them. Well, from that point on we who really wanted a good strong ethics bill were paralyzed because both the bills were then deposited in the House. And I wouldn't call anybody's name, but I don't really

believe that the House authors of the ethics bill were enthusiastic about a good strong ethics bill because they were the architects of the bill that finally passed. And it passed only with some financial disclosure because I threatened to give them full credit for killing this if they didn't put it in there. They put just enough in to say that there's a financial disclosure. It's a weak bill.

Marcello: And you say that obviously ethics legislation is going to be a part of your campaign for lieutenant governor.

Hall: Yes sir.

Marcello: Is there anything else about the legislation concerning ethics that you think ought to be a part of the record? Now again, I don't want to necessarily cover things which are already a part of the public record. Any researcher worth his salt, I think, can dig these things up.

Hall: Oh, I don't . . .

Marcello: But at one time or another, I think you were accused of, perhaps, demagoguing--if that's a good word to use--by some of the opponents of . . .

Hall: Oh, yes.

Marcello: . . . the bill. What would be your reaction to this?

Hall: My reaction on the floor of the Senate was that, "Look, I've never held myself out as perfect, and this bill is not for me. It's not for you because we're temporary holders of the positions we have. This is a bill in response to the needs of a growing state and a growing need for confidence in the people that represent the eleven million people of Texas." I took that position because I'm not perfect, and I've got a lot more imperfections than are obvious to anyone. So I just said flat, "You just accuse me of anything you want. I'll very likely plead guilty. And if you'll read Senate Bill 86 and find where it just applies to me or applies to you or once our tenure down here is over that this bill's going to be repealed, then I'll pull it down, but this bill applies to the people from here on." And I took the beating. I took a hell of a beating down there on the floor of the Senate to try to pass that thing. And, you know, I've always heard it said, "If you have the law on your side, argue the law to the judge. If you have the facts, argue the facts. If you have neither, beat on the table." And that's kind of the position that a lot of them took. Senator Kennard and Senator Brooks,

who were opposed to an ethics bill and still are, came up with a mickey mouse proposal that, "Let us run with our constitutional amendment." And I said, "Well, what is it." And they said, "Well, it'll include a pay raise." And I said, "Well, that's almost ridiculous." But I needed their signatures on my bill, and they said, "Well, now we've signed your bill, and we want you to sign ours." So that's the only reason I even voted for that submission to the people of an ethics bill that said in essence, "If you'll pay me more, I'll be good." And I opposed this publicly at the polls, and the people defeated it. Then they had no alternative but to come back to my bill. But even after that, they watered my bill down as much as they could and then passed it.

Marcello: Apparently Senator Blanchard was also one of the outspoken opponents of your ethics bill.

Hall: Yes. Blanchard said it would put him out of business. He practices before the Railroad Commission and, I'm sure, before the Insurance Commission. And my answer was that, "You know, if there were only one or two or three of you in here who make your living down here off of the legislative approach to law practice, then surely

there must be something wrong with it." But Senator Blanchard was just plain outspoken about it. He said, "I'm opposed to it. It puts me out of business." He had some little part of a personal attack on the thing, and Doc and I are good friends. And I just laughed at him. I said, "Well, Doc, you know so much about me that you can talk for three days here about why I ought to be under the ethics bill, and I'll accept it. Let's just all accept it and write a bill that we're going to be proud of when we're sixty or seventy years old." And that didn't ease him any at all. And frankly, I'm sure that because of my work on the ethics bill--on Senate Bill 86--that I'll have a lot less enthusiasm on the parts of some in my race for lieutenant governor. And I'll outright lose some, but they won't attribute it to the fact that I had an ethics bill. They'll find some other reason. And I'd do the same as they're doing.

Marcello: Let's move on to another topic, and I think it's certainly another subject which played an important role in the past Legislature. This is, of course, the whole subject of redistricting, which the Senate still hasn't done. Isn't that correct?

Hall: That's correct.

Marcello: What seems to be the big bottleneck in the Senate with regard to redistricting?

Hall: Well, we had congressional and senatorial redistricting. And Governor Barnes appointed a committee for the purpose of redistricting, but he--and I think it was a mistake on his part--said that we need to get the tax bill out before we get into the bloody mess of redistricting because once we do and once we cut everyone up we're never going to get together on a tax bill and on an appropriations bill. I didn't disagree with him at the time, but neither did I think we were going to wait til the last two weeks to try to write one. You can write a redistricting bill in fifteen hours easy. One that's on the books, the present senatorial bill, was written overnight. Oh, I think it took two and a half or three hours to write it. So they appointed subcommittees--a subcommittee to study the senatorial redistricting and a subcommittee for congressional redistricting. I was on the congressional redistricting, and Senator Word was chairman of both. Senator Word and I had an apartment together. We had a table. When we had time, we worked at night there on congressional

redistricting because we thought that would be the one that we'd have the most problem with. We wrote a congressional redistricting bill and passed it. It was not a good one. I voted against it. I was the only one in five who refused to sign the subcommittee report because for one thing it discommoded one of my counties--Denton--and it took Fannin County, which has traditionally been the heart of the Sam Rayburn 4th district, and put it over into Mr. Patman's district. Otherwise, my congressional district was kept fairly intact, but the people here in Denton were down and they were very much opposed to it. I made four or five runs at trying to change it, alter it, or amend it and couldn't, so I just opposed it straight through.

Then along came the Senate bill, and I kept waiting to see a copy of the Senate bill. Well, no one had a copy. And I decided about ten days before the session was over, and so advised my people throughout my senatorial district, that there would not be a Senate bill. And I hate to be a prophet, but as it turned out, they showed up with a map about two and a half hours prior to midnight on the last day for a Senate bill. And it was a ridiculous map. It, of course,

just garroted my senatorial district, and I walked out. And Governor Barnes was on the podium, and I pitched a copy of the map that I'd just obtained by accident, I think. I really don't think they intended for me to see it. I said, "Governor Barnes, is this your bill?" And he said, "It sure as hell isn't." And I said, "Well, you know, you're the chair and you appoint the committees. And I think you know what this bill does to me, and I think you also know that if you'll play the game straight with me that your bill can't pass." He said, "What do you mean?" I said, "Will you recognize me for an amendment?" He said, "I will." I said, "Okay, then you just consider the Senate bill dead." And that's the way I left it, and that's the way it left. At that time, there were two filibusters backed up against one another. Anyway, it was a couple or three hours to go. What I didn't know then and learned later--and I don't have this documented or anything, but I believe it to be the truth--is that they put out a map and that they didn't even have the written bill. So it couldn't have passed anyway. You have to have the written bill to go with it, and physically it takes a couple or three



hours to type it. So I really don't understand why-- and I was not on the Senate subcommittee--but, I don't understand why we didn't pass a Senate bill. It should have been done. It was a great mistake, and I think we'll hear more about it in the elections that lie ahead.

Marcello: What do you think are some of the things that committee would consider, let's say, in the writing of such a bill? How does a committee determine how to draw senatorial lines for legislative apportionment?

Hall: Oh, you have to start with the one-man, one-vote. You have to start out with the fact that you have a percentage deviation of between 1 1/2 and maybe 5 per cent that you can live with. That's your starting point. But then you must know there's a lot of human elements that edge their way into it as to who's the senator of this particular district and, well, how about this senator? Can he get along with Burnet County. If we take Rains County away from him, and give him Wood County, would we still have his vote? What you really think about is enough votes to pass the bill, and that means that you have to please X number of senators. So I think rather than approaching it, "Look, let's take care of

Schwartz. Look, let's knock Christie out of the Legislature." I don't really think it was approached that way at all. I think it was approached strictly from the standpoint of getting enough votes to pass it. And I say that because Word is probably the best friend I have in the world, and he was chairman of the subcommittee. Senator Connally, who has always been a very close friend of mine, was a member of the subcommittee, and, oh, I believe Murray Watson . . . . Anyway, I had friends throughout the committee who really did not want to do anything to me legislative-wise, or redistricting-wise, but the fruits of their labor really just rooked me, you know. Because they put my little county, Rockwall--smallest county in the State of Texas--with Collin County and Kaufman County and put us over with 300,000 people from Dallas County, the same treatment that they had given one of my counties, Denton, in the congressional bill. I think they absolutely made up their minds that I was going to run for lieutenant governor and that I didn't care what they did with my senatorial district. Well, I did care. My first obligations were to that district, and for that reason I got strong assurance from Barnes

that he'd recognize me for an amendment. And I drew an amendment, which my amendment merely said that **all members of the Texas Senate will run at large**, and that's something I could have talked about for two, three, or four hours which ran the clock out the last of the session into a dead bill. I think they strictly looked at it on the votes--getting enough votes to pass it. And that's pretty important when you're trying to legislate down there--getting twenty-one votes to suspend the rules with, particularly in the waning hours of the day. And you try to get one that hopefully won't draw a filibuster. But there's ways of rigging to get around a filibuster, you know. The man who's carrying the bill stands up, and one of his confidants moves the previous question on him. He talks for five minutes and sits down, and there's no filibuster that way. You have to have the good help of the chair on something like that. And those are the two bridges I crossed with Barnes. One was he'd recognize me first on my amendment. And then if they put the previous question on me it doesn't hurt me. I can talk for the three hours, and on something like that I could have talked for thirty hours

if I'd needed to. I wouldn't let them garrote my district if I can keep this from happening.

**Marcello:** Now one of the controversies, I guess you could say, which arises many times between the rural and the urban representatives is the question of how to fill out legislative districts. For example, some say that you should go from the country into the city, and then others say that you should flesh outward from the city into the country. What are your own feelings along these lines?

**Hall:** Oh, I think you need to get people with as nearly the same outlook as possible and needs as possible. And, you know, there's enough counties on the extremities of big counties to do this. For example, Galveston County is in with Harris County. There you can't really tell when you cross the Harris County line down there. You could go north there into the Conroe area, and it's almost solid from Conroe down now. It's different from the way it was one time. I don't really have any strictly rural counties in my district, and I have what's considered a fairly rural district of Texas. It's not a matter that surprises you greatly to see a Denton put in with Fort Worth and Dallas

because your calling card here's been that your the top of the Golden Triangle, you know, and that includes my little county--Rockwall. I had no defense against them pulling it in with Dallas because we sit there on the top of the hill and look across Lake Ray Hubbard right into the lights of Dallas. We can almost read The Wall Street Journal in the Southland Life Building there, you know. I'm not in favor of pie-shaping Dallas County, but I think it's just as bad to reach out and pull one county in and make a precinct out of it as it is to divide the overflow out of Dallas County. I think it's probably a mistake to say Dallas County has 350,000 extra people or 250,000 toward a 460,000 requirement for congressional district and to send part of it to West Texas and part of it to East Texas and part of it down to Brazos County. I think that's unwise legally because I think the courts would knock it down if we really piecemealed them. But I think insofar as Dallas is concerned, it's extremely wise. I just can't find anything wrong with Dallas, a great city, trying to grow, trying to entice industry, looking at the space program, to have a fellow like Tiger Teague, who is chairman of the Space Committee

. . . to have him and to have a fellow like Ray Roberts, who's on Public Works. Agriculture is still a big business. They don't plant cotton and corn in Dallas, but they sell cultivators there. I think that to have Graham Purcell come into Dallas is good for them. So I've known Dallas, and I've seen Dallas limp along when they had one congressman, Bruce Algiers, who in my opinion didn't have enough sense to find the state capitol. And I saw Dallas fall by the wayside while Houston pulled away from her. And I don't think you can have too many congressmen. But there again, I've tried very hard to really find out what the people of Dallas wanted. What did they want? And I've found most of them really and truly--the builders of Dallas--wanted to reach out and pull these congressmen in. Now the candidates wanted districts to run in, and that's the difference.

Marcello: I was going to ask you about this, also. How much did that play in the formation of congressional districts? Obviously, some legislators did have congressional ambitions.

Hall: Yes. Yes, it played . . .

Marcello: I'm speaking now primarily of Senator Wilson, for example.

Hall: Well, you speak primarily of Senator Jordan, too. And you can speak primarily of Senator Watson. You can speak of Senator Hightower. Those fellows were all interested in congressional districts. And I think it played a good part in that there was never a written agreement or anything, but Wilson, for example, said, "Do what ever you want to with my senatorial district. Give me a good congressional district to run in." Well, I think Charlie's a fine fellow, and whether he was saying that jokingly or not, I think he turned his back on the people that had put him in position to run for Congress. And I've never said that, and I don't now say it. And as a matter of fact, it's held up my announcement for lieutenant governor. I'm trying to hold it up until they rewrite the Senate district because I keep holding out to Barnes and Bob Armstrong and Crawford Martin-- the fellows that are going to draw those districts-- that "don't gut my district," you know. I told them that I'm not positive that I'm not going to run for the Senate again. And, of course, I'm almost being

forced out in the open now because we have one announced candidate and have others that are saying that if I don't run and I don't announce pretty soon, they are. So I think you just can't get away from personalities; they have a great deal to do with it. Schwartz wanted a congressional district. If I'm elected lieutenant governor, I'd like to have Schwartz in Congress, so that was an incentive to me to get him a good congressional district. I don't really mean that. Schwartz is a good friend of mine, and he's a very intelligent fellow.

Marcello: Obviously, you have different political philosophies, however?

Hall: Yes, not completely though. We were together on a lot of bills--Sunday closing and law and order. If you noticed that on the law and order agenda, I was voted by law enforcement of Texas as the number one chairman of the Legislature. Schwartz was elected the number one legislator for law and order. I think that surprised some of his very liberal friends (chuckle). But Schwartz has a lot of good, and surprisingly enough, he's told me that he's for me for lieutenant governor against Bill Hobby. Now if one of his closer compadres



come into the scene, then he'd, of course, abandon me for whoever is closest to his philosophy. He and Hobby, I think, had a lot of personal problems and differences.

**Marcello:** Let's talk a little bit about your campaign then for lieutenant governor, if you have nothing else further to add on redistricting. When do you think you are going to announce?

**Hall:** I think I'll issue a press release probably the 10th or 11th of August, and I'd like to have a formal announcement with a lot of my campaign managers and my county people there sometime in September. I'm not yet ready to release the number of campaign workers and things like that that I have because I only have about 155 or 120 counties organized now, and it takes time. I'm headed to West Texas tonight to Wichita County to work there. And I spent a day last week in Lubbock. I spent a day last week in Amarillo. I've worked on thirty counties up in the Panhandle trying to get them altogether at one time to where I can announce a statewide organization. Every announcement you make could be coupled with some semblance of strength. And I'm just not ready to

announce anything other than that I'm running. And I guess I'll probably do that in a press release, rather than a press conference, about the 10th or 11th of August.

Marcello: What do you see as particular areas of the state where you might have some difficulties running?

Hall: Oh, it depends on your opposition. If I'm running against someone to the right of me, I have some problems in Dallas. If I'm running against someone well to the left of me, I have problems in Harris. Between Hall and Hobby, my only problem area that I see is in Harris County. If I run against someone who is stronger on the humanities, perhaps, than my voting record has been, I'll have problems in the Valley. I voted against a resolution that gave praise to Caesar Chavez, not at all because he was a Mexican. It was because, in my opinion, he kicked the front end of people's business and kicked the doors open, and led people--grape pickers--even to the detriment of their own welfare. And I think I would pass a resolution saying that people like Chavez are necessary in our society because I'd pass the same resolution saying Joe McCarthy was necessary. But I just can't bring myself to

compliment either one of them because I'd rather work quietly and . . . I voted the tie off for minimum wage, and I did that for Mexican-Americans--not this year, not when it got to be popular, but six years ago. And I voted for the bills in the Health Committee that required them to clean up the workshops and the places where the railroad unions were insisting upon better working conditions. It depends on who you're running against, who you have in there against you. I don't know whether Mexican-Americans can understand a vote against Caesar Chavez. He's become a symbol to them. I couldn't see voting to commend him because I don't endorse everything he's done. You never know what your issues are going to be, but I'll know what the issues are as soon as I see what the line-up looks like. If it's Hobby I don't have any problems, frankly.

Marcello: Do you see anybody else . . .

Hall: . . . in my opinion right now.

Marcello: Yes. Do you see anybody else emerging as a candidate other than Mr. Hobby?

Hall: Yes. There's several that could be candidates. Senator Kennard could be a candidate, and that would be real fine with me. He'd really firm up my support and

probably my financial support if he'd get in there. Senator Brooks could be a candidate. He's expressed some desire to run. Senator Connally could be a candidate. Only Connally would cut into my situation. Of the others, they're both of the liberal vintage such as Hobby. I don't care how many to the left get in now, and I've got one so I might as well have a group of them. If Connally gets in, Connally can't win. Connally's voted against all the social legislation. He voted against the teachers pay. He voted against the appropriations for education. He voted against minimum wage. You could write a book on the things that he's opposed down there that are not conducive to getting elected in today's thinking. But he could, with the help of John Connally, could cut off a good deal of support that I'll have. The untenable position is to get in with someone to the right of you and to the left of you who are financed. Then you wind up like a lot of the good candidates did in the governor's race four years ago. Gene Locke, John Hill, Dolph Briscoe, they got in between Preston Smith and Don Yarborough, and then they were both financed, which meant Yarborough got in the run off no matter who.

And whoever got in the run off with him was elected no matter who. And Preston with 24 per cent of the votes gets in the run off with him and beats him. So it depends on the make-up.

Marcello: How much does it usually cost to conduct a successful campaign for the lieutenant governorship?

Hall: Since I've never conducted one, I really don't know. I had estimates of costs to run for the Senate anywhere up to \$100,000. The only uncontested race I've ever made for the Senate was in '63. I've not had an opponent since that time. It cost me \$15,000 to \$16,000, and the people around Rockwall made up most of it. Now for lieutenant governor I've heard it costs anywhere from \$600,000 to \$1,200,000, and I assure you that you could spend \$1,200,000 if you wanted to. My present budget calls for around \$460,000. I have a second budget that, if the money's coming in and we really lock arms, that provides for about \$680,000, I think. All that does is just compounds the use of television the last two weeks. And frankly, I wouldn't be surprised if you can't make a pretty good race for lieutenant governor on a couple hundred thousand dollars. I think it's

grossly exaggerated. I'll tell you a little story that might be interesting to people down the line. A youngster asked me that same question. He said, "What does it cost to run for lieutenant governor?" And I said, "Well, estimates are anywhere from half a million to a million." And he thought for just a minute and said, "What does it cost to run for the Senate?" I said, "I'd say it'd cost anywhere between \$15,000 and \$30,000." He said, "What does the lieutenant governor's job pay?" I said, "\$4,800 a year." He said, "Well, what does the Senate job pay?" And I said, "\$4,800 a year." The young fellow said, "Well, with that, I have one last question and then an observation." He said, "You studied law in college, didn't you?" And I said, "I did." He said, "You should have studied accounting." (Chuckle) You know, you get a lot of funny things put on you throughout the state, and that's, I guess, just one of the first ones that I'll be stuck with. But it's an interesting thing, and it's worthwhile--win, lose, or draw. I think you get an education that you can't get here at this great university by getting into public life and seeking public office--hearing the

accolades of the crowd and receiving the spear in the rear end of the opposition and having to limp away with all of it and knowing that all the bad they say about you is not necessarily any more true than all the good they're saying about you. And that's kind of the way you have to approach it. It's win, lose, or draw. I've got my health and my wife and three healthy boys and my home that's paid for and a dog that still moans when I rub his back. I just happen to be in politics, and I have to ride the horse and the dancer's got to dance the part. I think anybody without aspirations to be governor or lieutenant governor shouldn't be in politics because I think you ought to be looking up all the time. I'm going to make my run, and really and truly--win, lose, or draw--I've had a wonderful political career. I've been in politics since 1950. And I've not known anywhere close to a defeat and never had a run-off. If the fickle finger of fate took turns on me, why, you can't say I haven't had a good day. And if I get an opportunity, I may have an opportunity to give some service to this state in a capacity better than that that I've had.

Marcello: Someone we haven't talked about here too much--his name has come up on several occasions--and this is Preston Smith. During the debates over the passage of the revenue bill and so on, do you recall he threatened to veto the bill that was eventually passed through both houses if it contained the provision calling for an increase in the gasoline tax?

Hall: I don't really remember him saying he'd veto it if it included that. You can correct me if it was public knowledge, but it was not knowledge to me. I didn't know that he ever made that statement at all until after the bill had reached his desk.

Marcello: Well, he never did make that statement, did he not? In fact, the thing went all the way through the Senate . . .

Hall: That's right, before it ever . . .

Marcello: . . . and all the way through the House . . .

Hall: . . . before we ever knew that he'd mentioned it.

Marcello: . . . before he mentioned it. Well, this is what I was going to ask you. Apparently he never did give you any hints or he never did send out any instructions while you were debating that bill, did he, with regard to that he was going to do that?



Hall: He wasn't in much position to send out instructions. But let me say this. He didn't offer any leadership along that line, nor did he say . . . . I would have taken a different approach to what Barnes and Mutscher took. When he shook his fist at them during the latter parts of the session, I would have told him that he'd abdicated his constitutional duty to recommend a decent tax program and that we had a program now and we were going to pass it. And if he didn't sign it, we'd pass it back over him, and then work the floor on that. I think with proper leadership in the House and Senate we could have overrode any veto he had. But to answer your question, no, I didn't know he was opposed to it. I thought he was for a gasoline tax . . . .

Marcello: Right.

Hall: . . . to tell you the truth.

Marcello: Until he announced it.

Hall: It's his nature to be for a gasoline tax. I'm for a gasoline tax. I'm for an increase in gasoline tax because for one thing it helps the very people that are now struggling. And that's county government. It sent back X amount of that to the counties and the

schools. And it was a tax that was going to get a lot of counties out of trouble. He picked that as his reason for vetoing the bill, and in doing that I think he vetoed the only real decent part of the whole package.

Marcello: Do you think that Governor Smith was doing a little . . . I hate to say this work demagoguing around, but do you think he was doing a little bit of demagoguing here in coming out against that increase in the gasoline tax, trying to put himself off as a man of the people?

Hall: His image could go only one way and that's up, and they couldn't hardly make a mistake and cause it to go down. And I think he's trying to salvage his political life. And he may be doing it. I think his veto of the second year of the bill was a very popular thing with people of the state by saying, "Look, you bunch of so-in-so legislators, you're not representing the people. That's too much money, and everybody's against taxes." Well, who the hell isn't against taxes? But I see so many needs, and I could list some of them for you, but you know them better than I do. For example, we're here in Denton today. We have

out here about five miles from here the Denton State School with a 1,700 bed capacity. It serves thirty-six counties. One county alone--Hunt County--could use every bed they've got out there because they have 1,900 retarded children in Hunt County. Two of the counties are Dallas and Tarrant. So crank that in the computer and see what the needs are out there. It's just a hopeless cottage. That's what it is out there. I hate to see anybody demagogue on taxes when the needs along that line are so great and the needs to keep abreast of the other major five states are so great that the money's come back to us many times, I think, in the traffic of industry. I don't even believe men of industry--really men who can analyze--thought it was a wise thing for him to do, though a lot of them lip service to him.

Marcello: Incidentally, did you, perhaps, get a--I don't know if a chuckle is a good word to use here--when he did veto the second half of that bill after he had been so vehement in his opposition to a one year budget before?

Hall: Yes, I made speeches all over this state about the need for annual sessions, and that's one of my

reference points now. It's that even when Governor Smith comes around to it and can see it . . . by the time he understands that it's needed, all of the clear thinking people of Texas have known it for a year and a half.

Marcello: Again, as you look back then over Governor Smith's two terms in office--and, of course, he isn't finished yet, but, like you say . . .

Hall: And he may be re-elected.

Marcello: Do you really think he may be?

Hall: I think it's possible.

Marcello: What do you base that prediction upon?

Hall: Well, if he were a little more articulate, if he could just put his position before the people and cuss the federal government and cuss the SEC and say that the Republicans and Will Wilson and all of them and Nixon--and Nixon's stock could be way low by this time next year--and could say that he's been a whipping boy for them, he might generate enough sympathy to get him in a run-off with some far-left liberal. And if he does, he's elected again. I used the word--when I tried to announce against him--inept, and I think it still fits him better than any other word that you

can find. I don't think Preston Smith's dishonest, and I don't think he's stupid. I just think he's woefully inept. And with strong men like Connally and Shivers and Price Daniel, who was really pretty well a man of the people, as people to gage the state by, I'm embarrassed to send Preston Smith to Washington to make the statement that some people just like to live in filth and poverty. You know, he was quoted up there as making that statement. I don't believe he really believes that, but it seemed like the thing to say at the time, you know. I just think the state's entitled to better representation, better leadership, to more mature and better guarded words when you're chief executive officer of a state of 11,000,000 people.

Marcello: I think you hit on a key word awhile ago when you emphasized his lack of leadership, which it seems to me is the major criticism that most of his critics have leveled against him. And I think we've mentioned some of the things here--his recommending that deficit financing out of the clear blue . . .

Hall: Yes.

**Marcello:** . . . his threat to veto the legislation unless the gasoline tax were excluded, and then all of a sudden his reversal on his stand concerning the two-year versus the one-year budget.

**Hall:** Right. You just can't predict him. He's totally unpredictable and could have really afforded a great deal of behind-the-doors leadership if he'd tried, if he had mixed and mingled with the Senate, if he'd called the House members into his inner-sanctum and talked to them and laid his program before them. And then if he'd support them in his public statements, you know, where they were entitled to be supported, he could have given this state some leadership. But for some reason he didn't.